

# NEW JERSEY



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2005

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**STATE OF NEW JERSEY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2005**  
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RICHARD J. CODEY  
*Acting Governor*

JOHN E. MCCORMAC, CPA  
*State Treasurer*

December 30, 2005

Acting Governor Richard J. Codey  
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, 2005. 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, which has earned an unqualified audit opinion from the Office of the State Auditor, 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 more clearly portray the State's fiscal health. Management's Discussion and Analysis is included on pages 16 to 29 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, 2005. 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.

The New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the 2004 GFOA Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the independent auditor's report on the basic financial statements, management's discussion and analysis, government-wide financial statements, fund financial statements for governmental funds, proprietary funds, fiduciary funds, and component units, together with notes to the basic financial statements as well as additional required supplementary information (Budgetary Schedules), and the other supplementary information (Combining Fund Statements). The statistical section includes financial trends, revenue capacity, debt capacity, demographic, economic, and operating information.

### **HIGHLIGHTS AND INITIATIVES**

#### **Fiscal Year 2005**

- The cornerstone of the Fiscal Year 2005 Appropriations Act was the implementation of the FAIR (Fair And Immediate Relief) Plan, which folded the NJSAVER rebates into the Homestead Rebate Program and provided property tax relief to New Jersey's senior citizens and middle income taxpayers. The three pronged plan called for immediate relief, spending reforms, and long-term

structural changes to New Jersey's property tax system. Immediate relief came in the form of increased rebate checks. Maximum rebates for senior citizens increased to \$1,200 from \$775 under the FAIR Program. Approximately 540,000 senior citizens with incomes under \$200,000 received an average of \$1,152 in Fiscal Year 2005. Another 1.1 million non-senior homeowners received rebates averaging \$681, compared with average rebates of \$250 in Fiscal Year 2004. In all, approximately 2.5 million families received increased rebates, including 840,000 tenants. In order to provide this property tax relief, an additional 2.6 percent tax on income over \$500,000 was enacted. Spending reforms under the FAIR Plan included limiting municipal governments' and school districts' annual spending increases on operations to 2.5 percent or less. Long-term reforms included the creation of a Citizens Task Force to recommend to the State Legislature the structure and scope of a Constitutional Convention on property tax reform.

- Aid to Education continued to be a major component of State spending. The Fiscal Year 2005 Appropriations Act provided \$8.9 billion in school aid, an increase of \$753.3 million over Fiscal Year 2004. Three percent increases in formula aid were provided to non-Abbott school districts. Abbott school districts were provided increases for mandated programs and services as well as increases for the expansion of preschool programs. Fiscal Year 2005 also provided funding for new aid categories, which included \$17.0 million to develop and implement strategies for enhanced teaching and learning in low income, non-Abbott school districts; \$15.0 million for a new preschool program in non-Abbott school districts; and \$12.0 million in additional formula aid for school districts that have experienced unusually high enrollment growth. The Fiscal Year 2005 Appropriations Act also included \$305.3 million for school facilities aid programs.

#### **Fiscal Year 2006**

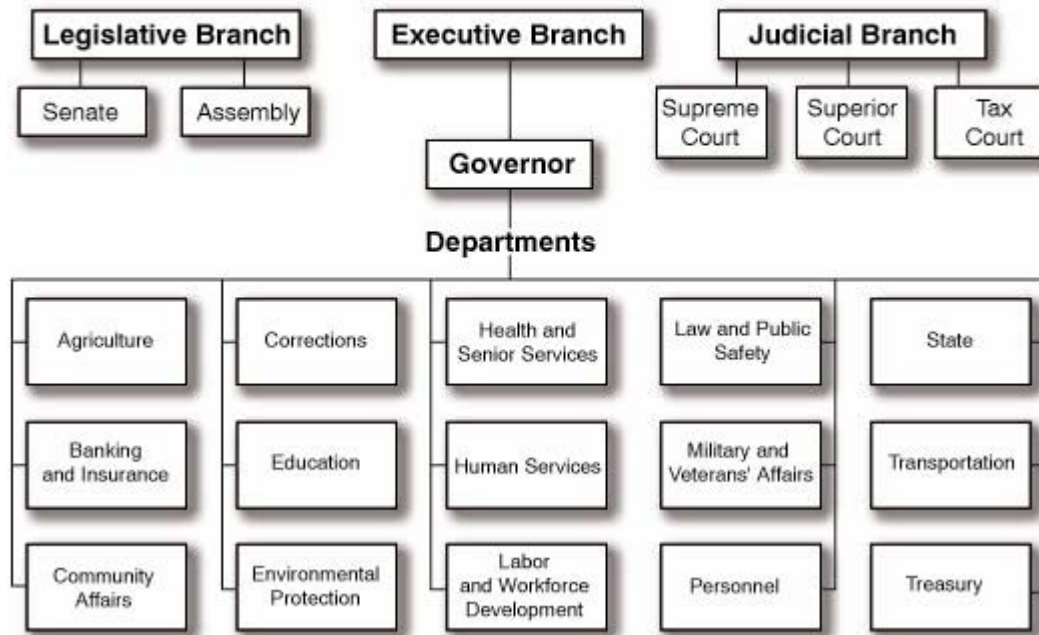
- Following the tragic death of several children due to abuse and neglect, a federal class action lawsuit was settled by the State in June 2003. The settlement created a Child Welfare Reform Panel whose role was to approve a reform plan and to oversee its implementation over an 18 month period. The plan, titled A New Beginning: Child Welfare Reform in New Jersey, was approved on June 9, 2004, and incorporated as part of the settlement. The Fiscal Year 2006 Appropriations Act provides an additional \$55.0 million in State funds to sustain and expand Child Welfare Reform efforts. Some of the reforms being implemented are as follows:
  - Organization of Children's Services. All child welfare services within the Department of Human Services are being restructured under the Office of Children's Services. Within this new organization, the Division of Youth and Family Services, the Division of Child Behavioral Health, the Division of Prevention and Community Partnerships, and the Child Welfare Training Academy have merged.
  - Additional Caseworkers and Support Staff. The Fiscal Year 2006 Appropriations Act provides funding for additional employees that will allow the Division of Youth and Family Services to move towards its goal of achieving caseload to staff ratios of 12 to 1 for protective staff and 15 to 1 for permanency staff.
- Approximately half of all adults with mental health concerns presently live at home with aging parents, and many of the State's 8,000 chronically homeless people also suffer from some type of mental illness. Unfortunately, the waiting list for housing today can last as long as five years. To ensure that New Jersey's most vulnerable citizens have a place to call home, a \$200 million Housing Trust Fund has been established as an initial step in creating 10,000 permanent, affordable community housing opportunities over a 10 year period.
- The Fiscal Year 2006 Appropriations Act increases State Appropriations for several programs that benefit the developmentally disabled. As part of the Department of Human Services Division of Developmental Disabilities' ongoing Community Service Waiting List initiative, funding has been made available to place 200 people from the existing Community Services Waiting List and the seven State developmental centers into group homes. This is an increase of 3.0 percent over the prior fiscal year, with full year funding totaling \$12.6 million. Real Life Choices is a new

program that provides in-home/respite services for people on the Community Services Waiting List and for people living at home with parents and guardians. Real Life Choices reduces the Community Services Waiting List by providing home support for disabled persons and their families as an alternative to residential placements. Each year, the Division of Developmental Disabilities receives approximately 200 requests for immediate, emergency residential placements. The requests include people whose caregivers, usually elderly parents, are no longer able to provide care because of their own medical problems. An additional \$7.0 million has been earmarked to meet this anticipated need.

### **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.

### ***ORGANIZATION OF NEW JERSEY STATE GOVERNMENT***



The Executive Branch consists of 15 departments comprising approximately 68,600 employees. 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 611 school districts, and the incarceration and rehabilitation of approximately 28,200 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.

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 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 7.0 million new cases are filed in New Jersey's courts every year, including 6.0 million in Municipal Court and 1.0 million in Superior Court. These cases address matters concerning civil, criminal, and family law.

### **COMPONENT UNITS**

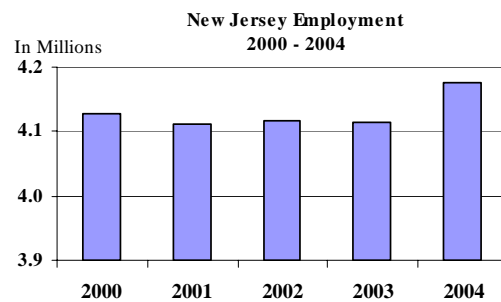
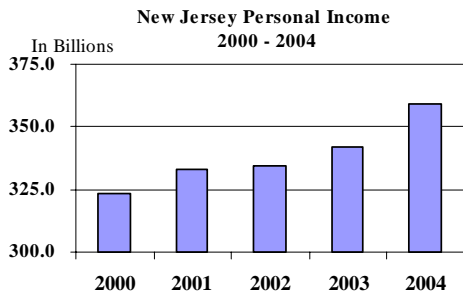
This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legal, separate 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 on page 97.

### **NEW JERSEY'S ECONOMIC CONDITION**

New Jersey's economy continued to steadily expand in 2005, following 2004's recovery. New Jersey added 93,000 jobs between the bottom of the employment cycle in March 2003, and July 2005. New Jersey's payroll employment has stayed above the four million mark for fourteen straight months since June of last year. Payroll employment in July 2005 grew at a 1.1 percent average annual rate, continuing the positive year over year growth trend for the eighteenth consecutive month. The level of payroll employment in July 2005, 4.1 million, surpassed the last record level reported in December 2000 for the ninth month in a row.

Generally improving labor market conditions have kept the State's jobless rate below 5.0 percent for the fifteenth straight month since May 2004. New Jersey's unemployment rate inched up slightly to 4.1 percent in July 2005, remaining well below the corresponding rate of 5.0 percent for the nation.

The preliminary growth rate for New Jersey's personal income of 6.3 percent for the first quarter of 2005 remained slightly below the revised growth rate of 6.9 percent for the fourth quarter of 2004. Personal income for New Jersey is expected to grow at a steady pace throughout the rest of the year.



The housing sector remains robust with permits estimated to stay above 37,000 units for 2005. New motor vehicle registrations through June 2005 remain 4.3 percent below the corresponding level of a year ago, but registrations for the month of June remain substantially above the May 2005 level. A lack of both large financial incentives and pent-up demand had contributed to the downward trend. However, July motor vehicle registrations again rose substantially above the June level as employee discount incentives took hold in the market.

New Jersey's and the nation's economy is expected to continue expanding at a steady pace through 2005 and into 2006. In the Beige Book released July 27, 2005, the United States Federal Reserve reported expanding economic activity in June through early July in all of the twelve Federal Reserve Districts. Despite the recent disruption due to Hurricane Katrina, particularly on energy prices, the United States economy is expected to withstand the shock and remain on track.

New Jersey's economy is expected to follow the national trend for the rest of the year, and into 2006. Employment is projected to grow steadily around a 1.4 percent rate in 2005 with an improvement in 2006. Personal income is expected to grow steadily around a positive 5.0 percent level in 2005 and 2006. After another strong year in 2004, the housing sector is expected to remain robust in 2005 with a slight moderation in 2006. New motor vehicle registrations are projected to soften but remain above 600,000 units in 2005 and 2006. Low interest rates have supported spending on housing and other consumer durables. However, with the recent increase in the federal funds rate and other future rate increases expected by the Federal Reserve Board, interest rates are expected to rise through 2005 and have a moderating influence on interest sensitive spending.

To a large extent, the future direction of economic expansion nationally and in New Jersey hinges on assumptions of a normal recovery from Hurricane Katrina, no further terrorist attacks, stable energy prices, supportive monetary and fiscal policies, and no further turmoil in the financial markets. The State and the nation may experience further near-term slow growth and the expected pace of economic expansion may stall if consumers, investors, and businesses become more concerned about geopolitical tensions. However, the fundamentals of the state economic health remain stable and the long term prospects for economic growth of the State in 2005 and beyond are favorable.

The Statistical Section contains various demographic and economic tables for New Jersey.

## **BUDGET AND ACCOUNTING**

### **Budget Process**

The State Constitution, as well as certain statutes, governs the State's budget and appropriation process. Each department, board, commission, office or other agency of the State begins the budget process by filing with the Director of the Office of Management and Budget (the "Director") a request for appropriation or permission to spend, specifying all expenditures proposed to be made by such spending agency during the following fiscal year. The Director examines each request and determines the necessity or advisability of the appropriation request. After review and examination, the Director submits the requests, together with

findings, comments, and recommendations, to the Governor. It is the Governor's responsibility to examine and consider all requests and formulate budget recommendations. The Governor's Budget Message is transmitted on the fourth Tuesday in February, unless otherwise provided through legislation.

During the course of the fiscal year, the Governor may take steps to reduce State expenditures if it appears that revenues have fallen below those originally anticipated. The Governor, with approval from the State Legislature, may enact supplemental appropriations after the adoption of the annual Appropriations Act, should there be sufficient revenues on hand or anticipated, as certified by the Governor, to meet such appropriation.

Over the past two decades, New Jersey's budget process has evolved into a strategic planning initiative in which the budget is directly related to the program objectives of governmental activities. Each agency program's costs and benefits are weighed and justified at various alternative funding levels.

### **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. The 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.

As part of the General Fund's resources and fund balance, the Surplus Revenue Fund was created as a rainy day fund. It is used to account 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. An example of revenue collections outpacing projections occurred during Fiscal Year 2004, when \$282.4 million was deposited into the Surplus Revenue Fund. An example of an emergency situation that resulted in tapping the Surplus Revenue Fund occurred in Fiscal Year 2000 when the State needed \$26.9 million in emergency disaster relief funds to aid flood victims of Hurricane Floyd.

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**

### **Education**

State aid for elementary and secondary education continues to be one of the largest components of the State budget at one third of the Fiscal Year 2006 State appropriations. State funding for Education has historically been a struggle, especially in times of limited resources. The cost of compliance with State Supreme Court mandates for funding the poorest school districts, known as Abbott districts, forces the direction of a large portion of those resources, reducing the amount available for distribution to non-Abbott school districts. Having one of the highest per pupil spending amounts in the country and a high reliance on property taxes for the local support adds to the pressure to increase the level of State support. Federal legislation such as the No Child Left Behind Act and the Individuals with Disabilities Education Act have placed additional requirements on districts that result in spending increases beyond the federal funding provided for the programs. The State reviews its funding formulas to effectively balance competing needs.

### **Environmental Protection**

The Department of Environmental Protection's mission is to protect and improve New Jersey's air, land, water, and natural resources, to ensure public health, sustain economic growth, and preserve and enhance the quality of life for all New Jersey citizens and future generations. The Fiscal Year 2006 Appropriations Act allows for a total appropriation of \$542.7 million, including federal funds, and continues to provide \$25.0 million for shore protection projects from the Realty Transfer Fee dedication. These funds will leverage up to \$56.0 million in federal funds, and \$7.2 million in local funds for beach replenishment projects. The Fiscal Year 2006 Appropriations Act also includes a 4.0 percent constitutional dedication from the State's Corporation Business Tax to provide funds to finance the cleanup of privately owned underground storage tanks, remediation of contaminated sites, as well as watershed monitoring and planning. This past year, the Department preserved almost 400,000 acres in the Highlands region, a source of clean drinking water for more than 5.0 million New Jersey residents. This region will be managed by the Highlands Water Protection and Planning Council that will develop a master plan over the next two years to accommodate growth in the region while protecting critical water supplies and natural resources. The Department has also implemented several initiatives to place New Jersey at the national forefront of water policy. This includes the adoption of the most comprehensive storm water control regulations in the country, the adoption of a new standard for arsenic in drinking water that is half the contaminant level permitted by federal law, and the adoption of protections for another 600 miles of high quality waterways that provide drinking water and serve as critical wildlife habitat.

### Health and Senior Services

The Department of Health and Senior Services is responsible for fostering accessible health and senior services of the highest quality for all people in New Jersey to ensure optimal health, dignity, and independence. The Department's initiatives prevent disease, promote and protect the well-being at all life stages, and encourage informed choices that enrich the quality of life for individuals and communities. The Fiscal Year 2006 Appropriations Act totals \$3.34 billion, including federal funds, and allows the Department to employ over 2,200 persons. The Department has several objectives. The first is to prepare New Jersey to rapidly detect, identify, and respond to health-related aspects of biological, chemical, radiological, nuclear, explosive, and incendiary act of terrorism as well as natural disasters and disease outbreaks. Another objective is to eliminate disparities in health care access, treatment, and clinical outcomes between racial, ethnic, and socioeconomic populations, in part through cultural competency, education, and partnering with minority-oriented health organizations.

### 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. Outside public accounting firms have been used for the audits for 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 the various State agencies. This audit received an unqualified opinion on the Basic Financial Statements contained in this Comprehensive Annual Financial Report.

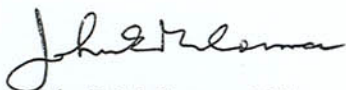
### CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

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 year ended June 30, 2004. 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. It is our belief that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 continues this tradition and conforms to the GFOA's Certificate of Achievement Program requirements.

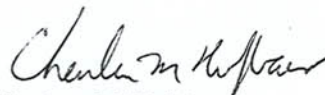
### ACKNOWLEDGEMENTS

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,



John E. McCormac, CPA  
State Treasurer



Charlene M. Holzbaaur  
State Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of New Jersey

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

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.



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Executive Director

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*New Jersey State Legislature*

OFFICE OF LEGISLATIVE SERVICES

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The Honorable Richard J. Codey  
Acting Governor of New Jersey

The Honorable Richard J. Codey  
President of the Senate

The Honorable Albio Sires  
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, 2005, which collectively comprise the State's basic financial statements as listed in the table of contents. These basic 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, 100 percent of the assets and revenues of the Health Benefits Local Government Employees Program Fund which is a major proprietary fund, 89 percent of the assets and 37 percent of the revenues (including additions) of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2-G 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 component units, the Pensions and Other Employee Benefits Funds, and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors.

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

The financial statements of the University of Medicine and Dentistry of New Jersey, the Richard Stockton College of New Jersey, and the New Jersey Commerce and Economic Growth Commission have not been audited, and we were not engaged to audit those financial statements as part of our audit of the State of New Jersey's basic financial statements. These entities are audited by other auditors; however their reports were not finalized as of the date of this report. The University of Medicine and Dentistry of New Jersey, the Richard Stockton College of New Jersey, and the New Jersey Commerce and Economic Growth Commission financial activities are included in the State of New Jersey's basic financial statements as discretely presented component units and represent 7 percent, 8 percent, and 20 percent of the assets, net assets and revenues, respectively, of the State of New Jersey's aggregate discretely presented component units.

In our opinion, based on the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had the University of Medicine and Dentistry of New Jersey, the Richard Stockton College of New Jersey, and the New Jersey Commerce and Economic Growth Commission's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the State of New Jersey as of June 30, 2005, and the 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.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2005, 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-D to the financial statements, certain errors resulting in an understatement in the valuation of capital appreciation bonds and the net pension obligations for the year ended June 30, 2004, were discovered by management during the current year. Accordingly, the June 30, 2005 financial statements have been restated and an adjustment has been made to the net asset balance as of July 1, 2004 to correct the errors.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2005 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 on forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, Combining Fund 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 Fund 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.



Richard L. Fair

State Auditor

December 30, 2005

## **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, 2005. 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 \$30.8 billion, an increase of \$2.3 billion from the prior fiscal year. This increase was the result of a \$1.5 billion increase in investments as well as an \$823.4 million increase in the State's capital assets. As of June 30, 2005, liabilities exceeded assets by \$6.2 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 \$19.0 billion. The negative balance is primarily a result of financing unfunded actuarial liabilities in the State's pension fund systems and uninsured motorist funds, financing local elementary and high school construction, and securitizing tobacco master settlement agreement receipts.
- June 30, 2005 component unit assets exceeded component unit liabilities by \$13.2 billion. Total component unit assets grew to \$35.4 billion, a \$1.1 billion increase in assets from the prior fiscal year. Higher capital assets represent \$867.1 million of this increase.

### **Fund Level**

- The State's governmental funds reported June 30, 2005 combined ending fund balances of \$8.2 billion, an increase of \$1.1 billion from the prior fiscal year. Of this amount, \$518.5 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 \$3.2 billion, with \$461.7 million unreserved - undesignated.
- Proprietary Funds reported June 30, 2005 net assets of \$1.7 billion. During the fiscal year, this amount decreased by \$24.7 million.

### **Long-term Debt**

- The State's long-term debt obligations increased 21.0 percent, to \$31.8 billion, which includes a net increase in bonded debt of \$4.5 billion.
- During the fiscal year, the State issued \$9.4 billion in bonds. New money issuances represented \$4.8 billion for transportation and education system improvements, while \$4.6 billion represented nine refunding transactions that provided the State with \$116.0 million in net present value savings. During the fiscal year ended June 30, 2005, the State paid \$1.8 billion in debt service on its long-term debt components. Non-bonded portions of the State's long-term debt total \$4.5 billion. This amount represents a \$1.0 billion increase from the prior fiscal year and is mainly attributable to increases in net pension obligations.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. Both statements present different views of the State’s financial information. The Comprehensive Annual Financial Report includes Notes to the Financial Statements; Required Supplementary Information (Budgetary Schedules) as well as Other Information.

| <b>Major Features of the Basic Financial Statements</b> |  |   |  |  |
|---|--|---|--|--|
| <b>Features</b>   | <b>Government-wide Financial Statements</b>  | <b>Fund Financial Statements</b>  |  |  |
|   |  | <b>Governmental Funds</b>   | <b>Proprietary Funds</b>   | <b>Fiduciary Funds</b>   |
| <b>Scope</b>  | 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      |
| <b>Required Financial Statements</b>                    | * Statement of Net Assets<br>* Statement of Activities                                 | * Balance Sheet<br>* Statement of Revenues, Expenditures, and Changes in Fund Balance   | * Statement of Net Assets<br>* Statement of Revenues, Expenses, and Changes in Net Assets<br>* Statement of Cash Flows | * Statement of Fiduciary Net Assets<br>* Statement of Changes in Fiduciary Net Assets  |
| <b>Accounting Basis and Measurement Focus</b>           | 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  |
| <b>Types of Asset/Liability Information</b>             | All assets and liabilities, both financial and capital, and short-term and long-term   | Only assets expected to be available and liabilities that are 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                              |
| <b>Types of Inflow/Outflow Information</b>              | 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<br>* 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** Shown on page 33, the 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** Shown on pages 34 and 35, the Statement of Activities presents how the State's net assets changed during Fiscal Year 2005. 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 that are legislatively able to charge fees to external users to recover all or a portion of the cost of the services that are provided are 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 New Jersey Building Authority, the Garden State Preservation Trust, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation, Inc. are blended into governmental activities, and 12 colleges 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 – 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 Fund Financial Statements**

The Comprehensive Annual Financial Report includes two schedules (shown on pages 37 and 39) that reconcile the amounts reported on the governmental fund 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 fund financial statements.
- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental fund 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 fund financial statements. The notes can be found on pages 56 to 106 of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.

### **Fund Financial Statements**

Fund financial statements begin on page 36. 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 excludes components 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 unexpended 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 as shown on pages 46 to 48. 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**

Beginning on page 56, 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 section of required supplementary information. 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 Trust Funds.

### **Other Information**

Combining financial statements for non-major governmental funds, proprietary funds, fiduciary funds, and non-major component units are shown in this section. They are not reported individually, as with major funds, on the Governmental Fund Financial Statements. The Schedule of Appropriations and Expenditures, shown in this section details the comparison of expenditures at the legal level of control to the final budget. The Schedule of Anticipated Revenue and the Schedule of Appropriated Revenue 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.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Net Assets

The State's fiscal year ended combined net assets totaled a negative \$6.2 billion. Fiscal Year 2005 activities showed a \$3.5 billion decrease in combined net assets, with net assets of governmental activities decreasing by \$3.5 billion, and business-type activities decreasing by \$24.7 million.

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

|   | <b>Governmental<br/>Activities</b> |                     | <b>Business-type<br/>Activities</b> |                   | <b>Total<br/>Primary Government</b> |                     |
|---|------------------------------------|---------------------|-------------------------------------|-------------------|-------------------------------------|---------------------|
|   | <b>2005</b>                        | <b>2004*</b>        | <b>2005</b>                         | <b>2004</b>       | <b>2005</b>                         | <b>2004*</b>        |
| Current and other noncurrent assets             | \$ 12,094.3                        | \$ 10,544.8         | \$ 3,095.4                          | \$ 3,170.7        | \$ 15,189.7                         | \$ 13,715.5         |
| Capital assets, net                             | 15,626.1                           | 14,802.7            | --                                  | --                | 15,626.1                            | 14,802.7            |
| <b>Total Assets</b>                             | <u>27,720.4</u>                    | <u>25,347.5</u>     | <u>3,095.4</u>                      | <u>3,170.7</u>    | <u>30,815.8</u>                     | <u>28,518.2</u>     |
| Current liabilities                             | 3,742.1                            | 3,434.0             | 517.2                               | 499.9             | 4,259.3                             | 3,933.9             |
| Noncurrent liabilities                          | 31,823.3                           | 26,302.0            | 905.2                               | 973.1             | 32,728.5                            | 27,275.1            |
| <b>Total Liabilities</b>                        | <u>35,565.4</u>                    | <u>29,736.0</u>     | <u>1,422.4</u>                      | <u>1,473.0</u>    | <u>36,987.8</u>                     | <u>31,209.0</u>     |
| Net Assets:                                     |                                    |                     |                                     |                   |                                     |                     |
| Invested in capital assets, net of related debt | 6,347.5                            | 6,167.1             | --                                  | --                | 6,347.5                             | 6,167.1             |
| Restricted                                      | 4,795.3                            | 3,715.3             | 1,674.3                             | 1,697.7           | 6,469.6                             | 5,413.0             |
| Unrestricted                                    | (18,987.8)                         | (14,270.9)          | (1.3)                               | --                | (18,989.1)                          | (14,270.9)          |
| <b>Total Net Assets</b>                         | <u>\$ (7,845.0)</u>                | <u>\$ (4,388.5)</u> | <u>\$ 1,673.0</u>                   | <u>\$ 1,697.7</u> | <u>\$ (6,172.0)</u>                 | <u>\$ (2,690.8)</u> |

\* Fiscal Year 2004 Governmental Activities and Total Primary Government have been restated.

Restricted net assets are the largest component of the State's net assets. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently these assets are not available for future spending. Land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges, and other immovable assets), and construction in progress are shown less any related outstanding debt used to acquire these assets.

#### Changes in Net Assets

The State's Fiscal Year 2005 net assets decreased by \$3.5 billion. During Fiscal Year 2005, the State made \$1.9 billion in expenditures that were supported by the securitization of a portion of cigarette tax revenue and motor vehicle surcharges. Another \$1.4 billion was disbursed to the New Jersey Schools Construction Corporation to help finance school facilities construction throughout the state. Approximately 51.6 percent of the State's total revenue came from general taxes, while 23.3 percent was derived from charges for services. Operating grants amounted to 20.5 percent of total revenues, while other items such as governmental subsidies and grants, capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 28.0 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 19.7 percent of total expenditures, while government direction, management, and control amounted to 16.6 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 2005, governmental activity expenses exceeded program revenues, resulting in the use of \$26.0 billion of general revenues (mostly taxes and transfers). Revenues from business-type activities in Fiscal Year 2005 exceeded expenses by \$707.9 million.

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.

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

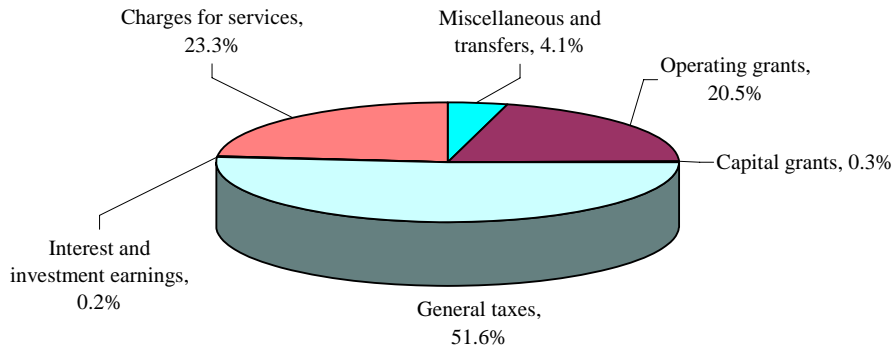
|  | <u>Governmental<br/>Activities</u> |                     | <u>Business-type<br/>Activities</u> |                   | <u>Primary Government<br/>Total</u> |                     |
|--|------------------------------------|---------------------|-------------------------------------|-------------------|-------------------------------------|---------------------|
|  | <u>2005</u>                        | <u>2004*</u>        | <u>2005</u>                         | <u>2004</u>       | <u>2005</u>                         | <u>2004*</u>        |
| <b>Revenues</b>  |                                    |                     |                                     |                   |                                     |                     |
| Program revenues                                       |                                    |                     |                                     |                   |                                     |                     |
| Charges for services                                   | \$ 4,601.5                         | \$ 3,341.0          | \$ 5,898.4                          | \$ 5,317.5        | \$ 10,499.9                         | \$ 8,658.5          |
| Operating grants                                       | 9,156.4                            | 8,985.0             | 103.6                               | 481.8             | 9,260.0                             | 9,466.8             |
| Capital grants   | 125.8                              | 140.9               | --                                  | --                | 125.8                               | 140.9               |
| General revenues                                       |                                    |                     |                                     |                   |                                     |                     |
| General taxes  | 23,308.2                           | 20,940.6            | --                                  | --                | 23,308.2                            | 20,940.6            |
| Interest and investment earnings                       | 84.3                               | 59.8                | --                                  | --                | 84.3                                | 59.8                |
| Miscellaneous  | 1,569.1                            | 1,939.1             | --                                  | --                | 1,569.1                             | 1,939.1             |
| <b>Total Revenues</b>                                  | <u>38,845.3</u>                    | <u>35,406.4</u>     | <u>6,002.0</u>                      | <u>5,799.3</u>    | <u>44,847.3</u>                     | <u>41,205.7</u>     |
| <b>Expenses</b>  |                                    |                     |                                     |                   |                                     |                     |
| Public safety and criminal justice                     | 2,913.7                            | 2,652.5             | --                                  | --                | 2,913.7                             | 2,652.5             |
| Physical and mental health                             | 9,565.4                            | 8,809.3             | --                                  | --                | 9,565.4                             | 8,809.3             |
| Educational, cultural, and intellectual development    | 13,609.3                           | 12,562.2            | --                                  | --                | 13,609.3                            | 12,562.2            |
| Community development and environmental management     | 2,228.5                            | 1,228.7             | --                                  | --                | 2,228.5                             | 1,228.7             |
| Economic planning, development, and security           | 4,123.7                            | 3,714.1             | --                                  | --                | 4,123.7                             | 3,714.1             |
| Transportation programs                                | 1,724.2                            | 1,774.0             | --                                  | --                | 1,724.2                             | 1,774.0             |
| Government direction, management, and control          | 8,086.4                            | 6,027.8             | --                                  | --                | 8,086.4                             | 6,027.8             |
| Special government services                            | 291.6                              | 264.9               | --                                  | --                | 291.6                               | 264.9               |
| Interest expense                                       | 791.6                              | 750.4               | --                                  | --                | 791.6                               | 750.4               |
| State Lottery Fund                                     | --                                 | --                  | 1,476.4                             | 1,413.2           | 1,476.4                             | 1,413.2             |
| Unemployment Compensation Fund                         | --                                 | --                  | 1,957.1                             | 2,481.5           | 1,957.1                             | 2,481.5             |
| Health Benefits  | --                                 | --                  | 1,860.6                             | 1,700.7           | 1,860.6                             | 1,700.7             |
| <b>Total Expenses</b>                                  | <u>43,334.4</u>                    | <u>37,783.9</u>     | <u>5,294.1</u>                      | <u>5,595.4</u>    | <u>48,628.5</u>                     | <u>43,379.3</u>     |
| Excess (Deficiency) Before Contributions and Transfers | (4,489.1)                          | (2,377.5)           | 707.9                               | 203.9             | (3,781.2)                           | (2,173.6)           |
| Transfers  | 1,032.6                            | (211.7)             | (732.6)                             | (726.0)           | 300.0                               | (937.7)             |
| <b>Increase (Decrease) in Net Assets</b>               | (3,456.5)                          | (2,589.2)           | (24.7)                              | (522.1)           | (3,481.2)                           | (3,111.3)           |
| <b>Net Assets - July 1</b>                             | <u>(4,388.5)</u>                   | <u>(1,799.3)</u>    | <u>1,697.7</u>                      | <u>2,219.8</u>    | <u>(2,690.8)</u>                    | <u>420.5</u>        |
| <b>Net Assets - June 30</b>                            | <u>\$ (7,845.0)</u>                | <u>\$ (4,388.5)</u> | <u>\$ 1,673.0</u>                   | <u>\$ 1,697.7</u> | <u>\$ (6,172.0)</u>                 | <u>\$ (2,690.8)</u> |

\* Fiscal Year 2004 Governmental Activities and Total Primary Government have been restated.

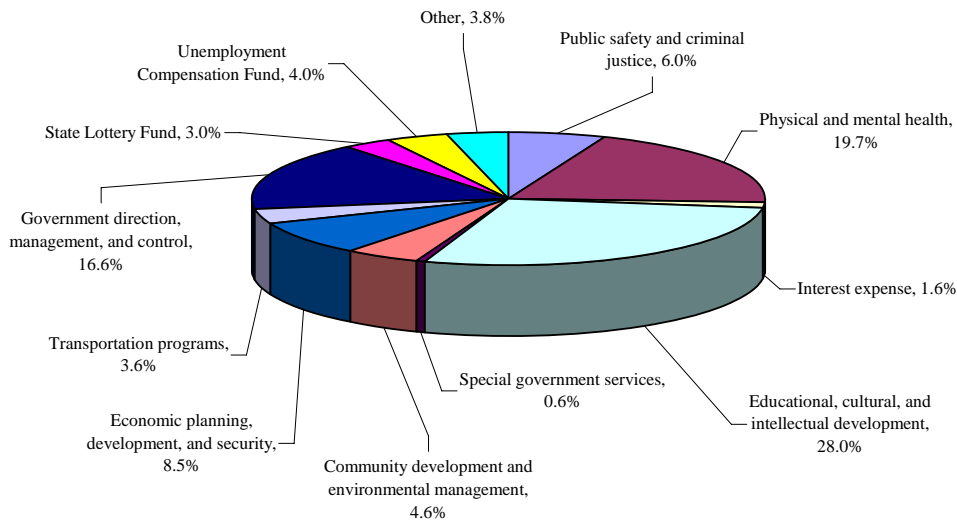
**Governmental Activities – Revenues and Expenditures**

The following pie charts depict governmental activities for revenues and expenditures for the fiscal year ended June 30, 2005:

**Revenues – Governmental Activities  
Fiscal Year Ended June 30, 2005**



**Expenditures – Governmental Activities  
Fiscal Year Ended June 30, 2005**



**Fiscal Year 2005 Revenue and Expenditures**

During Fiscal Year 2005, State revenues, including transfers, totaled \$45.1 billion, an increase of \$4.9 billion from the prior fiscal year. General taxes totaled \$23.3 billion and accounted for 51.6 percent of total State revenues for Fiscal Year 2005. This amount reflects a \$2.4 billion increase from the prior fiscal year. The State’s Gross Income Tax totaled \$9.5 billion, the Sales and Use Tax totaled \$6.5 billion and the Corporation Business Tax totaled \$2.4 billion. The State’s three major taxes comprised 78.8 percent of the total general taxes that were collected during Fiscal Year 2005.

Fiscal Year 2005 expenditures totaled \$48.6 billion, an increase of \$5.2 billion from the prior fiscal year. The largest increase in expenditures occurred in the area of government direction, management, and

control. This increase of \$2.1 billion represented a 34.2 percent increase over the prior fiscal year. Government direction, management, and control increased primarily as a result of increased rebates through the implementation of the FAIR Plan. Overall, 47.7 percent of all State expenditures occurred in the areas of education, higher education and physical and mental health.

**Business-type Activities**

For the fiscal year ended June 30, 2005, net assets of business-type activities totaled \$1.7 billion, a \$24.7 million decrease over the prior fiscal year.

**FINANCIAL ANALYSIS OF THE STATE'S MAJOR FUNDS**

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, 2005 fund balances of \$8.2 billion.

The following table presents a fund balance comparison of the components of the State's budgeted ending undesignated fund balance for Fiscal Year 2005 and Fiscal Year 2004:

**Fund Balance Comparison  
(Expressed In Millions)**

| <b>Fund</b>              | <b>Fiscal Year</b> |                 | <b>Change</b>    |
|--------------------------|--------------------|-----------------|------------------|
|                          | <b>2005</b>        | <b>2004</b>     |                  |
| General Fund             | \$ 461.7           | \$ 376.5        | \$ 85.2          |
| Surplus Revenue Fund     | 288.6              | 282.4           | 6.2              |
| Property Tax Relief Fund | 27.9               | 175.2           | (147.3)          |
| Casino Control Fund      | 1.3                | 4.9             | (3.6)            |
| Casino Revenue Fund      | --                 | 22.7            | (22.7)           |
| <b>Total</b>             | <b>\$ 779.5</b>    | <b>\$ 861.7</b> | <b>\$ (82.2)</b> |

**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 fiscal year ending fund balance totaled \$3.2 billion, of which, \$1.7 billion represented unreserved fund balances. During Fiscal Year 2005, total fund balance increased by \$436.2 million.

On a budgetary basis, general revenues of \$25.1 billion were \$2.4 billion lower than the final budget. The negative variances of \$1.5 billion were primarily the result of unearned federal and other grant revenues, licenses and fees of \$160.9 million, and service and assessments of \$217.3 million.

Total expenditures were \$3.3 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 2005, the State's appropriation of federal funds and other grants exceeded expenditures by \$1.5 billion. These excess appropriations are available for use in future years. From a program perspective, under spending in Fiscal Year 2005 includes \$708.1 million from physical and mental health, \$606.3 million from economic planning, development and security, \$581.9 million from community development and environmental management, \$473.3 million from government direction, management, and control, and \$447.4 million from public safety and criminal justice. Other variances include \$288.6 million from educational, cultural, and intellectual development, \$91.3 million from special government services, and \$61.3 million from transportation programs.

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. During Fiscal Year 2005, the State deposited \$6.2 million into the Surplus Revenue Fund. This amount represents interest earnings that accrued on its fund balance during the fiscal year.

#### **Property Tax Relief Fund**

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2005, \$9.3 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2005 ending undesignated fund balance is \$27.9 million.

#### **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 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, are accounted for in this fund.

In Fiscal Year 2005, gross revenues totaled \$2.3 billion, of which \$1.3 billion was returned in prizes, \$812.0 million went to State education and institutions, \$180.0 million was paid to sales agents and ticket vendors, and \$27.3 million covered Lottery operational and promotional expenses. As of June 30, 2005, the State Lottery, since its inception, has generated over \$37.0 billion in gross revenues, \$19.1 billion in prizes, and contributed \$14.8 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.

#### **Component Units**

Combined operating revenues and expenses for the State's component units for Fiscal Year 2005 amounted to \$7.3 billion and \$8.6 billion respectively. Total operations along with other financing sources and uses contributed to total combined net assets at fiscal year end of \$13.2 billion. The component units received \$1.8 billion in State appropriations during Fiscal Year 2005.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

Administration of the State's capital assets falls under the purview of the Department of the Treasury. Capital assets are recorded under the State's General Fixed Asset System in the New Jersey Office of Management and Budget. The New Jersey Office of Public Finance is responsible for issuing the State's short-term and long-term obligations as well as overseeing the State's credit ratings.

The Fiscal Year 2005 capital budget included \$2.5 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 \$536.0 million for State highways, \$150.0 million for local highways, and \$606.6 million for mass transit. During Fiscal Year 2005, the New Jersey Economic Development Authority issued \$1.4 billion of School Facilities Construction Bonds to help fund the New Jersey Schools Construction Corporation's program. As of June 30, 2005, a total of \$4.1 billion of the \$8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2005, 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 Assets are shown in the table below. The State's investment in capital assets, net of accumulated depreciation, totaled \$15.6 billion as of June 30, 2005. Depreciation charges for Fiscal Year 2005 totaled \$453.5 million.

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

|                            | <b>Total Primary Government</b> |                    |
|----------------------------|---------------------------------|--------------------|
|                            | <b>2005</b>                     | <b>2004</b>        |
| Land                       | \$ 3,572.1                      | \$ 3,412.0         |
| Land Improvements          | 25.8                            | 25.0               |
| Buildings and Improvements | 1,462.1                         | 1,460.3            |
| Equipment                  | 74.9                            | 81.3               |
| Infrastructure             | 10,106.3                        | 9,475.6            |
| <b>Sub-Total</b>           | <b>15,241.2</b>                 | <b>14,454.2</b>    |
| Construction-In-Progress   | 384.9                           | 348.4              |
| <b>Total</b>               | <b>\$ 15,626.1</b>              | <b>\$ 14,802.6</b> |

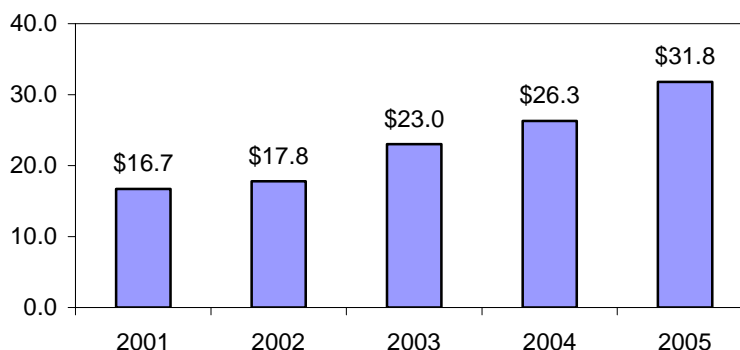
Note: Capital assets for Fiscal Year 2004 have been restated.

More detailed information about the State's capital assets is presented in the Notes to the Financial Statements, Note 6 – Capital Assets.

**Long-Term Obligations**

As of June 30, 2005, New Jersey's outstanding long-term debt totaled \$31.8 billion, a \$5.5 billion increase over the prior fiscal year. In addition, the State has \$6.7 billion of legislatively authorized bonding capacity that has not yet been issued. During Fiscal Year 2005, the legislatively authorized bonding capacity decreased by \$1.7 billion. The State's long-term debt for the past five fiscal years is shown below:

**Long-Term Obligations  
Fiscal Year 2001 to Fiscal Year 2005  
(Expressed in Billions)**



Note: Long-term obligations for Fiscal years 2001 through 2004 have been restated.

The State's long-term debt can be broken into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds, Installment Obligations, Certificates of Participation,

Tobacco Settlement Financing Corporation, Inc. Bonds, Unamortized Premium, and Unamortized Deferral on Refunding. Non-bonded categories include Capital Leases, Loans Payable, Accumulated Sick and Vacation Payable, Net Pension Obligation, and Other. A description of each category is as follows:

- **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. Examples of capital projects financed by State General Obligation bonds include correctional facilities, psychiatric institutions, dams, reservoirs, and transportation projects. As of June 30, 2005, the State had \$3.2 billion of State General Obligation bonds outstanding with another \$742.4 million of bonding authorization remaining from various State General Obligation bond acts.
- **Revenue Bonds** This 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 for the purpose of erecting office structures to support State operations, the Garden State Preservation Trust for the purpose of acquiring land to preserve for open space, and the New Jersey Transportation Trust Fund Authority for the purpose of constructing various transportation and transit related projects. As of June 30, 2005 the State had \$7.9 billion of revenue bonds outstanding. Another \$1.3 billion of bonding authorization remains.
- **Installment Obligations** This debt classification represents obligations whose debt service is subject to and dependent upon the State Legislature making annual appropriations. Installment obligations include bonds issued to help fund the State's school facilities construction program, and help fund the installation of college and university dormitory fire suppression equipment. The State's installment obligation bonds outstanding as of June 30, 2005 total \$15.4 billion. Total authorized but unissued installment obligations equal \$4.6 billion as of June 30, 2005.
- **Certificates of Participation** Proceeds from certificates of participation are used primarily to finance State equipment needs under the State's master lease program. Currently, the State uses a line of credit as its preferred financing method. The State's certificates of participation outstanding as of June 30, 2005 equal \$66.1 million.
- **Tobacco Settlement Financing Corporation, Inc.** 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 Tobacco Settlement Financing Corporation, Inc., the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the master settlement agreement. In return, the Tobacco Settlement Financing Corporation, Inc. issued \$3.5 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. After taking into account its bond discount, the Tobacco Settlement Financing Corporation, Inc. as of June 30, 2005 had \$3.3 billion of bonds outstanding.
- **Unamortized Premium (Net)** During Fiscal Year 2005, unamortized premium totaled \$1.2 billion, a \$705.7 million increase from the prior fiscal year's end. This increase is mainly attributed to the State issuing \$8.8 billion of bonds with associated premium. GASB Statement No. 34 requires the premium to be deferred and amortized over the life of the refunding bonds.
- **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, 2005 the State has issued \$4.6 billion of refunding bonds that are to be amortized over a time period of 6.0 years to 23.1 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, applicable to GASB Statement No. 23 interpretation, have a total loss of \$533.0 million.

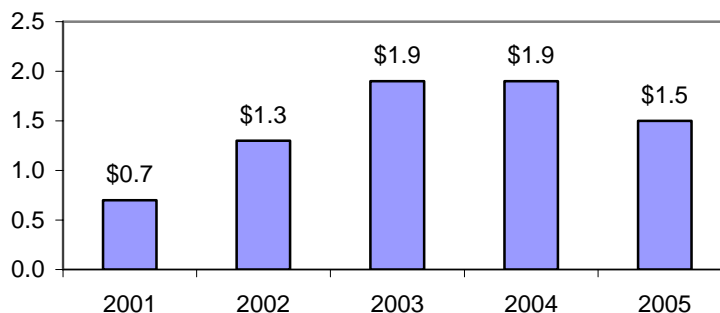
- **Capital Leases** Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Total Capital Leases outstanding as of June 30, 2005 equal \$669.3 million.
- **Loans Payable** Loans Payable represents amounts received by the New Jersey Automobile Insurance Guaranty Fund, from the New Jersey Property-Liability Insurance Guaranty Association (PLIGA). The loans were made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability. PLIGA loans of \$1.3 billion remain outstanding as of June 30, 2005.
- **Accumulated Sick and Vacation** 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. As of June 30, 2005, this amount totals \$488.9 million.
- **Net Pension Obligation** Net Pension Obligation represents the \$1.8 billion pension fund liability due to the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension Annuity Fund as of June 30, 2005. 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*.
- **Other** Other includes obligations required to be reported as long-term indebtedness in accordance with the National Council on Governmental Accounting (NCGA) Statement No. 1. These obligations include health (\$136.8 million), dental (\$6.2 million), and Medicaid benefit claims (\$254.5 million of which \$121.0 million is federally reimbursable), which have been incurred but not reported.

More detailed information about the State's long-term debt is presented in the Notes to the Financial Statements, Note 9 – Long-term Obligations.

### **Short-term Debt**

The State's short-term note program provides effective cash flow management of imbalances that occur in the timing between collections and disbursements of State revenues and appropriations during the fiscal year. The State Treasurer is authorized to issue short-term debt instruments without it constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes must be retired within twelve months of their issuance date. During Fiscal Year 2005, the State issued and retired \$1.5 billion in short-term notes. The following chart details the amount of short-term borrowings the State has issued and retired since Fiscal Year 2001:

**Short-Term Debt**  
**Fiscal Year 2001 to Fiscal Year 2005**  
**(Expressed in Billions)**



More detailed information about the State's short-term debt program is presented in the Notes to the Financial Statements, Note 8 – Short-term Debt.

**Credit Ratings**

Standard & Poor's Corporation, Moody's Investors Service, and Fitch Investors Service rate the State's debt. As of June 30, 2005, the State's short-term and long-term credit ratings are as follows:

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

**ECONOMIC CONDITION AND OUTLOOK**

New Jersey's economy continues to expand steadily in 2005. The State added around 103,200 jobs between the bottom of the employment cycle in March 2003 and September 2005. Payroll employment year-to-date through September increased at an average annual rate of 1.3 percent after growing at 0.6 percent last year. Although New Jersey's unemployment rate inched up slightly to 4.3 percent in September 2005, it remains well below the corresponding national rate of 5.1 percent.

New Jersey's employment increased by 1.2 percent in September 2005 from over a year ago adding close to 48,100 jobs and continuing the positive year over year growth trend for the twentieth consecutive month. Overall, the State added 35,500 jobs between January and September of 2005. Employment gains were primarily spread across the service providing sectors with particularly strong growth in Trade, Transportation and Utilities (10,900 jobs) and Professional and Business Services (10,600 jobs). The total Government sector added 3,000 jobs during this period.

However, the State continues to suffer from job losses in manufacturing (-7,900 jobs) and downsizing in the telecommunications industry (-3,300 jobs). Practically all the job losses in New Jersey, were concentrated in those two areas. New Jersey's employment level has remained consistently above the 4.0 million mark for the last sixteen months.

The United States' Department of Commerce's Bureau of Economic Analysis preliminary report released on September 28, 2005 indicates that the preliminary growth rate for New Jersey's personal income of 6.4 percent during the second quarter of calendar year 2005 came in above the revised growth rate of 6.1 percent for the first quarter of this year. Personal income for New Jersey is expected to grow at a steady pace through the rest of the year and through 2006. Despite current inflationary pressures due to surges in energy costs, the improving labor market conditions benefit New Jersey consumers and businesses. A low interest rate environment has supported spending on housing, which continues to remain robust, and other consumer durables in the State. However, rising interest rates through 2005 are expected to have a moderating influence on interest sensitive spending in the economy.

The State's and the nation's economy are expected to continue expanding at a steady pace through the rest of 2005 and 2006. Despite the recent disruptions due to Hurricane Katrina and Hurricane Rita, particularly on energy costs, the Federal Reserve expects the United States economy to withstand the shock and remain on track in 2005, without a sizable deceleration in growth. New Jersey and the nation may experience further near-term slow growth and the expected pace of economic expansion may stall if consumers, investors, and businesses become more concerned about geopolitical tensions. The future direction of economic expansion nationally and in New Jersey hinges on the assumptions of no further terrorist attacks, stable energy prices, supportive monetary and fiscal policies and no further turmoil in the financial markets. However, the fundamentals of the State economic health remain stable and the long run prospects for economic growth of the State in 2005 and beyond are favorable.

**REQUEST FOR INFORMATION**

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 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, 2005 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, 6<sup>th</sup> Floor, 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](http://www.state.nj.us/treasury/omb).

STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

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|  | Primary Government         |                             |                            | Component<br>Units       |
|--|----------------------------|-----------------------------|----------------------------|--------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                      |                          |
| <b>ASSETS</b>  |                            |                             |                            |                          |
| <b>Current Assets:</b>                                     |                            |                             |                            |                          |
| Cash and cash equivalents                                  | \$ 142,161,564             | \$ 1,114,205                | \$ 143,275,769             | \$ 1,267,754,162         |
| Investments  | 6,378,314,266              | 735,012,283                 | 7,113,326,549              | 10,131,403,696           |
| Receivables, net of allowances<br>for uncollectibles       |                            |                             |                            |                          |
| Federal government   | 557,439,775                | 962,563,507                 | 1,520,003,282              | 228,142,776              |
| Departmental accounts                                      | 2,521,441,105              | 533,317,981                 | 3,054,759,086              | --                       |
| Loans  | 1,022,470,889              | --                          | 1,022,470,889              | 1,646,849,673            |
| Mortgages  | --                         | --                          | --                         | 1,962,284,946            |
| Other  | 966,048,441                | 130,240,126                 | 1,096,288,567              | 1,773,498,405            |
| Internal balances  | 25,690,441                 | (25,690,441 )               | --                         | --                       |
| Due from external parties                                  | 22,508,644                 | --                          | 22,508,644                 | 43,301,820               |
| Inventories  | --                         | --                          | --                         | 84,434,534               |
| Other  | 243,290,131                | 14,889,807                  | 258,179,938                | 864,066,068              |
| <b>Noncurrent Assets:</b>                                  |                            |                             |                            |                          |
| Investments  | --                         | 743,996,848                 | 743,996,848                | --                       |
| Pension assets   | 23,935,353                 | --                          | 23,935,353                 | --                       |
| Capital assets, net  | 15,626,116,116             | --                          | 15,626,116,116             | 17,443,597,146           |
| Other  | 191,007,794                | --                          | 191,007,794                | --                       |
| <b>Total Assets</b>  | <b>27,720,424,519</b>      | <b>3,095,444,316</b>        | <b>30,815,868,835</b>      | <b>35,445,333,226</b>    |
| <b>LIABILITIES</b>   |                            |                             |                            |                          |
| <b>Current Liabilities:</b>                                |                            |                             |                            |                          |
| Accounts payable and accrued expenses                      | 2,282,180,063              | 452,436,435                 | 2,734,616,498              | 914,090,859              |
| Due to external parties                                    | 34,126,283                 | --                          | 34,126,283                 | 123,862,104              |
| Interest payable   | 218,663,361                | --                          | 218,663,361                | 169,631,662              |
| Deferred revenue   | 253,732,248                | --                          | 253,732,248                | 163,306,775              |
| Other  | 953,453,298                | 64,840,652                  | 1,018,293,950              | 450,564,221              |
| <b>Noncurrent Liabilities:</b>                             |                            |                             |                            |                          |
| Due within one year  | 1,259,303,746              | 160,286,504                 | 1,419,590,250              | 956,221,999              |
| Due in more than one year                                  | 30,563,952,721             | 744,873,246                 | 31,308,825,967             | 19,478,650,364           |
| <b>Total Liabilities</b>                                   | <b>35,565,411,720</b>      | <b>1,422,436,837</b>        | <b>36,987,848,557</b>      | <b>22,256,327,984</b>    |
| <b>NET ASSETS</b>  |                            |                             |                            |                          |
| <b>Invested in capital assets, net of<br/>related debt</b> | <b>6,347,549,349</b>       | <b>--</b>                   | <b>6,347,549,349</b>       | <b>1,685,030,544</b>     |
| <b>Restricted for:</b>                                     |                            |                             |                            |                          |
| Capital projects   | --                         | --                          | --                         | 6,308,325,363            |
| Educational, cultural, and intellectual<br>development     | 604,242,574                | --                          | 604,242,574                | --                       |
| Community development and environmental<br>management      | 1,951,222,383              | --                          | 1,951,222,383              | --                       |
| Economic planning, development, and security               | 808,150,911                | --                          | 808,150,911                | --                       |
| Debt service   | --                         | --                          | --                         | 727,425,114              |
| Property tax relief  | 400,053,117                | --                          | 400,053,117                | --                       |
| Unclaimed property   | 371,708,947                | --                          | 371,708,947                | --                       |
| Unemployment   | --                         | 1,442,892,512               | 1,442,892,512              | --                       |
| Other  | 659,913,254                | 231,364,792                 | 891,278,046                | 2,276,923,406            |
| <b>Unrestricted</b>  | <b>(18,987,827,736 )</b>   | <b>(1,249,825 )</b>         | <b>(18,989,077,561 )</b>   | <b>2,191,300,815</b>     |
| <b>Total Net Assets</b>                                    | <b>\$ (7,844,987,201 )</b> | <b>\$ 1,673,007,479</b>     | <b>\$ (6,171,979,722 )</b> | <b>\$ 13,189,005,242</b> |

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

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | Program Revenues         |                          |                                    |                                  |
|---|--------------------------|--------------------------|------------------------------------|----------------------------------|
|   | Expenses                 | Charges for Services     | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Functions - Programs</b>                         |                          |                          |                                    |                                  |
| <b>Primary Government:</b>                          |                          |                          |                                    |                                  |
| Governmental activities:                            |                          |                          |                                    |                                  |
| Public safety and criminal justice                  | \$ 2,913,688,165         | \$ 1,003,386,578         | \$ 328,099,706                     | \$ 2,019,545                     |
| Physical and mental health                          | 9,565,363,015            | 782,446,051              | 659,179,221                        | --                               |
| Educational, cultural, and intellectual development | 13,609,338,200           | 112,599,161              | 870,969,249                        | --                               |
| Community development and environmental management  | 2,228,489,297            | 258,435,326              | 598,755,878                        | 94,447,426                       |
| Economic planning, development and security         | 4,123,675,381            | 699,204,033              | 421,492,023                        | 2,273,070                        |
| Transportation programs                             | 1,724,176,021            | 15,349,665               | 653,877,673                        | 16,013,456                       |
| Government direction, management, and control       | 8,086,426,992            | 1,595,160,336            | 5,618,200,583                      | --                               |
| Special government services                         | 291,595,684              | 134,927,213              | 5,886,148                          | 11,007,582                       |
| Interest expense                                    | 791,600,492              | --                       | --                                 | --                               |
| Total governmental activities                       | <u>43,334,353,247</u>    | <u>4,601,508,363</u>     | <u>9,156,460,481</u>               | <u>125,761,079</u>               |
| Business-type activities:                           |                          |                          |                                    |                                  |
| Health benefits                                     | 1,860,563,758            | 1,824,382,167            | 8,674,083                          | --                               |
| State Lottery Fund                                  | 1,476,405,740            | 2,305,716,288            | 2,435,472                          | --                               |
| Unemployment Compensation Fund                      | 1,957,149,488            | 1,768,299,403            | 92,541,964                         | --                               |
| Total business-type activities                      | <u>5,294,118,986</u>     | <u>5,898,397,858</u>     | <u>103,651,519</u>                 | <u>--</u>                        |
| <b>Total Primary Government</b>                     | <u>\$ 48,628,472,233</u> | <u>\$ 10,499,906,221</u> | <u>\$ 9,260,112,000</u>            | <u>\$ 125,761,079</u>            |
| <b>Component Units:</b>                             |                          |                          |                                    |                                  |
| Authorities   | \$ 4,138,465,053         | \$ 2,028,110,927         | \$ 1,098,763,882                   | \$ 927,143,393                   |
| Colleges and Universities                           | 4,411,634,036            | 2,059,836,747            | 1,154,838,381                      | 19,621,519                       |
| <b>Total Component Units</b>                        | <u>\$ 8,550,099,089</u>  | <u>\$ 4,087,947,674</u>  | <u>\$ 2,253,602,263</u>            | <u>\$ 946,764,912</u>            |
| 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                 |                          |                          |                                    |                                  |
| <b>Change in Net Assets</b>                         |                          |                          |                                    |                                  |
| <b>Net Assets July 1, 2004 (Restated)</b>           |                          |                          |                                    |                                  |
| <b>Net Assets June 30, 2005</b>                     |                          |                          |                                    |                                  |

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          |
| \$ (1,580,182,336 )        | \$ --                    | \$ (1,580,182,336 )        | \$ --                    |
| (8,123,737,743 )           | --                       | (8,123,737,743 )           | --                       |
| (12,625,769,790 )          | --                       | (12,625,769,790 )          | --                       |
| (1,276,850,667 )           | --                       | (1,276,850,667 )           | --                       |
| (3,000,706,255 )           | --                       | (3,000,706,255 )           | --                       |
| (1,038,935,227 )           | --                       | (1,038,935,227 )           | --                       |
| (873,066,073 )             | --                       | (873,066,073 )             | --                       |
| (139,774,741 )             | --                       | (139,774,741 )             | --                       |
| (791,600,492 )             | --                       | (791,600,492 )             | --                       |
| <u>(29,450,623,324 )</u>   | <u>--</u>                | <u>(29,450,623,324 )</u>   | <u>--</u>                |
| --                         | (27,507,508 )            | (27,507,508 )              | --                       |
| --                         | 831,746,020              | 831,746,020                | --                       |
| --                         | (96,308,121 )            | (96,308,121 )              | --                       |
| <u>--</u>                  | <u>707,930,391</u>       | <u>707,930,391</u>         | <u>--</u>                |
| <u>(29,450,623,324 )</u>   | <u>707,930,391</u>       | <u>(28,742,692,933 )</u>   | <u>--</u>                |
| --                         | --                       | --                         | (84,446,851 )            |
| --                         | --                       | --                         | (1,177,337,389 )         |
| <u>--</u>                  | <u>--</u>                | <u>--</u>                  | <u>(1,261,784,240 )</u>  |
| 9,466,938,903              | --                       | 9,466,938,903              | --                       |
| 6,544,060,762              | --                       | 6,544,060,762              | --                       |
| 2,361,105,017              | --                       | 2,361,105,017              | --                       |
| 4,936,100,025              | --                       | 4,936,100,025              | --                       |
| 84,271,313                 | --                       | 84,271,313                 | --                       |
| --                         | --                       | --                         | 1,839,273,387            |
| 1,569,109,036              | --                       | 1,569,109,036              | --                       |
| 1,032,574,393              | (732,574,393 )           | 300,000,000                | --                       |
| <u>25,994,159,449</u>      | <u>(732,574,393 )</u>    | <u>25,261,585,056</u>      | <u>1,839,273,387</u>     |
| (3,456,463,875 )           | (24,644,002 )            | (3,481,107,877 )           | 577,489,147              |
| (4,388,523,326 )           | 1,697,651,481            | (2,690,871,845 )           | 12,611,516,095           |
| <u>\$ (7,844,987,201 )</u> | <u>\$ 1,673,007,479</u>  | <u>\$ (6,171,979,722 )</u> | <u>\$ 13,189,005,242</u> |

**STATE OF NEW JERSEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005**

|  | <u>General Fund</u>     | <u>Property Tax Relief Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|---------------------------------|-------------------------------------|---------------------------------|
| <b>ASSETS</b>  |                         |                                 |                                     |                                 |
| <b>Cash and cash equivalents</b>                         | \$ 29,464,960           | \$ --                           | \$ 112,696,604                      | \$ 142,161,564                  |
| <b>Investments</b>                                       | 2,276,915,636           | --                              | 4,101,398,630                       | 6,378,314,266                   |
| <b>Receivables, net of allowances for uncollectibles</b> |                         |                                 |                                     |                                 |
| Federal government                                       | 342,342,771             | --                              | 94,107,724                          | 436,450,495                     |
| Departmental accounts                                    | 1,664,507,463           | 559,796,323                     | 297,137,319                         | 2,521,441,105                   |
| Loans  | 19,648,693              | --                              | 1,002,822,196                       | 1,022,470,889                   |
| Other  | 209,939,312             | --                              | 327,437,871                         | 537,377,183                     |
| <b>Due from other funds</b>                              | 870,853,727             | 149,069,848                     | 488,888,530                         | 1,508,812,105                   |
| <b>Advances to other funds</b>                           | 1,056,576               | --                              | --                                  | 1,056,576                       |
| <b>Other</b>   |                         |                                 |                                     |                                 |
| Deferred charges   | 2,940,000               | --                              | --                                  | 2,940,000                       |
| Other  | 11,565,544              | --                              | 2,076,624                           | 13,642,168                      |
| <b>Total Assets</b>                                      | <u>\$ 5,429,234,682</u> | <u>\$ 708,866,171</u>           | <u>\$ 6,426,565,498</u>             | <u>\$ 12,564,666,351</u>        |
| <b>LIABILITIES AND FUND BALANCES</b>                     |                         |                                 |                                     |                                 |
| <b>Liabilities</b>                                       |                         |                                 |                                     |                                 |
| Accounts payable and accruals                            | \$ 1,550,491,359        | \$ 45,693,063                   | \$ 685,995,641                      | \$ 2,282,180,063                |
| Deferred revenue   | 242,841,084             | --                              | 135,467,164                         | 378,308,248                     |
| Due to other funds                                       | 364,421,411             | 134,761,596                     | 995,556,296                         | 1,494,739,303                   |
| Advances from other funds                                | --                      | --                              | 1,056,576                           | 1,056,576                       |
| Other  | 84,066,696              | 90,310,530                      | 34,076,072                          | 208,453,298                     |
| <b>Total Liabilities</b>                                 | <u>2,241,820,550</u>    | <u>270,765,189</u>              | <u>1,852,151,749</u>                | <u>4,364,737,488</u>            |
| <b>Fund Balances</b>                                     |                         |                                 |                                     |                                 |
| Reserved for:  |                         |                                 |                                     |                                 |
| Encumbrances   | 839,331,899             | 3,125,350                       | 626,124,964                         | 1,468,582,213                   |
| Surplus revenue  | 288,653,747             | --                              | --                                  | 288,653,747                     |
| Other  | 369,900,113             | --                              | 1,601,557,877                       | 1,971,457,990                   |
| Unreserved:  |                         |                                 |                                     |                                 |
| General Fund   | 1,689,528,373           | --                              | --                                  | 1,689,528,373                   |
| Special Revenue Funds                                    | --                      | 434,975,632                     | 2,203,470,706                       | 2,638,446,338                   |
| Capital Projects Funds                                   | --                      | --                              | 143,260,202                         | 143,260,202                     |
| <b>Total Fund Balances</b>                               | <u>3,187,414,132</u>    | <u>438,100,982</u>              | <u>4,574,413,749</u>                | <u>8,199,928,863</u>            |
| <b>Total Liabilities and Fund Balances</b>               | <u>\$ 5,429,234,682</u> | <u>\$ 708,866,171</u>           | <u>\$ 6,426,565,498</u>             | <u>\$ 12,564,666,351</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, 2005**

**Total fund balances-governmental funds** **\$ 8,199,928,863**

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. 549,660,538

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. 226,708,580

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      | \$ 15,087,692,201      |                |
| Buildings and improvements | 2,770,279,250          |                |
| Land and land improvements | 3,659,920,969          |                |
| Other capital assets       | 695,468,084            |                |
| Accumulated depreciation   | <u>(6,587,244,388)</u> | 15,626,116,116 |

Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets. 124,576,000

The pension and other assets are not current and therefore are not reported in the fund perspective 214,943,147

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

|  |                        |                  |
|--|------------------------|------------------|
| <b>Current Liabilities</b>                           |                        |                  |
| Refunds due to taxpayers                             | (745,000,000)          |                  |
| Accrued interest                                     | <u>(218,663,978)</u>   | (963,663,978)    |
| <b>Noncurrent Liabilities</b>                        |                        |                  |
| Bonds and notes payable                              | (11,012,380,001)       |                  |
| Installment obligations                              | (15,373,184,500)       |                  |
| Loans payable  | (1,279,358,087)        |                  |
| Capital leases                                       | (669,265,504)          |                  |
| Compensated absences                                 | (488,913,389)          |                  |
| Unamortized deferral on refunding bonds              | 533,007,694            |                  |
| Unamortized premium                                  | (1,204,377,277)        |                  |
| Tobacco Settlement Financing Corporation, Inc. bonds | (3,280,155,493)        |                  |
| Unamortized discount on Capital Appreciation Bonds   | 3,211,862,482          |                  |
| Other noncurrent liabilities                         | <u>(2,260,492,392)</u> | (31,823,256,467) |

**Net assets of governmental activities** **\$ (7,844,987,201)**

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, 2005**

|   | General Fund            | Property Tax Relief Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|-------------------------|--------------------------|------------------------------|--------------------------|
| <b>REVENUES</b>   |                         |                          |                              |                          |
| Taxes   | \$ 12,331,317,446       | \$ 9,537,938,903         | \$ 1,526,236,920             | \$ 23,395,493,269        |
| Federal and other grants  | 7,853,084,617           | --                       | 741,805,002                  | 8,594,889,619            |
| Licenses and fees   | 817,250,561             | --                       | 113,353,894                  | 930,604,455              |
| Services and assessments  | 1,588,039,665           | --                       | 584,703,500                  | 2,172,743,165            |
| Investment earnings   | 58,633,842              | --                       | 90,509,354                   | 149,143,196              |
| Contributions   | 650                     | --                       | 646,741,080                  | 646,741,730              |
| Other   | 3,058,063,129           | --                       | 450,695,371                  | 3,508,758,500            |
| <b>Total Revenues</b>   | <b>25,706,389,910</b>   | <b>9,537,938,903</b>     | <b>4,154,045,121</b>         | <b>39,398,373,934</b>    |
| <b>EXPENDITURES</b>   |                         |                          |                              |                          |
| <b>Current:</b>   |                         |                          |                              |                          |
| Public safety and criminal justice  | 2,881,184,469           | --                       | 108,496,718                  | 2,989,681,187            |
| Physical and mental health  | 9,010,144,712           | --                       | 593,358,684                  | 9,603,503,396            |
| Educational, cultural, and intellectual development                                       | 5,869,130,881           | 6,591,438,938            | 1,448,920,697                | 13,909,490,516           |
| Community development and environmental management  | 1,087,993,359           | 941,082,105              | 312,405,095                  | 2,341,480,559            |
| Economic planning, development, and security  | 3,559,574,879           | --                       | 673,605,931                  | 4,233,180,810            |
| Transportation programs   | 431,557,429             | --                       | 2,052,297,895                | 2,483,855,324            |
| Government direction, management, and control   | 3,597,138,646           | 1,738,092,403            | 2,000,341,243                | 7,335,572,292            |
| Special government services   | 299,592,878             | --                       | 267,501                      | 299,860,379              |
| <b>Capital Outlay</b>   | <b>237,658,025</b>      | <b>--</b>                | <b>--</b>                    | <b>237,658,025</b>       |
| <b>Debt Service:</b>  |                         |                          |                              |                          |
| Principal   | 106,738,063             | --                       | 283,775,000                  | 390,513,063              |
| Interest  | 153,598,675             | --                       | 469,751,573                  | 623,350,248              |
| <b>Total Expenditures</b>   | <b>27,234,312,016</b>   | <b>9,270,613,446</b>     | <b>7,943,220,337</b>         | <b>44,448,145,799</b>    |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(1,527,922,106 )</b> | <b>267,325,457</b>       | <b>(3,789,175,216 )</b>      | <b>(5,049,771,865 )</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                         |                          |                              |                          |
| Proceeds from sale of bonds   | --                      | --                       | 1,000,485,000                | 1,000,485,000            |
| Transfers from other funds  | 3,849,763,599           | --                       | 5,144,349,220                | 8,994,112,819            |
| Transfers to other funds  | (3,551,620,280 )        | (18,119,296 )            | (4,391,753,402 )             | (7,961,492,978 )         |
| Other   | 1,665,948,600           | --                       | 2,414,398,794                | 4,080,347,394            |
| <b>Total other financing sources (uses)</b>   | <b>1,964,091,919</b>    | <b>(18,119,296 )</b>     | <b>4,167,479,612</b>         | <b>6,113,452,235</b>     |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>436,169,813</b>      | <b>249,206,161</b>       | <b>378,304,396</b>           | <b>1,063,680,370</b>     |
| <b>Fund balances - July 1, 2004 (Restated)</b>  | <b>2,751,244,319</b>    | <b>188,894,821</b>       | <b>4,196,109,353</b>         | <b>7,136,248,493</b>     |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 3,187,414,132</b> | <b>\$ 438,100,982</b>    | <b>\$ 4,574,413,749</b>      | <b>\$ 8,199,928,863</b>  |

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, 2005**

**Net change in fund balance - total governmental funds** **\$ 1,063,680,370**

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                                     | \$ 1,276,787,404 |             |
| Depreciation expense                               | (453,462,596)    |             |
| Excess of capital outlay over depreciation expense |                  | 823,324,808 |

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds. (1,000,485,000)

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 a liability. (3,980,641,651)

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

|  |             |             |
|--|-------------|-------------|
| Bond principal retirement                | 397,990,565 |             |
| Capital lease payments                   | 106,394,415 |             |
| Installment obligation retirement        | 173,075,644 |             |
| Certificates of participation retirement | 37,044,429  |             |
| Tobacco Settlement Financing Corp, Inc.  | 52,175,000  |             |
| Total long-term debt repayment           |             | 766,680,053 |

Because 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 2005 receivable balances increased by this amount. 6,131,111

Some revenues recorded in the Statement of Activities do not provide current financial resources and therefore are deferred in the fund perspective. 2,004,000

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         | (117,570,993) |               |
| Decrease in deferral on refunding issues | (29,140,436)  |               |
| Increase in deferred issuance costs      | 42,690,145    |               |
| Decrease in bond discount                | (2,924,073)   |               |
| Total capitalized and amortized items    |               | (106,945,357) |

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 decrease in accrued interest                                    | (121,244,954) |                 |
| Increase in compensated absences, net pension obligation, and other | (993,803,272) |                 |
| Increase in revenue refunds payable                                 | (78,000,000)  |                 |
| Decrease in pension assets  | (28,171,777)  |                 |
| Increase in other assets  | 191,007,794   |                 |
| Total additional expenditures and revenue reductions                |               | (1,030,212,209) |

**Change in net assets of governmental activities** **\$ (3,456,463,875)**

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

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2005**

|  | <b>Health Benefits<br/>Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>State<br/>Lottery<br/>Fund</b> |
|--|--|-----------------------------------|
|  |  |                                   |
| <b>ASSETS</b>  |  |                                   |
| <b>Current Assets</b>                                |  |                                   |
| Cash and cash equivalents                            | \$ --  | \$ 521,666                        |
| Investments  | 416,483,163  | 285,026,819                       |
| Receivables, net of allowances<br>for uncollectibles |  |                                   |
| Federal government                                   | --   | --                                |
| Departmental accounts                                | --   | --                                |
| Other  | 77,817,663   | 27,346,355                        |
| Due from other funds                                 | 13,064   | --                                |
| Other  | --   | 14,889,807                        |
| <b>Noncurrent Assets</b>                             |  |                                   |
| Investments  | --   | 743,996,848                       |
| <b>Total Assets</b>                                  | <b>494,313,890</b>   | <b>1,071,781,495</b>              |
| <b>LIABILITIES</b>                                   |  |                                   |
| <b>Current Liabilities</b>                           |  |                                   |
| Accounts payable                                     | 296,787,519  | 61,274,067                        |
| Due to other funds                                   | 919,994  | 91,877,624                        |
| Other  | --   | --                                |
| <b>Noncurrent Liabilities</b>                        |  |                                   |
| Due within one year                                  | --   | 160,286,504                       |
| Due in more than one year                            | --   | 744,873,246                       |
| <b>Total Liabilities</b>                             | <b>297,707,513</b>   | <b>1,058,311,441</b>              |
| <b>NET ASSETS</b>                                    |  |                                   |
| <b>Restricted for:</b>                               |  |                                   |
| Unemployment compensation                            | --   | --                                |
| Other purposes                                       | 196,606,377  | 13,470,054                        |
| <b>Unrestricted</b>                                  | <b>--</b>  | <b>--</b>                         |
| <b>Total Net Assets</b>                              | <b>\$ 196,606,377</b>  | <b>\$ 13,470,054</b>              |

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

| <u>Unemployment<br/>Compensation<br/>Fund</u> | <u>Non-Major<br/>Proprietary<br/>Funds</u> | <u>Total<br/>Proprietary<br/>Funds</u> |
|---|--|--|
| \$ 128,037                                    | \$ 464,502                                 | \$ 1,114,205                           |
| 18,021,922                                    | 15,480,379                                 | 735,012,283                            |
| 962,563,507                                   | --   | 962,563,507                            |
| 533,317,981                                   | --   | 533,317,981                            |
| 17,748,675                                    | 7,327,433                                  | 130,240,126                            |
| 95,445,282                                    | 479,286                                    | 95,937,632                             |
| --  | --   | 14,889,807                             |
| --  | --   | 743,996,848                            |
| 1,627,225,404                                 | 23,751,600                                 | 3,217,072,389                          |
| 90,674,849                                    | 3,700,000                                  | 452,436,435                            |
| 28,817,391                                    | 13,064                                     | 121,628,073                            |
| 64,840,652                                    | --   | 64,840,652                             |
| --  | --   | 160,286,504                            |
| --  | --   | 744,873,246                            |
| 184,332,892                                   | 3,713,064                                  | 1,544,064,910                          |
| 1,442,892,512                                 | --   | 1,442,892,512                          |
| --  | 21,288,361                                 | 231,364,792                            |
| --  | (1,249,825 )                               | (1,249,825 )                           |
| \$ 1,442,892,512                              | \$ 20,038,536                              | \$ 1,673,007,479                       |



| <b>Unemployment<br/>Compensation<br/>Fund</b> | <b>Non-Major<br/>Proprietary<br/>Funds</b> | <b>Total<br/>Proprietary<br/>Funds</b> |
|---|--|--|
| \$ --   | \$ --                                      | \$ 2,273,806,117                       |
| 1,763,903,938                                 | --   | 1,763,903,938                          |
| --  | 97,487,769                                 | 1,807,452,889                          |
| 37,375,828                                    | --   | 37,375,828                             |
| 4,395,465                                     | --   | 53,234,914                             |
| <u>1,805,675,231</u>                          | <u>97,487,769</u>                          | <u>5,935,773,686</u>                   |
| 1,945,516,137                                 | --   | 1,945,516,137                          |
| --  | 86,668,761                                 | 1,860,563,758                          |
| --  | --   | 1,296,810,791                          |
| --  | --   | 179,594,949                            |
| <u>1,945,516,137</u>                          | <u>86,668,761</u>                          | <u>5,282,485,635</u>                   |
| <u>(139,840,906 )</u>                         | <u>10,819,008</u>                          | <u>653,288,051</u>                     |
| 55,166,136                                    | 241,069                                    | 66,275,691                             |
| (11,633,351 )                                 | --   | (11,633,351 )                          |
| <u>43,532,785</u>                             | <u>241,069</u>                             | <u>54,642,340</u>                      |
| (96,308,121 )                                 | 11,060,077                                 | 707,930,391                            |
| --  | --   | 106,803,231                            |
| --  | --   | (839,377,624 )                         |
| <u>(96,308,121 )</u>                          | <u>11,060,077</u>                          | <u>(24,644,002 )</u>                   |
| 1,539,200,633                                 | 8,978,459                                  | 1,697,651,481                          |
| <u>\$ 1,442,892,512</u>                       | <u>\$ 20,038,536</u>                       | <u>\$ 1,673,007,479</u>                |

**STATE OF NEW JERSEY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <b>Health Benefits<br/>Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>State<br/>Lottery<br/>Fund</b> |
|---|--|-----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |                                   |
| Receipts received from customers  | \$ 87,431,069  | \$ 1,174,590,351                  |
| Receipts from federal and local agencies  | 1,638,932,678  | --                                |
| Receipts from assessments   | --   | --                                |
| Internal balances   | -  | --                                |
| Payments to suppliers   | --   | (50,394,330)                      |
| Payments to prize winners   | --   | (445,635,090)                     |
| Claims paid   | (1,728,075,877)  | --                                |
| Other receipts (payments)   | (3,747,162)  | 137,600,853                       |
| <b>Net cash provided (used) by operating activities</b>   | <b>(5,459,292)</b>   | <b>816,161,784</b>                |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |  |                                   |
| Miscellaneous receipts (payments)   | 216,949  | --                                |
| Transfers from other funds  | 106,803,231  | --                                |
| Transfers to other funds  | --   | (842,086,083)                     |
| <b>Net cash provided (used) by noncapital financing activities</b>                                    | <b>107,020,180</b>   | <b>(842,086,083)</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |                                   |
| Proceeds from sales and maturities of investments   | --   | 1,106,480,000                     |
| Interest and dividends  | 8,415,291  | --                                |
| Purchase of investments   | (110,812,152)  | (1,080,650,000)                   |
| Other   | 17,723   | --                                |
| <b>Net cash provided (used) by investing activities</b>   | <b>(102,379,138)</b>   | <b>25,830,000</b>                 |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>(818,250)</b>   | <b>(94,299)</b>                   |
| <b>Cash and cash equivalents - July 1, 2004</b>   | <b>818,250</b>   | <b>615,965</b>                    |
| <b>Cash and cash equivalents - June 30, 2005</b>  | <b>\$ --</b>   | <b>\$ 521,666</b>                 |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |  |                                   |
| Operating income (loss)   | \$ (47,000,599)  | \$ 829,310,548                    |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities         |  |                                   |
| Net changes in assets and liabilities:  |  |                                   |
| Current assets  | (530,651)  | 1,522,151                         |
| Noncurrent assets   | --   | 77,632,632                        |
| Current liabilities   | 42,071,958   | (24,313,561)                      |
| Noncurrent liabilities  | --   | (67,989,986)                      |
| <b>Net cash provided (used) by operating activities</b>   | <b>\$ (5,459,292)</b>  | <b>\$ 816,161,784</b>             |

