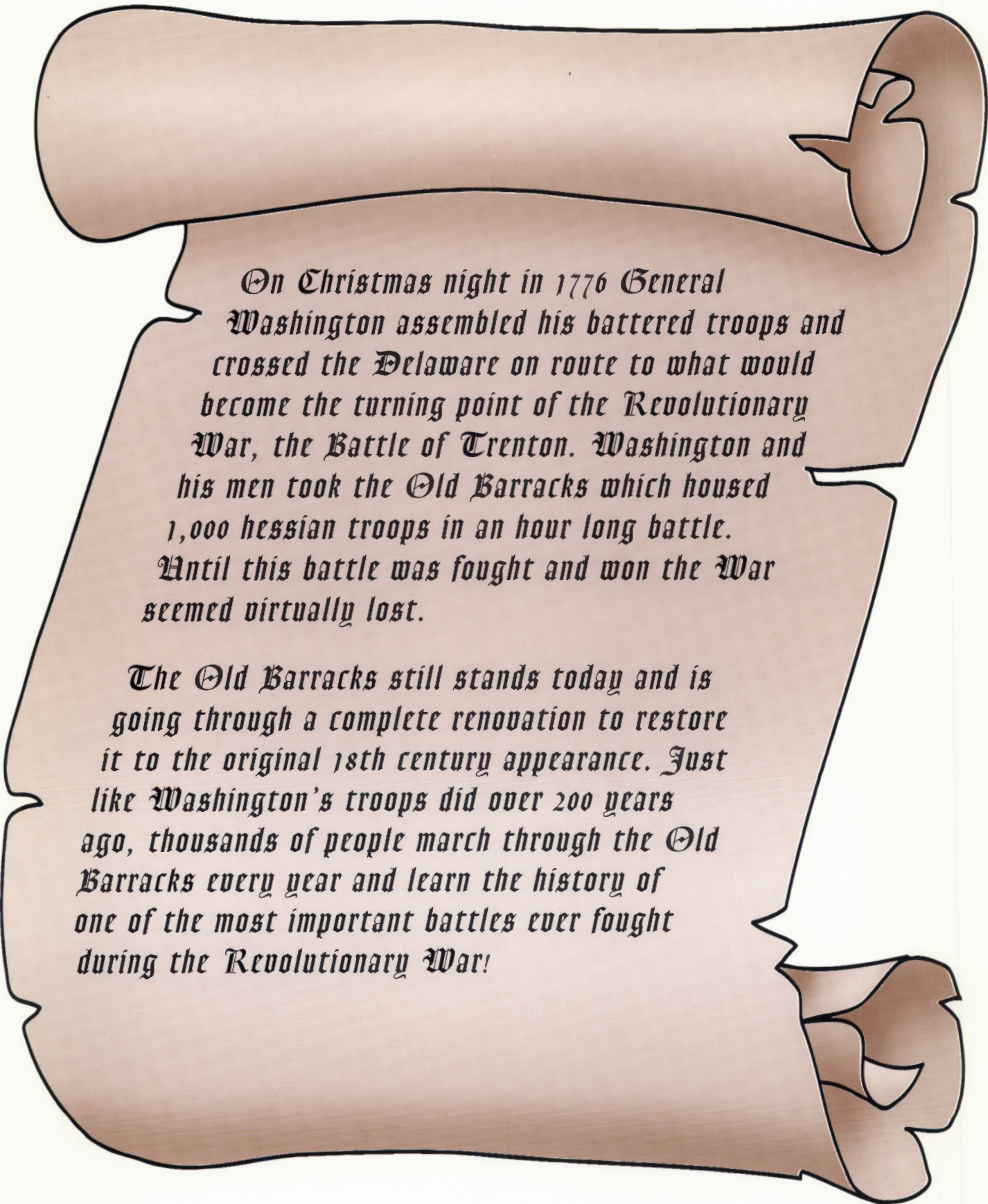


974.901  
T82.2  
C.3



# NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*Fiscal Year Ended June 30, 1998*



*On Christmas night in 1776 General Washington assembled his battered troops and crossed the Delaware on route to what would become the turning point of the Revolutionary War, the Battle of Trenton. Washington and his men took the Old Barracks which housed 1,000 hessian troops in an hour long battle. Until this battle was fought and won the War seemed virtually lost.*

*The Old Barracks still stands today and is going through a complete renovation to restore it to the original 18th century appearance. Just like Washington's troops did over 200 years ago, thousands of people march through the Old Barracks every year and learn the history of one of the most important battles ever fought during the Revolutionary War!*