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

| Unemployment<br>Compensation<br>Fund | Non-Major<br>Proprietary<br>Funds | Total<br>Proprietary<br>Funds |
|--------------------------------------|-----------------------------------|-------------------------------|
| \$ --                                | \$ 5,727,934                      | \$ 1,267,749,354              |
| 143,501,089                          | 91,650,279                        | 1,874,084,046                 |
| 1,543,176,211                        | --                                | 1,543,176,211                 |
| --                                   | --                                | --                            |
| --                                   | --                                | (50,394,330)                  |
| --                                   | --                                | (445,635,090)                 |
| (1,730,433,901)                      | (89,806,556)                      | (3,548,316,334)               |
| --                                   | --                                | 133,853,691                   |
| (43,756,601)                         | 7,571,657                         | 774,517,548                   |
| (11,633,351)                         | --                                | (11,416,402)                  |
| --                                   | --                                | 106,803,231                   |
| --                                   | --                                | (842,086,083)                 |
| (11,633,351)                         | --                                | (746,699,254)                 |
| --                                   | --                                | 1,106,480,000                 |
| 55,166,136                           | 240,797                           | 63,822,224                    |
| --                                   | (7,481,409)                       | (1,198,943,561)               |
| --                                   | 272                               | 17,995                        |
| 55,166,136                           | (7,240,340)                       | (28,623,342)                  |
| (223,816)                            | 331,317                           | (805,048)                     |
| 351,853                              | 133,185                           | 1,919,253                     |
| \$ 128,037                           | \$ 464,502                        | \$ 1,114,205                  |
| \$ (139,840,906)                     | \$ 10,819,008                     | \$ 653,288,051                |
| 91,453,619                           | (109,556)                         | 92,335,563                    |
| --                                   | --                                | 77,632,632                    |
| 4,630,686                            | (3,137,795)                       | 19,251,288                    |
| --                                   | --                                | (67,989,986)                  |
| \$ (43,756,601)                      | \$ 7,571,657                      | \$ 774,517,548                |

**STATE OF NEW JERSEY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2005**

|   | Agency<br>Funds | Investment<br>Trust Fund |
|---|-----------------|--------------------------|
| <b>ASSETS</b>   |                 |                          |
| Cash and cash equivalents                             | \$ 7,513,528    | \$ 292                   |
| Securities lending collateral                         | --              | --                       |
| Investments   | 86,598,168      | 3,396,883,634            |
| Receivables, net of allowances for uncollectibles     |                 |                          |
| Members   | 29,615          | --                       |
| Employers   | 1,747,855       | --                       |
| Interest and dividends                                | --              | --                       |
| Departmental accounts                                 | 863,899         | --                       |
| Other   | 41,822          | 4,707,982                |
| Due from other funds                                  | 20,305,391      | --                       |
| Other   | --              | --                       |
| <b>Total Assets</b>                                   | 117,100,278     | 3,401,591,908            |
| <b>LIABILITIES</b>                                    |                 |                          |
| Accounts payable                                      | 111,697,176     | --                       |
| Benefits payable                                      | --              | --                       |
| Securities lending collateral and rebates payable     | --              | --                       |
| Due to other funds                                    | 5,403,102       | 2,391,253                |
| <b>Total Liabilities</b>                              | 117,100,278     | 2,391,253                |
| <b>NET ASSETS</b>                                     |                 |                          |
| Held in Trust for Pension Benefits and Other Purposes | \$ --           | \$ 3,399,200,655         |

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

| <u>Pension and Other<br/>Employee Benefits<br/>Trust Funds</u> | <u>Private Purpose<br/>Trust Funds</u> |
|--|--|
| \$ 590,792   | \$ 2,175,067                           |
| 12,122,692,569   | --                                     |
| 71,851,295,954   | 10,893,365                             |
| 179,093,366  | --                                     |
| 1,605,075,951  | --                                     |
| 389,220,297  | --                                     |
| --   | --                                     |
| --   | --                                     |
| 15,906,676   | --                                     |
| 1,150,441,200  | --                                     |
| <u>87,314,316,805</u>  | <u>13,068,432</u>                      |
| 36,404,166   | 3,170,230                              |
| 410,310,386  | --                                     |
| 12,122,692,569   | --                                     |
| 12,872,652   | 3,927,421                              |
| <u>12,582,279,773</u>  | <u>7,097,651</u>                       |
| <u>\$ 74,732,037,032</u>                                       | <u>\$ 5,970,781</u>                    |

**STATE OF NEW JERSEY  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <u>Investment<br/>Trust Fund</u> | <u>Pension and Other<br/>Employee Benefits<br/>Trust Funds</u> | <u>Private Purpose<br/>Trust Funds</u> |
|--|----------------------------------|--|--|
| <b>ADDITIONS</b>                                     |                                  |  |  |
| Contributions:                                       |                                  |  |  |
| Members  | \$ --                            | \$ 1,460,882,145   | \$ --                                  |
| Employers  | --                               | 1,451,192,245  | --                                     |
| Other  | 12,847,875,432                   | 10,383,211   | --                                     |
| <b>Total Contributions</b>                           | <b>12,847,875,432</b>            | <b>2,922,457,601</b>   | <b>--</b>                              |
| Investment Income:                                   |                                  |  |  |
| Net increase (decrease) in fair value of investments | --                               | 3,870,407,859  | --                                     |
| Interest and dividends                               | 88,296,541                       | 2,196,304,279  | 243,484                                |
| <b>Total Investment Income</b>                       | <b>88,296,541</b>                | <b>6,066,712,138</b>   | <b>243,484</b>                         |
| Less investment expense                              | --                               | 7,791,369  | --                                     |
| <b>Net Investment Income</b>                         | <b>88,296,541</b>                | <b>6,058,920,769</b>   | <b>243,484</b>                         |
| Miscellaneous  | --                               | --   | 353,890                                |
| <b>Total Additions</b>                               | <b>12,936,171,973</b>            | <b>8,981,378,370</b>   | <b>597,374</b>                         |
| <b>DEDUCTIONS</b>                                    |                                  |  |  |
| Benefit payments                                     | --                               | 5,750,478,219  | --                                     |
| Refunds of contributions                             | --                               | 100,425,050  | --                                     |
| Refunds and transfers to other systems               | --                               | --   | 45,448                                 |
| Administrative expense                               | 2,391,253                        | 47,284,708   | --                                     |
| Payments in accordance with trust agreements         | --                               | --   | 363,652                                |
| Distributions to shareholders                        | 14,114,925,490                   | --   | --                                     |
| <b>Total Deductions</b>                              | <b>14,117,316,743</b>            | <b>5,898,187,977</b>   | <b>409,100</b>                         |
| <b>Total Changes in Net Assets Held In Trust</b>     | <b>(1,181,144,770 )</b>          | <b>3,083,190,393</b>   | <b>188,274</b>                         |
| <b>Net Assets - July 1, 2004</b>                     | <b>4,580,345,425</b>             | <b>71,648,846,639</b>  | <b>5,782,507</b>                       |
| <b>Net Assets - June 30, 2005</b>                    | <b>\$ 3,399,200,655</b>          | <b>\$ 74,732,037,032</b>                                       | <b>\$ 5,970,781</b>                    |

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

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STATE OF NEW JERSEY  
 STATEMENT OF NET ASSETS  
 COMPONENT UNITS  
 JUNE 30, 2005

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|   | New Jersey<br>Transit<br>Corporation | New Jersey<br>Turnpike<br>Authority | Rutgers,<br>The State<br>University<br>of New Jersey |
|---|--------------------------------------|-------------------------------------|--|
| <b>ASSETS</b>                                     |                                      |                                     |  |
| <b>Current Assets</b>                             |                                      |                                     |  |
| Cash and cash equivalents                         | \$ 119,793,749                       | \$ 153,953,632                      | \$ 52,396,000  |
| Investments                                       | 1,922,736,149                        | 1,561,593,356                       | 966,070,000  |
| Receivables, net of allowances for uncollectibles |                                      |                                     |  |
| Federal government                                | 160,457,463                          | --                                  | --   |
| Loans   | --                                   | --                                  | 7,961,000  |
| Mortgages   | --                                   | --                                  | --   |
| Other   | --                                   | 195,793                             | 130,078,000  |
| Due from external parties                         | --                                   | 17,556,863                          | --   |
| Inventories                                       | 71,549,335                           | --                                  | 3,676,000  |
| Other   | 157,045,293                          | 345,344,626                         | 66,911,000   |
| <b>Noncurrent Assets</b>                          |                                      |                                     |  |
| Fixed assets, net                                 | 7,143,746,273                        | 3,454,616,623                       | 1,546,964,000  |
| <b>Total Assets</b>                               | <u>9,575,328,262</u>                 | <u>5,533,260,893</u>                | <u>2,774,056,000</u>                                 |
| <b>LIABILITIES</b>                                |                                      |                                     |  |
| <b>Current Liabilities</b>                        |                                      |                                     |  |
| Accounts payable and accrued expenses             | 296,989,157                          | 63,383,067                          | 92,808,000   |
| Due to external parties                           | --                                   | 102,035,329                         | --   |
| Interest payable                                  | --                                   | 76,828,898                          | --   |
| Deferred revenue                                  | --                                   | --                                  | 37,195,000   |
| Other   | 47,641,140                           | 20,591,792                          | 2,206,000  |
| <b>Noncurrent Liabilities</b>                     |                                      |                                     |  |
| Due within one year                               | 307,971,218                          | 36,634,822                          | 57,847,000   |
| Due in more than one year                         | 4,113,617,505                        | 4,969,321,779                       | 637,665,000  |
| <b>Total Liabilities</b>                          | <u>4,766,219,020</u>                 | <u>5,268,795,687</u>                | <u>827,721,000</u>                                   |
| <b>NET ASSETS</b>                                 |                                      |                                     |  |
| Invested in capital assets, net of related debt   | --                                   | (1,114,878,787 )                    | 1,012,432,000  |
| <b>Restricted for:</b>                            |                                      |                                     |  |
| Capital projects                                  | 5,111,442,743                        | 1,035,352,786                       | 19,934,000   |
| Debt service                                      | --                                   | 36,126,032                          | 19,500,000   |
| Other purposes                                    | 8,260,482                            | 474,342                             | 538,000,000  |
| <b>Unrestricted</b>                               | <u>(310,593,983 )</u>                | <u>307,390,833</u>                  | <u>356,469,000</u>                                   |
| <b>Total Net Assets</b>                           | <u>\$ 4,809,109,242</u>              | <u>\$ 264,465,206</u>               | <u>\$ 1,946,335,000</u>                              |

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

| <b>University of<br/>Medicine and<br/>Dentistry<br/>of New Jersey<br/>(Unaudited)</b> | <b>Non-Major<br/>Component<br/>Units</b> | <b>Total<br/>Component<br/>Units</b> |
|---|--|--------------------------------------|
| \$ 42,134,000   | \$ 899,476,781                           | \$ 1,267,754,162                     |
| 667,232,000   | 5,013,772,191                            | 10,131,403,696                       |
| 25,475,000  | 42,210,313                               | 228,142,776                          |
| 29,669,000  | 1,609,219,673                            | 1,646,849,673                        |
| --  | 1,962,284,946                            | 1,962,284,946                        |
| 204,695,000   | 1,438,529,612                            | 1,773,498,405                        |
| --  | 25,744,957                               | 43,301,820                           |
| 7,874,000   | 1,335,199                                | 84,434,534                           |
| 45,407,000  | 249,358,149                              | 864,066,068                          |
| <u>1,027,418,000</u>  | <u>4,270,852,250</u>                     | <u>17,443,597,146</u>                |
| <u>2,049,904,000</u>  | <u>15,512,784,071</u>                    | <u>35,445,333,226</u>                |
| 234,217,000   | 226,693,635                              | 914,090,859                          |
| --  | 21,826,775                               | 123,862,104                          |
| 3,781,000   | 89,021,764                               | 169,631,662                          |
| 42,175,000  | 83,936,775                               | 163,306,775                          |
| 585,000   | 379,540,289                              | 450,564,221                          |
| 59,453,000  | 494,315,959                              | 956,221,999                          |
| 728,418,000   | 9,029,628,080                            | 19,478,650,364                       |
| <u>1,068,629,000</u>  | <u>10,324,963,277</u>                    | <u>22,256,327,984</u>                |
| 454,657,000   | 1,332,820,331                            | 1,685,030,544                        |
| 31,138,000  | 110,457,834                              | 6,308,325,363                        |
| 38,030,000  | 633,769,082                              | 727,425,114                          |
| 400,305,000   | 1,329,883,582                            | 2,276,923,406                        |
| <u>57,145,000</u>   | <u>1,780,889,965</u>                     | <u>2,191,300,815</u>                 |
| <u>\$ 981,275,000</u>   | <u>\$ 5,187,820,794</u>                  | <u>\$ 13,189,005,242</u>             |

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <u>New Jersey<br/>Transit<br/>Corporation</u> | <u>New Jersey<br/>Turnpike<br/>Authority</u> | <u>Rutgers,<br/>The State<br/>University<br/>of New Jersey</u> |
|--|---|--|--|
| <b>Expenses</b>  | \$ 1,925,282,521                              | \$ 1,040,575,048                             | \$ 1,416,813,000   |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |   |  |  |
| <b>Program Revenues</b>                                |   |  |  |
| Charges for services                                   | 609,879,801                                   | 822,268,908                                  | 531,246,000  |
| Operating grants and contributions                     | 571,400,082                                   | 32,802,016                                   | 490,533,000  |
| Capital grants and contributions                       | 537,384,164                                   | --   | 6,762,000  |
| <b>Net (Expense) Revenue</b>                           | <u>(206,618,474 )</u>                         | <u>(185,504,124 )</u>                        | <u>(388,272,000 )</u>  |
| <b>General Revenue</b>                                 |   |  |  |
| Payments from State                                    | 278,700,000                                   | 2,071,314                                    | 455,033,000  |
| <b>Total General Revenue</b>                           | <u>278,700,000</u>                            | <u>2,071,314</u>                             | <u>455,033,000</u>   |
| <b>Change in Net Assets</b>                            | 72,081,526                                    | (183,432,810 )                               | 66,761,000   |
| <b>Net Assets - Beginning of Year (Restated)</b>       | <u>4,737,027,716</u>                          | <u>447,898,016</u>                           | <u>1,879,574,000</u>   |
| <b>Net Assets - End of Year</b>                        | <u>\$ 4,809,109,242</u>                       | <u>\$ 264,465,206</u>                        | <u>\$ 1,946,335,000</u>  |

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

| <b>University of<br/>Medicine and<br/>Dentistry<br/>of New Jersey<br/>(Unaudited)</b> | <b>Non-Major<br/>Component<br/>Units</b> | <b>Total<br/>Component<br/>Units</b> |
|---|--|--------------------------------------|
| \$ 1,612,320,000  | \$ 2,555,108,520                         | \$ 8,550,099,089                     |
| 859,933,000   | 1,264,619,965                            | 4,087,947,674                        |
| 357,119,000   | 801,748,165                              | 2,253,602,263                        |
| --  | 402,618,748                              | 946,764,912                          |
| <u>(395,268,000 )</u>   | <u>(86,121,642 )</u>                     | <u>(1,261,784,240 )</u>              |
| <u>425,226,000</u>  | <u>678,243,073</u>                       | <u>1,839,273,387</u>                 |
| <u>425,226,000</u>  | <u>678,243,073</u>                       | <u>1,839,273,387</u>                 |
| 29,958,000  | 592,121,431                              | 577,489,147                          |
| <u>951,317,000</u>  | <u>4,595,699,363</u>                     | <u>12,611,516,095</u>                |
| <u><u>\$ 981,275,000</u></u>  | <u><u>\$ 5,187,820,794</u></u>           | <u><u>\$ 13,189,005,242</u></u>      |

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**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). In 1999 the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. The State began implementing these standards for the fiscal year ending June 30, 2002.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34 and No. 35. Therefore, the State implemented for the fiscal year ending June 30, 2002, Statement No. 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement No. 38 – *Certain Financial Statement Note Disclosures*.

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

## **AUTHORITIES**

Casino Reinvestment Development Authority  
Garden State Preservation Trust  
Higher Education Student Assistance Authority  
New Jersey Building Authority  
New Jersey Commerce and Economic Growth 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 Development Commission  
New Jersey Redevelopment Authority  
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.

## **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

### **C. Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information of 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 general 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. 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.

**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. These revenues which are considered to be susceptible to accrual include amounts received during the twelve month period subsequent to June 30 that were earned as of 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 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 largest enterprise funds are the Unemployment Compensation Fund, the State Lottery Fund, and the Health Benefits Local Government Employers Program Fund.

The Unemployment Compensation Fund's principle ongoing operations consist of collecting contributions 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. The Health Benefits Local Government Employers Program Fund's principle ongoing operations consist of member and employer contributions which are used to pay basic health care costs for employees of local governments.

In addition, the State records two other enterprise funds, the Dental Local Government Employers Program Fund and the Prescription Drug Local Government Employers Program Fund. For these funds, the principle ongoing operations, classified as operating revenues and expenditures, consist of member and employer contributions which are used to pay dental and prescription costs on behalf of eligible employees and their dependents.

## **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, equity, 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 Health Benefits Local Government Employers Program Fund, 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. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

- c. Health Benefits Local Government Employers Program Fund – This fund accounts for employee and employer contributions received to be used to provide basic health care services for employees of local governments.
- d. 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.
- e. Unemployment Compensation Fund – This fund accounts for monies deposited from contributions of 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 - 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 – Account for financial resources, usually general obligation bonds, to be 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 State of New Jersey Cash Management Fund-External Portion.

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 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, 2005, 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 4 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 5 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, and motor vehicles used in general operations, with unit costs above \$25,000, \$20,000, and \$30,000 respectively.
- 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 works of art, historical treasures, and similar assets. Capital assets utilized in the governmental 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.

### **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.

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:
  - (1) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or
  - (2) 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 Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
2. Reserved Other - Used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.
3. 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, 2004:

### Special Revenue Funds

New Jersey Building Authority (blended component unit)  
New Jersey Schools Construction Corporation (blended component unit)

### 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 Meadowlands Development Commission  
New Jersey Redevelopment Authority  
New Jersey Sports and Exposition Authority  
New Jersey Turnpike Authority  
South Jersey Port Corporation  
South Jersey Transportation Authority

## NOTE 2 - OTHER ACCOUNTING DISCLOSURES

### A. Change in Accounting Policy

The State has adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures* and GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. In addition, the State has adopted GASB Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*.

## **B. Reclassifications**

Balances of the Dental Expense Program Fund, the Health Benefits Program Fund, and the Prescription Drug Program Fund are now recorded as special revenue funds. In prior years these balances were recorded in the General Fund.

The Debt Service Fund has been eliminated. Balances previously recorded in the Debt Service Fund are now recorded in the General Fund and the New Jersey Transportation Trust Fund Authority, a blended component unit.

## **C. Restatement of Fund Balance**

As mentioned above, balances of the Dental Expense Program Fund, the Health Benefits Program Fund, and the Prescription Drug Program Fund, which were previously recorded in the General Fund, are now recorded as special revenue funds. As a result, the opening fund balance of the General Fund has decreased by \$102.4 million, which is reflected in the opening fund balances of the Dental Expense Program Fund (\$17.7 million), the Health Benefits Program Fund (\$57.1 million), and the Prescription Drug Program Fund (\$27.6 million).

As mentioned above, the Debt Service Fund has been eliminated. Balances previously recorded in the Debt Service Fund are now recorded in the General Fund and the New Jersey Transportation Trust Fund Authority, a blended component unit. As a result, the opening fund balance of the New Jersey Transportation Trust Fund Authority has increased by \$0.2 million. In addition, the opening fund balance of the New Jersey Transportation Trust Fund Authority was increased by \$48.2 million to reflect prior year activity which was not properly recorded.

The opening fund balance of the Petroleum Overcharge Reimbursement Fund (a special revenue fund), has been increased by \$1.5 million to reflect corrections of prior year loan balances.

## **D. Restatement of Net Asset Balance**

The July 1, 2004 net asset balance for governmental activities has been restated to (\$4,388.5) million from (\$4,039.6) million, for a net reduction of \$348.9 million. This restatement reflects the usage of the straight-line accretion method for valuation of capital appreciation bonds and the discovery of a valuation error in actuarial calculations for net pension obligations. As a result, a decrease to the opening net asset balance of \$1,343.8 million has occurred. Opening land balances, which are incorporated in capital asset balances, were increased by \$945.2 million thereby increasing the opening net asset balance. Other increases to opening net asset balances included \$48.2 million in the New Jersey Transportation Trust Fund Authority and \$1.5 million in the Petroleum Overcharge Reimbursement Fund due to prior year activity which was not properly recorded.

## **E. Deficit Fund Balances**

It is anticipated that bond sales during Fiscal Year 2006 will relieve the current deficit fund balances in the Clean Waters Fund and the Cultural Centers and Historic Preservation Fund.

In addition, a deficit fund balance exists in the Korean Veterans' Memorial Fund (\$1.0 million). It is anticipated that private and public charitable donations in future years will relieve the deficit in the Korean Veterans' Memorial Fund.

## **F. Deficit Net Asset Balances**

Calendar Year 2006 contribution rates will be increased in order to offset the deficit net asset balance of \$1.2 million in the Dental Local Government Employers Program Fund.

## **G. Joint Ventures**

**The Port Authority of New York and New Jersey  
225 Park Avenue South  
New York, NY 10003-1604**

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, 2004 disclosed the following (expressed in millions):

| <b>Financial Position</b>  | <b><u>Combined Total</u></b> |
|--|------------------------------|
| Total Assets   | \$ 19,432.5                  |
| Total Liabilities  | <u>12,478.7</u>              |
| Net Assets   | <u>\$ 6,953.8</u>            |
| <b>Operating Results</b>   |                              |
| Operating Revenues   | \$ 2,990.4                   |
| Operating Expenses   | (1,981.4)                    |
| Depreciation and Amortization  | (614.2)                      |
| Net Recoverables (Expenses) Related<br>to the Events of September 11, 2001 | <u>(5.0)</u>                 |
| Income from Operations   | 389.8                        |
| Non-operating Revenues (Expense), Net                                      | <u>(238.3)</u>               |
| Net Income   | <u>\$ 151.5</u>              |
| <b>Changes in Net Assets</b>   |                              |
| Balance January 1, 2004  | \$ 6,802.3                   |
| Net Income   | <u>151.5</u>                 |
| Balance December 31, 2004  | <u>\$ 6,953.8</u>            |

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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, 2004, Port Authority debt consisted of the following (expressed in millions):

**Bonds, Notes and Other Obligations**

|  |                                  |
|--|----------------------------------|
| Consolidated Bonds and Notes           | \$ 8,273.5                       |
| Special Project Bonds                  | 1,393.9                          |
| Operating Asset Financing              | 487.2                            |
| Capital Asset Financing                | <u>955.3</u>                     |
|  | 11,109.9                         |
| Less: Unamortized Discount and Premium | <u>(148.7)</u>                   |
| <b>Total</b>                           | <b><u><u>\$ 10,961.2</u></u></b> |

## H. 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 \$664.5 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2004.

In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$432.6 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, 2005 the State's bank balances amounted to \$123.2 million. Of these balances, \$7.4 was exposed to custodial credit risk as uninsured and uncollateralized.

## NOTE 4 – INVESTMENTS AND SECURITIES LENDING COLLATERAL

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. 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.

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Approximately \$904.3 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. The projected future costs of installment prize obligations amount to \$1.3 billion which are due in installments ranging from ten years to the lifetime of the recipient.

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

|  | <b>Amount Reported<br/>As Investments</b> |
|--|---|
| Domestic equities  | \$ 36,013.0                               |
| Domestic fixed income securities                                 | 32,839.1                                  |
| International equities   | 11,232.5                                  |
| International fixed income securities                            | 2,201.8                                   |
| Annuity contracts  | 904.3                                     |
| Domestic floating rate securities                                | 77.9                                      |
| Miscellaneous  | 7.8                                       |
| Mutual funds   | 2.7                                       |
| <b>Total investments</b>   | <b>83,279.1</b>                           |
| Unallocated administrative expenses<br>and transaction exchanges | (76.1)                                    |
| <b>Net amount recorded as investments</b>                        | <b>\$ 83,203.0</b>                        |

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

|                          | <b>Current<br/>Investments</b> | <b>Non-Current<br/>Investments</b> | <b>Total</b>       |
|--------------------------|--------------------------------|------------------------------------|--------------------|
| Governmental activities  | \$ 6,378.3                     | \$ --                              | \$ 6,378.3         |
| Business-type activities | 735.0                          | 744.0                              | 1,479.0            |
| Fiduciary funds          | 75,345.7                       | --                                 | 75,345.7           |
| <b>Total</b>             | <b>\$ 82,459.0</b>             | <b>\$ 744.0</b>                    | <b>\$ 83,203.0</b> |

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) or Standard & Poor's Corporation (S&P). 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 as follows:

| Category  | Rating          |     | Limitation of Issuers Outstanding Debt | Limitation of Issue | Other Limitations   |
|---|-----------------|-----|--|---------------------|---|
|   | Minimum Moody's | S&P |  |                     |   |
| 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 \$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 issuers 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.

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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, 2005 (expressed in millions):

|   | Moody's Rating     |                   |                   |                   |                   |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|
|   | Aaa                | Aa                | A                 | Baa               | P-1               |
| United States Treasury bills                    | \$ -               | \$ 3,078.7        | \$ -              | \$ -              | \$ -              |
| United States Treasury notes                    | 2,251.6            | 299.8             | -                 | -                 | -                 |
| United States Treasury TIPS                     | 603.2              | -                 | -                 | -                 | -                 |
| United States Treasury bonds                    | 2,193.3            | -                 | -                 | -                 | -                 |
| United States Treasury strips                   | 42.3               | -                 | -                 | -                 | -                 |
| Title XI merchant marine notes                  | 4.0                | -                 | -                 | -                 | -                 |
| Federal agricultural mortgage corporation notes | -                  | 101.7             | -                 | -                 | -                 |
| Federal farm credit bank bonds                  | 109.2              | -                 | -                 | -                 | -                 |
| Federal home loan bank bonds                    | 521.5              | -                 | -                 | -                 | -                 |
| Federal home loan bank discounted notes         | 4.2                | -                 | -                 | -                 | -                 |
| Federal home loan mortgage corporation notes    | 296.3              | 1,901.6           | -                 | -                 | -                 |
| Federal national mortgage association notes     | 736.7              | 1,021.0           | -                 | -                 | -                 |
| Resolution funding corporation obligations      | 7.3                | -                 | -                 | -                 | -                 |
| Floating rate notes                             | 25.0               | 20.0              | 10.0              | 22.9              | -                 |
| Corporate obligations                           | 645.2              | 671.8             | 2,827.8           | 1,310.4           | -                 |
| Real estate investment trust obligations        | -                  | -                 | -                 | 99.3              | -                 |
| Finance company debt                            | 285.5              | 978.6             | 757.1             | 132.1             | -                 |
| Supranational obligations                       | 122.5              | -                 | -                 | -                 | -                 |
| International bonds and notes                   | 420.4              | -                 | -                 | -                 | -                 |
| Foreign government obligations                  | 1,293.8            | 283.3             | 58.3              | -                 | -                 |
| Remic/FHLMC                                     | 638.9              | -                 | -                 | -                 | -                 |
| Remic/FNMA                                      | 74.0               | -                 | -                 | -                 | -                 |
| Remic/GNMA                                      | 18.0               | -                 | -                 | -                 | -                 |
| GNMA mortgage backed certificates               | 112.1              | -                 | -                 | -                 | -                 |
| FHLM mortgage backed certificates               | 784.4              | -                 | -                 | -                 | -                 |
| FNMA mortgage backed certificates               | 645.8              | -                 | -                 | -                 | -                 |
| Asset backed obligations                        | 253.0              | -                 | -                 | -                 | -                 |
| Private export obligations                      | 34.1               | -                 | -                 | -                 | -                 |
| Exchange traded securities                      | -                  | -                 | 56.1              | -                 | -                 |
| Commercial paper-interest                       | -                  | -                 | -                 | -                 | 524.4             |
| Commercial paper-discount                       | -                  | -                 | -                 | -                 | 3,042.7           |
| Certificates of deposit                         | -                  | -                 | -                 | -                 | 4,827.3           |
|   | <u>\$ 12,122.3</u> | <u>\$ 8,356.5</u> | <u>\$ 3,709.3</u> | <u>\$ 1,564.7</u> | <u>\$ 8,394.4</u> |

The table does not include certain investments which do not have a Moody's rating which include foreign government obligations totaling \$18.8 million with an S&P rating of AAA and convertible zero coupon bonds totaling \$4.7 million with an S&P rating of BBB. The Police and Firemen's Mortgages of \$896.7 million and repurchase agreements of \$51.3 million are unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State regulations provide limitations in the amounts that can be invested in fixed income securities maturing more than 12

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months from date of purchase for finance company debt and New Jersey state and municipal general obligations. Maturities of corporate obligations and finance company debt must be less than two years, and bank debentures must be less than 25 months. Commercial paper must mature within 270 days. Certificates of deposits and bankers acceptances are limited to a term of one year or less. The maturity of repurchase agreements shall not exceed 15 days. The investment in a guaranteed income contract is limited to a term of ten years or less.

The following table summarizes the maturities of the fixed income portfolio at June 30, 2005 (expressed in millions):

|  | Total<br>Fair Value | Maturities in Years |                   |                   |                   |
|--|---------------------|---------------------|-------------------|-------------------|-------------------|
|  |                     | Less<br>than 1      | 1-5               | 6-10              | More<br>than 10   |
| United States Treasury bills                       | \$ 3,078.7          | \$ 3,078.7          | \$ -              | \$ -              | \$ -              |
| United States Treasury notes                       | 2,550.9             | 608.9               | 1,019.8           | 922.2             | -                 |
| United States Treasury TIPS                        | 603.2               | -                   | 5.1               | 517.3             | 80.8              |
| United States Treasury bonds                       | 2,193.2             | -                   | -                 | -                 | 2,193.2           |
| United States Treasury strips                      | 42.3                | -                   | -                 | -                 | 42.3              |
| Title XI merchant marine notes                     | 4.0                 | -                   | -                 | -                 | 4.0               |
| Federal agricultural mortgage<br>corporation notes | 101.7               | -                   | 101.7             | -                 | -                 |
| Federal farm credit bank bonds                     | 109.3               | 56.6                | 52.7              | -                 | -                 |
| Federal home loan bank bonds                       | 521.5               | 49.6                | 471.9             | -                 | -                 |
| Federal home loan bank<br>discounted notes         | 4.2                 | -                   | -                 | -                 | 4.2               |
| Federal home loan mortgage<br>corporation notes    | 2,197.9             | 1,878.7             | 197.4             | 117.1             | 4.7               |
| Federal national mortgage<br>association notes     | 1,757.8             | 1,236.9             | 339.1             | 26.1              | 155.7             |
| Resolution funding corporation<br>obligations      | 7.3                 | -                   | -                 | -                 | 7.3               |
| Floating rate notes                                | 77.9                | -                   | 67.9              | 10.0              | -                 |
| Corporate obligations                              | 5,455.3             | 660.2               | 1,642.0           | 1,514.4           | 1,638.7           |
| Real estate investment trust<br>obligations        | 99.3                | -                   | 19.8              | 79.5              | -                 |
| Finance company debt                               | 2,153.3             | 410.2               | 1,031.6           | 576.5             | 135.0             |
| Supranational obligations                          | 122.5               | 25.2                | -                 | -                 | 97.3              |
| International bonds and notes                      | 420.4               | 54.8                | 300.2             | 19.9              | 45.5              |
| Foreign government obligations                     | 1,654.2             | 45.1                | 632.6             | 567.4             | 409.1             |
| Remic/FHLMC  | 638.9               | -                   | 9.9               | 21.0              | 608.0             |
| Remic/FNMA   | 74.0                | 0.2                 | 4.7               | 18.4              | 50.7              |
| Remic/GNMA   | 18.0                | -                   | -                 | -                 | 18.0              |
| Police and firemen's mortgages                     | 896.7               | -                   | -                 | -                 | 896.7             |
| GNMA mortgage backed<br>certificates               | 112.1               | -                   | 1.5               | -                 | 110.6             |
| FHLM mortgage backed<br>certificates               | 784.4               | -                   | 0.3               | 5.0               | 779.1             |
| FNMA mortgage backed                               | 645.8               | -                   | 7.3               | 29.1              | 609.4             |
| Asset backed obligations                           | 252.9               | -                   | 153.8             | 34.5              | 64.6              |
| Private export obligations                         | 34.1                | -                   | 12.3              | 21.8              | -                 |
| Convertible zero coupon bonds                      | 4.7                 | -                   | -                 | 4.7               | -                 |
| Exchange traded securities                         |                     |                     |                   |                   |                   |
| Commercial paper-interest                          | 524.4               | 524.4               | -                 | -                 | -                 |
| Commercial paper-discount                          | 3,042.7             | 3,042.7             | -                 | -                 | -                 |
| Certificates of deposit                            | 4,827.3             | 4,827.3             | -                 | -                 | -                 |
|  | <u>\$ 35,010.9</u>  | <u>\$ 16,499.5</u>  | <u>\$ 6,071.6</u> | <u>\$ 4,484.9</u> | <u>\$ 7,954.9</u> |

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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 D account within this investment pool reflects the State's investments in global markets. The State can invest in securities of companies incorporated in one of thirty countries approved by the State Investment Council. 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 22 percent of the fair value of the Common Pension Fund D account. Not more than 5 percent of the value of the assets held by Common Pension Fund D account can be invested in companies incorporated in emerging market countries, and not more than 5 percent of the fair value of the emerging market securities can be invested in any one corporation. State regulations permit entering into foreign exchange contracts for the purpose of hedging the international portfolio. The State held forward contracts totaling approximately \$650 million at June 30, 2005. At June 30, 2005, the State had the following foreign currency exposure (expressed in millions of U.S. dollars):

| Currency           | Equities           | Foreign<br>Government<br>Obligations | Total<br>Fair Value |
|--------------------|--------------------|--------------------------------------|---------------------|
| Australian dollar  | \$ 272.4           | \$ 129.0                             | \$ 401.4            |
| Canadian dollar    | 502.9              | 84.8                                 | 587.7               |
| Danish krone       | 148.4              | -                                    | 148.4               |
| Euro dollar        | 3,646.1            | 801.9                                | 4,448.0             |
| Hong Kong dollar   | 167.8              | -                                    | 167.8               |
| Japanese yen       | 2,213.7            | 4.7                                  | 2,218.4             |
| Mexican peso       | 40.7               | -                                    | 40.7                |
| New Zealand dollar | 32.9               | 39.8                                 | 72.7                |
| Norwegian krone    | 91.3               | 107.0                                | 198.3               |
| Pound sterling     | 1,957.5            | 224.5                                | 2,182.0             |
| Singapore dollar   | 75.7               | -                                    | 75.7                |
| South Korean won   | 141.6              | -                                    | 141.6               |
| Swedish krona      | 628.1              | 107.3                                | 735.4               |
| Swiss franc        | 1,017.5            | -                                    | 1,017.5             |
|                    | <u>\$ 10,936.6</u> | <u>\$ 1,499.0</u>                    | <u>\$ 12,435.6</u>  |

## 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 as follows:

| Category  | Rating          |     | Limitation of Issuers Outstanding Debt | Limitation of Issue | Other Limitations   |
|---|-----------------|-----|--|---------------------|---|
|   | Minimum Moody's | S&P |  |                     |   |
| Corporate obligations                           | A3              | A-  | 25%                                    | 25%                 | -   |
| U.S. finance company debt and bank debentures   | A2              | A   | 10%                                    | 10%                 | -   |
| Collateralized notes and mortgages              | Aaa             | AAA | -                                      | 33%                 | Limited to not more than 10% of the assets of the collateral portfolio  |
| Commercial paper                                | P-1             | A-1 | -                                      | -                   | -   |
| 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  |

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 15 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.

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, 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%), Aa (3%), and A (2%).

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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, 2005 (expressed in millions):

|                                 | Moody's Rating  |                   |                   |                   | S&P<br>Rating  |
|---------------------------------|-----------------|-------------------|-------------------|-------------------|----------------|
|                                 | Aaa             | Aa                | A                 | P-1               | A              |
| Corporate obligations           | \$ 440.1        | \$ 3,748.2        | \$ 2,052.1        | \$ -              | \$ -           |
| Commercial paper                | -               | -                 | -                 | 2,373.2           | -              |
| Certificates of deposit         | -               | 1,357.4           | -                 | -                 | 97.9           |
| Guaranteed investment contracts | -               | 150.0             | 200.0             | -                 | -              |
| Money market funds              | 103.8           | -                 | -                 | -                 | -              |
| Collateralized notes            | 10.0            | -                 | -                 | -                 | -              |
|                                 | <u>\$ 553.9</u> | <u>\$ 5,255.6</u> | <u>\$ 2,252.1</u> | <u>\$ 2,373.2</u> | <u>\$ 97.9</u> |

In addition, the collateral portfolio includes money market funds with a current market value of \$1.1 million and repurchase agreements with a current market value of \$1.6 billion at June 30, 2005 which are not rated.

The following table summarizes the maturities of the collateral portfolio at June 30, 2005 (expressed in millions):

|                                 | Total<br>Fair Value | Maturities            |                          |
|---------------------------------|---------------------|-----------------------|--------------------------|
|                                 |                     | Less than<br>One Year | One year<br>to 25 Months |
| Corporate obligations           | \$ 6,240.3          | \$ 4,753.1            | \$ 1,487.2               |
| Commercial paper                | 2,373.2             | 2,373.2               | -                        |
| Certificates of deposit         | 1,455.3             | 1,455.3               | -                        |
| Repurchase agreements           | 1,589.0             | 1,589.0               | -                        |
| Guaranteed investment contracts | 350.0               | 250.0                 | 100.0                    |
| Money market funds              | 104.9               | 104.9                 | -                        |
| Collateralized notes            | 10.0                | 10.0                  | -                        |
|                                 | <u>\$ 12,122.7</u>  | <u>\$ 10,535.5</u>    | <u>\$ 1,587.2</u>        |

As of June 30, 2005, the Pension Funds had received cash collateral of \$12.2 billion for outstanding loaned investment securities having market values of \$11.8 billion. In addition, as of June 30, 2005, the Pension Funds loaned investment securities having market values of \$38.2 million, against which it had received non-cash collateral with a current value of \$39.1 million, which is not reflected in the accompanying financial statements.

## NOTE 5 - RECEIVABLES

Fiduciary funds' receivables are not disclosed in the statement of net assets. However, these receivables are disclosed in the fund financial statements and consists 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 19 - 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, 2005.

Federal receivable balances in the Unemployment Compensation Fund (\$1.0 billion) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

## B. Departmental

Departmental accounts receivable of \$3.1 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 (\$308.1 million).

## C. Loans

Loans receivable of \$1.0 billion are reduced by allowances of \$16.0 million and include \$934.4 million due from local units of government and other recipients for environmental projects, \$43.0 million loaned for economic development within local units of government, and \$13.8 million loaned for housing and mortgage assistance.

## D. Other

Other receivables totaling \$1.7 billion are reduced by allowances of \$636.5 million and include tax receivables due of \$428.7 million, \$209.2 million due from the Port Authority of New York and New Jersey, \$135.3 million due from trustee holding proceeds of Motor Vehicle Commission bonds, \$125.5 million due from tobacco companies, and contributions due from employers and members to the Health Benefits Local Government Employers Program Fund of \$77.8 million.

## NOTE 6 - CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2005 is as follows (expressed in millions):

|   | <b>Balance<br/>July 1, 2004*</b> | <b>Additions</b> | <b>Retirements</b> | <b>Balance<br/>June 30, 2005</b> |
|---|----------------------------------|------------------|--------------------|----------------------------------|
| Capital assets, not being depreciated:      |                                  |                  |                    |                                  |
| Land  | \$ 3,412.0                       | \$ 173.8         | \$ 13.7            | \$ 3,572.1                       |
| Construction in progress                    | 348.4                            | 85.3             | 48.8               | 384.9                            |
| Capital assets, being depreciated:          |                                  |                  |                    |                                  |
| Land improvements                           | 84.0                             | 3.8              | --                 | 87.8                             |
| Buildings and improvements                  | 2,687.8                          | 90.3             | 7.8                | 2,770.3                          |
| Machinery and equipment                     | 305.0                            | 22.5             | 16.9               | 310.6                            |
| Infrastructure                              | 14,120.1                         | 967.6            | --                 | 15,087.7                         |
| Total at historical cost                    | <u>20,957.3</u>                  | <u>1,343.3</u>   | <u>87.2</u>        | <u>22,213.4</u>                  |
| Less accumulated depreciation:              |                                  |                  |                    |                                  |
| Land improvements                           | 59.0                             | 3.0              | --                 | 62.0                             |
| Buildings and improvements                  | 1,227.5                          | 89.1             | 8.4                | 1,308.2                          |
| Machinery and equipment                     | 223.7                            | 24.5             | 12.5               | 235.7                            |
| Infrastructure                              | 4,644.5                          | 336.9            | --                 | 4,981.4                          |
| Total accumulated depreciation              | <u>6,154.7</u>                   | <u>453.5</u>     | <u>20.9</u>        | <u>6,587.3</u>                   |
| Governmental activities capital assets, net | <u>\$ 14,802.6</u>               | <u>\$ 889.8</u>  | <u>\$ 66.3</u>     | <u>\$ 15,626.1</u>               |

\*The July 1, 2004 balance has been restated by \$945.2 million to reflect revised land amounts.

**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, works of art and historical treasures; such as statues; monuments; historical documents; paintings; forts and lighthouses; rare library books; various capitol-related artifacts and furnishings.

**B. Depreciation and Useful Lives**

Capital assets are depreciated using the straight line method, with one half of the year’s depreciation charged in the year of acquisition and in the year of disposal. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were assigned as follows:

| <u>Asset</u>              | <u>Years</u> |
|---------------------------|--------------|
| Land improvements         | 10-25        |
| Building and improvements | 12-45        |
| Machinery and equipment   | 5-15         |
| Infrastructure            | 8-70         |

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

|   | <u>Amount</u>   |
|---|-----------------|
| Public safety and criminal justice                  | \$ 28.7         |
| Physical and mental health                          | 9.2             |
| Educational, cultural, and intellectual development | 3.9             |
| Community development and environmental management  | 6.0             |
| Economic planning, development, and security        | 2.5             |
| Transportation programs                             | 346.5           |
| Government direction, management, and control       | 56.6            |
| Special government services                         | 0.1             |
|   | <u>\$ 453.5</u> |

**NOTE 7 - 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, 2005 are presented below (expressed in millions):

|                              | <b>General<br/>Fund</b> | <b>Property Tax<br/>Relief<br/>Fund</b> | <b>Non-Major<br/>Governmental<br/>Funds</b> | <b>Major<br/>Proprietary<br/>Funds</b> | <b>Non-Major<br/>Proprietary<br/>Funds</b> | <b>Fiduciary<br/>Funds</b> | <b>Total</b>      |
|------------------------------|-------------------------|---|---|--|--|----------------------------|-------------------|
| <b>Due from:</b>             |                         |   |   |  |  |                            |                   |
| General Fund                 | \$ --                   | \$ 138.3                                | \$ 191.8                                    | \$ 0.1                                 | \$ --                                      | \$ 34.2                    | \$ 364.4          |
| Property Tax Relief Fund     | --                      | --                                      | 39.5  | 95.3                                   | --   | --                         | 134.8             |
| Non-Major Governmental Funds | 762.8                   | 2.1                                     | 230.7                                       | --                                     | --   | --                         | 995.6             |
| Major Proprietary Funds      | 92.3                    | 1.9                                     | 26.9  | --                                     | 0.5  | --                         | 121.6             |
| Fiduciary Funds              | 15.8                    | 6.8                                     | --  | --                                     | --   | 2.0                        | 24.6              |
| <b>Total Due from's</b>      | <b>\$ 870.9</b>         | <b>\$ 149.1</b>                         | <b>\$ 488.9</b>                             | <b>\$ 95.4</b>                         | <b>\$ 0.5</b>                              | <b>\$ 36.2</b>             | <b>\$ 1,641.0</b> |
| <b>Due to:</b>               |                         |   |   |  |  |                            |                   |
| General Fund                 | \$ --                   | \$ --                                   | \$ 762.8                                    | \$ 92.3                                | \$ --                                      | \$ 15.8                    | \$ 870.9          |
| Property Tax Relief Fund     | 138.3                   | --                                      | 2.1   | 1.9                                    | --   | 6.8                        | 149.1             |
| Non-Major Governmental Funds | 191.8                   | 39.5                                    | 230.7                                       | 26.9                                   | --   | --                         | 488.9             |
| Major Proprietary Funds      | 0.1                     | 95.3                                    | --  | --                                     | --   | --                         | 95.4              |
| Non-Major Proprietary Funds  | --                      | --                                      | --  | 0.5                                    | --   | --                         | 0.5               |
| Fiduciary Funds              | 34.2                    | --                                      | --  | --                                     | --   | 2.0                        | 36.2              |
| <b>Total Due to's</b>        | <b>\$ 364.4</b>         | <b>\$ 134.8</b>                         | <b>\$ 995.6</b>                             | <b>\$ 121.6</b>                        | <b>\$ --</b>                               | <b>\$ 24.6</b>             | <b>\$ 1,641.0</b> |

**B. Transfer In/(Out)**

Interfund transfers for the fiscal year ended June 30, 2005 are presented below (expressed in millions):

|                               | <u>General Fund</u> | <u>Property Tax Relief Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Major Proprietary Funds</u> | <u>Total</u>        |
|-------------------------------|---------------------|---------------------------------|-------------------------------------|--------------------------------|---------------------|
| <b>Transfers (out) to:</b>    |                     |                                 |                                     |                                |                     |
| General Fund                  | \$ --               | \$ --                           | \$ (3,010.4)                        | \$ (839.4)                     | \$ (3,849.8)        |
| Property Tax Relief Fund      | --                  | --                              | --                                  | --                             | --                  |
| Non-Major Governmental Funds  | (3,462.9)           | --                              | (1,381.4)                           | --                             | (4,844.3)           |
| Major Proprietary Funds       | (88.7)              | (18.1)                          | --                                  | --                             | (106.8)             |
| <b>Total Transfers (Out)</b>  | <u>\$ (3,551.6)</u> | <u>\$ (18.1)</u>                | <u>\$ (4,391.8)</u>                 | <u>\$ (839.4)</u>              | <u>\$ (8,800.9)</u> |
| <b>Transfers in from:</b>     |                     |                                 |                                     |                                |                     |
| General Fund *                | \$ --               | \$ --                           | \$ 3,762.9                          | \$ 88.7                        | \$ 3,851.6          |
| Property Tax Relief Fund      | --                  | --                              | --                                  | 18.1                           | 18.1                |
| Non-Major Governmental Funds  | 3,010.4             | --                              | 1,381.4                             | --                             | 4,391.8             |
| Major Proprietary Funds       | 839.4               | --                              | --                                  | --                             | 839.4               |
| <b>Total Transfers In</b>     | <u>\$ 3,849.8</u>   | <u>\$ --</u>                    | <u>\$ 5,144.3</u>                   | <u>\$ 106.8</u>                | <u>\$ 9,100.9</u>   |
| <b>Net Transfers In (Out)</b> | <u>\$ 298.2</u>     | <u>\$ (18.1)</u>                | <u>\$ 752.5</u>                     | <u>\$ (732.6)</u>              | <u>\$ 300.0</u>     |

\*The New Jersey Schools Construction Corporation (a blended component unit included in the Non-Major Governmental Funds) has a fiscal year end of December 31, 2004. Due to the State having a June 30, 2005 fiscal year end, transactions between the New Jersey Schools Construction Corporation and the General Fund have created an imbalance within the transfers.

**NOTE 8 - 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 \$1.5 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, 2005 was as follows (expressed in millions):

|                                    | <u>Outstanding July 1, 2004</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Outstanding June 30, 2005</u> |
|------------------------------------|---------------------------------|---------------|-----------------|----------------------------------|
| Tax And Revenue Anticipation Notes | \$ --                           | \$ 1,500.0    | \$ (1,500.0)    | \$ --                            |

**NOTE 9 – LONG-TERM OBLIGATIONS**

**A. Changes in Long-term Debt**

The following schedule represents the changes in the Long-term Debt (expressed in millions):

|  | <b>Outstanding<br/>July 1, 2004</b> | <b>Additions</b>   | <b>Deductions</b> | <b>Outstanding<br/>June 30, 2005</b> | <b>Amounts Due<br/>Within<br/>One Year</b> |
|--|-------------------------------------|--------------------|-------------------|--------------------------------------|--|
| <b>Governmental Activities</b>                         |                                     |                    |                   |                                      |  |
| General obligation bonds (1)                           | \$ 3,301.0                          | \$ 472.4           | \$ 617.0          | \$ 3,156.4                           | \$ 105.9                                   |
| Revenue bonds (1)                                      | 7,229.4                             | 3,679.0            | 3,052.4           | 7,856.0                              | 193.8                                      |
| Accumulated sick and vacation payable                  | 466.1                               | 258.6              | 235.8             | 488.9                                | 258.6                                      |
| Capital leases   | 691.5                               | 118.9              | 141.1             | 669.3                                | 66.0                                       |
| Installment obligations (1)                            | 11,741.3                            | 5,250.9            | 1,619.0           | 15,373.2                             | 207.6                                      |
| Certificates of participation                          | 77.4                                | 25.8               | 37.1              | 66.1                                 | 28.2                                       |
| Loans payable  | 1,279.4                             | --                 | --                | 1,279.4                              | --   |
| Net pension obligation (2)                             | 845.6                               | 951.2              | --                | 1,796.8                              | --   |
| Tobacco securitization bonds                           | 3,329.4                             | --                 | 49.2              | 3,280.2                              | 1.7  |
| Other  | 377.8                               | 397.5              | 377.8             | 397.5                                | 397.5                                      |
| Unamortized premium                                    | 498.6                               | 759.7              | 53.9              | 1,204.4                              | --   |
| Unamortized deferral on refunding                      | (223.8)                             | (338.4)            | (29.2)            | (533.0)                              | --   |
| Unamortized interest on capital appreciation bonds (3) | (3,311.6)                           | (71.8)             | (171.5)           | (3,211.9)                            | --   |
| <b>Subtotal Governmental Activities</b>                | <b>26,302.1</b>                     | <b>11,503.8</b>    | <b>5,982.6</b>    | <b>31,823.3</b>                      | <b>1,259.3</b>                             |
| <b>Business-type Activities</b>                        |                                     |                    |                   |                                      |  |
| Accumulated sick and vacation payable                  | 0.8                                 | 0.5                | 0.4               | 0.9                                  | 0.5  |
| Deposit fund contracts                                 | 972.3                               | 93.3               | 161.3             | 904.3                                | 160.3                                      |
| <b>Subtotal Business-type Activities</b>               | <b>973.1</b>                        | <b>93.8</b>        | <b>161.7</b>      | <b>905.2</b>                         | <b>160.8</b>                               |
| <b>Total Governmental and Business-type</b>            | <b>\$ 27,275.2</b>                  | <b>\$ 11,597.6</b> | <b>\$ 6,144.3</b> | <b>\$ 32,728.5</b>                   | <b>\$ 1,420.1</b>                          |

(1) July 1, 2004 was restated to include \$4.2 billion of capital appreciation bonds excluded from prior year's balance.

(2) July 1, 2004 was restated to include \$484.4 million of net pension obligation excluded from prior year's balance.

(3) July 1, 2004 was restated to discount \$3.3 billion of unamortized interest on capital appreciation bonds.

## B. Debt Service Payments

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

| <u>Fiscal Year</u>                                    | <u>Debt Service</u> |                   |                    |
|---|---------------------|-------------------|--------------------|
|   | <u>General</u>      | <u>Revenue</u>    | <u>Total</u>       |
|   | <u>Obligation</u>   | <u>Bonds</u>      |                    |
|   | <u>Debt</u>         |                   |                    |
| 2006  | \$ 264.8            | \$ 603.1          | \$ 867.9           |
| 2007  | 422.8               | 731.0             | 1,153.8            |
| 2008  | 410.6               | 733.6             | 1,144.2            |
| 2009  | 380.1               | 733.7             | 1,113.8            |
| 2010  | 375.5               | 756.7             | 1,132.2            |
| 2011-2015   | 1,478.4             | 3,760.5           | 5,238.9            |
| 2016-2020   | 857.5               | 2,730.5           | 3,588.0            |
| 2021-2025   | 159.2               | 1,066.2           | 1,225.4            |
| 2026-2030   | --                  | 171.8             | 171.8              |
| <b>Total Debt Service</b>                             | <u>4,348.9</u>      | <u>11,287.1</u>   | <u>15,636.0</u>    |
| Less: Amount representing interest                    | (1,192.5)           | (3,431.1)         | (4,623.6)          |
| <b>Subtotal</b>                                       | <u>3,156.4</u>      | <u>7,856.0</u>    | <u>11,012.4</u>    |
| Unamortized premium                                   | 159.1               | 660.2             | 819.3              |
| Unamortized deferral<br>on refunding                  | (84.5)              | (329.2)           | (413.7)            |
| Unamortized interest on<br>capital appreciation bonds | (12.2)              | (215.9)           | (228.1)            |
| <b>Total</b>  | <u>\$ 3,218.8</u>   | <u>\$ 7,971.1</u> | <u>\$ 11,189.9</u> |

Total general obligation bonds outstanding as of June 30, 2005 is \$3.2 billion. General obligation bonds are secured by the State's full faith and credit. The amount provided by the General Fund for interest and principal payments for the fiscal year ended June 30, 2005 was \$260.3 million.

The State has refunded various general obligation bond issuances by creating separate irrevocable trust funds. Refunding bonds have been issued whereby the proceeds are used to purchase United States Treasury Obligations--State and Local Government Series. The securities are deposited into an irrevocable trust fund, and then held by the trustee. The investments themselves and the fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed as a liability from the State's long-term debt. As of June 30, 2005, the amount of defeased general obligation debt outstanding, but removed from the State's long-term debt amounted to \$1,182.7 million.

During Fiscal Year 2005, the State advance refunded various general obligation debt by issuing \$472.4 million of general obligation refunding bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$4.1 million. An economic loss of \$37.5 million was realized on the transaction.

The New Jersey Transportation Trust Fund Authority issued \$3,626.1 million in bonds during Fiscal Year 2005, of which \$2,629.7 million were revenue refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 19 years by \$63.6 million and resulted in an economic loss of \$181.1 million.

During Fiscal Year 2005, the State advance refunded certain New Jersey Building Authority bonds. The New Jersey Building Authority issued \$48.8 million of revenue refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$0.2 million and to obtain an economic gain of \$12.4 million.

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In May 2004, the Garden State Preservation Trust issued Open Space and Farmland Preservation Bonds (Series 2005 A) in the amount of \$500 million. In September 2004, the Trust also issued \$150 million (Series 2005 B) in Open Space and Farmland Preservation Bonds. Both bond series were issued as forward delivery bonds, meaning that the terms and conditions of the bonds were established in May 2004 and September 2004, respectively, but the delivery of the bonds will not take place until December 2005. Therefore, these bonds are not presented as long term debt outstanding as of June 30, 2005.

During Fiscal Year 2005, the State advance refunded certain New Jersey Economic Development Authority installment obligation bonds with an installment obligation bond refunding. The New Jersey Economic Development Authority issued \$1.4 billion of installment obligation refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 25 years by \$48.1 million and resulted in an economic loss of \$107.6 million.

In addition, the State (the General Fund) has assisted the New Jersey Sports and Exposition Authority with two types of debt. The first involves use of the State's guarantee on certain bonds issued by the New Jersey Sports and Exposition Authority. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee. The amount outstanding on these bonds as of December 31, 2004, is \$20.1 million. The State has never had to make any State guaranteed debt service payments. The second type of debt involves the issuance of State Contract Bonds. The State has contracted with the New Jersey Sports and Exposition Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on the bonds. As of June 30, 2005, the amount outstanding on New Jersey Sports and Exposition Authority State Contract Bonds was \$635.2 million.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation, the New Jersey Housing and Mortgage Finance Agency, and the Higher Education Student Assistance Authority. However, the State Legislature is not legally bound to make such appropriations for these "moral obligation" bonds. Furthermore, the New Jersey Housing and Mortgage Finance Agency and the Higher Education Student Assistance Authority have not had a deficiency in debt service reserve which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2004, 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 2005 in the amount of \$7.0 million.

### C. Capital Lease and Installment Obligations

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

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2005 (expressed in millions):

| <u>Fiscal Year</u>                        | <u>Lease Payments</u> |
|---|-----------------------|
| 2006                                      | \$ 104.2              |
| 2007                                      | 106.1                 |
| 2008                                      | 106.3                 |
| 2009                                      | 104.1                 |
| 2010                                      | 91.7                  |
| 2011-2015                                 | 273.9                 |
| 2016-2020                                 | 115.4                 |
| 2021-2025                                 | 45.3                  |
| 2026-2030                                 | 12.1                  |
| Total minimum lease payments              | 959.1                 |
| Less: Amount representing interest        | 289.8                 |
| Present value of lease principal payments | <u>\$ 669.3</u>       |

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Installment obligations represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the debt service of the respective authorities' funds, subject to and dependent upon appropriations being made by the State Legislature for such purchases. At the conclusion of the term of the installment agreements, title to the various facilities is to be transferred to the State. The following is a schedule, by fiscal year, of future installment payments together with the present value of net minimum installment payments, as of June 30, 2005 (expressed in millions) for both installment purchases as well as various other installment obligations of the State:

| <u>Fiscal Year</u>                                      | <u>Debt Service</u>       |
|---|---------------------------|
| 2006  | \$ 720.8                  |
| 2007  | 875.5                     |
| 2008  | 942.3                     |
| 2009  | 936.5                     |
| 2010  | 947.0                     |
| 2011-2015   | 4,747.0                   |
| 2016-2020   | 5,035.5                   |
| 2021-2025   | 4,888.5                   |
| 2026-2030   | 3,803.5                   |
| 2031-2035   | 550.5                     |
| Total minimum installment payments                      | <u>23,447.1</u>           |
| Less: Amount representing interest                      | <u>8,073.9</u>            |
| Subtotal  | 15,373.2                  |
| Add: Unamortized premium                                | 385.1                     |
| Add: Unamortized deferral on refunding                  | (119.3)                   |
| Add: Unamortized interest on capital appreciation bonds | (2,983.8)                 |
| <b>Total</b>  | <u><u>\$ 12,655.2</u></u> |

Those obligations identified as certificates of participation represent a series of master lease agreements with a trustee from the sale of certificates of participation. The State is required to make payments that approximate the principal and interest payments to be made by the trustee to certified holders. The following is a schedule, by fiscal year, of future payments together with the present value of net minimum payments, as of June 30, 2005 (expressed in millions):

| <u>Fiscal Year</u>                                   | <u>Debt Service</u>   |
|--|-----------------------|
| 2006   | \$ 30.4               |
| 2007   | 22.8                  |
| 2008   | 9.5                   |
| 2009   | 3.6                   |
| 2010   | 1.1                   |
| 2011-2015  | 4.6                   |
| Total minimum certificates of participation payments | <u>72.0</u>           |
| Less: Amount representing interest                   | <u>5.9</u>            |
| Total principal payments                             | <u><u>\$ 66.1</u></u> |

#### D. Loans Payable

The New Jersey Automobile Insurance Guaranty Fund has received a loan of \$1.3 billion from the New Jersey Property-Liability Insurance Guaranty Association. Loan repayments are subject to appropriation and will be repaid to the Association when the financial obligations of the Joint Underwriters Association (JUA) have been fully satisfied.

#### E. Net Pension Obligation

As of June 30, 2005, the net pension obligation (NPO) for the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension and Annuity Fund amounted to \$1.8 billion. The July 1, 2004 balance was restated to include \$484.4 million of a net pension obligation which was excluded from the prior year's balance.

## F. Tobacco Securitization Bonds

During Fiscal Year 2003, the State established the Tobacco Settlement Financing Corporation, Inc. (TSFC) as a special purpose, local development corporation. The TSFC is an instrumentality of, but separate and apart from, the State. Pursuant to a Purchase and Sale Agreement with the State, the State sold to the TSFC all of its future right, title and interest in the tobacco settlement revenues under the Master Settlement Agreement and Decree of Final Judgment. As of June 30, 2003, the TSFC had issued approximately \$3.46 billion of Tobacco Settlement Asset-Backed Bonds.

During Fiscal Year 2003, the Tobacco Settlement Financing Corporation (TSFC) was presented as a discreet component unit of the State. Effective Fiscal Year 2004, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result of this, 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 upon any dedicated stream of revenue generated by the State. The balance of bonds payable outstanding, net of unamortized bond discount as of June 30, 2005, is \$3.3 billion.

## G. Other

This obligation is claims that represent unmatured long-term indebtedness which is required (NCGA Statement 1) to be reported as general long-term liabilities of the government. This includes health (\$136.8 million), dental (\$6.2 million), and medicaid benefit claims (\$254.5 million of which \$121.0 million is federally reimbursable) which have been incurred but not reported.

## H. Proprietary Funds/Business-type Activities

Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Future payment of installment prizes in the amount of \$904.3 million are recorded as noncurrent liabilities in both the fund financial statements and the government-wide statements.

## NOTE 10 - 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, 2005 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 2005 and Fiscal Year 2004 are detailed below (expressed in millions):

| <u>Type of Claim</u>  | <u>Fiscal Year 2005</u> | <u>Fiscal Year 2004</u> |
|-----------------------|-------------------------|-------------------------|
| Tort                  | \$ 7.5                  | \$ 8.1                  |
| Workers' compensation | 21.6                    | 21.3                    |
| Automobile            | 1.8                     | 3.1                     |

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2005. 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 December 1, 2012.

## NOTE 11 – 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

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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, 2005 the State has 30 active swap agreements with 13 swap providers for a combined notional amount of \$4.8 billion.

## B. Interest Rate Swap Agreements – Synthetic Fixed Rate

The State acting through its public authorities entered into 16 swap agreements in connection with the issuance of \$1,922.5 million in variable rate bonds. These bonds, and their associated swap agreements, were part of four separate refunding transactions that produced net present value savings for the State's General Fund. 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. In effect, the State has locked in its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

| <u>Issuer/Series</u>                                    | <u>Notional<br/>Amounts<br/>(\$ Millions)</u> | <u>Effective<br/>Date</u> | <u>Synthetic<br/>Fixed<br/>Rate</u> | <u>Variable<br/>Rate Received</u>   |
|---|---|---------------------------|-------------------------------------|---|
| <b><u>NJ Sports and Exposition Authority</u></b>        |   |                           |                                     |   |
| 1992 Series C   | \$ 180.700                                    | 11/12/92                  | 5.860 %                             | Floating rate on the bonds  |
| 2002 Series B-1, B-2                                    | 118.310                                       | 1/29/02                   | 4.500                               | The lesser of the weighted average of the BMA Index or 70% of the 1-Month USD-LIBOR |
| <b><u>NJ Transportation Trust Fund Authority</u></b>    |   |                           |                                     |   |
| 2003 Series B-1   | 85.000  | 1/30/03                   | 3.565                               | 67% of the weekly USD-LIBOR   |
| 2003 Series B-2   | 85.000  | 1/30/03                   | 3.537                               | 67% of the weekly USD-LIBOR   |
| 2003 Series B-3   | 50.000  | 1/30/03                   | 3.630                               | 67% of the weekly USD-LIBOR   |
| 2003 Series B-4   | 62.500  | 1/30/03                   | 3.675                               | 67% of the weekly USD-LIBOR   |
| 2003 Series B-5   | 62.500  | 1/30/03                   | 3.675                               | 67% of the weekly USD-LIBOR   |
| <b><u>NJ Economic Development Authority</u></b>         |   |                           |                                     |   |
| Business Employment Incentive Program<br>2004 Series B  | 57.945  | 11/1/04                   | 4.761                               | 100% of 1-Month USD-LIBOR +<br>7 Basis Points                                       |
| School Facilities Construction Program<br>2004 Series J | 500.000                                       | 9/1/04                    | 4.063                               | 75% of 1-Month USD-LIBOR  |
| School Facilities Construction Program<br>2005 Series M | 500.000                                       | 3/1/05                    | 4.176                               | 75% of 1-Month USD-LIBOR  |
| <b><u>NJ Building Authority</u></b>                     |   |                           |                                     |   |
| 2003 Series A<br>(5 Swap Agreements)                    | 187.600                                       | 8/20/03                   | 3.640                               | 62% of 1-Month USD-LIBOR +<br>20 Basis Points                                       |

The bonds and the related swap agreements listed above have final maturities ranging from November 1, 2014 through February 15, 2029. The total notional amount of \$1,889.6 million matches the amount of variable rate bonds that are outstanding as of June 30, 2005.

Under the swap agreements with the New Jersey Sports and Exposition Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 4.50 percent to 5.86 percent. Depending on the associated swap agreement, the State receives a variable payment computed as either the floating rate on the bonds, the lesser of the BMA Index, or 70 percent of the one month USD-LIBOR. The swap provider calculates the 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.

Under the swap agreement with the New Jersey Transportation Trust Fund Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 3.53 percent to 3.68 percent. The State then receives a variable payment computed as 67 percent of the weekly

USD-LIBOR from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Economic Development Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 4.06 percent to 4.77 percent. Depending on the associated swap agreement, the State receives a variable payment computed as 100 percent of the one month USD-LIBOR plus 7 basis points, or 75 percent of the one month USD-LIBOR. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction agent determines the variable interest rate that is applied to the bonds.

On December 21, 2000 the New Jersey Economic Development Authority entered into an interest rate swap agreement with Lehman Brothers Special Financing, Inc. and Morgan Stanley Capital Services, Inc. for the purpose of converting its \$375.0 million State Pension Variable Rate Refunding Bonds, Series 2003 to a fixed rate. Under its terms, the New Jersey Economic Development Authority paid a fixed rate of 7.6 percent to the counterparties and received a variable rate equal to the one month USD-LIBOR plus 50 basis points. On May 23, 2005, the New Jersey Economic Development Authority terminated the swap agreement, and converted the \$375.0 million State Pension Funding Variable Rate Refunding Bonds, Series 2003 to a fixed rate mode. The bonds were remarketed at a fixed rate of 7.398 percent.

Under the swap agreement with the New Jersey Building Authority, the State through the Authority pays a fixed payment at a rate of 3.64 percent. The State then receives a variable payment computed as 62 percent of the one month USD-LIBOR plus 20 basis points on the same notional amount from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction 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 12 swap agreements in association with \$2.9 billion of future bond transactions involving the New Jersey Economic Development Authority's Business Employment Incentive Program and School Construction Program. The purpose of the swap agreements is to take advantage of today's historically low fixed interest rate environment and "lock in" these current 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.

The New Jersey Economic Development Authority's Business Employment Incentive Program has two active swap agreements for a combined notional amount of \$156.9 million. The effective date of the first swap agreement commences on November 1, 2005. The other becomes effective November 1, 2006. Under the terms of the swap agreements, the State pays a fixed interest rate between 5.37 percent and 5.77 percent and receives a variable payment computed as 100 percent of the one month LIBOR plus seven basis points. The total notional amount of \$156.9 million will match the variable rate bonds that will be issued. Final maturities on the bonds and their associated swap agreement are November 1, 2015 and November 1, 2016. The method for determining the variable interest rate on these bonds will be determined by the issuer.

The New Jersey Economic Development Authority's School Construction Program has 10 active swap agreements for a combined notional amount of \$2.75 billion. The effective date of the first Swap Agreement commences on September 1, 2005 and the others become effective every six months thereafter through March 1, 2007. Under the terms of the swap agreements, the State pays a fixed interest rate between 4.21 percent and 4.65 percent. The State either receives a variable payment computed as 75 percent of the one month USD-LIBOR or 67 percent of the one month USD-LIBOR plus 40 basis points, depending upon the swap agreement. The total notional amount of \$2.75 billion will match the variable rate bonds that will be issued. Final maturities on the bonds and their associated swap agreements range from September 1, 2030 through March 1, 2032. The method for determining the variable interest rate on these bonds will be determined by the issuer.

A description of each swap agreement is as follows:

**New Jersey Economic Development Authority**

| <u>Issuer/Series</u>                   | <u>Notional<br/>Amounts<br/>(\$ Millions)</u> | <u>Effective<br/>Date</u> | <u>Synthetic<br/>Fixed<br/>Rate</u> | <u>Variable<br/>Rate Received</u>            |
|--|---|---------------------------|-------------------------------------|--|
| Business Employment Incentive Program  | \$ 78.150                                     | 11/1/05                   | 5.3660 %                            | 100% of 1-Month USD-LIBOR+<br>7 Basis Points |
| Business Employment Incentive Program  | 78.700  | 11/1/06                   | 5.7650                              | 100% of 1-Month USD-LIBOR+<br>7 Basis Points |
| School Facilities Construction Program | 250.000                                       | 9/1/05                    | 4.2184                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 250.000                                       | 9/1/05                    | 4.2184                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 250.000                                       | 3/1/06                    | 4.2959                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 250.000                                       | 3/1/06                    | 4.2959                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 250.000                                       | 9/1/06                    | 4.4074                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 250.000                                       | 9/1/06                    | 4.4074                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 500.000                                       | 3/1/07                    | 4.3692                              | 75% of 1-Month USD-LIBOR                     |
| School Facilities Construction Program | 250.000                                       | 3/1/07                    | 4.6345                              | 67% of 1-Month USD-LIBOR+<br>40 Basis Points |
| School Facilities Construction Program | 250.000                                       | 3/1/07                    | 4.6425                              | 67% of 1-Month USD-LIBOR+<br>40 Basis Points |
| School Facilities Construction Program | 250.000                                       | 3/1/07                    | 4.6430                              | 67% of 1-Month USD-LIBOR+<br>40 Basis Points |

**D. Interest Rate Swap Agreements - Fair Value**

Between November 12, 1992 and June 30, 2005, the State, acting through its public authorities, has entered into 30 swap agreements. During this time, general interest rates have declined since the execution of the swap agreements. As a result, when the swap agreements are marked to market as of June 30, 2005, the State's entire portfolio has a negative net present value of \$459.9 million. A breakdown of this amount is shown below:

| <u>Authority/Issuer</u>                | <u>Net Present Value<br/>(\$ In Millions)</u> |
|--|---|
| NJ Building Authority                  | \$ (10.830)                                   |
| NJ Economic Development Authority      |   |
| Business Employment Incentive Program  | (9.418)                                       |
| School Facilities Construction Program | (375.297)                                     |
| NJ Sports and Exposition Authority     | (58.023)                                      |
| NJ Transportation Trust Fund Authority | (6.371)                                       |
| <b>Total</b>                           | <u><u>\$ (459.939)</u></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. 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 become positive, all of the swap counterparties' ratings have remained in the two highest investment grade categories. Therefore, no collateral posting is required.

#### **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 resulting from future market conditions.

#### **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 12 - OTHER LIABILITIES**

Other liabilities presented in the statement of net assets consists principally of revenue refunds payable to taxpayers of \$948.5 million.

### **NOTE 13 - FUND BALANCES**

#### **A. Reserved - Other**

In the fund financial statements, reservations of fund balance classified as "reserved - other" consists 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 \$369.9 million reservation in the General Fund that is considered not currently available for appropriations consists principally of monies set aside to pay claimants whose property has been previously escheated to the State (\$342.8 million), long-term advances, receivables due from individuals, estates, municipalities, railroads and other funds (\$17.1 million), and a portion of bond receipts which is earmarked to pay debt service in the next fiscal year (\$10.0 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 ½ 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, \$103.0 million has been reserved as of June 30, 2005.

**New Jersey Schools Construction Corporation**

In this fund, \$39.7 million has been reserved for Qualified Zone Academies and prepayments.

**New Jersey Transportation Trust Fund Authority**

An amount of \$71.9 million has been reserved for future debt service payments.

**Tobacco Settlement Financing Corporation, Inc.**

The \$367.5 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 \$1.7 billion unreserved balance consists of \$1,205.3 million designated for continuing appropriations, \$22.5 million designated for unrealized gains, and \$461.7 million undesignated.

**Property Tax Relief Fund**

The \$435.0 million unreserved balance consists of \$407.1 million designated for continuing appropriations and \$27.9 million undesignated.

**NOTE 14 – OTHER FINANCING SOURCES/USES-OTHER**

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

|   | <b>General<br/>Fund</b> | <b>Non-Major<br/>Funds</b> |
|---|-------------------------|----------------------------|
| Installment obligations issued                | \$ 1,533.1              | \$ 2,268.5                 |
| Refunding debt issued                         | 1,887.3                 | 2,678.5                    |
| Premium related to refunding debt issued      | 259.5                   | 328.6                      |
| Capital lease acquisitions                    | 81.4                    | --                         |
| Premium related to revenue bonds              | --                      | 88.7                       |
| Premium related to installment obligations    | 25.7                    | 57.2                       |
| Certificates of participation issued          | 25.8                    | --                         |
| Payments to escrow agents on refunding bonds  | (2,146.9)               | (3,007.1)                  |
| <b>Other Financing Sources (Uses) - Other</b> | <b>\$ 1,665.9</b>       | <b>\$ 2,414.4</b>          |

**NOTE 15 – OPERATING LEASES**

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2005 are as follows (expressed in millions):

| <u>Fiscal Year</u>                     | <u>Amount</u>   |
|--|-----------------|
| 2006                                   | \$ 28.8         |
| 2007                                   | 24.2            |
| 2008                                   | 18.8            |
| 2009                                   | 16.4            |
| 2010                                   | 15.7            |
| 2011-2015                              | <u>6.8</u>      |
| Total Future Minimum<br>Lease Payments | <u>\$ 110.7</u> |

## NOTE 16 – RETIREMENT SYSTEMS

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

**Consolidated Police and Firemen's Pension Fund (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. There are no employees covered by CPF.

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 trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

## **Basis of Accounting**

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

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

## **Significant Legislation**

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004; 20 percent; for payments due in the State fiscal year ending June 30, 2005; not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under TPAF, PERS, or PFRS, effective July 12, 2002.

Chapter 54, P.L. 2002 allows members of the JRS to elect to receive a reduced retirement allowance in order to provide a benefit to a named beneficiary, effective September 2, 2003. The five optional settlements in this law are the same as the ones available to members of Public Employees' Retirement System and Teachers' Pension Annuity Fund.

## **Contribution Requirements**

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

During the year ended June 30, 2005 for CPFPPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

The annual pension cost for the fiscal year ending June 30, 2005 and related information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented on the following pages. Note that the assumption regarding post-retirement benefit increases has not been disclosed because post-retirement health care benefits are currently being funded on a modified pay-as-you-go basis and not on an actuarial reserve basis.

|                                      | CPFPF        | JRS            | PFRS        |
|--------------------------------------|--------------|----------------|-------------|
| <b>Annual Pension Cost (APC)</b>     |              |                |             |
| <b>State:</b>                        |              |                |             |
| <b>06/30/03</b>                      | \$ 3,506,122 | \$ 14,982,569  | \$ -        |
| <b>06/30/04</b>                      | 4,494,183    | 17,080,677     | 22,215,429  |
| <b>06/30/05</b>                      | 10,948,923   | 21,379,105     | 49,326,846  |
| <b>Local:</b>                        |              |                |             |
| <b>06/30/03</b>                      | --           | --             | 364,850     |
| <b>06/30/04</b>                      | --           | --             | 53,396,685  |
| <b>06/30/05</b>                      | --           | --             | 132,740,650 |
| <b>Contributions Made</b>            |              |                |             |
| <b>State:</b>                        |              |                |             |
| <b>06/30/03</b>                      | 2,713,914    | 8,467,287      | --          |
| <b>06/30/04</b>                      | 1,950,425    | 3,355,438 *    | 22,215,439  |
| <b>06/30/05</b>                      | 7,046,000    | 6,162,076      | 49,326,846  |
| <b>Local:</b>                        |              |                |             |
| <b>06/30/03</b>                      | --           | --             | 364,850     |
| <b>06/30/04</b>                      | --           | --             | 53,396,685  |
| <b>06/30/05</b>                      | --           | --             | 132,740,650 |
| <b>Percentage of APC Contributed</b> |              |                |             |
| <b>State:</b>                        |              |                |             |
| <b>06/30/03</b>                      | 77.4%        | 56.5%          | 100.0%      |
| <b>06/30/04</b>                      | 43.4%        | 19.6% *        | 100.0%      |
| <b>06/30/05</b>                      | 64.4%        | 28.8%          | 100.0%      |
| <b>Local:</b>                        |              |                |             |
| <b>06/30/03</b>                      | --           | --             | 100.0%      |
| <b>06/30/04</b>                      | --           | --             | 100.0%      |
| <b>06/30/05</b>                      | --           | --             | 100.0%      |
| <b>Net Pension Obligation</b>        |              |                |             |
| <b>State:</b>                        |              |                |             |
| <b>06/30/03</b>                      | 836,531      | (45,655,910)   | --          |
| <b>06/30/04</b>                      | 3,380,289    | (31,930,670) * | --          |
| <b>06/30/05</b>                      | 7,283,212    | (16,713,641)   | --          |
| <b>Local:</b>                        |              |                |             |
| <b>06/30/03</b>                      | --           | --             | --          |
| <b>06/30/04</b>                      | --           | --             | --          |
| <b>06/30/05</b>                      | --           | --             | --          |
| <b>Contribution rates</b>            |              |                |             |
| <b>State</b>                         | N/A          | 39.2%          | 11.8%       |
| <b>State-related employers</b>       | N/A          | N/A            | 5.8%        |
| <b>Employees</b>                     | N/A          | 3.0%           | 8.5%        |

**Significant Actuarial Assumptions and Methods**

|                                      |                                   |                                   |                                   |
|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Date of actuarial valuation</b>   | 6/30/04                           | 6/30/04                           | 6/30/04                           |
| <b>Actuarial cost method</b>         | Projected Unit Credit             | Projected Unit Credit             | Projected Unit Credit             |
| <b>Amortization method</b>           | Level Dollar Closed               | Level Dollar Closed               | Level Percent Closed              |
| <b>Remaining amortization period</b> | 1 year                            | 30 years                          | 30 years                          |
| <b>Asset valuation method</b>        | Five Year Average of Market Value | Five Year Average of Market Value | Five Year Average of Market Value |
| <b>Actuarial assumptions</b>         |                                   |                                   |                                   |
| <b>Investment rate of return</b>     | 2.00%                             | 8.25%                             | 8.25%                             |
| <b>Projected salary increases</b>    | N/A                               | 4.00%                             | 5.95%                             |
| <b>Cost-of-Living adjustments</b>    | N/A                               | 1.80%                             | 1.80%                             |

|  |                 | POPF                     | PERS  | SPRS                              | TPAF                              |
|--|-----------------|--------------------------|---|-----------------------------------|-----------------------------------|
| <b>Annual Pension Cost (APC)</b>                     |                 |                          |   |                                   |                                   |
| <b>State:</b>  | <b>06/30/03</b> | \$ 1,354,894             | \$ --   | \$ 32,553,999                     | \$ 226,078,274                    |
|  | <b>06/30/04</b> | (938,653)                | 526,505 *   | 41,701,749                        | 881,968,280                       |
|  | <b>06/30/05</b> | (467,005)                | 463,342   | 43,542,005                        | 903,979,061                       |
| <b>Local:</b>  | <b>06/30/03</b> | --                       | 16,987,033  | --                                | --                                |
|  | <b>06/30/04</b> | --                       | 20,882,718  | --                                | --                                |
|  | <b>06/30/05</b> | --                       | 56,916,883  | --                                | --                                |
| <b>Contributions Made</b>                            |                 |                          |   |                                   |                                   |
| <b>State:</b>  | <b>06/30/03</b> | --                       | --  | --                                | --                                |
|  | <b>06/30/04</b> | --                       | 526,505 *   | --                                | --                                |
|  | <b>06/30/05</b> | --                       | 463,342   | 187,909                           | --                                |
| <b>Local:</b>  | <b>06/30/03</b> | --                       | 16,987,033  | --                                | --                                |
|  | <b>06/30/04</b> | --                       | 20,882,718  | --                                | --                                |
|  | <b>06/30/05</b> | --                       | 56,916,883  | --                                | --                                |
| <b>Percentage of APC Contributed</b>                 |                 |                          |   |                                   |                                   |
| <b>State:</b>  | <b>06/30/03</b> | 0.0%                     | 100.0%  | 0.0%                              | 0.0%                              |
|  | <b>06/30/04</b> | 0.0%                     | 100.0%  | 0.0%                              | 0.0%                              |
|  | <b>06/30/05</b> | 0.0%                     | 100.0%  | 0.4%                              | 0.0%                              |
| <b>Local:</b>  | <b>06/30/03</b> | --                       | 100.0%  | --                                | --                                |
|  | <b>06/30/04</b> | --                       | 100.0%  | --                                | --                                |
|  | <b>06/30/05</b> | --                       | 100.0%  | --                                | --                                |
| <b>Net Pension Obligation</b>                        |                 |                          |   |                                   |                                   |
| <b>State:</b>  | <b>06/30/03</b> | (5,816,054)              | --  | 114,196,506                       | (195,683,430)                     |
|  | <b>06/30/04</b> | (6,754,707)              | --  | 155,898,255                       | 686,284,850 *                     |
|  | <b>06/30/05</b> | (7,221,712)              | --  | 199,252,351                       | 1,590,263,911                     |
| <b>Local:</b>  | <b>06/30/03</b> | --                       | --  | --                                | --                                |
|  | <b>06/30/04</b> | --                       | --  | --                                | --                                |
|  | <b>06/30/05</b> | --                       | --  | --                                | --                                |
| <b>Contribution rates</b>                            |                 |                          |   |                                   |                                   |
| <b>State</b>   |                 | N/A                      | 0.0%  | 20.0%                             | 11.7%                             |
| <b>State-related employers</b>                       |                 | N/A                      | 1.0%  | N/A                               | N/A                               |
| <b>Employees</b>                                     |                 | N/A                      | 5.0% (7.5% for<br>County Prosecutors)                   | 7.5%                              | 5.0%                              |
| <b>Significant Actuarial Assumptions and Methods</b> |                 |                          |   |                                   |                                   |
| <b>Date of actuarial valuation</b>                   |                 | 6/30/04                  | 6/30/04   | 6/30/04                           | 6/30/04                           |
| <b>Actuarial cost method</b>                         |                 | Projected Unit<br>Credit | Projected Unit<br>Credit                                | Projected Unit<br>Credit          | Projected Unit<br>Credit          |
| <b>Amortization method</b>                           |                 | Level Dollar<br>Closed   | Level Percent<br>Closed                                 | Level Dollar<br>Closed            | Level Percent<br>Closed           |
| <b>Remaining amortization period</b>                 |                 | 1 year                   | 37 years for UAAL<br>7 years for Asset<br>Method Change | 30 years                          | 30 years                          |
| <b>Asset valuation method</b>                        |                 | Market Value             | Five Year Average<br>Market Value                       | Five Year Average<br>Market Value | Five Year Average<br>Market Value |
| <b>Actuarial assumptions</b>                         |                 |                          |   |                                   |                                   |
| <b>Investment rate of return</b>                     |                 | 5.00%                    | 8.25%   | 8.25%                             | 8.25%                             |
| <b>Projected salary increases</b>                    |                 | N/A                      | 5.45%   | 5.45%                             | 5.45%                             |
| <b>Cost-of-Living adjustments</b>                    |                 | N/A                      | 1.80%   | 1.80%                             | 1.80%                             |

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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, 2005 are presented below:

|  | <b>SINGLE EMPLOYER PLANS</b> |                       |                       |
|--|------------------------------|-----------------------|-----------------------|
|  | <u>JRS</u>                   | <u>POPF</u>           | <u>SPRS</u>           |
| Annual Required Contribution, 6/30/05      | \$ 22,525,773                | \$ (7,221,712)        | \$ 37,943,519         |
| Interest adjustment on NPO                 | (2,793,934)                  | (337,735)             | 13,641,097            |
| Adjustment to Annual Required Contribution | 1,647,266                    | 7,092,442             | (8,042,611)           |
| APC as of June 30, 2005                    | <u>21,379,105</u>            | <u>(467,005)</u>      | <u>43,542,005</u>     |
| Total Fiscal Year 2005 Contributions       | <u>6,162,076</u>             | <u>--</u>             | <u>187,909</u>        |
| Increase in NPO                            | 15,217,029                   | (467,005)             | 43,354,096            |
| NPO as of June 30, 2004                    | (31,930,670) *               | (6,754,707)           | 155,898,255           |
| NPO as of June 30, 2005                    | <u>\$ (16,713,641)</u>       | <u>\$ (7,221,712)</u> | <u>\$ 199,252,351</u> |

|  | <b>COST SHARING PLANS WITH<br/>SPECIAL FUNDING SITUATIONS</b> |                         |                         |
|--|---|-------------------------|-------------------------|
|  | <u>CPFPF</u>  | <u>TPAF</u>             | <u>TOTAL ALL PLANS</u>  |
| Annual Required Contribution, 6/30/05      | \$ 14,329,212   | \$ 883,460,483          | \$ 951,037,275          |
| Interest adjustment on NPO                 | 67,606  | 60,049,924              | 70,626,958              |
| Adjustment to Annual Required Contribution | (3,447,895)   | (39,531,346)            | (42,282,144)            |
| APC as of June 30, 2005                    | <u>10,948,923</u>   | <u>903,979,061</u>      | <u>979,382,089</u>      |
| Total Fiscal Year 2005 Contributions       | <u>7,046,000</u>  | <u>--</u>               | <u>13,395,985</u>       |
| Increase in NPO                            | 3,902,923   | 903,979,061             | 965,986,104             |
| NPO as of June 30, 2004                    | 3,380,289   | 686,284,850 *           | 806,878,017 *           |
| NPO as of June 30, 2005                    | <u>\$ 7,283,212</u>   | <u>\$ 1,590,263,911</u> | <u>\$ 1,772,864,121</u> |

\* Restated.

## NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS

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. As of June 30, 2005, there were 67,930 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 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

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.

The State made post-retirement medical (PRM) contributions of \$494.7 million for TPAF and \$190.8 million for PERS in Fiscal Year 2005.

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. PERS and TPAF retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed \$68.3 million for 5,733 eligible retired members for Fiscal Year 2005.

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 \$88.7 million toward Chapter 126 benefits for 9,966 eligible retired members in Fiscal Year 2005.

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 \$18.1 million in the current year to provide benefits under Chapter 330 to qualified retirees.

## **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 School Construction Corporation, 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 State Comptroller 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 may be obtained are provided below:

**Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)**  
**1014 Atlantic Avenue**  
**Atlantic City, New Jersey 08401**  
**Fiscal Year Ending December 31, 2004**  
**[www.njcrda.com](http://www.njcrda.com)**

The Authority was created in 1984 to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey and to directly facilitate the redevelopment of blighted areas by providing eligible projects in which licensees (casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

**New Jersey Commerce, Economic Growth and Tourism Commission (P.L. 1998, c.44)**  
20 West State Street  
P.O. Box 820  
Trenton, New Jersey 08625-0820  
Fiscal Year Ending June 30, 2005  
[www.newjerseycommerce.org](http://www.newjerseycommerce.org)

In accordance with P.L. 1998, c.44 the Department of Commerce and Economic Development, the principal economic development department in the Executive Branch of State Government, was abolished and the New Jersey Commerce and Economic Growth Commission was created. Its mission is to serve as the lead agency for promoting 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  
Fiscal Year Ending December 31, 2004  
[www.fieldus.org/directory/records/335.htm](http://www.fieldus.org/directory/records/335.htm)

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprise was established as a public body corporate and politic of the State. The Authority was established to provide financial assistance to small businesses and businesses owned by minorities and women in order to encourage entrepreneurship within these groups.

**New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)**  
36 West State Street  
P.O. Box 990  
Trenton, New Jersey 08625  
Fiscal Year Ending December 31, 2004  
[www.njeda.com](http://www.njeda.com)

Created in 1974 as a public body corporate and politic, 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 governments tax base.

**New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)**  
103 College Road East  
Princeton, New Jersey 08540-6601  
Fiscal Year Ending December 31, 2004  
[www.njefa.com](http://www.njefa.com)

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell its debt instruments (bonds, notes, and other obligations). The Authority may finance academic and auxiliary facilities for the public and independent institutions of higher education.

**New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)**  
3131 Princeton Pike - Building 6  
P. O. Box 440  
Trenton, New Jersey 08625  
Fiscal Year Ending June 30, 2005  
[www.njeit.org](http://www.njeit.org)

The New Jersey Environmental Infrastructure Trust was established in 1985 to make loans and guarantee 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.

**New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)**  
**Station Plaza Bldg. #4**  
**South Clinton and Yard Avenues**  
**P.O. Box 366**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2004**  
**[www.njhcffa.com](http://www.njhcffa.com)**

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private not-for-profit health care institutions of the State.

**New Jersey Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)**  
**4 Quakerbridge Plaza, P.O. Box 547**  
**Trenton, New Jersey 08625-0540**  
**Fiscal Year Ending June 30, 2005**  
**[www.hesaa.org](http://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 Trust (NJBEST).

**New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)**  
**637 South Clinton Avenue**  
**P. O. Box 18550**  
**Trenton, New Jersey 08650-2085**  
**Fiscal Year Ending June 30, 2005**  
**[www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa)**

The Housing and Mortgage Finance Agency (HMFA) makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. HMFA mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provides low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

**New Jersey Meadowlands Commission (N.J.S.A. 13:17-5)**  
**1 De Korte Park Plaza**  
**Lyndhurst, New Jersey 07071**  
**Fiscal Year Ending December 31, 2004**  
**[www.meadowlands.state.nj.us](http://www.meadowlands.state.nj.us)**

The New Jersey Meadowlands Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. The Commission is authorized and empowered to be 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**  
**Fiscal Year Ending December 31, 2004**  
**[www.state.nj.us/njra](http://www.state.nj.us/njra)**

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

**New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)**  
**50 Route 120**  
**East Rutherford, New Jersey 07073**  
**Fiscal Year Ending December 31, 2004**  
**[www.njsea.com](http://www.njsea.com)**

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, 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 & 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**  
**Fiscal Year Ending June 30, 2005**  
**[www.njtransit.com](http://www.njtransit.com)**

New Jersey Transit Corporation (NJ TRANSIT) was created by the New Jersey Public Transportation Act of 1979 and is empowered to acquire, own, operate, and contract for the operation of public transportation services.

NJ TRANSIT receives operating subsidies principally from the State 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)**  
**P. O. Box 1121**  
**New Brunswick, New Jersey 08903**  
**Fiscal Year Ending December 31, 2004**  
**[www.state.nj.us/turnpike](http://www.state.nj.us/turnpike)**

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, 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. The New Jersey Turnpike Authority has assumed all operations of the New Jersey Highway Authority.

**New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)**  
**P. O. Box 5196**  
**Clinton, New Jersey 08809**  
**Fiscal Year Ending June 30, 2005**  
**[www.njwsa.org](http://www.njwsa.org)**

The New Jersey Water Supply Authority, created in 1981 as a public body corporate and politic, is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system.

The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

**South Jersey Port Corporation (N.J.S.A. 12:11A-1)**  
**Second and Beckett Streets**  
**Camden, New Jersey 08101**  
**Fiscal Year Ending December 31, 2004**  
**[www.southjerseyport.com](http://www.southjerseyport.com)**

The South Jersey Port Corporation, established as a public body corporate and politic of the State, was created in 1968 by the South Jersey Port Corporation Act. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which mandates the distribution of funds to various Port Corporation funds.

**South Jersey Transportation Authority (P.L. 1991, c.252)**  
**Farley Service Plaza**  
**P. O. Box 351**  
**Hammonton, New Jersey 08037**  
**Fiscal Year Ending December 31, 2004**  
**[www.sjta.com](http://www.sjta.com)**

The South Jersey Transportation Authority created in 1992 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 State Comptroller, 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 may be directly obtained from the colleges and universities. Addresses and web-sites 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](http://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](http://www.tesc.edu)

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

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

**New Jersey City University (N.J.S.A. 18A:62-1)**  
2039 Kennedy Boulevard  
Jersey City, New Jersey 07305  
[www.njcu.edu](http://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](http://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](http://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](http://www.ramapo.edu)

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

**The Richard Stockton College of New Jersey (N.J.S.A. 18A:62-1)**  
P.O. Box 195  
Pomona, New Jersey 08240  
[www2.stockton.edu](http://www2.stockton.edu)

**University of Medicine and Dentistry of New Jersey (N.J.S.A. 18A:64G-4)**  
335 George Street  
New Brunswick, New Jersey 08903  
[www.umdj.edu](http://www.umdj.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 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, 2005, the exact amount involved in these legal proceedings is not fully determinable.

### **Special Revenue Funds**

#### **New Jersey Lawyers Fund for Client Protection**

Claims of approximately \$19.8 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 is \$7.3 million. The ultimate disposition of these claims is not determinable at this time.

#### **New Jersey Spill Compensation Fund**

As of June 30, 2005, various claims have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

#### **Sanitary Landfill Facility Contingency Fund**

Various claims totaling approximately \$32.3 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.

#### **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 \$26.3 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, 2005, audits of expenditures for Fiscal Year 2005 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2005, it is management's opinion that disallowances, if any, would not be material.

## **NOTE 20 – SUBSEQUENT EVENTS**

### **Short-term Debt**

For Fiscal Year 2006, the State authorized the issuance of \$3.1 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 July 26, 2005 the State issued \$2.0 billion of tax and revenue anticipation notes that bear an interest rate of 4.0 percent per annum. On January 10, 2006 the State issued \$650.0 million of tax and revenue anticipated notes that bear an interest rate of 4.5 percent per annum. The notes have a June 23, 2006 final maturity. The State has another \$450.0 billion remaining in Fiscal Year 2006 borrowing authorization should the State need additional funds in order to manage its cash flow more effectively.

## Credit Ratings

On July 19, 2005 Standard & Poor's Corporation raised New Jersey's long-term general obligation credit rating to AA, from AA-. Moody's Investors Service and Fitch Investors Service subsequently reaffirmed their ratings that are affixed to State general obligation debt at Aa3 and AA- respectively.

## Derivatives

The New Jersey Sports and Exposition Authority entered into an interest rate swap agreement with Merrill Lynch Capital Services, Inc. for the purpose of converting the Authority's variable rate exposure to a fixed rate for its \$136.8 million of State Contract Bonds, 2002 Series B-1, B-2, and C. Under the terms of the interest rate swap agreement related to the Series B-1 and B-2 Bonds, the New Jersey Sports and Exposition Authority pays a fixed rate of 4.50 percent to the counterparty and receives a variable rate equal to the lesser of the BMA Municipal Bond Index and 70 percent of the one-month LIBOR, and under the terms of the interest rate swap agreement related to the Series C Bonds, the New Jersey Sports and Exposition Authority pays a fixed rate of 6.01 percent per annum to the counterparty and receives a variable rate equal to one-week LIBOR. The interest rate swap agreement terminates upon the final maturity of the bonds. The 2002 Series C Bonds matured and the related interest rate swap agreements terminated on March 1, 2005. On July 6, 2005 the New Jersey Sports and Exposition Authority defeased \$10.8 million and \$8.4 million of its outstanding State Contract Bonds, 2002 Series B-1 and State Contract Bonds, 2002 B-2, respectively, and terminated an equivalent notional amount of the related interest rate swap agreement.

The New Jersey Economic Development Authority entered into a forward starting interest rate swap agreement with BNP Paribas for the purpose of hedging against rising interest rates for a portion of the New Jersey Economic Development Authority's future borrowing expense associated with bonds anticipated to be issued under the Business Employment Incentive Program in Fiscal Year 2006. The interest rate swap agreement with BNP Paribas is in the notional amount of \$78.2 million, commencing on November 1, 2005 and terminating on November 1, 2015. Under this interest rate swap agreement, the Authority pays a fixed rate of 5.37 percent per annum to the counterparty and receives a variable rate equal to 100 percent of one-month LIBOR plus seven basis points. On July 12, 2005 the New Jersey Economic Development Authority adopted a resolution authorizing the use of a portion of the proceeds of its Business Employment Incentive Program Bonds, 2005 Series A, to fund the termination payment required to be made by the New Jersey Economic Development Authority upon termination of the interest rate swap agreement with BNP Paribas. On October 25, 2005 the New Jersey Economic Development Authority issued its \$78.2 million of Business Employment Incentive Program Bonds, 2005 Series A and terminated its interest rate swap agreement with BNP Paribas.

The New Jersey Economic Development Authority entered into two forward starting interest rate swap agreements with Goldman Sachs and UBS PaineWebber Inc. for the purpose of hedging against rising interest rates for a portion of the New Jersey Economic Development Authority's future borrowing expense associated with \$500 million in bonds anticipated to be issued under the Educational Facilities Construction and Financing Act in Fiscal Year 2006. The interest rate swap agreements are designed to commence on September 1, 2005 and to terminate on September 1, 2030. Under this agreement, the New Jersey Economic Development Authority pays a fixed rate of 4.22 percent per annum to the counterparty and receives a variable rate equal to 75 percent of one-month LIBOR. On September 15, 2005 the New Jersey Economic Development Authority amended these interest rate swap agreements to extend the commencement date to September 1, 2007, from September 1, 2005. This is the latest anticipated delivery date of bonds that are expected to be issued under the Educational Facilities Construction and Financing Act. As part of the amendment, the final swap amortization date has been extended to September 1, 2032 and the fixed rate of interest to be paid by the New Jersey Economic Development Authority has been changed to 4.40 percent. For additional information related to State Swap Agreements, see Note 11 – Derivatives.

## Litigation

On August 4, 2005, Senator Leonard J. Lance and Assemblyman Alex DeCroce filed a complaint in the Superior Court of New Jersey, Chancery Division, Mercer County seeking a declaration that the State's Fiscal Year 2006 Appropriations Act violated the New Jersey Constitution because it anticipated revenues in the amount of \$150 million from the proceeds of Tobacco Settlement Asset-Backed Bonds, Series 2005 A and Series 2005 B (the "Tobacco Settlement Bonds") to be issued by the Tobacco Settlement Financing Corporation Inc., a public body corporate and politic and an instrumentality of the State (the "Corporation"). The complaint further sought an order to temporarily and permanently restrain the defendants from undertaking any acts in furtherance of the issuance of the Tobacco Settlement Bonds and from spending any proceeds of the Tobacco Settlement Bonds on behalf of the State or the Corporation. Plaintiffs also sought compensatory and punitive damages. On August 12, 2005, the court entered an order to (a) preliminarily and permanently enjoin the issuance of that portion of the Tobacco Settlement Bonds in excess of that necessary to effectuate

the refunding of the Corporation's Tobacco Settlement Asset-Backed Bonds, Series 2003 (the "2003 Tobacco Settlement Bonds") estimated to be \$150 million, (b) preliminarily and permanently enjoin the transfer of any portion of the proceeds of the Tobacco Settlement Bonds to the State, (c) rule that the proceeds from the sale of the Tobacco Settlement Bonds are not 'revenue' for purposes of Article VIII, Section 2, paragraph 2 of the New Jersey Constitution and (d) rule that the Corporation and the State may proceed with the sale of that portion of the Tobacco Settlement Bonds necessary to effectuate the refunding of the 2003 Tobacco Settlement Bonds. The State and the Corporation have filed an appeal.

## **Long-term Debt**

On August 10, 2005 the New Jersey Educational Facilities Authority issued its Revenue Refunding Bonds, Higher Education Capital Improvement Fund Issue, Series 2005 A in the aggregate principal amount of \$169.8 million. The proceeds will refund \$60.5 million of the Authority's Series 2000 A Bonds, \$65.7 million of its Series 2000 B Bonds, and \$41.9 million of its Series 2002 A Bonds. Interest on the bonds is payable semi-annually on each March 1 and September 1, beginning on March 1, 2006. Final maturity on the bonds is September 1, 2019.

On August 11, 2005 the New Jersey Economic Development Authority issued \$39.4 million of State Lease Revenue Bonds, Liberty State Park Project, 2005 Series C. Proceeds are to be used for the expansion, renovation and improvement of Liberty State Park. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on March 1, 2006. The final maturity on the bonds is March 1, 2027.

On September 8, 2005 the New Jersey Health Care Facilities Financing Authority issued \$186.6 million of New Jersey Department of Human Services Lease Revenue Bonds, Series 2005. Proceeds are to be used for construction, renovation, and additions to Greystone Park Psychiatric Hospital located in Morris County, New Jersey. Interest on the bonds is payable semi-annually on March 15 and September 15, commencing on March 15, 2006. The final maturity on the bonds is September 15, 2028.

On September 23, 2005 the New Jersey Educational Facilities Authority issued \$91.0 million of Higher Education Facilities Trust Fund Refunding Bonds, Series 2005 A. Proceeds will refund the Authority's outstanding Series 1995 Bonds which total \$92.7 million. Interest on the bonds is payable semi-annually on each March 1 and September 1, commencing on September 1, 2006. The final maturity on the bonds is September 1, 2010.

On October 4, 2005 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued \$750.0 million of School Facilities Construction Bonds 2005 Series O. Proceeds are to be used for the purpose of partially funding the school facilities construction program. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on March 1, 2006. The final maturity on the 2005 Series O Bonds is March 1, 2030.

On October 25, 2005 the New Jersey Economic Development Authority issued \$157.2 million of 2005 Series A and B Bonds to provide funds for the payment in full or in part of employment incentive grants to certain eligible businesses in accordance with the terms and condition of the Business Employment Incentive Program. Interest on the bonds is payable semi-annually on May 1 and November 1, commencing on May 1, 2006. The final maturity on the 2005 Series A and B Bonds is November 1, 2015.

On October 27, 2005 the New Jersey Transportation Trust Fund Authority issued \$953.0 million of Transportation System Bonds, 2005 Series D to provide funds for various transportation system improvements undertaken by the New Jersey Department of Transportation and New Jersey Transit Corporation. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2005. The final maturity on the 2005 Series D Bonds is June 15, 2020.

On November 17, 2005 the State of New Jersey issued its General Obligation Bonds, Refunding Series N. The bonds were considered Forward Delivery Bonds since the State, on January 20, 2005 entered into a forward delivery bond purchase contract for the issuance and sale of General Obligation Bonds, Refunding Series N in the aggregate principal amount of \$203.3 million. The bonds were issued to refund \$203.4 million of existing General Obligation debt. The Refunding Series N Bonds pay interest semi-annually on each January 15 and July 15, beginning on January 15, 2006. Final maturity on the bonds is July 15, 2019.

On December 1, 2005 the Garden State Preservation Trust issued its Open Space and Farmland Preservation Bonds, 2005 Series A and 2005 Series B. The bonds were two separate forward delivery bond transactions. On May 6, 2004 the Garden State Preservation Trust entered into a forward delivery bond purchase contract for the issuance and sale of its 2005 Series A, in the aggregate principal amount of \$500.0 million. On September 16, 2004 the Garden State Preservation Trust entered into a forward delivery bond purchase contract for the issuance and sale of its 2005 Series B,

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in the aggregate principal amount of \$150.0 million. Both bond series were issued to fund the acquisition and development of lands for recreation and conservation purposes, and for the preservation of farmland for agricultural or horticultural use and production. The 2005 Series A Bonds, and the 2005 Series B Bonds pay interest semi-annually on each May 1 and November 1, beginning on November 1, 2006. Final maturity on the 2005 Series A Bonds is November 1, 2028. Final maturity on the 2005 Series B Bonds is November 1, 2016.

On December 8, 2005 the Garden State Preservation Trust issued \$209.6 million of its Open Space and Farmland Preservation Refunding Bonds, 2005 Series C. The bonds were issued to partially refund the 2003 Series A Bonds. Interest on the bonds is payable semi-annually on May 1 and November 1, commencing on May 1, 2006. The final maturity on the bonds is November 1, 2021.

On December 15, 2005 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 2005 Series P, and \$500.0 million in School Facilities Construction Bonds 2005 Series Q. Proceeds are to be used for the purpose of partially funding the school facilities construction program. The 2005 Series P Bonds were issued as fixed rate debt. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on September 1, 2006. The final maturity on the 2005 Series P Bonds is September 1, 2030. The 2005 Series Q Bonds were issued as auction rate securities and have a final maturity of March 1, 2031.

On December 20, 2005 the New Jersey Sports and Exposition Authority issued \$40.9 million of 2005 Series A Bonds. Proceeds are to be used for funding all or a portion of the costs of the capital program for the Monmouth Racetrack Project and the Sports Complex Project. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on September 1, 2006. The final maturity on the 2005 Series A Bonds is March 1, 2026.

On December 22, 2005 the New Jersey Economic Development Authority, in accordance with the Special Needs Housing Trust Fund Act, issued \$51.4 million of Motor Vehicle Surcharges Revenue Bonds, 2005 Series A. Proceeds from the bond issue are to be used by the New Jersey Housing and Mortgage Finance Agency for the purpose of making loans, grants or other investments to finance or otherwise pay the costs of special needs housing projects. The bonds were issued as capital appreciation bonds with interest accruing over time and payable upon maturity. The final maturity on the Motor Vehicle Surcharges Revenue Bonds, 2005 Series A is July 1, 2019.

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**STATE OF NEW JERSEY**  
**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <b>General Fund</b>        |                         |   |                                       |
|---|----------------------------|-------------------------|---|---------------------------------------|
|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
| <b>REVENUES</b>                                     |                            |                         |   |                                       |
| Taxes   | \$ 12,476,416,000          | \$ 12,185,419,000       | \$ 12,331,317,446                               | \$ 145,898,446                        |
| Federal and other grants                            | 8,767,307,360              | 9,009,279,768           | 7,557,616,628                                   | (1,451,663,140 )                      |
| Licenses and fees                                   | 1,127,855,103              | 978,113,990             | 817,240,461                                     | (160,873,529 )                        |
| Services and assessments                            | 2,118,196,234              | 1,799,053,671           | 1,581,802,312                                   | (217,251,359 )                        |
| Investment earnings                                 | 20,000                     | 24,325,967              | 28,772,194                                      | 4,446,227                             |
| Contributions                                       | --                         | --                      | 650   | 650                                   |
| Other   | 3,345,826,166              | 3,525,366,489           | 2,830,898,451                                   | (694,468,038 )                        |
| <b>Total Revenues</b>                               | <b>27,835,620,863</b>      | <b>27,521,558,885</b>   | <b>25,147,648,142</b>                           | <b>(2,373,910,743 )</b>               |
| <b>OTHER FINANCING SOURCES</b>                      |                            |                         |   |                                       |
| Transfers from other funds                          | 3,802,688,000              | 4,691,291,394           | 4,000,473,694                                   | (690,817,700 )                        |
| <b>Total Other Financing Sources</b>                | <b>3,802,688,000</b>       | <b>4,691,291,394</b>    | <b>4,000,473,694</b>                            | <b>(690,817,700 )</b>                 |
| <b>Total Revenues and Other Financing Sources</b>   | <b>31,638,308,863</b>      | <b>32,212,850,279</b>   | <b>29,148,121,836</b>                           | <b>(3,064,728,443 )</b>               |
| <b>EXPENDITURES</b>                                 |                            |                         |   |                                       |
| Public safety and criminal justice                  | 3,308,246,488              | 3,389,053,780           | 2,941,689,413                                   | 447,364,367                           |
| Physical and mental health                          | 9,479,122,477              | 9,790,455,826           | 9,082,340,586                                   | 708,115,240                           |
| Educational, cultural, and intellectual development | 6,566,034,259              | 6,162,521,165           | 5,873,942,589                                   | 288,578,576                           |
| Community development and environmental management  | 1,751,230,171              | 1,765,964,138           | 1,184,100,579                                   | 581,863,559                           |
| Economic planning, development, and security        | 3,649,125,435              | 3,725,346,489           | 3,119,077,550                                   | 606,268,939                           |
| Transportation programs                             | 482,571,807                | 517,855,401             | 456,556,000                                     | 61,299,401                            |
| Government direction, management, and control       | 4,295,088,071              | 4,325,297,878           | 3,851,955,124                                   | 473,342,754                           |
| Special government services                         | 380,841,244                | 383,669,469             | 292,325,361                                     | 91,344,108                            |
| <b>Total Expenditures</b>                           | <b>29,912,259,952</b>      | <b>30,060,164,146</b>   | <b>26,801,987,202</b>                           | <b>3,258,176,944</b>                  |
| <b>OTHER FINANCING USES</b>                         |                            |                         |   |                                       |
| Transfers to other funds                            | 2,150,403,911              | 2,158,068,911           | 2,145,239,911                                   | 12,829,000                            |
| <b>Total Other Financing Uses</b>                   | <b>2,150,403,911</b>       | <b>2,158,068,911</b>    | <b>2,145,239,911</b>                            | <b>12,829,000</b>                     |
| <b>Total Expenditures and Other Financing Uses</b>  | <b>32,062,663,863</b>      | <b>32,218,233,057</b>   | <b>28,947,227,113</b>                           | <b>3,271,005,944</b>                  |
| Net change in fund balance                          | (424,355,000 )             | (5,382,778 )            | 200,894,723                                     | (206,277,501 )                        |
| <b>FUND BALANCES - JULY 1, 2004</b>                 | <b>533,999,000</b>         | <b>376,502,210</b>      | <b>376,502,210</b>                              | <b>--</b>                             |
| <b>FUND BALANCES- JUNE 30, 2005</b>                 | <b>\$ 109,644,000</b>      | <b>\$ 371,119,432</b>   | <b>\$ 577,396,933</b>                           | <b>\$ (206,277,501 )</b>              |

| <b>Property Tax Relief Fund</b> |                            |                         |   |                                       |
|---------------------------------|----------------------------|-------------------------|---|---------------------------------------|
|                                 | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
| \$                              | 8,945,458,559              | \$ 9,640,458,559        | \$ 9,537,938,903                                | \$ (102,519,656 )                     |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | <u>8,945,458,559</u>       | <u>9,640,458,559</u>    | <u>9,537,938,903</u>                            | <u>(102,519,656 )</u>                 |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | <u>8,945,458,559</u>       | <u>9,640,458,559</u>    | <u>9,537,938,903</u>                            | <u>(102,519,656 )</u>                 |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | 6,102,720,632              | 6,159,513,491           | 6,591,542,173                                   | (432,028,682 )                        |
|                                 | 935,836,258                | 873,484,755             | 936,280,152                                     | (62,795,397 )                         |
|                                 | --                         | --                      | --  | --                                    |
|                                 | --                         | --                      | --  | --                                    |
|                                 | 1,906,901,669              | 2,157,648,313           | 1,756,211,699                                   | 401,436,614                           |
|                                 | --                         | --                      | --  | --                                    |
|                                 | <u>8,945,458,559</u>       | <u>9,190,646,559</u>    | <u>9,284,034,024</u>                            | <u>(93,387,465 )</u>                  |
|                                 | --                         | 625,076,000             | --  | 625,076,000                           |
|                                 | --                         | 625,076,000             | --  | 625,076,000                           |
|                                 | <u>8,945,458,559</u>       | <u>9,815,722,559</u>    | <u>9,284,034,024</u>                            | <u>531,688,535</u>                    |
|                                 | --                         | (175,264,000 )          | 253,904,879                                     | (429,168,879 )                        |
|                                 | --                         | 175,264,480             | 175,264,480                                     | --                                    |
| <u>\$</u>                       | <u>--</u>                  | <u>\$ 480</u>           | <u>\$ 429,169,359</u>                           | <u>\$ (429,168,879 )</u>              |

(Continued on next page)

STATE OF NEW JERSEY  
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 BUDGETARY COMPARISON SCHEDULE (Continued)  
 MAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

|  | <b>TOTAL MAJOR GOVERNMENTAL FUNDS</b> |                         |   |                                       |
|--|---------------------------------------|-------------------------|---|---------------------------------------|
|  | <b>Original<br/>Budget</b>            | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
| <b>REVENUES</b>  |                                       |                         |   |                                       |
| Taxes  | \$ 21,421,874,559                     | \$ 21,825,877,559       | \$ 21,869,256,349                               | \$ 43,378,790                         |
| Federal and other grants                               | 8,767,307,360                         | 9,009,279,768           | 7,557,616,628                                   | (1,451,663,140 )                      |
| Licenses and fees                                      | 1,127,855,103                         | 978,113,990             | 817,240,461                                     | (160,873,529 )                        |
| Services and assessments                               | 2,118,196,234                         | 1,799,053,671           | 1,581,802,312                                   | (217,251,359 )                        |
| Investment earnings                                    | 20,000                                | 24,325,967              | 28,772,194                                      | 4,446,227                             |
| Contributions  | --                                    | --                      | 650   | 650                                   |
| Other  | 3,345,826,166                         | 3,525,366,489           | 2,830,898,451                                   | (694,468,038 )                        |
| <b>Total Revenues</b>                                  | <b>36,781,079,422</b>                 | <b>37,162,017,444</b>   | <b>34,685,587,045</b>                           | <b>(2,476,430,399 )</b>               |
| <b>OTHER FINANCING SOURCES</b>                         |                                       |                         |   |                                       |
| Transfers from other funds                             | 3,802,688,000                         | 4,691,291,394           | 4,000,473,694                                   | (690,817,700 )                        |
| <b>Total Other Financing Sources</b>                   | <b>3,802,688,000</b>                  | <b>4,691,291,394</b>    | <b>4,000,473,694</b>                            | <b>(690,817,700 )</b>                 |
| <b>Total Revenues and Other<br/>Financing Sources</b>  | <b>40,583,767,422</b>                 | <b>41,853,308,838</b>   | <b>38,686,060,739</b>                           | <b>(3,167,248,099 )</b>               |
| <b>EXPENDITURES</b>                                    |                                       |                         |   |                                       |
| Public safety and criminal justice                     | 3,308,246,488                         | 3,389,053,780           | 2,941,689,413                                   | 447,364,367                           |
| Physical and mental health                             | 9,479,122,477                         | 9,790,455,826           | 9,082,340,586                                   | 708,115,240                           |
| Educational, cultural, and intellectual<br>development | 12,668,754,891                        | 12,322,034,656          | 12,465,484,762                                  | (143,450,106 )                        |
| Community development and environmenta<br>management   | 2,687,066,429                         | 2,639,448,893           | 2,120,380,731                                   | 519,068,162                           |
| Economic planning, development,<br>and security        | 3,649,125,435                         | 3,725,346,489           | 3,119,077,550                                   | 606,268,939                           |
| Transportation programs                                | 482,571,807                           | 517,855,401             | 456,556,000                                     | 61,299,401                            |
| Government direction, management,<br>and control       | 6,201,989,740                         | 6,482,946,191           | 5,608,166,823                                   | 874,779,368                           |
| Special government services                            | 380,841,244                           | 383,669,469             | 292,325,361                                     | 91,344,108                            |
| <b>Total Expenditures</b>                              | <b>38,857,718,511</b>                 | <b>39,250,810,705</b>   | <b>36,086,021,226</b>                           | <b>3,164,789,479</b>                  |
| <b>OTHER FINANCING USES</b>                            |                                       |                         |   |                                       |
| Transfers to other funds                               | 2,150,403,911                         | 2,783,144,911           | 2,145,239,911                                   | 637,905,000                           |
| <b>Total Other Financing Uses</b>                      | <b>2,150,403,911</b>                  | <b>2,783,144,911</b>    | <b>2,145,239,911</b>                            | <b>637,905,000</b>                    |
| <b>Total Expenditures and Other<br/>Financing Uses</b> | <b>41,008,122,422</b>                 | <b>42,033,955,616</b>   | <b>38,231,261,137</b>                           | <b>3,802,694,479</b>                  |
| Net change in fund balance                             | (424,355,000 )                        | (180,646,778 )          | 454,799,602                                     | (635,446,380 )                        |
| <b>FUND BALANCES - JULY 1, 2004</b>                    | <b>533,999,000</b>                    | <b>551,766,690</b>      | <b>551,766,690</b>                              | <b>--</b>                             |
| <b>FUND BALANCES- JUNE 30, 2005</b>                    | <b>\$ 109,644,000</b>                 | <b>\$ 371,119,912</b>   | <b>\$ 1,006,566,292</b>                         | <b>\$ (635,446,380 )</b>              |

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

|   | <b>General<br/>Fund</b> | <b>Property Tax<br/>Relief Fund</b> |
|---|-------------------------|-------------------------------------|
| <b>Sources/inflows of resources:</b>  |                         |                                     |
| Total revenues and other financing sources--actual amounts<br>(budgetary basis) from the budgetary comparison schedule  | \$29,148,121,836        | \$9,537,938,903                     |
| Differences--budget to GAAP:  |                         |                                     |
| Receipt of federal food stamp coupons is not a budgetary resource<br>but is revenue for financial reporting purposes (GASB 24).   | 432,593,287             | --                                  |
| Federal revenue related to encumbrances is a budgetary resource<br>but is not earned on a GAAP basis.   | (137,125,296)           | --                                  |
| Proceeds and premium from the sale of school construction bonds<br>by the Economic Development Authority are not inflows of<br>budgetary resources but are other financing sources for financial<br>reporting purposes. | 2,981,661,980           | --                                  |
| Proceeds and premium from the sale of general obligation refunding<br>bonds are not inflows of budgetary resources but are other<br>financing sources for financial reporting purposes.                                 | 532,475,208             | --                                  |
| Proceeds and premiums from the sale of installment obligation<br>bonds including refundings are not inflows of budgetary resources<br>but are other financing sources for financial reporting purposes.                 | 45,521,797              | --                                  |
| Additions to other debt are not inflows of budgetary resources but<br>are other financing sources for financial reporting purposes.   | 237,658,025             | --                                  |
| Excess anticipated revenue transferred to Fund Balance -<br>Reserved for Surplus Revenue is not a budgetary resource but<br>is revenue for financial reporting purposes.  | 6,237,356               | --                                  |
| Revenues in other funds are not inflows of budgetary resources but<br>have been incorporated into revenues for financial reporting<br>purposes.   | 106,326,330             | --                                  |
| Total revenues and other financing sources as reported on the<br>GAAP-basis statement of revenues, expenditures, and changes<br>in fund balances--governmental funds  | <b>\$33,353,470,523</b> | <b>\$9,537,938,903</b>              |

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

|  | <u>General<br/>Fund</u> | <u>Property Tax<br/>Relief Fund</u> |
|--|-------------------------|-------------------------------------|
| <b>Uses/outflows of resources:</b>   |                         |                                     |
| Total expenditures and other financing uses--actual amounts<br>(budgetary basis) from the budgetary comparison schedule  | \$28,947,227,113        | \$9,284,034,024                     |
| <b>Differences--budget to GAAP:</b>  |                         |                                     |
| Encumbrances for items ordered but not received are reported in the<br>year the resources are encumbered for budgetary purposes, but<br>in the year the items are received for financial reporting purposes.                       | (1,070,785,887)         | (103,234)                           |
| Expenditures in prior budget fiscal year accounts are reported in the<br>year the resources are encumbered for budgetary purposes, but in<br>the year the funds are disbursed for financial reporting purposes.                    | 781,263,441             | 4,801,952                           |
| Loans and travel advances are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes.  | (693,921)               | --                                  |
| Miscellaneous accruals are not outflows of budgetary resources<br>but are expenditures for financial reporting purposes.   | (2,191,646)             | --                                  |
| Distribution of federal food stamp coupons is not a budgetary outflow<br>but is an expenditure for financial reporting purposes (GASB 24).   | 432,593,287             | --                                  |
| School construction bonds proceeds distributed to the New Jersey<br>Schools Construction Corporation are not outflows of budgetary<br>resources but are expenditures and other financing uses for<br>financial reporting purposes. | 3,012,286,089           | --                                  |
| General obligation refunding bonds proceeds deposited with fiscal<br>agent are not outflows of budgetary resources but are expenditures<br>and other financing uses for financial reporting purposes.                              | 532,475,208             | --                                  |
| Installment obligation refunding bonds proceeds deposited with fiscal<br>agent are not outflows of budgetary resources but are expenditures<br>and other financing uses for financial reporting purposes.                          | 45,521,797              | --                                  |
| Additions to other debt are not budgetary outflows but are expenditures<br>and other financing uses for financial reporting purposes.  | 237,658,025             | --                                  |
| Expenditures in other funds are not outflows of budgetary resources<br>but have been incorporated into expenditures for financial<br>reporting purposes.   | <u>1,947,204</u>        | <u>--</u>                           |
| Total expenditures and other financing uses as reported on the<br>GAAP-basis statement of revenues, expenditures, and changes<br>in fund balances--governmental funds  | <u>\$32,917,300,710</u> | <u>\$9,288,732,742</u>              |

## STATE OF NEW JERSEY NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

### **Budgetary Process**

The Appropriations Act provides annual 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 Budget 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  
ALL PENSION TRUST FUNDS**

| <b>Plan /<br/>Actuarial<br/>Valuation</b> | <b>Actuarial<br/>Value of<br/>Assets</b> | <b>Actuarial Accrued<br/>Liability (AAL)</b> | <b>Unfunded<br/>AAL<br/>(UAAL)</b> | <b>Funded<br/>Ratio</b> | <b>Covered<br/>Payroll</b> | <b>UAAL as a<br/>Percentage of<br/>Covered Payroll</b> |
|---|--|--|------------------------------------|-------------------------|----------------------------|--|
| <b>PERS - State</b>                       |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 11,073,156,965                           | 10,760,557,483                               | (312,599,482)                      | 102.9%                  | 3,511,151,199              | (8.9)%   |
| 6/30/03                                   | 10,829,953,189                           | 11,942,299,170                               | 1,112,345,981                      | 90.7%                   | 3,576,118,300              | 31.1%  |
| 6/30/04                                   | 10,693,508,592                           | 12,620,379,435                               | 1,926,870,843                      | 84.7%                   | 3,751,765,096              | 51.4%  |
| <b>PERS - Local</b>                       |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 16,503,081,054                           | 14,929,334,103                               | (1,573,746,951)                    | 110.5%                  | 5,534,322,805              | (28.4)%  |
| 6/30/03                                   | 16,406,284,200                           | 15,887,012,746                               | (519,271,454)                      | 103.3%                  | 5,811,726,702              | (8.9)%   |
| 6/30/04                                   | 16,414,022,003                           | 17,077,938,057                               | 663,916,054                        | 96.1%                   | 6,140,413,756              | 10.8%  |
| <b>TPAF</b>                               |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 35,148,246,433                           | 35,146,591,842                               | (1,654,591)                        | 100.0%                  | 7,348,993,141              | 0.0%   |
| 6/30/03                                   | 34,651,825,932                           | 37,383,732,882                               | 2,731,906,950                      | 92.7%                   | 7,702,854,159              | 35.5%  |
| 6/30/04                                   | 34,633,790,549                           | 40,447,690,339                               | 5,813,899,790                      | 85.6%                   | 8,047,272,269              | 72.2%  |
| <b>PFRS-State</b>                         |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 2,032,977,241                            | 2,046,820,189                                | 13,842,948                         | 99.3%                   | 418,849,259                | 3.3%   |
| 6/30/03                                   | 1,907,752,767                            | 2,330,909,918                                | 423,157,151                        | 81.8%                   | 447,470,022                | 94.6%  |
| 6/30/04                                   | 1,940,936,459                            | 2,509,192,584                                | 568,256,125                        | 77.4%                   | 450,406,301                | 126.2%   |
| <b>PFRS-Local</b>                         |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 16,392,195,411                           | 17,181,142,310                               | 788,946,899                        | 95.4%                   | 2,275,130,620              | 34.7%  |
| 6/30/03                                   | 16,447,380,691                           | 18,422,073,072                               | 1,974,692,381                      | 89.3%                   | 2,393,467,444              | 82.5%  |
| 6/30/04                                   | 16,762,453,668                           | 19,769,046,766                               | 3,006,593,098                      | 84.8%                   | 2,524,859,162              | 119.1%   |
| <b>SPRS</b>                               |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 1,853,684,177                            | 1,739,427,739                                | (114,256,438)                      | 106.6%                  | 215,161,126                | (53.1)%  |
| 6/30/03                                   | 1,865,079,083                            | 1,815,725,256                                | (49,353,827)                       | 102.7%                  | 217,448,864                | (22.7)%  |
| 6/30/04                                   | 1,897,525,210                            | 1,949,309,641                                | 51,784,431                         | 97.3%                   | 223,552,154                | 23.2%  |
| <b>JRS</b>                                |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 373,231,198                              | 388,950,803                                  | 15,719,605                         | 96.0%                   | 61,873,500                 | 25.4%  |
| 6/30/03                                   | 372,835,265                              | 431,450,218                                  | 58,614,953                         | 86.4%                   | 61,600,500                 | 95.2%  |
| 6/30/04                                   | 371,730,163                              | 445,922,358                                  | 74,192,195                         | 83.4%                   | 61,576,750                 | 120.5%   |
| <b>CPFPF</b>                              |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 31,842,976                               | 36,350,384                                   | 4,507,408                          | 87.6%                   | -                          | N/A  |
| 6/30/03                                   | 27,623,585                               | 41,396,376                                   | 13,772,791                         | 66.7%                   | -                          | N/A  |
| 6/30/04                                   | 21,735,396                               | 35,052,202                                   | 13,316,806                         | 62.0%                   | -                          | N/A  |
| <b>POPF</b>                               |  |  |                                    |                         |                            |  |
| 6/30/02                                   | 17,908,452                               | 11,781,734                                   | (6,126,718)                        | 152.0%                  | -                          | N/A  |
| 6/30/03                                   | 17,277,953                               | 10,727,647                                   | (6,550,306)                        | 161.1%                  | -                          | N/A  |
| 6/30/04                                   | 15,884,428                               | 10,060,710                                   | (5,823,718)                        | 157.9%                  | -                          | N/A  |

**STATE OF NEW JERSEY**  
**BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2005**

|  | <u>Special<br/>Revenue<br/>Funds</u> | <u>Capital<br/>Projects<br/>Funds</u> | <u>Total<br/>Non-Major<br/>Governmental<br/>Funds</u> |
|--|--------------------------------------|---------------------------------------|---|
| <b>ASSETS</b>  |                                      |                                       |   |
| <b>Cash and cash equivalents</b>                             | \$ 112,237,816                       | \$ 458,788                            | \$ 112,696,604  |
| <b>Investments</b>   | 4,041,037,646                        | 60,360,984                            | 4,101,398,630   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |                                      |                                       |   |
| Federal government   | 390,180                              | 93,717,544                            | 94,107,724  |
| Departmental accounts  | 295,488,868                          | 1,648,451                             | 297,137,319   |
| Loans  | 997,822,196                          | 5,000,000                             | 1,002,822,196   |
| Other  | 192,000,290                          | 135,437,581                           | 327,437,871   |
| <b>Due from other funds</b>                                  | 284,923,898                          | 203,964,632                           | 488,888,530   |
| <b>Other</b>   | 2,076,624                            | --                                    | 2,076,624   |
| <b>Total Assets</b>  | <u>\$ 5,925,977,518</u>              | <u>\$ 500,587,980</u>                 | <u>\$ 6,426,565,498</u>                               |
| <b>LIABILITIES AND FUND BALANCES</b>                         |                                      |                                       |   |
| <b>Liabilities</b>   |                                      |                                       |   |
| Accounts payable and accruals                                | \$ 539,516,568                       | \$ 146,479,073                        | \$ 685,995,641  |
| Deferred revenue   | 135,467,164                          | --                                    | 135,467,164   |
| Due to other funds   | 822,525,392                          | 173,030,904                           | 995,556,296   |
| Advances from other funds                                    | 1,056,576                            | --                                    | 1,056,576   |
| Other  | 34,076,072                           | --                                    | 34,076,072  |
| <b>Total Liabilities</b>                                     | <u>1,532,641,772</u>                 | <u>319,509,977</u>                    | <u>1,852,151,749</u>                                  |
| <b>Fund Balances</b>   |                                      |                                       |   |
| Reserved for:  |                                      |                                       |   |
| Encumbrances   | 593,307,163                          | 32,817,801                            | 626,124,964   |
| Other  | 1,596,557,877                        | 5,000,000                             | 1,601,557,877   |
| Unreserved:  |                                      |                                       |   |
| Designated-continuing appropriations                         | 2,169,544,319                        | 148,260,202                           | 2,317,804,521   |
| Undesignated   | 33,926,387                           | (5,000,000 )                          | 28,926,387  |
| <b>Total Fund Balances</b>                                   | <u>4,393,335,746</u>                 | <u>181,078,003</u>                    | <u>4,574,413,749</u>                                  |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 5,925,977,518</u>              | <u>\$ 500,587,980</u>                 | <u>\$ 6,426,565,498</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, 2005**

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Total<br>Non-Major<br>Governmental<br>Funds |
|---|-----------------------------|------------------------------|---|
| <b>REVENUES</b>   |                             |                              |   |
| Taxes   | \$ 1,526,236,920            | \$ --                        | \$ 1,526,236,920                            |
| Federal and other grants  | 117,954,907                 | 623,850,095                  | 741,805,002                                 |
| Licenses and fees   | 113,353,894                 | --                           | 113,353,894                                 |
| Services and assessments  | 583,301,147                 | 1,402,353                    | 584,703,500                                 |
| Investment earnings   | 85,546,268                  | 4,963,086                    | 90,509,354                                  |
| Contributions   | 646,741,080                 | --                           | 646,741,080                                 |
| Other   | 449,570,431                 | 1,124,940                    | 450,695,371                                 |
| <b>Total Revenues</b>   | <b>3,522,704,647</b>        | <b>631,340,474</b>           | <b>4,154,045,121</b>                        |
| <b>EXPENDITURES</b>   |                             |                              |   |
| <b>Current:</b>   |                             |                              |   |
| Public safety and criminal justice  | 88,086,678                  | 20,410,040                   | 108,496,718                                 |
| Physical and mental health  | 593,196,816                 | 161,868                      | 593,358,684                                 |
| Educational, cultural, and intellectual development                                       | 1,448,530,963               | 389,734                      | 1,448,920,697                               |
| Community development and environmental management  | 312,405,095                 | --                           | 312,405,095                                 |
| Economic planning, development, and security  | 673,581,066                 | 24,865                       | 673,605,931                                 |
| Transportation programs   | 79,638,531                  | 1,972,659,364                | 2,052,297,895                               |
| Government direction, management, and control   | 1,998,727,729               | 1,613,514                    | 2,000,341,243                               |
| Special government services   | 267,501                     | --                           | 267,501                                     |
| <b>Debt Service:</b>  |                             |                              |   |
| Principal   | 283,775,000                 | --                           | 283,775,000                                 |
| Interest  | 469,751,573                 | --                           | 469,751,573                                 |
| <b>Total Expenditures</b>   | <b>5,947,960,952</b>        | <b>1,995,259,385</b>         | <b>7,943,220,337</b>                        |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(2,425,256,305 )</b>     | <b>(1,363,918,911 )</b>      | <b>(3,789,175,216 )</b>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                             |                              |   |
| Proceeds from sale of bonds   | 1,000,485,000               | --                           | 1,000,485,000                               |
| Transfers from other funds  | 3,816,124,567               | 1,328,224,653                | 5,144,349,220                               |
| Transfers to other funds  | (4,389,947,870 )            | (1,805,532 )                 | (4,391,753,402 )                            |
| Other   | 2,414,398,794               | --                           | 2,414,398,794                               |
| <b>Total other financing sources (uses)</b>   | <b>2,841,060,491</b>        | <b>1,326,419,121</b>         | <b>4,167,479,612</b>                        |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>415,804,186</b>          | <b>(37,499,790 )</b>         | <b>378,304,396</b>                          |
| <b>Fund balances - July 1, 2004</b>   | <b>3,977,531,560</b>        | <b>218,577,793</b>           | <b>4,196,109,353</b>                        |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 4,393,335,746</b>     | <b>\$ 181,078,003</b>        | <b>\$ 4,574,413,749</b>                     |

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**COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2005**

|  | <u>Alcohol Education,<br/>Rehabilitation and<br/>Enforcement Fund</u> | <u>Atlantic City<br/>Parking Fees<br/>Fund</u> | <u>Atlantic City<br/>Tourism<br/>Promotion Fund</u> |
|--|---|--|---|
| <b>ASSETS</b>  |   |  |   |
| <b>Cash and cash equivalents</b>                             | \$ 47,725   | \$ 472,146                                     | \$ 5,018  |
| <b>Investments</b>   | 5,909,725   | 21,049   | 259,964   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |  |   |
| Federal government   | --  | --   | --  |
| Departmental accounts  | 15,363  | 2,918,705                                      | 1,776,732   |
| Loans  | --  | --   | --  |
| Other  | --  | --   | --  |
| <b>Due from other funds</b>                                  | 2,176,533   | --   | --  |
| <b>Other</b>   | --  | --   | --  |
| <b>Total Assets</b>  | <u>\$ 8,149,346</u>   | <u>\$ 3,411,900</u>                            | <u>\$ 2,041,714</u>                                 |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |  |   |
| <b>Liabilities</b>   |   |  |   |
| Accounts payable and accruals                                | \$ --   | \$ 1,922,816                                   | \$ 1,283,732  |
| Deferred revenue   | --  | --   | --  |
| Due to other funds   | 1,765,385   | 1,417,769                                      | --  |
| Advances from other funds                                    | --  | --   | --  |
| Other  | --  | --   | --  |
| <b>Total Liabilities</b>                                     | <u>1,765,385</u>  | <u>3,340,585</u>                               | <u>1,283,732</u>                                    |
| <b>Fund Balances</b>   |   |  |   |
| Reserved for:  |   |  |   |
| Encumbrances   | 4,169,308   | --   | --  |
| Other  | --  | --   | --  |
| Unreserved:  |   |  |   |
| Designated-continuing appropriations                         | 2,214,653   | 71,315   | 757,982   |
| Undesignated   | --  | --   | --  |
| <b>Total Fund Balances</b>                                   | <u>6,383,961</u>  | <u>71,315</u>                                  | <u>757,982</u>                                      |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 8,149,346</u>   | <u>\$ 3,411,900</u>                            | <u>\$ 2,041,714</u>                                 |

| <u>Beaches<br/>and Harbor<br/>Fund</u> | <u>Board of<br/>Bar Examiners</u> | <u>Boarding House<br/>Rental<br/>Assistance Fund</u> | <u>Body Armor<br/>Replacement<br/>Fund</u> |
|--|-----------------------------------|--|--|
| \$ 1,842                               | \$ 7,535                          | \$ 40,344  | \$ 1,301,513                               |
| 2,198                                  | 5,290,672                         | 143,573  | 4,742,563                                  |
| --                                     | --                                | --   | --   |
| --                                     | --                                | --   | 354,766                                    |
| --                                     | --                                | --   | --   |
| 28,219                                 | --                                | --   | --   |
| --                                     | --                                | --   | --   |
| 1,348,353                              | --                                | --   | --   |
| <u>\$ 1,380,612</u>                    | <u>\$ 5,298,207</u>               | <u>\$ 183,917</u>                                    | <u>\$ 6,398,842</u>                        |
| <br>                                   |                                   |  |  |
| \$ --                                  | \$ 626,771                        | \$ --  | \$ 24,826                                  |
| --                                     | --                                | --   | --   |
| 28,259                                 | --                                | --   | 75,000                                     |
| --                                     | --                                | --   | --   |
| --                                     | --                                | --   | --   |
| <u>28,259</u>                          | <u>626,771</u>                    | <u>--</u>  | <u>99,826</u>                              |
| <br>                                   |                                   |  |  |
| --                                     | --                                | --   | 255,731                                    |
| 1,348,353                              | --                                | --   | --   |
| 4,000                                  | 4,671,436                         | 183,917  | 6,043,285                                  |
| --                                     | --                                | --   | --   |
| <u>1,352,353</u>                       | <u>4,671,436</u>                  | <u>183,917</u>                                       | <u>6,299,016</u>                           |
| <u>\$ 1,380,612</u>                    | <u>\$ 5,298,207</u>               | <u>\$ 183,917</u>                                    | <u>\$ 6,398,842</u>                        |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <b>Capital City<br/>Redevelopment<br/>Loan and Grant<br/>Fund</b> | <b>Casino<br/>Control<br/>Fund</b> | <b>Casino<br/>Revenue<br/>Fund</b> |
|--|---|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |   |                                    |                                    |
| <b>Cash and cash equivalents</b>                             | \$ 72,021   | \$ 51,000                          | \$ --                              |
| <b>Investments</b>   | 416,229   | --                                 | --                                 |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |                                    |                                    |
| Federal government   | --  | --                                 | --                                 |
| Departmental accounts  | --  | 1,937,227                          | 34,484,670                         |
| Loans  | 1,326,216   | --                                 | --                                 |
| Other  | --  | --                                 | --                                 |
| <b>Due from other funds</b>                                  | --  | 14,113,152                         | 38,778,922                         |
| <b>Other</b>   | --  | --                                 | --                                 |
| <b>Total Assets</b>  | <u>\$ 1,814,466</u>   | <u>\$ 16,101,379</u>               | <u>\$ 73,263,592</u>               |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |                                    |                                    |
| <b>Liabilities</b>   |   |                                    |                                    |
| Accounts payable and accruals                                | \$ 17,724   | \$ 5,945,930                       | \$ 29,974,475                      |
| Deferred revenue   | --  | 6,102,839                          | 777,000                            |
| Due to other funds   | 80,412  | --                                 | --                                 |
| Advances from other funds                                    | --  | --                                 | --                                 |
| Other  | --  | --                                 | --                                 |
| <b>Total Liabilities</b>                                     | <u>98,136</u>   | <u>12,048,769</u>                  | <u>30,751,475</u>                  |
| <b>Fund Balances</b>   |   |                                    |                                    |
| Reserved for:  |   |                                    |                                    |
| Encumbrances   | --  | 1,890,601                          | 42,468,773                         |
| Other  | 1,326,216   | --                                 | --                                 |
| Unreserved:  |   |                                    |                                    |
| Designated-continuing appropriations                         | 390,114   | 872,961                            | 43,344                             |
| Undesignated   | --  | 1,289,048                          | --                                 |
| <b>Total Fund Balances</b>                                   | <u>1,716,330</u>  | <u>4,052,610</u>                   | <u>42,512,117</u>                  |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 1,814,466</u>   | <u>\$ 16,101,379</u>               | <u>\$ 73,263,592</u>               |

| Casino<br>Simulcasting<br>Fund | Casino<br>Simulcasting<br>Special<br>Fund | Catastrophic<br>Illness in<br>Children Relief<br>Fund | Clean<br>Communities<br>Account<br>Fund | Clean<br>Energy<br>Fund |
|--------------------------------|---|---|---|-------------------------|
| \$ 941,497                     | \$ 2,543,389                              | \$ 175,142  | \$ 668,709                              | \$ 5,582,362            |
| 452,062                        | 1,900,099                                 | 1,194,520   | 2,577,067                               | 114,643,205             |
| --                             | --  | --  | --                                      | --                      |
| --                             | --  | 5,853,982   | 156,788                                 | --                      |
| --                             | --  | --  | --                                      | --                      |
| --                             | --  | --  | --                                      | 7,135,052               |
| --                             | --  | 362,895   | --                                      | --                      |
| --                             | --  | --  | --                                      | --                      |
| <u>\$ 1,393,559</u>            | <u>\$ 4,443,488</u>                       | <u>\$ 7,586,539</u>                                   | <u>\$ 3,402,564</u>                     | <u>\$ 127,360,619</u>   |
| \$ --                          | \$ --                                     | \$ 534,919  | \$ 1,090,627                            | \$ 2,989,531            |
| --                             | --  | --  | --                                      | --                      |
| 1,300,000                      | --  | 1,207,909   | --                                      | 24,000                  |
| --                             | --  | --  | --                                      | --                      |
| --                             | --  | --  | --                                      | --                      |
| <u>1,300,000</u>               | <u>--</u>                                 | <u>1,742,828</u>                                      | <u>1,090,627</u>                        | <u>3,013,531</u>        |
| --                             | --  | 41,883  | 544                                     | 598,450                 |
| --                             | --  | --  | --                                      | --                      |
| 93,559                         | 4,443,488                                 | 5,801,828   | 2,311,393                               | 123,748,638             |
| --                             | --  | --  | --                                      | --                      |
| <u>93,559</u>                  | <u>4,443,488</u>                          | <u>5,843,711</u>                                      | <u>2,311,937</u>                        | <u>124,347,088</u>      |
| <u>\$ 1,393,559</u>            | <u>\$ 4,443,488</u>                       | <u>\$ 7,586,539</u>                                   | <u>\$ 3,402,564</u>                     | <u>\$ 127,360,619</u>   |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | Clean<br>Waters<br>Fund | Cultural Centers<br>and Historic<br>Preservation<br>Fund | 1992 Dam<br>Restoration and<br>Clean Waters<br>Trust Fund |
|--|-------------------------|--|---|
| <b>ASSETS</b>  |                         |  |   |
| Cash and cash equivalents                                    | \$ 259                  | \$ 30,684  | \$ 891,315  |
| Investments  | 140,656                 | 2,455,990  | 5,577,476   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |                         |  |   |
| Federal government   | --                      | --   | --  |
| Departmental accounts  | --                      | --   | --  |
| Loans  | --                      | --   | 9,698,647   |
| Other  | --                      | --   | 42,956  |
| <b>Due from other funds</b>                                  | --                      | --   | --  |
| <b>Other</b>   | --                      | --   | --  |
| <b>Total Assets</b>  | <u>\$ 140,915</u>       | <u>\$ 2,486,674</u>                                      | <u>\$ 16,210,394</u>                                      |
| <b>LIABILITIES AND FUND BALANCES</b>                         |                         |  |   |
| <b>Liabilities</b>   |                         |  |   |
| Accounts payable and accruals                                | \$ 6,568                | \$ --  | \$ --   |
| Deferred revenue   | --                      | --   | --  |
| Due to other funds   | 262,027                 | 5,485,534  | --  |
| Advances from other funds                                    | --                      | --   | --  |
| Other  | --                      | --   | --  |
| <b>Total Liabilities</b>                                     | <u>268,595</u>          | <u>5,485,534</u>   | <u>--</u>   |
| <b>Fund Balances</b>   |                         |  |   |
| Reserved for:  |                         |  |   |
| Encumbrances   | 36,368                  | 1,829,952  | 1,767,185   |
| Other  | --                      | --   | 9,698,647   |
| Unreserved:  |                         |  |   |
| Designated-continuing appropriations                         | --                      | --   | 2,897,560   |
| Undesignated   | (164,048 )              | (4,828,812 )   | 1,847,002   |
| <b>Total Fund Balances</b>                                   | <u>(127,680 )</u>       | <u>(2,998,860 )</u>                                      | <u>16,210,394</u>   |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 140,915</u>       | <u>\$ 2,486,674</u>                                      | <u>\$ 16,210,394</u>                                      |

| <u>Dental State<br/>Employees<br/>Program Fund</u> | <u>1989<br/>Development<br/>Potential Bank<br/>Transfer Fund</u> | <u>Developmental<br/>Disabilities<br/>Waiting List<br/>Reduction Fund</u> | <u>Disciplinary<br/>Oversight<br/>Committee</u> | <u>Division of<br/>Motor Vehicles<br/>Surcharge Fund</u> |
|--|--|---|---|--|
| \$ --  | \$ 20,154  | \$ --   | \$ 4,396,620                                    | \$ 327,980   |
| 9,942,140  | 6,446,579  | 22,813,258  | --  | 2,837,612  |
| --   | --   | --  | --  | --   |
| --   | --   | --  | --  | 1,869,997  |
| --   | --   | --  | --  | --   |
| 484,737  | --   | --  | 8,716   | --   |
| 976,500  | --   | --  | --  | --   |
| --   | --   | --  | --  | --   |
| <u>\$ 11,403,377</u>                               | <u>\$ 6,466,733</u>  | <u>\$ 22,813,258</u>  | <u>\$ 4,405,336</u>                             | <u>\$ 5,035,589</u>                                      |
| \$ 1,567,884                                       | \$ --  | \$ 174,706  | \$ 2,571,154                                    | \$ 4,809,506   |
| 917,216  | --   | --  | --  | --   |
| --   | --   | 528,869   | --  | --   |
| --   | --   | --  | --  | --   |
| --   | --   | --  | --  | --   |
| <u>2,485,100</u>                                   | <u>--</u>  | <u>703,575</u>  | <u>2,571,154</u>                                | <u>4,809,506</u>   |
| --   | --   | 1,319,177   | --  | --   |
| --   | --   | --  | --  | --   |
| 8,918,277  | 6,466,733  | 20,790,506  | 1,834,182                                       | 226,083  |
| --   | --   | --  | --  | --   |
| <u>8,918,277</u>                                   | <u>6,466,733</u>   | <u>22,109,683</u>   | <u>1,834,182</u>                                | <u>226,083</u>   |
| <u>\$ 11,403,377</u>                               | <u>\$ 6,466,733</u>  | <u>\$ 22,813,258</u>  | <u>\$ 4,405,336</u>                             | <u>\$ 5,035,589</u>                                      |

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STATE OF NEW JERSEY  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>Dredging and<br/>Containment<br/>Facility Fund</u> | <u>Drinking Water<br/>State Revolving<br/>Fund</u> | <u>1996 Economic<br/>Development<br/>Site Fund</u> |
|--|---|--|--|
| <b>ASSETS</b>  |   |  |  |
| <b>Cash and cash equivalents</b>                             | \$ 27,814   | \$ 590,837   | \$ 1,089,595                                       |
| <b>Investments</b>   | 39,640,877  | 55,862,347   | 1,544,941  |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |  |  |
| Federal government   | --  | --   | --   |
| Departmental accounts  | --  | --   | --   |
| Loans  | --  | 96,503,076   | 2,023,955  |
| Other  | --  | --   | --   |
| <b>Due from other funds</b>                                  | --  | 99,001   | --   |
| <b>Other</b>   | --  | --   | --   |
| <b>Total Assets</b>  | <u>\$ 39,668,691</u>                                  | <u>\$ 153,055,261</u>                              | <u>\$ 4,658,491</u>                                |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |  |  |
| <b>Liabilities</b>   |   |  |  |
| Accounts payable and accruals                                | \$ 186,142  | \$ 151,509   | \$ --  |
| Deferred revenue   | --  | 825,149  | --   |
| Due to other funds   | 431,842   | --   | --   |
| Advances from other funds                                    | --  | --   | --   |
| Other  | --  | --   | --   |
| <b>Total Liabilities</b>                                     | <u>617,984</u>  | <u>976,658</u>                                     | <u>--</u>  |
| <b>Fund Balances</b>   |   |  |  |
| Reserved for:  |   |  |  |
| Encumbrances   | 32,636,008  | 22,634,919   | --   |
| Other  | --  | 96,503,076   | 2,023,955  |
| Unreserved:  |   |  |  |
| Designated-continuing appropriations                         | 6,414,699   | 26,199,150   | 2,634,536  |
| Undesignated   | --  | 6,741,458  | --   |
| <b>Total Fund Balances</b>                                   | <u>39,050,707</u>                                     | <u>152,078,603</u>                                 | <u>4,658,491</u>                                   |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 39,668,691</u>                                  | <u>\$ 153,055,261</u>                              | <u>\$ 4,658,491</u>                                |

| <u>Emergency<br/>Flood Control<br/>Fund</u> | <u>Emergency<br/>Medical<br/>Technician<br/>Training Fund</u> | <u>Emergency<br/>Services Fund</u> | <u>Enterprise Zone<br/>Assistance<br/>Fund</u> | <u>1996<br/>Environmental<br/>Cleanup<br/>Fund</u> |
|---|---|------------------------------------|--|--|
| \$ 12,787                                   | \$ 79,022   | \$ 252,145                         | \$ 855,300                                     | \$ 268,471   |
| 348,002                                     | 7,512,351   | 13,204,336                         | 231,086,170                                    | 3,961,154  |
| --  | --  | --                                 | --   | --   |
| --  | --  | --                                 | 2,893,780                                      | --   |
| --  | --  | 10,000                             | --   | --   |
| --  | --  | --                                 | --   | --   |
| --  | 15,591  | --                                 | --   | --   |
| --  | --  | --                                 | --   | --   |
| <u>\$ 360,789</u>                           | <u>\$ 7,606,964</u>   | <u>\$ 13,466,481</u>               | <u>\$ 234,835,250</u>                          | <u>\$ 4,229,625</u>                                |
| \$ --                                       | \$ 225,519  | \$ --                              | \$ 1,455,848                                   | \$ 241,933   |
| --  | --  | --                                 | --   | --   |
| 7,545                                       | 233,746   | --                                 | 6,964,227                                      | --   |
| --  | --  | --                                 | --   | --   |
| --  | --  | --                                 | --   | --   |
| <u>7,545</u>                                | <u>459,265</u>  | <u>--</u>                          | <u>8,420,075</u>                               | <u>241,933</u>                                     |
| --  | 358,630   | 1,835,735                          | 90,214,220                                     | 11,180,065   |
| --  | --  | 10,000                             | --   | --   |
| 353,244                                     | 6,789,069   | 11,449,804                         | 136,200,955                                    | --   |
| --  | --  | 170,942                            | --   | (7,192,373 )                                       |
| <u>353,244</u>                              | <u>7,147,699</u>  | <u>13,466,481</u>                  | <u>226,415,175</u>                             | <u>3,987,692</u>                                   |
| <u>\$ 360,789</u>                           | <u>\$ 7,606,964</u>   | <u>\$ 13,466,481</u>               | <u>\$ 234,835,250</u>                          | <u>\$ 4,229,625</u>                                |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>1989 Farmland<br/>Preservation<br/>Fund</u> | <u>1992 Farmland<br/>Preservation<br/>Fund</u> | <u>1995 Farmland<br/>Preservation<br/>Fund</u> |
|--|--|--|--|
| <b>ASSETS</b>  |  |  |  |
| <b>Cash and cash equivalents</b>                             | \$ 2,578                                       | \$ 29,916                                      | \$ 25,261                                      |
| <b>Investments</b>   | 146,724  | 1,904,219                                      | 8,817,829                                      |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |  |  |  |
| Federal government   | --   | --   | --   |
| Departmental accounts  | --   | --   | --   |
| Loans  | --   | --   | --   |
| Other  | --   | --   | --   |
| <b>Due from other funds</b>                                  | --   | --   | --   |
| <b>Other</b>   | --   | --   | --   |
| <b>Total Assets</b>  | <u>\$ 149,302</u>                              | <u>\$ 1,934,135</u>                            | <u>\$ 8,843,090</u>                            |
| <b>LIABILITIES AND FUND BALANCES</b>                         |  |  |  |
| <b>Liabilities</b>   |  |  |  |
| Accounts payable and accruals                                | \$ --  | \$ --  | \$ --  |
| Deferred revenue   | --   | --   | --   |
| Due to other funds   | --   | 65,445   | 585,000  |
| Advances from other funds                                    | --   | --   | --   |
| Other  | --   | --   | --   |
| <b>Total Liabilities</b>                                     | <u>--</u>                                      | <u>65,445</u>                                  | <u>585,000</u>                                 |
| <b>Fund Balances</b>   |  |  |  |
| Reserved for:  |  |  |  |
| Encumbrances   | --   | --   | 3,363  |
| Other  | --   | --   | --   |
| Unreserved:  |  |  |  |
| Designated-continuing appropriations                         | 149,302  | 1,749,576                                      | 8,254,727                                      |
| Undesignated   | --   | 119,114  | --   |
| <b>Total Fund Balances</b>                                   | <u>149,302</u>                                 | <u>1,868,690</u>                               | <u>8,258,090</u>                               |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 149,302</u>                              | <u>\$ 1,934,135</u>                            | <u>\$ 8,843,090</u>                            |

| <b>Fund for Support of Free Public Schools</b> | <b>Garden State Farmland Preservation Trust Fund</b> | <b>Garden State Green Acres Preservation Trust Fund</b> | <b>Garden State Historic Preservation Trust Fund</b> | <b>Green Trust Fund</b> |
|--|--|---|--|-------------------------|
| \$ 54,847                                      | \$ 565,222   | \$ --   | \$ 124,578   | \$ 412,761              |
| 103,071,293                                    | 164,909,184  | 166,125,200   | 22,505,476   | 9,989,888               |
| --   | --   | --  | --   | --                      |
| --   | --   | --  | --   | --                      |
| --   | --   | 23,199,819  | --   | 67,199,429              |
| 400,950  | --   | 101,897   | --   | 290,744                 |
| 5,351,831                                      | --   | --  | --   | 5,319,532               |
| --   | --   | --  | --   | --                      |
| <b>\$ 108,878,921</b>                          | <b>\$ 165,474,406</b>                                | <b>\$ 189,426,916</b>                                   | <b>\$ 22,630,054</b>                                 | <b>\$ 83,212,354</b>    |
| \$ --  | \$ 1,021,239   | \$ 1,591,428  | \$ 584,461   | \$ --                   |
| --   | --   | --  | --   | --                      |
| 2,091,727                                      | 1,878,896  | 5,279,561   | 640,215  | --                      |
| --   | --   | --  | --   | --                      |
| --   | --   | --  | --   | --                      |
| <b>2,091,727</b>                               | <b>2,900,135</b>                                     | <b>6,870,989</b>  | <b>1,224,676</b>                                     | <b>--</b>               |
| --   | 157,511  | 157,393,100   | 7,758,802  | 20,607,634              |
| 102,989,789                                    | --   | 23,199,819  | --   | 67,199,429              |
| --   | 154,157,271  | 1,963,008   | 13,646,576   | --                      |
| 3,797,405                                      | 8,259,489  | --  | --   | (4,594,709 )            |
| <b>106,787,194</b>                             | <b>162,574,271</b>                                   | <b>182,555,927</b>                                      | <b>21,405,378</b>                                    | <b>83,212,354</b>       |
| <b>\$ 108,878,921</b>                          | <b>\$ 165,474,406</b>                                | <b>\$ 189,426,916</b>                                   | <b>\$ 22,630,054</b>                                 | <b>\$ 83,212,354</b>    |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>Gubernatorial<br/>Elections<br/>Fund</u> | <u>Hazardous<br/>Discharge Fund<br/>of 1981</u> | <u>Hazardous<br/>Discharge Fund<br/>of 1986</u> |
|--|---|---|---|
| <b>ASSETS</b>  |   |   |   |
| Cash and cash equivalents                                    | \$ --                                       | \$ 711  | \$ 1,025,901                                    |
| Investments  | --  | 184,232   | 15,878,166                                      |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |   |   |
| Federal government   | --  | --  | --  |
| Departmental accounts  | --  | --  | --  |
| Loans  | --  | --  | --  |
| Other  | --  | --  | --  |
| Due from other funds   | 117,581                                     | --  | 440,534   |
| Other  | --  | --  | --  |
| <b>Total Assets</b>  | <u>\$ 117,581</u>                           | <u>\$ 184,943</u>                               | <u>\$ 17,344,601</u>                            |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |   |   |
| <b>Liabilities</b>   |   |   |   |
| Accounts payable and accruals                                | \$ 117,581                                  | \$ --   | \$ 3,728,298                                    |
| Deferred revenue   | --  | --  | --  |
| Due to other funds   | --  | 3,994   | --  |
| Advances from other funds                                    | --  | --  | --  |
| Other  | --  | --  | --  |
| Total Liabilities  | <u>117,581</u>                              | <u>3,994</u>                                    | <u>3,728,298</u>                                |
| <b>Fund Balances</b>   |   |   |   |
| Reserved for:  |   |   |   |
| Encumbrances   | --  | --  | 30,440,674                                      |
| Other  | --  | --  | --  |
| Unreserved:  |   |   |   |
| Designated-continuing appropriations                         | --  | 180,949   | --  |
| Undesignated   | --  | --  | (16,824,371 )                                   |
| Total Fund Balances  | <u>--</u>                                   | <u>180,949</u>                                  | <u>13,616,303</u>                               |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 117,581</u>                           | <u>\$ 184,943</u>                               | <u>\$ 17,344,601</u>                            |

| <b>Hazardous Discharge Site Cleanup Fund</b> | <b>Health Benefits State Employees Program Fund</b> | <b>Health Care Subsidy Fund</b> | <b>Higher Education Facility Renovation and Rehabilitation Fund</b> | <b>1992 Historic Preservation Fund</b> |
|--|---|---------------------------------|---|--|
| \$ 652,178                                   | \$ --   | \$ 171,578                      | \$ 6,532  | \$ 8,063                               |
| 91,806,318                                   | 99,068,720  | 163,128,542                     | 875,556   | 33,475                                 |
| --   | --  | --                              | --  | --                                     |
| 75,213                                       | --  | 5,862,334                       | --  | --                                     |
| --   | --  | --                              | --  | --                                     |
| 8,302,494                                    | 872,999   | --                              | --  | --                                     |
| 13,203,591                                   | 52,326,292  | 67,990,802                      | --  | --                                     |
| --   | --  | --                              | --  | --                                     |
| <u>\$ 114,039,794</u>                        | <u>\$ 152,268,011</u>                               | <u>\$ 237,153,256</u>           | <u>\$ 882,088</u>   | <u>\$ 41,538</u>                       |
| <br>   |   |                                 |   |  |
| \$ 1,340,015                                 | \$ 41,546,161                                       | \$ --                           | \$ --   | \$ --                                  |
| --   | 1,015,342   | --                              | --  | --                                     |
| 23,754,607                                   | 298,866   | 237,139,237                     | --  | --                                     |
| --   | --  | --                              | --  | --                                     |
| --   | --  | --                              | --  | --                                     |
| <u>25,094,622</u>                            | <u>42,860,369</u>                                   | <u>237,139,237</u>              | <u>--</u>   | <u>--</u>                              |
| <br>   |   |                                 |   |  |
| 23,444,814                                   | --  | --                              | 541,532   | 414,758                                |
| 8,302,494                                    | --  | --                              | --  | --                                     |
| 57,197,864                                   | 109,407,642   | 14,019                          | --  | --                                     |
| --   | --  | --                              | 340,556   | (373,220 )                             |
| <u>88,945,172</u>                            | <u>109,407,642</u>                                  | <u>14,019</u>                   | <u>882,088</u>  | <u>41,538</u>                          |
| <u>\$ 114,039,794</u>                        | <u>\$ 152,268,011</u>                               | <u>\$ 237,153,256</u>           | <u>\$ 882,088</u>   | <u>\$ 41,538</u>                       |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>1995 Historic<br/>Preservation<br/>Fund</u> | <u>Historic<br/>Preservation<br/>Revolving Loan<br/>Fund</u> | <u>Horse<br/>Racing Injury<br/>Compensation<br/>Fund</u> |
|--|--|--|--|
| <b>ASSETS</b>  |  |  |  |
| <b>Cash and cash equivalents</b>                             | \$ 84,838                                      | \$ 250,805   | \$ 375,777   |
| <b>Investments</b>   | 357,886  | 3,516,427  | 4,128,281  |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |  |  |  |
| Federal government   | --   | --   | --   |
| Departmental accounts  | --   | 200  | --   |
| Loans  | --   | 221,792  | --   |
| Other  | --   | 4,264  | --   |
| <b>Due from other funds</b>                                  | --   | --   | --   |
| <b>Other</b>   | --   | --   | --   |
| <b>Total Assets</b>  | <u>\$ 442,724</u>                              | <u>\$ 3,993,488</u>  | <u>\$ 4,504,058</u>                                      |
| <b>LIABILITIES AND FUND BALANCES</b>                         |  |  |  |
| <b>Liabilities</b>   |  |  |  |
| Accounts payable and accruals                                | \$ --  | \$ --  | \$ --  |
| Deferred revenue   | --   | --   | --   |
| Due to other funds   | --   | --   | --   |
| Advances from other funds                                    | --   | --   | --   |
| Other  | --   | 3,139  | --   |
| <b>Total Liabilities</b>                                     | <u>--</u>                                      | <u>3,139</u>   | <u>--</u>  |
| <b>Fund Balances</b>   |  |  |  |
| Reserved for:  |  |  |  |
| Encumbrances   | 421,146  | --   | --   |
| Other  | --   | 221,792  | --   |
| Unreserved:  |  |  |  |
| Designated-continuing appropriations                         | 21,578   | 3,268,551  | 4,504,058  |
| Undesignated   | --   | 500,006  | --   |
| <b>Total Fund Balances</b>                                   | <u>442,724</u>                                 | <u>3,990,349</u>   | <u>4,504,058</u>   |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 442,724</u>                              | <u>\$ 3,993,488</u>  | <u>\$ 4,504,058</u>                                      |

| Housing<br>Assistance<br>Fund | Jobs, Education<br>and<br>Competitiveness<br>Fund | Jobs, Science<br>and Technology<br>Fund | Korean<br>Veterans'<br>Memorial<br>Fund | 1996 Lake<br>Restoration<br>Fund |
|-------------------------------|---|---|---|----------------------------------|
| \$ 184,068                    | \$ 16,890   | \$ 360                                  | \$ 52,779                               | \$ 29,040                        |
| 4,163,209                     | 6,351,409   | 25,985                                  | 3,493                                   | 1,372,384                        |
| --                            | --  | --                                      | --                                      | --                               |
| --                            | --  | --                                      | --                                      | --                               |
| 2,442,094                     | --  | --                                      | --                                      | 1,061,519                        |
| 126,195                       | --  | --                                      | --                                      | --                               |
| --                            | --  | --                                      | --                                      | --                               |
| --                            | --  | --                                      | --                                      | --                               |
| <u>\$ 6,915,566</u>           | <u>\$ 6,368,299</u>                               | <u>\$ 26,345</u>                        | <u>\$ 56,272</u>                        | <u>\$ 2,462,943</u>              |
| \$ --                         | \$ 176,107  | \$ 1,667                                | \$ --                                   | \$ --                            |
| --                            | --  | --                                      | --                                      | --                               |
| --                            | 147,036   | 568                                     | --                                      | --                               |
| --                            | --  | --                                      | 1,056,576                               | --                               |
| --                            | --  | --                                      | --                                      | --                               |
| --                            | 323,143   | 2,235                                   | 1,056,576                               | --                               |
| --                            | 3,911,268   | --                                      | --                                      | 121,389                          |
| 2,442,094                     | --  | --                                      | --                                      | 1,061,519                        |
| 4,085,880                     | 2,133,888   | 24,110                                  | --                                      | 1,018,240                        |
| 387,592                       | --  | --                                      | (1,000,304 )                            | 261,795                          |
| <u>6,915,566</u>              | <u>6,045,156</u>                                  | <u>24,110</u>                           | <u>(1,000,304 )</u>                     | <u>2,462,943</u>                 |
| <u>\$ 6,915,566</u>           | <u>\$ 6,368,299</u>                               | <u>\$ 26,345</u>                        | <u>\$ 56,272</u>                        | <u>\$ 2,462,943</u>              |

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STATE OF NEW JERSEY  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | Lead<br>Hazard Control<br>Assistance<br>Fund | Luxury Tax<br>Fund  | Medical<br>Malpractice<br>Liability Insurance<br>Premium<br>Assistance<br>Fund |
|--|--|---------------------|--|
| <b>ASSETS</b>  |  |                     |  |
| Cash and cash equivalents                                    | \$ --  | \$ 6,450            | \$ 3,846,634   |
| Investments  | 2,359,074                                    | 80,463              | 17,564,707   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |  |                     |  |
| Federal government   | --   | --                  | --   |
| Departmental accounts  | --   | 4,649,832           | --   |
| Loans  | --   | --                  | --   |
| Other  | --   | --                  | 3,430  |
| <b>Due from other funds</b>                                  | --   | --                  | --   |
| <b>Other</b>   | --   | --                  | --   |
| <b>Total Assets</b>  | <b>\$ 2,359,074</b>                          | <b>\$ 4,736,745</b> | <b>\$ 21,414,771</b>   |
| <b>LIABILITIES AND FUND BALANCES</b>                         |  |                     |  |
| <b>Liabilities</b>   |  |                     |  |
| Accounts payable and accruals                                | \$ 362,500                                   | \$ 2,862,920        | \$ 117,009   |
| Deferred revenue   | --   | --                  | --   |
| Due to other funds   | 66,465                                       | --                  | 5,825,428  |
| Advances from other funds                                    | --   | --                  | --   |
| Other  | --   | --                  | --   |
| <b>Total Liabilities</b>                                     | <b>428,965</b>                               | <b>2,862,920</b>    | <b>5,942,437</b>   |
| <b>Fund Balances</b>   |  |                     |  |
| Reserved for:  |  |                     |  |
| Encumbrances   | 362,500                                      | --                  | --   |
| Other  | --   | --                  | --   |
| Unreserved:  |  |                     |  |
| Designated-continuing appropriations                         | 1,567,609                                    | 1,873,825           | 15,472,334   |
| Undesignated   | --   | --                  | --   |
| <b>Total Fund Balances</b>                                   | <b>1,930,109</b>                             | <b>1,873,825</b>    | <b>15,472,334</b>  |
| <b>Total Liabilities and Fund Balances</b>                   | <b>\$ 2,359,074</b>                          | <b>\$ 4,736,745</b> | <b>\$ 21,414,771</b>   |

| <b>Mortgage Assistance Fund</b> | <b>Municipal Landfill Closure and Remediation Fund</b> | <b>Natural Resources Fund</b> | <b>New Home Warranty Security Fund</b> | <b>New Jersey Building Authority</b> |
|---------------------------------|--|-------------------------------|--|--------------------------------------|
| \$ 1,907                        | \$ 60,987  | \$ 109,185                    | \$ 334,764                             | \$ --                                |
| 2,489,654                       | --   | 2,890,264                     | 43,237,930                             | 76,012,972                           |
| --                              | --   | --                            | --                                     | --                                   |
| --                              | --   | --                            | --                                     | --                                   |
| 11,392,094                      | --   | 7,541                         | --                                     | --                                   |
| 688,752                         | --   | 11,877                        | --                                     | 29,547,051                           |
| --                              | --   | --                            | --                                     | --                                   |
| --                              | --   | 561,220                       | --                                     | 71,625                               |
| <u>\$ 14,572,407</u>            | <u>\$ 60,987</u>                                       | <u>\$ 3,580,087</u>           | <u>\$ 43,572,694</u>                   | <u>\$ 105,631,648</u>                |
| \$ --                           | \$ --  | \$ --                         | \$ 2,550                               | \$ 4,812,993                         |
| --                              | --   | --                            | --                                     | --                                   |
| 746,122                         | --   | 77,703                        | 3,933,771                              | --                                   |
| --                              | --   | --                            | --                                     | --                                   |
| --                              | --   | --                            | --                                     | 2,186,343                            |
| <u>746,122</u>                  | <u>--</u>  | <u>77,703</u>                 | <u>3,936,321</u>                       | <u>6,999,336</u>                     |
| --                              | --   | 2,655,171                     | --                                     | --                                   |
| 11,392,094                      | --   | 7,541                         | --                                     | --                                   |
| 1,309,180                       | 60,987   | 839,672                       | 39,636,373                             | 98,632,312                           |
| 1,125,011                       | --   | --                            | --                                     | --                                   |
| <u>13,826,285</u>               | <u>60,987</u>  | <u>3,502,384</u>              | <u>39,636,373</u>                      | <u>98,632,312</u>                    |
| <u>\$ 14,572,407</u>            | <u>\$ 60,987</u>                                       | <u>\$ 3,580,087</u>           | <u>\$ 43,572,694</u>                   | <u>\$ 105,631,648</u>                |

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STATE OF NEW JERSEY  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>1995 New Jersey<br/>Coastal Blue<br/>Acres Trust Fund</u> | <u>New Jersey<br/>Cultural Trust<br/>Fund</u> | <u>1983 New Jersey<br/>Green Acres<br/>Fund</u> |
|--|--|---|---|
| <b>ASSETS</b>  |  |   |   |
| <b>Cash and cash equivalents</b>                             | \$ 127,126   | \$ 63,031                                     | \$ 5,228  |
| <b>Investments</b>   | 2,239,168  | 21,328,764                                    | 20,121,144                                      |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |  |   |   |
| Federal government   | --   | --  | --  |
| Departmental accounts  | --   | --  | --  |
| Loans  | 979,796  | --  | --  |
| Other  | 5,909  | 59,207  | --  |
| <b>Due from other funds</b>                                  | --   | 5,600   | --  |
| <b>Other</b>   | --   | --  | --  |
| <b>Total Assets</b>  | <u>\$ 3,351,999</u>  | <u>\$ 21,456,602</u>                          | <u>\$ 20,126,372</u>                            |
| <b>LIABILITIES AND FUND BALANCES</b>                         |  |   |   |
| <b>Liabilities</b>   |  |   |   |
| Accounts payable and accruals                                | \$ --  | \$ 3,750                                      | \$ --   |
| Deferred revenue   | --   | --  | --  |
| Due to other funds   | --   | --  | 436,299   |
| Advances from other funds                                    | --   | --  | --  |
| Other  | --   | --  | --  |
| <b>Total Liabilities</b>                                     | <u>--</u>  | <u>3,750</u>                                  | <u>436,299</u>                                  |
| <b>Fund Balances</b>   |  |   |   |
| Reserved for:  |  |   |   |
| Encumbrances   | 74,366   | 118,913                                       | 11,880  |
| Other  | 979,796  | --  | --  |
| Unreserved:  |  |   |   |
| Designated-continuing appropriations                         | 2,297,837  | 21,333,939                                    | 47,602  |
| Undesignated   | --   | --  | 19,630,591                                      |
| <b>Total Fund Balances</b>                                   | <u>3,351,999</u>   | <u>21,452,852</u>                             | <u>19,690,073</u>                               |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 3,351,999</u>  | <u>\$ 21,456,602</u>                          | <u>\$ 20,126,372</u>                            |

| 1989 New Jersey<br>Green Acres<br>Fund | 1992 New Jersey<br>Green Acres<br>Fund | 1995 New Jersey<br>Green Acres<br>Fund | 1989 New Jersey<br>Green Trust<br>Fund | 1992 New Jersey<br>Green Trust<br>Fund |
|--|--|--|--|--|
| \$ 257,259                             | \$ 32,230                              | \$ 147,887                             | \$ 1,504,482                           | \$ 1,012,388                           |
| 5,151,354                              | 1,709,893                              | 3,399,571                              | 33,948,554                             | 20,806,946                             |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | 59,640,814                             | 33,697,746                             |
| --                                     | --                                     | --                                     | 314,947                                | 158,820                                |
| --                                     | --                                     | 780,359                                | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| <u>\$ 5,408,613</u>                    | <u>\$ 1,742,123</u>                    | <u>\$ 4,327,817</u>                    | <u>\$ 95,408,797</u>                   | <u>\$ 55,675,900</u>                   |
| \$ --                                  | \$ --                                  | \$ 78,105                              | \$ 19,493                              | \$ --                                  |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | 78,105                                 | 19,493                                 | --                                     |
| 2,239,902                              | 84,921                                 | 847,430                                | 14,382,093                             | 15,639,445                             |
| --                                     | --                                     | --                                     | 59,640,814                             | 33,697,746                             |
| 1,049,651                              | 664,073                                | 1,566,422                              | 19,720,895                             | 6,338,709                              |
| 2,119,060                              | 993,129                                | 1,835,860                              | 1,645,502                              | --                                     |
| <u>5,408,613</u>                       | <u>1,742,123</u>                       | <u>4,249,712</u>                       | <u>95,389,304</u>                      | <u>55,675,900</u>                      |
| <u>\$ 5,408,613</u>                    | <u>\$ 1,742,123</u>                    | <u>\$ 4,327,817</u>                    | <u>\$ 95,408,797</u>                   | <u>\$ 55,675,900</u>                   |

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STATE OF NEW JERSEY  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <b>1995 New Jersey<br/>Green Trust<br/>Fund</b> | <b>1995 New Jersey<br/>Inland Blue Acres<br/>Fund</b> | <b>New Jersey<br/>Insolvent Health<br/>Maintenance<br/>Organization<br/>Assistance Fund</b> |
|--|---|---|---|
| <b>ASSETS</b>  |   |   |   |
| <b>Cash and cash equivalents</b>                             | \$ 1,598,209                                    | \$ 48,407   | \$ 637  |
| <b>Investments</b>   | 25,169,448                                      | 1,159,400   | 24,779,437  |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |   |   |
| Federal government   | --  | --  | --  |
| Departmental accounts  | --  | --  | --  |
| Loans  | 49,804,679                                      | --  | --  |
| Other  | 226,243   | --  | --  |
| <b>Due from other funds</b>                                  | --  | --  | --  |
| <b>Other</b>   | --  | --  | --  |
| <b>Total Assets</b>  | <u>\$ 76,798,579</u>                            | <u>\$ 1,207,807</u>                                   | <u>\$ 24,780,074</u>  |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |   |   |
| <b>Liabilities</b>   |   |   |   |
| Accounts payable and accruals                                | \$ --   | \$ --   | \$ --   |
| Deferred revenue   | --  | --  | --  |
| Due to other funds   | --  | --  | --  |
| Advances from other funds                                    | --  | --  | --  |
| Other  | --  | --  | --  |
| <b>Total Liabilities</b>                                     | <u>--</u>                                       | <u>--</u>   | <u>--</u>   |
| <b>Fund Balances</b>   |   |   |   |
| Reserved for:  |   |   |   |
| Encumbrances   | 10,875,278                                      | --  | --  |
| Other  | 49,804,679                                      | --  | --  |
| Unreserved:  |   |   |   |
| Designated-continuing appropriations                         | 16,118,622                                      | 605,401   | 24,780,074  |
| Undesignated   | --  | 602,406   | --  |
| <b>Total Fund Balances</b>                                   | <u>76,798,579</u>                               | <u>1,207,807</u>                                      | <u>24,780,074</u>   |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 76,798,579</u>                            | <u>\$ 1,207,807</u>                                   | <u>\$ 24,780,074</u>  |

| <u>New Jersey<br/>Lawyers'<br/>Assistance<br/>Program</u> | <u>New Jersey<br/>Lawyers' Fund<br/>for<br/>Client Protection</u> | <u>New Jersey Local<br/>Development<br/>Financing Fund</u> | <u>New Jersey<br/>Racing Industry<br/>Special Fund</u> | <u>New Jersey<br/>Schools<br/>Construction<br/>Corporation</u> |
|---|---|--|--|--|
| \$ 3,954  | \$ 418,207  | \$ --  | \$ 514,275   | \$ 6,022,885   |
| 504,665   | 12,480,077  | 19,955,427   | 4,420,722  | 574,355,514  |
| --  | --  | --   | --   | --   |
| --  | --  | --   | 796  | --   |
| --  | --  | 27,836,935   | --   | --   |
| --  | 45,616  | 59,256   | --   | 827,215  |
| --  | --  | --   | --   | --   |
| --  | 9,738   | --   | --   | --   |
| <u>\$ 508,619</u>   | <u>\$ 12,953,638</u>  | <u>\$ 47,851,618</u>                                       | <u>\$ 4,935,793</u>                                    | <u>\$ 581,205,614</u>  |
| \$ 113,336  | \$ 306,680  | \$ 13,378  | \$ --  | \$ 85,685,126  |
| --  | --  | --   | --   | --   |
| --  | --  | --   | --   | --   |
| --  | --  | --   | --   | --   |
| --  | --  | --   | --   | 31,390,958   |
| <u>113,336</u>  | <u>306,680</u>  | <u>13,378</u>  | <u>--</u>  | <u>117,076,084</u>   |
| --  | --  | --   | --   | --   |
| --  | --  | 27,836,935   | --   | 39,711,156   |
| 395,283   | 12,646,958  | 20,001,305   | 4,935,793  | 424,418,374  |
| --  | --  | --   | --   | --   |
| <u>395,283</u>  | <u>12,646,958</u>   | <u>47,838,240</u>  | <u>4,935,793</u>                                       | <u>464,129,530</u>   |
| <u>\$ 508,619</u>   | <u>\$ 12,953,638</u>  | <u>\$ 47,851,618</u>                                       | <u>\$ 4,935,793</u>                                    | <u>\$ 581,205,614</u>  |

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>New Jersey Spill<br/>Compensation<br/>Fund</u> | <u>New Jersey<br/>Spinal Cord<br/>Research Fund</u> | <u>New Jersey<br/>Transportation<br/>Trust Fund<br/>Authority</u> |
|--|---|---|---|
| <b>ASSETS</b>  |   |   |   |
| <b>Cash and cash equivalents</b>                             | \$ 772,836  | \$ 895,876  | 172,375   |
| <b>Investments</b>   | 35,144,758  | 14,600,390  | 193,095,241   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |   |   |
| Federal government   | --  | --  | --  |
| Departmental accounts  | --  | --  | --  |
| Loans  | --  | --  | --  |
| Other  | 7,045,578   | --  | 50,000  |
| <b>Due from other funds</b>                                  | --  | --  | 32,500,000  |
| <b>Other</b>   | --  | --  | --  |
| <b>Total Assets</b>  | <u>\$ 42,963,172</u>                              | <u>\$ 15,496,266</u>                                | <u>225,817,616</u>  |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |   |   |
| <b>Liabilities</b>   |   |   |   |
| Accounts payable and accruals                                | \$ 757,994  | \$ 412,019  | --  |
| Deferred revenue   | --  | --  | --  |
| Due to other funds   | 33,963,695  | 498,520   | 203,964,632   |
| Advances from other funds                                    | --  | --  | --  |
| Other  | --  | --  | --  |
| <b>Total Liabilities</b>                                     | <u>34,721,689</u>                                 | <u>910,539</u>                                      | <u>203,964,632</u>  |
| <b>Fund Balances</b>   |   |   |   |
| Reserved for:  |   |   |   |
| Encumbrances   | 3,613,730   | 7,448,026   | --  |
| Other  | 7,000,000   | --  | 71,871,890  |
| Unreserved:  |   |   |   |
| Designated-continuing appropriations                         | --  | 7,137,701   | --  |
| Undesignated   | (2,372,247 )                                      | --  | (50,018,906 )   |
| <b>Total Fund Balances</b>                                   | <u>8,241,483</u>                                  | <u>14,585,727</u>                                   | <u>21,852,984</u>   |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 42,963,172</u>                              | <u>\$ 15,496,266</u>                                | <u>225,817,616</u>  |

| <b>New Jersey<br/>Workforce<br/>Development<br/>Partnership<br/>Fund</b> | <b>Petroleum<br/>Overcharge<br/>Reimbursement<br/>Fund</b> | <b>Pinelands<br/>Infrastructure<br/>Trust Fund</b> | <b>Pollution<br/>Prevention<br/>Fund</b> | <b>Prescription<br/>Drug State<br/>Employees<br/>Program Fund</b> |
|--|--|--|--|---|
| \$ --  | \$ 68,072  | \$ 1,187,919                                       | \$ 378,307                               | \$ 32,860   |
| 62,677,395   | 8,832,289  | 4,320,437  | 1,077,739                                | 39,851,276  |
| --   | --   | --   | --                                       | --  |
| 27,370,096   | --   | --   | 1,683,742                                | --  |
| --   | 5,025,000  | 4,131,519  | --                                       | --  |
| --   | --   | 60,454   | --                                       | 39,556  |
| 7,264,304  | --   | --   | 41,281                                   | --  |
| --   | --   | --   | --                                       | --  |
| <b>\$ 97,311,795</b>   | <b>\$ 13,925,361</b>                                       | <b>\$ 9,700,329</b>                                | <b>\$ 3,181,069</b>                      | <b>\$ 39,923,692</b>  |
| \$ 3,060,000   | \$ 30,938  | \$ --  | \$ --                                    | \$ 4,900,000  |
| --   | 893,588  | --   | --                                       | 2,350   |
| 26,604,110   | --   | --   | 2,168,055                                | 121,511   |
| --   | --   | --   | --                                       | --  |
| 16,773   | --   | --   | --                                       | --  |
| <b>29,680,883</b>  | <b>924,526</b>   | <b>--</b>  | <b>2,168,055</b>                         | <b>5,023,861</b>  |
| 40,783,105   | 497,839  | 72,320   | --                                       | --  |
| --   | 5,025,000  | 4,131,519  | --                                       | --  |
| 26,847,807   | 7,477,996  | 1,242,326  | 1,013,014                                | 34,899,831  |
| --   | --   | 4,254,164  | --                                       | --  |
| <b>67,630,912</b>  | <b>13,000,835</b>  | <b>9,700,329</b>                                   | <b>1,013,014</b>                         | <b>34,899,831</b>   |
| <b>\$ 97,311,795</b>   | <b>\$ 13,925,361</b>                                       | <b>\$ 9,700,329</b>                                | <b>\$ 3,181,069</b>                      | <b>\$ 39,923,692</b>  |

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>Real Estate<br/>Guaranty Fund</u> | <u>Resource<br/>Recovery and<br/>Solid Waste<br/>Disposal Facility<br/>Fund</u> | <u>Safe<br/>Drinking Water<br/>Fund</u> |
|--|--------------------------------------|---|---|
| <b>ASSETS</b>  |                                      |   |   |
| <b>Cash and cash equivalents</b>                             | \$ 286,218                           | \$ 33,533   | \$ 1,572,585                            |
| <b>Investments</b>   | 1,032,109                            | 540,812   | 1,791,299                               |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |                                      |   |   |
| Federal government   | --                                   | --  | --                                      |
| Departmental accounts  | --                                   | --  | 701,048                                 |
| Loans  | --                                   | --  | --                                      |
| Other  | --                                   | --  | --                                      |
| <b>Due from other funds</b>                                  | 139,934                              | --  | --                                      |
| <b>Other</b>   | --                                   | --  | --                                      |
| <b>Total Assets</b>  | <u>\$ 1,458,261</u>                  | <u>\$ 574,345</u>   | <u>\$ 4,064,932</u>                     |
| <b>LIABILITIES AND FUND BALANCES</b>                         |                                      |   |   |
| <b>Liabilities</b>   |                                      |   |   |
| Accounts payable and accruals                                | \$ --                                | \$ --   | \$ 59,950                               |
| Deferred revenue   | --                                   | --  | --                                      |
| Due to other funds   | --                                   | --  | 3,475,315                               |
| Advances from other funds                                    | --                                   | --  | --                                      |
| Other  | --                                   | --  | --                                      |
| <b>Total Liabilities</b>                                     | <u>--</u>                            | <u>--</u>   | <u>3,535,265</u>                        |
| <b>Fund Balances</b>   |                                      |   |   |
| Reserved for:  |                                      |   |   |
| Encumbrances   | --                                   | --  | 529,667                                 |
| Other  | --                                   | --  | --                                      |
| Unreserved:  |                                      |   |   |
| Designated-continuing appropriations                         | 1,458,261                            | 493,795   | --                                      |
| Undesignated   | --                                   | 80,550  | --                                      |
| <b>Total Fund Balances</b>                                   | <u>1,458,261</u>                     | <u>574,345</u>  | <u>529,667</u>                          |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 1,458,261</u>                  | <u>\$ 574,345</u>   | <u>\$ 4,064,932</u>                     |

| <u>Sanitary<br/>Landfill Facility<br/>Contingency Fund</u> | <u>Shore<br/>Protection<br/>Fund</u> | <u>State Disability<br/>Benefit Fund</u> | <u>State Land<br/>Acquisition<br/>and Development<br/>Fund</u> | <u>State Recreation<br/>and Conservation<br/>Land Acquisition<br/>and Development<br/>Fund</u> |
|--|--------------------------------------|--|--|--|
| \$ 1,085,248   | \$ 594,271                           | \$ 74,506                                | \$ 7,691   | \$ 68  |
| 12,656,537   | 10,201,135                           | 109,475,583                              | 256,888  | 919,102  |
| --   | --                                   | --                                       | --   | --   |
| --   | --                                   | 191,762,047                              | --   | --   |
| --   | 426,542                              | --                                       | --   | --   |
| 12,410   | 132,317                              | 431,145                                  | --   | --   |
| --   | --                                   | 40,116,286                               | --   | --   |
| --   | 85,688                               | --                                       | --   | --   |
| <u>\$ 13,754,195</u>                                       | <u>\$ 11,439,953</u>                 | <u>\$ 341,859,567</u>                    | <u>\$ 264,579</u>  | <u>\$ 919,170</u>  |
| <br>   |                                      |  |  |  |
| \$ 30,867  | \$ --                                | \$ 41,342,298                            | \$ --  | \$ --  |
| --   | --                                   | --                                       | --   | --   |
| --   | 353,739                              | 145,640,115                              | 6,943  | 19,949   |
| --   | --                                   | --                                       | --   | --   |
| --   | --                                   | 397,204                                  | --   | --   |
| <u>30,867</u>  | <u>353,739</u>                       | <u>187,379,617</u>                       | <u>6,943</u>   | <u>19,949</u>  |
| <br>   |                                      |  |  |  |
| 1,105,246  | 1,138,605                            | --                                       | 1,407,514  | 759,320  |
| --   | 426,542                              | --                                       | --   | --   |
| 12,618,082   | 1,261,074                            | 154,479,950                              | --   | 139,901  |
| --   | 8,259,993                            | --                                       | (1,149,878 )   | --   |
| <u>13,723,328</u>  | <u>11,086,214</u>                    | <u>154,479,950</u>                       | <u>257,636</u>   | <u>899,221</u>   |
| <u>\$ 13,754,195</u>                                       | <u>\$ 11,439,953</u>                 | <u>\$ 341,859,567</u>                    | <u>\$ 264,579</u>  | <u>\$ 919,170</u>  |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | State<br>Recycling<br>Fund | Stormwater<br>Mangement and<br>Combined Sewer<br>Overflow<br>Abatement<br>Fund | Superior Court<br>of New Jersey<br>Trust Fund |
|--|----------------------------|--|---|
| <b>ASSETS</b>  |                            |  |   |
| <b>Cash and cash equivalents</b>                             | \$ 278,210                 | \$ 360,257   | \$ 1,651,982                                  |
| <b>Investments</b>   | 5,221,953                  | 1,078,680  | 278,608,143                                   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |                            |  |   |
| Federal government   | --                         | --   | --  |
| Departmental accounts  | 99,792                     | --   | --  |
| Loans  | 1,075,658                  | --   | --  |
| Other  | --                         | --   | 1,880   |
| <b>Due from other funds</b>                                  | --                         | --   | --  |
| <b>Other</b>   | --                         | --   | --  |
| <b>Total Assets</b>  | <u>\$ 6,675,613</u>        | <u>\$ 1,438,937</u>  | <u>\$ 280,262,005</u>                         |
| <b>LIABILITIES AND FUND BALANCES</b>                         |                            |  |   |
| <b>Liabilities</b>   |                            |  |   |
| Accounts payable and accruals                                | \$ 1,200                   | \$ 36,597  | \$ 279,000,642                                |
| Deferred revenue   | --                         | --   | --  |
| Due to other funds   | 1,087,002                  | --   | --  |
| Advances from other funds                                    | --                         | --   | --  |
| Other  | --                         | --   | --  |
| <b>Total Liabilities</b>                                     | <u>1,088,202</u>           | <u>36,597</u>  | <u>279,000,642</u>                            |
| <b>Fund Balances</b>   |                            |  |   |
| Reserved for:  |                            |  |   |
| Encumbrances   | 35,810                     | 5,466,616  | --  |
| Other  | 1,075,657                  | --   | --  |
| Unreserved:  |                            |  |   |
| Designated-continuing appropriations                         | 775,081                    | --   | 1,261,363                                     |
| Undesignated   | 3,700,863                  | (4,064,276 )   | --  |
| <b>Total Fund Balances</b>                                   | <u>5,587,411</u>           | <u>1,402,340</u>   | <u>1,261,363</u>                              |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 6,675,613</u>        | <u>\$ 1,438,937</u>  | <u>\$ 280,262,005</u>                         |

| <b>Supplemental<br/>Workforce<br/>Fund for<br/>Basic Skills</b> | <b>Tobacco<br/>Settlement<br/>Financing<br/>Corporation, Inc.</b> | <b>Tobacco<br/>Settlement<br/>Fund</b> | <b>Trial Attorney<br/>Certification<br/>Program</b> | <b>Unclaimed<br/>Child Support<br/>Trust Fund</b> |
|---|---|--|---|---|
| \$ --   | \$ 54,013,000   | \$ 16,976                              | \$ 1,905  | \$ 337,083  |
| 29,509,620  | 312,706,000   | 18,064,879                             | 174,516   | 1,949,690   |
| --  | --  | --                                     | --  | --  |
| 6,914,430   | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| --  | 125,466,000   | --                                     | --  | --  |
| 1,610,593   | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| <b>\$ 38,034,643</b>  | <b>\$ 492,185,000</b>   | <b>\$ 18,081,855</b>                   | <b>\$ 176,421</b>                                   | <b>\$ 2,286,773</b>                               |
| \$ 2,360,000  | \$ 97,000   | \$ --                                  | \$ 71,950   | \$ --   |
| --  | 124,576,000   | --                                     | --  | --  |
| 1,867,936   | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| <b>4,227,936</b>  | <b>124,673,000</b>  | <b>--</b>                              | <b>71,950</b>                                       | <b>--</b>   |
| 11,693,104  | --  | --                                     | --  | --  |
| --  | 367,512,000   | --                                     | --  | --  |
| 22,113,603  | --  | 16,100,000                             | 104,471   | 2,286,773   |
| --  | --  | 1,981,855                              | --  | --  |
| <b>33,806,707</b>   | <b>367,512,000</b>  | <b>18,081,855</b>                      | <b>104,471</b>                                      | <b>2,286,773</b>                                  |
| <b>\$ 38,034,643</b>  | <b>\$ 492,185,000</b>   | <b>\$ 18,081,855</b>                   | <b>\$ 176,421</b>                                   | <b>\$ 2,286,773</b>                               |

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <u>Unclaimed<br/>Utility Deposits<br/>Trust Fund</u> | <u>Unemployment<br/>Compensation<br/>Auxiliary Fund</u> | <u>Universal<br/>Services<br/>Fund</u> |
|--|--|---|--|
| <b>ASSETS</b>  |  |   |  |
| <b>Cash and cash equivalents</b>                             | \$ 3,142   | \$ 119  | \$ 1,231,323                           |
| <b>Investments</b>   | 4,118,000  | 16,757,639  | 66,529,379                             |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |  |   |  |
| Federal government   | --   | --  | --                                     |
| Departmental accounts  | --   | --  | --                                     |
| Loans  | --   | --  | --                                     |
| Other  | --   | 3,761,207   | 3,892,343                              |
| <b>Due from other funds</b>                                  | --   | 723,639   | --                                     |
| <b>Other</b>   | --   | --  | --                                     |
| <b>Total Assets</b>  | <u>\$ 4,121,142</u>                                  | <u>\$ 21,242,604</u>                                    | <u>\$ 71,653,045</u>                   |
| <b>LIABILITIES AND FUND BALANCES</b>                         |  |   |  |
| <b>Liabilities</b>   |  |   |  |
| Accounts payable and accruals                                | \$ --  | \$ 5,294  | \$ --                                  |
| Deferred revenue   | --   | --  | --                                     |
| Due to other funds   | 41,000   | 18,080,000  | 71,653,045                             |
| Advances from other funds                                    | --   | --  | --                                     |
| Other  | --   | 81,655  | --                                     |
| <b>Total Liabilities</b>                                     | <u>41,000</u>  | <u>18,166,949</u>                                       | <u>71,653,045</u>                      |
| <b>Fund Balances</b>   |  |   |  |
| Reserved for:  |  |   |  |
| Encumbrances   | --   | --  | --                                     |
| Other  | --   | --  | --                                     |
| Unreserved:  |  |   |  |
| Designated-continuing appropriations                         | 4,080,142  | 3,075,655   | --                                     |
| Undesignated   | --   | --  | --                                     |
| <b>Total Fund Balances</b>                                   | <u>4,080,142</u>                                     | <u>3,075,655</u>  | <u>--</u>                              |
| <b>Total Liabilities and Fund Balances</b>                   | <u>\$ 4,121,142</u>                                  | <u>\$ 21,242,604</u>                                    | <u>\$ 71,653,045</u>                   |

| University<br>of Medicine<br>and Dentistry<br>of New Jersey -<br>Self-Insurance<br>Reserve Fund | Urban and Rural<br>Centers Unsafe<br>Buildings<br>Demolition<br>Revolving Loan<br>Fund | Vietnam Veterans'<br>Memorial<br>Fund | Volunteer<br>Emergency Service<br>Organizations<br>Loan Fund | Wastewater<br>Treatment<br>Fund |
|---|--|---------------------------------------|--|---------------------------------|
| \$ --   | \$ 280,316   | \$ 79,247                             | \$ 595,849   | \$ 2,389,155                    |
| 8,709,630   | 8,434,069  | 272                                   | 1,128,664  | 379,485,564                     |
| --  | --   | --                                    | --   | --                              |
| 10,189  | --   | --                                    | --   | --                              |
| --  | 11,844,012   | --                                    | 1,326,704  | 449,809,536                     |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | 357,680                         |
| --  | --   | --                                    | --   | --                              |
| <u>\$ 8,719,819</u>   | <u>\$ 20,558,397</u>   | <u>\$ 79,519</u>                      | <u>\$ 3,051,217</u>  | <u>\$ 832,041,935</u>           |
| \$ 6,918,802  | \$ --  | \$ --                                 | \$ --  | \$ --                           |
| --  | --   | --                                    | --   | 357,680                         |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| <u>6,918,802</u>  | <u>--</u>  | <u>--</u>                             | <u>--</u>  | <u>357,680</u>                  |
| --  | 2,468,464  | --                                    | --   | 2,951,058                       |
| --  | 11,844,012   | --                                    | 1,326,704  | 449,809,536                     |
| 1,801,017   | 2,460,773  | 79,519                                | 1,724,513  | 325,031,218                     |
| --  | 3,785,148  | --                                    | --   | 53,892,443                      |
| <u>1,801,017</u>  | <u>20,558,397</u>  | <u>79,519</u>                         | <u>3,051,217</u>   | <u>831,684,255</u>              |
| <u>\$ 8,719,819</u>   | <u>\$ 20,558,397</u>   | <u>\$ 79,519</u>                      | <u>\$ 3,051,217</u>  | <u>\$ 832,041,935</u>           |

(Continued on next page)

STATE OF NEW JERSEY  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2005**

|  | <b>1992 Wastewater<br/>Treatment<br/>Fund</b> | <b>Water<br/>Conservation<br/>Fund</b> | <b>2003 Water<br/>Resources and<br/>Wastewater<br/>Treatment Fund</b> |
|--|---|--|---|
| <b>ASSETS</b>  |   |  |   |
| <b>Cash and cash equivalents</b>                             | \$ 1,587,744                                  | \$ 175,783                             | \$ 58,918   |
| <b>Investments</b>   | 9,000,312                                     | 917,372                                | 753,601   |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |  |   |
| Federal government   | --  | 390,180                                | --  |
| Departmental accounts  | --  | --                                     | --  |
| Loans  | 19,002,813                                    | 120,108                                | 1,191,081   |
| Other  | --  | 2,775                                  | --  |
| <b>Due from other funds</b>                                  | --  | --                                     | 7,386   |
| <b>Other</b>   | --  | --                                     | --  |
| <b>Total Assets</b>  | <b>\$ 29,590,869</b>                          | <b>\$ 1,606,218</b>                    | <b>\$ 2,010,986</b>   |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |  |   |
| <b>Liabilities</b>   |   |  |   |
| Accounts payable and accruals                                | \$ --   | \$ --                                  | \$ --   |
| Deferred revenue   | --  | --                                     | --  |
| Due to other funds   | --  | 811,418                                | 2,010,986   |
| Advances from other funds                                    | --  | --                                     | --  |
| Other  | --  | --                                     | --  |
| <b>Total Liabilities</b>                                     | <b>--</b>                                     | <b>811,418</b>                         | <b>2,010,986</b>  |
| <b>Fund Balances</b>   |   |  |   |
| Reserved for:  |   |  |   |
| Encumbrances   | 1,615,400                                     | --                                     | 586,107   |
| Other  | 19,002,813                                    | 120,108                                | 1,191,081   |
| Unreserved:  |   |  |   |
| Designated-continuing appropriations                         | 8,972,656                                     | 8,955                                  | --  |
| Undesignated   | --  | 665,737                                | (1,777,188 )  |
| <b>Total Fund Balances</b>                                   | <b>29,590,869</b>                             | <b>794,800</b>                         | <b>--</b>   |
| <b>Total Liabilities and Fund Balances</b>                   | <b>\$ 29,590,869</b>                          | <b>\$ 1,606,218</b>                    | <b>\$ 2,010,986</b>   |

| <u>Water Supply Fund</u> | <u>Water Supply Replacement Trust Fund</u> | <u>Worker and Community Right to Know Fund</u> | <u>Workers' Compensation Security Fund</u> | <u>Total Non-Major Special Revenue Funds</u> |
|--------------------------|--|--|--|--|
| \$ 756,190               | \$ 23,752                                  | \$ 37,401                                      | \$ 253,058                                 | \$ 112,237,816                               |
| 57,307,790               | 63,664                                     | 661,659  | 17,927,701                                 | 4,041,037,646                                |
| --                       | --   | --   | --   | 390,180                                      |
| --                       | --   | 4,097,139                                      | --   | 295,488,868                                  |
| 116,823,071              | --   | --   | --   | 997,822,196                                  |
| 1,357,079                | --   | --   | --   | 192,000,290                                  |
| --                       | --   | 104,079  | --   | 284,923,898                                  |
| --                       | --   | --   | --   | 2,076,624                                    |
| <u>\$ 176,244,130</u>    | <u>\$ 87,416</u>                           | <u>\$ 4,900,278</u>                            | <u>\$ 18,180,759</u>                       | <u>\$ 5,925,977,518</u>                      |
| \$ 143,941               | \$ --                                      | \$ 159   | \$ --                                      | \$ 539,516,568                               |
| --                       | --   | --   | --   | 135,467,164                                  |
| 4,005,016                | --   | 3,368,941                                      | --   | 822,525,392                                  |
| --                       | --   | --   | --   | 1,056,576                                    |
| --                       | --   | --   | --   | 34,076,072                                   |
| <u>4,148,957</u>         | <u>--</u>                                  | <u>3,369,100</u>                               | <u>--</u>                                  | <u>1,532,641,772</u>                         |
| 5,335,230                | 54,563                                     | --   | --   | 593,307,163                                  |
| 116,823,071              | --   | --   | --   | 1,596,557,877                                |
| 49,936,872               | 32,853                                     | 1,531,178                                      | 18,180,759                                 | 2,169,544,319                                |
| --                       | --   | --   | --   | 33,926,387                                   |
| <u>172,095,173</u>       | <u>87,416</u>                              | <u>1,531,178</u>                               | <u>18,180,759</u>                          | <u>4,393,335,746</u>                         |
| <u>\$ 176,244,130</u>    | <u>\$ 87,416</u>                           | <u>\$ 4,900,278</u>                            | <u>\$ 18,180,759</u>                       | <u>\$ 5,925,977,518</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, 2005**

|   | <b>Alcohol Education,<br/>Rehabilitation and<br/>Enforcement Fund</b> | <b>Atlantic City<br/>Parking Fees<br/>Fund</b> | <b>Atlantic City<br/>Tourism<br/>Promotion Fund</b> |
|---|---|--|---|
| <b>REVENUES</b>   |   |  |   |
| Taxes   | \$ 11,000,000   | \$ 16,296,824                                  | \$ 10,102,328                                       |
| Federal and other grants  | --  | --   | --  |
| Licenses and fees   | 2,060,460   | --   | --  |
| Services and assessments  | --  | --   | --  |
| Investment earnings   | 120,691   | 8,592  | 5,610   |
| Contributions   | --  | --   | --  |
| Other   | --  | --   | --  |
| <b>Total Revenues</b>   | <b>13,181,151</b>   | <b>16,305,416</b>                              | <b>10,107,938</b>                                   |
| <b>EXPENDITURES</b>   |   |  |   |
| <b>Current:</b>   |   |  |   |
| Public safety and criminal justice  | 1,103,523   | --   | --  |
| Physical and mental health  | 9,323,798   | --   | --  |
| Educational, cultural, and intellectual development   | --  | --   | --  |
| Community development and environmental management  | --  | --   | --  |
| Economic planning, development, and security  | --  | 17,686,469                                     | 10,102,328  |
| Transportation programs   | --  | --   | --  |
| Government direction, management, and control   | --  | --   | --  |
| Special government services   | --  | --   | --  |
| Principal   | --  | --   | --  |
| Interest  | --  | --   | --  |
| <b>Total Expenditures</b>   | <b>10,427,321</b>   | <b>17,686,469</b>                              | <b>10,102,328</b>                                   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                      | <b>2,753,830</b>  | <b>(1,381,053 )</b>                            | <b>5,610</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |  |   |
| Proceeds from sale of bonds   | --  | --   | --  |
| Transfers from other funds  | --  | --   | --  |
| Transfers to other funds  | (1,765,385 )  | --   | --  |
| Other   | --  | --   | --  |
| <b>Total other financing sources (uses)</b>   | <b>(1,765,385 )</b>   | <b>--</b>                                      | <b>--</b>   |
| <b>Excess (deficiency) of revenues and other sources<br/>over expenditures and other uses</b> | <b>988,445</b>  | <b>(1,381,053 )</b>                            | <b>5,610</b>  |
| <b>Fund balances - July 1, 2004</b>   | <b>5,395,516</b>  | <b>1,452,368</b>                               | <b>752,372</b>                                      |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 6,383,961</b>   | <b>\$ 71,315</b>                               | <b>\$ 757,982</b>                                   |

| Beaches<br>and Harbor<br>Fund | Board of<br>Bar Examiners | Boarding House<br>Rental<br>Assistance Fund | Body Armor<br>Replacement<br>Fund |
|-------------------------------|---------------------------|---|-----------------------------------|
| \$ --                         | \$ --                     | \$ --                                       | \$ --                             |
| --                            | --                        | --  | --                                |
| --                            | 2,783,798                 | --  | --                                |
| --                            | --                        | --  | --                                |
| 28,259                        | 93,977                    | 4,827                                       | 106,173                           |
| --                            | --                        | --  | --                                |
| --                            | 54,436                    | --  | 4,141,994                         |
| 28,259                        | 2,932,211                 | 4,827                                       | 4,248,167                         |
| --                            | 2,411,179                 | --  | 3,499,939                         |
| --                            | --                        | --  | --                                |
| --                            | --                        | --  | --                                |
| --                            | --                        | 283,533                                     | --                                |
| --                            | --                        | --  | --                                |
| --                            | --                        | --  | 422,177                           |
| --                            | --                        | --  | --                                |
| --                            | --                        | --  | --                                |
| --                            | 2,411,179                 | 283,533                                     | 3,922,116                         |
| 28,259                        | 521,032                   | (278,706 )                                  | 326,051                           |
| --                            | --                        | --  | --                                |
| --                            | --                        | --  | --                                |
| (28,259 )                     | --                        | --  | (75,000 )                         |
| --                            | --                        | --  | --                                |
| (28,259 )                     | --                        | --  | (75,000 )                         |
| --                            | 521,032                   | (278,706 )                                  | 251,051                           |
| 1,352,353                     | 4,150,404                 | 462,623                                     | 6,047,965                         |
| \$ 1,352,353                  | \$ 4,671,436              | \$ 183,917                                  | \$ 6,299,016                      |

(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, 2005**

|   | <b>Capital City<br/>Redevelopment<br/>Loan and Grant<br/>Fund</b> | <b>Casino<br/>Control<br/>Fund</b> | <b>Casino<br/>Revenue<br/>Fund</b> |
|---|---|------------------------------------|------------------------------------|
| <b>REVENUES</b>   |   |                                    |                                    |
| Taxes   | \$ --   | \$ --                              | \$ 474,084,934                     |
| Federal and other grants  | --  | --                                 | --                                 |
| Licenses and fees   | --  | 64,051,078                         | --                                 |
| Services and assessments  | --  | --                                 | --                                 |
| Investment earnings   | 9,979   | 310,088                            | 976,319                            |
| Contributions   | --  | --                                 | --                                 |
| Other   | 982   | --                                 | 143,565,044                        |
| <b>Total Revenues</b>   | <b>10,961</b>   | <b>64,361,166</b>                  | <b>618,626,297</b>                 |
| <b>EXPENDITURES</b>   |   |                                    |                                    |
| <b>Current:</b>   |   |                                    |                                    |
| Public safety and criminal justice  | --  | 40,345,112                         | --                                 |
| Physical and mental health  | --  | --                                 | 577,884,048                        |
| Educational, cultural, and intellectual development                                       | --  | --                                 | 38,299,224                         |
| Community development and environmental management  | --  | --                                 | --                                 |
| Economic planning, development, and security  | --  | --                                 | 2,439,473                          |
| Transportation programs   | --  | --                                 | 25,660,678                         |
| Government direction, management, and control   | 2,193   | 27,984,414                         | --                                 |
| Special government services   | --  | --                                 | 92,000                             |
| Principal   | --  | --                                 | --                                 |
| Interest  | --  | --                                 | --                                 |
| <b>Total Expenditures</b>   | <b>2,193</b>  | <b>68,329,526</b>                  | <b>644,375,423</b>                 |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>8,768</b>  | <b>(3,968,360 )</b>                | <b>(25,749,126 )</b>               |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |                                    |                                    |
| Proceeds from sale of bonds   | --  | --                                 | --                                 |
| Transfers from other funds  | --  | --                                 | 600,000                            |
| Transfers to other funds  | (80,412 )   | --                                 | --                                 |
| Other   | --  | --                                 | --                                 |
| <b>Total other financing sources (uses)</b>   | <b>(80,412 )</b>  | <b>--</b>                          | <b>600,000</b>                     |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(71,644 )</b>  | <b>(3,968,360 )</b>                | <b>(25,149,126 )</b>               |
| <b>Fund balances - July 1, 2004</b>   | <b>1,787,974</b>  | <b>8,020,970</b>                   | <b>67,661,243</b>                  |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 1,716,330</b>   | <b>\$ 4,052,610</b>                | <b>\$ 42,512,117</b>               |

| Casino<br>Simulcasting<br>Fund | Casino<br>Simulcasting<br>Special<br>Fund | Catastrophic<br>Illness in<br>Children Relief<br>Fund | Cigarette Tax<br>Securitization<br>Fund |
|--------------------------------|---|---|---|
| \$ --                          | \$ --                                     | \$ --   | \$ --                                   |
| --                             | --  | --  | --                                      |
| --                             | --  | --  | --                                      |
| --                             | --  | 6,809,299   | --                                      |
| 9,757                          | 76,506                                    | 79,830  | --                                      |
| --                             | --  | --  | --                                      |
| 525,655                        | 5,641,868                                 | --  | --                                      |
| <u>535,412</u>                 | <u>5,718,374</u>                          | <u>6,889,129</u>                                      | <u>--</u>                               |
| --                             | 6,240,316                                 | --  | --                                      |
| --                             | --  | --  | --                                      |
| --                             | --  | --  | --                                      |
| --                             | --  | --  | --                                      |
| --                             | --  | --  | --                                      |
| --                             | --  | 6,673,858   | 296,138,878                             |
| --                             | --  | --  | --                                      |
| --                             | --  | --  | --                                      |
| --                             | --  | --  | --                                      |
| <u>--</u>                      | <u>6,240,316</u>                          | <u>6,673,858</u>                                      | <u>296,138,878</u>                      |
| <u>535,412</u>                 | <u>(521,942 )</u>                         | <u>215,271</u>  | <u>(296,138,878 )</u>                   |
| --                             | --  | --  | --                                      |
| --                             | --  | 3,000,000   | --                                      |
| (600,000 )                     | --  | (1,207,909 )  | (1,190,000,000 )                        |
| --                             | --  | --  | 1,486,138,878                           |
| <u>(600,000 )</u>              | <u>--</u>                                 | <u>1,792,091</u>                                      | <u>296,138,878</u>                      |
| (64,588 )                      | (521,942 )                                | 2,007,362   | --                                      |
| 158,147                        | 4,965,430                                 | 3,836,349   | --                                      |
| <u>\$ 93,559</u>               | <u>\$ 4,443,488</u>                       | <u>\$ 5,843,711</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, 2005**

|   | Clean<br>Communities<br>Account<br>Fund | Clean<br>Energy<br>Fund | Clean<br>Waters<br>Fund |
|---|---|-------------------------|-------------------------|
| <b>REVENUES</b>   |   |                         |                         |
| Taxes   | \$ 15,447,061                           | \$ --                   | \$ --                   |
| Federal and other grants  | --                                      | --                      | --                      |
| Licenses and fees   | --                                      | --                      | --                      |
| Services and assessments  | --                                      | 130,473,520             | --                      |
| Investment earnings   | 80,516                                  | 943,205                 | 12,026                  |
| Contributions   | --                                      | --                      | --                      |
| Other   | --                                      | --                      | --                      |
| <b>Total Revenues</b>   | <b>15,527,577</b>                       | <b>131,416,725</b>      | <b>12,026</b>           |
| <b>EXPENDITURES</b>   |   |                         |                         |
| <b>Current:</b>   |   |                         |                         |
| Public safety and criminal justice  | --                                      | --                      | --                      |
| Physical and mental health  | --                                      | --                      | --                      |
| Educational, cultural, and intellectual development                                       | --                                      | --                      | --                      |
| Community development and environmental management  | 11,110,588                              | --                      | 2,060,588               |
| Economic planning, development, and security  | --                                      | 7,069,637               | --                      |
| Transportation programs   | --                                      | --                      | --                      |
| Government direction, management, and control   | --                                      | --                      | 4,008                   |
| Special government services   | --                                      | --                      | --                      |
| Principal   | --                                      | --                      | --                      |
| Interest  | --                                      | --                      | --                      |
| <b>Total Expenditures</b>   | <b>11,110,588</b>                       | <b>7,069,637</b>        | <b>2,064,596</b>        |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>4,416,989</b>                        | <b>124,347,088</b>      | <b>(2,052,570 )</b>     |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |                         |                         |
| Proceeds from sale of bonds   | --                                      | --                      | --                      |
| Transfers from other funds  | --                                      | --                      | --                      |
| Transfers to other funds  | (3,700,863 )                            | --                      | (8,018 )                |
| Other   | --                                      | --                      | --                      |
| <b>Total other financing sources (uses)</b>   | <b>(3,700,863 )</b>                     | <b>--</b>               | <b>(8,018 )</b>         |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>716,126</b>                          | <b>124,347,088</b>      | <b>(2,060,588 )</b>     |
| <b>Fund balances - July 1, 2004</b>   | <b>1,595,811</b>                        | <b>--</b>               | <b>1,932,908</b>        |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 2,311,937</b>                     | <b>\$ 124,347,088</b>   | <b>\$ (127,680 )</b>    |

| Cultural Centers<br>and Historic<br>Preservation<br>Fund | 1992 Dam<br>Restoration and<br>Clean Waters<br>Trust Fund | Dental State<br>Employees<br>Program Fund | 1989<br>Development<br>Potential Bank<br>Transfer Fund |
|--|---|---|--|
| \$ --  | \$ --   | \$ --                                     | \$ --  |
| --   | --  | --  | --   |
| --   | --  | --  | --   |
| --   | --  | --  | --   |
| 57,023   | 120,388   | 385,313                                   | 140,217  |
| --   | --  | 58,467,105                                | --   |
| --   | 191,205   | --  | --   |
| <u>57,023</u>  | <u>311,593</u>  | <u>58,852,418</u>                         | <u>140,217</u>   |
| --   | --  | --  | --   |
| --   | --  | --  | --   |
| 400,677  | --  | --  | --   |
| --   | 2,978   | --  | --   |
| 18,000   | --  | --  | --   |
| --   | --  | --  | --   |
| --   | --  | 67,595,257                                | 116,699  |
| --   | --  | --  | --   |
| --   | --  | --  | --   |
| --   | --  | --  | --   |
| <u>418,677</u>   | <u>2,978</u>  | <u>67,595,257</u>                         | <u>116,699</u>   |
| <u>(361,654 )</u>  | <u>308,615</u>  | <u>(8,742,839 )</u>                       | <u>23,518</u>  |
| --   | --  | --  | --   |
| --   | --  | --  | --   |
| (166,002 )   | --  | --  | --   |
| --   | --  | --  | --   |
| <u>(166,002 )</u>  | <u>--</u>   | <u>--</u>                                 | <u>--</u>  |
| (527,656 )   | 308,615   | (8,742,839 )                              | 23,518   |
| (2,471,204 )   | 15,901,779  | 17,661,116                                | 6,443,215  |
| <u>\$ (2,998,860 )</u>                                   | <u>\$ 16,210,394</u>                                      | <u>\$ 8,918,277</u>                       | <u>\$ 6,466,733</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, 2005**

|   | <b>Developmental<br/>Disabilities<br/>Waiting List<br/>Reduction Fund</b> | <b>Disciplinary<br/>Oversight<br/>Committee</b> | <b>Division of<br/>Motor Vehicles<br/>Surcharge Fund</b> |
|---|---|---|--|
| <b>REVENUES</b>   |   |   |  |
| Taxes   | \$ --   | \$ --   | \$ --  |
| Federal and other grants  | --  | --  | --   |
| Licenses and fees   | --  | 8,702,268                                       | --   |
| Services and assessments  | --  | --  | 129,757,879  |
| Investment earnings   | 528,869   | 82,560  | 228,564  |
| Contributions   | --  | --  | --   |
| Other   | --  | 272,205   | --   |
| <b>Total Revenues</b>   | <b>528,869</b>  | <b>9,057,033</b>                                | <b>129,986,443</b>                                       |
| <b>EXPENDITURES</b>   |   |   |  |
| <b>Current:</b>   |   |   |  |
| Public safety and criminal justice  | 65,427  | 8,818,645                                       | 4,482,298  |
| Physical and mental health  | --  | --  | --   |
| Educational, cultural, and intellectual development                                       | 5,649,145   | --  | --   |
| Community development and environmental management  | --  | --  | --   |
| Economic planning, development, and security  | --  | --  | --   |
| Transportation programs   | --  | --  | --   |
| Government direction, management, and control   | 428,131   | --  | 125,379,000  |
| Special government services   | --  | --  | --   |
| Principal   | --  | --  | --   |
| Interest  | --  | --  | --   |
| <b>Total Expenditures</b>   | <b>6,142,703</b>  | <b>8,818,645</b>                                | <b>129,861,298</b>                                       |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(5,613,834 )</b>   | <b>238,388</b>                                  | <b>125,145</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |   |  |
| Proceeds from sale of bonds   | --  | --  | --   |
| Transfers from other funds  | --  | --  | --   |
| Transfers to other funds  | (528,869 )  | --  | --   |
| Other   | --  | --  | --   |
| <b>Total other financing sources (uses)</b>   | <b>(528,869 )</b>   | <b>--</b>                                       | <b>--</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(6,142,703 )</b>   | <b>238,388</b>                                  | <b>125,145</b>   |
| <b>Fund balances - July 1, 2004</b>   | <b>28,252,386</b>   | <b>1,595,794</b>                                | <b>100,938</b>   |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 22,109,683</b>  | <b>\$ 1,834,182</b>                             | <b>\$ 226,083</b>  |

| <b>Dredging and Containment Facility Fund</b> | <b>Drinking Water State Revolving Fund</b> | <b>1996 Economic Development Site Fund</b> | <b>Emergency Flood Control Fund</b> | <b>Emergency Medical Technician Training Fund</b> |
|---|--|--|-------------------------------------|---|
| \$ --   | \$ --                                      | \$ --                                      | \$ --                               | \$ --   |
| --  | 23,914,384                                 | --   | --                                  | --  |
| --  | --   | --   | --                                  | --  |
| --  | --   | --   | --                                  | 2,107,457   |
| 920,172                                       | 1,226,447                                  | 38,325                                     | 7,545                               | 163,118   |
| --  | --   | --   | --                                  | --  |
| --  | --   | --   | --                                  | --  |
| <u>920,172</u>                                | <u>25,140,831</u>                          | <u>38,325</u>                              | <u>7,545</u>                        | <u>2,270,575</u>                                  |
| --  | --   | --   | --                                  | --  |
| --  | --   | --   | --                                  | 2,479,000   |
| --  | --   | --   | --                                  | --  |
| 220,229                                       | --   | --   | --                                  | --  |
| --  | --   | 1,200,000                                  | --                                  | --  |
| 8,697,216                                     | --   | --   | --                                  | --  |
| 1,478,188                                     | --   | 1,138,900                                  | --                                  | --  |
| --  | --   | --   | --                                  | --  |
| --  | --   | --   | --                                  | --  |
| --  | --   | --   | --                                  | --  |
| <u>10,395,633</u>                             | <u>--</u>                                  | <u>2,338,900</u>                           | <u>--</u>                           | <u>2,479,000</u>                                  |
| <u>(9,475,461 )</u>                           | <u>25,140,831</u>                          | <u>(2,300,575 )</u>                        | <u>7,545</u>                        | <u>(208,425 )</u>                                 |
| --  | --   | --   | --                                  | --  |
| --  | 6,308,148                                  | --   | --                                  | 15,592  |
| (431,842 )                                    | (2,904,118 )                               | --   | (7,545 )                            | (233,747 )  |
| --  | --   | --   | --                                  | --  |
| <u>(431,842 )</u>                             | <u>3,404,030</u>                           | <u>--</u>                                  | <u>(7,545 )</u>                     | <u>(218,155 )</u>                                 |
| (9,907,303 )                                  | 28,544,861                                 | (2,300,575 )                               | --                                  | (426,580 )  |
| 48,958,010                                    | 123,533,742                                | 6,959,066                                  | 353,244                             | 7,574,279   |
| <u>\$ 39,050,707</u>                          | <u>\$ 152,078,603</u>                      | <u>\$ 4,658,491</u>                        | <u>\$ 353,244</u>                   | <u>\$ 7,147,699</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, 2005**

|   | <b>Emergency<br/>Services Fund</b> | <b>Enterprise Zone<br/>Assistance<br/>Fund</b> | <b>1996<br/>Environmental<br/>Cleanup<br/>Fund</b> |
|---|------------------------------------|--|--|
| <b>REVENUES</b>   |                                    |  |  |
| Taxes   | \$ --                              | \$ 78,166,763                                  | \$ --  |
| Federal and other grants  | --                                 | --   | --   |
| Licenses and fees   | --                                 | 3,133,781                                      | --   |
| Services and assessments  | --                                 | --   | --   |
| Investment earnings   | 286,693                            | 4,715,291                                      | 96,974   |
| Contributions   | --                                 | --   | --   |
| Other   | --                                 | --   | --   |
| <b>Total Revenues</b>   | <b>286,693</b>                     | <b>86,015,835</b>                              | <b>96,974</b>                                      |
| <b>EXPENDITURES</b>   |                                    |  |  |
| <b>Current:</b>   |                                    |  |  |
| Public safety and criminal justice  | 2,038,999                          | --   | --   |
| Physical and mental health  | --                                 | --   | --   |
| Educational, cultural, and intellectual development                                       | --                                 | --   | --   |
| Community development and environmental management  | 254,345                            | 4,775,880                                      | 1,181,339  |
| Economic planning, development, and security  | --                                 | 43,799,236                                     | --   |
| Transportation programs   | --                                 | --   | --   |
| Government direction, management, and control   | --                                 | --   | 194,498  |
| Special government services   | --                                 | --   | --   |
| Principal   | --                                 | --   | --   |
| Interest  | --                                 | --   | --   |
| <b>Total Expenditures</b>   | <b>2,293,344</b>                   | <b>48,575,116</b>                              | <b>1,375,837</b>                                   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(2,006,651 )</b>                | <b>37,440,719</b>                              | <b>(1,278,863 )</b>                                |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                    |  |  |
| Proceeds from sale of bonds   | --                                 | --   | --   |
| Transfers from other funds  | 5,000,000                          | --   | --   |
| Transfers to other funds  | --                                 | (6,964,228 )                                   | --   |
| Other   | --                                 | --   | --   |
| <b>Total other financing sources (uses)</b>   | <b>5,000,000</b>                   | <b>(6,964,228 )</b>                            | <b>--</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>2,993,349</b>                   | <b>30,476,491</b>                              | <b>(1,278,863 )</b>                                |
| <b>Fund balances - July 1, 2004</b>   | <b>10,473,132</b>                  | <b>195,938,684</b>                             | <b>5,266,555</b>                                   |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 13,466,481</b>               | <b>\$ 226,415,175</b>                          | <b>\$ 3,987,692</b>                                |

| 1989 Farmland<br>Preservation<br>Fund | 1992 Farmland<br>Preservation<br>Fund | 1995 Farmland<br>Preservation<br>Fund | Fund for<br>Support of<br>Free Public<br>Schools | Garden State<br>Farmland<br>Preservation<br>Trust Fund |
|---------------------------------------|---------------------------------------|---------------------------------------|--|--|
| \$ --                                 | \$ --                                 | \$ --                                 | \$ --  | \$ --  |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | 10,940,056                                       | --   |
| --                                    | --                                    | --                                    | --   | --   |
| 3,218                                 | 49,426                                | 197,905                               | 1,985,199  | 3,942,564  |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | 32                                    | --   | 3,705,399  |
| <u>3,218</u>                          | <u>49,426</u>                         | <u>197,937</u>                        | <u>12,925,255</u>                                | <u>7,647,963</u>                                       |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | --   | --   |
| 39,000                                | 297,855                               | 751,081                               | --   | 80,878,744   |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | --   | --   |
| <u>39,000</u>                         | <u>297,855</u>                        | <u>751,081</u>                        | <u>--</u>  | <u>80,878,744</u>                                      |
| <u>(35,782 )</u>                      | <u>(248,429 )</u>                     | <u>(553,144 )</u>                     | <u>12,925,255</u>                                | <u>(73,230,781 )</u>                                   |
| --                                    | --                                    | --                                    | --   | --   |
| --                                    | --                                    | --                                    | --   | 28,918,909   |
| --                                    | (65,444 )                             | (585,000 )                            | (7,674,632 )                                     | (1,878,896 )   |
| --                                    | --                                    | --                                    | --   | --   |
| <u>--</u>                             | <u>(65,444 )</u>                      | <u>(585,000 )</u>                     | <u>(7,674,632 )</u>                              | <u>27,040,013</u>                                      |
| (35,782 )                             | (313,873 )                            | (1,138,144 )                          | 5,250,623  | (46,190,768 )  |
| 185,084                               | 2,182,563                             | 9,396,234                             | 101,536,571                                      | 208,765,039  |
| <u>\$ 149,302</u>                     | <u>\$ 1,868,690</u>                   | <u>\$ 8,258,090</u>                   | <u>\$ 106,787,194</u>                            | <u>\$ 162,574,271</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, 2005**

|   | <b>Garden State<br/>Green Acres<br/>Preservation<br/>Trust Fund</b> | <b>Garden State<br/>Historic<br/>Preservation<br/>Trust Fund</b> | <b>Garden State<br/>Preservation<br/>Trust</b> |
|---|---|--|--|
| <b>REVENUES</b>   |   |  |  |
| Taxes   | \$ --   | \$ --  | \$ --  |
| Federal and other grants  | 6,001,250   | --   | --   |
| Licenses and fees   | --  | --   | --   |
| Services and assessments  | --  | --   | --   |
| Investment earnings   | 3,863,253   | 418,577  | --   |
| Contributions   | --  | --   | --   |
| Other   | 464,169   | --   | --   |
| <b>Total Revenues</b>   | <b>10,328,672</b>   | <b>418,577</b>   | <b>--</b>                                      |
| <b>EXPENDITURES</b>   |   |  |  |
| <b>Current:</b>   |   |  |  |
| Public safety and criminal justice  | --  | --   | --   |
| Physical and mental health  | --  | --   | --   |
| Educational, cultural, and intellectual development                                       | --  | --   | --   |
| Community development and environmental management  | 112,561,857   | --   | --   |
| Economic planning, development, and security  | --  | 4,934,685  | --   |
| Transportation programs   | --  | --   | --   |
| Government direction, management, and control   | --  | --   | 21,107,205                                     |
| Special government services   | --  | --   | --   |
| Principal   | --  | --   | --   |
| Interest  | --  | --   | --   |
| <b>Total Expenditures</b>   | <b>112,561,857</b>  | <b>4,934,685</b>   | <b>21,107,205</b>                              |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(102,233,185 )</b>   | <b>(4,516,108 )</b>  | <b>(21,107,205 )</b>                           |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |  |  |
| Proceeds from sale of bonds   | --  | --   | --   |
| Transfers from other funds  | 43,378,363  | 6,088,007  | 21,107,205                                     |
| Transfers to other funds  | (5,279,561 )  | (640,215 )   | --   |
| Other   | --  | --   | --   |
| <b>Total other financing sources (uses)</b>   | <b>38,098,802</b>   | <b>5,447,792</b>   | <b>21,107,205</b>                              |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(64,134,383 )</b>  | <b>931,684</b>   | <b>--</b>                                      |
| <b>Fund balances - July 1, 2004</b>   | <b>246,690,310</b>  | <b>20,473,694</b>  | <b>--</b>                                      |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 182,555,927</b>   | <b>\$ 21,405,378</b>   | <b>\$ --</b>                                   |

| Green Trust Fund     | Gubernatorial Elections Fund | Hazardous Discharge Fund of 1981 | Hazardous Discharge Fund of 1986 | Hazardous Discharge Site Cleanup Fund |
|----------------------|------------------------------|----------------------------------|----------------------------------|---------------------------------------|
| \$ --                | \$ --                        | \$ --                            | \$ --                            | \$ --                                 |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | --                           | --                               | --                               | 22,122,229                            |
| 209,009              | --                           | 3,994                            | 338,455                          | 1,882,035                             |
| --                   | --                           | --                               | --                               | --                                    |
| 1,371,353            | 517,384                      | --                               | --                               | --                                    |
| 1,580,362            | 517,384                      | 3,994                            | 338,455                          | 24,004,264                            |
| --                   | 5,844,407                    | --                               | --                               | --                                    |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | --                           | --                               | --                               | --                                    |
| 4,327,954            | --                           | --                               | 8,661,519                        | 6,155,711                             |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | --                           | --                               | 3,128                            | --                                    |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | --                           | --                               | --                               | --                                    |
| 4,327,954            | 5,844,407                    | --                               | 8,664,647                        | 6,155,711                             |
| (2,747,592 )         | (5,327,023 )                 | 3,994                            | (8,326,192 )                     | 17,848,553                            |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | 4,483,160                    | --                               | 8,564,017                        | 16,421,006                            |
| --                   | (465,815 )                   | (3,994 )                         | --                               | (23,754,607 )                         |
| --                   | --                           | --                               | --                               | --                                    |
| --                   | 4,017,345                    | (3,994 )                         | 8,564,017                        | (7,333,601 )                          |
| (2,747,592 )         | (1,309,678 )                 | --                               | 237,825                          | 10,514,952                            |
| 85,959,946           | 1,309,678                    | 180,949                          | 13,378,478                       | 78,430,220                            |
| <u>\$ 83,212,354</u> | <u>\$ --</u>                 | <u>\$ 180,949</u>                | <u>\$ 13,616,303</u>             | <u>\$ 88,945,172</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, 2005**

|   | Health Benefits<br>State<br>Employees<br>Program Fund | Health Care<br>Subsidy<br>Fund | Higher<br>Education<br>Facility<br>Renovation and<br>Rehabilitation Fund |
|---|---|--------------------------------|--|
| <b>REVENUES</b>   |   |                                |  |
| Taxes   | \$ --   | \$ 250,933,582                 | \$ --  |
| Federal and other grants  | --  | --                             | --   |
| Licenses and fees   | --  | --                             | --   |
| Services and assessments  | --  | 116,521,032                    | --   |
| Investment earnings   | 2,246,253   | 1,734,171                      | 15,601   |
| Contributions   | 357,321,233   | --                             | --   |
| Other   | 337,927   | --                             | --   |
| <b>Total Revenues</b>   | <b>359,905,413</b>                                    | <b>369,188,785</b>             | <b>15,601</b>  |
| <b>EXPENDITURES</b>   |   |                                |  |
| <b>Current:</b>   |   |                                |  |
| Public safety and criminal justice  | --  | --                             | --   |
| Physical and mental health  | --  | 1,000,000                      | --   |
| Educational, cultural, and intellectual development                                       | --  | --                             | 191,824  |
| Community development and environmental management  | --  | --                             | --   |
| Economic planning, development, and security  | --  | --                             | --   |
| Transportation programs   | --  | --                             | --   |
| Government direction, management, and control   | 1,046,991,414   | --                             | --   |
| Special government services   | --  | --                             | --   |
| Principal   | --  | --                             | --   |
| Interest  | --  | --                             | --   |
| <b>Total Expenditures</b>   | <b>1,046,991,414</b>                                  | <b>1,000,000</b>               | <b>191,824</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(687,086,001 )</b>                                 | <b>368,188,785</b>             | <b>(176,223 )</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |                                |  |
| Proceeds from sale of bonds   | --  | --                             | --   |
| Transfers from other funds  | 739,337,000   | 324,585,371                    | --   |
| Transfers to other funds  | --  | (693,101,962 )                 | --   |
| Other   | --  | --                             | --   |
| <b>Total other financing sources (uses)</b>   | <b>739,337,000</b>                                    | <b>(368,516,591 )</b>          | <b>--</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>52,250,999</b>                                     | <b>(327,806 )</b>              | <b>(176,223 )</b>  |
| <b>Fund balances - July 1, 2004</b>   | <b>57,156,643</b>                                     | <b>341,825</b>                 | <b>1,058,311</b>   |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 109,407,642</b>                                 | <b>\$ 14,019</b>               | <b>\$ 882,088</b>  |

| 1992 Historic Preservation Fund | 1995 Historic Preservation Fund | Historic Preservation Revolving Loan Fund | Horse Racing Injury Compensation Fund | Housing Assistance Fund |
|---------------------------------|---------------------------------|---|---------------------------------------|-------------------------|
| \$ --                           | \$ --                           | \$ --                                     | \$ --                                 | \$ --                   |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | --  | 314,638                               | --                      |
| 874                             | 10,495                          | 75,901                                    | 95,221                                | 89,862                  |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | 9,264                                     | --                                    | 126,194                 |
| <u>874</u>                      | <u>10,495</u>                   | <u>85,165</u>                             | <u>409,859</u>                        | <u>216,056</u>          |
| --                              | --                              | --  | 776,513                               | --                      |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| 20,392                          | 665,988                         | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| --                              | 38,900                          | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| <u>20,392</u>                   | <u>704,888</u>                  | <u>--</u>                                 | <u>776,513</u>                        | <u>--</u>               |
| <u>(19,518 )</u>                | <u>(694,393 )</u>               | <u>85,165</u>                             | <u>(366,654 )</u>                     | <u>216,056</u>          |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| --                              | --                              | --  | --                                    | --                      |
| <u>--</u>                       | <u>--</u>                       | <u>--</u>                                 | <u>--</u>                             | <u>--</u>               |
| <u>(19,518 )</u>                | <u>(694,393 )</u>               | <u>85,165</u>                             | <u>(366,654 )</u>                     | <u>216,056</u>          |
| <u>61,056</u>                   | <u>1,137,117</u>                | <u>3,905,184</u>                          | <u>4,870,712</u>                      | <u>6,699,510</u>        |
| <u>\$ 41,538</u>                | <u>\$ 442,724</u>               | <u>\$ 3,990,349</u>                       | <u>\$ 4,504,058</u>                   | <u>\$ 6,915,566</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, 2005**

|   | <b>Jobs, Education<br/>and<br/>Competitiveness<br/>Fund</b> | <b>Jobs, Science<br/>and Technology<br/>Fund</b> | <b>Korean<br/>Veterans'<br/>Memorial<br/>Fund</b> |
|---|---|--|---|
| <b>REVENUES</b>   |   |  |   |
| Taxes   | \$ --   | \$ --  | \$ --   |
| Federal and other grants  | --  | --   | 35  |
| Licenses and fees   | --  | --   | --  |
| Services and assessments  | --  | --   | --  |
| Investment earnings   | 147,036   | 577  | 74  |
| Contributions   | --  | --   | 20,460  |
| Other   | --  | --   | --  |
| <b>Total Revenues</b>   | <b>147,036</b>  | <b>577</b>                                       | <b>20,569</b>                                     |
| <b>EXPENDITURES</b>   |   |  |   |
| <b>Current:</b>   |   |  |   |
| Public safety and criminal justice  | --  | --   | --  |
| Physical and mental health  | --  | --   | --  |
| Educational, cultural, and intellectual development   | 306,062   | 2,827  | --  |
| Community development and environmental management  | --  | --   | --  |
| Economic planning, development, and security  | --  | --   | --  |
| Transportation programs   | --  | --   | --  |
| Government direction, management, and control   | --  | 10   | --  |
| Special government services   | --  | --   | --  |
| Principal   | --  | --   | --  |
| Interest  | --  | --   | --  |
| <b>Total Expenditures</b>   | <b>306,062</b>  | <b>2,837</b>                                     | <b>--</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                      | <b>(159,026 )</b>   | <b>(2,260 )</b>                                  | <b>20,569</b>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |  |   |
| Proceeds from sale of bonds   | --  | --   | --  |
| Transfers from other funds  | --  | --   | --  |
| Transfers to other funds  | (147,036 )  | (568 )   | --  |
| Other   | --  | --   | --  |
| <b>Total other financing sources (uses)</b>   | <b>(147,036 )</b>   | <b>(568 )</b>                                    | <b>--</b>   |
| <b>Excess (deficiency) of revenues and other sources<br/>over expenditures and other uses</b> | <b>(306,062 )</b>   | <b>(2,828 )</b>                                  | <b>20,569</b>                                     |
| <b>Fund balances - July 1, 2004</b>   | <b>6,351,218</b>  | <b>26,938</b>                                    | <b>(1,020,873 )</b>                               |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 6,045,156</b>   | <b>\$ 24,110</b>                                 | <b>\$ (1,000,304 )</b>                            |

| 1996 Lake<br>Restoration<br>Fund | Lead<br>Hazard Contol<br>Assistance<br>Fund | Legal<br>Services<br>Fund | Luxury Tax<br>Fund  | Medical<br>Malpractice<br>Liability Insurance<br>Premium<br>Assistance<br>Fund |
|----------------------------------|---|---------------------------|---------------------|--|
| \$ --                            | \$ --                                       | \$ --                     | \$ 26,644,777       | \$ --  |
| --                               | --  | --                        | --                  | --   |
| --                               | --  | 9,790,895                 | --                  | --   |
| --                               | --  | --                        | --                  | 21,005,358   |
| 29,622                           | 59,074                                      | --                        | 1,736               | 292,403  |
| --                               | --  | --                        | --                  | --   |
| 3,419                            | --  | --                        | --                  | --   |
| <u>33,041</u>                    | <u>59,074</u>                               | <u>9,790,895</u>          | <u>26,646,513</u>   | <u>21,297,761</u>  |
| --                               | --  | --                        | --                  | --   |
| --                               | --  | --                        | --                  | --   |
| --                               | --  | --                        | --                  | --   |
| 95,735                           | --  | --                        | --                  | --   |
| --                               | 362,500                                     | --                        | --                  | 202,497  |
| --                               | --  | --                        | --                  | --   |
| --                               | --  | --                        | 26,644,778          | --   |
| --                               | --  | --                        | --                  | 62,560   |
| --                               | --  | --                        | --                  | --   |
| --                               | --  | --                        | --                  | --   |
| <u>95,735</u>                    | <u>362,500</u>                              | <u>--</u>                 | <u>26,644,778</u>   | <u>265,057</u>   |
| <u>(62,694 )</u>                 | <u>(303,426 )</u>                           | <u>9,790,895</u>          | <u>1,735</u>        | <u>21,032,704</u>  |
| --                               | --  | --                        | --                  | --   |
| --                               | 3,300,000                                   | --                        | --                  | --   |
| --                               | (3,066,465 )                                | (9,790,895 )              | --                  | (5,560,370 )   |
| --                               | --  | --                        | --                  | --   |
| <u>--</u>                        | <u>233,535</u>                              | <u>(9,790,895 )</u>       | <u>--</u>           | <u>(5,560,370 )</u>  |
| (62,694 )                        | (69,891 )                                   | --                        | 1,735               | 15,472,334   |
| 2,525,637                        | 2,000,000                                   | --                        | 1,872,090           | --   |
| <u>\$ 2,462,943</u>              | <u>\$ 1,930,109</u>                         | <u>\$ --</u>              | <u>\$ 1,873,825</u> | <u>\$ 15,472,334</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, 2005**

|   | Mortgage<br>Assistance<br>Fund | Motor Vehicle<br>Surcharge<br>Securitization<br>Fund | Municipal Landfill<br>Closure and<br>Remediation<br>Fund |
|---|--------------------------------|--|--|
| <b>REVENUES</b>   |                                |  |  |
| Taxes   | \$ --                          | \$ --  | \$ --  |
| Federal and other grants  | --                             | --   | --   |
| Licenses and fees   | --                             | --   | --   |
| Services and assessments  | --                             | --   | --   |
| Investment earnings   | 57,371                         | --   | --   |
| Contributions   | --                             | --   | --   |
| Other   | 688,751                        | --   | 226,391  |
| <b>Total Revenues</b>   | <b>746,122</b>                 | <b>--</b>  | <b>226,391</b>   |
| <b>EXPENDITURES</b>   |                                |  |  |
| <b>Current:</b>   |                                |  |  |
| Public safety and criminal justice  | --                             | --   | --   |
| Physical and mental health  | --                             | --   | --   |
| Educational, cultural, and intellectual development                                       | --                             | --   | --   |
| Community development and environmental management  | --                             | --   | 205,575  |
| Economic planning, development, and security  | --                             | --   | --   |
| Transportation programs   | --                             | --   | --   |
| Government direction, management, and control   | --                             | 99,606,930   | --   |
| Special government services   | --                             | --   | --   |
| Principal   | --                             | --   | --   |
| Interest  | --                             | --   | --   |
| <b>Total Expenditures</b>   | <b>--</b>                      | <b>99,606,930</b>                                    | <b>205,575</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>746,122</b>                 | <b>(99,606,930 )</b>                                 | <b>20,816</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                |  |  |
| Proceeds from sale of bonds   | --                             | --   | --   |
| Transfers from other funds  | --                             | --   | --   |
| Transfers to other funds  | (746,122 )                     | (740,000,000 )                                       | --   |
| Other   | --                             | 839,606,930  | --   |
| <b>Total other financing sources (uses)</b>   | <b>(746,122 )</b>              | <b>99,606,930</b>                                    | <b>--</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>--</b>                      | <b>--</b>  | <b>20,816</b>  |
| <b>Fund balances - July 1, 2004</b>   | <b>13,826,285</b>              | <b>--</b>  | <b>40,171</b>  |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 13,826,285</b>           | <b>\$ --</b>   | <b>\$ 60,987</b>   |

| <b>Mutual Workers'<br/>Compensation<br/>Security Fund</b> | <b>Natural<br/>Resources<br/>Fund</b> | <b>New Home<br/>Warranty<br/>Security Fund</b> | <b>New Jersey<br/>Building<br/>Authority</b> | <b>1995 New Jersey<br/>Coastal Blue<br/>Acres Trust Fund</b> |
|---|---------------------------------------|--|--|--|
| \$ --   | \$ --                                 | \$ --  | \$ --  | \$ --  |
| --  | --                                    | --   | --   | --   |
| --  | --                                    | 1,006,497                                      | --   | --   |
| 75,708  | --                                    | 8,284,817                                      | --   | --   |
| 154,039   | 77,148                                | 852,413  | 1,221,624                                    | 48,667   |
| --  | --                                    | --   | --   | --   |
| --  | 555                                   | 117,276  | --   | 29,411   |
| <u>229,747</u>  | <u>77,703</u>                         | <u>10,261,003</u>                              | <u>1,221,624</u>                             | <u>78,078</u>  |
| --  | --                                    | --   | --   | --   |
| --  | --                                    | --   | --   | --   |
| --  | --                                    | --   | --   | --   |
| --  | 823,431                               | 1,480,501                                      | --   | --   |
| 1,945,433   | --                                    | --   | --   | --   |
| --  | --                                    | --   | --   | --   |
| --  | 291,748                               | --   | 45,197,839                                   | 97,249   |
| --  | --                                    | --   | --   | --   |
| --  | --                                    | --   | --   | --   |
| <u>1,945,433</u>  | <u>1,115,179</u>                      | <u>1,480,501</u>                               | <u>45,197,839</u>                            | <u>97,249</u>  |
| <u>(1,715,686)</u>  | <u>(1,037,476)</u>                    | <u>8,780,502</u>                               | <u>(43,976,215)</u>                          | <u>(19,171)</u>  |
| --  | --                                    | --   | 4,080,000                                    | --   |
| --  | --                                    | --   | 54,621,195                                   | --   |
| (8,285,007)   | (77,703)                              | (3,933,770)                                    | --   | --   |
| --  | --                                    | --   | 51,365                                       | --   |
| <u>(8,285,007)</u>  | <u>(77,703)</u>                       | <u>(3,933,770)</u>                             | <u>58,752,560</u>                            | <u>--</u>  |
| (10,000,693)  | (1,115,179)                           | 4,846,732                                      | 14,776,345                                   | (19,171)   |
| 10,000,693  | 4,617,563                             | 34,789,641                                     | 83,855,967                                   | 3,371,170  |
| <u>\$ --</u>  | <u>\$ 3,502,384</u>                   | <u>\$ 39,636,373</u>                           | <u>\$ 98,632,312</u>                         | <u>\$ 3,351,999</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, 2005**

|   | New Jersey<br>Cultural Trust<br>Fund | 1983 New Jersey<br>Green Acres<br>Fund | 1989 New Jersey<br>Green Acres<br>Fund |
|---|--------------------------------------|--|--|
| <b>REVENUES</b>   |                                      |  |  |
| Taxes   | \$ --                                | \$ --                                  | \$ --                                  |
| Federal and other grants  | --                                   | --                                     | --                                     |
| Licenses and fees   | --                                   | --                                     | --                                     |
| Services and assessments  | --                                   | --                                     | --                                     |
| Investment earnings   | 432,712                              | 436,299                                | 111,191                                |
| Contributions   | --                                   | --                                     | --                                     |
| Other   | --                                   | --                                     | --                                     |
| <b>Total Revenues</b>   | <b>432,712</b>                       | <b>436,299</b>                         | <b>111,191</b>                         |
| <b>EXPENDITURES</b>   |                                      |  |  |
| <b>Current:</b>   |                                      |  |  |
| Public safety and criminal justice  | --                                   | --                                     | --                                     |
| Physical and mental health  | --                                   | --                                     | --                                     |
| Educational, cultural, and intellectual development                                       | --                                   | --                                     | --                                     |
| Community development and environmental management  | --                                   | --                                     | 19,647                                 |
| Economic planning, development, and security  | --                                   | --                                     | --                                     |
| Transportation programs   | --                                   | --                                     | --                                     |
| Government direction, management, and control   | 390,119                              | --                                     | --                                     |
| Special government services   | --                                   | --                                     | --                                     |
| Principal   | --                                   | --                                     | --                                     |
| Interest  | --                                   | --                                     | --                                     |
| <b>Total Expenditures</b>   | <b>390,119</b>                       | <b>--</b>                              | <b>19,647</b>                          |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>42,593</b>                        | <b>436,299</b>                         | <b>91,544</b>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                      |  |  |
| Proceeds from sale of bonds   | --                                   | --                                     | --                                     |
| Transfers from other funds  | 725,600                              | --                                     | --                                     |
| Transfers to other funds  | --                                   | (436,299 )                             | --                                     |
| Other   | --                                   | --                                     | --                                     |
| <b>Total other financing sources (uses)</b>   | <b>725,600</b>                       | <b>(436,299 )</b>                      | <b>--</b>                              |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>768,193</b>                       | <b>--</b>                              | <b>91,544</b>                          |
| <b>Fund balances - July 1, 2004</b>   | <b>20,684,659</b>                    | <b>19,690,073</b>                      | <b>5,317,069</b>                       |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 21,452,852</b>                 | <b>\$ 19,690,073</b>                   | <b>\$ 5,408,613</b>                    |

| 1992 New Jersey<br>Green Acres<br>Fund | 1995 New Jersey<br>Green Acres<br>Fund | 1989 New Jersey<br>Green Trust<br>Fund | 1992 New Jersey<br>Green Trust<br>Fund | 1995 New Jersey<br>Green Trust<br>Fund |
|--|--|--|--|--|
| \$ --                                  | \$ --                                  | \$ --                                  | \$ --                                  | \$ --                                  |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| 36,907                                 | 89,505                                 | 678,394                                | 430,054                                | 543,102                                |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | 1,322,584                              | 679,259                                | 917,184                                |
| <u>36,907</u>                          | <u>89,505</u>                          | <u>2,000,978</u>                       | <u>1,109,313</u>                       | <u>1,460,286</u>                       |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| 56,656                                 | 2,898,250                              | 405,803                                | 913,373                                | 559,368                                |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | 291,748                                | --                                     | 855,793                                | 1,011,391                              |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| <u>56,656</u>                          | <u>3,189,998</u>                       | <u>405,803</u>                         | <u>1,769,166</u>                       | <u>1,570,759</u>                       |
| <u>(19,749 )</u>                       | <u>(3,100,493 )</u>                    | <u>1,595,175</u>                       | <u>(659,853 )</u>                      | <u>(110,473 )</u>                      |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | 780,359                                | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| --                                     | --                                     | --                                     | --                                     | --                                     |
| <u>--</u>                              | <u>780,359</u>                         | <u>--</u>                              | <u>--</u>                              | <u>--</u>                              |
| (19,749 )                              | (2,320,134 )                           | 1,595,175                              | (659,853 )                             | (110,473 )                             |
| <u>1,761,872</u>                       | <u>6,569,846</u>                       | <u>93,794,129</u>                      | <u>56,335,753</u>                      | <u>76,909,052</u>                      |
| <u>\$ 1,742,123</u>                    | <u>\$ 4,249,712</u>                    | <u>\$ 95,389,304</u>                   | <u>\$ 55,675,900</u>                   | <u>\$ 76,798,579</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, 2005**

|   | <b>1995 New Jersey<br/>Inland Blue Acres<br/>Fund</b> | <b>New Jersey<br/>Insolvent Health<br/>Maintenance<br/>Organization<br/>Assistance Fund</b> | <b>New Jersey<br/>Lawyers'<br/>Assistance<br/>Program</b> |
|---|---|---|---|
| <b>REVENUES</b>   |   |   |   |
| Taxes   | \$ --   | \$ --   | \$ --   |
| Federal and other grants  | --  | --  | --  |
| Licenses and fees   | --  | --  | 401,528   |
| Services and assessments  | --  | --  | --  |
| Investment earnings   | 25,681  | 521,437   | 8,789   |
| Contributions   | --  | --  | --  |
| Other   | --  | --  | --  |
| <b>Total Revenues</b>   | <b>25,681</b>   | <b>521,437</b>  | <b>410,317</b>  |
| <b>EXPENDITURES</b>   |   |   |   |
| <b>Current:</b>   |   |   |   |
| Public safety and criminal justice  | --  | --  | 422,079   |
| Physical and mental health  | --  | --  | --  |
| Educational, cultural, and intellectual development                                       | --  | --  | --  |
| Community development and environmental management  | 210,219   | --  | --  |
| Economic planning, development, and security  | --  | 307,210   | --  |
| Transportation programs   | --  | --  | --  |
| Government direction, management, and control   | --  | --  | --  |
| Special government services   | --  | --  | --  |
| Principal   | --  | --  | --  |
| Interest  | --  | --  | --  |
| <b>Total Expenditures</b>   | <b>210,219</b>  | <b>307,210</b>  | <b>422,079</b>  |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(184,538 )</b>                                     | <b>214,227</b>  | <b>(11,762 )</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |   |   |
| Proceeds from sale of bonds   | --  | --  | --  |
| Transfers from other funds  | --  | 1,897,208   | --  |
| Transfers to other funds  | --  | --  | --  |
| Other   | --  | --  | --  |
| <b>Total other financing sources (uses)</b>   | <b>--</b>   | <b>1,897,208</b>  | <b>--</b>   |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(184,538 )</b>                                     | <b>2,111,435</b>  | <b>(11,762 )</b>  |
| <b>Fund balances - July 1, 2004</b>   | <b>1,392,345</b>                                      | <b>22,668,639</b>   | <b>407,045</b>  |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 1,207,807</b>                                   | <b>\$ 24,780,074</b>  | <b>\$ 395,283</b>   |

| <b>New Jersey<br/>Lawyers' Fund<br/>for<br/>Client Protection</b> | <b>New Jersey Local<br/>Development<br/>Financing Fund</b> | <b>New Jersey<br/>Racing Industry<br/>Special Fund</b> | <b>New Jersey<br/>Schools<br/>Construction<br/>Corporation</b> | <b>New Jersey Spill<br/>Compensation<br/>Fund</b> |
|---|--|--|--|---|
| \$ --   | \$ --  | \$ --  | \$ --  | \$ 28,192,067                                     |
| --  | --   | --   | --   | --  |
| 3,237,760   | 28,501   | --   | 230,325  | 6,611,543   |
| --  | --   | 2,810,140  | --   | --  |
| 144,385   | 369,405  | 17,062   | 8,098,130  | 577,719   |
| --  | --   | --   | --   | --  |
| 616,571   | 1,020,764  | 1,638,033  | 532,646  | 1,046,660   |
| <u>3,998,716</u>  | <u>1,418,670</u>   | <u>4,465,235</u>                                       | <u>8,861,101</u>   | <u>36,427,989</u>                                 |
| 5,695,804   | --   | 708,106  | --   | --  |
| --  | --   | --   | --   | --  |
| --  | --   | --   | 1,403,681,204  | --  |
| --  | --   | --   | --   | 5,296,702   |
| --  | 3,239,758  | --   | --   | --  |
| --  | --   | --   | --   | --  |
| --  | --   | --   | --   | --  |
| --  | --   | --   | --   | --  |
| --  | --   | --   | --   | --  |
| <u>5,695,804</u>  | <u>3,239,758</u>   | <u>708,106</u>   | <u>1,403,681,204</u>   | <u>5,296,702</u>                                  |
| <u>(1,697,088 )</u>   | <u>(1,821,088 )</u>  | <u>3,757,129</u>                                       | <u>(1,394,820,103 )</u>  | <u>31,131,287</u>                                 |
| --  | --   | --   | --   | --  |
| --  | --   | --   | 1,700,000,000  | --  |
| --  | --   | --   | --   | (33,963,695 )                                     |
| --  | --   | --   | --   | --  |
| <u>--</u>   | <u>--</u>  | <u>--</u>  | <u>1,700,000,000</u>   | <u>(33,963,695 )</u>                              |
| (1,697,088 )  | (1,821,088 )   | 3,757,129  | 305,179,897  | (2,832,408 )                                      |
| 14,344,046  | 49,659,328   | 1,178,664  | 158,949,633  | 11,073,891  |
| <u>\$ 12,646,958</u>  | <u>\$ 47,838,240</u>                                       | <u>\$ 4,935,793</u>                                    | <u>\$ 464,129,530</u>  | <u>\$ 8,241,483</u>                               |