# NEW JERSEY



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 1998

**CHRISTINE TODD WHITMAN**  
*Governor*

**JAMES A. DIELEUTERIO, JR.**  
*State Treasurer*

**ELIZABETH L. PUGH**  
*State Comptroller*  
**New Jersey State Library**

**Kathy A. Steepy**  
*Assistant Director*  
*Financial Management*

**Peter R. Lawrance**  
*Deputy State Comptroller*

**James F. Kelly**  
*Manager*  
*Financial Reporting*

**STATE OF NEW JERSEY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 1998  
 TABLE OF CONTENTS**

	<b>Page</b>
<b>INTRODUCTION</b>	
Letter of Transmittal.....	1
Certificate of Achievement.....	15
Organization Chart.....	16
<b>FINANCIAL SECTION</b>	
Auditor's Opinion.....	19
<b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units .....	22
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units .....	24
Combined Statement of Net Assets - Investment and Pension Trust Funds .....	26
Combined Statement of Changes in Net Assets - Investment and Pension Trust Funds .....	27
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Non-expendable Trust Fund and Discretely Presented Component Units.....	28
Combined Statement of Cash Flows - Non-expendable Trust Fund and Discretely Presented Component Units .....	30
Combining Balance Sheet - College and University Funds .....	32
Combined Statement of Changes in Fund Balances - College and University Funds .....	36
Combined Statement of Current Funds Revenues, Expenditures and Other Changes - College and University Funds .....	40
Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis:	
General and Special Revenue Funds .....	48
Notes to Financial Statements .....	50
<b>COMBINING FINANCIAL STATEMENTS</b>	
<b>SPECIAL REVENUE FUNDS</b>	
Combining Balance Sheet .....	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Budgetary Basis:	
Budgeted Special Revenue Funds .....	154
Description of Funds .....	159
<b>CAPITAL PROJECTS FUNDS</b>	
Combining Balance Sheet .....	172
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	176
Description of Funds .....	180
<b>TRUST AND AGENCY FUNDS</b>	
Combining Balance Sheet - Trust and Agency Funds .....	184
Combining Balance Sheet - Expendable Trust Funds .....	186
Combining Statement of Plan Net Assets - Pension Trust Funds.....	194
Combining Balance Sheet - Agency Funds .....	198
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds .....	204
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds .....	212
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	216
Description of Funds .....	224

**COMPONENT UNITS - AUTHORITIES**

Combining Balance Sheet .....236  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....242  
Combining Statement of Revenues, Expenses and Changes in Fund Equity .....244  
Combining Statement of Cash Flows .....248

**GENERAL FIXED ASSET ACCOUNT GROUP**

Schedule of General Fixed Assets by Function .....252  
Schedule of General Fixed Assets by Source .....254  
Schedule of Changes in General Fixed Assets by Function .....256

**GENERAL LONG-TERM DEBT ACCOUNT GROUP**

Schedule of Outstanding Bonds .....258  
Schedule of Changes in General Long-Term Debt Account Group .....260

**STATISTICAL SECTION**

**SCHEDULES OF REVENUE AND EXPENDITURES-BUDGETARY BASIS**

Schedule of Anticipated Revenue  
General Fund .....268  
Property Tax Relief Fund .....275  
Gubernatorial Elections Fund.....275  
Casino Control Fund .....275  
Casino Revenue Fund.....275  
Schedule of Appropriated Revenue  
General Fund .....276  
Casino Revenue Fund.....276  
Schedule of Appropriations and Expenditures  
General Fund .....278  
Casino Control Fund .....296  
Casino Revenue Fund.....296  
Gubernatorial Elections Fund.....298  
Property Tax Relief Fund .....298

**OTHER STATISTICAL DATA**

Ten-Year Financial Summary.....302  
Corporate Headquarters.....304  
Fifty Largest Employers .....305  
Ratio of General Long-Term Bonded Debt to Assessed Value and Debt Per Capita .....306  
Construction Contracts Awarded.....306  
Valuations of Taxable Real Property, Personal and Per Capita Income.....307  
Composition of Nonagricultural Wage and Salary Employment.....307  
Manufacturing and Non-manufacturing Employment .....308  
Average Hourly Gross Dollar Earnings of Production Workers.....309  
Personal and Per Capita Income, and New Dwelling Units .....309  
Cash Receipts From Farm Marketings .....310  
State Aid for Local School Districts.....311  
Public School Enrollments .....312  
Sector Summary of Fall Enrollment New Jersey Colleges and Universities .....313  
Public and Independent College Enrollment Summary.....314  
New Jersey Full Time Paid Employees .....315  
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total  
General Expenditures .....316  
Calculation of Legal Debt Limits .....316  
Property Tax Relief Program and Initiatives .....317  
Population and Employment Trends .....318  
New Vehicle Registrations .....318  
Miscellaneous Statistical Data .....319



# Introduction



Indian King Tavern

Photograph by Hoag Levins

A Delaware Valley landmark, the **Indian King Tavern** in Haddonfield, NJ, celebrates its 250th anniversary in the year 2000. When the foundations of the building were laid in 1750, Virginian Thomas Jefferson was seven years old. George Washington was an adventurous 18-year-old, mapping parts of the Blue Ridge Mountains. Haddonfield was a way station along the Kings Road through the heavily-forested colony of New Jersey.