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**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, 2005**

|   | <b>New Jersey<br/>Spinal Cord<br/>Research Fund</b> | <b>New Jersey<br/>Transportation<br/>Trust Fund<br/>Authority</b> | <b>New Jersey<br/>Workforce<br/>Development<br/>Partnership<br/>Fund</b> |
|---|---|---|--|
| <b>REVENUES</b>   |   |   |  |
| Taxes   | \$ --   | \$ --   | \$ 89,992,924  |
| Federal and other grants  | --  | --  | --   |
| Licenses and fees   | --  | --  | --   |
| Services and assessments  | --  | --  | --   |
| Investment earnings   | 320,298   | 5,470,900   | 1,194,248  |
| Contributions   | --  | --  | --   |
| Other   | 4,038,114   | --  | --   |
| <b>Total Revenues</b>   | <b>4,358,412</b>                                    | <b>5,470,900</b>  | <b>91,187,172</b>  |
| <b>EXPENDITURES</b>   |   |   |  |
| <b>Current:</b>   |   |   |  |
| Public safety and criminal justice  | --  | --  | --   |
| Physical and mental health  | 2,509,970   | --  | --   |
| Educational, cultural, and intellectual development                                       | --  | --  | --   |
| Community development and environmental management  | --  | --  | --   |
| Economic planning, development, and security  | --  | --  | 44,689,546   |
| Transportation programs   | --  | 45,280,637  | --   |
| Government direction, management, and control   | --  | --  | --   |
| Special government services   | --  | --  | --   |
| Principal   | --  | 231,600,000   | --   |
| Interest  | --  | 261,202,573   | --   |
| <b>Total Expenditures</b>   | <b>2,509,970</b>                                    | <b>538,083,210</b>  | <b>44,689,546</b>  |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>1,848,442</b>                                    | <b>(532,612,310 )</b>   | <b>46,497,626</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |   |  |
| Proceeds from sale of bonds   | --  | 996,405,000   | --   |
| Transfers from other funds  | --  | 805,000,000   | --   |
| Transfers to other funds  | (498,520 )  | (1,328,224,653 )  | (41,433,518 )  |
| Other   | --  | 88,601,621  | --   |
| <b>Total other financing sources (uses)</b>   | <b>(498,520 )</b>                                   | <b>561,781,968</b>  | <b>(41,433,518 )</b>   |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>1,349,922</b>                                    | <b>29,169,658</b>   | <b>5,064,108</b>   |
| <b>Fund balances - July 1, 2004</b>   | <b>13,235,805</b>                                   | <b>(7,316,674 )</b>   | <b>62,566,804</b>  |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 14,585,727</b>                                | <b>\$ 21,852,984</b>  | <b>\$ 67,630,912</b>   |

| <b>Petroleum<br/>Overcharge<br/>Reimbursement<br/>Fund</b> | <b>Pinelands<br/>Infrastructure<br/>Trust Fund</b> | <b>Pollution<br/>Prevention<br/>Fund</b> | <b>Prescription<br/>Drug State<br/>Employees<br/>Program Fund</b> | <b>Real Estate<br/>Guaranty Fund</b> |
|--|--|--|---|--------------------------------------|
| \$ --  | \$ --  | \$ --                                    | \$ --   | \$ --                                |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | --                                       | --  | 139,934                              |
| --   | --   | 2,065,664                                | --  | --                                   |
| 199,888  | 93,256   | 28,666                                   | 927,224   | 22,277                               |
| --   | --   | --                                       | 230,754,802   | --                                   |
| --   | 177,125  | --                                       | --  | --                                   |
| <u>199,888</u>   | <u>270,381</u>                                     | <u>2,094,330</u>                         | <u>231,682,026</u>  | <u>162,211</u>                       |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | --                                       | --  | --                                   |
| 237,592  | 877  | --                                       | --  | --                                   |
| 1,599  | --   | --                                       | --  | 46,335                               |
| --   | --   | --                                       | --  | --                                   |
| 1,193,970  | --   | --                                       | 224,355,625   | --                                   |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | --                                       | --  | --                                   |
| <u>1,433,161</u>   | <u>877</u>   | <u>--</u>                                | <u>224,355,625</u>  | <u>46,335</u>                        |
| <u>(1,233,273 )</u>  | <u>269,504</u>                                     | <u>2,094,330</u>                         | <u>7,326,401</u>  | <u>115,876</u>                       |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | --                                       | --  | --                                   |
| --   | --   | (2,168,055 )                             | --  | --                                   |
| --   | --   | --                                       | --  | --                                   |
| <u>--</u>  | <u>--</u>  | <u>(2,168,055 )</u>                      | <u>--</u>   | <u>--</u>                            |
| (1,233,273 )   | 269,504  | (73,725 )                                | 7,326,401   | 115,876                              |
| 14,234,108   | 9,430,825  | 1,086,739                                | 27,573,430  | 1,342,385                            |
| <u>\$ 13,000,835</u>                                       | <u>\$ 9,700,329</u>                                | <u>\$ 1,013,014</u>                      | <u>\$ 34,899,831</u>  | <u>\$ 1,458,261</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, 2005**

|   | <b>Resource<br/>Recovery and<br/>Solid Waste<br/>Disposal Facility<br/>Fund</b> | <b>Safe<br/>Drinking Water<br/>Fund</b> | <b>Sanitary<br/>Landfill Facility<br/>Contingency Fund</b> |
|---|---|---|--|
| <b>REVENUES</b>   |   |   |  |
| Taxes   | \$ --   | \$ 2,508,464                            | \$ --  |
| Federal and other grants  | --  | --                                      | --   |
| Licenses and fees   | --  | --                                      | --   |
| Services and assessments  | --  | --                                      | 2,252,637  |
| Investment earnings   | 11,671  | 44,471                                  | 264,900  |
| Contributions   | --  | --                                      | --   |
| Other   | --  | --                                      | --   |
| <b>Total Revenues</b>   | <b>11,671</b>   | <b>2,552,935</b>                        | <b>2,517,537</b>   |
| <b>EXPENDITURES</b>   |   |   |  |
| <b>Current:</b>   |   |   |  |
| Public safety and criminal justice  | --  | --                                      | --   |
| Physical and mental health  | --  | --                                      | --   |
| Educational, cultural, and intellectual development                                       | --  | --                                      | --   |
| Community development and environmental management  | --  | 392,504                                 | 206,628  |
| Economic planning, development, and security  | --  | --                                      | --   |
| Transportation programs   | --  | --                                      | --   |
| Government direction, management, and control   | --  | --                                      | --   |
| Special government services   | --  | --                                      | --   |
| Principal   | --  | --                                      | --   |
| Interest  | --  | --                                      | --   |
| <b>Total Expenditures</b>   | <b>--</b>   | <b>392,504</b>                          | <b>206,628</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>11,671</b>   | <b>2,160,431</b>                        | <b>2,310,909</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |   |   |  |
| Proceeds from sale of bonds   | --  | --                                      | --   |
| Transfers from other funds  | --  | --                                      | --   |
| Transfers to other funds  | --  | (3,475,315 )                            | --   |
| Other   | --  | --                                      | --   |
| <b>Total other financing sources (uses)</b>   | <b>--</b>   | <b>(3,475,315 )</b>                     | <b>--</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>11,671</b>   | <b>(1,314,884 )</b>                     | <b>2,310,909</b>   |
| <b>Fund balances - July 1, 2004</b>   | <b>562,674</b>  | <b>1,844,551</b>                        | <b>11,412,419</b>  |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 574,345</b>   | <b>\$ 529,667</b>                       | <b>\$ 13,723,328</b>                                       |

| Shore<br>Protection<br>Fund | State Disability<br>Benefit Fund | State Land<br>Acquisition<br>and Development<br>Fund | State Recreation<br>and Conservation<br>Land Acquisition<br>and Development<br>Fund | State<br>Recycling<br>Fund |
|-----------------------------|----------------------------------|--|---|----------------------------|
| \$ --                       | \$ 497,337,989                   | \$ --  | \$ --   | \$ --                      |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | 33,262,475                       | --   | --  | --                         |
| 223,601                     | 1,778,124                        | 6,943  | 19,949  | 63,101                     |
| --                          | --                               | --   | --  | --                         |
| 130,137                     | 1,363,432                        | --   | --  | 73,719                     |
| <u>353,738</u>              | <u>533,742,020</u>               | <u>6,943</u>   | <u>19,949</u>   | <u>136,820</u>             |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | 158,927  | --  | 3,697,460                  |
| --                          | 453,653,741                      | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | --                         |
| --                          | 453,653,741                      | 158,927  | --  | 3,697,460                  |
| <u>353,738</u>              | <u>80,088,279</u>                | <u>(151,984 )</u>                                    | <u>19,949</u>   | <u>(3,560,640 )</u>        |
| --                          | --                               | --   | --  | --                         |
| --                          | --                               | --   | --  | 3,700,863                  |
| (353,738 )                  | (143,789,978 )                   | (6,943 )   | (19,949 )   | (1,087,002 )               |
| --                          | --                               | --   | --  | --                         |
| <u>(353,738 )</u>           | <u>(143,789,978 )</u>            | <u>(6,943 )</u>                                      | <u>(19,949 )</u>  | <u>2,613,861</u>           |
| --                          | (63,701,699 )                    | (158,927 )   | --  | (946,779 )                 |
| 11,086,214                  | 218,181,649                      | 416,563  | 899,221   | 6,534,190                  |
| <u>\$ 11,086,214</u>        | <u>\$ 154,479,950</u>            | <u>\$ 257,636</u>                                    | <u>\$ 899,221</u>   | <u>\$ 5,587,411</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, 2005**

|   | <b>Stock Workers'<br/>Compensation<br/>Security Fund</b> | <b>Stormwater<br/>Management and<br/>Combined Sewer<br/>Overflow<br/>Abatement<br/>Fund</b> | <b>Superior Court<br/>of New Jersey<br/>Trust Fund</b> |
|---|--|---|--|
| <b>REVENUES</b>   |  |   |  |
| Taxes   | \$ --  | \$ --   | \$ --  |
| Federal and other grants  | --   | --  | --   |
| Licenses and fees   | --   | --  | --   |
| Services and assessments  | 22,363,989   | --  | --   |
| Investment earnings   | 450,127  | 48,462  | 5,332,307  |
| Contributions   | --   | --  | --   |
| Other   | --   | --  | --   |
| <b>Total Revenues</b>   | <b>22,814,116</b>  | <b>48,462</b>   | <b>5,332,307</b>                                       |
| <b>EXPENDITURES</b>   |  |   |  |
| <b>Current:</b>   |  |   |  |
| Public safety and criminal justice  | --   | --  | 5,324,532  |
| Physical and mental health  | --   | --  | --   |
| Educational, cultural, and intellectual development                                       | --   | --  | --   |
| Community development and environmental management  | --   | 1,869,117   | --   |
| Economic planning, development, and security  | 34,167,586   | --  | --   |
| Transportation programs   | --   | --  | --   |
| Government direction, management, and control   | --   | --  | --   |
| Special government services   | --   | --  | --   |
| Principal   | --   | --  | --   |
| Interest  | --   | --  | --   |
| <b>Total Expenditures</b>   | <b>34,167,586</b>  | <b>1,869,117</b>  | <b>5,324,532</b>                                       |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(11,353,470 )</b>                                     | <b>(1,820,655 )</b>   | <b>7,775</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |  |   |  |
| Proceeds from sale of bonds   | --   | --  | --   |
| Transfers from other funds  | --   | --  | --   |
| Transfers to other funds  | (12,700,171 )  | --  | --   |
| Other   | --   | --  | --   |
| <b>Total other financing sources (uses)</b>   | <b>(12,700,171 )</b>                                     | <b>--</b>   | <b>--</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(24,053,641 )</b>                                     | <b>(1,820,655 )</b>   | <b>7,775</b>   |
| <b>Fund balances - July 1, 2004</b>   | <b>24,053,641</b>  | <b>3,222,995</b>  | <b>1,253,588</b>                                       |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ --</b>   | <b>\$ 1,402,340</b>   | <b>\$ 1,261,363</b>                                    |

| <b>Supplemental<br/>Workforce<br/>Fund for<br/>Basic Skills</b> | <b>Tobacco<br/>Settlement<br/>Financing<br/>Corporation, Inc.</b> | <b>Tobacco<br/>Settlement<br/>Fund</b> | <b>Trial Attorney<br/>Certification<br/>Program</b> | <b>Unclaimed<br/>Child Support<br/>Trust Fund</b> |
|---|---|--|---|---|
| \$ 25,529,207   | \$ --   | \$ --                                  | \$ --   | \$ --   |
| --  | --  | --                                     | --  | --  |
| --  | --  | --                                     | 235,470   | --  |
| --  | --  | --                                     | --  | --  |
| 557,194   | 11,971,000  | 384,547                                | 4,342   | 42,083  |
| --  | --  | --                                     | --  | --  |
| --  | 245,111,000   | 1,352,420                              | 3,900   | 61,268  |
| <u>26,086,401</u>   | <u>257,082,000</u>  | <u>1,736,967</u>                       | <u>243,712</u>                                      | <u>103,351</u>                                    |
| 67,801  | --  | --                                     | 241,998   | --  |
| --  | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| 19,411,355  | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| --  | 327,000   | --                                     | --  | 3,927   |
| --  | --  | --                                     | --  | --  |
| --  | 52,175,000  | --                                     | --  | --  |
| --  | 208,549,000   | --                                     | --  | --  |
| <u>19,479,156</u>   | <u>261,051,000</u>  | <u>--</u>                              | <u>241,998</u>                                      | <u>3,927</u>                                      |
| <u>6,607,245</u>  | <u>(3,969,000 )</u>   | <u>1,736,967</u>                       | <u>1,714</u>  | <u>99,424</u>                                     |
| --  | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| (1,820,170 )  | --  | --                                     | --  | --  |
| --  | --  | --                                     | --  | --  |
| <u>(1,820,170 )</u>   | <u>--</u>   | <u>--</u>                              | <u>--</u>   | <u>--</u>   |
| 4,787,075   | (3,969,000 )  | 1,736,967                              | 1,714   | 99,424  |
| 29,019,632  | 371,481,000   | 16,344,888                             | 102,757   | 2,187,349   |
| <u>\$ 33,806,707</u>  | <u>\$ 367,512,000</u>   | <u>\$ 18,081,855</u>                   | <u>\$ 104,471</u>                                   | <u>\$ 2,286,773</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, 2005**

|   | <u>Unclaimed<br/>Utility Deposits<br/>Trust Fund</u> | <u>Unemployment<br/>Compensation<br/>Auxiliary Fund</u> | <u>Universal<br/>Services<br/>Fund</u> |
|---|--|---|--|
| <b>REVENUES</b>   |  |   |  |
| Taxes   | \$ --  | \$ --   | \$ --                                  |
| Federal and other grants  | --   | --  | --                                     |
| Licenses and fees   | --   | --  | --                                     |
| Services and assessments  | --   | --  | 70,284,160                             |
| Investment earnings   | 41,000   | 227,640   | 754,299                                |
| Contributions   | --   | --  | --                                     |
| Other   | 3,434,911  | 19,995,643  | --                                     |
| <b>Total Revenues</b>   | <u>3,475,911</u>                                     | <u>20,223,283</u>                                       | <u>71,038,459</u>                      |
| <b>EXPENDITURES</b>   |  |   |  |
| <b>Current:</b>   |  |   |  |
| Public safety and criminal justice  | --   | --  | --                                     |
| Physical and mental health  | --   | --  | --                                     |
| Educational, cultural, and intellectual development                                       | --   | --  | --                                     |
| Community development and environmental management  | --   | --  | --                                     |
| Economic planning, development, and security  | --   | 550,000   | --                                     |
| Transportation programs   | --   | --  | --                                     |
| Government direction, management, and control   | 2,518,369  | --  | --                                     |
| Special government services   | --   | --  | --                                     |
| Principal   | --   | --  | --                                     |
| Interest  | --   | --  | --                                     |
| <b>Total Expenditures</b>   | <u>2,518,369</u>                                     | <u>550,000</u>  | <u>--</u>                              |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <u>957,542</u>                                       | <u>19,673,283</u>                                       | <u>71,038,459</u>                      |
| <b>OTHER FINANCING SOURCES (USES)</b>   |  |   |  |
| Proceeds from sale of bonds   | --   | --  | --                                     |
| Transfers from other funds  | --   | --  | --                                     |
| Transfers to other funds  | (41,000 )  | (17,530,000 )   | (71,648,045 )                          |
| Other   | --   | --  | --                                     |
| <b>Total other financing sources (uses)</b>   | <u>(41,000 )</u>                                     | <u>(17,530,000 )</u>                                    | <u>(71,648,045 )</u>                   |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | 916,542  | 2,143,283   | (609,586 )                             |
| <b>Fund balances - July 1, 2004</b>   | <u>3,163,600</u>                                     | <u>932,372</u>  | <u>609,586</u>                         |
| <b>Fund balances - June 30, 2005</b>  | <u>\$ 4,080,142</u>                                  | <u>\$ 3,075,655</u>                                     | <u>\$ --</u>                           |

| University<br>of Medicine<br>and Dentistry<br>of New Jersey -<br>Self-Insurance<br>Reserve Fund | Urban and Rural<br>Centers Unsafe<br>Buildings<br>Demolition<br>Revolving Loan<br>Fund | Vietnam Veterans'<br>Memorial<br>Fund | Volunteer<br>Emergency Service<br>Organizations<br>Loan Fund | Wastewater<br>Treatment<br>Fund |
|---|--|---------------------------------------|--|---------------------------------|
| \$ --   | \$ --  | \$ --                                 | \$ --  | \$ --                           |
| --  | --   | --                                    | --   | 87,649,058                      |
| --  | --   | --                                    | --   | --                              |
| 6,668,420   | --   | --                                    | --   | --                              |
| 202,993   | 192,363  | 5                                     | 24,361   | 8,725,170                       |
| --  | --   | 177,480                               | --   | --                              |
| --  | 18,660   | --                                    | 27,218   | --                              |
| <u>6,871,413</u>  | <u>211,023</u>   | <u>177,485</u>                        | <u>51,579</u>  | <u>96,374,228</u>               |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | 58,414,420                      |
| 22,464,234  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| --  | --   | 112,941                               | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | --                              |
| <u>22,464,234</u>   | <u>--</u>  | <u>112,941</u>                        | <u>--</u>  | <u>58,414,420</u>               |
| <u>(15,592,821 )</u>  | <u>211,023</u>   | <u>64,544</u>                         | <u>51,579</u>  | <u>37,959,808</u>               |
| --  | --   | --                                    | --   | --                              |
| 17,300,000  | --   | --                                    | --   | --                              |
| --  | --   | --                                    | --   | (8,805,184 )                    |
| --  | --   | --                                    | --   | --                              |
| <u>17,300,000</u>   | <u>--</u>  | <u>--</u>                             | <u>--</u>  | <u>(8,805,184 )</u>             |
| 1,707,179   | 211,023  | 64,544                                | 51,579   | 29,154,624                      |
| 93,838  | 20,347,374   | 14,975                                | 2,999,638  | 802,529,631                     |
| <u>\$ 1,801.017</u>   | <u>\$ 20,558.397</u>   | <u>\$ 79.519</u>                      | <u>\$ 3,051.217</u>  | <u>\$ 831,684,255</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, 2005**

|   | 1992 Wastewater<br>Treatment<br>Fund | Water<br>Conservation<br>Fund | 2003 Water<br>Resources and<br>Wastewater<br>Treatment Fund |
|---|--------------------------------------|-------------------------------|---|
| <b>REVENUES</b>   |                                      |                               |   |
| Taxes   | \$ --                                | \$ --                         | \$ --   |
| Federal and other grants  | --                                   | 390,180                       | --  |
| Licenses and fees   | --                                   | --                            | --  |
| Services and assessments  | --                                   | --                            | --  |
| Investment earnings   | 206,708                              | 20,023                        | 3,601   |
| Contributions   | --                                   | --                            | --  |
| Other   | --                                   | 11,037                        | --  |
| <b>Total Revenues</b>   | <b>206,708</b>                       | <b>421,240</b>                | <b>3,601</b>  |
| <b>EXPENDITURES</b>   |                                      |                               |   |
| <b>Current:</b>   |                                      |                               |   |
| 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   | 233,398                              | --                            | 10,987  |
| Special government services   | --                                   | --                            | --  |
| Principal   | --                                   | --                            | --  |
| Interest  | --                                   | --                            | --  |
| <b>Total Expenditures</b>   | <b>233,398</b>                       | <b>--</b>                     | <b>10,987</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(26,690 )</b>                     | <b>421,240</b>                | <b>(7,386 )</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                      |                               |   |
| Proceeds from sale of bonds   | --                                   | --                            | --  |
| Transfers from other funds  | --                                   | --                            | 7,386   |
| Transfers to other funds  | --                                   | (811,419 )                    | --  |
| Other   | --                                   | --                            | --  |
| <b>Total other financing sources (uses)</b>   | <b>--</b>                            | <b>(811,419 )</b>             | <b>7,386</b>  |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(26,690 )</b>                     | <b>(390,179 )</b>             | <b>--</b>   |
| <b>Fund balances - July 1, 2004</b>   | <b>29,617,559</b>                    | <b>1,184,979</b>              | <b>--</b>   |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 29,590,869</b>                 | <b>\$ 794,800</b>             | <b>\$ --</b>  |

| 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 |
|-----------------------|-------------------------------------|---|-------------------------------------|---------------------------------------|
| \$ --                 | \$ --                               | \$ --                                   | \$ --                               | \$ 1,526,236,920                      |
| --                    | --                                  | --                                      | --                                  | 117,954,907                           |
| --                    | --                                  | --                                      | --                                  | 113,353,894                           |
| --                    | --                                  | 4,365,603                               | 1,756,122                           | 583,301,147                           |
| 1,126,446             | 1,373                               | 29,761                                  | 42,523                              | 85,546,268                            |
| --                    | --                                  | --                                      | --                                  | 646,741,080                           |
| 3,984,432             | 22,800                              | --                                      | --                                  | 449,570,431                           |
| <u>5,110,878</u>      | <u>24,173</u>                       | <u>4,395,364</u>                        | <u>1,798,645</u>                    | <u>3,522,704,647</u>                  |
| --                    | --                                  | --                                      | --                                  | 88,086,678                            |
| --                    | --                                  | --                                      | --                                  | 593,196,816                           |
| --                    | --                                  | --                                      | --                                  | 1,448,530,963                         |
| 899,109               | --                                  | --                                      | --                                  | 312,405,095                           |
| --                    | --                                  | --                                      | 4,603,064                           | 673,581,066                           |
| --                    | --                                  | --                                      | --                                  | 79,638,531                            |
| --                    | --                                  | --                                      | --                                  | 1,998,727,729                         |
| --                    | --                                  | --                                      | --                                  | 267,501                               |
| --                    | --                                  | --                                      | --                                  | 283,775,000                           |
| --                    | --                                  | --                                      | --                                  | 469,751,573                           |
| <u>899,109</u>        | <u>--</u>                           | <u>--</u>                               | <u>4,603,064</u>                    | <u>5,947,960,952</u>                  |
| <u>4,211,769</u>      | <u>24,173</u>                       | <u>4,395,364</u>                        | <u>(2,804,419 )</u>                 | <u>(2,425,256,305 )</u>               |
| --                    | --                                  | --                                      | --                                  | 1,000,485,000                         |
| --                    | --                                  | --                                      | 20,985,178                          | 3,816,124,567                         |
| (4,005,016 )          | --                                  | (3,368,941 )                            | --                                  | (4,389,947,870 )                      |
| --                    | --                                  | --                                      | --                                  | 2,414,398,794                         |
| <u>(4,005,016 )</u>   | <u>--</u>                           | <u>(3,368,941 )</u>                     | <u>20,985,178</u>                   | <u>2,841,060,491</u>                  |
| 206,753               | 24,173                              | 1,026,423                               | 18,180,759                          | 415,804,186                           |
| 171,888,420           | 63,243                              | 504,755                                 | --                                  | 3,977,531,560                         |
| <u>\$ 172,095,173</u> | <u>\$ 87,416</u>                    | <u>\$ 1,531,178</u>                     | <u>\$ 18,180,759</u>                | <u>\$ 4,393,335,746</u>               |

**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2005**

|  | <b>Correctional<br/>Facilities<br/>Construction Fund</b> | <b>Correctional<br/>Facilities<br/>Construction<br/>Fund of 1987</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Cash and cash equivalents</b>                             | \$ 14,097  | \$ 10,090  |
| <b>Investments</b>   | 587,719  | 1,523,438  |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |  |  |
| Federal government   | --   | --   |
| Departmental accounts  | --   | --   |
| Loans  | --   | --   |
| Other  | --   | 104,901  |
| <b>Due from other funds</b>                                  | --   | --   |
| <b>Total Assets</b>  | \$ 601,816   | \$ 1,638,429   |
| <b>LIABILITIES AND FUND BALANCES</b>                         |  |  |
| <b>Liabilities</b>   |  |  |
| Accounts payable and accruals                                | \$ --  | \$ 19,774  |
| Due to other funds   | 12,743   | 407,158  |
| <b>Total Liabilities</b>                                     | 12,743   | 426,932  |
| <b>Fund Balances</b>   |  |  |
| Reserved for:  |  |  |
| Encumbrances   | --   | 686,782  |
| Other  | --   | --   |
| Unreserved:  |  |  |
| Designated-continuing appropriations                         | 589,073  | 524,715  |
| Undesignated   | --   | --   |
| <b>Total Fund Balances</b>                                   | 589,073  | 1,211,497  |
| <b>Total Liabilities and Fund Balances</b>                   | \$ 601,816   | \$ 1,638,429   |

| <u>Energy<br/>Conservation<br/>Fund</u> | <u>Human Services<br/>Facilities<br/>Construction Fund</u> | <u>Motor Vehicle<br/>Commission<br/>Fund</u> | <u>New Jersey Bridge<br/>Rehabilitation and<br/>Improvement and<br/>Railroad<br/>Right-of-Way<br/>Preservation Fund</u> |
|---|--|--|---|
| \$ 6,203                                | \$ --  | \$ --  | \$ 6,452  |
| 279,580                                 | 98,306   | 6,828,845                                    | 6,295,524   |
| --                                      | --   | --   | --  |
| --                                      | --   | --   | --  |
| --                                      | --   | 135,313,980                                  | --  |
| --                                      | --   | --   | --  |
| <u>\$ 285,783</u>                       | <u>\$ 98,306</u>   | <u>\$ 142,142,825</u>                        | <u>\$ 6,301,976</u>   |
| <br>                                    |  |  |   |
| \$ --                                   | \$ 35,720  | \$ 1,063,856                                 | \$ --   |
| 6,089                                   | 2,136  | 11,917,500                                   | 137,277   |
| <u>6,089</u>                            | <u>37,856</u>  | <u>12,981,356</u>                            | <u>137,277</u>  |
| <br>                                    |  |  |   |
| 6,062                                   | 20,867   | 9,232,164                                    | 1,705,312   |
| --                                      | --   | --   | --  |
| 273,632                                 | 39,583   | 119,929,305                                  | 4,459,387   |
| <u>--</u>                               | <u>--</u>  | <u>--</u>                                    | <u>--</u>   |
| <u>279,694</u>                          | <u>60,450</u>  | <u>129,161,469</u>                           | <u>6,164,699</u>  |
| <u>\$ 285,783</u>                       | <u>\$ 98,306</u>   | <u>\$ 142,142,825</u>                        | <u>\$ 6,301,976</u>   |

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET (Continued)**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2005**

|  | Public Purpose<br>Buildings and<br>Community-Based<br>Facilities<br>Construction Fund | Public Purpose<br>Buildings<br>Construction Fund | Special<br>Transportation<br>Fund |
|--|---|--|-----------------------------------|
| <b>ASSETS</b>  |   |  |                                   |
| <b>Cash and cash equivalents</b>                             | \$ --   | \$ 91,852  | \$ --                             |
| <b>Investments</b>   | 4,567,285   | 157,050  | --                                |
| <b>Receivables, net of allowances<br/>for uncollectibles</b> |   |  |                                   |
| Federal government   | --  | --   | 93,717,544                        |
| Departmental accounts  | --  | --   | 1,648,451                         |
| Loans  | --  | --   | 5,000,000                         |
| Other  | --  | --   | 18,700                            |
| <b>Due from other funds</b>                                  | --  | --   | 203,964,632                       |
| <b>Total Assets</b>  | \$ 4,567,285  | \$ 248,902                                       | \$ 304,349,327                    |
| <b>LIABILITIES AND FUND BALANCES</b>                         |   |  |                                   |
| <b>Liabilities</b>   |   |  |                                   |
| Accounts payable and accruals                                | \$ 3,190  | \$ --  | \$ 145,041,392                    |
| Due to other funds   | 102,972   | 3,409  | 159,307,935                       |
| <b>Total Liabilities</b>                                     | 106,162   | 3,409  | 304,349,327                       |
| <b>Fund Balances</b>   |   |  |                                   |
| Reserved for:  |   |  |                                   |
| Encumbrances   | 235,775   | 608  | --                                |
| Other  | --  | --   | 5,000,000                         |
| Unreserved:  |   |  |                                   |
| Designated-continuing appropriations                         | 4,225,348   | 244,885  | --                                |
| Undesignated   | --  | --   | (5,000,000 )                      |
| <b>Total Fund Balances</b>                                   | 4,461,123   | 245,493  | --                                |
| <b>Total Liabilities and Fund Balances</b>                   | \$ 4,567,285  | \$ 248,902                                       | \$ 304,349,327                    |

| <u>State Facilities<br/>for<br/>Handicapped Fund</u> | <u>1999 Statewide<br/>Transportation<br/>and<br/>Local Bridge Fund</u> | <u>Transportation<br/>Rehabilitation and<br/>Improvement Fund</u> | <u>Total Non-Major<br/>Capital Projects<br/>Funds</u> |
|--|--|---|---|
| \$ 5,137   | \$ 62,480  | \$ 262,477  | \$ 458,788  |
| 67,482   | 39,643,674   | 312,081   | 60,360,984  |
| --   | --   | --  | 93,717,544  |
| --   | --   | --  | 1,648,451   |
| --   | --   | --  | 5,000,000   |
| --   | --   | --  | 135,437,581   |
| --   | --   | --  | 203,964,632   |
| <u>\$ 72,619</u>                                     | <u>\$ 39,706,154</u>   | <u>\$ 574,558</u>   | <u>\$ 500,587,980</u>                                 |
| <br>   |  |   |   |
| \$ 55,643  | \$ 259,498   | \$ --   | \$ 146,479,073  |
| --   | 1,126,919  | 6,766   | 173,030,904   |
| <u>55,643</u>  | <u>1,386,417</u>   | <u>6,766</u>  | <u>319,509,977</u>                                    |
| <br>   |  |   |   |
| 2,647  | 20,927,584   | --  | 32,817,801  |
| --   | --   | --  | 5,000,000   |
| 14,329   | 17,392,153   | 567,792   | 148,260,202   |
| --   | --   | --  | (5,000,000 )  |
| <u>16,976</u>  | <u>38,319,737</u>  | <u>567,792</u>  | <u>181,078,003</u>                                    |
| <u>\$ 72,619</u>                                     | <u>\$ 39,706,154</u>   | <u>\$ 574,558</u>   | <u>\$ 500,587,980</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, 2005**

|   | <b>Correctional<br/>Facilities<br/>Construction Fund</b> | <b>Correctional<br/>Facilities<br/>Construction<br/>Fund of 1987</b> | <b>Energy<br/>Conservation<br/>Fund</b> |
|---|--|--|---|
| <b>REVENUES</b>   |  |  |   |
| Federal and other grants  | \$ --  | \$ --  | \$ --                                   |
| Services and assessments  | --   | --   | --                                      |
| Investment earnings   | 12,743   | 38,285   | 6,089                                   |
| Other   | --   | --   | --                                      |
| <b>Total Revenues</b>   | <b>12,743</b>  | <b>38,285</b>  | <b>6,089</b>                            |
| <b>EXPENDITURES</b>   |  |  |   |
| <b>Current:</b>   |  |  |   |
| Public safety and criminal justice  | 8,415  | 317,684  | --                                      |
| Physical and mental health  | --   | --   | --                                      |
| Educational, cultural, and intellectual development   | --   | --   | --                                      |
| Economic planning, development, and security  | --   | --   | --                                      |
| Transportation programs   | --   | --   | --                                      |
| Government direction, management, and control   | --   | --   | 13,627                                  |
| <b>Total Expenditures</b>   | <b>8,415</b>   | <b>317,684</b>   | <b>13,627</b>                           |
| <b>Excess (deficiency) of revenues over expenditures</b>                                      | <b>4,328</b>   | <b>(279,399 )</b>  | <b>(7,538 )</b>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>   |  |  |   |
| Transfers from other funds  | --   | --   | --                                      |
| Transfers to other funds  | (12,743 )  | (407,157 )   | (6,089 )                                |
| <b>Total other financing sources (uses)</b>   | <b>(12,743 )</b>   | <b>(407,157 )</b>  | <b>(6,089 )</b>                         |
| <b>Excess (deficiency) of revenues and other sources<br/>over expenditures and other uses</b> | <b>(8,415 )</b>  | <b>(686,556 )</b>  | <b>(13,627 )</b>                        |
| <b>Fund balances - July 1, 2004</b>   | <b>597,488</b>   | <b>1,898,053</b>   | <b>293,321</b>                          |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 589,073</b>  | <b>\$ 1,211,497</b>  | <b>\$ 279,694</b>                       |

| Human Services<br>Facilities<br>Construction Fund | Motor Vehicle<br>Commission<br>Fund | New Jersey Bridge<br>Rehabilitation and<br>Improvement and<br>Railroad<br>Right-of-Way<br>Preservation Fund | New Jersey Bridge<br>Rehabilitation and<br>Improvement<br>Fund |
|---|-------------------------------------|---|--|
| \$ --   | \$ --                               | \$ --   | \$ --  |
| --  | --                                  | --  | --   |
| 2,136   | 3,596,764                           | 137,277   | 64   |
| --  | --                                  | --  | --   |
| <u>2,136</u>                                      | <u>3,596,764</u>                    | <u>137,277</u>  | <u>64</u>  |
| --  | 19,868,770                          | --  | --   |
| --  | --                                  | --  | --   |
| 151,257   | --                                  | --  | --   |
| --  | --                                  | --  | --   |
| --  | --                                  | --  | 5,620  |
| --  | 5,000                               | --  | --   |
| <u>151,257</u>                                    | <u>19,873,770</u>                   | <u>--</u>   | <u>5,620</u>   |
| <u>(149,121 )</u>                                 | <u>(16,277,006 )</u>                | <u>137,277</u>  | <u>(5,556 )</u>  |
| --  | --                                  | --  | --   |
| (2,136 )  | --                                  | (137,277 )  | (64 )  |
| <u>(2,136 )</u>                                   | <u>--</u>                           | <u>(137,277 )</u>   | <u>(64 )</u>   |
| (151,257 )  | (16,277,006 )                       | --  | (5,620 )   |
| 211,707   | 145,438,475                         | 6,164,699   | 5,620  |
| <u>\$ 60,450</u>                                  | <u>\$ 129,161,469</u>               | <u>\$ 6,164,699</u>   | <u>\$ --</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, 2005**

|   | <b>Public Purpose<br/>Buildings and<br/>Community-Based<br/>Facilities<br/>Construction Fund</b> | <b>Public Purpose<br/>Buildings<br/>Construction Fund</b> | <b>Special<br/>Transportation<br/>Fund</b> |
|---|--|---|--|
| <b>REVENUES</b>   |  |   |  |
| Federal and other grants  | \$ --  | \$ --   | \$ 623,850,095                             |
| Services and assessments  | --   | --  | 1,402,353                                  |
| Investment earnings   | 102,972  | 3,409   | --   |
| Other   | --   | --  | 1,124,940                                  |
| <b>Total Revenues</b>   | <b>102,972</b>   | <b>3,409</b>  | <b>626,377,388</b>                         |
| <b>EXPENDITURES</b>   |  |   |  |
| <b>Current:</b>   |  |   |  |
| Public safety and criminal justice  | 215,171  | --  | --   |
| Physical and mental health  | 161,868  | --  | --   |
| Educational, cultural, and intellectual development                                       | 9,700  | --  | --   |
| Economic planning, development, and security  | 24,865   | --  | --   |
| Transportation programs   | --   | --  | 1,954,602,041                              |
| Government direction, management, and control   | --   | --  | --   |
| <b>Total Expenditures</b>   | <b>411,604</b>   | <b>--</b>   | <b>1,954,602,041</b>                       |
| <b>Excess (deficiency) of revenues over expenditures</b>                                  | <b>(308,632 )</b>  | <b>3,409</b>  | <b>(1,328,224,653 )</b>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>   |  |   |  |
| Transfers from other funds  | --   | --  | 1,328,224,653                              |
| Transfers to other funds  | (102,972 )   | (3,409 )  | --   |
| <b>Total other financing sources (uses)</b>   | <b>(102,972 )</b>  | <b>(3,409 )</b>   | <b>1,328,224,653</b>                       |
| <b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> | <b>(411,604 )</b>  | <b>--</b>   | <b>--</b>                                  |
| <b>Fund balances - July 1, 2004</b>   | <b>4,872,727</b>   | <b>245,493</b>  | <b>--</b>                                  |
| <b>Fund balances - June 30, 2005</b>  | <b>\$ 4,461,123</b>  | <b>\$ 245,493</b>   | <b>\$ --</b>                               |

| State Facilities<br>for<br>Handicapped Fund | 1999 Statewide<br>Transportation<br>and<br>Local Bridge Fund | Transportation<br>Rehabilitation and<br>Improvement Fund | Total Non-Major<br>Capital Projects<br>Funds |
|---|--|--|--|
| \$ --                                       | \$ --  | \$ --  | \$ 623,850,095                               |
| --  | --   | --   | 1,402,353                                    |
| 4,914                                       | 1,051,667  | 6,766  | 4,963,086                                    |
| --  | --   | --   | 1,124,940                                    |
| <u>4,914</u>                                | <u>1,051,667</u>   | <u>6,766</u>   | <u>631,340,474</u>                           |
| --  | --   | --   | 20,410,040                                   |
| --  | --   | --   | 161,868                                      |
| 228,777                                     | --   | --   | 389,734                                      |
| --  | --   | --   | 24,865                                       |
| --  | 18,051,703   | --   | 1,972,659,364                                |
| --  | 1,594,887  | --   | 1,613,514                                    |
| <u>228,777</u>                              | <u>19,646,590</u>  | <u>--</u>  | <u>1,995,259,385</u>                         |
| <u>(223,863)</u>                            | <u>(18,594,923)</u>  | <u>6,766</u>   | <u>(1,363,918,911)</u>                       |
| --  | --   | --   | 1,328,224,653                                |
| --  | (1,126,919)  | (6,766)  | (1,805,532)                                  |
| --  | (1,126,919)  | (6,766)  | 1,326,419,121                                |
| (223,863)                                   | (19,721,842)   | --   | (37,499,790)                                 |
| 240,839                                     | 58,041,579   | 567,792  | 218,577,793                                  |
| <u>\$ 16,976</u>                            | <u>\$ 38,319,737</u>   | <u>\$ 567,792</u>  | <u>\$ 181,078,003</u>                        |

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2005**

|                                | <b>Dental<br/>Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>Prescription<br/>Drug Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>Total<br/>Non-Major<br/>Proprietary<br/>Funds</b> |
|--------------------------------|---|--|--|
| <b>ASSETS</b>                  |   |  |  |
| <b>Current Assets</b>          |   |  |  |
| Cash and cash equivalents      | \$ 34,285   | \$ 430,217   | \$ 464,502   |
| Investments                    | 610,438   | 14,869,941   | 15,480,379   |
| Receivables, net of allowances |   |  |  |
| Other                          | 18,516  | 7,308,917  | 7,327,433  |
| Due from other funds           | --  | 479,286  | 479,286  |
| <b>Total Assets</b>            | <b>663,239</b>  | <b>23,088,361</b>  | <b>23,751,600</b>                                    |
| <b>LIABILITIES</b>             |   |  |  |
| <b>Current Liabilities</b>     |   |  |  |
| Accounts payable               | 1,900,000   | 1,800,000  | 3,700,000  |
| Due to other funds             | 13,064  | --   | 13,064   |
| <b>Total Liabilities</b>       | <b>1,913,064</b>  | <b>1,800,000</b>   | <b>3,713,064</b>                                     |
| <b>NET ASSETS</b>              |   |  |  |
| <b>Restricted for:</b>         |   |  |  |
| Other purposes                 | --  | 21,288,361   | 21,288,361   |
| <b>Unrestricted</b>            | <b>(1,249,825)</b>  | <b>--</b>  | <b>(1,249,825)</b>                                   |
| <b>Total Net Assets</b>        | <b>\$ (1,249,825)</b>   | <b>\$ 21,288,361</b>   | <b>\$ 20,038,536</b>                                 |

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <b>Dental<br/>Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>Prescription<br/>Drug Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>Total<br/>Non-Major<br/>Proprietary<br/>Funds</b> |
|---|---|--|--|
| <b>OPERATING REVENUES</b>                     |   |  |  |
| Contributions                                 | \$ 5,346,636  | \$ 92,141,133  | \$ 97,487,769  |
| <b>Total Operating Revenues</b>               | <u>5,346,636</u>  | <u>92,141,133</u>  | <u>97,487,769</u>                                    |
| <b>OPERATING EXPENSES</b>                     |   |  |  |
| Benefit payments                              | 6,605,724   | 80,063,037   | 86,668,761   |
| <b>Total Operating Expenses</b>               | <u>6,605,724</u>  | <u>80,063,037</u>  | <u>86,668,761</u>                                    |
| <b>Operating Income (Loss)</b>                | <u>(1,259,088 )</u>   | <u>12,078,096</u>  | <u>10,819,008</u>                                    |
| <b>NONOPERATING REVENUES (EXPENSES)</b>       |   |  |  |
| Investment income                             | 9,263   | 231,806  | 241,069  |
| <b>Total Nonoperating Revenues (Expenses)</b> | <u>9,263</u>  | <u>231,806</u>   | <u>241,069</u>                                       |
| <b>Change in Net Assets</b>                   | (1,249,825 )  | 12,309,902   | 11,060,077   |
| <b>Total Net Assets - July 1, 2004</b>        | <u>--</u>   | <u>8,978,459</u>   | <u>8,978,459</u>                                     |
| <b>Total Net Assets - June 30, 2005</b>       | <u>\$ (1,249,825 )</u>  | <u>\$ 21,288,361</u>   | <u>\$ 20,038,536</u>                                 |

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <b>Dental<br/>Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>Prescription<br/>Drug Local<br/>Government<br/>Employers<br/>Program Fund</b> | <b>Total<br/>Non-Major<br/>Proprietary<br/>Funds</b> |
|---|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |  |  |
| Receipts received from customers  | \$ 5,119,134  | \$ 608,800   | \$ 5,727,934   |
| Receipts from federal and local agencies  | 208,986   | 91,441,293   | 91,650,279   |
| Claims paid   | (4,692,660 )  | (85,113,896 )  | (89,806,556 )  |
| <b>Net cash provided (used) by operating activities</b>   | <b>635,460</b>  | <b>6,936,197</b>   | <b>7,571,657</b>                                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |  |  |
| Interest and dividends  | 9,133   | 231,664  | 240,797  |
| Purchase of investments   | (610,438 )  | (6,870,971 )   | (7,481,409 )   |
| Other   | 130   | 142  | 272  |
| <b>Net cash provided (used) by investing activities</b>   | <b>(601,175 )</b>   | <b>(6,639,165 )</b>  | <b>(7,240,340 )</b>                                  |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>34,285</b>   | <b>297,032</b>   | <b>331,317</b>                                       |
| <b>Cash and cash equivalents - July 1, 2004</b>   | <b>--</b>   | <b>133,185</b>   | <b>133,185</b>                                       |
| <b>Cash and cash equivalents - June 30, 2005</b>  | <b>\$ 34,285</b>  | <b>\$ 430,217</b>  | <b>\$ 464,502</b>                                    |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |   |  |  |
| Operating income (loss)   | \$ (1,259,088 )   | \$ 12,078,096  | \$ 10,819,008  |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities         |   |  |  |
| Net changes in assets and liabilities:  |   |  |  |
| Current assets  | (18,516 )   | (91,040 )  | (109,556 )   |
| Current liabilities   | 1,913,064   | (5,050,859 )   | (3,137,795 )   |
| <b>Net cash provided (used) by operating activities</b>   | <b>\$ 635,460</b>   | <b>\$ 6,936,197</b>  | <b>\$ 7,571,657</b>                                  |

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2005**

|  | <u>Alternate Benefit<br/>Program Fund</u> | <u>Judiciary<br/>Bail<br/>Fund</u> | <u>Judiciary<br/>Child Support and<br/>Paternity Fund</u> |
|--|---|------------------------------------|---|
| <b>ASSETS</b>  |   |                                    |   |
| <b>Cash and cash equivalents</b>                             | \$ 981,712                                | \$ 87,823                          | \$ 3,617,907  |
| <b>Investments</b>   | 4,186,500                                 | 28,992,058                         | 22,437,957  |
| <b>Receivables, net of allowances for<br/>uncollectibles</b> |   |                                    |   |
| Members  | 29,615                                    | --                                 | --  |
| Employers  | --  | --                                 | --  |
| Departmental accounts  | --  | --                                 | --  |
| Other  | --  | 41,822                             | --  |
| <b>Due from other funds</b>                                  | <u>20,283,308</u>                         | <u>--</u>                          | <u>--</u>   |
| <b>Total Assets</b>  | <u><u>\$ 25,481,135</u></u>               | <u><u>\$ 29,121,703</u></u>        | <u><u>\$ 26,055,864</u></u>                               |
| <b>LIABILITIES</b>   |   |                                    |   |
| <b>Accounts payable</b>                                      | \$ 22,351,581                             | \$ 29,121,703                      | \$ 26,055,864   |
| <b>Due to other funds</b>                                    | <u>3,129,554</u>                          | <u>--</u>                          | <u>--</u>   |
| <b>Total Liabilities</b>                                     | <u><u>\$ 25,481,135</u></u>               | <u><u>\$ 29,121,703</u></u>        | <u><u>\$ 26,055,864</u></u>                               |

| <u>Judiciary<br/>Probation<br/>Fund</u> | <u>Judiciary<br/>Special Civil<br/>Fund</u> | <u>Luxury Tax<br/>Development<br/>Fund</u> |
|---|---|--|
| \$ 98,312                               | \$ 169,463                                  | \$ 254,035                                 |
| 10,339,519                              | 2,962,967                                   | 1,576,417                                  |
| --                                      | --  | --   |
| --                                      | --  | --   |
| --                                      | --  | --   |
| --                                      | --  | --   |
| <u>10,437,831</u>                       | <u>3,132,430</u>                            | <u>1,830,452</u>                           |
| \$ 10,437,831                           | \$ 3,132,430                                | \$ 1,830,452                               |
| --                                      | --  | --   |
| <u>10,437,831</u>                       | <u>3,132,430</u>                            | <u>1,830,452</u>                           |

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**AGENCY FUNDS**  
**JUNE 30, 2005**

|   | <u>Pension<br/>Adjustment Fund</u> | <u>Resource Recovery<br/>Investment<br/>Tax Fund</u> | <u>Solid Waste<br/>Service<br/>Tax Fund</u> |
|---|------------------------------------|--|---|
| <b>ASSETS</b>                                     |                                    |  |   |
| Cash and cash equivalents                         | \$ 29,762                          | \$ 100,299   | \$ 51,138                                   |
| Investments                                       | 3,480,275                          | 402,714  | 11,046,062                                  |
| Receivables, net of allowances for uncollectibles |                                    |  |   |
| Members   | --                                 | --   | --  |
| Employers   | 1,747,855                          | --   | --  |
| Departmental accounts                             | --                                 | --   | 37,231                                      |
| Other   | --                                 | --   | --  |
| Due from other funds                              | <u>22,083</u>                      | <u>--</u>  | <u>--</u>                                   |
| <b>Total Assets</b>                               | <u><u>\$ 5,279,975</u></u>         | <u><u>\$ 503,013</u></u>                             | <u><u>\$ 11,134,431</u></u>                 |
| <b>LIABILITIES</b>                                |                                    |  |   |
| Accounts payable                                  | \$ 3,142,826                       | \$ 503,013   | \$ 11,134,431                               |
| Due to other funds                                | <u>2,137,149</u>                   | <u>--</u>  | <u>--</u>                                   |
| <b>Total Liabilities</b>                          | <u><u>\$ 5,279,975</u></u>         | <u><u>\$ 503,013</u></u>                             | <u><u>\$ 11,134,431</u></u>                 |

| <u>Tourism<br/>Improvement and<br/>Development<br/>Act</u> | <u>Wage and Hour<br/>Trust Fund</u> | <u>Total<br/>Agency<br/>Funds</u> |
|--|-------------------------------------|-----------------------------------|
| \$ 8,776   | \$ 2,114,301                        | \$ 7,513,528                      |
| 26,876   | 1,146,823                           | 86,598,168                        |
| --   | --                                  | 29,615                            |
| --   | --                                  | 1,747,855                         |
| 826,668  | --                                  | 863,899                           |
| --   | --                                  | 41,822                            |
| --   | --                                  | 20,305,391                        |
| <u>\$ 862,320</u>  | <u>\$ 3,261,124</u>                 | <u>\$ 117,100,278</u>             |
| <br>   |                                     |                                   |
| \$ 740,558   | \$ 3,246,487                        | \$ 111,697,176                    |
| 121,762  | 14,637                              | 5,403,102                         |
| <u>\$ 862,320</u>  | <u>\$ 3,261,124</u>                 | <u>\$ 117,100,278</u>             |

STATE OF NEW JERSEY  
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 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

|                                       | Balance<br>July 1, 2004 | Additions             | Deductions            | Balance<br>June 30, 2005 |
|---------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| <b>ALTERNATE BENEFIT PROGRAM FUND</b> |                         |                       |                       |                          |
| <b>Assets</b>                         |                         |                       |                       |                          |
| Cash and cash equivalents             | \$ 261,287              | \$ 113,784,827        | \$ 113,064,402        | \$ 981,712               |
| Investments                           | 11,949,036              | 122,115,766           | 129,878,302           | 4,186,500                |
| Receivables, net - members            | 27,651                  | 29,615                | 27,651                | 29,615                   |
| Due from other funds                  | 8,706,378               | 20,283,308            | 8,706,378             | 20,283,308               |
| <b>Total Assets</b>                   | <b>\$ 20,944,352</b>    | <b>\$ 256,213,516</b> | <b>\$ 251,676,733</b> | <b>\$ 25,481,135</b>     |
| <b>Liabilities</b>                    |                         |                       |                       |                          |
| Account Payable                       | \$ 20,036,372           | \$ 23,090,708         | \$ 20,775,499         | \$ 22,351,581            |
| Due to other funds                    | 907,980                 | 3,129,554             | 907,980               | 3,129,554                |
| <b>Total Liabilities</b>              | <b>\$ 20,944,352</b>    | <b>\$ 26,220,262</b>  | <b>\$ 21,683,479</b>  | <b>\$ 25,481,135</b>     |

**JUDICIARY BAIL FUND**

|                           |                      |                       |                       |                      |
|---------------------------|----------------------|-----------------------|-----------------------|----------------------|
| <b>Assets</b>             |                      |                       |                       |                      |
| Cash and cash equivalents | \$ 842,754           | \$ 141,613,910        | \$ 142,368,841        | \$ 87,823            |
| Investments               | 27,108,058           | 25,582,751            | 23,698,751            | 28,992,058           |
| Receivables, net - other  | 41,822               | --                    | --                    | 41,822               |
| <b>Total Assets</b>       | <b>\$ 27,992,634</b> | <b>\$ 167,196,661</b> | <b>\$ 166,067,592</b> | <b>\$ 29,121,703</b> |
| <b>Liabilities</b>        |                      |                       |                       |                      |
| Accounts Payable          | \$ 27,992,634        | \$ 116,474,402        | \$ 115,345,333        | \$ 29,121,703        |
| <b>Total Liabilities</b>  | <b>\$ 27,992,634</b> | <b>\$ 116,474,402</b> | <b>\$ 115,345,333</b> | <b>\$ 29,121,703</b> |

**JUDICIARY CHILD SUPPORT AND PATERNITY FUND**

|                          |                      |                         |                         |                      |
|--------------------------|----------------------|-------------------------|-------------------------|----------------------|
| <b>Assets</b>            |                      |                         |                         |                      |
| Cash                     | \$ 4,484,525         | \$ 2,600,858,323        | \$ 2,601,724,941        | \$ 3,617,907         |
| Investments              | 22,614,956           | 181,492,842             | 181,669,841             | 22,437,957           |
| <b>Total Assets</b>      | <b>\$ 27,099,481</b> | <b>\$ 2,782,351,165</b> | <b>\$ 2,783,394,782</b> | <b>\$ 26,055,864</b> |
| <b>Liabilities</b>       |                      |                         |                         |                      |
| Accounts Payable         | \$ 27,099,481        | \$ 1,715,684,082        | \$ 1,716,727,699        | \$ 26,055,864        |
| <b>Total Liabilities</b> | <b>\$ 27,099,481</b> | <b>\$ 1,715,684,082</b> | <b>\$ 1,716,727,699</b> | <b>\$ 26,055,864</b> |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | Balance<br>July 1, 2004 | Additions             | Deductions            | Balance<br>June 30, 2005 |
|---|-------------------------|-----------------------|-----------------------|--------------------------|
| <b>JUDICIARY PROBATION FUND</b>         |                         |                       |                       |                          |
| <b>Assets</b>                           |                         |                       |                       |                          |
| Cash                                    | \$ 91,199               | \$ 88,882,485         | \$ 88,875,372         | \$ 98,312                |
| Investments                             | 9,830,519               | 20,239,338            | 19,730,338            | 10,339,519               |
| <b>Total Assets</b>                     | <u>\$ 9,921,718</u>     | <u>\$ 109,121,823</u> | <u>\$ 108,605,710</u> | <u>\$ 10,437,831</u>     |
| <b>Liabilities</b>                      |                         |                       |                       |                          |
| Accounts payable                        | \$ 9,921,718            | \$ 70,065,635         | \$ 69,549,522         | \$ 10,437,831            |
| <b>Total Liabilities</b>                | <u>\$ 9,921,718</u>     | <u>\$ 70,065,635</u>  | <u>\$ 69,549,522</u>  | <u>\$ 10,437,831</u>     |
| <br><b>JUDICIARY SPECIAL CIVIL FUND</b> |                         |                       |                       |                          |
| <b>Assets</b>                           |                         |                       |                       |                          |
| Cash                                    | \$ 90,984               | \$ 67,930,612         | \$ 67,852,133         | \$ 169,463               |
| Investments                             | 3,058,967               | 13,945,040            | 14,041,040            | 2,962,967                |
| <b>Total Assets</b>                     | <u>\$ 3,149,951</u>     | <u>\$ 81,875,652</u>  | <u>\$ 81,893,173</u>  | <u>\$ 3,132,430</u>      |
| <b>Liabilities</b>                      |                         |                       |                       |                          |
| Accounts payable                        | \$ 3,149,951            | \$ 53,740,594         | \$ 53,758,115         | \$ 3,132,430             |
| <b>Total Liabilities</b>                | <u>\$ 3,149,951</u>     | <u>\$ 53,740,594</u>  | <u>\$ 53,758,115</u>  | <u>\$ 3,132,430</u>      |
| <br><b>LUXURY TAX DEVELOPMENT FUND</b>  |                         |                       |                       |                          |
| <b>Assets</b>                           |                         |                       |                       |                          |
| Cash                                    | \$ 3,864                | \$ 293,491            | \$ 43,320             | \$ 254,035               |
| Investments                             | 1,587,165               | 34,252                | 45,000                | 1,576,417                |
| <b>Total Assets</b>                     | <u>\$ 1,591,029</u>     | <u>\$ 327,743</u>     | <u>\$ 88,320</u>      | <u>\$ 1,830,452</u>      |
| <b>Liabilities</b>                      |                         |                       |                       |                          |
| Accounts payable                        | \$ 1,591,029            | \$ 326,063            | \$ 86,640             | \$ 1,830,452             |
| <b>Total Liabilities</b>                | <u>\$ 1,591,029</u>     | <u>\$ 326,063</u>     | <u>\$ 86,640</u>      | <u>\$ 1,830,452</u>      |

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**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | Balance<br>July 1, 2004 | Additions            | Deductions           | Balance<br>June 30, 2005 |
|--|-------------------------|----------------------|----------------------|--------------------------|
| <b>PENSION ADJUSTMENT FUND</b>                   |                         |                      |                      |                          |
| <b>Assets</b>                                    |                         |                      |                      |                          |
| Cash   | \$ 688,111              | \$ 10,976,696        | \$ 11,635,045        | \$ 29,762                |
| Investments                                      | 3,169,285               | 11,288,530           | 10,977,540           | 3,480,275                |
| Receivables, net - employers                     | 2,484,014               | 13,183,274           | 13,919,433           | 1,747,855                |
| Due from other funds                             | 9,543                   | 125,981              | 113,441              | 22,083                   |
| <b>Total Assets</b>                              | <u>\$ 6,350,953</u>     | <u>\$ 35,574,481</u> | <u>\$ 36,645,459</u> | <u>\$ 5,279,975</u>      |
| <b>Liabilities</b>                               |                         |                      |                      |                          |
| Accounts payable                                 | \$ 3,808,277            | \$ 103,833           | \$ 769,284           | \$ 3,142,826             |
| Due to other funds                               | 2,542,676               | 20,021,351           | 20,426,878           | 2,137,149                |
| <b>Total Liabilities</b>                         | <u>\$ 6,350,953</u>     | <u>\$ 20,125,184</u> | <u>\$ 21,196,162</u> | <u>\$ 5,279,975</u>      |
| <b>RESOURCE RECOVERY<br/>INVESTMENT TAX FUND</b> |                         |                      |                      |                          |
| <b>Assets</b>                                    |                         |                      |                      |                          |
| Cash   | \$ 100,299              | \$ 87                | \$ 87                | \$ 100,299               |
| Investments                                      | 394,109                 | 8,605                | --                   | 402,714                  |
| <b>Total Assets</b>                              | <u>\$ 494,408</u>       | <u>\$ 8,692</u>      | <u>\$ 87</u>         | <u>\$ 503,013</u>        |
| <b>Liabilities</b>                               |                         |                      |                      |                          |
| Accounts payable                                 | \$ 494,408              | \$ 8,605             | \$ --                | \$ 503,013               |
| <b>Total Liabilities</b>                         | <u>\$ 494,408</u>       | <u>\$ 8,605</u>      | <u>\$ --</u>         | <u>\$ 503,013</u>        |
| <b>SOLID WASTE SERVICE TAX FUND</b>              |                         |                      |                      |                          |
| <b>Assets</b>                                    |                         |                      |                      |                          |
| Cash   | \$ 444,367              | \$ 12,549,290        | \$ 12,942,519        | \$ 51,138                |
| Investments                                      | 8,445,801               | 3,512,177            | 911,916              | 11,046,062               |
| Receivables, net - departmental                  | 457,001                 | 37,231               | 457,001              | 37,231                   |
| <b>Total Assets</b>                              | <u>\$ 9,347,169</u>     | <u>\$ 16,098,698</u> | <u>\$ 14,311,436</u> | <u>\$ 11,134,431</u>     |
| <b>Liabilities</b>                               |                         |                      |                      |                          |
| Accounts payable                                 | \$ 9,347,169            | \$ 9,696,003         | \$ 7,908,741         | \$ 11,134,431            |
| <b>Total Liabilities</b>                         | <u>\$ 9,347,169</u>     | <u>\$ 9,696,003</u>  | <u>\$ 7,908,741</u>  | <u>\$ 11,134,431</u>     |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | Balance<br>July 1, 2004 | Additions               | Deductions              | Balance<br>June 30, 2005 |
|--|-------------------------|-------------------------|-------------------------|--------------------------|
| <b>TOURISM IMPROVEMENT AND DEVELOPMENT ACT</b> |                         |                         |                         |                          |
| <b>Assets</b>                                  |                         |                         |                         |                          |
| Cash   | \$ 9,775                | \$ 5,096,868            | \$ 5,097,867            | \$ 8,776                 |
| Investments                                    | 25,204                  | 100,672                 | 99,000                  | 26,876                   |
| Receivables, net - departmental                | 303,758                 | 826,668                 | 303,758                 | 826,668                  |
| <b>Total Assets</b>                            | <u>\$ 338,737</u>       | <u>\$ 6,024,208</u>     | <u>\$ 5,500,625</u>     | <u>\$ 862,320</u>        |
| <b>Liabilities</b>                             |                         |                         |                         |                          |
| Accounts payable                               | \$ 269,737              | \$ 11,054,743           | \$ 10,583,922           | \$ 740,558               |
| Due to other funds                             | 69,000                  | 121,762                 | 69,000                  | 121,762                  |
| <b>Total Liabilities</b>                       | <u>\$ 338,737</u>       | <u>\$ 11,176,505</u>    | <u>\$ 10,652,922</u>    | <u>\$ 862,320</u>        |
| <b>WAGE AND HOUR TRUST FUND</b>                |                         |                         |                         |                          |
| <b>Assets</b>                                  |                         |                         |                         |                          |
| Cash   | \$ 1,189,236            | \$ 7,979,281            | \$ 7,054,216            | \$ 2,114,301             |
| Investments                                    | 1,123,162               | 23,661                  | --                      | 1,146,823                |
| <b>Total Assets</b>                            | <u>\$ 2,312,398</u>     | <u>\$ 8,002,942</u>     | <u>\$ 7,054,216</u>     | <u>\$ 3,261,124</u>      |
| <b>Liabilities</b>                             |                         |                         |                         |                          |
| Accounts payable                               | \$ 2,306,994            | \$ 7,979,281            | \$ 7,039,788            | \$ 3,246,487             |
| Due to other funds                             | 5,404                   | 23,661                  | 14,428                  | 14,637                   |
| <b>Total Liabilities</b>                       | <u>\$ 2,312,398</u>     | <u>\$ 8,002,942</u>     | <u>\$ 7,054,216</u>     | <u>\$ 3,261,124</u>      |
| <b>TOTAL AGENCY FUNDS</b>                      |                         |                         |                         |                          |
| <b>Assets</b>                                  |                         |                         |                         |                          |
| Cash   | \$ 8,206,401            | \$ 3,049,965,870        | \$ 3,050,658,743        | \$ 7,513,528             |
| Investments                                    | 89,306,262              | 378,343,634             | 381,051,728             | 86,598,168               |
| Receivables, net - members                     | 27,651                  | 29,615                  | 27,651                  | 29,615                   |
| Receivables, net - employers                   | 2,484,014               | 13,183,274              | 13,919,433              | 1,747,855                |
| Receivables, net - departmental                | 760,759                 | 863,899                 | 760,759                 | 863,899                  |
| Receivables, net - other                       | 41,822                  | --                      | --                      | 41,822                   |
| Due from other funds                           | 8,715,921               | 20,409,289              | 8,819,819               | 20,305,391               |
| <b>Total Assets</b>                            | <u>\$ 109,542,830</u>   | <u>\$ 3,462,795,581</u> | <u>\$ 3,455,238,133</u> | <u>\$ 117,100,278</u>    |
| <b>Liabilities</b>                             |                         |                         |                         |                          |
| Accounts payable                               | \$ 106,017,770          | \$ 2,008,223,949        | \$ 2,002,544,543        | \$ 111,697,176           |
| Due to other funds                             | 3,525,060               | 23,296,328              | 21,418,286              | 5,403,102                |
| <b>Total Liabilities</b>                       | <u>\$ 109,542,830</u>   | <u>\$ 2,031,520,277</u> | <u>\$ 2,023,962,829</u> | <u>\$ 117,100,278</u>    |

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
JUNE 30, 2005**

|  | <b>Alternate<br/>Benefit<br/>Long-Term<br/>Disability Fund</b> | <b>Central<br/>Pension<br/>Fund</b> | <b>Consolidated<br/>Police and<br/>Firemen's<br/>Pension<br/>Fund</b> |
|--|--|-------------------------------------|---|
| <b>ASSETS</b>  |  |                                     |   |
| Cash and cash equivalents                                | \$ --  | \$ 16,732                           | \$ 132,802  |
| Securities lending collateral                            | --   | --                                  | 158,152   |
| Investments  | 3,626,852  | 38,400                              | 15,654,615  |
| <b>Receivables, net of allowances for uncollectibles</b> |  |                                     |   |
| Members  | --   | --                                  | --  |
| Employers  | --   | --                                  | --  |
| Interest and dividends                                   | --   | 20                                  | 4,979   |
| Due from other funds                                     | --   | --                                  | 2,063,702   |
| Other  | --   | --                                  | 43,001  |
| <b>Total Assets</b>                                      | <u>3,626,852</u>   | <u>55,152</u>                       | <u>18,057,251</u>   |
| <b>LIABILITIES</b>                                       |  |                                     |   |
| Accounts payable   | --   | 5                                   | 1,042   |
| Benefits payable   | --   | 39,858                              | 1,236,174   |
| Securities lending collateral and rebates payable        | --   | --                                  | 158,152   |
| Due to other funds                                       | --   | 15,289                              | 31,180  |
| <b>Total Liabilities</b>                                 | <u>--</u>  | <u>55,152</u>                       | <u>1,426,548</u>  |
| <b>NET ASSETS</b>  |  |                                     |   |
| Held in Trust for Pension Benefits and Other Purposes    | <u>\$ 3,626,852</u>  | <u>\$ --</u>                        | <u>\$ 16,630,703</u>  |

| <u>Judicial<br/>Retirement<br/>System</u> | <u>New Jersey<br/>State Employees'<br/>Deferred<br/>Compensation<br/>Plan</u> | <u>Police and<br/>Firemen's<br/>Retirement<br/>System</u> |
|---|---|---|
| \$ 33,576                                 | \$ 130,241  | \$ --   |
| 52,589,726                                | --  | 2,578,670,674   |
| 327,724,925                               | 1,520,040,415   | 16,192,436,221  |
| --  | --  | 45,290,356  |
| --  | --  | 701,894,418   |
| 1,688,575                                 | 3,550,565   | 85,743,875  |
| 68,280                                    | --  | 2,570,984   |
| 620,698                                   | --  | 475,935,150   |
| 382,725,780                               | 1,523,721,221   | 20,082,541,678  |
| 32,846                                    | 686,825   | 4,673,222   |
| 2,393,633                                 | 6,660,337   | 86,666,090  |
| 52,589,726                                | --  | 2,578,670,674   |
| 110,699                                   | --  | 2,552,341   |
| 55,126,904                                | 7,347,162   | 2,672,562,327   |
| \$ 327,598,876                            | \$ 1,516,374,059  | \$ 17,409,979,351   |