In 1777, the General Assembly of New Jersey had to evacuate Trenton as that capital city was enveloped in battles between the Continental and British armies. The legislators fled south and reconvened in this second-floor meeting room of the Indian King Tavern in Haddonfield. Here, the status of New Jersey was legally changed from that of a colony to that of a free state in an independent union. The Great Seal of New Jersey was also created and adopted during the same sessions.





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

CHRISTINE TODD WHITMAN  
*Governor*

October 30, 1998

JAMES A. DI ELEUTERIO, JR.  
*State Treasurer*

Governor Christine Todd Whitman  
Members of the State Legislature  
Citizens of New Jersey

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the Comprehensive Annual Financial Report of the State of New Jersey for the year ended June 30, 1998. This report is prepared by the Office of Management and Budget, Department of the Treasury, which is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

This Financial Report, which has earned an unqualified audit opinion, presents the financial position and operating results of the State under generally accepted accounting principles as established by the Governmental Accounting Standards Board as well as the traditional budgetary basis presentations. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

As presented in this report, the State ended the year in a sound fiscal position, with an Undesignated Fund Balance (surplus) of \$1.3 billion in the major budgeted funds (General Fund, Property Tax Relief Fund, Casino Revenue Fund, and Surplus Revenue Fund).

The Comprehensive Annual Financial Report is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter with summary financial data and narrative commentary on matters of interest to the reader, the State organization chart, and the 1997 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the general purpose financial statements and footnotes, the combining and individual fund and account group financial statements, and the State Auditor's report on the financial statements. The statistical section includes the budgetary basis schedules, as well as selected financial and demographic information.

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

**BUDGETARY CONTROLS, ACCOUNTING SYSTEMS, AND INTERNAL CONTROLS**

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

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

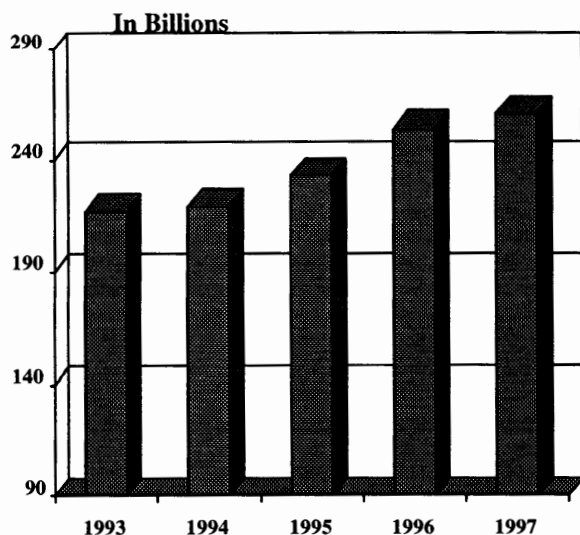
The accounting records of the various State departments are maintained on a central accounting system. The operations of this system are directed and supervised by the Office of Management and Budget. Separate accounting systems are maintained by those component units of government that are included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

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

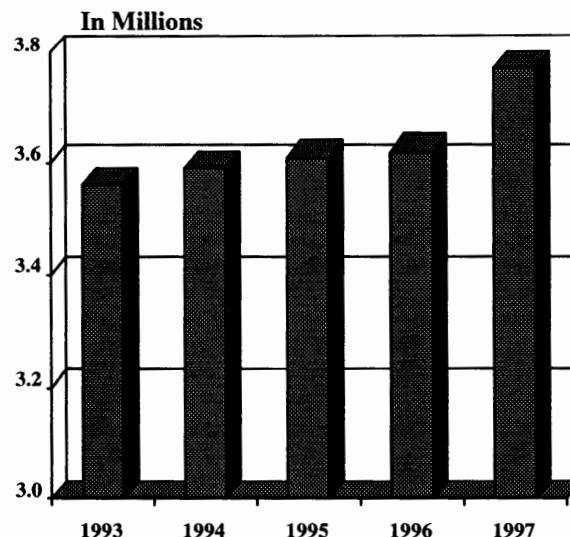
### ECONOMIC CONDITION

The New Jersey economy in Calendar Year 1997 continued its positive growth trend. Employment and income growth became stronger as the year progressed. For the year, retail sales grew by 5.6 percent and total employment expanded by 2.3 percent. As demonstrated in the chart below, the State experienced employment growth of 2.3 percent driving employment to a level of 3.77 million, while personal income grew by 4.9 percent. This represents the third year of growth in excess of 4.7 percent.