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**JUNE 30, 2005**

|   | <u>Prison<br/>Officers'<br/>Pension<br/>Fund</u> | <u>Public<br/>Employees'<br/>Retirement<br/>System</u> | <u>State<br/>Police<br/>Retirement<br/>System</u> |
|---|--|--|---|
| <b>ASSETS</b>   |  |  |   |
| Cash and cash equivalents                             | \$ 277,441                                       | \$ --  | \$ --   |
| Securities lending collateral                         | 1,055,853  | 3,953,288,908  | 273,620,853                                       |
| Investments   | 14,670,976                                       | 22,605,682,578   | 1,713,966,867                                     |
| Receivables, net of allowances for uncollectibles     |  |  |   |
| Members   | --   | 58,346,713   | 8,053   |
| Employers   | --   | 845,969,563  | --  |
| Interest and dividends                                | 70,891   | 124,743,734  | 8,764,347   |
| Due from other funds                                  | --   | 10,171,956   | 931,708   |
| Other   | --   | 430,134,950  | 28,834,686  |
| <b>Total Assets</b>                                   | <u>16,075,161</u>                                | <u>28,028,338,402</u>                                  | <u>2,026,126,514</u>                              |
| <b>LIABILITIES</b>                                    |  |  |   |
| Accounts payable                                      | 184  | 17,831,792   | 254,672   |
| Benefits payable                                      | 228,626  | 136,177,940  | 8,055,149   |
| Securities lending collateral and rebates payable     | 1,055,853  | 3,953,288,908  | 273,620,853                                       |
| Due to other funds                                    | 7,033  | 5,226,147  | 274,459   |
| <b>Total Liabilities</b>                              | <u>1,291,696</u>                                 | <u>4,112,524,787</u>                                   | <u>282,205,133</u>                                |
| <b>NET ASSETS</b>                                     |  |  |   |
| Held in Trust for Pension Benefits and Other Purposes | <u>\$ 14,783,465</u>                             | <u>\$ 23,915,813,615</u>                               | <u>\$ 1,743,921,381</u>                           |

| <b>Supplemental<br/>Annuity<br/>Collective<br/>Trust</b> | <b>Teachers'<br/>Pension and<br/>Annuity Fund</b> | <b>Total<br/>Pension and<br/>Other Employee<br/>Benefits<br/>Trust Funds</b> |
|--|---|--|
| \$ --  | \$ --   | \$ 590,792   |
| --   | 5,263,308,403                                     | 12,122,692,569   |
| 151,229,845  | 29,306,224,260                                    | 71,851,295,954   |
| 392,610  | 75,055,634  | 179,093,366  |
| --   | 57,211,970  | 1,605,075,951  |
| 205,262  | 164,448,049                                       | 389,220,297  |
| 34,884   | 65,162  | 15,906,676   |
| 1,070,528  | 213,802,187                                       | 1,150,441,200  |
| <u>152,933,129</u>                                       | <u>35,080,115,665</u>                             | <u>87,314,316,805</u>  |
| 1,199,962  | 11,723,616  | 36,404,166   |
| 649,671  | 168,202,908                                       | 410,310,386  |
| --   | 5,263,308,403                                     | 12,122,692,569   |
| 6,302  | 4,649,202   | 12,872,652   |
| <u>1,855,935</u>   | <u>5,447,884,129</u>                              | <u>12,582,279,773</u>  |
| <u>\$ 151,077,194</u>                                    | <u>\$ 29,632,231,536</u>                          | <u>\$ 74,732,037,032</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, 2005**

|  | <b>Alternate<br/>Benefit<br/>Long-Term<br/>Disability Fund</b> | <b>Central<br/>Pension<br/>Fund</b> | <b>Consolidated<br/>Police and<br/>Firemen's<br/>Pension<br/>Fund</b> |
|--|--|-------------------------------------|---|
| <b>ADDITIONS</b>                                     |  |                                     |   |
| Contributions:                                       |  |                                     |   |
| Members  | \$ --  | \$ --                               | \$ --   |
| Employers  | 2,400,000  | 430,878                             | 7,074,835   |
| Other  | --   | 25,248                              | 9,137,417   |
| <b>Total Contributions</b>                           | <b>2,400,000</b>   | <b>456,126</b>                      | <b>16,212,252</b>   |
| Investment Income:                                   |  |                                     |   |
| Net increase (decrease) in fair value of investments | 224  | 3                                   | (22,830 )   |
| Interest and dividends                               | 99,043   | 2,273                               | 262,766   |
| <b>Total Investment Income</b>                       | <b>99,267</b>  | <b>2,276</b>                        | <b>239,936</b>  |
| Less investment expense                              | --   | --                                  | 8,587   |
| <b>Net Investment Income</b>                         | <b>99,267</b>  | <b>2,276</b>                        | <b>231,349</b>  |
| <b>Total Additions</b>                               | <b>2,499,267</b>   | <b>458,402</b>                      | <b>16,443,601</b>   |
| <b>DEDUCTIONS</b>                                    |  |                                     |   |
| Benefit payments                                     | 1,974,304  | 443,764                             | 15,137,682  |
| Refunds of contributions                             | --   | 14,638                              | --  |
| Administrative expense                               | --   | --                                  | 54,494  |
| <b>Total Deductions</b>                              | <b>1,974,304</b>   | <b>458,402</b>                      | <b>15,192,176</b>   |
| Total Changes in Net Assets Held In Trust            | 524,963  | --                                  | 1,251,425   |
| <b>Net Assets - July 1, 2004</b>                     | <b>3,101,889</b>   | <b>--</b>                           | <b>15,379,278</b>   |
| <b>Net Assets - June 30, 2005</b>                    | <b>\$ 3,626,852</b>  | <b>\$ --</b>                        | <b>\$ 16,630,703</b>  |

| <u>Judicial<br/>Retirement<br/>Fund</u> | <u>New Jersey<br/>State Employees'<br/>Deferred<br/>Compensation<br/>Plan</u> | <u>Police and<br/>Firemen's<br/>Retirement<br/>System</u> |
|---|---|---|
| \$ 1,480,942                            | \$ 137,662,924  | \$ 276,195,076  |
| 6,162,076                               | --  | 473,227,921   |
| --                                      | --  | --  |
| <u>7,643,018</u>                        | <u>137,662,924</u>  | <u>749,422,997</u>  |
| 17,347,395                              | 59,555,956  | 932,344,545   |
| <u>9,428,904</u>                        | <u>33,735,022</u>   | <u>451,947,647</u>  |
| 26,776,299                              | 93,290,978  | 1,384,292,192   |
| <u>12,889</u>                           | <u>207,771</u>  | <u>895,806</u>  |
| <u>26,763,410</u>                       | <u>93,083,207</u>   | <u>1,383,396,386</u>                                      |
| <u>34,406,428</u>                       | <u>230,746,131</u>  | <u>2,132,819,383</u>                                      |
| 29,018,355                              | 66,714,506  | 1,064,463,253   |
| --                                      | --  | 5,609,036   |
| <u>169,357</u>                          | <u>933,696</u>  | <u>5,964,075</u>  |
| <u>29,187,712</u>                       | <u>67,648,202</u>   | <u>1,076,036,364</u>                                      |
| 5,218,716                               | 163,097,929   | 1,056,783,019   |
| <u>322,380,160</u>                      | <u>1,353,276,130</u>  | <u>16,353,196,332</u>                                     |
| <u>\$ 327,598,876</u>                   | <u>\$ 1,516,374,059</u>   | <u>\$ 17,409,979,351</u>                                  |

(Continued on next page)

**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, 2005**

|  | <b>Prison<br/>Officers'<br/>Pension<br/>Fund</b> | <b>Public<br/>Employees'<br/>Retirement<br/>System</b> | <b>State<br/>Police<br/>Retirement<br/>System</b> |
|--|--|--|---|
| <b>ADDITIONS</b>                                     |  |  |   |
| Contributions:                                       |  |  |   |
| Members  | \$ --  | \$ 533,862,353   | \$ 15,450,745                                     |
| Employers  | --   | 410,736,970  | 437,652   |
| Other  | 1,219,507  | --   | 39  |
| <b>Total Contributions</b>                           | <b>1,219,507</b>                                 | <b>944,599,323</b>                                     | <b>15,888,436</b>                                 |
| Investment Income:                                   |  |  |   |
| Net increase (decrease) in fair value of investments | (250,279 )                                       | 1,190,088,583  | 90,220,101  |
| Interest and dividends                               | 577,547  | 742,948,664  | 50,237,342  |
| <b>Total Investment Income</b>                       | <b>327,268</b>                                   | <b>1,933,037,247</b>                                   | <b>140,457,443</b>                                |
| Less investment expense                              | 1,804  | 4,215,006  | 70,687  |
| <b>Net Investment Income</b>                         | <b>325,464</b>                                   | <b>1,928,822,241</b>                                   | <b>140,386,756</b>                                |
| <b>Total Additions</b>                               | <b>1,544,971</b>                                 | <b>2,873,421,564</b>                                   | <b>156,275,192</b>                                |
| <b>DEDUCTIONS</b>                                    |  |  |   |
| Benefit payments                                     | 2,631,732  | 1,899,871,351  | 98,869,750  |
| Refunds of contributions                             | --   | 65,486,887   | 78,730  |
| Administrative expense                               | 14,202   | 25,602,118   | 490,227   |
| <b>Total Deductions</b>                              | <b>2,645,934</b>                                 | <b>1,990,960,356</b>                                   | <b>99,438,707</b>                                 |
| <b>Total Changes in Net Assets Held In Trust</b>     | <b>(1,100,963 )</b>                              | <b>882,461,208</b>                                     | <b>56,836,485</b>                                 |
| <b>Net Assets - July 1, 2004</b>                     | <b>15,884,428</b>                                | <b>23,033,352,407</b>                                  | <b>1,687,084,896</b>                              |
| <b>Net Assets - June 30, 2005</b>                    | <b>\$ 14,783,465</b>                             | <b>\$ 23,915,813,615</b>                               | <b>\$ 1,743,921,381</b>                           |

| <b>Supplemental<br/>Annuity<br/>Collective<br/>Trust</b> | <b>Teachers'<br/>Pension and<br/>Annuity Fund</b> | <b>Total<br/>Pension and<br/>Other Employee<br/>Benefits<br/>Trust Funds</b> |
|--|---|--|
| \$ 7,368,235   | \$ 488,861,870                                    | \$ 1,460,882,145   |
| --   | 550,721,913                                       | 1,451,192,245  |
| --   | 1,000   | 10,383,211   |
| <u>7,368,235</u>   | <u>1,039,584,783</u>                              | <u>2,922,457,601</u>   |
| 11,573,953   | 1,569,550,208                                     | 3,870,407,859  |
| <u>2,672,747</u>   | <u>904,392,324</u>                                | <u>2,196,304,279</u>   |
| 14,246,700   | 2,473,942,532                                     | 6,066,712,138  |
| --   | 2,378,819   | 7,791,369  |
| <u>14,246,700</u>  | <u>2,471,563,713</u>                              | <u>6,058,920,769</u>   |
| <u>21,614,935</u>  | <u>3,511,148,496</u>                              | <u>8,981,378,370</u>   |
| 15,578,830   | 2,555,774,692                                     | 5,750,478,219  |
| --   | 29,235,759  | 100,425,050  |
| --   | 14,056,539  | 47,284,708   |
| <u>15,578,830</u>  | <u>2,599,066,990</u>                              | <u>5,898,187,977</u>   |
| 6,036,105  | 912,081,506                                       | 3,083,190,393  |
| <u>145,041,089</u>                                       | <u>28,720,150,030</u>                             | <u>71,648,846,639</u>  |
| <u>\$ 151,077,194</u>                                    | <u>\$ 29,632,231,536</u>                          | <u>\$ 74,732,037,032</u>   |

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2005**

|  | <b>Insurance Annuity<br/>Trust Fund</b> | <b>Motor Vehicle<br/>Security<br/>Responsibility<br/>Fund</b> |
|--|---|---|
| <b>ASSETS</b>  |   |   |
| Cash and cash equivalents                                | \$ 100                                  | \$ 24,293   |
| Investments  | 101,495                                 | 239,754   |
| <b>Total Assets</b>                                      | <b>101,595</b>                          | <b>264,047</b>  |
| <b>LIABILITIES</b>                                       |   |   |
| Accounts payable   | --                                      | 258,751   |
| Due to other funds                                       | --                                      | 5,197   |
| <b>Total Liabilities</b>                                 | <b>--</b>                               | <b>263,948</b>  |
| <b>NET ASSETS</b>  |   |   |
| Held in Trust for Pension Benefits<br>and Other Purposes | <b>\$ 101,595</b>                       | <b>\$ 99</b>  |

| <b>Unclaimed<br/>County Deposits<br/>Trust Fund</b> | <b>Unclaimed<br/>Insurance<br/>Payments on<br/>Deposits<br/>Account Fund</b> | <b>Total<br/>Private Purpose<br/>Trust Funds</b> |
|---|--|--|
| \$ 1,776,618  | \$ 374,056   | \$ 2,175,067                                     |
| <u>9,079,265</u>                                    | <u>1,472,851</u>   | <u>10,893,365</u>                                |
| <u>10,855,883</u>                                   | <u>1,846,907</u>   | <u>13,068,432</u>                                |
| 2,911,479   | --   | 3,170,230  |
| <u>3,881,973</u>                                    | <u>40,251</u>  | <u>3,927,421</u>                                 |
| <u>6,793,452</u>                                    | <u>40,251</u>  | <u>7,097,651</u>                                 |
| <u><u>\$ 4,062,431</u></u>                          | <u><u>\$ 1,806,656</u></u>   | <u><u>\$ 5,970,781</u></u>                       |

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <b>Insurance Annuity<br/>Trust Fund</b> | <b>Motor Vehicle<br/>Security<br/>Responsibility<br/>Fund</b> |
|--|---|---|
| <b>ADDITIONS</b>                             |   |   |
| Investment Income:                           |   |   |
| Interest and dividends                       | \$ 2,061                                | \$ 5,197  |
| Total Investment Income                      | 2,061                                   | 5,197   |
| Miscellaneous                                | 6,000                                   | --  |
| <b>Total Additions</b>                       | <b>8,061</b>                            | <b>5,197</b>  |
| <b>DEDUCTIONS</b>                            |   |   |
| Refunds and transfers to other systems       | --                                      | 5,197   |
| Payments in accordance with trust agreements | --                                      | --  |
| <b>Total Deductions</b>                      | <b>--</b>                               | <b>5,197</b>  |
| Total Changes in Net Assets Held In Trust    | 8,061                                   | --  |
| <b>Net Assets - July 1, 2004</b>             | <b>93,534</b>                           | <b>99</b>   |
| <b>Net Assets - June 30, 2005</b>            | <b>\$ 101,595</b>                       | <b>\$ 99</b>  |

| <b>Unclaimed<br/>County Deposits<br/>Trust Fund</b> | <b>Unclaimed<br/>Insurance<br/>Payments on<br/>Deposit<br/>Accounts Fund</b> | <b>Total<br/>Private Purpose<br/>Trust Funds</b> |
|---|--|--|
| \$ 195,975  | \$ 40,251  | \$ 243,484                                       |
| 195,975   | 40,251   | 243,484  |
| 347,890   | --   | 353,890  |
| 543,865   | 40,251   | 597,374  |
| --  | 40,251   | 45,448   |
| 229,839   | 133,813  | 363,652  |
| 229,839   | 174,064  | 409,100  |
| 314,026   | (133,813 )   | 188,274  |
| 3,748,405   | 1,940,469  | 5,782,507  |
| <u>\$ 4,062,431</u>                                 | <u>\$ 1,806,656</u>  | <u>\$ 5,970,781</u>                              |

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS**  
**JUNE 30, 2005**

|   | Authorities      | Colleges<br>and<br>Universities | Total<br>Non-Major<br>Component Units |
|---|------------------|---------------------------------|---------------------------------------|
| <b>ASSETS</b>                                     |                  |                                 |                                       |
| <b>Current Assets</b>                             |                  |                                 |                                       |
| Cash and cash equivalents                         | \$ 731,025,950   | \$ 168,450,831                  | \$ 899,476,781                        |
| Investments                                       | 3,951,530,406    | 1,062,241,785                   | 5,013,772,191                         |
| Receivables, net of allowances for uncollectibles |                  |                                 |                                       |
| Federal government                                | 16,548,132       | 25,662,181                      | 42,210,313                            |
| Loans   | 1,595,066,410    | 14,153,263                      | 1,609,219,673                         |
| Mortgages   | 1,962,284,946    | --                              | 1,962,284,946                         |
| Other   | 1,379,347,604    | 59,182,008                      | 1,438,529,612                         |
| Due from external parties                         | 15,507,143       | 10,237,814                      | 25,744,957                            |
| Inventories                                       | 188,380          | 1,146,819                       | 1,335,199                             |
| Other   | 198,319,543      | 51,038,606                      | 249,358,149                           |
| <b>Noncurrent Assets</b>                          |                  |                                 |                                       |
| Fixed assets, net                                 | 1,996,294,658    | 2,274,557,592                   | 4,270,852,250                         |
| <b>Total Assets</b>                               | 11,846,113,172   | 3,666,670,899                   | 15,512,784,071                        |
| <b>LIABILITIES</b>                                |                  |                                 |                                       |
| <b>Current liabilities</b>                        |                  |                                 |                                       |
| Accounts payable and accrued expenses             | 101,588,107      | 125,105,528                     | 226,693,635                           |
| Due to external parties                           | 18,020,666       | 3,806,109                       | 21,826,775                            |
| Interest payable                                  | 69,546,004       | 19,475,760                      | 89,021,764                            |
| Deferred revenue                                  | 25,376,396       | 58,560,379                      | 83,936,775                            |
| Other   | 371,856,339      | 7,683,950                       | 379,540,289                           |
| <b>Noncurrent Liabilities</b>                     |                  |                                 |                                       |
| Due within one year                               | 432,444,548      | 61,871,411                      | 494,315,959                           |
| Due in more than one year                         | 7,276,421,721    | 1,753,206,359                   | 9,029,628,080                         |
| <b>Total Liabilities</b>                          | 8,295,253,781    | 2,029,709,496                   | 10,324,963,277                        |
| <b>NET ASSETS</b>                                 |                  |                                 |                                       |
| Invested in capital assets, net of related debt   | 465,794,609      | 867,025,722                     | 1,332,820,331                         |
| <b>Restricted for:</b>                            |                  |                                 |                                       |
| Capital projects                                  | 70,694,278       | 39,763,556                      | 110,457,834                           |
| Debt service                                      | 549,011,308      | 84,757,774                      | 633,769,082                           |
| Other purposes                                    | 1,070,119,227    | 259,764,355                     | 1,329,883,582                         |
| <b>Unrestricted</b>                               | 1,395,239,969    | 385,649,996                     | 1,780,889,965                         |
| <b>Total Net Assets</b>                           | \$ 3,550,859,391 | \$ 1,636,961,403                | \$ 5,187,820,794                      |

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
NON-MAJOR COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <u>Authorities</u>      | <u>Colleges<br/>and Universities</u> | <u>Total<br/>Non-Major<br/>Component Units</u> |
|--|-------------------------|--------------------------------------|--|
| <b>Expenses</b>  | \$ 1,172,607,484        | \$ 1,382,501,036                     | \$ 2,555,108,520                               |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |                         |                                      |  |
| <b>Program Revenues</b>                                |                         |                                      |  |
| Charges for services                                   | 595,962,218             | 668,657,747                          | 1,264,619,965                                  |
| Operating grants and contributions                     | 494,561,784             | 307,186,381                          | 801,748,165                                    |
| Capital grants and contributions                       | 389,759,229             | 12,859,519                           | 402,618,748                                    |
| <b>Net (Expense) Revenue</b>                           | <u>307,675,747</u>      | <u>(393,797,389 )</u>                | <u>(86,121,642 )</u>                           |
| <b>General Revenue</b>                                 |                         |                                      |  |
| Payments from State                                    | 162,190,051             | 516,053,022                          | 678,243,073                                    |
| <b>Total General Revenue</b>                           | <u>162,190,051</u>      | <u>516,053,022</u>                   | <u>678,243,073</u>                             |
| <b>Change in Net Assets</b>                            | 469,865,798             | 122,255,633                          | 592,121,431                                    |
| <b>Net Assets - Beginning of Year (Restated)</b>       | <u>3,080,993,593</u>    | <u>1,514,705,770</u>                 | <u>4,595,699,363</u>                           |
| <b>Net Assets - End of Year</b>                        | <u>\$ 3,550,859,391</u> | <u>\$ 1,636,961,403</u>              | <u>\$ 5,187,820,794</u>                        |

STATE OF NEW JERSEY  
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 COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR COMPONENT UNITS - AUTHORITIES  
 JUNE 30, 2005

|   | <u>Casino<br/>Reinvestment<br/>Development<br/>Authority</u> | <u>Higher Education<br/>Student<br/>Assistance<br/>Authority</u> |
|---|--|--|
| <b>ASSETS</b>                                     |  |  |
| <b>Current Assets</b>                             |  |  |
| Cash and cash equivalents                         | \$ 339,352   | \$ 28,617,960  |
| Investments                                       | 144,172,547  | 1,366,156,429  |
| Receivables, net of allowances for uncollectibles |  |  |
| Federal government                                | --   | 13,921,226   |
| Loans   | --   | 668,360,332  |
| Mortgages   | 111,174,946  | --   |
| Other   | 16,988,329   | 8,980,755  |
| Due from external parties                         | --   | --   |
| Inventories                                       | --   | --   |
| Other   | 25,726,017   | 7,047,233  |
| <b>Noncurrent Assets</b>                          |  |  |
| Fixed assets, net                                 | 92,291,600   | 1,170,019  |
| <b>Total Assets</b>                               | <u>390,692,791</u>   | <u>2,094,253,954</u>   |
| <b>LIABILITIES</b>                                |  |  |
| <b>Current Liabilities</b>                        |  |  |
| Accounts payable                                  | 2,724,084  | 7,759,070  |
| Due to external parties                           | --   | --   |
| Interest payable                                  | 3,168,700  | 4,783,995  |
| Deferred revenue                                  | --   | --   |
| Other   | --   | 6,989,585  |
| <b>Noncurrent Liabilities</b>                     |  |  |
| Due within one year                               | 7,322,966  | 8,630,484  |
| Due in more than one year                         | 337,781,903  | 1,147,687,697  |
| <b>Total Liabilities</b>                          | <u>350,997,653</u>   | <u>1,175,850,831</u>   |
| <b>NET ASSETS</b>                                 |  |  |
| Invested in capital assets, net of related debt   | 96,825   | --   |
| <b>Restricted for:</b>                            |  |  |
| Capital projects                                  | --   | --   |
| Debt service                                      | 17,566,168   | 14,839,178   |
| Other purposes                                    | 13,521,520   | 903,563,945  |
| <b>Unrestricted</b>                               | <u>8,510,625</u>   | <u>--</u>  |
| <b>Total Net Assets</b>                           | <u>\$ 39,695,138</u>   | <u>\$ 918,403,123</u>  |

| New Jersey<br>Commerce and<br>Economic<br>Growth<br>Commission<br>(Unaudited) | New Jersey<br>Development<br>Authority for<br>Small Businesses,<br>Minorities and<br>Women's<br>Enterprises | New Jersey<br>Economic<br>Development<br>Authority | New Jersey<br>Educational<br>Facilities<br>Authority |
|---|---|--|--|
| \$ 1,078  | \$ 365,698  | \$ 43,460,446                                      | \$ 46,587  |
| 1,378,462   | 1,336,033   | 735,728,128  | 7,887,188  |
| --  | --  | --   | --   |
| 2,695,732   | --  | --   | --   |
| --  | --  | --   | --   |
| 601,952   | 1,532,744   | 1,319,275,374                                      | 145,493  |
| --  | --  | --   | --   |
| --  | 759   | --   | --   |
| 1,910,985   | 1,368   | 11,625,034   | 53,617   |
| 66,634  | --  | 153,583,568  | 300,177  |
| <u>6,654,843</u>  | <u>3,236,602</u>  | <u>2,263,672,550</u>                               | <u>8,433,062</u>                                     |
| 2,146,621   | 30,612  | 2,276,350  | 147,837  |
| --  | --  | --   | --   |
| --  | --  | 17,625,225   | --   |
| 58,865  | 190,000   | 1,357,444  | --   |
| 491,867   | 290,000   | 74,318,614   | --   |
| 725,287   | --  | 95,241,376   | --   |
| --  | --  | 1,228,778,604                                      | 1,021,860  |
| <u>3,422,640</u>  | <u>510,612</u>  | <u>1,419,597,613</u>                               | <u>1,169,697</u>                                     |
| 66,634  | --  | 52,635,777   | 300,177  |
| --  | --  | --   | --   |
| --  | --  | --   | --   |
| 2,695,732   | --  | 60,191,384   | --   |
| 469,837   | 2,725,990   | 731,247,776  | 6,963,188  |
| <u>\$ 3,232,203</u>   | <u>\$ 2,725,990</u>   | <u>\$ 844,074,937</u>                              | <u>\$ 7,263,365</u>                                  |

(Continued on next page)

STATE OF NEW JERSEY  
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**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2005**

|   | New Jersey<br>Environmental<br>Infrastructure<br>Trust | New Jersey<br>Health Care<br>Facilities<br>Financing<br>Authority | New Jersey<br>Housing and<br>Mortgage<br>Finance<br>Agency |
|---|--|---|--|
| <b>ASSETS</b>                                     |  |   |  |
| <b>Current Assets</b>                             |  |   |  |
| Cash and cash equivalents                         | \$ 445,040,024   | \$ --   | \$ 70,817,000  |
| Investments                                       | 103,078,935  | 3,803,000   | 1,287,223,000  |
| Receivables, net of allowances for uncollectibles |  |   |  |
| Federal government                                | --   | --  | --   |
| Loans   | 750,173,005  | --  | 163,130,000  |
| Mortgages   | --   | --  | 1,851,110,000  |
| Other   | --   | 1,838,000   | 13,365,000   |
| Due from external parties                         | --   | --  | 2,818,000  |
| Inventories                                       | --   | --  | --   |
| Other   | 33,743,425   | 152,000   | 23,061,000   |
| <b>Noncurrent Assets</b>                          |  |   |  |
| Fixed assets, net                                 | 26,985   | 132,000   | 12,890,000   |
| <b>Total Assets</b>                               | <b>1,332,062,374</b>                                   | <b>5,925,000</b>  | <b>3,424,414,000</b>                                       |
| <b>LIABILITIES</b>                                |  |   |  |
| <b>Current Liabilities</b>                        |  |   |  |
| Accounts payable                                  | 17,113,870   | 206,000   | --   |
| Due to external parties                           | --   | --  | 16,658,000   |
| Interest payable                                  | --   | --  | 17,838,000   |
| Deferred revenue                                  | --   | 516,000   | --   |
| Other   | --   | --  | 214,728,000  |
| <b>Noncurrent Liabilities</b>                     |  |   |  |
| Due within one year                               | 70,638,062   | --  | 163,980,000  |
| Due in more than one year                         | 931,898,463  | --  | 2,268,722,000  |
| <b>Total Liabilities</b>                          | <b>1,019,650,395</b>                                   | <b>722,000</b>  | <b>2,681,926,000</b>                                       |
| <b>NET ASSETS</b>                                 |  |   |  |
| Invested in capital assets, net of related debt   | --   | --  | 12,890,000   |
| <b>Restricted for:</b>                            |  |   |  |
| Capital projects                                  | --   | --  | --   |
| Debt service                                      | 221,779,388  | --  | 238,876,000  |
| Other purposes                                    | 72,846,151   | --  | --   |
| <b>Unrestricted</b>                               | <b>17,786,440</b>                                      | <b>5,203,000</b>  | <b>490,722,000</b>   |
| <b>Total Net Assets</b>                           | <b>\$ 312,411,979</b>                                  | <b>\$ 5,203,000</b>   | <b>\$ 742,488,000</b>                                      |

| <u>New Jersey<br/>Meadowlands<br/>Commission</u> | <u>New Jersey<br/>Redevelopment<br/>Authority</u> | <u>New Jersey<br/>Sports and<br/>Exposition<br/>Authority</u> | <u>New Jersey<br/>Water<br/>Supply<br/>Authority</u> |
|--|---|---|--|
| \$ 36,663,386                                    | \$ 7,077,750                                      | \$ 35,109,000   | \$ 23,941,941  |
| 51,746,795                                       | 38,609,919  | 118,128,000   | 17,935,077   |
| --   | --  | --  | --   |
| --   | 10,375,138  | --  | --   |
| --   | --  | --  | --   |
| 7,582,307  | 784,516   | 741,000   | 3,976,821  |
| --   | --  | 9,925,000   | --   |
| --   | --  | --  | 169,776  |
| --   | --  | 60,602,000  | 18,673,429   |
| 15,001,944                                       | 125,021   | 934,656,000   | 146,956,762  |
| <u>110,994,432</u>                               | <u>56,972,344</u>                                 | <u>1,159,161,000</u>  | <u>211,653,806</u>                                   |
| 6,134,829  | 123,044   | 49,010,000  | 2,559,825  |
| 211,972  | 942,360   | --  | --   |
| --   | --  | 21,127,000  | --   |
| --   | --  | 20,402,000  | 2,175,198  |
| 6,627,317  | 30,003  | 66,369,000  | --   |
| --   | --  | 54,041,000  | 5,143,210  |
| 46,637,759                                       | --  | 851,876,000   | 104,368,236  |
| <u>59,611,877</u>                                | <u>1,095,407</u>                                  | <u>1,062,825,000</u>  | <u>114,246,469</u>                                   |
| 15,001,944                                       | 125,021   | 66,439,000  | 37,445,316   |
| --   | 40,278,902  | --  | --   |
| --   | --  | 26,119,000  | --   |
| 5,254,429  | --  | --  | 12,045,911   |
| 31,126,182                                       | 15,473,014  | 3,778,000   | 47,916,110   |
| <u>\$ 51,382,555</u>                             | <u>\$ 55,876,937</u>                              | <u>\$ 96,336,000</u>  | <u>\$ 97,407,337</u>                                 |

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STATE OF NEW JERSEY  
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**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2005**

|   | <u>South Jersey<br/>Port<br/>Corporation</u> | <u>South Jersey<br/>Transportation<br/>Authority</u> | <u>Total<br/>Non-Major<br/>Authorities</u> |
|---|--|--|--|
| <b>ASSETS</b>                                     |  |  |  |
| <b>Current Assets</b>                             |  |  |  |
| Cash and cash equivalents                         | \$ 322,310                                   | \$ 39,223,418  | \$ 731,025,950                             |
| Investments                                       | 38,617,684                                   | 35,729,209   | 3,951,530,406                              |
| Receivables, net of allowances for uncollectibles |  |  |  |
| Federal government                                | 1,095,000                                    | 1,531,906  | 16,548,132                                 |
| Loans   | 332,203                                      | --   | 1,595,066,410                              |
| Mortgages   | --   | --   | 1,962,284,946                              |
| Other   | 302,766                                      | 3,232,547  | 1,379,347,604                              |
| Due from external parties                         | 2,764,143                                    | --   | 15,507,143                                 |
| Inventories                                       | --   | 17,845   | 188,380                                    |
| Other   | 8,176,360                                    | 7,547,075  | 198,319,543                                |
| <b>Noncurrent Assets</b>                          |  |  |  |
| Fixed assets, net                                 | 142,760,755                                  | 496,333,193  | 1,996,294,658                              |
| <b>Total Assets</b>                               | <u>194,371,221</u>                           | <u>583,615,193</u>                                   | <u>11,846,113,172</u>                      |
| <b>LIABILITIES</b>                                |  |  |  |
| <b>Current Liabilities</b>                        |  |  |  |
| Accounts payable                                  | 1,497,475                                    | 9,858,490  | 101,588,107                                |
| Due to external parties                           | --   | 208,334  | 18,020,666                                 |
| Interest payable                                  | 3,079,201                                    | 1,923,883  | 69,546,004                                 |
| Deferred revenue                                  | 299,160                                      | 377,729  | 25,376,396                                 |
| Other   | 171,205                                      | 1,840,748  | 371,856,339                                |
| <b>Noncurrent Liabilities</b>                     |  |  |  |
| Due within one year                               | 20,878,054                                   | 5,844,109  | 432,444,548                                |
| Due in more than one year                         | 128,058,221                                  | 229,590,978  | 7,276,421,721                              |
| <b>Total Liabilities</b>                          | <u>153,983,316</u>                           | <u>249,644,271</u>                                   | <u>8,295,253,781</u>                       |
| <b>NET ASSETS</b>                                 |  |  |  |
| Invested in capital assets, net of related debt   | 19,269,227                                   | 261,524,688  | 465,794,609                                |
| <b>Restricted for:</b>                            |  |  |  |
| Capital projects                                  | --   | 30,415,376   | 70,694,278                                 |
| Debt service                                      | 10,436,778                                   | 19,394,796   | 549,011,308                                |
| Other purposes                                    | --   | 155  | 1,070,119,227                              |
| <b>Unrestricted</b>                               | <u>10,681,900</u>                            | <u>22,635,907</u>                                    | <u>1,395,239,969</u>                       |
| <b>Total Net Assets</b>                           | <u>\$ 40,387,905</u>                         | <u>\$ 333,970,922</u>                                | <u>\$ 3,550,859,391</u>                    |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <b>Casino<br/>Reinvestment<br/>Development<br/>Authority</b> | <b>Higher Education<br/>Student<br/>Assistance<br/>Authority</b> |
|--|--|--|
| <b>Expenses</b>  | \$ 48,275,460  | \$ 175,534,191   |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |  |  |
| <b>Program Revenues</b>                                |  |  |
| Charges for services                                   | --   | 72,425,246   |
| Operating grants and contributions                     | 27,624,787   | 108,957,308  |
| Capital grants and contributions                       | --   | 361,362,954  |
|  | (20,650,673 )  | 367,211,317  |
| <b>Net (Expense) Revenue</b>                           | (20,650,673 )  | 367,211,317  |
| <b>General Revenue</b>                                 |  |  |
| Payments from State                                    | --   | --   |
|  | --   | --   |
| <b>Total General Revenue</b>                           | --   | --   |
| <b>Change in Net Assets</b>                            | (20,650,673 )  | 367,211,317  |
| <b>Net Assets - Beginning of Year (Restated)</b>       | 60,345,811   | 551,191,806  |
| <b>Net Assets - End of Year</b>                        | \$ 39,695,138  | \$ 918,403,123   |

| <b>New Jersey<br/>Commerce and<br/>Economic<br/>Growth<br/>Commission<br/>(Unaudited)</b> | <b>New Jersey<br/>Development<br/>Authority for<br/>Small Businesses,<br/>Minorities and<br/>Women's<br/>Enterprises</b> | <b>New Jersey<br/>Economic<br/>Development<br/>Authority</b> | <b>New Jersey<br/>Educational<br/>Facilities<br/>Authority</b> |
|---|--|--|--|
| \$ 25,442,968   | \$ 760,264   | \$ 106,116,554   | \$ 2,712,539   |
| 1,974,855   | 210,711  | 4,019,978  | 3,435,571  |
| 4,068,867   | 173,565  | 107,302,756  | 72,759   |
| --  | --   | --   | --   |
| (19,399,246 )   | (375,988 )   | 5,206,180  | 795,791  |
| 17,499,373  | --   | 67,574,001   | --   |
| 17,499,373  | --   | 67,574,001   | --   |
| (1,899,873 )  | (375,988 )   | 72,780,181   | 795,791  |
| 5,132,076   | 3,101,978  | 771,294,756  | 6,467,574  |
| <u>\$ 3,232,203</u>   | <u>\$ 2,725,990</u>  | <u>\$ 844,074,937</u>  | <u>\$ 7,263,365</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, 2005**

|  | <b>New Jersey<br/>Environmental<br/>Infrastructure<br/>Trust</b> | <b>New Jersey<br/>Health Care<br/>Facilities<br/>Financing<br/>Authority</b> | <b>New Jersey<br/>Housing and<br/>Mortgage<br/>Finance<br/>Agency</b> |
|--|--|--|---|
| <b>Expenses</b>  | \$ 47,014,716  | \$ 2,740,000   | \$ 176,785,000  |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |  |  |   |
| <b>Program Revenues</b>                                |  |  |   |
| Charges for services                                   | 4,216,131  | 4,010,000  | 25,930,000  |
| Operating grants and contributions                     | 49,771,726   | 44,000   | 160,533,000   |
| Capital grants and contributions                       | --   | --   | --  |
| <b>Net (Expense) Revenue</b>                           | <u>6,973,141</u>   | <u>1,314,000</u>   | <u>9,678,000</u>  |
| <b>General Revenue</b>                                 |  |  |   |
| Payments from State                                    | <u>31,027,634</u>  | <u>--</u>  | <u>--</u>   |
| <b>Total General Revenue</b>                           | <u>31,027,634</u>  | <u>--</u>  | <u>--</u>   |
| <b>Change in Net Assets</b>                            | 38,000,775   | 1,314,000  | 9,678,000   |
| <b>Net Assets - Beginning of Year (Restated)</b>       | <u>274,411,204</u>   | <u>3,889,000</u>   | <u>732,810,000</u>  |
| <b>Net Assets - End of Year</b>                        | <u><u>\$ 312,411,979</u></u>                                     | <u><u>\$ 5,203,000</u></u>   | <u><u>\$ 742,488,000</u></u>  |

| <b>New Jersey<br/>Meadowlands<br/>Commission</b> | <b>New Jersey<br/>Redevelopment<br/>Authority</b> | <b>New Jersey<br/>Sports and<br/>Exposition<br/>Authority</b> | <b>New Jersey<br/>Water<br/>Supply<br/>Authority</b> |
|--|---|---|--|
| \$ 38,062,752                                    | \$ 2,390,459                                      | \$ 413,095,000  | \$ 23,613,344  |
| 24,131,942                                       | 1,107,294   | 331,921,000   | 23,761,112   |
| 17,751,356                                       | 363,392   | 12,050,000  | 1,115,260  |
| --   | --  | 18,750,000  | 1,904,908  |
| 3,820,546  | (919,773 )  | (50,374,000 )   | 3,167,936  |
| --   | 9,857,304   | 29,269,000  | --   |
| --   | 9,857,304   | 29,269,000  | --   |
| 3,820,546  | 8,937,531   | (21,105,000 )   | 3,167,936  |
| 47,562,009                                       | 46,939,406  | 117,441,000   | 94,239,401   |
| <u>\$ 51,382,555</u>                             | <u>\$ 55,876,937</u>                              | <u>\$ 96,336,000</u>  | <u>\$ 97,407,337</u>                                 |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF ACTIVITIES (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <b>South Jersey<br/>Port<br/>Corporation</b> | <b>South Jersey<br/>Transportation<br/>Authority</b> | <b>Total<br/>Non-Major<br/>Authorities</b> |
|--|--|--|--|
| <b>Expenses</b>  | \$ 28,620,348                                | \$ 81,443,889  | \$ 1,172,607,484                           |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |  |  |  |
| <b>Program Revenues</b>                                |  |  |  |
| Charges for services                                   | 21,900,292                                   | 76,918,086   | 595,962,218                                |
| Operating grants and contributions                     | 908,174                                      | 3,824,834  | 494,561,784                                |
| Capital grants and contributions                       | 2,760,830                                    | 4,980,537  | 389,759,229                                |
| <b>Net (Expense) Revenue</b>                           | <b>(3,051,052 )</b>                          | <b>4,279,568</b>                                     | <b>307,675,747</b>                         |
| <b>General Revenue</b>                                 |  |  |  |
| Payments from State                                    | 6,962,739                                    | --   | 162,190,051                                |
| <b>Total General Revenue</b>                           | <b>6,962,739</b>                             | <b>--</b>  | <b>162,190,051</b>                         |
| <b>Change in Net Assets</b>                            | <b>3,911,687</b>                             | <b>4,279,568</b>                                     | <b>469,865,798</b>                         |
| <b>Net Assets - Beginning of Year (Restated)</b>       | <b>36,476,218</b>                            | <b>329,691,354</b>                                   | <b>3,080,993,593</b>                       |
| <b>Net Assets - End of Year</b>                        | <b>\$ 40,387,905</b>                         | <b>\$ 333,970,922</b>                                | <b>\$ 3,550,859,391</b>                    |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**JUNE 30, 2005**

|  | <b>The College<br/>of<br/>New Jersey</b> | <b>Thomas Edison<br/>State College</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Current Assets</b>                                  |  |  |
| Cash and cash equivalents                              | \$ 3,738,000                             | \$ 3,151,326                           |
| Investments  | 163,688,000                              | 39,915,181                             |
| Receivables, net of allowances for<br>uncollectibles   |  |  |
| Federal government                                     | 1,191,000                                | 202,189                                |
| Loans  | 4,319,000                                | --                                     |
| Other  | 3,924,000                                | 4,043,303                              |
| Due from external parties                              | 78,000                                   | --                                     |
| Inventories  | --                                       | --                                     |
| Other  | 10,846,000                               | 300,768                                |
| <b>Noncurrent Assets</b>                               |  |  |
| Fixed asstes, net                                      | 468,782,000                              | 31,413,211                             |
| <b>Total Assets</b>                                    | 656,566,000                              | 79,025,978                             |
| <b>LIABILITIES</b>                                     |  |  |
| <b>Current Liabilities</b>                             |  |  |
| Accounts payable                                       | 15,280,000                               | 2,583,114                              |
| Due to external parties                                | --                                       | 254,109                                |
| Interest payable                                       | 2,334,000                                | --                                     |
| Deferred revenue                                       | 3,728,000                                | 6,344,517                              |
| Other  | 4,401,000                                | --                                     |
| <b>Noncurrent Liabilities</b>                          |  |  |
| Due within one year                                    | 5,175,000                                | 1,198,009                              |
| Due in more than one year                              | 342,101,000                              | 1,716,554                              |
| <b>Total Liabilities</b>                               | 373,019,000                              | 12,096,303                             |
| <b>NET ASSETS</b>                                      |  |  |
| <b>Invested in capital assets, net of related debt</b> | 228,620,000                              | 29,521,335                             |
| <b>Restricted for:</b>                                 |  |  |
| Capital projects                                       | --                                       | --                                     |
| Debt service   | 1,096,000                                | --                                     |
| Other purposes   | 9,238,000                                | 5,236,296                              |
| <b>Unrestricted</b>                                    | 44,593,000                               | 32,172,044                             |
| <b>Total Net Assets</b>                                | \$ 283,547,000                           | \$ 66,929,675                          |

| <u>Kean<br/>University</u> | <u>Montclair<br/>State University</u> | <u>New Jersey<br/>City University</u> |
|----------------------------|---------------------------------------|---------------------------------------|
| \$ 73,453,000              | \$ 10,264,673                         | \$ 796,606                            |
| 40,381,000                 | 141,287,582                           | 76,851,482                            |
| 2,377,000                  | 454,607                               | 2,706,327                             |
| 1,231,000                  | 3,650,932                             | 727,422                               |
| --                         | 10,064,267                            | 7,319,017                             |
| 5,633,000                  | --                                    | --                                    |
| --                         | --                                    | --                                    |
| 5,386,000                  | 8,826,847                             | 4,812,965                             |
| <u>155,152,000</u>         | <u>356,488,989</u>                    | <u>147,536,377</u>                    |
| <u>283,613,000</u>         | <u>531,037,897</u>                    | <u>240,750,196</u>                    |
| 13,695,000                 | 20,238,959                            | 12,733,324                            |
| --                         | --                                    | --                                    |
| 2,625,000                  | 4,270,202                             | 1,178,293                             |
| 6,693,000                  | 11,336,200                            | 1,887,441                             |
| 2,189,000                  | 584,596                               | --                                    |
| 4,908,000                  | 10,119,523                            | 4,204,643                             |
| <u>117,553,000</u>         | <u>271,733,043</u>                    | <u>124,328,775</u>                    |
| <u>147,663,000</u>         | <u>318,282,523</u>                    | <u>144,332,476</u>                    |
| 65,989,000                 | 117,678,710                           | 60,256,862                            |
| 1,790,000                  | --                                    | --                                    |
| 8,691,000                  | 10,685,742                            | 5,477,112                             |
| 9,688,000                  | 33,421,317                            | 7,352,382                             |
| <u>49,792,000</u>          | <u>50,969,605</u>                     | <u>23,331,364</u>                     |
| <u>\$ 135,950,000</u>      | <u>\$ 212,755,374</u>                 | <u>\$ 96,417,720</u>                  |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**JUNE 30, 2005**

|   | <u>New Jersey<br/>Institute<br/>of Technology</u> | <u>The William<br/>Paterson<br/>University<br/>of New Jersey</u> | <u>Ramapo College<br/>of New Jersey</u> |
|---|---|--|---|
| <b>ASSETS</b>                                     |   |  |   |
| <b>Current Assets</b>                             |   |  |   |
| Cash and cash equivalents                         | \$ 28,072,000                                     | \$ 1,923,937   | \$ 1,452,000                            |
| Investments                                       | 79,704,000  | 94,648,480   | 85,670,000                              |
| Receivables, net of allowances for uncollectibles |   |  |   |
| Federal government                                | 15,922,000  | 549,867  | 245,000                                 |
| Loans   | 337,000   | 741,668  | 845,000                                 |
| Other   | 13,510,000  | 3,557,995  | 1,210,000                               |
| Due from external parties                         | --  | 535,814  | 3,991,000                               |
| Inventories                                       | --  | --   | --                                      |
| Other   | 9,315,000   | 2,450,896  | 2,560,000                               |
| <b>Noncurrent Assets</b>                          |   |  |   |
| Fixed assets, net                                 | 255,996,000                                       | 233,126,943  | 196,583,000                             |
| <b>Total Assets</b>                               | <u>402,856,000</u>                                | <u>337,535,600</u>   | <u>292,556,000</u>                      |
| <b>LIABILITIES</b>                                |   |  |   |
| <b>Current Liabilities</b>                        |   |  |   |
| Accounts payable                                  | 10,454,000  | 15,400,536   | 9,405,000                               |
| Due to external parties                           | 3,523,000   | --   | 29,000                                  |
| Interest payable                                  | 3,547,000   | --   | --                                      |
| Deferred revenue                                  | 10,878,000  | 6,199,928  | 1,904,000                               |
| Other   | --  | --   | --                                      |
| <b>Noncurrent Liabilities</b>                     |   |  |   |
| Due within one year                               | 5,892,000   | 6,932,246  | 10,520,000                              |
| Due in more than one year                         | 181,768,000                                       | 123,908,580  | 206,114,000                             |
| <b>Total Liabilities</b>                          | <u>216,062,000</u>                                | <u>152,441,290</u>   | <u>227,972,000</u>                      |
| <b>NET ASSETS</b>                                 |   |  |   |
| Invested in capital assets, net of related debt   | 94,685,000  | 118,562,575  | 37,801,000                              |
| <b>Restricted for:</b>                            |   |  |   |
| Capital projects                                  | --  | 254,692  | 856,000                                 |
| Debt service                                      | --  | 14,923,304   | 6,365,000                               |
| Other purposes                                    | 51,365,000  | 10,018,390   | 8,486,000                               |
| <b>Unrestricted</b>                               | <u>40,744,000</u>                                 | <u>41,335,349</u>  | <u>11,076,000</u>                       |
| <b>Total Net Assets</b>                           | <u>\$ 186,794,000</u>                             | <u>\$ 185,094,310</u>  | <u>\$ 64,584,000</u>                    |

| <u>Rowan<br/>University</u> | <u>The Richard<br/>Stockton College<br/>of New Jersey<br/>(Unaudited)</u> | <u>Total<br/>Non-Major<br/>Colleges<br/>and<br/>Universities</u> |
|-----------------------------|---|--|
| \$ 37,649,685               | \$ 7,949,604  | \$ 168,450,831   |
| 239,060,786                 | 101,035,274   | 1,062,241,785  |
| 2,014,191                   | --  | 25,662,181   |
| --                          | 2,301,241   | 14,153,263   |
| 10,039,694                  | 5,513,732   | 59,182,008   |
| --                          | --  | 10,237,814   |
| 1,129,303                   | 17,516  | 1,146,819  |
| 5,559,932                   | 980,198   | 51,038,606   |
| <u>315,226,066</u>          | <u>114,253,006</u>  | <u>2,274,557,592</u>   |
| <u>610,679,657</u>          | <u>232,050,571</u>  | <u>3,666,670,899</u>   |
| 13,125,633                  | 12,189,962  | 125,105,528  |
| --                          | --  | 3,806,109  |
| 5,521,265                   | --  | 19,475,760   |
| 5,319,406                   | 4,269,887   | 58,560,379   |
| 509,354                     | --  | 7,683,950  |
| 7,944,321                   | 4,977,669   | 61,871,411   |
| <u>302,665,462</u>          | <u>81,317,945</u>   | <u>1,753,206,359</u>   |
| <u>335,085,441</u>          | <u>102,755,463</u>  | <u>2,029,709,496</u>   |
| 74,525,258                  | 39,385,982  | 867,025,722  |
| --                          | 36,862,864  | 39,763,556   |
| 23,655,210                  | 13,864,406  | 84,757,774   |
| 117,235,289                 | 7,723,681   | 259,764,355  |
| <u>60,178,459</u>           | <u>31,458,175</u>   | <u>385,649,996</u>   |
| <u>\$ 275,594,216</u>       | <u>\$ 129,295,108</u>   | <u>\$ 1,636,961,403</u>  |

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <u>The College<br/>of<br/>New Jersey</u> | <u>Thomas Edison<br/>State College</u> |
|--|--|--|
| <b>Expenses</b>  | \$ 139,289,000                           | \$ 59,712,634                          |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |  |  |
| <b>Program Revenues</b>                                |  |  |
| Charges for services                                   | 75,643,000                               | 21,376,704                             |
| Operating grants and contributions                     | 23,555,000                               | 27,393,065                             |
| Capital grants and contributions                       | 163,000                                  | 710,356                                |
|  | <u>(39,928,000 )</u>                     | <u>(10,232,509 )</u>                   |
| <b>Net (Expense) Revenue</b>                           |  |  |
| <b>General Revenue</b>                                 |  |  |
| Payments from State                                    | <u>53,311,000</u>                        | <u>22,650,119</u>                      |
| <b>Total General Revenue</b>                           | <u>53,311,000</u>                        | <u>22,650,119</u>                      |
| <b>Change in Net Assets</b>                            | 13,383,000                               | 12,417,610                             |
| <b>Net Assets - July 1, 2004</b>                       | <u>270,164,000</u>                       | <u>54,512,065</u>                      |
| <b>Net Assets - June 30, 2005</b>                      | <u>\$ 283,547,000</u>                    | <u>\$ 66,929,675</u>                   |

| <u>Kean<br/>University</u>   | <u>Montclair<br/>State University</u> | <u>New Jersey<br/>City University</u> |
|------------------------------|---------------------------------------|---------------------------------------|
| \$ 157,743,000               | \$ 198,521,895                        | \$ 105,621,340                        |
| 76,429,000                   | 116,663,616                           | 42,683,071                            |
| 35,315,000                   | 31,435,169                            | 23,165,973                            |
| --                           | 2,079,203                             | 2,390,750                             |
| <u>(45,999,000 )</u>         | <u>(48,343,907 )</u>                  | <u>(37,381,546 )</u>                  |
| <u>63,053,000</u>            | <u>71,439,110</u>                     | <u>47,450,740</u>                     |
| <u>63,053,000</u>            | <u>71,439,110</u>                     | <u>47,450,740</u>                     |
| 17,054,000                   | 23,095,203                            | 10,069,194                            |
| <u>118,896,000</u>           | <u>189,660,171</u>                    | <u>86,348,526</u>                     |
| <u><u>\$ 135,950,000</u></u> | <u><u>\$ 212,755,374</u></u>          | <u><u>\$ 96,417,720</u></u>           |

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF ACTIVITIES (Continued)**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <b>New Jersey<br/>Institute<br/>of Technology</b> | <b>The William<br/>Paterson<br/>University<br/>of New Jersey</b> | <b>Ramapo College<br/>of New Jersey</b> |
|--|---|--|---|
| <b>Expenses</b>  | \$ 209,857,000                                    | \$ 148,230,552   | \$ 95,770,000                           |
| <b>Net (Expense) Revenue and Changes in Net Assets</b> |   |  |   |
| <b>Program Revenues</b>                                |   |  |   |
| Charges for services                                   | 67,307,000  | 80,819,324   | 52,980,000                              |
| Operating grants and contributions                     | 69,706,000  | 19,474,425   | 12,884,000                              |
| Capital grants and contributions                       | 314,000   | 549,770  | 362,000                                 |
| <b>Net (Expense) Revenue</b>                           | <u>(72,530,000 )</u>                              | <u>(47,387,033 )</u>   | <u>(29,544,000 )</u>                    |
| <b>General Revenue</b>                                 |   |  |   |
| Payments from State                                    | <u>69,435,000</u>                                 | <u>60,178,188</u>  | <u>32,430,000</u>                       |
| <b>Total General Revenue</b>                           | <u>69,435,000</u>                                 | <u>60,178,188</u>  | <u>32,430,000</u>                       |
| <b>Change in Net Assets</b>                            | (3,095,000 )                                      | 12,791,155   | 2,886,000                               |
| <b>Net Assets - July 1, 2004</b>                       | <u>189,889,000</u>                                | <u>172,303,155</u>   | <u>61,698,000</u>                       |
| <b>Net Assets - June 30, 2005</b>                      | <u><u>\$ 186,794,000</u></u>                      | <u><u>\$ 185,094,310</u></u>                                     | <u><u>\$ 64,584,000</u></u>             |

| <u>Rowan<br/>University</u>  | <u>The Richard<br/>Stockton College<br/>of New Jersey<br/>(Unaudited)</u> | <u>Total<br/>Non-Major<br/>Colleges<br/>and<br/>Universities</u> |
|------------------------------|---|--|
| \$ 165,972,873               | \$ 101,782,742  | \$ 1,382,501,036   |
| 83,835,481                   | 50,920,551  | 668,657,747  |
| 42,476,428                   | 21,781,321  | 307,186,381  |
| 3,694,660                    | 2,595,780   | 12,859,519   |
| <u>(35,966,304 )</u>         | <u>(26,485,090 )</u>  | <u>(393,797,389 )</u>  |
| <u>59,440,866</u>            | <u>36,664,999</u>   | <u>516,053,022</u>   |
| <u>59,440,866</u>            | <u>36,664,999</u>   | <u>516,053,022</u>   |
| 23,474,562                   | 10,179,909  | 122,255,633  |
| <u>252,119,654</u>           | <u>119,115,199</u>  | <u>1,514,705,770</u>   |
| <u><u>\$ 275,594,216</u></u> | <u><u>\$ 129,295,108</u></u>  | <u><u>\$ 1,636,961,403</u></u>                                   |

**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 monies collected shall be dedicated as follows: 75.0 percent to alcohol rehabilitation, 15.0 percent to enforcement, and 10.0 percent to education.

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

**Alternate Benefit Long-Term Disability Fund**

**Pension Trust Fund**

Established on October 1, 1986, this Fund is employer-funded for long-term disability. Benefits are paid to those members of the Alternate Benefit Programs 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**

The Alternate Benefit Program was established for full-time faculty members of public institutions of higher education. At its inception, all eligible faculty members were permitted to transfer their interests in State retirement systems to this program. Participants have the option to provide for their pensions through fixed or variable annuities purchased through various carriers as provided for in Chapter 92, P.L. 1995. The minimum contribution by employees is 5.0 percent of their base salary, with the State contributing an amount equivalent to 8.0 percent of their base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Program.

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

**Special Revenue Fund**

P.L. 2003, c.116 imposes a \$3 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. One half of the revenue collected is to be made available to the Casino Reinvestment Development Authority. The remaining one half is deposited into the Casino Revenue Fund.

**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**

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

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

**Special Revenue Fund**

This Fund is a repository for monies 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.

**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, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

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

**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 and a deduction for uncollectible gaming receivables. Appropriations from this Fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

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

**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 to be deposited into this Fund and shall be used for services to benefit senior citizens.

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

**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 to be deposited into this Fund and shall be disbursed 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**

The purpose of this Fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1 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. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

**Cigarette Tax Securitization Fund (P.L. 2004, c.68)**

**Special Revenue Fund**

This Fund was established in order to receive bond proceeds from the New Jersey Economic Development Authority, which issued \$1.461 billion of Cigarette Tax Revenue Bonds. An amount of \$1.190 billion was transferred to the General Fund for expenditure of any lawful State purpose for which moneys on deposit in the State's General Fund may be used. The remaining proceeds were transferred to the New Jersey Economic Development Authority in order to fund capitalized interest, a debt service reserve fund, and to pay for costs of issuance.

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

**Special Revenue Fund**

P.L. 2002, c.128, revised portions of legislation affecting the Clean Communities Account Fund and the State Recycling Fund. Specifically, this legislation imposes a user fee on sales of litter-generating products to be credited to the Clean Communities Account Fund. Of the annual amount credited to the Fund, 25.0 percent, 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 of money credited to the Fund shall be used to provide grants to eligible municipalities for programs of litter pickup and removal; and shall also be 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 were 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).

**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 Local Government Employers Program Fund (N.J.S.A. 52:14-17.29)**

**Proprietary Fund**

This program helps meet the dental expenses for eligible employees 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. There is an annual benefit maximum of \$3,000. A separate lifetime maximum of \$1,000 applies to orthodontic services for children. 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 participating in the State program. Similar to HMOs for health care, these organizations pay for benefits rendered by contracted providers. The dental plans are offered to local employees whose employers have elected to participate in the State Dental Program.

**Dental State Employees Program Fund (N.J.S.A. 52:14-17.29)**

**Special Revenue Fund**

This program helps meet the dental expenses for eligible employees and their dependents. Although the sharing of costs 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. 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. There is an annual benefit maximum of \$3,000. A separate lifetime maximum of \$1,000 applies to orthodontic services for children. 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 participating in the State program. Similar to HMOs for health care, these organizations pay for benefits rendered by contracted providers. The dental plans are available to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities.

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

**Special Revenue Fund**

General Obligation bonds, authorized in the amount of \$20 million, 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**

The Fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal and interest on the Market Transition Facility 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 sub-aqueous 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**

This Fund was established to annually reimburse 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**

Established in 1972, 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**

An amount of \$50 million of General Obligation bonds was authorized, of which \$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 concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment.

**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 the purpose of the preservation of farmland for agricultural use and production.

**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. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. 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 1.0 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.

**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 with authorization to issue up to \$1.15 billion in bonds, from \$1.0 billion, in order to help meet its legislative mandate. The Trust was placed within the Department of the Treasury but independent of its supervision or control.

**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 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 to 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 Local Government Employers Program Fund (N.J.S.A. 52:14-17.25 et seq.)**

**Proprietary Fund**

This program provides basic health services for employees of local governments. Employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ PLUS is a point of service plan and combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An employee or dependent is required to pay a small co-payment when visiting an HMO or NJ PLUS affiliated physician.

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

**Special Revenue Fund**

This program provides basic health services for employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities. Employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. Active State employees pay a share of the charge for coverage based upon bargaining agreements. The traditional coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. The traditional coverage is not available to certain employees based upon bargaining agreements. Active State employees pay 25 % of the charge for traditional coverage. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. An active State employee pays 5% of the cost of HMO coverage. NJ PLUS is a point of service plan and combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An active State employee pays nothing towards the cost of NJ Plus coverage. An employee or dependent is required to pay a co-payment when visiting an HMO or NJ PLUS affiliated physician.

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

**Special Revenue Fund**

This Fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care 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 to the Higher Education Facility Renovation and Rehabilitation Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities, and the New Jersey Institute of Technology.

**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**

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**

There was appropriated \$3 million 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 shall be 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.

**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. The purpose of this Fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

**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 financial assistance in the form of 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. The Fund is set to expire in three years.

**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 has been transferred to the Administrative Office of the Courts for improvements to the automated traffic system, and the remainder is for the payment of the costs of capital improvements for Motor Vehicle Commission facilities, including but not limited to building improvements, and the acquisition and installation of furniture, fixtures, machinery, computers and electronic equipment.

**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.

**Motor Vehicle Surcharge Securitization Fund (P.L. 2004, c.70)**

**Special Revenue Fund**

This Fund was established in order to receive bond proceeds from the New Jersey Economic Development Authority, which issued \$807.5 million of Motor Vehicle Surcharges Revenue Bonds. An amount of \$740.0 million was transferred to the General Fund for expenditure of any lawful State purpose for which moneys on deposit in the State's General Fund may be used. The remaining proceeds were transferred to the New Jersey Economic Development Authority in order to fund capitalized interest and to pay for costs of issuance.

**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 redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 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.

**Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)**

**Special Revenue Fund**

Monies received from assessments levied against mutual insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual Workers' Compensation Security Fund are made to persons entitled to receive workers' compensation when a mutual carrier is determined to be insolvent.

**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 in 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 Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)**

**Capital Projects Fund**

An amount of \$135 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97.5 million was reserved for the cost of rehabilitation and improvement of bridges carrying State highways and \$37.5 million was reserved for the State share of the cost of rehabilitation and improvement of bridges carrying county and municipal roads.

**New Jersey Building Authority (N.J.S.A. 52:18A-78.4)**

**Special Revenue Fund**

The New Jersey Building Authority, created in 1981, 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 above related 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 to meet the future needs of the expanding population. 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 1995 Green Acres, Farmland and Historic Preservation, and 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 parimutual 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 Construction Corporation**

**Special Revenue Fund**

Pursuant to Executive Order No. 24, the New Jersey Schools Construction Corporation ("Corporation") was created as a subsidiary of the New Jersey Economic Development Authority ("NJEDA"). The Corporation was formed as a separate activity apart from the NJEDA's mandated economic development mission for the purpose of establishing a more concentrated focus and streamlined approach to the timely and efficient construction of quality schools in New Jersey.

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

**Special Revenue Fund**

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

**New Jersey 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 under the New Jersey Transportation Trust Fund Authority Act of 1984 to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation 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 Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the State Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

**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**

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

**Prescription Drug Local Government Employers Program Fund (N.J.S.A. 52:14-17.29)**

**Proprietary Fund**

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs, which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. This plan is provided to local employees whose employers have elected to participate in the State Prescription Drug Program.

**Prescription Drug State Employees Program Fund (N.J.S.A. 52:14-17.29)**

**Special Revenue Fund**

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs, which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. This plan is provided to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities.

**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**

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the Fund, pursuant to formulas established by the State 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 equipment 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 Public Purpose Buildings Construction Fund 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 which will provide additional Medicaid 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.

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

**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. The balance of funds is 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 Police Retirement System (N.J.S.A. 53:5A)**

**Pension Trust Fund**

This system was created in July 1965 as successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

**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**

P.L. 2002, c.128 requires that 25.0 percent of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this Fund in order to provide recycling grants to municipalities and counties for local recycling programs.

**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.

**Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)**

**Special Revenue Fund**

Monies received from assessments levied against stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a stock carrier is determined to be insolvent.

**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 costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

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

**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 several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

**Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)**

**Special Revenue Fund**

Beginning July 1, 2001, each employer shall contribute an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (5) of subsection (c) of R.S.43:21-7. Beginning January 1, 2002, each worker shall contribute 0.0175 percent of the worker's wages as determined in paragraph (3) of subsection (b) of R.S. 43:21-7. The monies in this Fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers.

**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. is a body corporate and politic established in, but not of, the Department of the Treasury. In Fiscal Year 2003 the State sold to the corporation all of its rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement reached between 46 states and the major tobacco companies. The Corporation generated \$3.46 billion in Tobacco Settlement Asset-Backed Bonds to pay for New Jersey's rightful share under the Master Settlement Agreement.

**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 will be paid in perpetuity. During Fiscal Year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

**Tourism Improvement and Development Act (P.L. 1992, c.165)**

**Agency 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.

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

**Capital Projects Fund**

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

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

**Special Revenue Fund**

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

**Unclaimed Child Support Trust Fund (P.L. 1995, c.115)**

**Special Revenue Fund**

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

**Unclaimed County 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 75.0 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

**Unclaimed 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 shall be 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 as well as clean energy initiatives.

**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. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

**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.

**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 interest 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.

**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**

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

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

**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 in this Fund. Payments from this Fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

| <b>FUNCTION:</b>                                    | <b>Balance*</b><br><b>July 1, 2004</b> | <b>Additions</b>        | <b>Deletions</b>      | <b>Balance</b><br><b>June 30, 2005</b> |
|---|--|-------------------------|-----------------------|--|
| Public safety and criminal justice                  | \$ 1,055,405,805                       | \$ 20,695,505           | \$ 7,077,040          | \$ 1,069,024,270                       |
| Physical and mental health                          | 386,161,532                            | 8,507,255               | --                    | 394,668,787                            |
| Educational, cultural, and intellectual development | 177,727,864                            | 1,339,699               | --                    | 179,067,563                            |
| Community development and environmental management  | 1,581,920,399                          | 89,627,498              | 13,948,819            | 1,657,599,078                          |
| Economic planning, development, and security        | 61,585,091                             | 213,734                 | 341,890               | 61,456,935                             |
| Transportation programs                             | 14,635,441,360                         | 1,152,867,190           | 7,370,962             | 15,780,937,588                         |
| Government direction, management, and control       | 1,026,567,655                          | 59,891,839              | 9,864,427             | 1,076,595,067                          |
| Special government services                         | 2,876,034                              | 4,047,626               | --                    | 6,923,660                              |
| Construction in progress                            | 2,029,810,092                          | 817,105,869             | 859,828,405           | 1,987,087,556                          |
| <b>Total Gross Capital Assets By Function</b>       | <b>\$ 20,957,495,832</b>               | <b>\$ 2,154,296,215</b> | <b>\$ 898,431,543</b> | <b>\$ 22,213,360,504</b>               |

\*The opening balance has been restated by \$945,348,597 to reflect revised land amounts.

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2005**

| <b>FUNCTION:</b>                                    | <u>Land</u>             | <u>Land<br/>Improvements</u> | <u>Buildings<br/>and<br/>Improvements</u> |
|---|-------------------------|------------------------------|---|
| Public safety and criminal justice                  | \$ 25,416,161           | \$ 49,607,261                | \$ 902,505,051                            |
| Physical and mental health                          | 205,923                 | 6,263,196                    | 363,741,892                               |
| Educational, cultural, and intellectual development | 10,177,594              | 1,174,502                    | 150,244,613                               |
| Community development and environmental management  | 1,475,817,085           | 20,299,825                   | 147,809,274                               |
| Economic planning, development, and security        | 695                     | --                           | 56,461,762                                |
| Transportation programs                             | 2,045,099,346           | 1,890,150                    | 175,612,138                               |
| Government direction, management, and control       | 13,085,185              | 5,176,807                    | 973,246,402                               |
| Special government services                         | 2,317,731               | 3,389,508                    | 658,118                                   |
| Construction in progress                            | --                      | --                           | --  |
| <b>Total Gross Capital Assets By Function</b>       | <u>\$ 3,572,119,720</u> | <u>\$ 87,801,249</u>         | <u>\$ 2,770,279,250</u>                   |

| <u>Machinery<br/>and<br/>Equipment</u> | <u>Infrastructure</u>    | <u>Construction in<br/>Progress</u> | <u>Total</u>             |
|--|--------------------------|-------------------------------------|--------------------------|
| \$ 71,561,685                          | \$ 19,934,112            | \$ --                               | \$ 1,069,024,270         |
| 24,457,776                             | --                       | --                                  | 394,668,787              |
| 15,109,854                             | 2,361,000                | --                                  | 179,067,563              |
| 13,672,894                             | --                       | --                                  | 1,657,599,078            |
| 4,994,478                              | --                       | --                                  | 61,456,935               |
| 95,115,435                             | 13,463,220,518           | --                                  | 15,780,937,587           |
| 85,086,674                             | --                       | --                                  | 1,076,595,068            |
| 558,303                                | --                       | --                                  | 6,923,660                |
| --                                     | 1,602,176,571            | 384,910,985                         | 1,987,087,556            |
| <b>\$ 310,557,099</b>                  | <b>\$ 15,087,692,201</b> | <b>\$ 384,910,985</b>               | <b>\$ 22,213,360,504</b> |

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <u>Balance<br/>July 1, 2004</u> | <u>Depreciation<br/>Expense</u> | <u>Disposals</u>     | <u>Balance<br/>June 30, 2005</u> |
|---|---------------------------------|---------------------------------|----------------------|----------------------------------|
| <b>FUNCTION:</b>                                      |                                 |                                 |                      |                                  |
| Public safety and criminal justice                    | \$ 496,275,708                  | \$ 28,717,689                   | \$ 5,164,165         | \$ 519,829,232                   |
| Physical and mental health                            | 236,575,751                     | 9,203,949                       | --                   | 245,779,700                      |
| Educational, cultural, and intellectual development   | 61,187,232                      | 3,928,441                       | --                   | 65,115,673                       |
| Community development and environmental management    | 97,655,856                      | 6,032,605                       | 163,811              | 103,524,650                      |
| Economic planning, development, and security          | 36,508,981                      | 2,435,909                       | 64,725               | 38,880,165                       |
| Transportation programs                               | 4,769,420,153                   | 346,463,463                     | 6,460,611            | 5,109,423,005                    |
| Government direction, management, and control         | 456,646,250                     | 56,602,156                      | 9,069,420            | 504,178,986                      |
| Special government services                           | 434,593                         | 78,384                          | --                   | 512,977                          |
| <b>Total Accumulated Depreciation<br/>By Function</b> | <u>\$ 6,154,704,524</u>         | <u>\$ 453,462,596</u>           | <u>\$ 20,922,732</u> | <u>\$ 6,587,244,388</u>          |

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**STATE OF NEW JERSEY  
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS  
JUNE 30, 2005**

| <b><u>GENERAL OBLIGATION BOND ACT</u></b>   | <b><u>YEAR<br/>AUTHORIZED</u></b> | <b><u>AMOUNT<br/>AUTHORIZED (1)</u></b> |
|---|-----------------------------------|---|
| Beaches and Harbor  | 1977                              | \$ 30,000,000                           |
| Clean Waters  | 1976                              | 120,000,000                             |
| Community Development   | 1982                              | 85,000,000                              |
| Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater<br>Treatment Project  | 2003                              | 200,000,000                             |
| Developmental Disabilities Waiting List<br>Reduction and Human Services Facilities Construction                                     | 1994                              | 160,000,000                             |
| Energy Conservation   | 1980                              | 50,000,000                              |
| Green Acres, Cultural Centers<br>and Historic Preservation  | 1987                              | 100,000,000                             |
| Green Acres, Farmland<br>and Historic Preservation, and Blue Acres  | 1995                              | 340,000,000                             |
| Hazardous Discharge   | 1981                              | 100,000,000                             |
| Hazardous Discharge   | 1986                              | 200,000,000                             |
| Institutional Construction  | 1978                              | 100,000,000                             |
| Institutions Construction   | 1976                              | 80,000,000                              |
| Jobs, Education and Competitiveness   | 1988                              | 350,000,000                             |
| Natural Resources   | 1980                              | 145,000,000                             |
| New Jersey Bridge Rehabilitation and Improvement<br>and Railroad Right-of-Way Preservation  | 1989                              | 115,000,000                             |
| New Jersey Green Acres  | 1983                              | 135,000,000                             |
| New Jersey Green Acres, Clean Water,<br>Farmland and Historic Preservation  | 1992                              | 345,000,000                             |
| New Jersey Human Services Facilities Construction   | 1984                              | 60,000,000                              |
| New Jersey Open Space Preservation  | 1989                              | 300,000,000                             |
| New Jersey Transportation Rehabilitation and Improvement  | 1979                              | 475,000,000                             |
| Pinelands Infrastructure Trust  | 1985                              | 30,000,000                              |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup,<br>Lake Restoration, and Delaware Bay Area Economic Development | 1996                              | 300,000,000                             |
| Public Purpose Buildings and Community-Based Facilities Construction  | 1989                              | 125,000,000                             |
| Refunding Bonds   | 1985                              | 5,017,199,598                           |
| Resource Recovery and Solid Waste Disposal Facility   | 1985                              | 85,000,000                              |
| Shore Protection  | 1983                              | 50,000,000                              |
| State Land Acquisition and Development  | 1978                              | 200,000,000                             |
| State Mortgage Assistance   | 1976                              | 25,000,000                              |
| State Recreation and Conservation Land Acquisition and Development  | 1974                              | 200,000,000                             |
| Statewide Transportation and Local Bridge   | 1999                              | 500,000,000                             |
| Stormwater Management and Combined Sewer Overflow Abatement   | 1989                              | 50,000,000                              |
| Urban and Rural Centers Unsafe Buildings Demolition   | 1997                              | 20,000,000                              |
| Water Conservation  | 1969                              | 271,000,000                             |
| Water Supply  | 1981                              | 350,000,000                             |
| <b>TOTAL GENERAL OBLIGATION BONDS AUTHORIZED AND OUTSTANDING</b>  |                                   | <b>\$ 10,713,199,598</b>                |

General Obligation Debt-Capital Appreciation Bonds Subject to Accretion (3)

**TOTAL GENERAL OBLIGATION BONDS OUTSTANDING-GASB STATEMENT NO. 34 BASIS**

- (1) An additional \$1,000,000 Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.
- (2) Retired includes bonds for which provision for payment have been made through the sale and issuance of refunding bonds.
- (3) Amount represents restated capital appreciation bonds outstanding not included in prior year's balances.

| <b>AMOUNT<br/>UNISSUED</b> | <b>AMOUNT<br/>RETIRED (2)</b> | <b>AMOUNT<br/>OUTSTANDING</b> |
|----------------------------|-------------------------------|-------------------------------|
| \$ --                      | \$ 30,000,000                 | \$ --                         |
| 5,000,000                  | 114,558,000                   | 442,000                       |
| --                         | 83,432,000                    | 1,568,000                     |
| 200,000,000                | --                            | --                            |
| 5,000,000                  | 104,607,000                   | 50,393,000                    |
| 1,600,000                  | 47,325,000                    | 1,075,000                     |
| 9,000,000                  | 86,670,000                    | 4,330,000                     |
| 25,500,000                 | 208,480,000                   | 106,020,000                   |
| 43,000,000                 | 54,318,000                    | 2,682,000                     |
| 48,000,000                 | 101,519,000                   | 50,481,000                    |
| --                         | 100,000,000                   | --                            |
| --                         | 80,000,000                    | --                            |
| --                         | 335,168,000                   | 14,832,000                    |
| 9,600,000                  | 109,958,000                   | 25,442,000                    |
| --                         | 99,362,000                    | 15,638,000                    |
| 14,500,000                 | 120,160,000                   | 340,000                       |
| 26,780,000                 | 241,284,000                   | 76,936,000                    |
| --                         | 59,772,000                    | 228,000                       |
| 26,000,000                 | 250,146,000                   | 23,854,000                    |
| --                         | 474,239,000                   | 761,000                       |
| 8,000,000                  | 22,000,000                    | --                            |
| 199,000,000                | 48,890,000                    | 52,110,000                    |
| 5,000,000                  | 108,795,000                   | 11,205,000                    |
| --                         | 2,638,954,474                 | 2,378,245,124                 |
| --                         | 78,200,000                    | 6,800,000                     |
| --                         | 49,949,000                    | 51,000                        |
| 1,500,000                  | 195,842,000                   | 2,658,000                     |
| --                         | 25,000,000                    | --                            |
| --                         | 199,848,000                   | 152,000                       |
| --                         | 247,835,000                   | 252,165,000                   |
| 21,500,000                 | 23,205,000                    | 5,295,000                     |
| --                         | 6,150,000                     | 13,850,000                    |
| --                         | 268,458,000                   | 2,542,000                     |
| 93,400,000                 | 256,600,000                   | --                            |
| <b>\$ 742,380,000</b>      | <b>\$ 6,870,724,474</b>       | <b>\$ 3,100,095,124</b>       |
|                            |                               | <b>56,279,876</b>             |
|                            |                               | <b>\$ 3,156,375,000</b>       |

**STATE OF NEW JERSEY  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <u>YEAR<br/>AUTHORIZED</u> | <u>OUTSTANDING<br/>JULY 1, 2004</u> |
|---|----------------------------|-------------------------------------|
| <b>General Obligation Bond Act:</b>   |                            |                                     |
| Beaches and Harbor  | 1977                       | \$ 600,000                          |
| Clean Waters  | 1976                       | 791,000                             |
| Community Development   | 1982                       | 2,698,000                           |
| Developmentally Disabled Waiting List   |                            |                                     |
| Reduction and Human Services Facilities Construction  | 1994                       | 74,186,000                          |
| Energy Conservation   | 1980                       | 1,475,000                           |
| Hazardous Discharge   | 1981                       | 3,779,000                           |
| Hazardous Discharge   | 1986                       | 68,797,000                          |
| Institutional Construction  | 1978                       | 600,000                             |
| Institutions Construction   | 1976                       | 1,200,000                           |
| Jobs, Education and Competitiveness   | 1988                       | 29,582,000                          |
| Natural Resources   | 1980                       | 34,228,000                          |
| New Jersey Bridge Rehabilitation and Improvement<br>and Railroad Right-of-Way Preservation  | 1989                       | 24,563,000                          |
| New Jersey Green Acres  | 1983                       | 505,000                             |
| New Jersey Green Acres, Cultural Centers and Historic Preservation  | 1987                       | 5,940,000                           |
| New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation  | 1992                       | 122,140,000                         |
| 1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres   | 1995                       | 161,725,000                         |
| New Jersey Human Services Facilities Construction   | 1984                       | 643,000                             |
| New Jersey Open Space Preservation  | 1989                       | 41,646,000                          |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup,<br>Lake Restoration, and Delaware Bay Area Economic Development | 1996                       | 68,450,000                          |
| Public Purpose Buildings and Community-Based Facilities Construction  | 1989                       | 18,705,000                          |
| Refunding Bonds (1)   | 1985                       | 2,133,485,000                       |
| Refunding Bonds-Capital Appreciation Bonds (2)  | 1992                       | 110,905,000                         |
| Resource Recovery and Solid Waste Disposal Facility   | 1985                       | 15,025,000                          |
| Shore Protection  | 1983                       | 144,000                             |
| State Land Acquisition and Development  | 1978                       | 4,650,000                           |
| State Mortgage Assistance   | 1976                       | 400,000                             |
| State Recreation and Conservation Land Acquisition and Development  | 1974                       | 1,629,000                           |
| Statewide Transportation and Local Bridge Fund  | 1999                       | 334,485,000                         |
| Stormwater Management and Combined Sewer Overflow Abatement   | 1989                       | 8,985,000                           |
| Transportation Rehabilitation and Improvement   | 1979                       | 8,143,000                           |
| Urban and Rural Centers Unsafe Buildings Demolition Bonds   | 1997                       | 16,970,000                          |
| Water Conservation  | 1969                       | 3,931,000                           |
| <b>Subtotal General Obligation Bond Act</b>   |                            | <u>3,301,005,000</u>                |
| <b>Other Debt:</b>  |                            |                                     |
| Revenue Bonds Payable (2)   | --                         | 7,229,340,001                       |
| Accumulated Sick and Vacation Payable   | --                         | 466,126,031                         |
| Capital Leases  | --                         | 691,518,867                         |
| Installment Obligations (2)   | --                         | 11,741,335,394                      |
| Certificates of Participation   | --                         | 77,391,419                          |
| Loans Payable   | --                         | 1,279,358,087                       |
| Net Pension Obligation (3)  | --                         | 845,563,394                         |
| Unamortized Premium   | --                         | 498,640,583                         |
| Unamortized Deferral on Refunding   | --                         | (223,753,886)                       |
| Unamortized Interest on Capital Appreciation Bonds (4)  | --                         | (3,311,642,965)                     |
| Other   | --                         | 377,765,496                         |
| Tobacco Settlement Financing Corporation Bonds Payable  | --                         | 3,329,406,420                       |
| <b>Subtotal Other Debt</b>  |                            | <u>23,001,048,841</u>               |
| <b>TOTAL</b>  |                            | <u>\$ 26,302,053,841</u>            |

(1) July 1, 2004 was restated to reclassify \$45,999,741 of bonds to Refunding Bonds-Capital Appreciation Bonds.

(2) July 1, 2004 was restated to include \$4,171,101,763 of capital appreciation bonds excluded from prior year's balance.

(3) July 1, 2004 was restated to include an adjustment of \$484,424,537 relating to the actuarial net pension obligation.