**New Jersey Personal Income  
1993 - 1997**



**New Jersey Employment  
1993 - 1997**





# State of New Jersey

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

CHRISTINE TODD WHITMAN  
*Governor*

October 30, 1998

JAMES A. DiELEUTERIO, JR.  
*State Treasurer*

Governor Christine Todd Whitman  
Members of the State Legislature  
Citizens of New Jersey

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the Comprehensive Annual Financial Report of the State of New Jersey for the year ended June 30, 1998. This report is prepared by the Office of Management and Budget, Department of the Treasury, which is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

This Financial Report, which has earned an unqualified audit opinion, presents the financial position and operating results of the State under generally accepted accounting principles as established by the Governmental Accounting Standards Board as well as the traditional budgetary basis presentations. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

As presented in this report, the State ended the year in a sound fiscal position, with an Undesignated Fund Balance (surplus) of \$1.3 billion in the major budgeted funds (General Fund, Property Tax Relief Fund, Casino Revenue Fund, and Surplus Revenue Fund).

The Comprehensive Annual Financial Report is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter with summary financial data and narrative commentary on matters of interest to the reader, the State organization chart, and the 1997 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the general purpose financial statements and footnotes, the combining and individual fund and account group financial statements, and the State Auditor's report on the financial statements. The statistical section includes the budgetary basis schedules, as well as selected financial and demographic information.

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

## **BUDGETARY CONTROLS, ACCOUNTING SYSTEMS, AND INTERNAL CONTROLS**

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

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

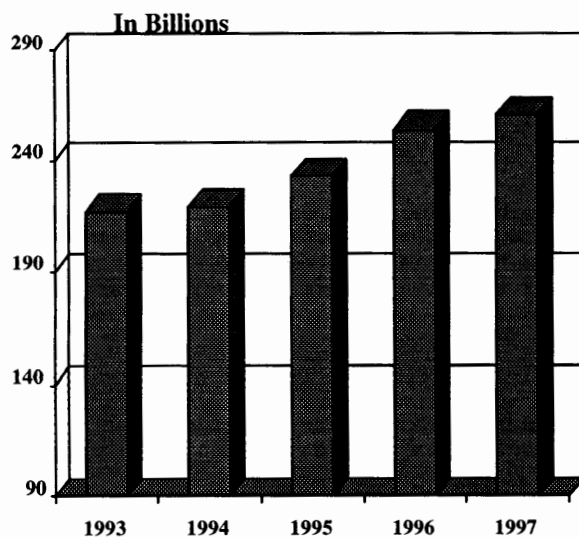
The accounting records of the various State departments are maintained on a central accounting system. The operations of this system are directed and supervised by the Office of Management and Budget. Separate accounting systems are maintained by those component units of government that are included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

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

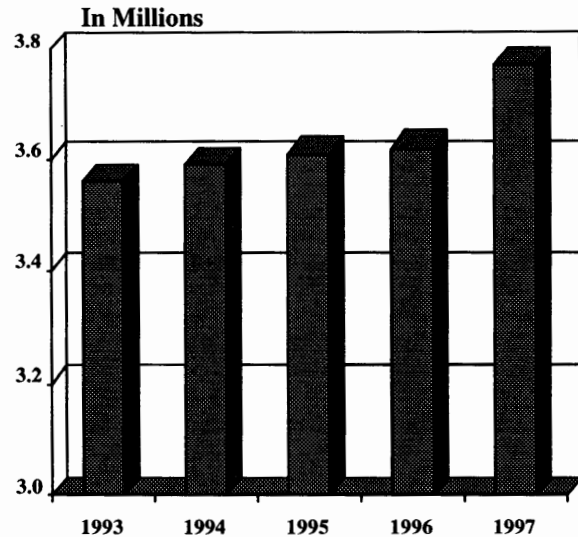
### ECONOMIC CONDITION

The New Jersey economy in Calendar Year 1997 continued its positive growth trend. Employment and income growth became stronger as the year progressed. For the year, retail sales grew by 5.6 percent and total employment expanded by 2.3 percent. As demonstrated in the chart below, the State experienced employment growth of 2.3 percent driving employment to a level of 3.77 million, while personal income grew by 4.9 percent. This represents the third year of growth in excess of 4.7 percent.

**New Jersey Personal Income  
1993 - 1997**



**New Jersey Employment  
1993 - 1997**



It is expected that the New Jersey economy in Calendar Years 1998 and 1999 will continue to grow at a moderate pace with little or no inflation. High levels of employment, steady income growth, and low interest rates will continue to support consumer and business spending. New Jersey's economy, by virtue of its educated, high-technology labor resources, has benefited from newly emerging information-based fields. Meanwhile, corporate restructuring and downsizing in fields such as chemicals, telecommunications, and financial services has abated. Employment is projected to grow by 2.0 percent in 1998 before easing in 1999 to 0.9 percent. Personal income growth is expected to remain between 4.7 percent and 5.0 percent. Retail sales will continue to increase at a slightly lower rate. Real New Jersey Gross State Product, the most complete measure of economic activity, experienced a 4.0 percent increase in 1997 and is projected to experience increases in 1998 and 1999, although at a slower rate.

**FISCAL YEAR 1998 REVENUE SUMMARY**

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

Fiscal Year 1998 revenue collections totaled \$17.1 billion, \$977.5 million above Fiscal Year 1997 revenue. Revenue changes in the State's three major taxes over Fiscal Year 1997 levels were as follows: the Sales Tax increased by \$350.8 million or 7.9 percent, the Gross Income Tax increased by \$765.2 million or 15.9 percent, and the Corporation Business Tax decreased by \$54.8 million or 4.3 percent. Overall, Fiscal Year 1998 revenue growth for the State's three major taxes totaled \$1,061.2 million. Increased revenue over Fiscal Year 1997 levels reflect the higher level of employment within the State as evidenced by the large increase in Gross Income Tax and Sales Tax revenues. Income tax collections were also driven higher by the combined effects of strong growth in the financial markets and a large one-time impact from the reduction in the Federal capital gains tax rate. Continued enhanced collection efforts by the New Jersey Division of Taxation also enabled the State to collect from delinquent taxpayers.

Collections for the State's three major taxes, as a percentage of Fiscal Year 1998 total receipts, were as follows: the Gross Income Tax represented 32.6 percent; the Sales Tax equaled 27.8 percent; and the Corporation Business Tax represented 7.2 percent. The State's three major taxes represented 67.6 percent of Fiscal Year 1998 total receipts, as compared to 65.2 percent for Fiscal Year 1997. Even with major reductions in tax rates, the total revenues have grown over the past four years by \$2.2 billion.

**REVENUE SUMMARY BY MAJOR TAX**

**1994-1998**

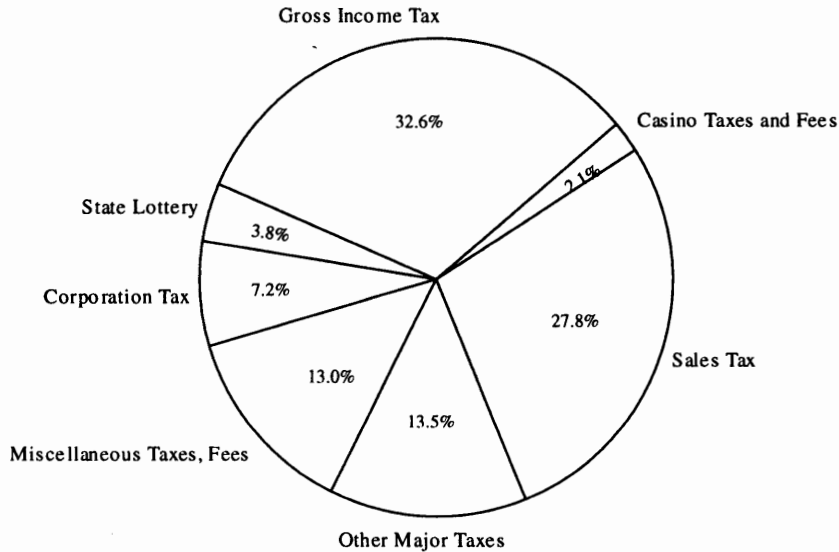
(Expressed in Millions)

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Gross Income Tax	\$ 5,590.6	\$ 4,825.4	\$ 4,733.8	\$ 4,540.0	\$ 4,493.6
Sales Tax	4,766.2	4,415.4	4,318.3	4,133.3	3,778.5
Other Major Taxes	2,305.0	2,297.2	2,276.1	2,215.4	2,263.8
Miscellaneous Taxes, Fees	2,226.4	2,320.9	2,121.1	2,016.8	2,446.2
Corporation Tax	1,231.6	1,286.4	1,171.5	1,085.5	1,063.1
State Lottery	642.8	650.0	662.1	647.8	602.8
Casino Taxes and Fees	369.8	359.6	358.6	355.4	319.8
Total	<u>\$ 17,132.4</u>	<u>\$ 16,154.9</u>	<u>\$ 15,641.5</u>	<u>\$ 14,994.2</u>	<u>\$ 14,967.8</u>