(4) July 1, 2004 was restated to include unamortized interest on capital appreciation bonds excluded from prior year's balance.

| <u>ADDITIONS</u>  | <u>DEDUCTIONS</u> | <u>OUTSTANDING<br/>JUNE 30, 2005</u> |
|-------------------|-------------------|--------------------------------------|
| \$ --             | \$ 600,000        | \$ --                                |
| --                | 349,000           | 442,000                              |
| --                | 1,130,000         | 1,568,000                            |
| --                | 23,793,000        | 50,393,000                           |
| --                | 400,000           | 1,075,000                            |
| --                | 1,097,000         | 2,682,000                            |
| --                | 18,316,000        | 50,481,000                           |
| --                | 600,000           | --                                   |
| --                | 1,200,000         | --                                   |
| --                | 14,750,000        | 14,832,000                           |
| --                | 8,786,000         | 25,442,000                           |
| --                | 8,925,000         | 15,638,000                           |
| --                | 165,000           | 340,000                              |
| --                | 1,610,000         | 4,330,000                            |
| --                | 45,204,000        | 76,936,000                           |
| --                | 55,705,000        | 106,020,000                          |
| --                | 415,000           | 228,000                              |
| --                | 17,792,000        | 23,854,000                           |
| --                | 16,340,000        | 52,110,000                           |
| --                | 7,500,000         | 11,205,000                           |
| 472,395,000       | 265,635,000       | 2,340,245,000                        |
| --                | 16,625,000        | 94,280,000                           |
| --                | 8,225,000         | 6,800,000                            |
| --                | 93,000            | 51,000                               |
| --                | 1,992,000         | 2,658,000                            |
| --                | 400,000           | --                                   |
| --                | 1,477,000         | 152,000                              |
| --                | 82,320,000        | 252,165,000                          |
| --                | 3,690,000         | 5,295,000                            |
| --                | 7,382,000         | 761,000                              |
| --                | 3,120,000         | 13,850,000                           |
| --                | 1,389,000         | 2,542,000                            |
| 472,395,000       | 617,025,000       | 3,156,375,000                        |
| 3,679,005,000     | 3,052,340,000     | 7,856,005,001                        |
| 258,620,449       | 235,833,091       | 488,913,389                          |
| 118,881,053       | 141,134,416       | 669,265,504                          |
| 5,250,920,000     | 1,619,070,894     | 15,373,184,500                       |
| 25,800,598        | 37,044,429        | 66,147,588                           |
| -                 | -                 | 1,279,358,087                        |
| 951,236,080       | -                 | 1,796,799,474                        |
| 759,714,088       | 53,977,394        | 1,204,377,277                        |
| (338,394,243)     | (29,140,435)      | (533,007,694)                        |
| (71,842,644)      | (171,623,127)     | (3,211,862,482)                      |
| 397,545,330       | 377,765,496       | 397,545,330                          |
| -                 | 49,250,927        | 3,280,155,493                        |
| 11,031,485,711    | 5,365,653,085     | 28,666,881,467                       |
| \$ 11,503,880,711 | \$ 5,982,678,085  | \$ 31,823,256,467                    |

STATE OF NEW JERSEY  
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**BUDGETARY COMPARISON SCHEDULE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | <b>CASINO CONTROL FUND</b> |                         |   |                                       |
|--|----------------------------|-------------------------|---|---------------------------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
| <b>REVENUES</b>  |                            |                         |   |                                       |
| Taxes  | \$ --                      | \$ --                   | \$ --   | \$ --                                 |
| Licenses and fees                                      | 66,555,907                 | 70,240,907              | 64,051,078                                      | (6,189,829 )                          |
| Investment earnings                                    | --                         | 300,000                 | 310,088   | 10,088                                |
| Other  | --                         | --                      | --  | --                                    |
| <b>Total Revenues</b>                                  | <b>66,555,907</b>          | <b>70,540,907</b>       | <b>64,361,166</b>                               | <b>(6,179,741 )</b>                   |
| <b>OTHER FINANCING SOURCES</b>                         |                            |                         |   |                                       |
| Transfers from other funds                             | --                         | --                      | --  | --                                    |
| <b>Total Other Financing Sources</b>                   | <b>--</b>                  | <b>--</b>               | <b>--</b>                                       | <b>--</b>                             |
| <b>Total Revenues and Other<br/>Financing Sources</b>  | <b>66,555,907</b>          | <b>70,540,907</b>       | <b>64,361,166</b>                               | <b>(6,179,741 )</b>                   |
| <b>EXPENDITURES</b>                                    |                            |                         |   |                                       |
| Public safety and criminal justice                     | 37,876,853                 | 40,776,853              | 40,675,481                                      | 101,372                               |
| Physical and mental health                             | --                         | --                      | --  | --                                    |
| Educational, cultural, and intellectual<br>development | --                         | --                      | --  | --                                    |
| Economic planning, development,<br>and security        | --                         | --                      | --  | --                                    |
| Transportation programs                                | --                         | --                      | --  | --                                    |
| Government direction, management,<br>and control       | 28,679,054                 | 28,679,054              | 27,598,736                                      | 1,080,318                             |
| Special government services                            | --                         | --                      | --  | --                                    |
| <b>Total Expenditures</b>                              | <b>66,555,907</b>          | <b>69,455,907</b>       | <b>68,274,217</b>                               | <b>1,181,690</b>                      |
| <b>OTHER FINANCING USES</b>                            |                            |                         |   |                                       |
| Transfers to other funds                               | --                         | --                      | --  | --                                    |
| <b>Total Other Financing Uses</b>                      | <b>--</b>                  | <b>--</b>               | <b>--</b>                                       | <b>--</b>                             |
| <b>Total Expenditures and<br/>Other Financing Uses</b> | <b>66,555,907</b>          | <b>69,455,907</b>       | <b>68,274,217</b>                               | <b>1,181,690</b>                      |
| Net change in fund balance                             | --                         | 1,085,000               | (3,913,051 )                                    | (4,998,051 )                          |
| <b>FUND BALANCES - JULY 1, 2004</b>                    | <b>2,339,000</b>           | <b>4,887,561</b>        | <b>4,887,561</b>                                | <b>--</b>                             |
| <b>FUND BALANCES- JUNE 30, 2005</b>                    | <b>\$ 2,339,000</b>        | <b>\$ 5,972,561</b>     | <b>\$ 974,510</b>                               | <b>\$ (4,998,051 )</b>                |

| <b>CASINO REVENUE FUND</b> |                         |   |                                       |
|----------------------------|-------------------------|---|---------------------------------------|
| <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
| \$ 474,000,000             | \$ 473,069,000          | \$ 474,084,934                                  | \$ 1,015,934                          |
| --                         | --                      | --  | --                                    |
| 180,000                    | 512,000                 | 976,319   | 464,319                               |
| 143,596,389                | 143,596,389             | 143,565,044                                     | (31,345 )                             |
| 617,776,389                | 617,177,389             | 618,626,297                                     | 1,448,908                             |
| 700,000                    | 8,569,000               | 600,000   | (7,969,000 )                          |
| 700,000                    | 8,569,000               | 600,000   | (7,969,000 )                          |
| 618,476,389                | 625,746,389             | 619,226,297                                     | (6,520,092 )                          |
| --                         | --                      | --  | --                                    |
| 552,248,387                | 581,594,865             | 576,331,071                                     | 5,263,794                             |
| 38,409,000                 | 38,797,870              | 38,299,224                                      | 498,646                               |
| 2,440,000                  | 2,464,704               | 2,440,000                                       | 24,704                                |
| 25,287,002                 | 25,543,019              | 25,287,000                                      | 256,019                               |
| --                         | --                      | --  | --                                    |
| 92,000                     | 92,931                  | 92,000  | 931                                   |
| 618,476,389                | 648,493,389             | 642,449,295                                     | 6,044,094                             |
| --                         | --                      | --  | --                                    |
| --                         | --                      | --  | --                                    |
| 618,476,389                | 648,493,389             | 642,449,295                                     | 6,044,094                             |
| --                         | (22,747,000 )           | (23,222,998 )                                   | (475,998 )                            |
| --                         | 22,746,866              | 22,746,866                                      | --                                    |
| <u>\$ --</u>               | <u>\$ (134 )</u>        | <u>\$ (476,132 )</u>                            | <u>\$ (475,998 )</u>                  |

(Continued on next page)

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**STATE OF NEW JERSEY**  
**BUDGETARY COMPARISON SCHEDULE (Continued)**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

| <b>GUBERNATORIAL ELECTIONS FUND</b>                    |                            |                         |   |                                       |
|--|----------------------------|-------------------------|---|---------------------------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
| <b>REVENUES</b>  |                            |                         |   |                                       |
| Taxes  | \$ --                      | \$ --                   | \$ --   | \$ --                                 |
| Licenses and fees                                      | --                         | --                      | --  | --                                    |
| Investment earnings                                    | --                         | --                      | --  | --                                    |
| Other  | 1,500,000                  | 700,000                 | 517,384   | (182,616 )                            |
| <b>Total Revenues</b>                                  | <b>1,500,000</b>           | <b>700,000</b>          | <b>517,384</b>                                  | <b>(182,616 )</b>                     |
| <b>OTHER FINANCING SOURCES</b>                         |                            |                         |   |                                       |
| Transfers from other funds                             | 5,164,000                  | 4,860,000               | 4,483,160                                       | (376,840 )                            |
| <b>Total Other Financing Sources</b>                   | <b>5,164,000</b>           | <b>4,860,000</b>        | <b>4,483,160</b>                                | <b>(376,840 )</b>                     |
| <b>Total Revenues and Other<br/>Financing Sources</b>  | <b>6,664,000</b>           | <b>5,560,000</b>        | <b>5,000,544</b>                                | <b>(559,456 )</b>                     |
| <b>EXPENDITURES</b>                                    |                            |                         |   |                                       |
| Public safety and criminal justice                     | 8,870,000                  | 6,545,000               | 5,844,407                                       | 700,593                               |
| Physical and mental health                             | --                         | --                      | --  | --                                    |
| Educational, cultural, and intellectual<br>development | --                         | --                      | --  | --                                    |
| Economic planning, development,<br>and security        | --                         | --                      | --  | --                                    |
| Transportation programs                                | --                         | --                      | --  | --                                    |
| Government direction, management,<br>and control       | --                         | --                      | --  | --                                    |
| Special government services                            | --                         | --                      | --  | --                                    |
| <b>Total Expenditures</b>                              | <b>8,870,000</b>           | <b>6,545,000</b>        | <b>5,844,407</b>                                | <b>700,593</b>                        |
| <b>OTHER FINANCING USES</b>                            |                            |                         |   |                                       |
| Transfers to other funds                               | --                         | --                      | 465,815   | (465,815 )                            |
| <b>Total Other Financing Uses</b>                      | <b>--</b>                  | <b>--</b>               | <b>465,815</b>                                  | <b>(465,815 )</b>                     |
| <b>Total Expenditures and<br/>Other Financing Uses</b> | <b>8,870,000</b>           | <b>6,545,000</b>        | <b>6,310,222</b>                                | <b>234,778</b>                        |
| Net change in fund balance                             | (2,206,000 )               | (985,000 )              | (1,309,678 )                                    | (324,678 )                            |
| <b>FUND BALANCES - JULY 1, 2004</b>                    | <b>2,206,000</b>           | <b>1,309,678</b>        | <b>1,309,678</b>                                | <b>--</b>                             |
| <b>FUND BALANCES- JUNE 30, 2005</b>                    | <b>\$ --</b>               | <b>\$ 324,678</b>       | <b>\$ --</b>                                    | <b>\$ (324,678 )</b>                  |

**TOTAL NON-MAJOR GOVERNMENTAL FUNDS**

|           | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget</b> |
|-----------|----------------------------|-------------------------|---|---------------------------------------|
| \$        | 474,000,000                | \$ 473,069,000          | \$ 474,084,934                                  | \$ 1,015,934                          |
|           | 66,555,907                 | 70,240,907              | 64,051,078                                      | (6,189,829 )                          |
|           | 180,000                    | 812,000                 | 1,286,407                                       | 474,407                               |
|           | 145,096,389                | 144,296,389             | 144,082,428                                     | (213,961 )                            |
|           | 685,832,296                | 688,418,296             | 683,504,847                                     | (4,913,449 )                          |
|           | 5,864,000                  | 13,429,000              | 5,083,160                                       | (8,345,840 )                          |
|           | 5,864,000                  | 13,429,000              | 5,083,160                                       | (8,345,840 )                          |
|           | 691,696,296                | 701,847,296             | 688,588,007                                     | (13,259,289 )                         |
|           | 46,746,853                 | 47,321,853              | 46,519,888                                      | 801,965                               |
|           | 552,248,387                | 581,594,865             | 576,331,071                                     | 5,263,794                             |
|           | 38,409,000                 | 38,797,870              | 38,299,224                                      | 498,646                               |
|           | 2,440,000                  | 2,464,704               | 2,440,000                                       | 24,704                                |
|           | 25,287,002                 | 25,543,019              | 25,287,000                                      | 256,019                               |
|           | 28,679,054                 | 28,679,054              | 27,598,736                                      | 1,080,318                             |
|           | 92,000                     | 92,931                  | 92,000  | 931                                   |
|           | 693,902,296                | 724,494,296             | 716,567,919                                     | 7,926,377                             |
|           | --                         | --                      | 465,815   | (465,815 )                            |
|           | --                         | --                      | 465,815   | (465,815 )                            |
|           | 693,902,296                | 724,494,296             | 717,033,734                                     | 7,460,562                             |
|           | (2,206,000 )               | (22,647,000 )           | (28,445,727 )                                   | (5,798,727 )                          |
|           | 4,545,000                  | 28,944,105              | 28,944,105                                      | --                                    |
| <b>\$</b> | <b>2,339,000</b>           | <b>\$ 6,297,105</b>     | <b>\$ 498,378</b>                               | <b>\$ (5,798,727 )</b>                |

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

|  | <u>Casino<br/>Control<br/>Fund</u> | <u>Casino<br/>Revenue<br/>Fund</u> | <u>Gubernatorial<br/>Elections<br/>Fund</u> |
|--|------------------------------------|------------------------------------|---|
| <b>Sources/inflows of resources:</b>   |                                    |                                    |   |
| Total revenues and other financing sources--actual amounts<br>(budgetary basis) from the budgetary comparison schedule   | \$64,361,166                       | \$619,226,297                      | \$5,000,544                                 |
| Differences--budget to GAAP:<br>No reconciling items.  | --                                 | --                                 | --  |
|  | <u>\$64,361,166</u>                | <u>\$619,226,297</u>               | <u>\$5,000,544</u>                          |
| Total revenues and other financing sources as reported on the<br>GAAP-basis statement of revenues, expenditures, and changes<br>in fund balances--governmental funds   |                                    |                                    |   |
|  | <u>\$64,361,166</u>                | <u>\$619,226,297</u>               | <u>\$5,000,544</u>                          |
| <b>Uses/outflows of resources:</b>   |                                    |                                    |   |
| Total expenditures and other financing uses--actual amounts<br>(budgetary basis) from the budgetary comparison schedule  | \$68,274,217                       | \$642,449,295                      | \$6,310,222                                 |
| Differences--budget to GAAP:<br>Encumbrances for items ordered but not received are reported in the<br>year the resources are encumbered for budgetary purposes, but<br>in the year the items are received for financial reporting purposes. | (537,408)                          | (22,324,398)                       | --  |
| Expenditures in prior budget fiscal year accounts are reported in the<br>year the resources are encumbered for budgetary purposes, but in<br>the year the funds are disbursed for financial reporting purposes.                              | 592,717                            | 24,250,526                         | --  |
| Loans and travel advances are outflows of budgetary resources<br>but are not expenditures for financial reporting purposes.  | (11,098)                           | --                                 | --  |
| Miscellaneous accruals are not outflows of budgetary resources<br>but are expenditures for financial reporting purposes.   | 11,098                             | --                                 | --  |
|  | <u>11,098</u>                      | <u>--</u>                          | <u>--</u>                                   |
| Total expenditures and other financing uses as reported on the<br>GAAP-basis statement of revenues, expenditures, and changes<br>in fund balances--governmental funds  |                                    |                                    |   |
|  | <u>\$68,329,526</u>                | <u>\$644,375,423</u>               | <u>\$6,310,222</u>                          |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | ANTICIPATED           | REALIZED TO JUNE 30, 2005 |            | REALIZATION                  |
|--|-----------------------|---------------------------|------------|------------------------------|
|  | TO<br>JUNE 30, 2005   | AMOUNT                    | PERCENT    | OVER (UNDER)<br>ANTICIPATION |
| <b>MAJOR TAXES</b>                               |                       |                           |            |                              |
| Sales  | \$ 6,600,000,000      | \$ 6,552,199,925          | 99         | \$ (47,800,075 )             |
| Corporation Business                             | 2,500,000,000         | 2,368,105,017             | 94         | (131,894,983 )               |
| Cigarette  | 678,000,000           | 633,627,954               | 93         | (44,372,046 )                |
| Motor Fuels                                      | 559,000,000           | 547,324,724               | 97         | (11,675,276 )                |
| Transfer Inheritance                             | 556,000,000           | 520,775,959               | 93         | (35,224,041 )                |
| Insurance Premiums                               | 449,000,000           | 431,481,655               | 96         | (17,518,345 )                |
| Motor Vehicle Fees                               | 301,094,000           | 263,360,624               | 87         | (37,733,376 )                |
| Realty Transfer                                  | 286,000,000           | 384,975,270               | 134        | 98,975,270                   |
| Petroleum Products Gross Receipts                | 212,000,000           | 248,533,858               | 117        | 36,533,858                   |
| Corporation Banks and Financial Institutions     | 132,000,000           | 105,380,894               | 79         | (26,619,106 )                |
| Alcoholic Beverage Excise                        | 88,000,000            | 88,359,042                | 100        | 359,042                      |
| Tobacco Products Wholesale Sales                 | 10,000,000            | 11,513,882                | 115        | 1,513,882                    |
| Public Utility Excise                            | 8,700,000             | 10,366,672                | 119        | 1,666,672                    |
| Savings Institutions                             | --                    | (1,671,211 )              | --         | (1,671,211 )                 |
| <b>TOTAL MAJOR TAXES</b>                         | <b>12,379,794,000</b> | <b>12,164,334,265</b>     | <b>98</b>  | <b>(215,459,735 )</b>        |
| <b>MISCELLANEOUS TAXES, FEES, REVENUES</b>       |                       |                           |            |                              |
| <b>Executive Branch:</b>                         |                       |                           |            |                              |
| <b>Department of Agriculture:</b>                |                       |                           |            |                              |
| Fertilizer Inspection Fees                       | 291,000               | 291,000                   | 100        | --                           |
| Miscellaneous Revenue                            | 4,000                 | 16,984                    | 424        | 12,984                       |
| <b>Total Department of Agriculture</b>           | <b>295,000</b>        | <b>307,984</b>            | <b>104</b> | <b>12,984</b>                |
| <b>Department of Banking and Insurance:</b>      |                       |                           |            |                              |
| Actuarial Services                               | 52,000                | 45,344                    | 87         | (6,656 )                     |
| Bank Assessments                                 | 3,800,000             | 3,152,697                 | 82         | (647,303 )                   |
| Banking Examination Fees                         | 2,260,000             | 2,221,094                 | 98         | (38,906 )                    |
| Banking Licenses and Other Fees                  | 6,000,000             | 6,686,209                 | 111        | 686,209                      |
| FAIR Act Administration                          | 15,000,000            | 19,778,017                | 131        | 4,778,017                    |
| Fraud Fines                                      | 2,000,000             | 1,953,954                 | 97         | (46,046 )                    |
| Insurance Examination Billings                   | 2,100,000             | 2,035,221                 | 96         | (64,779 )                    |
| Insurance Fraud Prevention                       | 34,000,000            | 31,807,333                | 93         | (2,192,667 )                 |
| Insurance Licenses and Other Fees                | 12,530,000            | 14,767,199                | 117        | 2,237,199                    |
| Insurance Special Purpose Assessment             | 16,500,000            | 13,696,484                | 83         | (2,803,516 )                 |
| Real Estate Commission                           | 5,000,000             | 11,743,985                | 234        | 6,743,985                    |
| <b>Total Department of Banking and Insurance</b> | <b>99,242,000</b>     | <b>107,887,537</b>        | <b>108</b> | <b>8,645,537</b>             |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | ANTICIPATED         | REALIZED TO JUNE 30, 2005 |            | REALIZATION                  |
|--|---------------------|---------------------------|------------|------------------------------|
|  | TO<br>JUNE 30, 2005 | AMOUNT                    | PERCENT    | OVER (UNDER)<br>ANTICIPATION |
| <b>Department of Community Affairs:</b>                                |                     |                           |            |                              |
| Affordable Housing and Neighborhood<br>Preservation Fair Housing       | 19,767,000          | 19,767,000                | 100        | --                           |
| Construction Fees  | 12,372,000          | 12,372,000                | 100        | --                           |
| Divorce Filing Fees  | 1,276,000           | 1,209,250                 | 94         | (66,750 )                    |
| Fire Safety  | 14,745,000          | 14,745,000                | 100        | --                           |
| Housing Inspection Fees  | 7,508,000           | 7,508,000                 | 100        | --                           |
| Miscellaneous Revenue  | --                  | 729                       | --         | 729                          |
| Planned Real Estate Development Fees                                   | 828,000             | 828,000                   | 100        | --                           |
| <b>Total Department of Community Affairs</b>                           | <b>56,496,000</b>   | <b>56,429,979</b>         | <b>99</b>  | <b>(66,021 )</b>             |
| <b>Department of Corrections:</b>                                      |                     |                           |            |                              |
| Miscellaneous Revenue  | --                  | 7,975                     | --         | 7,975                        |
| Violent Crimes - Administration  | --                  | 8,966                     | --         | 8,966                        |
| <b>Total Department of Corrections</b>                                 | <b>--</b>           | <b>16,941</b>             | <b>--</b>  | <b>16,941</b>                |
| <b>Department of Education:</b>  |                     |                           |            |                              |
| Audit Recoveries   | 1,000,000           | 1,038,519                 | 103        | 38,519                       |
| Audit of Enrollments   | 1,600,000           | 1,589,739                 | 99         | (10,261 )                    |
| Local School District Loan Recoveries-NJEDA                            | 9,126,000           | 9,066,669                 | 99         | (59,331 )                    |
| Miscellaneous Revenue  | 125,000             | 28,795                    | 23         | (96,205 )                    |
| Nonpublic Schools Handicapped and Auxiliary<br>Recoveries              | 5,000,000           | 10,329,908                | 206        | 5,329,908                    |
| Nonpublic Schools Textbook Recoveries                                  | 1,450,000           | 1,351,093                 | 93         | (98,907 )                    |
| School Construction Inspection Fees                                    | 3,246,000           | 2,546,985                 | 78         | (699,015 )                   |
| State Board of Examiners   | 2,554,000           | 7,367,447                 | 288        | 4,813,447                    |
| <b>Total Department of Education</b>                                   | <b>24,101,000</b>   | <b>33,319,155</b>         | <b>138</b> | <b>9,218,155</b>             |
| <b>Department of Environmental Protection:</b>                         |                     |                           |            |                              |
| Air Pollution Fees   | 18,950,000          | 16,458,575                | 86         | (2,491,425 )                 |
| Air Pollution Fines  | 3,500,000           | 3,380,974                 | 96         | (119,026 )                   |
| Air Toxics Surcharge   | 6,000,000           | --                        | --         | (6,000,000 )                 |
| Clean Water Enforcement Act  | 2,700,000           | 1,303,455                 | 48         | (1,396,545 )                 |
| Coastal Area Development Review Act                                    | 1,800,000           | 2,412,658                 | 134        | 612,658                      |
| Endangered Species Tax Check-Off                                       | 269,000             | 215,543                   | 80         | (53,457 )                    |
| Environmental Infrastructure Financing<br>Program - Administrative Fee | 5,000,000           | 5,000,000                 | 100        | --                           |
| Excess Diversion   | 283,000             | 189,862                   | 67         | (93,138 )                    |
| Freshwater Wetlands Fees   | 2,800,000           | 3,781,573                 | 135        | 981,573                      |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |         | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|---|------------------------------------|---------------------------|---------|---|
|   |                                    | AMOUNT                    | PERCENT |   |
| Freshwater Wetlands Fines   | 50,000                             | 407,463                   | 814     | 357,463                                     |
| Hazardous Waste Fees  | 2,230,000                          | 2,615,557                 | 117     | 385,557                                     |
| Hazardous Waste Fines   | 400,000                            | 755,374                   | 188     | 355,374                                     |
| Highlands Permitting  | --                                 | 296,390                   | --      | 296,390                                     |
| Hunters' and Anglers' Licenses  | 12,897,000                         | 11,671,162                | 90      | (1,225,838 )                                |
| Industrial Site Recovery Act  | 1,200,000                          | 710,900                   | 59      | (489,100 )                                  |
| Laboratory Certification Fees   | 780,000                            | 813,894                   | 104     | 33,894                                      |
| Laboratory Certification Fines  | 20,000                             | 8,025                     | 40      | (11,975 )                                   |
| Marina Rentals  | 885,000                            | 885,000                   | 100     | --  |
| Marine Lands - Preparation and Filing Fees                              | 170,000                            | 109,847                   | 64      | (60,153 )                                   |
| Medical Waste   | 3,800,000                          | 4,219,478                 | 111     | 419,478                                     |
| Miscellaneous Revenue   | --                                 | 690                       | --      | 690   |
| New Jersey Pollutant Discharge Elimination<br>System/Stormwater Permits | 12,100,000                         | 14,481,715                | 119     | 2,381,715                                   |
| Parks Management Fees and Permits                                       | 4,300,000                          | 4,300,000                 | 100     | --  |
| Parks Management Fines  | 184,000                            | 141,176                   | 76      | (42,824 )                                   |
| Pesticide Control Fees  | 4,000,000                          | 4,229,627                 | 105     | 229,627                                     |
| Pesticide Control Fines   | 40,000                             | 48,755                    | 121     | 8,755                                       |
| Radiation Protection Fees   | 4,701,000                          | 4,198,848                 | 89      | (502,152 )                                  |
| Radiation Protection Fines  | 90,000                             | 93,155                    | 103     | 3,155                                       |
| Radon Testers Certification   | 260,000                            | 269,925                   | 103     | 9,925                                       |
| Shellfish and Marine Fisheries  | 7,000                              | 8,029                     | 114     | 1,029                                       |
| Solid and Hazardous Waste Disclosure                                    | 3,000,000                          | 236,965                   | 7       | (2,763,035 )                                |
| Solid Waste - Utility Regulation Assessments                            | 3,100,000                          | 3,100,000                 | 100     | --  |
| Solid Waste Fines   | 700,000                            | 564,071                   | 80      | (135,929 )                                  |
| Solid Waste Management Fees   | 13,303,000                         | 8,096,133                 | 60      | (5,206,867 )                                |
| Spring Meadow Golf Course   | 300,000                            | 300,000                   | 100     | --  |
| Stormwater Permits  | 5,800,000                          | 5,406,159                 | 93      | (393,841 )                                  |
| Stream Encroachment   | 2,600,000                          | 2,721,628                 | 104     | 121,628                                     |
| Toxic Catastrophe Prevention Fees                                       | 1,550,000                          | 1,366,211                 | 88      | (183,789 )                                  |
| Toxic Catastrophe Prevention Fines                                      | 40,000                             | 29,450                    | 73      | (10,550 )                                   |
| Treatment Works Approval  | 2,073,000                          | 1,169,869                 | 56      | (903,131 )                                  |
| Underground Storage Tanks Fees  | 1,000,000                          | 1,155,252                 | 115     | 155,252                                     |
| Water Allocation  | 2,050,000                          | 1,686,494                 | 82      | (363,506 )                                  |
| Water Supply Management Regulations                                     | 1,387,000                          | 1,329,672                 | 95      | (57,328 )                                   |
| Water/Wastewater Operators Licenses                                     | 215,000                            | 210,595                   | 97      | (4,405 )                                    |
| Waterfront Development Fees   | 2,400,000                          | 2,686,993                 | 111     | 286,993                                     |
| Waterfront Development Fines  | --                                 | 13,523                    | --      | 13,523                                      |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |           | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|---|------------------------------------|---------------------------|-----------|---|
|   |                                    | AMOUNT                    | PERCENT   |   |
| Well Permits/Well Drillers/<br>Pump Installers Licenses                 | 1,070,000                          | 1,122,900                 | 104       | 52,900                                      |
| Wetlands  | 24,000                             | 81,175                    | 338       | 57,175                                      |
| Worker Community Right to Know Fines                                    | 60,000                             | 37,886                    | 63        | (22,114 )                                   |
| <b>Total Department of Environmental<br/>Protection</b>                 | <b>130,088,000</b>                 | <b>114,322,626</b>        | <b>87</b> | <b>(15,765,374 )</b>                        |
| <b>Department of Health and Senior Services:</b>                        |                                    |                           |           |   |
| Admission Charge Hospital Assessment                                    | 6,000,000                          | 6,000,000                 | 100       | --  |
| Health Care Reform  | 1,200,000                          | 1,200,000                 | 100       | --  |
| HMO Covered Lives   | 2,600,000                          | 1,576,268                 | 60        | (1,023,732 )                                |
| Licenses, Fines, Permits, Penalties and Fees                            | 790,000                            | 790,000                   | 100       | --  |
| Miscellaneous Revenue   | 400,000                            | 111,493                   | 27        | (288,507 )                                  |
| <b>Total Department of Health and<br/>Senior Services</b>               | <b>10,990,000</b>                  | <b>9,677,761</b>          | <b>88</b> | <b>(1,312,239 )</b>                         |
| <b>Department of Human Services:</b>                                    |                                    |                           |           |   |
| Child Care Licensing/Adoption Law                                       | 350,000                            | 314,324                   | 89        | (35,676 )                                   |
| Early Periodic Screening<br>and Diagnostic Treatment                    | 4,000,000                          | 138,900                   | 3         | (3,861,100 )                                |
| Marriage License Fees   | 1,450,000                          | 1,239,181                 | 85        | (210,819 )                                  |
| Medicaid Uncompensated Care-Acute                                       | 319,942,000                        | 226,573,000               | 70        | (93,369,000 )                               |
| Medicaid Uncompensated Care-Mental Health                               | 31,307,000                         | 34,186,000                | 109       | 2,879,000                                   |
| Medicaid Uncompensated Care-Psychiatric                                 | 178,685,000                        | 189,966,000               | 106       | 11,281,000                                  |
| Medical Assistance-Federal Match on PAAD<br>Medicaid Dual Eligibles     | 2,200,000                          | 1,150                     | 0         | (2,198,850 )                                |
| Miscellaneous Revenue   | 47,400,000                         | 752,819                   | 1         | (46,647,181 )                               |
| Patients' and Residents' Cost Recoveries<br>- Developmental Disablility | 14,809,000                         | 15,781,140                | 106       | 972,140                                     |
| Patients' and Residents' Cost Recoveries<br>- Psychiatric Hospitals     | 61,643,000                         | 72,054,064                | 39        | 10,411,064                                  |
| School Based Medicaid   | 19,000,000                         | 3,824,927                 | 20        | (15,175,073 )                               |
| <b>Total Department of Human Services</b>                               | <b>680,786,000</b>                 | <b>544,831,505</b>        | <b>80</b> | <b>(135,954,495 )</b>                       |
| <b>Department of Labor:</b>   |                                    |                           |           |   |
| Miscellaneous Revenue   | --                                 | 132,746                   | --        | 132,746                                     |
| Special Compensation Fund   | 1,670,000                          | 1,670,000                 | 100       | --  |
| Workers' Compensation Assessment  | 12,014,000                         | 12,014,000                | 100       | --  |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | ANTICIPATED         | REALIZED TO JUNE 30, 2005 |            | REALIZATION                  |
|--|---------------------|---------------------------|------------|------------------------------|
|  | TO<br>JUNE 30, 2005 | AMOUNT                    | PERCENT    | OVER (UNDER)<br>ANTICIPATION |
| Workplace Standards - Licenses, Permits<br>and Fines | 2,820,000           | 2,820,000                 | 100        | --                           |
| <b>Total Department of Labor</b>                     | <b>16,504,000</b>   | <b>16,636,746</b>         | <b>100</b> | <b>132,746</b>               |
| <b>Department of Law and Public Safety:</b>          |                     |                           |            |                              |
| Authorities Recruit Class Reimbursement              | 2,500,000           | --                        | --         | (2,500,000 )                 |
| 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                             | --                  | 10,915                    | --         | 10,915                       |
| Legalized Games of Chance Control                    | 1,200,000           | 1,200,000                 | 100        | --                           |
| New Jersey Cemetery Board                            | 132,000             | 132,000                   | 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   | 480,000             | 480,000                   | 100        | --                           |
| Audiology and Speech Language<br>Pathology Advisory  | 25,000              | 25,000                    | 100        | --                           |
| Certified Psychoanalysts                             | 50,000              | --                        | --         | (50,000 )                    |
| Certified Public Accountants                         | 176,000             | 176,000                   | 100        | --                           |
| Chiropractors  | 240,000             | 230,709                   | 96         | (9,291 )                     |
| Cosmetology and Hairstyling                          | 2,680,000           | 2,680,000                 | 100        | --                           |
| Dentistry  | 280,000             | 280,000                   | 100        | --                           |
| Electrical Contractors                               | 40,000              | 40,000                    | 100        | --                           |
| Marriage Counselor Examiners                         | 400,000             | 400,000                   | 100        | --                           |
| Master Plumbers                                      | 640,000             | 640,000                   | 100        | --                           |
| Medical Examiners                                    | 4,400,000           | 4,400,000                 | 100        | --                           |
| Mortuary Science                                     | 320,000             | 320,000                   | 100        | --                           |
| Nursing  | 3,900,000           | 3,900,000                 | 100        | --                           |
| Occupational Therapists and Assistants               | 60,000              | 60,000                    | 100        | --                           |
| Ophthalmic Dispensers and Ophthalmic<br>Technicians  | 48,000              | 48,000                    | 100        | --                           |
| Optometrists   | 400,000             | 400,000                   | 100        | --                           |
| Orthotics and Prosthetics                            | 80,000              | 80,000                    | 100        | --                           |
| Pharmacy   | 760,000             | 760,000                   | 100        | --                           |
| Physical Therapy                                     | 120,000             | 120,000                   | 100        | --                           |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |           | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|---|------------------------------------|---------------------------|-----------|---|
|   |                                    | AMOUNT                    | PERCENT   |   |
| Professional Engineers and Land Surveyors                 | 360,000                            | 360,000                   | 100       | --  |
| Professional Planners                                     | 40,000                             | 40,000                    | 100       | --  |
| Psychological Examiners                                   | 180,000                            | 180,000                   | 100       | --  |
| Real Estate Appraisers                                    | 120,000                            | 120,000                   | 100       | --  |
| Respiratory Care  | 25,000                             | 25,000                    | 100       | --  |
| Shorthand Reporting                                       | 25,000                             | 25,000                    | 100       | --  |
| Social Workers  | 700,000                            | 700,000                   | 100       | --  |
| Veterinary Medical Examiners                              | 360,000                            | 360,000                   | 100       | --  |
| Division of State Police:                                 |                                    |                           |           |   |
| Fingerprint Fees  | 2,694,000                          | 2,694,000                 | 100       | --  |
| Other Licenses  | 204,000                            | 268,538                   | 131       | 64,538                                      |
| Private Detective Licenses                                | 220,000                            | 220,000                   | 100       | --  |
| EDA School Construction Recoveries                        | 800,000                            | 916,737                   | 114       | 116,737                                     |
| Miscellaneous Revenue                                     | --                                 | 25,665                    | --        | 25,665                                      |
| Pleasure Boat Licenses                                    | 3,200,000                          | 2,426,274                 | 75        | (773,726 )                                  |
| Securities Enforcement                                    | 8,994,000                          | 8,994,000                 | 100       | --  |
| Violent Crime Compensation                                | 3,930,000                          | 3,930,000                 | 100       | --  |
| <b>Total Department of Law and Public Safety</b>          | <b>48,408,000</b>                  | <b>45,292,838</b>         | <b>93</b> | <b>(3,115,162 )</b>                         |
| <b>Department of Military and Veterans' Affairs:</b>      |                                    |                           |           |   |
| Soldiers' Homes   | 28,765,000                         | 28,620,023                | 99        | (144,977 )                                  |
| <b>Total Department of Military and Veterans' Affairs</b> | <b>28,765,000</b>                  | <b>28,620,023</b>         | <b>99</b> | <b>(144,977 )</b>                           |
| <b>Department of State:</b>                               |                                    |                           |           |   |
| Miscellaneous Revenue                                     | --                                 | 43,465                    | --        | 43,465                                      |
| <b>Total Department of State</b>                          | <b>--</b>                          | <b>43,465</b>             | <b>--</b> | <b>43,465</b>                               |
| <b>Department of Transportation:</b>                      |                                    |                           |           |   |
| Air Safety Fund   | 965,000                            | 578,818                   | 59        | (386,182 )                                  |
| Applications and Highway Permits                          | 1,300,000                          | 1,300,000                 | 100       | --  |
| Auto Body Repair Shop Licensing                           | 550,000                            | 526,995                   | 95        | (23,005 )                                   |
| Autonomous Transportation Authorities                     | 2,500,000                          | 2,291,666                 | 91        | (208,334 )                                  |
| Drunk Driving Fines                                       | 350,000                            | 330,330                   | 94        | (19,670 )                                   |
| Good Driver   | 61,000,000                         | 81,694,146                | 133       | 20,694,146                                  |
| Graduated Driver's License                                | 1,350,000                          | 1,364,695                 | 101       | 14,695                                      |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |            | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|--|------------------------------------|---------------------------|------------|---|
|  |                                    | AMOUNT                    | PERCENT    |   |
| Heavy Duty Diesel Fines  | 400,000                            | 539,665                   | 134        | 139,665                                     |
| Interest on Purchase of Right-of-Way                                 | 5,000                              | 21,308                    | 426        | 16,308                                      |
| Logo Sign Program Fees   | 300,000                            | 300,000                   | 100        | --  |
| Miscellaneous Revenue  | --                                 | 49,985                    | --         | 49,985                                      |
| Motor Vehicle Database - Automated Access                            | 55,327,000                         | 47,170,173                | 85         | (8,156,827 )                                |
| Motor Vehicle Inspection Fund  | 76,710,000                         | 82,409,074                | 107        | 5,699,074                                   |
| Motor Vehicle Surcharge Program                                      | 360,000                            | 458,371                   | 122        | 98,371                                      |
| Outdoor Advertising  | 10,740,000                         | 5,122,059                 | 47         | (5,617,941 )                                |
| Salvage Title Program  | 980,000                            | 1,120,676                 | 114        | 140,676                                     |
| Special Plate Fees   | 750,000                            | 1,077,031                 | 143        | 327,031                                     |
| Tow Truck Marker Fee   | --                                 | 112,325                   | --         | 112,325                                     |
| Uninsured Motorists Program  | 3,400,000                          | 5,695,595                 | 167        | 2,295,595                                   |
| <b>Total Department of Transportation</b>                            | <b>216,987,000</b>                 | <b>232,162,912</b>        | <b>106</b> | <b>15,175,912</b>                           |
| <b>Department of the Treasury:</b>                                   |                                    |                           |            |   |
| Assessment on Houses Greater Than \$1 Million                        | 24,000,000                         | 51,434,370                | 214        | 27,434,370                                  |
| Assessments - Cable TV   | 3,976,000                          | 4,241,000                 | 106        | 265,000                                     |
| Assessments - Public Utility   | 24,600,000                         | 26,060,960                | 105        | 1,460,960                                   |
| Casino Fines   | --                                 | 494,509                   | --         | 494,509                                     |
| Coin Operated Telephones   | 4,100,000                          | 4,219,714                 | 102        | 119,714                                     |
| Commercial Recording Expedited                                       | 2,853,000                          | 2,853,000                 | 100        | --  |
| Commissions  | 1,100,000                          | 1,291,061                 | 117        | 191,061                                     |
| Dormitory Safety Trust Fund - Debt<br>Service Recovery               | 5,731,000                          | --                        | --         | (5,731,000 )                                |
| Equipment Leasing Fund - Debt<br>Service Recovery                    | 4,642,000                          | 4,420,690                 | 95         | (221,310 )                                  |
| Escrow Interest - Construction Accounts                              | 15,000                             | 31,654                    | 211        | 16,654                                      |
| General Revenue - Fees   | 32,380,000                         | 48,016,129                | 148        | 15,636,129                                  |
| Higher Education Capital Improvement Fund -<br>Debt Service Recovery | 11,250,000                         | 2,765,505                 | 24         | (8,484,495 )                                |
| Hotel Occupancy Tax  | 65,118,000                         | 78,023,679                | 119        | 12,905,679                                  |
| Investment Earnings  | --                                 | 28,698,782                | --         | 28,698,782                                  |
| Miscellaneous Revenue  | 260,000                            | 1,032,859                 | 397        | 772,859                                     |
| New Jersey Economic Development Authority                            | 2,200,000                          | 2,273,070                 | 103        | 73,070                                      |
| New Jersey Public Records Preservation                               | 39,000,000                         | 39,166,724                | 100        | 166,724                                     |
| Nuclear Emergency Response Assessment                                | 4,073,000                          | 5,001,000                 | 122        | 928,000                                     |
| ODS Mediation Fees   | 158,000                            | 138,649                   | 87         | (19,351 )                                   |
| Public Defender Client Receipts                                      | 5,340,000                          | 4,240,845                 | 79         | (1,099,155 )                                |
| Public Utility - Customer Specific Tax                               | 1,868,000                          | 2,259,575                 | 120        | 391,575                                     |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |            | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|---|------------------------------------|---------------------------|------------|---|
|   |                                    | AMOUNT                    | PERCENT    |   |
| Public Utility Fines  | --                                 | 305,500                   | --         | 305,500                                     |
| Public Utility Gross Receipts and Franchise Taxes                               | 69,000,000                         | 75,826,889                | 109        | 6,826,889                                   |
| Railroad Tax:   |                                    |                           |            |   |
| Class II  | 3,100,000                          | 3,483,936                 | 112        | 383,936                                     |
| Franchise   | 590,000                            | 932,170                   | 157        | 342,170                                     |
| Rate Payer Advocate   | 6,769,000                          | 6,295,500                 | 93         | (473,500 )                                  |
| Sale of Real Property   | 5,000,000                          | --                        | --         | (5,000,000 )                                |
| Surplus Property  | 950,000                            | 1,420,476                 | 149        | 470,476                                     |
| Tax Enforcement   | 25,000,000                         | --                        | --         | (25,000,000 )                               |
| Taxation Referral Cost Recovery   | --                                 | 6,723,141                 | --         | 6,723,141                                   |
| Telephone Assessment  | 118,000,000                        | 114,943,508               | 97         | (3,056,492 )                                |
| Tire Clean-Up Surcharge   | 12,300,000                         | 9,118,645                 | 74         | (3,181,355 )                                |
| Transitional Energy Facilities Assessment                                       | 222,200,000                        | 239,608,947               | 107        | 17,408,947                                  |
| <b>Total Department of the Treasury</b>   | <b>695,573,000</b>                 | <b>765,322,487</b>        | <b>110</b> | <b>69,749,487</b>                           |
| <b>Other Sources:</b>   |                                    |                           |            |   |
| Miscellaneous Revenue   | 500,000                            | 752,412                   | 150        | 252,412                                     |
| <b>Total Other Sources</b>  | <b>500,000</b>                     | <b>752,412</b>            | <b>150</b> | <b>252,412</b>                              |
| <b>Inter-Departmental Accounts:</b>   |                                    |                           |            |   |
| Administration and Investment of Pension and Health Benefits Funds - Recoveries | 48,000,000                         | 59,416,459                | 123        | 11,416,459                                  |
| Employee Maintenance Deductions   | 300,000                            | 300,000                   | 100        | --  |
| Fringe Benefit Recoveries from Colleges and Universities                        | 102,369,000                        | 126,510,251               | 123        | 24,141,251                                  |
| Fringe Benefit Recoveries from Federal and Other Funds                          | 159,825,000                        | 199,477,520               | 124        | 39,652,520                                  |
| Fringe Benefit Recoveries from School Districts                                 | 32,000,000                         | 31,570,141                | 98         | (429,859 )                                  |
| Indirect Cost Recoveries - DEP Other Funds                                      | 11,040,000                         | 10,616,969                | 96         | (423,031 )                                  |
| MTF Revenue Fund  | 86,500,000                         | 59,560,470                | 68         | (26,939,530 )                               |
| Rent of State Building Space  | 1,376,000                          | 1,608,746                 | 116        | 232,746                                     |
| Social Security Recoveries from Federal and Other Funds                         | 45,000,000                         | 56,012,712                | 124        | 11,012,712                                  |
| <b>Total Inter-Departmental Accounts</b>  | <b>486,410,000</b>                 | <b>545,073,268</b>        | <b>112</b> | <b>58,663,268</b>                           |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | ANTICIPATED          | REALIZED TO JUNE 30, 2005 |            | REALIZATION                  |
|---|----------------------|---------------------------|------------|------------------------------|
|   | TO<br>JUNE 30, 2005  | AMOUNT                    | PERCENT    | OVER (UNDER)<br>ANTICIPATION |
| <b>Judicial Branch:</b>                                   |                      |                           |            |                              |
| Court Fees  | 59,515,000           | 64,890,695                | 109        | 5,375,695                    |
| <b>Total Judicial Branch</b>                              | <b>59,515,000</b>    | <b>64,890,695</b>         | <b>109</b> | <b>5,375,695</b>             |
| <b>TOTAL MISCELLANEOUS TAXES,<br/>FEES, REVENUES</b>      | <b>2,554,660,000</b> | <b>2,565,588,334</b>      | <b>100</b> | <b>10,928,334</b>            |
| <b>INTERFUND TRANSFERS</b>                                |                      |                           |            |                              |
| Beaches and Harbor Fund                                   | 15,000               | 28,259                    | 188        | 13,259                       |
| Cigarette Tax Securitization                              | 1,190,000,000        | 1,190,000,000             | 100        | --                           |
| Clean Waters Fund   | 18,000               | 8,018                     | 44         | (9,982 )                     |
| Correctional Facilities Construction Fund                 | 6,000                | 12,743                    | 212        | 6,743                        |
| Correctional Facilities Construction<br>Fund - 1987       | 7,000                | 38,285                    | 546        | 31,285                       |
| Cultural Centers and Historic<br>Preservation Fund - 1987 | 35,000               | 57,023                    | 162        | 22,023                       |
| Developmental Disabilities Waiting List<br>Reduction Fund | 557,000              | 528,869                   | 94         | (28,131 )                    |
| Development Potential Bank Transfer Fund                  | 117,000              | --                        | --         | (117,000 )                   |
| Dredging and Containment Facility Fund                    | 1,816,000            | 338,000                   | 18         | (1,478,000 )                 |
| 1996 Economic Development Site Fund                       | 39,000               | --                        | --         | (39,000 )                    |
| Emergency Flood Control Fund                              | 7,000                | 7,545                     | 107        | 545                          |
| Energy Conservation Fund                                  | 28,000               | 6,089                     | 21         | (21,911 )                    |
| Enterprise Zone Assistance Fund                           | 2,050,000            | 4,698,770                 | 229        | 2,648,770                    |
| 1996 Environmental Cleanup Fund                           | 194,000              | --                        | --         | (194,000 )                   |
| Fund for Support of Free Public Schools                   | --                   | 2,091,727                 | --         | 2,091,727                    |
| Garden State Farmland Preservation<br>Trust Fund          | 1,764,000            | 1,878,896                 | 106        | 114,896                      |
| Garden State Green Acres Preservation<br>Trust Fund       | 5,006,000            | 5,279,561                 | 105        | 273,561                      |
| Garden State Historic Preservation Trust Fund             | 609,000              | 640,215                   | 105        | 31,215                       |
| Hazardous Discharge Fund of 1981                          | 2,000                | 3,994                     | 199        | 1,994                        |
| Hazardous Discharge Fund of 1986                          | 3,000                | --                        | --         | (3,000 )                     |
| Hazardous Discharge Site Cleanup Fund                     | 17,637,000           | 17,637,000                | 100        | --                           |
| 1995 Historic Preservation Fund                           | 39,000               | --                        | --         | (39,000 )                    |
| Housing Assistance Fund                                   | 50,000               | --                        | --         | (50,000 )                    |
| Human Services Facilities Construction Fund               | --                   | 2,136                     | --         | 2,136                        |
| Institutions Construction Fund                            | 1,000                | --                        | --         | (1,000 )                     |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |         | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|--|------------------------------------|---------------------------|---------|---|
|  |                                    | AMOUNT                    | PERCENT |   |
| Jobs, Education and Competitiveness Fund   | 50,000                             | 147,036                   | 294     | 97,036                                      |
| Jobs, Science and Technology Fund  | --                                 | 568                       | --      | 568   |
| Judiciary Bail Fund  | 300,000                            | 585,831                   | 195     | 285,831                                     |
| Judiciary Child Support and Paternity Fund   | 275,000                            | 478,859                   | 174     | 203,859                                     |
| Judiciary Probation Fund   | 105,000                            | 232,832                   | 221     | 127,832                                     |
| Judiciary Special Civil Fund   | 30,000                             | 55,725                    | 185     | 25,725                                      |
| Judiciary Superior Court Miscellaneous Fund  | 55,000                             | 114,660                   | 208     | 59,660                                      |
| Legal Services Fund  | 10,750,000                         | 9,790,895                 | 91      | (959,105 )                                  |
| Medical Education Facilities Fund  | 5,000                              | --                        | --      | (5,000 )                                    |
| Mortgage Assistance Fund   | 760,000                            | 746,123                   | 98      | (13,877 )                                   |
| Motor Vehicle Security Responsibility Fund   | 4,000                              | 5,197                     | 129     | 1,197                                       |
| Motor Vehicle Surcharge Secuitization Fund   | 740,000,000                        | 740,000,000               | 100     | --  |
| Mutual Workers' Compensation Security Fund   | 5,000,000                          | --                        | --      | (5,000,000 )                                |
| Natural Resources Fund   | 330,000                            | 77,703                    | 23      | (252,297 )                                  |
| New Jersey Bridge Rehabilitation<br>and Improvement Fund                                       | --                                 | 64                        | --      | 64  |
| New Jersey Bridge Rehabilitation<br>and Improvement Railroad Right-of-Way<br>Preservation Fund | 55,000                             | 137,277                   | 249     | 82,277                                      |
| New Jersey Coastal Blue Acres<br>Trust Fund  | 97,000                             | --                        | --      | (97,000 )                                   |
| 1983 New Jersey Green Acres Fund   | 197,000                            | 436,299                   | 221     | 239,299                                     |
| 1995 New Jersey Green Acres Fund   | 300,000                            | --                        | --      | (300,000 )                                  |
| 1992 New Jersey Green Trust Fund   | 855,000                            | --                        | --      | (855,000 )                                  |
| 1995 New Jersey Green Trust Fund   | 1,000,000                          | --                        | --      | (1,000,000 )                                |
| New Jersey Spill Compensation Fund   | 11,661,000                         | 15,269,272                | 130     | 3,608,272                                   |
| New Jersey Workforce Development<br>Partnership Fund   | 17,042,000                         | 13,570,036                | 79      | (3,471,964 )                                |
| Pollution Prevention Fund  | 2,380,000                          | 2,168,055                 | 91      | (211,945 )                                  |
| Public Purpose Buildings and Community-Based<br>Facilities Construction Fund                   | 42,000                             | 102,972                   | 245     | 60,972                                      |
| Public Purpose Bulidings Construction Fund   | 1,000                              | 3,409                     | 340     | 2,409                                       |
| Resource Recovery Investment Tax Fund  | --                                 | 174                       | --      | 174   |
| Safe Drinking Water Fund   | 2,339,000                          | 1,803,520                 | 77      | (535,480 )                                  |
| School Fund Investment Account   | 2,931,000                          | 3,532,000                 | 120     | 601,000                                     |
| Shore Protection Fund  | 181,000                            | 353,739                   | 195     | 172,739                                     |
| Solid Waste Service Tax Fund   | 50,000                             | 4,244                     | 8       | (45,756 )                                   |
| State Disability Benefits Fund   | 136,304,000                        | 136,204,161               | 99      | (99,839 )                                   |
| State Land Acquisition and Development Fund  | 5,000                              | 6,943                     | 138     | 1,943                                       |

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|  | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |           | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|--|------------------------------------|---------------------------|-----------|---|
|  |                                    | AMOUNT                    | PERCENT   |   |
| State Lottery Fund   | 795,000,000                        | 812,046,973               | 102       | 17,046,973                                  |
| State Lottery Fund - Administration  | 21,491,000                         | 27,330,650                | 127       | 5,839,650                                   |
| State of New Jersey Cash Management Fund                                     | 3,256,000                          | 2,391,253                 | 73        | (864,747 )                                  |
| State Recreation and Conservation<br>Land Acquisition and Development - 1974 | 5,000                              | 19,949                    | 398       | 14,949                                      |
| State Recycling Fund   | 1,046,000                          | 1,046,000                 | 100       | --  |
| 1999 Statewide Transportation and Local<br>Bridge Fund                       | 2,100,000                          | 1,126,919                 | 53        | (973,081 )                                  |
| Supplemental Workforce Fund for Basic Skills                                 | 2,000,000                          | 1,644,285                 | 82        | (355,715 )                                  |
| Transportation Rehabilitation and<br>Improvement Fund - 1979                 | 3,000                              | 6,766                     | 225       | 3,766                                       |
| Unclaimed Insurance Payments<br>on Deposit Account Fund                      | 20,000                             | 40,251                    | 201       | 20,251                                      |
| Unclaimed Personal Property Trust Fund                                       | 194,075,000                        | 144,075,000               | 74        | (50,000,000 )                               |
| Unclaimed Utilities Deposits Trust Fund                                      | 45,000                             | 41,000                    | 91        | (4,000 )                                    |
| Unemployment Compensation<br>Auxiliary Fund                                  | 17,530,000                         | 17,530,000                | 100       | --  |
| Universal Services Fund  | 72,000,000                         | 70,804,075                | 98        | (1,195,925 )                                |
| Wage and Hour Trust Fund   | 75,000                             | 23,662                    | 31        | (51,338 )                                   |
| 1992 Wastewater Treatment Fund   | 233,000                            | --                        | --        | (233,000 )                                  |
| Water Conservation Fund  | 20,000                             | 31,060                    | 155       | 11,060                                      |
| Water Supply Fund  | 3,779,000                          | 3,683,435                 | 97        | (95,565 )                                   |
| Worker and Community Right to Know Fund                                      | 3,484,000                          | 3,368,941                 | 96        | (115,059 )                                  |
| <b>TOTAL INTERFUND TRANSFERS</b>   | <b>3,269,266,000</b>               | <b>3,234,294,943</b>      | <b>98</b> | <b>(34,971,057 )</b>                        |
| <b>TOTAL REVENUES, GENERAL FUND</b>  | <b>\$ 18,203,720,000</b>           | <b>\$ 17,964,217,542</b>  | <b>98</b> | <b>\$ (239,502,458 )</b>                    |

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE**  
**CASINO CONTROL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                  | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |           | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|----------------------------------|------------------------------------|---------------------------|-----------|---|
|                                  |                                    | AMOUNT                    | PERCENT   |   |
| Licenses and Fees                | \$ 65,600,000                      | \$ 64,051,078             | 97        | \$ (1,548,922 )                             |
| Investment Income                | --                                 | 310,088                   | --        | 310,088                                     |
| <b>TOTAL CASINO CONTROL FUND</b> | <b>\$ 65,600,000</b>               | <b>\$ 64,361,166</b>      | <b>97</b> | <b>\$ (1,238,834 )</b>                      |

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE**  
**CASINO REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                     | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |            | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|-------------------------------------|------------------------------------|---------------------------|------------|---|
|                                     |                                    | AMOUNT                    | PERCENT    |   |
| Gross Revenue Tax                   | \$ 384,000,000                     | \$ 388,593,387            | 101        | \$ 4,593,387                                |
| Casino Simulcasting Fund            | 700,000                            | 600,000                   | 85         | (100,000 )                                  |
| Investment Income                   | 180,000                            | 976,319                   | 542        | 796,319                                     |
| Newly Enacted Casino Taxes and Fees | 90,000,000                         | 85,491,547                | 94         | (4,508,453 )                                |
| <b>TOTAL CASINO REVENUE FUND</b>    | <b>\$ 474,880,000</b>              | <b>\$ 475,661,253</b>     | <b>100</b> | <b>\$ 781,253</b>                           |

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE**  
**GUBERNATORIAL ELECTIONS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |           | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|---|------------------------------------|---------------------------|-----------|---|
|   |                                    | AMOUNT                    | PERCENT   |   |
| Taxpayers' Designations                   | \$ 1,500,000                       | \$ 517,384                | 34        | \$ (982,616 )                               |
| <b>TOTAL GUBERNATORIAL ELECTIONS FUND</b> | <b>\$ 1,500,000</b>                | <b>\$ 517,384</b>         | <b>34</b> | <b>\$ (982,616 )</b>                        |

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE**  
**PROPERTY TAX RELIEF FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                       | ANTICIPATED<br>TO<br>JUNE 30, 2005 | REALIZED TO JUNE 30, 2005 |            | REALIZATION<br>OVER (UNDER)<br>ANTICIPATION |
|---------------------------------------|------------------------------------|---------------------------|------------|---|
|                                       |                                    | AMOUNT                    | PERCENT    |   |
| Gross Income Tax                      | \$ 8,855,000,000                   | \$ 9,537,938,903          | 107        | \$ 682,938,903                              |
| <b>TOTAL PROPERTY TAX RELIEF FUND</b> | <b>\$ 8,855,000,000</b>            | <b>\$ 9,537,938,903</b>   | <b>107</b> | <b>\$ 682,938,903</b>                       |

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2005**

|                                   | <u>STATE</u>          | <u>FEDERAL</u>          | <u>DEDICATED AND<br/>REVOLVING</u> | <u>TOTAL</u>             |
|-----------------------------------|-----------------------|-------------------------|------------------------------------|--------------------------|
| <b>LEGISLATIVE BRANCH</b>         | \$ --                 | \$ --                   | \$ 4,620                           | \$ 4,620                 |
| <b>EXECUTIVE BRANCH</b>           |                       |                         |                                    |                          |
| Chief Executive                   | --                    | --                      | 1,221,088                          | 1,221,088                |
| Agriculture                       | 1,637,515             | 232,958,263             | 9,883,191                          | 244,478,969              |
| Banking and Insurance             | 5,952,587             | --                      | 437,956                            | 6,390,543                |
| Community Affairs                 | 34,202,568            | 215,776,616             | 95,483,704                         | 345,462,888              |
| Corrections                       | --                    | 5,353,975               | 55,256,905                         | 60,610,880               |
| Education                         | 700,000               | 824,852,113             | 16,963,959                         | 842,516,072              |
| Environmental Protection          | 18,336,786            | 50,115,616              | 14,979,732                         | 83,432,134               |
| Health and Senior Services        | 16,145,924            | 443,657,176             | 241,573,949                        | 701,377,049              |
| Human Services                    | 319,706,764           | 5,000,134,888           | 765,311,167                        | 6,085,152,819            |
| Labor                             | 51,333,446            | 344,811,009             | 150,869,254                        | 547,013,709              |
| Law and Public Safety             | 151,661,124           | 175,615,296             | 158,999,821                        | 486,276,241              |
| Military and Veterans' Affairs    | 1,900,260             | 33,614,215              | 174,805                            | 35,689,280               |
| Personnel                         | 3,946,626             | --                      | --                                 | 3,946,626                |
| State                             | 3,947,488             | 25,710,061              | 23,361,161                         | 53,018,710               |
| Transportation                    | 3,006,335             | 30,855,456              | 313,503,243                        | 347,365,034              |
| Treasury                          | 12,215,537            | 2,091,773               | 1,138,320,617                      | 1,152,627,927            |
| Interdepartmental                 | 1,976,999             | --                      | --                                 | 1,976,999                |
| <b>TOTAL EXECUTIVE BRANCH</b>     | <u>626,669,959</u>    | <u>7,385,546,457</u>    | <u>2,986,340,552</u>               | <u>10,998,556,968</u>    |
| <b>JUDICIAL BRANCH</b>            | <u>3,111,798</u>      | <u>883,023</u>          | <u>50,459,936</u>                  | <u>54,454,757</u>        |
| <b>TOTAL APPROPRIATED REVENUE</b> | <u>\$ 629,781,757</u> | <u>\$ 7,386,429,480</u> | <u>\$ 3,036,805,108</u>            | <u>\$ 11,053,016,345</u> |

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
CASINO REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2005**

|                                   | <u>STATE</u>          | <u>FEDERAL</u> | <u>DEDICATED AND<br/>REVOLVING</u> | <u>TOTAL</u>          |
|-----------------------------------|-----------------------|----------------|------------------------------------|-----------------------|
| <b>EXECUTIVE BRANCH</b>           |                       |                |                                    |                       |
| Health and Senior Services        | \$ 143,565,044        | \$ --          | \$ --                              | \$ 143,565,044        |
| <b>TOTAL APPROPRIATED REVENUE</b> | <u>\$ 143,565,044</u> | <u>\$ --</u>   | <u>\$ --</u>                       | <u>\$ 143,565,044</u> |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                     | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>     |
|-------------------------------------|---|--|-------------------------|
| <b>DIRECT STATE SERVICES</b>        |   |  |                         |
| <b>Legislative Branch</b>           | \$ 73,501,000   | \$ 15,576,693                                  | \$ 72,251,240           |
| <b>Executive Branch</b>             |   |  |                         |
| Chief Executive's Office            | 5,267,000   | 1,162,540                                      | 5,132,411               |
| Agriculture                         | 9,123,000   | 2,939,686                                      | 10,671,397              |
| Banking and Insurance               | 67,703,000  | 7,685,616                                      | 64,076,125              |
| Community Affairs                   | 50,969,098  | 30,520,447                                     | 51,990,995              |
| Corrections                         | 882,310,000   | 19,737,558                                     | 883,875,981             |
| Education                           | 60,436,162  | 17,876,689                                     | 63,551,737              |
| Environmental Protection            | 217,273,034   | 49,393,252                                     | 238,720,673             |
| Health and Senior Services          | 82,802,000  | 22,671,288                                     | 91,168,578              |
| Human Services                      | 796,478,705   | 83,681,444                                     | 839,815,253             |
| Labor                               | 60,242,000  | 54,086,799                                     | 92,533,013              |
| Law and Public Safety               | 498,087,000   | 245,044,098                                    | 622,050,940             |
| Military and Veterans' Affairs      | 81,881,000  | 6,038,786                                      | 80,395,710              |
| Personnel                           | 25,448,000  | 6,939,420                                      | 28,738,449              |
| State                               | 32,729,000  | 1,961,516                                      | 31,235,108              |
| Transportation                      | 110,287,000   | 8,946,904                                      | 116,043,218             |
| Treasury                            | 391,342,911   | 72,775,518                                     | 399,442,269             |
| Miscellaneous Executive Commissions | 1,390,000   | 8,812  | 1,398,250               |
| Inter-Departmental Accounts         | 1,838,749,670   | (69,218,485 )                                  | 1,671,748,938           |
| <b>Total Executive Branch</b>       | <u>5,212,518,580</u>                                    | <u>562,251,888</u>                             | <u>5,292,589,045</u>    |
| <b>Judicial Branch</b>              | <u>532,073,000</u>                                      | <u>16,056,401</u>                              | <u>512,638,827</u>      |
| <b>TOTAL DIRECT STATE SERVICES</b>  | <u>\$ 5,818,092,580</u>                                 | <u>\$ 593,884,982</u>                          | <u>\$ 5,877,479,112</u> |

| <u>ENCUMBRANCES</u>   | <u>LAPSED</u>        | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|-----------------------|----------------------|--------------------------------------|
| \$ 2,775,015          | \$ --                | \$ 14,051,438                        |
| --                    | 9,551                | 1,287,578                            |
| 732,417               | --                   | 658,872                              |
| 309,355               | 9,182,072            | 1,821,064                            |
| 1,094,357             | 11,372,214           | 17,031,979                           |
| 15,419,292            | 2,145,605            | 606,680                              |
| 5,767,326             | 5,567,049            | 3,426,739                            |
| 12,586,791            | 852,979              | 14,505,843                           |
| 10,620,950            | 2,322,558            | 1,361,202                            |
| 25,257,031            | 929,897              | 14,157,968                           |
| 15,216,867            | 5,391,100            | 1,187,819                            |
| 19,646,863            | 6,534,631            | 94,898,664                           |
| 3,820,829             | 1,818,382            | 1,884,865                            |
| 1,795,916             | 421,399              | 1,431,656                            |
| 1,690,046             | 694,930              | 1,070,432                            |
| 2,464,687             | 443,720              | 282,279                              |
| 34,393,708            | 7,549,727            | 22,732,725                           |
| 469                   | --                   | 93                                   |
| 14,721,641            | 26,125,574           | 56,935,032                           |
| <u>165,538,545</u>    | <u>81,361,388</u>    | <u>235,281,490</u>                   |
| <u>24,582,483</u>     | <u>1,717,699</u>     | <u>9,190,392</u>                     |
| <u>\$ 192,896,043</u> | <u>\$ 83,079,087</u> | <u>\$ 258,523,320</u>                |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>     |
|--------------------------------|---|--|-------------------------|
| <b>GRANTS-IN-AID</b>           |   |  |                         |
| <b>Executive Branch</b>        |   |  |                         |
| Agriculture                    | \$ 2,755,000  | \$ 273,803                                     | \$ 1,912,481            |
| Community Affairs              | 54,005,000  | 20,165,692                                     | 37,534,736              |
| Corrections                    | 113,599,000   | 4,168,194                                      | 116,361,463             |
| Education                      | 25,544,000  | 395,876  | 22,984,045              |
| Environmental Protection       | 16,250,000  | 2,226,472                                      | 3,774,150               |
| Health and Senior Services     | 1,425,585,884   | 16,102,321                                     | 1,367,092,475           |
| Human Services                 | 3,599,465,050   | 352,827,067                                    | 3,846,600,124           |
| Labor                          | 43,163,000  | 341,000  | 31,144,000              |
| Law and Public Safety          | 19,308,000  | 81,000   | 5,957,826               |
| Military and Veterans' Affairs | 1,044,000   | 61,359   | 992,279                 |
| State                          | 1,158,257,000   | 50,586,188                                     | 1,169,057,606           |
| Transportation                 | 278,700,000   | 1,700,175                                      | 278,756,629             |
| Treasury                       | 235,812,000   | 3,372,040                                      | 211,907,318             |
| Inter-Departmental Accounts    | 853,859,011   | (45,266,138 )                                  | 761,365,178             |
| <b>Total Executive Branch</b>  | <u>7,827,346,945</u>                                    | <u>407,035,049</u>                             | <u>7,855,440,310</u>    |
| <b>Judicial Branch</b>         | <u>--</u>   | <u>500,000</u>                                 | <u>500,000</u>          |
| <b>TOTAL GRANTS-IN-AID</b>     | <u>\$ 7,827,346,945</u>                                 | <u>\$ 407,535,049</u>                          | <u>\$ 7,855,940,310</u> |

**STATE AID**

|                               |                         |                         |                         |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Executive Branch</b>       |                         |                         |                         |
| Agriculture                   | \$ 11,085,000           | \$ 283,425              | \$ 10,345,053           |
| Community Affairs             | 103,196,000             | 7,530,000               | 102,503,108             |
| Education                     | 2,385,849,000           | (88,341,883 )           | 2,291,091,436           |
| Environmental Protection      | 12,207,000              | 196,440                 | 8,940,534               |
| Health and Senior Services    | 62,454,000              | --                      | 59,919,318              |
| Human Services                | 370,567,000             | 9,846,533               | 379,792,103             |
| Labor                         | 1,624,000               | --                      | 1,397,417               |
| Law and Public Safety         | 14,820,000              | 12,613,236              | 12,453,254              |
| State                         | 16,827,000              | --                      | 16,597,489              |
| Treasury                      | 307,213,739             | 7,496,147               | 284,962,190             |
| <b>Total Executive Branch</b> | <u>3,285,842,739</u>    | <u>(50,376,102 )</u>    | <u>3,168,001,902</u>    |
| <b>TOTAL STATE AID</b>        | <u>\$ 3,285,842,739</u> | <u>\$ (50,376,102 )</u> | <u>\$ 3,168,001,902</u> |

| <u>ENCUMBRANCES</u>   | <u>LAPSED</u>        | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|-----------------------|----------------------|--------------------------------------|
| \$ 775,406            | \$ --                | \$ 340,916                           |
| 23,583,672            | 7,023,559            | 6,028,725                            |
| 256,725               | 1,149,006            | --                                   |
| 2,292,391             | 663,440              | --                                   |
| 9,717,674             | 62,963               | 4,921,685                            |
| 17,541,252            | 47,449,308           | 9,605,170                            |
| 57,391,498            | 4,978,926            | 43,321,569                           |
| 8,360,000             | 4,000,000            | --                                   |
| 13,131,171            | 300,003              | --                                   |
| 81,126                | 17,187               | 14,767                               |
| 10,222,130            | 19,626,282           | 9,937,170                            |
| 34,394                | --                   | 1,609,152                            |
| 1,019,566             | 7,720,325            | 18,536,831                           |
| 4,148,593             | 2,012,424            | 41,066,678                           |
| <u>148,555,598</u>    | <u>95,003,423</u>    | <u>135,382,663</u>                   |
| --                    | --                   | --                                   |
| <u>\$ 148,555,598</u> | <u>\$ 95,003,423</u> | <u>\$ 135,382,663</u>                |
| <br>                  |                      |                                      |
| \$ --                 | \$ 488               | \$ 1,022,884                         |
| 4,031,448             | 287,242              | 3,904,202                            |
| 311,273               | 1,085,077            | 5,019,331                            |
| 3,221,379             | 100,846              | 140,681                              |
| 2,295,234             | 239,448              | --                                   |
| --                    | --                   | 621,430                              |
| 226,423               | 160                  | --                                   |
| --                    | 332,513              | 14,647,469                           |
| --                    | 229,511              | --                                   |
| 744,917               | 8,308,747            | 20,694,032                           |
| <u>10,830,674</u>     | <u>10,584,032</u>    | <u>46,050,029</u>                    |
| <u>\$ 10,830,674</u>  | <u>\$ 10,584,032</u> | <u>\$ 46,050,029</u>                 |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                     | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>     |
|-------------------------------------|---|--|-------------------------|
| <b>CAPITAL CONSTRUCTION</b>         |   |  |                         |
| <b>Legislative Branch</b>           | \$ --   | \$ 2,363,051                                   | \$ 36,959               |
| <b>Executive Branch</b>             |   |  |                         |
| Agriculture                         | --  | 1,142,619                                      | 149,558                 |
| Corrections                         | 500,000   | 6,359,877                                      | 477,393                 |
| Education                           | --  | 944,955  | 145,880                 |
| Environmental Protection            | 116,453,000   | 90,542,003                                     | 73,944,425              |
| Health and Senior Services          | --  | 750,790  | 166,852                 |
| Human Services                      | 10,400,000  | 18,725,085                                     | 10,952,754              |
| Law and Public Safety               | --  | 21,305,257                                     | 3,008,532               |
| Military and Veterans' Affairs      | 2,627,000   | 1,315,165                                      | 831,136                 |
| Personnel                           | --  | 1,697  | --                      |
| State                               | 1,000,000   | 422,899  | 318,868                 |
| Transportation                      | 805,000,000   | --   | 805,000,000             |
| Treasury                            | --  | 11,272,779                                     | 3,578,134               |
| Miscellaneous Executive Commissions | --  | 2,000  | --                      |
| Inter-Departmental Accounts         | 168,653,000   | 52,000,771                                     | 169,861,005             |
| <b>Total Executive Branch</b>       | <u>1,104,633,000</u>                                    | <u>204,785,897</u>                             | <u>1,068,434,537</u>    |
| <b>TOTAL CAPITAL CONSTRUCTION</b>   | <u>\$ 1,104,633,000</u>                                 | <u>\$ 207,148,948</u>                          | <u>\$ 1,068,471,496</u> |

**DEBT SERVICE**

|                               |                       |                        |                       |
|-------------------------------|-----------------------|------------------------|-----------------------|
| <b>Executive Branch</b>       |                       |                        |                       |
| Environmental Protection      | \$ 37,660,000         | \$ 3,575,811           | \$ 39,715,469         |
| Treasury                      | 232,519,000           | (11,728,824 )          | 220,621,269           |
| <b>Total Executive Branch</b> | <u>270,179,000</u>    | <u>(8,153,013 )</u>    | <u>260,336,738</u>    |
| <b>TOTAL DEBT SERVICE</b>     | <u>\$ 270,179,000</u> | <u>\$ (8,153,013 )</u> | <u>\$ 260,336,738</u> |

| <u>ENCUMBRANCES</u>  | <u>LAPSED</u>       | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|----------------------|---------------------|--------------------------------------|
| \$ 2,152,828         | \$ --               | \$ 173,264                           |
| --                   | --                  | 993,061                              |
| 1,232,260            | --                  | 5,150,224                            |
| 20,680               | --                  | 778,395                              |
| 15,892,817           | 2,564               | 117,155,197                          |
| 160,701              | --                  | 423,237                              |
| 3,156,539            | --                  | 15,015,792                           |
| 7,782,306            | --                  | 10,514,419                           |
| 312,023              | --                  | 2,799,006                            |
| --                   | --                  | 1,697                                |
| 652,209              | 9,251               | 442,571                              |
| --                   | --                  | --                                   |
| 2,246,984            | --                  | 5,447,661                            |
| --                   | --                  | 2,000                                |
| 4,027,022            | --                  | 46,765,744                           |
| <u>35,483,541</u>    | <u>11,815</u>       | <u>205,489,004</u>                   |
| <u>\$ 37,636,369</u> | <u>\$ 11,815</u>    | <u>\$ 205,662,268</u>                |
| \$ --                | \$ 1,520,342        | \$ --                                |
| --                   | 168,907             | --                                   |
| --                   | 1,689,249           | --                                   |
| <u>\$ --</u>         | <u>\$ 1,689,249</u> | <u>\$ --</u>                         |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>     |
|--------------------------------|---|--|-------------------------|
| <b>FEDERAL</b>                 |   |  |                         |
| <b>Legislative Branch</b>      | \$ --   | \$ 2,102                                       | \$ 1,938                |
| <b>Executive Branch</b>        |   |  |                         |
| Agriculture                    | 259,620,143   | 1,387,511                                      | 198,756,800             |
| Banking and Insurance          | --  | 170,000  | --                      |
| Community Affairs              | 280,444,769   | 18,762,182                                     | 227,305,282             |
| Corrections                    | 6,847,137   | 3,760,786                                      | 8,468,406               |
| Education                      | 822,249,499   | 91,336,169                                     | 755,046,894             |
| Environmental Protection       | 229,100,769   | 13,096,430                                     | 36,258,200              |
| Health and Senior Services     | 1,641,936,150   | 49,562,746                                     | 1,269,762,650           |
| Human Services                 | 4,053,428,517   | 314,930,360                                    | 3,844,593,120           |
| Labor                          | 427,629,667   | 72,525,398                                     | 320,006,107             |
| Law and Public Safety          | 250,329,513   | 182,239,640                                    | 113,664,957             |
| Military and Veterans' Affairs | 30,967,000  | 10,949,990                                     | 23,488,283              |
| Personnel                      | --  | 323,274  | 323,274                 |
| State                          | 34,927,328  | 799,897  | 24,117,162              |
| Transportation                 | 53,365,912  | 20,375,670                                     | 17,543,324              |
| Treasury                       | 5,880,790   | 2,179,447                                      | 3,443,377               |
| <b>Total Executive Branch</b>  | <u>8,096,727,194</u>                                    | <u>782,399,500</u>                             | <u>6,842,777,836</u>    |
| <b>Judicial Branch</b>         | <u>78,558,000</u>                                       | <u>2,760,758</u>                               | <u>74,420,626</u>       |
| <b>TOTAL FEDERAL</b>           | <u>\$ 8,175,285,194</u>                                 | <u>\$ 785,162,360</u>                          | <u>\$ 6,917,200,400</u> |

| <u>ENCUMBRANCES</u>   | <u>LAPSED</u> | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|-----------------------|---------------|--------------------------------------|
| \$ --                 | \$ --         | \$ 164                               |
| 25,145,290            | --            | 37,105,564                           |
| --                    | --            | 170,000                              |
| 21,417,655            | --            | 50,484,014                           |
| 667,776               | --            | 1,471,741                            |
| 66,066,338            | --            | 92,472,436                           |
| 9,285,159             | --            | 196,653,840                          |
| 102,460,376           | --            | 319,275,870                          |
| 50,911,739            | --            | 472,854,018                          |
| 46,070,191            | --            | 134,078,767                          |
| 94,051,078            | --            | 224,853,118                          |
| 10,717,395            | --            | 7,711,312                            |
| --                    | --            | --                                   |
| 3,618,731             | --            | 7,991,332                            |
| 10,808,870            | --            | 45,389,388                           |
| 369,998               | --            | 4,246,862                            |
| <u>441,590,596</u>    | <u>--</u>     | <u>1,594,758,262</u>                 |
| 871,923               | --            | 6,026,209                            |
| <u>\$ 442,462,519</u> | <u>\$ --</u>  | <u>\$ 1,600,784,635</u>              |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                               | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>   |
|-------------------------------|---|--|-----------------------|
| <b>REVOLVING FUNDS</b>        |   |  |                       |
| <b>Legislative Branch</b>     | \$ --   | \$ 4,620                                       | \$ 4,260              |
| <b>Executive Branch</b>       |   |  |                       |
| Community Affairs             | --  | 19,631,050                                     | 8,534,770             |
| Corrections                   | --  | 33,151,012                                     | 30,353,506            |
| Education                     | --  | 7,771,556                                      | 4,595,961             |
| Environmental Protection      | --  | 1,428,584                                      | 668,619               |
| Health and Senior Services    | --  | 21,410,860                                     | 17,910,751            |
| Human Services                | --  | 4,077,458                                      | 6,544,828             |
| Labor                         | --  | 1,830,341                                      | 628,523               |
| Law and Public Safety         | --  | 560,971  | 440,547               |
| State                         | --  | 1,130,359                                      | 1,344,669             |
| Transportation                | --  | 927,787  | 691,478               |
| Treasury                      | --  | 203,450,402                                    | 170,699,955           |
| <b>Total Executive Branch</b> | --  | 295,370,380                                    | 242,413,607           |
| <b>TOTAL REVOLVING FUNDS</b>  | <u>\$ --</u>  | <u>\$ 295,375,000</u>                          | <u>\$ 242,417,867</u> |

| <u>ENCUMBRANCES</u>  | <u>LAPSED</u>   | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|----------------------|-----------------|--------------------------------------|
| \$           --      | \$           -- | \$           360                     |
| 6,688,520            | --              | 4,407,760                            |
| 786,043              | --              | 2,011,463                            |
| 514,338              | --              | 2,661,257                            |
| 38,517               | --              | 721,448                              |
| 928,280              | --              | 2,571,829                            |
| 661,916              | --              | (3,129,286 )                         |
| 989,073              | --              | 212,745                              |
| 4,426                | --              | 115,998                              |
| 8,210                | --              | (222,520 )                           |
| 9,357                | --              | 226,952                              |
| 18,656,126           | --              | 14,094,321                           |
| <u>29,284,806</u>    | <u>--</u>       | <u>23,671,967</u>                    |
| <u>\$ 29,284,806</u> | <u>\$ --</u>    | <u>\$ 23,672,327</u>                 |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>     |
|--------------------------------|---|--|-------------------------|
| <b>ALL OTHER</b>               |   |  |                         |
| <b>Legislative Branch</b>      | \$ --   | \$ 11,155                                      | \$ --                   |
| <b>Executive Branch</b>        |   |  |                         |
| Chief Executive's Office       | --  | 1,681,206                                      | 1,098,566               |
| Agriculture                    | --  | 13,506,010                                     | 9,044,466               |
| Banking and Insurance          | --  | 753,992  | 431,544                 |
| Community Affairs              | --  | 180,107,671                                    | 13,343,322              |
| Corrections                    | --  | 31,374,581                                     | 24,954,973              |
| Education                      | --  | 19,789,840                                     | 12,575,498              |
| Environmental Protection       | --  | 49,441,682                                     | 21,736,414              |
| Health and Senior Services     | --  | 262,198,806                                    | 174,997,787             |
| Human Services                 | --  | 796,589,062                                    | 746,785,894             |
| Labor                          | --  | 226,408,061                                    | 148,560,285             |
| Law and Public Safety          | --  | 199,289,184                                    | 171,466,406             |
| Military and Veterans' Affairs | --  | 468,111  | 310,879                 |
| Personnel                      | --  | 3,650  | (1,321 )                |
| State                          | --  | 53,368,080                                     | 25,521,207              |
| Transportation                 | --  | 391,172,632                                    | 243,967,798             |
| Treasury                       | --  | 1,002,521,861                                  | 856,189,659             |
| <b>Total Executive Branch</b>  | --  | 3,228,674,429                                  | 2,450,983,377           |
| <b>Judicial Branch</b>         | --  | 58,628,055                                     | 35,610,025              |
| <b>TOTAL ALL OTHER</b>         | <u>\$ --</u>  | <u>\$ 3,287,313,639</u>                        | <u>\$ 2,486,593,402</u> |

| <u>ENCUMBRANCES</u>   | <u>LAPSED</u>        | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|-----------------------|----------------------|--------------------------------------|
| \$ --                 | \$ --                | \$ 11,155                            |
| --                    | --                   | 582,640                              |
| 230,232               | --                   | 4,231,312                            |
| 633                   | --                   | 321,815                              |
| 65,291,536            | --                   | 101,472,813                          |
| 786,570               | 300,000              | 5,333,038                            |
| 920,200               | --                   | 6,294,142                            |
| 7,631,312             | --                   | 20,073,956                           |
| 5,601,955             | 55,078,636           | 26,520,428                           |
| 13,270,973            | (19 )                | 36,532,214                           |
| 1,088,926             | 500,000              | 76,258,850                           |
| 14,815,809            | --                   | 13,006,969                           |
| 11,304                | --                   | 145,928                              |
| 4,971                 | --                   | --                                   |
| 20,857,724            | 500,000              | 6,489,149                            |
| 49,239,932            | --                   | 97,964,902                           |
| 14,362,179            | 33,507,215           | 98,462,808                           |
| <u>194,114,256</u>    | <u>89,885,832</u>    | <u>493,690,964</u>                   |
| <u>15,005,622</u>     | <u>36</u>            | <u>8,012,372</u>                     |
| <u>\$ 209,119,878</u> | <u>\$ 89,885,868</u> | <u>\$ 501,714,491</u>                |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                     | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>      |
|-------------------------------------|---|--|--------------------------|
| <b>GENERAL FUND SUMMARY</b>         |   |  |                          |
| <b>Legislative Branch</b>           | \$ 73,501,000   | \$ 17,957,621                                  | \$ 72,294,397            |
| <b>Executive Branch</b>             |   |  |                          |
| Chief Executive's Office            | 5,267,000   | 2,843,746                                      | 6,230,977                |
| Agriculture                         | 282,583,143   | 19,533,054                                     | 230,879,755              |
| Banking and Insurance               | 67,703,000  | 8,609,608                                      | 64,507,669               |
| Community Affairs                   | 488,614,867   | 276,717,042                                    | 441,212,213              |
| Corrections                         | 1,003,256,137   | 98,552,008                                     | 1,064,491,722            |
| Education                           | 3,294,078,661   | 49,773,202                                     | 3,149,991,451            |
| Environmental Protection            | 628,943,803   | 209,900,674                                    | 423,758,484              |
| Health and Senior Services          | 3,212,778,034   | 372,696,811                                    | 2,981,018,411            |
| Human Services                      | 8,830,339,272   | 1,580,677,009                                  | 9,675,084,076            |
| Labor                               | 532,658,667   | 355,191,599                                    | 594,269,345              |
| Law and Public Safety               | 782,544,513   | 661,133,386                                    | 929,042,462              |
| Military and Veterans' Affairs      | 116,519,000   | 18,833,411                                     | 106,018,287              |
| Personnel                           | 25,448,000  | 7,268,041                                      | 29,060,402               |
| State                               | 1,243,740,328   | 108,268,939                                    | 1,268,192,109            |
| Transportation                      | 1,247,352,912   | 423,123,168                                    | 1,462,002,447            |
| Treasury                            | 1,172,768,440   | 1,291,339,370                                  | 2,150,844,171            |
| Miscellaneous Executive Commissions | 1,390,000   | 10,812   | 1,398,250                |
| Inter-Departmental Accounts         | 2,861,261,681   | (62,483,852 )                                  | 2,602,975,121            |
| <b>Total Executive Branch</b>       | <u>25,797,247,458</u>                                   | <u>5,421,988,028</u>                           | <u>27,180,977,352</u>    |
| <b>Judicial Branch</b>              | <u>610,631,000</u>                                      | <u>77,945,214</u>                              | <u>623,169,478</u>       |
| <b>TOTAL GENERAL FUND SUMMARY</b>   | <u>\$ 26,481,379,458</u>                                | <u>\$ 5,517,890,863</u>                        | <u>\$ 27,876,441,227</u> |

| <u>ENCUMBRANCES</u>     | <u>LAPSED</u>         | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|-------------------------|-----------------------|--------------------------------------|
| \$ 4,927,843            | \$ --                 | \$ 14,236,381                        |
| --                      | 9,551                 | 1,870,218                            |
| 26,883,345              | 488                   | 44,352,609                           |
| 309,988                 | 9,182,072             | 2,312,879                            |
| 122,107,188             | 18,683,015            | 183,329,493                          |
| 19,148,666              | 3,594,611             | 14,573,146                           |
| 75,892,546              | 7,315,566             | 110,652,300                          |
| 58,373,649              | 2,539,694             | 354,172,650                          |
| 139,608,748             | 105,089,950           | 359,757,736                          |
| 150,649,696             | 5,908,804             | 579,373,705                          |
| 71,951,480              | 9,891,260             | 211,738,181                          |
| 149,431,653             | 7,167,147             | 358,036,637                          |
| 14,942,677              | 1,835,569             | 12,555,878                           |
| 1,800,887               | 421,399               | 1,433,353                            |
| 37,049,050              | 21,059,974            | 25,708,134                           |
| 62,557,240              | 443,720               | 145,472,673                          |
| 71,793,478              | 57,254,921            | 184,215,240                          |
| 469                     | --                    | 2,093                                |
| 22,897,256              | 28,137,998            | 144,767,454                          |
| <u>1,025,398,016</u>    | <u>278,535,739</u>    | <u>2,734,324,379</u>                 |
| 40,460,028              | 1,717,735             | 23,228,973                           |
| <u>\$ 1,070,785,887</u> | <u>\$ 280,253,474</u> | <u>\$ 2,771,789,733</u>              |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**CASINO CONTROL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                  | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>  |
|----------------------------------|---|--|----------------------|
| <b>DIRECT STATE SERVICES</b>     |   |  |                      |
| Law and Public Safety            | \$ 40,599,000   | \$ 177,853                                     | \$ 40,266,710        |
| Treasury                         | 27,901,000  | 778,054  | 27,470,099           |
| <b>TOTAL CASINO CONTROL FUND</b> | <u>\$ 68,500,000</u>                                    | <u>\$ 955,907</u>                              | <u>\$ 67,736,809</u> |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**CASINO REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|                                  | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>   |
|----------------------------------|---|--|-----------------------|
| <b>DIRECT STATE SERVICES</b>     |   |  |                       |
| Health and Senior Services       | \$ 871,000  | \$ 159,291                                     | \$ 912,623            |
| Law and Public Safety            | 92,000  | --   | 92,000                |
| <b>GRANTS-IN-AID</b>             |   |  |                       |
| Health and Senior Services       | 352,409,116   | 143,437,096                                    | 493,927,005           |
| Human Services                   | 118,737,000   | --   | 118,627,224           |
| Labor                            | 2,440,000   | --   | 2,440,000             |
| <b>STATE AID</b>                 |   |  |                       |
| Transportation                   | 25,287,000  | --   | 4,126,044             |
| <b>TOTAL CASINO REVENUE FUND</b> | <u>\$ 499,836,116</u>                                   | <u>\$ 143,596,387</u>                          | <u>\$ 620,124,896</u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u>     | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|---------------------|-------------------|--------------------------------------|
| \$ 408,771          | \$ 39,533         | \$ 61,839                            |
| 128,637             | 269,197           | 811,121                              |
| <u>\$ 537,408</u>   | <u>\$ 308,730</u> | <u>\$ 872,960</u>                    |

| <u>ENCUMBRANCES</u>  | <u>LAPSED</u>     | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|----------------------|-------------------|--------------------------------------|
| \$ 66,287            | \$ 8,038          | \$ 43,343                            |
| --                   | --                | --                                   |
| 1,097,155            | 822,052           | --                                   |
| --                   | 109,776           | --                                   |
| --                   | --                | --                                   |
| 21,160,956           | --                | --                                   |
| <u>\$ 22,324,398</u> | <u>\$ 939,866</u> | <u>\$ 43,343</u>                     |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GUBERNATORIAL ELECTIONS FUND**  
**FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u> |
|---|---|--|---------------------|
| <b>DIRECT STATE SERVICES</b>                  |   |  |                     |
| Law and Public Safety                         | \$ 8,870,000  | \$ --  | \$ 6,310,222        |
| <b>TOTAL GUBERNATORIAL<br/>ELECTIONS FUND</b> | <u>\$ 8,870,000</u>                                     | <u>\$ --</u>                                   | <u>\$ 6,310,222</u> |

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**PROPERTY TAX RELIEF FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

|   | <u>ORIGINAL AND<br/>SUPPLEMENTAL<br/>APPROPRIATIONS</u> | <u>OTHER<br/>AUTHORIZED<br/>APPROPRIATIONS</u> | <u>EXPENDITURES</u>     |
|---|---|--|-------------------------|
| <b>GRANTS-IN-AID</b>                      |   |  |                         |
| Treasury                                  | \$ 2,162,711,000  | \$ 23,669                                      | \$ 1,609,845,630        |
| <b>STATE AID</b>                          |   |  |                         |
| Community Affairs                         | 929,569,000   | 17,267,258                                     | 944,322,816             |
| Education                                 | 6,496,386,000   | 81,129,008                                     | 6,566,233,313           |
| Environmental Protection                  | 8,500,000   | --   | 8,457,336               |
| Treasury                                  | 164,334,000   | (7,961,375 )                                   | 155,071,694             |
| <b>TOTAL PROPERTY TAX RELIEF<br/>FUND</b> | <u>\$ 9,761,500,000</u>                                 | <u>\$ 90,458,560</u>                           | <u>\$ 9,283,930,789</u> |

| <u>ENCUMBRANCES</u>    | <u>LAPSED</u>             | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|------------------------|---------------------------|--------------------------------------|
| \$           --        | \$       2,559,778        | \$           --                      |
| <u>\$           --</u> | <u>\$       2,559,778</u> | <u>\$           --</u>               |

| <u>ENCUMBRANCES</u>     | <u>LAPSED</u>           | <u>CONTINUING<br/>APPROPRIATIONS</u> |
|-------------------------|-------------------------|--------------------------------------|
| \$           --         | \$   152,835,924        | \$   400,053,115                     |
| --                      | 2,513,442               | --                                   |
| 103,234                 | 4,130,604               | 7,047,857                            |
| --                      | 42,664                  | --                                   |
| --                      | 1,300,931               | --                                   |
| <u>\$       103,234</u> | <u>\$   160,823,565</u> | <u>\$   407,100,972</u>              |

**STATE OF NEW JERSEY  
STATISTICAL SECTION  
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| These schedules contain information on the State's most significant revenue sources.   |             |
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| These schedules present information on the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future. |             |
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**STATE OF NEW JERSEY  
NET ASSETS BY COMPONENT  
FOR THE FISCAL YEAR ENDED JUNE 30  
(Expressed in Millions)**

|  | <u>2005</u>         | <u>2004*</u>        | <u>2003*</u>        | <u>2002*</u>      |
|--|---------------------|---------------------|---------------------|-------------------|
| <b><u>Governmental Activities</u></b>              |                     |                     |                     |                   |
| Invested in capital assets,<br>net of related debt | \$ 6,347.5          | \$ 6,167.1          | \$ 4,907.4          | \$ 4,781.8        |
| Restricted   | 4,795.3             | 3,715.3             | 4,175.0             | 3,453.5           |
| Unrestricted                                       | (18,987.8)          | (14,270.9)          | (10,881.7)          | (8,258.0)         |
| <b>Total</b>                                       | <u>\$ (7,845.0)</u> | <u>\$ (4,388.5)</u> | <u>\$ (1,799.3)</u> | <u>\$ (22.7)</u>  |
| <b><u>Business-type Activities</u></b>             |                     |                     |                     |                   |
| Restricted   | \$ 1,674.3          | \$ 1,697.7          | \$ 2,219.8          | \$ 2,974.6        |
| Unrestricted                                       | (1.3)               | --                  | --                  | (59.7)            |
| <b>Total</b>                                       | <u>\$ 1,673.0</u>   | <u>\$ 1,697.7</u>   | <u>\$ 2,219.8</u>   | <u>\$ 2,914.9</u> |
| <b><u>Total Primary Government</u></b>             |                     |                     |                     |                   |
| Invested in capital assets,<br>net of related debt | \$ 6,347.5          | \$ 6,167.1          | \$ 4,907.4          | \$ 4,781.8        |
| Restricted   | 6,469.6             | 5,413.0             | 6,394.8             | 6,428.1           |
| Unrestricted                                       | (18,989.1)          | (14,270.9)          | (10,881.7)          | (8,317.7)         |
| <b>Total</b>                                       | <u>\$ (6,172.0)</u> | <u>\$ (2,690.8)</u> | <u>\$ 420.5</u>     | <u>\$ 2,892.2</u> |

**Note:**

Information presented is based on the accrual basis of accounting.