**REVENUE COMPARISONS**

<u>Source of Revenue (\$000)</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Increase/Decrease</u>	
	<u>1998</u>	<u>1997</u>	<u>Amount</u>	<u>Percent</u>
Gross Income Tax	\$ 5,590,579	\$ 4,825,411	\$ 765,168	15.9
Sales Tax	4,766,195	4,415,428	350,767	7.9
Other Major Taxes	2,304,982	2,297,155	7,827	0.3
Miscellaneous Taxes, Fees	2,226,410	2,320,852	(94,442)	(4.1)
Corporation Tax	1,231,629	1,286,447	(54,818)	(4.3)
State Lottery	642,830	650,025	(7,195)	(1.1)
Casino Taxes and Fees	369,806	359,561	10,245	2.8
	<u>\$ 17,132,431</u>	<u>\$ 16,154,879</u>	<u>\$ 977,552</u>	<u>6.1</u>

**FISCAL YEAR 1998  
MAJOR REVENUE CATEGORY COLLECTIONS  
AS A PERCENT OF TOTAL REVENUE COLLECTIONS**



**FISCAL YEAR 1998 REVENUE SUMMARY:  
PERCENT DISTRIBUTION OF REVENUE COLLECTIONS**

Gross Income Tax	32.6%
Sales Tax	27.8
Other Major Taxes	13.5
Miscellaneous Taxes, Fees	13.0
Corporation Tax	7.2
State Lottery	3.8
Casino Taxes and Fees	<u>2.1</u>
<b>Total</b>	<b><u>100.0%</u></b>

**FISCAL YEAR 1998 EXPENDITURE SUMMARY**

**Expenditure Category Descriptions**

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

State expenditures based upon the annual Appropriations Act are divided into five major categories. They are State Aid, Direct State Services, Grants-in-Aid, Debt Service, and Capital Construction. Each expenditure category is described below.

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

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

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

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

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

**EXPENDITURE COMPARISONS**

<b><u>Expenditure Category (\$000)</u></b>	<b><u>Fiscal Year 1998</u></b>	<b><u>Fiscal Year 1997</u></b>	<b><u>Increase/Decrease Amount</u></b>
State Aid	\$ 6,847,567	\$ 6,336,564	\$ 511,003
Direct State Services	5,343,201	5,125,821	217,380
Grants-in-Aid	4,047,224	4,053,380	(6,156)
Debt Service	478,894	446,901	31,993
Capital Construction	496,982	373,318	123,664
	<b><u>\$ 17,213,868</u></b>	<b><u>\$ 16,335,984</u></b>	<b><u>\$ 877,884</u></b>

**Fiscal Year 1998 Expenditures**

Fiscal Year 1998 expenditures of \$17.2 billion are \$877.9 million more than the expenditures of the prior fiscal year.

State Aid represented 39.8 percent of total Fiscal Year 1998 expenditures. State Aid includes aid to public schools, teachers' pensions and social security costs, municipal aid for over 14 different programs, reimbursement to counties for welfare programs, and other miscellaneous programs.

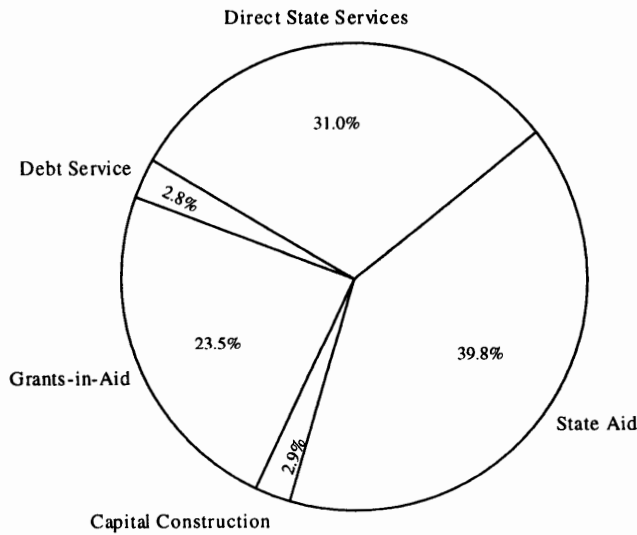
Direct State Services accounted for 31.0 percent of total Fiscal Year 1998 expenditures. Direct State Services expenditures increased between Fiscal Year 1998 and Fiscal Year 1997 by \$217.4 million.