\* Amounts have been restated.

**STATE OF NEW JERSEY**  
**CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30**  
**(Expressed in Millions)**

|   | <u>2005</u>         | <u>2004*</u>        | <u>2003*</u>        | <u>2002*</u>      |
|---|---------------------|---------------------|---------------------|-------------------|
| <b>Governmental Activities</b>                      |                     |                     |                     |                   |
| <b>Expenses</b>                                     |                     |                     |                     |                   |
| Public safety and criminal justice                  | \$ 2,913.7          | \$ 2,652.5          | \$ 2,504.5          | \$ 2,485.0        |
| Physical and mental health                          | 9,565.4             | 8,809.3             | 9,305.6             | 8,952.4           |
| Educational, cultural, and intellectual development | 13,609.3            | 12,562.2            | 10,686.3            | 10,117.8          |
| Community development and environmental management  | 2,228.5             | 1,228.7             | 1,959.0             | 2,207.6           |
| Economic planning, development, and security        | 4,123.7             | 3,714.1             | 4,046.6             | 3,577.1           |
| Transportation programs                             | 1,724.2             | 1,774.0             | 1,561.1             | 1,541.6           |
| Government direction, management, and control       | 8,086.4             | 6,027.8             | 5,763.2             | 4,951.3           |
| Special government services                         | 291.6               | 264.9               | 236.3               | 227.2             |
| Interest expense                                    | 791.6               | 750.4               | 574.7               | 540.8             |
| <b>Total Expenses</b>                               | <u>43,334.4</u>     | <u>37,783.9</u>     | <u>36,637.3</u>     | <u>34,600.8</u>   |
| <b>Program Revenues</b>                             |                     |                     |                     |                   |
| Charges for services                                | 4,601.5             | 3,341.0             | 3,900.7             | 3,052.3           |
| Operating grants                                    | 9,156.4             | 8,985.0             | 9,151.1             | 9,233.0           |
| Capital grants and contributions                    | 125.8               | 140.9               | 30.6                | 23.8              |
| <b>Total Program Revenues</b>                       | <u>13,883.7</u>     | <u>12,466.9</u>     | <u>13,082.4</u>     | <u>12,309.1</u>   |
| <b>Net (Expense) Revenue</b>                        | <u>(29,450.7)</u>   | <u>(25,317.0)</u>   | <u>(23,554.9)</u>   | <u>(22,291.7)</u> |
| <b>General Revenues and Transfers</b>               |                     |                     |                     |                   |
| Taxes   | 23,308.2            | 20,940.6            | 19,347.3            | 18,049.8          |
| Investment earnings                                 | 84.3                | 59.8                | 61.1                | 42.8              |
| Miscellaneous                                       | 1,569.1             | 1,939.1             | 1,647.5             | 2,194.6           |
| Transfers   | 1,032.6             | (211.7)             | 716.9               | 725.3             |
| Special Item - gain on sale of tobacco rights       | --                  | --                  | 5.5                 | --                |
| <b>Total General Revenue and Transfers</b>          | <u>25,994.2</u>     | <u>22,727.8</u>     | <u>21,778.3</u>     | <u>21,012.5</u>   |
| <b>Change in Net Assets</b>                         | <u>(3,456.5)</u>    | <u>(2,589.2)</u>    | <u>(1,776.6)</u>    | <u>(1,279.2)</u>  |
| <b>Net Assets - July 1</b>                          | <u>(4,388.5)</u>    | <u>(1,799.3)</u>    | <u>(22.7)</u>       | <u>1,256.5</u>    |
| <b>Net Assets - June 30</b>                         | <u>\$ (7,845.0)</u> | <u>\$ (4,388.5)</u> | <u>\$ (1,799.3)</u> | <u>\$ (22.7)</u>  |
| <b>Business-type Activities</b>                     |                     |                     |                     |                   |
| <b>Expenses</b>                                     |                     |                     |                     |                   |
| State Lottery Fund                                  | \$ 1,476.4          | \$ 1,413.2          | \$ 1,339.0          | \$ 1,304.7        |
| Unemployment Compensation Fund                      | 1,957.1             | 2,481.5             | 2,876.3             | 2,497.1           |
| Other   | 1,860.6             | 1,700.7             | 1,367.1             | 1,217.5           |
| <b>Total Expenses</b>                               | <u>5,294.1</u>      | <u>5,595.4</u>      | <u>5,582.4</u>      | <u>5,019.3</u>    |
| <b>Program Revenues</b>                             |                     |                     |                     |                   |
| Charges for services                                | 5,898.4             | 5,317.5             | 4,706.4             | 4,032.0           |
| Operating grants                                    | 103.6               | 481.8               | 897.8               | 847.9             |
| <b>Total Program Revenues</b>                       | <u>6,002.0</u>      | <u>5,799.3</u>      | <u>5,604.2</u>      | <u>4,879.9</u>    |
| <b>Net (Expense) Revenue</b>                        | <u>707.9</u>        | <u>203.9</u>        | <u>21.8</u>         | <u>(139.4)</u>    |
| <b>General Revenues and Transfers</b>               |                     |                     |                     |                   |
| Government subsidies and grants                     | --                  | --                  | --                  | 246.8             |
| Transfers   | (732.6)             | (726.0)             | (716.9)             | (725.3)           |
| <b>Total General Revenue and Transfers</b>          | <u>(732.6)</u>      | <u>(726.0)</u>      | <u>(716.9)</u>      | <u>(478.5)</u>    |
| <b>Change in Net Assets</b>                         | <u>(24.7)</u>       | <u>(522.1)</u>      | <u>(695.1)</u>      | <u>(617.9)</u>    |
| <b>Net Assets - July 1</b>                          | <u>1,697.7</u>      | <u>2,219.8</u>      | <u>2,914.9</u>      | <u>3,532.8</u>    |
| <b>Net Assets - June 30</b>                         | <u>\$ 1,673.0</u>   | <u>\$ 1,697.7</u>   | <u>\$ 2,219.8</u>   | <u>\$ 2,914.9</u> |
| <b>Total Primary Government</b>                     |                     |                     |                     |                   |
| Expenses  | \$ 48,628.5         | \$ 43,379.3         | \$ 42,219.7         | \$ 39,620.1       |
| Program revenues                                    | 19,885.7            | 18,266.2            | 18,686.6            | 17,189.0          |
| <b>Net (Expense) Revenue</b>                        | <u>(28,742.8)</u>   | <u>(25,113.1)</u>   | <u>(23,533.1)</u>   | <u>(22,431.1)</u> |
| General revenues and other changes in net assets    | 25,261.6            | 22,001.8            | 21,061.4            | 20,534.0          |
| <b>Change in Net Assets</b>                         | <u>(3,481.2)</u>    | <u>(3,111.3)</u>    | <u>(2,471.7)</u>    | <u>(1,897.1)</u>  |
| <b>Net Assets - July 1</b>                          | <u>(2,690.8)</u>    | <u>420.5</u>        | <u>2,892.2</u>      | <u>4,789.3</u>    |
| <b>Net Assets - June 30</b>                         | <u>\$ (6,172.0)</u> | <u>\$ (2,690.8)</u> | <u>\$ 420.5</u>     | <u>\$ 2,892.2</u> |

**Note:**

Information presented is based on the accrual basis of accounting.

\* Amounts have been restated.

**STATE OF NEW JERSEY  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30  
(Expressed in Millions)**

|  | <u>2005</u>       | <u>2004*</u>      | <u>2003*</u>      | <u>2002*</u>      |
|--|-------------------|-------------------|-------------------|-------------------|
| <b><u>General Fund</u></b>                 |                   |                   |                   |                   |
| <b>Reserved</b>                            |                   |                   |                   |                   |
| Encumbrances                               | \$ 839.3          | \$ 664.4          | \$ 630.8          | \$ 584.6          |
| Surplus Revenue                            | 288.7             | 282.4             | --                | --                |
| Other                                      | 369.9             | 312.8             | 377.2             | 103.8             |
| <b>Unreserved</b>                          | <u>1,689.5</u>    | <u>1,491.6</u>    | <u>1,243.8</u>    | <u>1,240.3</u>    |
| <b>Total</b>                               | <u>\$ 3,187.4</u> | <u>\$ 2,751.2</u> | <u>\$ 2,251.8</u> | <u>\$ 1,928.7</u> |
| <br>                                       |                   |                   |                   |                   |
| <b><u>All Other Governmental Funds</u></b> |                   |                   |                   |                   |
| <b>Reserved</b>                            |                   |                   |                   |                   |
| Encumbrances                               | \$ 629.3          | \$ 680.9          | \$ 700.1          | \$ 746.3          |
| Other                                      | 1,601.6           | 1,632.2           | 1,064.1           | 1,571.1           |
| <b>Unreserved</b>                          |                   |                   |                   |                   |
| Special Revenue Funds                      | 2,638.4           | 1,901.5           | 4,203.8           | 1,563.4           |
| Capital Projects Fund                      | 143.3             | 170.5             | 168.2             | (225.6)           |
| <b>Total</b>                               | <u>\$ 5,012.6</u> | <u>\$ 4,385.1</u> | <u>\$ 6,136.2</u> | <u>\$ 3,655.2</u> |
| <br>                                       |                   |                   |                   |                   |
| <b><u>Total</u></b>                        |                   |                   |                   |                   |
| <b>Reserved</b>                            |                   |                   |                   |                   |
| Encumbrances                               | \$ 1,468.6        | \$ 1,345.3        | \$ 1,330.9        | \$ 1,330.9        |
| Surplus Revenue                            | 288.7             | 282.4             | --                | --                |
| Other                                      | 1,971.5           | 1,945.0           | 1,441.3           | 1,674.9           |
| <b>Unreserved</b>                          |                   |                   |                   |                   |
| General Fund                               | 1,689.5           | 1,491.6           | 1,243.8           | 1,240.3           |
| Special Revenue Funds                      | 2,638.4           | 1,901.5           | 4,203.8           | 1,563.4           |
| Capital Projects Fund                      | 143.3             | 170.5             | 168.2             | (225.6)           |
| <b>Total Governmental Funds</b>            | <u>\$ 8,200.0</u> | <u>\$ 7,136.3</u> | <u>\$ 8,388.0</u> | <u>\$ 5,583.9</u> |

**Note:**

Information presented is based on the modified accrual basis of accounting.

\* Amounts have been restated.

**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>2005</u>       | <u>2004*</u>      | <u>2003*</u>      | <u>2002*</u>      |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                     |                   |                   |                   |                   |
| Taxes   | \$ 23,395.5       | \$ 21,008.9       | \$ 19,491.1       | \$ 18,196.3       |
| Federal and other grants                            | 8,594.9           | 8,495.2           | 7,954.5           | 7,658.5           |
| Licenses and fees                                   | 930.6             | 811.5             | 979.1             | 875.1             |
| Services and assessments                            | 2,172.7           | 1,835.3           | 1,798.6           | 1,705.5           |
| Investment earnings                                 | 149.2             | 96.9              | 103.0             | 101.1             |
| Contributions                                       | 646.7             | 281.9             | 510.3             | 231.3             |
| Other   | 3,508.8           | 3,213.8           | 6,560.9           | 3,560.6           |
| <b>Total Revenues</b>                               | <u>39,398.4</u>   | <u>35,743.5</u>   | <u>37,397.5</u>   | <u>32,328.4</u>   |
| <b>EXPENDITURES</b>                                 |                   |                   |                   |                   |
| Public safety and criminal justice                  | 2,989.7           | 2,733.5           | 2,548.0           | 2,546.8           |
| Physical and mental health                          | 9,603.5           | 8,826.6           | 9,315.2           | 8,863.6           |
| Educational, cultural, and intellectual development | 13,909.5          | 12,723.6          | 10,813.0          | 10,249.9          |
| Community development and environmental management  | 2,341.5           | 2,160.1           | 2,050.0           | 2,260.5           |
| Economic planning, development, and security        | 4,233.2           | 3,763.6           | 4,087.1           | 3,620.8           |
| Transportation programs                             | 2,483.8           | 2,551.9           | 2,225.7           | 2,252.4           |
| Government direction, management, and control       | 7,335.6           | 5,505.4           | 5,476.9           | 5,199.0           |
| Special government services                         | 299.9             | 270.9             | 239.1             | 230.7             |
| Capital Outlay                                      | 237.6             | 326.3             | 863.1             | 1,122.3           |
| Debt Service:                                       |                   |                   |                   |                   |
| Principal   | 390.5             | 483.4             | 418.7             | 399.4             |
| Interest  | 623.3             | 650.5             | 457.8             | 439.2             |
| <b>Total Expenditures</b>                           | <u>44,448.1</u>   | <u>39,995.8</u>   | <u>38,494.6</u>   | <u>37,184.6</u>   |
| Excess (deficiency) of revenues over expenditures   | <u>(5,049.7)</u>  | <u>(4,252.3)</u>  | <u>(1,097.1)</u>  | <u>(4,856.2)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>               |                   |                   |                   |                   |
| Proceeds from sale of bonds                         | 1,000.5           | 1,139.8           | 895.0             | 1,014.6           |
| Transfers from (to) other funds                     | 1,032.6           | (211.7)           | 716.9             | 725.3             |
| Other   | 4,080.3           | 2,072.5           | 2,289.3           | 1,122.3           |
| <b>Total</b>  | <u>6,113.4</u>    | <u>3,000.6</u>    | <u>3,901.2</u>    | <u>2,862.2</u>    |
| Change in Fund Balance                              | 1,063.7           | (1,251.7)         | 2,804.1           | (1,994.0)         |
| <b>Fund balances - July 1</b>                       | <u>7,136.3</u>    | <u>8,388.0</u>    | <u>5,583.9</u>    | <u>7,577.9</u>    |
| <b>Fund balances - June 30</b>                      | <u>\$ 8,200.0</u> | <u>\$ 7,136.3</u> | <u>\$ 8,388.0</u> | <u>\$ 5,583.9</u> |

|   |      |      |      |      |
|---|------|------|------|------|
| <b>Debt Service as a percentage of noncapital expenditures:</b> | 2.3% | 2.9% | 2.3% | 2.3% |
|---|------|------|------|------|

**Notes:**

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.

\* Amounts have been restated.

**STATE OF NEW JERSEY  
REVENUE SUMMARY FOR BUDGETED FUNDS\*  
FOR THE FISCAL YEAR ENDED JUNE 30  
(Expressed in Millions)**

| <u>Major Tax</u>          | <u>2005</u>        | <u>2004</u>        | <u>2003</u>        | <u>2002</u>        |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Gross Income Tax          | \$ 9,537.9         | \$ 7,400.7         | \$ 6,735.3         | \$ 6,837.0         |
| Sales and Use Tax         | 6,552.2            | 6,261.7            | 5,936.1            | 5,996.8            |
| Corporation Business Tax  | 2,368.1            | 2,370.2            | 2,525.4            | 1,171.5            |
| Other Major Taxes         | 3,244.0            | 3,028.0            | 2,837.3            | 2,489.1            |
| Miscellaneous Taxes, Fees | 4,988.5            | 4,472.4            | 4,265.2            | 2,911.5            |
| State Lottery             | 812.0              | 795.0              | 765.4              | 754.5              |
| Casino Taxes and Fees     | 540.0              | 532.7              | 413.9              | 413.0              |
| <b>Total</b>              | <u>\$ 28,042.7</u> | <u>\$ 24,860.7</u> | <u>\$ 23,478.6</u> | <u>\$ 20,573.4</u> |

\* 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>2005</u>    | <u>2004</u>    | <u>2003</u>    | <u>2002</u>    |
|---------------------------|----------------|----------------|----------------|----------------|
| Gross Income Tax          | 34.0 %         | 29.8 %         | 28.7 %         | 33.2 %         |
| Sales and Use Tax         | 23.4           | 25.2           | 25.3           | 29.1           |
| Corporation Business Tax  | 8.4            | 9.5            | 10.7           | 5.7            |
| Other Major Taxes         | 11.6           | 12.2           | 12.1           | 12.1           |
| Miscellaneous Taxes, Fees | 17.8           | 18.0           | 18.2           | 14.2           |
| State Lottery             | 2.9            | 3.2            | 3.2            | 3.7            |
| Casino Taxes and Fees     | 1.9            | 2.1            | 1.8            | 2.0            |
| <b>Total</b>              | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> | <u>100.0 %</u> |

\* 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  
GROSS STATE PRODUCT BY INDUSTRY  
FOR THE CALENDAR YEAR ENDED DECEMBER 31  
(Expressed in Billions)**

|   | <u>2004</u>     | <u>2003</u>     | <u>2002</u>     | <u>2001</u>     | <u>2000</u>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Gross State Product</b>              |                 |                 |                 |                 |                 |
| <b><u>Goods Producing</u></b>           |                 |                 |                 |                 |                 |
| Natural Resources                       | \$ 3.0          | \$ 2.9          | \$ 2.9          | \$ 2.7          | \$ 2.7          |
| Manufacturing                           | 41.5            | 41.0            | 41.0            | 40.2            | 41.1            |
| Construction                            | 13.9            | 13.6            | 13.8            | 13.9            | 13.3            |
| <b>Subtotal</b>                         | <u>58.4</u>     | <u>57.5</u>     | <u>57.7</u>     | <u>56.8</u>     | <u>57.1</u>     |
| <b><u>Private Service Producing</u></b> |                 |                 |                 |                 |                 |
| Transportation                          | 8.3             | 8.0             | 8.2             | 9.2             | 11.3            |
| Communication                           | 21.0            | 20.0            | 19.0            | 18.1            | 17.0            |
| Utilities                               | 6.5             | 6.3             | 6.2             | 6.0             | 6.7             |
| Trade                                   | 63.1            | 60.5            | 58.6            | 55.8            | 51.8            |
| Finance                                 | 95.3            | 90.0            | 86.1            | 83.1            | 79.1            |
| Services                                | 76.8            | 73.2            | 70.7            | 69.1            | 67.8            |
| <b>Subtotal</b>                         | <u>271.0</u>    | <u>258.0</u>    | <u>248.8</u>    | <u>241.3</u>    | <u>233.7</u>    |
| <b>Government</b>                       | 36.6            | 35.3            | 34.5            | 34.2            | 33.7            |
| <b>Residual*</b>                        | 24.2            | 24.9            | 24.5            | 22.5            | 21.0            |
| <b>Grand Total</b>                      | <u>\$ 390.2</u> | <u>\$ 375.7</u> | <u>\$ 365.5</u> | <u>\$ 354.8</u> | <u>\$ 345.5</u> |
| <b>Total Personal Income</b>            | \$ 359.5        | \$ 342.0        | \$ 334.3        | \$ 333.0        | \$ 323.6        |

\* The North American Industry Classification System (NAICS) changed its Residual calculation beginning in Calendar Year 1999. Comparable data for prior years is not available.

**Source:**

New Jersey Department of the Treasury, Division of Taxation.

| <u>1999</u>     | <u>1998</u>     | <u>1997</u>     | <u>1996</u>     | <u>1995</u>     |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 2.4          | \$ 2.3          | \$ 2.3          | \$ 2.1          | \$ 2.1          |
| 39.0            | 36.7            | 36.3            | 35.3            | 35.0            |
| 12.9            | 13.0            | 12.7            | 12.3            | 12.2            |
| <u>54.3</u>     | <u>52.0</u>     | <u>51.3</u>     | <u>49.7</u>     | <u>49.3</u>     |
| 9.8             | 8.7             | 8.0             | 7.2             | 6.4             |
| 16.7            | 16.4            | 14.7            | 14.3            | 13.6            |
| 6.3             | 6.2             | 6.3             | 6.8             | 6.6             |
| 49.8            | 48.4            | 44.9            | 41.7            | 38.6            |
| 74.7            | 72.8            | 68.9            | 67.3            | 64.4            |
| 67.0            | 66.7            | 64.9            | 62.9            | 60.8            |
| <u>224.3</u>    | <u>219.2</u>    | <u>207.7</u>    | <u>200.2</u>    | <u>190.4</u>    |
| 33.3            | 33.3            | 34.0            | 34.2            | 32.4            |
| 22.1            | 0.3             | 1.1             | 1.6             | 2.9             |
| <u>\$ 334.0</u> | <u>\$ 304.8</u> | <u>\$ 294.1</u> | <u>\$ 285.7</u> | <u>\$ 275.0</u> |
| \$ 294.4        | \$ 282.7        | \$ 263.4        | \$ 248.3        | \$ 233.9        |

**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 |             |           |                              |                      |                               |
|---|-------------|-----------|------------------------------|----------------------|-------------------------------|
| Year  | Top<br>Rate | Single    | Married<br>Filing<br>Jointly | Head of<br>Household | Average<br>Effective<br>Rate* |
| 1996  | 6.37 %      | \$ 75,000 | \$ 150,000                   | \$ 150,000           | 2.41 %                        |
| 1997  | 6.37        | 75,000    | 150,000                      | 150,000              | 2.49                          |
| 1998  | 6.37        | 75,000    | 150,000                      | 150,000              | 2.57                          |
| 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              | 2.85                          |
| 2005  | 8.97        | 500,000   | 500,000                      | 500,000              | 2.93                          |

\* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability. Data for 2004 and 2005 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  
2003 AS COMPARED TO 1994  
(GIT Liability Expressed in Millions)**

| Income Level          | 2003                   |                        |                   |                        | 1994                   |                        |                   |                        |
|-----------------------|------------------------|------------------------|-------------------|------------------------|------------------------|------------------------|-------------------|------------------------|
|                       | Number<br>of<br>Filers | Percent<br>of<br>Total | GIT<br>Liability  | Percent<br>of<br>Total | Number<br>of<br>Filers | Percent<br>of<br>Total | GIT<br>Liability  | Percent<br>of<br>Total |
| \$500,001 and higher  | 28,178                 | 1.1 %                  | \$ 1,475.6        | 26.1 %                 | 10,481                 | 0.4 %                  | \$ 608.7          | 15.9 %                 |
| \$250,001 - \$500,000 | 64,727                 | 2.6                    | 839.4             | 14.9                   | 26,226                 | 1.0                    | 383.6             | 10.0                   |
| \$100,001 - \$250,000 | 464,916                | 18.2                   | 1,887.2           | 33.5                   | 211,149                | 7.8                    | 986.6             | 25.8                   |
| \$75,001 - \$100,000  | 308,699                | 12.1                   | 516.4             | 9.2                    | 219,758                | 8.2                    | 468.2             | 12.3                   |
| \$50,001 - \$75,000   | 460,158                | 18.0                   | 477.7             | 8.5                    | 455,695                | 17.0                   | 605.4             | 15.8                   |
| \$35,001 - \$50,000   | 429,044                | 16.8                   | 245.3             | 4.3                    | 429,176                | 16.0                   | 346.1             | 9.1                    |
| \$20,001 - \$35,000   | 555,051                | 21.8                   | 164.8             | 2.9                    | 629,194                | 23.4                   | 285.4             | 7.5                    |
| \$10,001 - \$20,000   | 239,890                | 9.4                    | 36.4              | 0.6                    | 545,049                | 20.3                   | 119.9             | 3.1                    |
| \$10,000 and lower    | --                     | --                     | --                | --                     | 157,726                | 5.9                    | 18.0              | 0.5                    |
| <b>Total</b>          | <b>2,550,663</b>       | <b>100.0 %</b>         | <b>\$ 5,642.8</b> | <b>100.0 %</b>         | <b>2,684,454</b>       | <b>100.0 %</b>         | <b>\$ 3,821.9</b> | <b>100.0 %</b>         |

**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  
(Expressed in Millions)**

| <u>Category</u> | <u>2004</u>       | <u>2003</u>       | <u>2002</u>       | <u>2001</u>       |
|-----------------|-------------------|-------------------|-------------------|-------------------|
| Manufacturing   | \$ 273.2          | \$ 238.2          | \$ 248.6          | \$ 293.5          |
| Wholesale       | 257.0             | 233.1             | 233.2             | 254.0             |
| Retail          | 3,491.1           | 3,367.9           | 3,254.3           | 3,195.5           |
| Service         | 1,567.7           | 1,537.9           | 1,485.6           | 1,540.6           |
| Construction    | 125.0             | 115.3             | 110.2             | 121.3             |
| Other           | 110.2             | 92.7              | 83.8              | 80.9              |
| <b>Total</b>    | <b>\$ 5,824.2</b> | <b>\$ 5,585.1</b> | <b>\$ 5,415.7</b> | <b>\$ 5,485.8</b> |

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| <b>Direct Sales and<br/>Use Tax Rate:</b> | 6.0 % | 6.0 % | 6.0 % | 6.0 % |
|---|-------|-------|-------|-------|

**Source:**

New Jersey Department of the Treasury, Division of Taxation.

**STATE OF NEW JERSEY  
TAXABLE SALES BY CATEGORY  
PERCENT DISTRIBUTION BY MAJOR CATEGORY  
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

| <u>Category</u> | <u>2004</u>    | <u>2003</u>    | <u>2002</u>    | <u>2001</u>    |
|-----------------|----------------|----------------|----------------|----------------|
| Manufacturing   | 4.7 %          | 4.3 %          | 4.6 %          | 5.3 %          |
| Wholesale       | 4.4            | 4.2            | 4.3            | 4.6            |
| Retail          | 59.9           | 60.3           | 60.1           | 58.3           |
| Service         | 26.9           | 27.5           | 27.4           | 28.1           |
| Construction    | 2.2            | 2.0            | 2.0            | 2.2            |
| Other           | 1.9            | 1.7            | 1.6            | 1.5            |
| <b>Total</b>    | <b>100.0 %</b> | <b>100.0 %</b> | <b>100.0 %</b> | <b>100.0 %</b> |

**Source:**

New Jersey Department of the Treasury, Division of Taxation.



**STATE OF NEW JERSEY**  
**RATIO OF OUTSTANDING LONG-TERM DEBT**  
**1996-2005**  
**(Expressed in Thousands Except for General Long-Term Debt Ratios)**

| <u>Governmental Activities</u>                     | <u>2005</u>          | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |
|--|----------------------|----------------------|----------------------|----------------------|
| <b><u>Bonded Debt</u></b>                          |                      |                      |                      |                      |
| General Obligation Bonds                           | \$ 3,156,375         | \$ 3,301,005         | \$ 3,366,605         | \$ 3,249,855         |
| Revenue Bonds Payable                              | 7,856,005            | 7,229,340            | 6,520,530            | 5,885,515            |
| Capital Leases                                     | 130,340              | 137,535              | 126,960              | 135,150              |
| Installment Obligations                            | 15,373,185           | 11,741,335           | 10,149,031           | 9,062,246            |
| Certificates of Participation                      | 66,148               | 77,392               | 81,662               | 100,950              |
| Unamortized Premium                                | 1,204,377            | 498,641              | 365,248              | 193,961              |
| Tobacco Settlement Financing Corporation           | 3,280,155            | 3,329,406            | 3,345,107            | --                   |
| Unamortized Deferral on Refunding                  | (533,008)            | (223,754)            | (211,909)            | (104,984)            |
| Unamortized Interest on Capital Appreciation Bonds | (3,211,862)          | (3,311,643)          | (3,435,380)          | (3,290,843)          |
| <b>Subtotal</b>                                    | <u>27,321,715</u>    | <u>22,779,257</u>    | <u>20,307,854</u>    | <u>15,231,850</u>    |
| <b><u>Non-Bonded Debt</u></b>                      |                      |                      |                      |                      |
| Accumulated Sick and Vacation Payable              | 488,913              | 466,126              | 449,934              | 477,003              |
| Capital Leases                                     | 538,926              | 553,984              | 515,331              | 413,130              |
| Loans Payable                                      | 1,279,358            | 1,279,358            | 1,279,358            | 1,279,358            |
| Net Pension Obligation                             | 1,796,799            | 845,563              | 115,033              | 81,687               |
| Other  | 397,545              | 377,766              | 332,019              | 320,083              |
| <b>Subtotal</b>                                    | <u>4,501,541</u>     | <u>3,522,797</u>     | <u>2,691,675</u>     | <u>2,571,261</u>     |
| <b>Grand Total</b>                                 | <u>\$ 31,823,256</u> | <u>\$ 26,302,054</u> | <u>\$ 22,999,529</u> | <u>\$ 17,803,111</u> |
| <br>   |                      |                      |                      |                      |
| New Jersey Total Personal Income                   | \$ 380,716,000       | \$ 359,545,000       | \$ 342,041,000       | \$ 334,331,000       |
| Percentage of Personal Income                      | 8.4%                 | 7.3%                 | 6.7%                 | 5.3%                 |
| <br>   |                      |                      |                      |                      |
| New Jersey Population                              | 8,745                | 8,699                | 8,642                | 8,577                |
| General Obligation Debt Per Capita                 | \$360.93             | \$379.47             | \$389.56             | \$378.90             |
| Total Long-Term Debt Per Capita                    | \$3,639.02           | \$3,023.57           | \$2,661.37           | \$2,075.68           |

**Note:**

New Jersey's long-term debt has been restated to reflect accounting rules as of June 30, 2005.  
 New Jersey Total Personal Income and Population figures for 2005 are estimates.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

| <u>2001</u>          | <u>2000</u>          | <u>1999</u>          | <u>1998</u>          | <u>1997</u>          | <u>1996</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 3,555,375         | \$ 3,875,025         | \$ 3,734,360         | \$ 3,657,350         | \$ 3,521,905         | \$ 3,772,816         |
| 5,119,160            | 5,289,155            | 4,425,150            | 3,868,160            | 3,137,885            | 2,482,725            |
| 147,565              | 157,000              | 184,370              | 189,660              | 183,571              | 191,036              |
| 8,990,688            | 8,428,873            | 8,389,293            | 8,345,408            | 4,712,551            | 1,835,495            |
| 138,623              | 147,575              | 115,751              | 103,385              | 128,460              | 152,052              |
| --                   | --                   | --                   | --                   | --                   | --                   |
| --                   | --                   | --                   | --                   | --                   | --                   |
| --                   | --                   | --                   | --                   | --                   | --                   |
| <u>(3,422,621)</u>   | <u>(3,587,914)</u>   | <u>(3,706,206)</u>   | <u>(3,817,327)</u>   | <u>(224,206)</u>     | <u>(240,248)</u>     |
| <u>14,528,790</u>    | <u>14,309,714</u>    | <u>13,142,718</u>    | <u>12,346,636</u>    | <u>11,460,166</u>    | <u>8,193,876</u>     |
| #                    | #                    | #                    | #                    | #                    | #                    |
| 449,045              | 428,155              | 415,219              | 431,142              | 414,210              | 412,836              |
| 117,190              | 79,584               | 80,447               | 100,052              | 57,467               | 58,483               |
| 1,279,358            | 1,279,358            | 1,279,358            | 1,271,679            | 1,137,500            | 995,000              |
| 54,576               | 18,513               | --                   | --                   | --                   | 2,883,384            |
| 228,980              | --                   | --                   | --                   | --                   | --                   |
| <u>2,129,149</u>     | <u>1,805,610</u>     | <u>1,775,024</u>     | <u>1,802,873</u>     | <u>1,609,177</u>     | <u>4,349,703</u>     |
| <u>\$ 16,657,939</u> | <u>\$ 16,115,324</u> | <u>\$ 14,917,742</u> | <u>\$ 14,149,509</u> | <u>\$ 13,069,343</u> | <u>\$ 12,543,579</u> |
| \$ 332,951,000       | \$ 323,554,000       | \$ 294,385,000       | \$ 282,721,000       | \$ 263,420,000       | \$ 248,320,000       |
| 5.0%                 | 5.0%                 | 5.1%                 | 5.0%                 | 5.0%                 | 5.1%                 |
| 8,506                | 8,414                | 8,143                | 8,096                | 8,054                | 8,010                |
| \$417.98             | \$460.54             | \$458.60             | \$451.75             | \$437.29             | \$471.01             |
| \$1,958.38           | \$1,915.30           | \$1,831.97           | \$1,747.72           | \$1,622.71           | \$1,565.99           |

**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)**

| <b>Fiscal<br/>Year</b> | <b>Total<br/>Appropriations<br/>For Budgeted<br/>Funds</b> | <b>Legal<br/>Debt Limit</b> |
|------------------------|--|-----------------------------|
| 1996                   | \$ 16,308.9  | \$ 163.0                    |
| 1997                   | 16,256.8   | 162.5                       |
| 1998                   | 17,157.6   | 171.5                       |
| 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                       |

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2005 AND 2004  
(Expressed in Millions)**

| Debt Program   | Year       | Amount Authorized  | Unissued As Of    |                   |
|--|------------|--------------------|-------------------|-------------------|
|  |            |                    | 6/30/2005         | 6/30/2004         |
| <b>General Obligation Bonds*</b>   |            |                    |                   |                   |
| Clean Waters   | 1976       | \$ 120.0           | \$ 5.0            | \$ 5.0            |
| State Land Acquisition and Development   | 1978       | 200.0              | 1.5               | 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              | 9.0               | 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               | 21.5              | 21.5              |
| New Jersey Green Acres, Clean Water, Farmland and Historic Preservation  | 1992       | 345.0              | 26.8              | 26.8              |
| Development Disabilities' Waiting List Reduction and Human Services Facilities Construction                                      | 1994       | 160.0              | 5.0               | 5.0               |
| 1995 New Jersey Green Acres, Farmland and Historic Preservation and Blue Acres   | 1995       | 340.0              | 25.5              | 25.5              |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development | 1996       | 300.0              | 199.0             | 199.0             |
| Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project  | 2003       | 200.0              | 200.0             | 200.0             |
| <b>Subtotal</b>  |            | <u>3,250.0</u>     | <u>742.4</u>      | <u>742.4</u>      |
| <b>Revenue Bonds Payable</b>   |            |                    |                   |                   |
| <b>Transportation Trust Fund Authority</b>   |            |                    |                   |                   |
| Annual Capital Plan**  | 1995       | 6,950.0            | 658.1             | 1,007.8           |
| <b>Garden State Preservation Trust***</b>  |            |                    |                   |                   |
| Open Space and Farmland Preservation Bonds****   | 1999, 2004 | 1,150.0            | 650.0             | 650.0             |
| <b>Subtotal</b>  |            | <u>8,100.0</u>     | <u>1,308.1</u>    | <u>1,657.8</u>    |
| <b>Installment Obligations</b>   |            |                    |                   |                   |
| <b>Economic Development Authority</b>  |            |                    |                   |                   |
| Market Transition Facility   | 1994       | 750.0              | 44.7              | 44.7              |
| School Facilities Construction   | 2000       | 8,600.0            | 4,504.1           | 5,904.1           |
| <b>Educational Facilities Authority</b>  |            |                    |                   |                   |
| Equipment Leasing Fund   | 1993       | 100.0              | 40.8              | 25.4              |
| Capital Improvement Fund   | 1999       | 550.0              | 0.6               | 0.6               |
| Dormitory Safety Trust Fund  | 2000       | 90.0               | 10.8              | 10.8              |
| <b>Subtotal</b>  |            | <u>10,090.0</u>    | <u>4,601.0</u>    | <u>5,985.6</u>    |
| <b>Total</b>   |            | <u>\$ 21,440.0</u> | <u>\$ 6,651.5</u> | <u>\$ 8,385.8</u> |

**Notes:**

For debt issued after June 30, 2005, please refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

\* 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 2005.

\*\*\* During November, 2003 New Jersey voters approved a constitutional amendment that increased the cap on the total amount of bonds that may be issued by the Garden State Preservation Trust to \$1.150 billion, from \$1.000 billion.

\*\*\*\* The Garden State Preservation Trust on May 6, 2004 sold \$500 million of its Open Space and Farmland Preservation Bonds, 2005 Series A (Forward Delivery Bonds) and on September 16, 2004 sold \$150 million of its Open Space Preservation and Farmland Preservation Bonds, 2005 Series B (Forward Delivery Bonds). The Garden State Preservation Trust expects to issue and deliver both of these bonds on or about December 1, 2005.

**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.

| Fiscal<br>Year | Net Available<br>Revenue | Debt Service |          |         | Coverage<br>Ratio |
|----------------|--------------------------|--------------|----------|---------|-------------------|
|                |                          | Principal    | Interest | Total   |                   |
| 1998           | \$ 150.8                 | \$ 30.8      | \$ 39.7  | \$ 70.5 | 2.1               |
| 1999           | 143.4                    | 34.4         | 38.1     | 72.5    | 2.0               |
| 2000           | 133.2                    | 36.0         | 36.4     | 72.4    | 1.8               |
| 2001           | 126.4                    | 37.8         | 34.6     | 72.4    | 1.7               |
| 2002           | 128.6                    | 39.8         | 21.9     | 61.7    | 2.1               |
| 2003           | 134.3                    | 38.2         | 27.5     | 65.7    | 2.0               |
| 2004           | 136.6                    | 46.4         | 25.3     | 71.7    | 1.9               |
| 2005           | 130.0                    | 49.6         | 22.0     | 71.6    | 1.8               |

**New Jersey Motor Vehicle Commission 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.

**Motor Vehicle Surcharges Revenue Bonds, 2004 Series A (1)**

Beginning on July 1, 2006, 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.

**Notes:**

- (1) Motor Vehicle Surcharges Revenue Bonds have provided for debt service payments through July 1, 2006 through the use of capitalized interest.
- (2) Cigarette Tax Revenue Bonds have provided for debt service payments through July 1, 2006 through the use of capitalized interest.
- (3) Tobacco Settlement Asset-Backed Bonds have provided for debt service payments through December 1, 2004 through the use of capitalized interest.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**Cigarette Tax Revenue Bonds, Series 2004 (2)**

Beginning on July 1, 2006, the bonds are to be repaid from a separate nonlapsing "Dedicated Cigarette Tax Revenue Fund" that will be credited on a monthly basis an amount equal to the tax collected by the State from \$0.0325 per cigarette (i.e., \$0.65 per pack of 20 cigarettes). Currently, the Cigarette Tax imposed by the Cigarette Tax Act is \$0.12 per cigarette (i.e., \$2.40 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 deposits of Cigarette Tax revenues into the State Cancer Research Fund and State Health Care Subsidy Fund (totaling \$151 million) have been made. Once the \$151 million of deposits have been made, 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 \$151 million of deposits had not been made.

**Tobacco Settlement Financing Corporation, Inc.  
Tobacco Settlement Asset—Backed Bonds (Series 2002 and Series 2003) (3)**

Pursuant to a Purchase and Sale Agreement between the State and the Tobacco Settlement Financing Corporation, Inc., the State has sold its future rights to receive payments under the Master Settlement Agreement 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.

**STATE OF NEW JERSEY  
TEN LARGEST PRIVATE SECTOR EMPLOYERS  
2004 AS COMPARED TO 1995**

| <b>2004<br/>Rank</b> | <b>Employer</b>                            | <b>New<br/>Jersey<br/>Employees</b> | <b>Percentage<br/>of Total<br/>New Jersey<br/>Employment</b> |
|----------------------|--|-------------------------------------|--|
| 1                    | Wakefern Food Corporation/Shoprite         | 32,361                              | 0.8 %  |
| 2                    | United Parcel Service (UPS)                | 15,720                              | 0.4  |
| 3                    | The Great Atlantic & Pacific Tea Co., Inc. | 15,618                              | 0.4  |
| 4                    | Verizon                                    | 15,000                              | 0.4  |
| 5                    | Caesars Entertainment                      | 14,569                              | 0.3  |
| 6                    | American Telephone & Telegraph Company     | 13,000                              | 0.3  |
| 7                    | Pathmark Stores, Inc.                      | 12,500                              | 0.3  |
| 8                    | Wal-Mart Stores, Inc.                      | 12,274                              | 0.3  |
| 9                    | Home Depot                                 | 12,000                              | 0.3  |
| 10                   | Johnson & Johnson                          | 12,000                              | 0.3  |
|                      |  | <u>155,042</u>                      | <u>3.8 %</u>   |

**Note:**

Total New Jersey Employment for calendar year 2004 totaled 4.176 million.

**Source:**

"New Jersey Business," New Jersey Business & Industry Association, "33rd Annual Top 100 Employers, May 2005." Data reprinted with permission from the New Jersey Business and Industry Association.

| <b>1995<br/>Rank</b> | <b>Employer</b>                               | <b>New<br/>Jersey<br/>Employees</b> | <b>Percentage<br/>of Total<br/>New Jersey<br/>Employment</b> |
|----------------------|---|-------------------------------------|--|
| 1                    | American Telephone & Telegraph Company        | 49,200                              | 1.3 %  |
| 2                    | Pathmark Stores, Inc.                         | 20,803                              | 0.5  |
| 3                    | The Prudential Insurance Company of America   | 16,853                              | 0.4  |
| 4                    | Bell Atlantic-New Jersey Incorporated         | 14,055                              | 0.4  |
| 5                    | Johnson & Johnson                             | 13,000                              | 0.3  |
| 6                    | Federated Department Stores                   | 12,222                              | 0.3  |
| 7                    | United Parcel Service (UPS)                   | 11,700                              | 0.3  |
| 8                    | The Great Atlantic & Pacific Tea Co., Inc.    | 11,003                              | 0.3  |
| 9                    | Public Service Enterprise Group, Incorporated | 10,782                              | 0.3  |
| 10                   | Sears, Roebuck and Company                    | 9,860                               | 0.3  |
|                      |   | <u>169,478</u>                      | <u>4.4 %</u>   |

**Note:**

Total New Jersey Employment for calendar year 1995 totaled 3.846 million.

**Source:**

"New Jersey Business," New Jersey Business & Industry Association, "24th Annual Top 100 Employers, May 1996." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY  
POPULATION AND EMPLOYMENT TRENDS  
(Expressed in Thousands)**

| <b>Year</b> | <b>Population*</b> | <b>Civilian Labor Force*</b> | <b>Resident Employment*</b> | <b>Resident Unemployment*</b> | <b>New Jersey Unemployment Rate*</b> | <b>U.S. Unemployment Rate**</b> |
|-------------|--------------------|------------------------------|-----------------------------|-------------------------------|--------------------------------------|---------------------------------|
| 1995        | 7,966              | 4,112                        | 3,846                       | 266                           | 6.5 %                                | 5.6 %                           |
| 1996        | 8,010              | 4,184                        | 3,926                       | 258                           | 6.2                                  | 5.4                             |
| 1997        | 8,054              | 4,257                        | 4,031                       | 226                           | 5.3                                  | 4.9                             |
| 1998        | 8,096              | 4,242                        | 4,047                       | 195                           | 4.6                                  | 4.5                             |
| 1999        | 8,143              | 4,285                        | 4,093                       | 192                           | 4.5                                  | 4.2                             |
| 2000        | 8,414              | 4,287                        | 4,129                       | 158                           | 3.7                                  | 4.0                             |
| 2001        | 8,506              | 4,296                        | 4,112                       | 184                           | 4.3                                  | 4.7                             |
| 2002        | 8,577              | 4,372                        | 4,118                       | 254                           | 5.8                                  | 5.8                             |
| 2003        | 8,642              | 4,371                        | 4,115                       | 256                           | 5.9                                  | 6.0                             |
| 2004        | 8,699              | 4,388                        | 4,176                       | 212                           | 4.8                                  | 5.5                             |

\* Data through 2003 has been revised.

\*\* Data for 2001 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)**

| <b>Year</b> | <b>New Jersey Population*</b> | <b>Assessed Valuation of Property</b> | <b>True Valuation of Property**</b> | <b>Personal Income (Millions)***</b> | <b>Per Capita Income*</b> |
|-------------|-------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|---------------------------|
| 1995        | 7,966                         | \$ 423,960,774                        | \$ 497,735,602                      | \$ 233,937                           | \$ 29,369                 |
| 1996        | 8,010                         | 429,753,224                           | 501,577,931                         | 248,320                              | 31,003                    |
| 1997        | 8,054                         | 438,965,016                           | 514,007,592                         | 263,420                              | 32,706                    |
| 1998        | 8,096                         | 455,710,137                           | 539,354,740                         | 282,721                              | 34,923                    |
| 1999        | 8,143                         | 470,554,943                           | 548,448,342                         | 294,385                              | 36,152                    |
| 2000        | 8,414                         | 493,863,234                           | 645,145,129                         | 323,554                              | 38,454                    |
| 2001        | 8,506                         | 524,816,215                           | 720,179,653                         | 332,951                              | 39,142                    |
| 2002        | 8,577                         | 567,908,706                           | 820,922,044                         | 334,331                              | 38,979                    |
| 2003        | 8,642                         | 606,248,658                           | 937,193,205                         | 342,041                              | 39,577                    |
| 2004        | 8,699                         | 666,117,074                           | 1,080,744,002                       | 359,545                              | 41,332                    |

\* Data through 2003 has been revised.

\*\* Data for 2003 has been revised.

\*\*\* Data for 2001 through 2003 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  
(Expressed in Millions)**

| <b>Fiscal Year</b> | <b>Direct State Services</b> | <b>Grants-In-Aid</b> | <b>State Aid</b> | <b>Capital Construction</b> | <b>Debt Service</b> | <b>Total</b> |
|--------------------|------------------------------|----------------------|------------------|-----------------------------|---------------------|--------------|
| 1996               | \$ 5,404.0                   | \$ 3,792.9           | \$ 6,337.0       | \$ 275.4                    | \$ 453.4            | \$ 16,262.7  |
| 1997               | 5,125.8                      | 4,053.4              | 6,336.6          | 373.3                       | 446.9               | 16,336.0     |
| 1998               | 5,343.2                      | 4,047.2              | 6,847.6          | 497.0                       | 478.9               | 17,213.9     |
| 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     |

\* 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  
EXPENDITURE SUMMARY FOR BUDGETED FUNDS\*  
PERCENT DISTRIBUTION BY MAJOR EXPENDITURE CATEGORY  
FOR THE FISCAL YEAR ENDED JUNE 30**

| <b>Fiscal Year</b> | <b>Direct State Services</b> | <b>Grants-In-Aid</b> | <b>State Aid</b> | <b>Capital Construction</b> | <b>Debt Service</b> | <b>Total</b> |
|--------------------|------------------------------|----------------------|------------------|-----------------------------|---------------------|--------------|
| 1996               | 33.2 %                       | 23.3 %               | 39.0 %           | 1.7 %                       | 2.8 %               | 100.0 %      |
| 1997               | 31.4                         | 24.8                 | 38.8             | 2.3                         | 2.7                 | 100.0        |
| 1998               | 31.0                         | 23.5                 | 39.8             | 2.9                         | 2.8                 | 100.0        |
| 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        |

\* 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, 2005  
(Expressed in Millions)**

| <b>Government Branch</b>          | <b>Direct<br/>State<br/>Service</b> | <b>Grants-<br/>In-Aid</b> | <b>State<br/>Aid</b> | <b>Capital<br/>Construction</b> | <b>Debt<br/>Service</b> | <b>Total</b>       |
|-----------------------------------|-------------------------------------|---------------------------|----------------------|---------------------------------|-------------------------|--------------------|
| <b>Executive Branch</b>           |                                     |                           |                      |                                 |                         |                    |
| Chief Executive Office            | \$ 5.1                              | \$ --                     | \$ --                | \$ --                           | \$ --                   | \$ 5.1             |
| Agriculture                       | 11.4                                | 2.7                       | 10.3                 | 0.2                             | --                      | 24.6               |
| Banking and Insurance             | 64.4                                | --                        | --                   | --                              | --                      | 64.4               |
| Community Affairs                 | 53.1                                | 61.1                      | 1,050.9              | --                              | --                      | 1,165.1            |
| Corrections                       | 899.3                               | 116.6                     | --                   | 1.7                             | --                      | 1,017.6            |
| Education                         | 69.3                                | 25.3                      | 8,857.7              | 0.2                             | --                      | 8,952.5            |
| Environmental Protection          | 251.3                               | 13.5                      | 20.6                 | 89.8                            | 39.7                    | 414.9              |
| Health and Senior<br>Services     | 102.8                               | 1,879.6                   | 62.2                 | 0.3                             | --                      | 2,044.9            |
| Human Services                    | 865.1                               | 4,022.6                   | 379.8                | 14.1                            | --                      | 5,281.6            |
| Labor                             | 107.8                               | 41.9                      | 1.6                  | --                              | --                      | 151.3              |
| Law and Public Safety             | 688.8                               | 19.1                      | 12.5                 | 10.8                            | --                      | 731.2              |
| Military and Veterans'<br>Affairs | 84.2                                | 1.1                       | --                   | 1.1                             | --                      | 86.4               |
| Personnel                         | 30.5                                | --                        | --                   | --                              | --                      | 30.5               |
| State                             | 32.9                                | 1,179.3                   | 16.6                 | 1.0                             | --                      | 1,229.8            |
| Transportation                    | 118.5                               | 278.8                     | 25.3                 | 805.0                           | --                      | 1,227.6            |
| Treasury                          | 461.4                               | 1,822.8                   | 440.8                | 5.8                             | 220.6                   | 2,951.4            |
| Miscellaneous                     | 1.4                                 | --                        | --                   | --                              | --                      | 1.4                |
| Inter-Departmental                | 1,686.5                             | 765.5                     | --                   | 173.9                           | --                      | 2,625.9            |
| <b>Subtotal</b>                   | <b>5,533.8</b>                      | <b>10,229.9</b>           | <b>10,878.3</b>      | <b>1,103.9</b>                  | <b>260.3</b>            | <b>28,006.2</b>    |
| <b>Legislative Branch</b>         | <b>75.0</b>                         | <b>--</b>                 | <b>--</b>            | <b>2.2</b>                      | <b>--</b>               | <b>77.2</b>        |
| <b>Judicial Branch</b>            | <b>537.2</b>                        | <b>0.5</b>                | <b>--</b>            | <b>--</b>                       | <b>--</b>               | <b>537.7</b>       |
| <b>Grand Total</b>                | <b>\$ 6,146.0</b>                   | <b>\$ 10,230.4</b>        | <b>\$ 10,878.3</b>   | <b>\$ 1,106.1</b>               | <b>\$ 260.3</b>         | <b>\$ 28,621.1</b> |

\* 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**

| <b>Department/Agency</b>                                     | <b>January</b> |               |               |
|--|----------------|---------------|---------------|
|  | <b>2005</b>    | <b>2004</b>   | <b>2003</b>   |
| <b>Executive Branch</b>                                      |                |               |               |
| Agriculture  | 262            | 254           | 247           |
| Banking and Insurance  | 501            | 481           | 486           |
| Chief Executive's Office                                     | 109            | 111           | 118           |
| Community Affairs  | 1,098          | 1,045         | 1,015         |
| Corrections  | 9,419          | 9,257         | 9,344         |
| Parole Board   | 714            | 652           | 699           |
| Education  | 952            | 971           | 920           |
| Environmental Protection                                     | 3,437          | 3,296         | 3,248         |
| Health and Senior Services                                   | 2,151          | 2,136         | 1,953         |
| Human Services   | 20,977         | 20,152        | 19,278        |
| Labor  | 3,765          | 3,672         | 3,458         |
| Public Employees Relations Commission                        | 36             | 34            | 36            |
| Law and Public Safety  | 7,772          | 7,405         | 7,137         |
| Election Law Enforcement Commission                          | 53             | 45            | 46            |
| Violent Crimes Compensation Board                            | 49             | 48            | 46            |
| Executive Commission on Ethical Standards                    | 9              | 8             | 8             |
| Juvenile Justice   | 1,774          | 1,705         | 1,585         |
| Military and Veterans' Affairs                               | 1,473          | 1,419         | 1,358         |
| Personnel  | 442            | 399           | 376           |
| State  | 199            | 185           | 187           |
| Commission on Higher Education                               | 19             | 19            | 22            |
| Public Broadcasting Authority                                | 159            | 159           | 157           |
| Student Assistance   | 201            | 210           | 193           |
| Transportation   | 6,448          | 6,049         | 5,109         |
| Treasury   | 3,779          | 3,594         | 3,604         |
| Casino Control Commission                                    | 349            | 350           | 325           |
| Commission on Science and Technology                         | 5              | 5             | 8             |
| Office of Administrative Law                                 | 112            | 110           | 109           |
| Office of Information Technology                             | 938            | 923           | 929           |
| Public Defender  | 1,044          | 951           | 877           |
| Board of Public Utilities/Ratepayer Advocate                 | 345            | 336           | 319           |
| Miscellaneous Executive Commissions                          | 2              | 2             | 2             |
| <b>Total</b>   | <b>68,593</b>  | <b>65,983</b> | <b>63,199</b> |
| <b>Legislative Branch</b>                                    | 512            | 520           | 506           |
| <b>Judicial Branch (Administrative Office of the Courts)</b> | 1,837          | 1,797         | 1,753         |
| <b>Statewide Total Without Courts</b>                        | <b>70,942</b>  | <b>68,300</b> | <b>65,458</b> |
| <b>Judicial Branch</b>                                       | <b>7,587</b>   | <b>7,546</b>  | <b>7,365</b>  |
| <b>Grand Total</b>   | <b>78,529</b>  | <b>75,846</b> | <b>72,823</b> |

**Note:**

Full-time paid employees were tabulated as of pay period one 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.

| 2002          | 2001          | 2000          | 1999          | 1998          | 1997          | 1996          |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 259           | 255           | 245           | 239           | 239           | 204           | 203           |
| 517           | 502           | 472           | 471           | 561           | 565           | 624           |
| 116           | 122           | 123           | 124           | 114           | 126           | 132           |
| 1,106         | 1,086         | 1,022         | 974           | 922           | 861           | 936           |
| 9,445         | 8,907         | 8,697         | 9,258         | 9,084         | 8,128         | 8,766         |
| 713           | 741           | 693           | 161           | 158           | 155           | 148           |
| 991           | 915           | 860           | 870           | 830           | 849           | 953           |
| 3,449         | 3,312         | 3,203         | 3,085         | 3,058         | 3,129         | 3,386         |
| 2,148         | 2,036         | 1,956         | 1,859         | 1,790         | 1,821         | 1,513         |
| 18,978        | 18,001        | 17,427        | 16,928        | 17,914        | 17,757        | 19,005        |
| 3,486         | 3,524         | 3,546         | 3,624         | 3,743         | 3,683         | 3,855         |
| 36            | 38            | 38            | 39            | 39            | 37            | 34            |
| 7,379         | 6,841         | 6,666         | 6,486         | 6,105         | 6,015         | 6,129         |
| 50            | 49            | 38            | 44            | 39            | 36            | 29            |
| 47            | 47            | 50            | 47            | 50            | 51            | 54            |
| 9             | 6             | 7             | 6             | 7             | 6             | 7             |
| 1,638         | 1,529         | 1,439         | 1,423         | 1,319         | 1,188         |               |
| 1,449         | 1,458         | 1,426         | 1,366         | 1,357         | 1,365         | 1,450         |
| 440           | 426           | 422           | 409           | 431           | 488           | 557           |
| 202           | 199           | 185           | 165           | 235           | 252           | 262           |
| 24            | 24            | 23            | 20            | 20            | 19            | 19            |
| 159           | 153           | 149           | 133           | 135           | 146           | 153           |
| 213           | 197           | 191           | 198           | 192           | 192           | 191           |
| 5,438         | 5,431         | 5,071         | 5,114         | 5,628         | 5,787         | 5,926         |
| 3,880         | 3,686         | 3,599         | 3,588         | 3,368         | 3,367         | 3,419         |
| 334           | 333           | 325           | 336           | 336           | 343           | 344           |
| 9             | 9             | 8             | 4             | 6             | 6             | 6             |
| 112           | 111           | 115           | 114           | 117           | 129           | 137           |
| 1,048         | 1,015         | 996           | 994           | 1,109         | 1,122         | 1,157         |
| 942           | 927           | 901           | 862           | 837           | 840           | 827           |
| 307           | 290           | 292           | 298           | 307           | 305           | 305           |
| 2             | 2             | 2             | 2             | 1             | --            | --            |
| <u>64,926</u> | <u>62,172</u> | <u>60,187</u> | <u>59,241</u> | <u>60,051</u> | <u>58,972</u> | <u>60,527</u> |
| 492           | 505           | 484           | 471           | 464           | 472           | 474           |
| 1,795         | 1,734         | 1,730         | 1,706         | 1,698         | 1,689         | 1,687         |
| <u>67,213</u> | <u>64,411</u> | <u>62,401</u> | <u>61,418</u> | <u>62,213</u> | <u>61,133</u> | <u>62,688</u> |
| <u>7,566</u>  | <u>7,432</u>  | <u>7,308</u>  | <u>7,176</u>  | <u>7,009</u>  | <u>7,195</u>  | <u>7,460</u>  |
| <u>74,779</u> | <u>71,843</u> | <u>69,709</u> | <u>68,594</u> | <u>69,222</u> | <u>68,328</u> | <u>70,148</u> |

**STATE OF NEW JERSEY  
OPERATING INDICATORS**

| <b>Department/Agency</b>                         | <b>2005*</b> | <b>2004</b> | <b>2003</b> |
|--|--------------|-------------|-------------|
| <b>Agriculture</b>                               |              |             |             |
| Farmland Preservation                            |              |             |             |
| Cumulative acres permanently preserved           | 147,000      | 127,038     | 110,476     |
| <b>Corrections</b>                               |              |             |             |
| Average daily population - State Facilities      | 23,459       | 23,006      | 22,867      |
| Parole Board                                     |              |             |             |
| Parolees under supervision                       | 13,667       | 13,297      | 13,234      |
| Total hearings                                   | 44,338       | 42,377      | 39,910      |
| State hearings                                   | 29,007       | 26,902      | 25,481      |
| <b>Education</b>                                 |              |             |             |
| Resident enrollment                              | 1,447,065    | 1,441,748   | 1,424,773   |
| Support per pupil                                | \$13,726     | \$13,234    | \$12,505    |
| Local  | \$7,077      | \$7,103     | \$6,702     |
| State  | \$6,133      | \$5,628     | \$5,344     |
| Federal  | \$516        | \$503       | \$459       |
| <b>Health and Senior Services</b>                |              |             |             |
| Family Health Services                           |              |             |             |
| Newborns screened-metabolic & genetic disorders  | 133,000      | 113,404     | 113,032     |
| HealthStart (prenatal)                           | 36,500       | 35,000      | 31,000      |
| AIDS Services                                    |              |             |             |
| Number of clients tested and counseled           | 67,750       | 67,789      | 67,067      |
| Pharmaceutical Assistance to the Aged & Disabled |              |             |             |
| Aged: Average monthly eligibles                  | 148,971      | 148,349     | 147,841     |
| Aged: Annual prescriptions                       | 5,538,742    | 5,477,045   | 5,304,535   |
| Disabled: Average monthly eligibles              | 28,319       | 27,902      | 27,247      |
| Disabled: Annual prescriptions                   | 1,340,055    | 1,334,832   | 1,258,811   |
| <b>Human Services</b>                            |              |             |             |
| NJ KidCare - Childrens Health Insurance Program  |              |             |             |
| Estimated year-end enrollment                    | 104,565      | 100,729     | 92,279      |
| Child Protective and Permanency Services         |              |             |             |
| Active caseload - children receiving services    | 60,712       | 66,237      | 51,026      |
| Work First New Jersey                            |              |             |             |
| Average monthly recipients                       | 116,830      | 112,280     | 107,143     |
| Average monthly grant                            | \$129.82     | \$129.06    | \$128.12    |
| <b>Labor and Workforce Development</b>           |              |             |             |
| Unemployment Insurance                           |              |             |             |
| Covered workers                                  | 3,866,700    | 3,813,549   | 3,778,630   |
| State Disability Insurance Plan                  |              |             |             |
| Covered workers                                  | 2,828,700    | 2,790,000   | 2,764,500   |
| Claims received                                  | 174,500      | 174,232     | 170,958     |
| <b>Law and Public Safety</b>                     |              |             |             |
| State Police Operations                          |              |             |             |
| Criminal investigations                          | 13,575       | 13,079      | 12,552      |
| Accident investigations                          | 41,744       | 41,263      | 39,724      |
| General investigations                           | 558,250      | 565,156     | 573,098     |
| <b>Transportation</b>                            |              |             |             |
| Motor Vehicle Services                           |              |             |             |
| Registrations and title documents issued         | 10,333,452   | 10,386,777  | 10,558,682  |
| Total licensed drivers                           | 5,741,000    | 5,741,036   | 5,706,951   |
| Total registered vehicles                        | 7,027,112    | 7,055,501   | 7,302,521   |
| Total NJ inspections/reinspections               | 3,315,854    | 3,171,458   | 3,243,086   |

\* Fiscal Year 2005 amounts are estimates.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

| <b>2002</b> | <b>2001</b> | <b>2000</b> | <b>1999</b> | <b>1998</b> | <b>1997</b> | <b>1996</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 94,806      | 80,381      | 66,375      | 53,478      | 47,301      | 37,198      | 29,014      |
| 22,561      | 23,109      | 24,946      | 25,005      | 22,213      | 20,535      | 23,301      |
| 12,867      | 12,266      | 13,834      | 16,406      | 18,645      | 19,100      | 19,276      |
| 42,060      | 47,265      | 35,300      | 35,617      | 38,692      | 38,726      | 39,708      |
| 27,734      | 37,564      | 25,002      | 23,650      | 26,399      | 25,941      | 26,274      |
| 1,395,131   | 1,357,160   | 1,327,643   | 1,298,927   | 1,278,220   | 1,216,556   | 1,228,280   |
| \$11,834    | \$11,909    | \$10,833    | \$10,962    | \$10,445    | \$10,385    | \$10,121    |
| \$6,375     | \$6,424     | \$6,013     | \$6,161     | \$6,071     | \$6,217     | \$6,062     |
| \$5,044     | \$5,138     | \$4,594     | \$4,571     | \$4,165     | \$3,976     | \$3,847     |
| \$415       | \$347       | \$226       | \$230       | \$209       | \$192       | \$212       |
| 112,666     | 111,795     | 110,815     | 111,578     | 110,562     | 112,904     | 114,387     |
| 30,103      | 31,000      | 32,000      | 31,000      | 30,200      | 37,255      | 36,949      |
| 61,969      | 62,577      | 57,260      | 66,192      | 65,847      | 68,744      | 69,349      |
| 150,280     | 140,023     | 137,305     | 141,382     | 142,810     | 147,448     | 148,211     |
| 4,995,313   | 4,603,956   | 4,415,742   | 4,580,777   | 4,318,574   | 3,802,082   | 3,489,807   |
| 26,933      | 24,728      | 23,400      | 22,747      | 22,256      | 22,169      | 22,097      |
| 1,193,426   | 1,080,119   | 1,031,940   | 982,670     | 908,044     | 805,839     | 747,691     |
| 94,709      | 76,573      | 66,858      | 32,495      | 8,341       | N/A         | N/A         |
| 51,040      | 50,630      | 49,961      | 51,862      | 49,700      | 50,648      | 49,737      |
| 112,773     | 123,236     | 146,090     | 178,114     | 231,273     | 277,934     | 316,795     |
| \$128.82    | \$126.19    | \$123.41    | \$125.69    | \$128.56    | \$129.27    | \$129.10    |
| 3,801,600   | 3,883,400   | 3,772,368   | 3,668,800   | 3,590,743   | 3,502,300   | 3,467,500   |
| 2,781,200   | 2,804,900   | 2,760,200   | 2,662,600   | 2,636,800   | 2,576,600   | 2,517,000   |
| 164,627     | 167,405     | 166,393     | 162,603     | 163,397     | 162,799     | 163,652     |
| 11,954      | 11,385      | 13,833      | 15,394      | 20,246      | 21,070      | 22,461      |
| 37,833      | 33,368      | 32,714      | 29,948      | 27,171      | 27,049      | 25,758      |
| 582,204     | 640,337     | 627,782     | 611,657     | 623,493     | 649,452     | 675,422     |
| 10,320,282  | 10,156,100  | 10,232,544  | 10,346,894  | 9,951,672   | 10,117,080  | 9,618,423   |
| 5,713,520   | 5,737,000   | 5,736,996   | 5,682,425   | 5,711,263   | 5,681,164   | 5,588,499   |
| 7,043,077   | 6,924,006   | 6,774,155   | 6,393,435   | 6,057,035   | 6,249,705   | 5,930,569   |
| 3,545,739   | 3,272,085   | 3,521,091   | 4,571,056   | 6,105,284   | 6,031,238   | 5,900,096   |

**STATE OF NEW JERSEY  
CAPITAL ASSET STATISTICS  
FOR THE FISCAL YEAR ENDED JUNE 30**

| <u>Function</u>   | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---|-------------|-------------|-------------|-------------|
| <b>Public safety and criminal justice</b>                   |             |             |             |             |
| Adult and juvenile correctional institutions                | 39          | 39          | 39          | 39          |
| State police stations                                       | 35          | 35          | 35          | 38          |
| State police officers                                       | 2,823       | 2,669       | 2,664       | 2,769       |
| Motor vehicle facilities                                    | 80          | 80          | 80          | 80          |
| Number of active armories                                   | 33          | 33          | 33          | 33          |
| Total land acres dedicated to function                      | 8,984       | 8,984       | 8,984       | 8,984       |
| Total buildings dedicated to function                       | 1,144       | 1,144       | 1,144       | 1,144       |
| <b>Physical and mental health</b>                           |             |             |             |             |
| Number of mental health facilities                          | 6           | 6           | 6           | 6           |
| Average daily population                                    | 6,085       | 6,278       | 6,200       | 6,118       |
| Total buildings dedicated to function                       | 304         | 304         | 304         | 304         |
| <b>Educational, cultural, and intellectual development</b>  |             |             |             |             |
| Number of schools   | 11          | 11          | 11          | 12          |
| Number of developmental centers                             | 7           | 7           | 7           | 7           |
| Average number of residents                                 | 3,096       | 3,145       | 3,233       | 3,365       |
| Total acreage dedicated to function                         | 5,562       | 5,562       | 5,562       | 5,536       |
| Total buildings dedicated to function                       | 505         | 505         | 505         | 505         |
| <b>Community development and environmental management</b>   |             |             |             |             |
| State parks, historic sites, natural areas, marinas, other  | 146         | 146         | 146         | 146         |
| Land preservation acres (easements/farmland)                | 53,900      | 50,578      | 37,247      | 32,667      |
| Total acreage dedicated to function (includes preservation) | 650,501     | 632,139     | 628,586     | 618,763     |
| Total buildings dedicated to function                       | 1,544       | 1,544       | 1,544       | 1,544       |
| <b>Economic planning, development, and security</b>         |             |             |             |             |
| Number of residential centers                               | 3           | 3           | 3           | 3           |
| Number of group homes                                       | 732         | 732         | 718         | 654         |
| Total acreage dedicated to function                         | 733         | 732         | 719         | 655         |
| Total buildings dedicated to function                       | 735         | 735         | 721         | 657         |
| <b>Transportation programs</b>                              |             |             |             |             |
| Lane miles, state highways                                  | 11,120      | 11,107      | 11,073      | 11,061      |
| Bridges, state highways                                     | 2,364       | 2,366       | 2,349       | 2,367       |
| Facilities  | 120         | 135         | 146         | 146         |
| Total acreage dedicated to function                         | 52,554      | 50,612      | 48,861      | 48,816      |
| Total buildings dedicated to function                       | 416         | 416         | 416         | 416         |
| <b>Government direction, management, and control</b>        |             |             |             |             |
| Total acreage dedicated to function                         | 3,539       | 3,539       | 3,535       | 3,535       |
| Total buildings dedicated to function                       | 290         | 290         | 290         | 290         |
| <b>Special government services</b>                          |             |             |             |             |
| Veteran homes   | 3           | 3           | 3           | 3           |
| Veterans in residence                                       | 815         | 786         | 767         | 815         |
| Total acreage dedicated to function                         | 54          | 54          | 54          | 54          |
| Total buildings dedicated to function                       | 14          | 14          | 14          | 14          |

**Notes:**

GASB No. 34 was implemented for Fiscal Year 2002. Therefore, the information presented is limited to four years. Fiscal Year 2005 are estimates.

## 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.

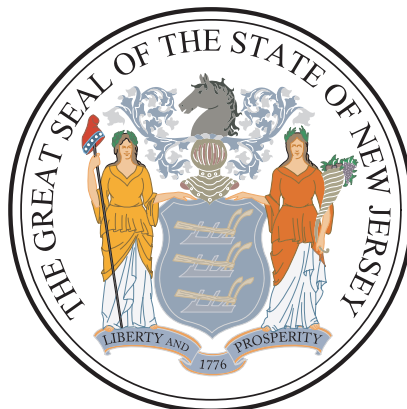
The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2004 was 8,699,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,173 people per square mile.

There are 15 departments of the Executive Branch of State Government. The maximum number 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

On January 12, 2004 Governor James E. McGreevey signed legislation making the blueberry, New Jersey's official state fruit. The Governor signed the legislation at Veterans Memorial Elementary School in Brick, where fifth graders were actively involved in the legislative process. The blueberry was first cultivated in the Garden State in Whitesbog, by Elizabeth C. White, whose father, J.J. White owned a cranberry plantation. Wild blueberries grew in their cranberry bogs, but it was generally accepted that it was not possible to cultivate blueberries. In 1911, Ms. White read about Dr. Frederick V. Coville's research in blueberry cultivation and began working with him to cultivate blueberries for sale. In 1916, their first blueberry was produced. The result of Ms. White's efforts was the production of a new crop, as well as the entirely new business of propagating and selling blueberry bushes. As plants were sold across the country, New Jersey bushes became established in many states. The blueberry, or *Vaccinium Corymbosum* (the high bush variety) and *Vaccinium Pennsylvanicum* (the low bush variety), grows throughout the Pinelands, in the same general environment that nurtures its cousin, the cranberry. Like the cranberry, the blueberry thrives on the acid soil of the region. Blueberries ripen earlier than do cranberries. Their harvesting in July thus complements the cranberry's fall harvest.

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.