Grants-in-Aid accounted for 23.5 percent of total Fiscal Year 1998 expenditures. This is a \$6.2 million decrease from the prior fiscal year.

Debt Service represented 2.8 percent of total Fiscal Year 1998 expenditures. Debt Service expenditures increased by \$32.0 million.

Capital Construction represented 2.9 percent of total Fiscal Year 1998 expenditures. Construction for capital projects grew by \$123.7 million as compared to the prior fiscal year. The primary areas of focus for these increases centered on transportation and environmental projects.

**PERCENTAGE OF FISCAL YEAR 1998 EXPENDITURES  
BY MAJOR EXPENDITURE CATEGORY**



**EXPENDITURE DOLLAR  
Fiscal Year 1998**

State Aid	39.8%
Direct State Services	31.0
Grants-in-Aid	23.5
Debt Service	2.8
Capital Construction	<u>2.9</u>
<b>Total</b>	<b><u>100.0%</u></b>

The following table details expenditures by department for Fiscal Year 1998:

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

<u>Department</u>	<u>State Aid</u>	<u>Direct State Services</u>	<u>Grants In-Aid</u>	<u>Debt Service</u>	<u>Capital Construction</u>	<u>Total</u>
Legislative	\$ --	\$ 53,853	\$ --	\$ --	\$ 91	\$ 53,944
Executive		5,046	--	--	--	5,046
Judicial		365,755	-9	--	--	365,746
Agriculture	7,004	10,232	1,506	--	386	19,128
Banking & Insurance	--	40,143	--	--	--	40,143
Commerce & Economic Dev.	4,721	20,342	15,310	5,097	253	45,723
Community Affairs	875,650	29,785	44,549	--	--	949,984
Corrections	--	691,975	106,169	--	3,383	801,527
Education	5,297,364	35,765	4,395	--	1,880	5,339,404
Environmental Protection	9,242	203,114	360	82,694	73,071	368,481
Health and Senior Services	20,861	48,349	1,031,848	--	1,115	1,102,173
Human Services	376,431	623,665	2,064,659	--	8,240	3,072,995
Labor	--	70,313	25,858	--	--	96,171
Law & Public Safety	4,978	417,495	13,433	--	3,267	439,173
Military & Veterans' Affairs	--	57,294	995	--	2,239	60,528
Personnel	--	27,545	--	--	--	27,545
State & Public Defender	15,112	821,943	50,896	--	7,280	895,231
Transportation	22,227	180,011	165,767	--	380,322	748,327
Treasury	213,977	256,737	521,488	391,103	7,015	1,390,320
Miscellaneous	--	2,770	--	--	2	2,772
Inter-Departmental	--	1,381,069	--	--	8,438	1,389,507
<b>Total</b>	<b>\$ 6,847,567</b>	<b>\$ 5,343,201</b>	<b>\$ 4,047,224</b>	<b>\$ 478,894</b>	<b>\$ 496,982</b>	<b>\$ 17,213,868</b>

## FUND BALANCES

The State ended Fiscal Year 1998 with an undesignated fund balance of \$1.3 billion for the major governmental funds. The Surplus Revenue Fund is used to account for revenues reserved for appropriation, a) in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act or, b) in the event that the State Legislature finds that an appropriation from this fund is preferable to raising revenue through a modification of the tax structure. The Surplus Revenue Fund was established by P.L. 1990, c. 44. The significant increase in the Surplus Revenue Fund was the result of revenues realized in excess of the Appropriations Act anticipation. The following table presents a comparison of the components of the undesignated fund balances at the end of Fiscal Year 1998 and Fiscal Year 1997:

<u>Fund</u>	<u>Fiscal Year 1998</u>	<u>Fiscal Year 1997</u>	<u>Increase/Decrease</u>
General Fund	\$ 228,263,668	\$ 280,576,653	\$ (52,312,985)
Surplus Revenue Fund	534,109,930	388,377,360	145,732,570
Property Tax Relief Fund	494,937,261	439,041,694	55,895,567
Casino Revenue Fund	--	--	--
Total	<u>\$ 1,257,310,859</u>	<u>\$ 1,107,995,707</u>	<u>\$ 149,315,152</u>

### **Fiscal Year 1999 Revenue Projections**

The Fiscal Year 1999 revenue projections are based on estimates of moderate overall economic growth and a normal level of growth in capital gains. Total resources are projected at \$17.7 billion. Included in the Gross Income Tax forecast is a deduction for residential property taxes paid by homeowners and tenants, and a refundable tax credit for property taxpayers. For Calendar Year 1998, the property tax deduction will increase to \$10,000 or a \$50 credit. The State's three major taxes are expected to comprise 65.4 percent of the Fiscal Year 1999's total resources and 69.6 percent of total revenue.

### **Fiscal Year 1999 Appropriations**

The total Fiscal Year 1999 appropriation is \$18.1 billion. Of the \$18.1 billion appropriated in Fiscal Year 1999 from the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund and the Gubernatorial Elections Fund, \$7.5 billion (41.4%) is appropriated for State Aid to Local Governments, \$4.9 billion (27.1%) is appropriated for Grants-in-Aid, \$4.6 billion (25.4%) for Direct State Services, \$0.5 billion (2.8%) for Debt Service on State General Obligation Bonds, and \$0.6 billion (3.3%) for Capital Construction.

State Aid represents the largest portion of Fiscal Year 1999 appropriations. In Fiscal Year 1999, \$7.5 billion will be distributed to municipalities, counties, and school districts. Major State Aid programs are: Aid to School Districts (\$5,925.5 million), Unrestricted Aid to Municipalities and Counties (\$869.0 million), Aid to Municipalities and Counties for Human Services programs (\$333.0 million), and Aid to County Colleges (\$159.8 million).

The Grants-in-Aid represent the second largest portion of the State's Fiscal Year 1999 appropriation. In Fiscal Year 1999, \$4.9 billion has been appropriated. These funds are distributed to individuals, public agencies, or private agencies as direct benefits or to provide services. The largest grants-in-aid programs are: Human Services programs (\$2,067.9 million), Higher Education (\$1,044.4 million), Health and Senior Services programs (\$755.4 million), Homestead Rebates (\$323.6 million), and Public Transportation (\$194.3 million).

The Direct State Services Fiscal Year 1999 appropriation is \$4.6 billion. These funds support the operating costs of the Executive Departments, the Judiciary and the State Legislature. The largest appropriations are for the following departments: Corrections (\$700.2 million), Human Services (\$565.7 million), and Law and Public Safety (\$317.6 million).

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

Capital Construction appropriations for Fiscal Year 1999 total \$0.6 billion. Of this amount, \$463.7 million is the appropriation to the New Jersey Transportation Trust Fund Authority, \$47.2 million is for hazardous substance remediation and underground tank remediation, and \$15.0 million is for shore protection.

## SERVICE EFFORTS AND ACCOMPLISHMENTS

The following sections highlight various service efforts and accomplishments the State has achieved during Fiscal Year 1998 as well as some of the goals the State hopes to achieve for Fiscal Year 1999.

### **Fiscal Year 1998**

Fiscal Year 1998 will represent the first full fiscal year in which welfare reform measures under the Work First New Jersey Program were enacted. The Work First New Jersey Program consolidated and replaced various Department of Human Services programs such as aid to families with dependent children, emergency assistance, and the Family Development Initiative. Basic eligibility requirements, income and resource eligibility levels, time limits on benefits, and pilot and demonstration projects have been statutorily enacted under the auspices of the Commissioner of the Department of Human Services for the Work First New Jersey Program. The current overall gross cost of the programs now under Work First New Jersey totals approximately \$1.3 billion. The State expects that the funding level for these programs will remain at \$1.3 billion for the next several fiscal years, however, to provide for contingencies, a reserve fund of \$46 million was established at the end of Fiscal Year 1998. The enactment and the funding of the Work First New Jersey Program allows New Jersey to comply with new federal mandates and qualifies the State for the Federal Temporary Assistance to Needy Families Block Grant in the amount of \$404 million annually. This amount is approximately \$50 million to \$60 million more than the State received prior to the reform measures.

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

In an effort to curb or reduce the rate of growth in automobile insurance rates, several initiatives have been enacted. Strategies to reduce short-term costs involve eliminating unnecessary medical expenses, while strategies to reduce long-term costs involve attacking pervasive fraud, promoting a market fairer to consumers by eliminating automobile insurance surcharges and automatic rate increases, restricting arbitrary nonrenewals of good drivers, and promoting market access in underserved urban areas called automobile insurance urban enterprise zones.

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

State School Aid to local districts in Fiscal Year 1998 totaled \$5.297 billion; this included \$4.724 billion in direct aid and an additional \$573.3 million in aid to local districts for the employers' share of teachers' pensions and social security payments. The key item of funding was Core Curriculum Standards Aid, which is geared to support the newly adopted core curriculum standards. This includes seven areas of measurable, grade-appropriate levels of accomplishment: Language Arts/Literacy, Mathematics, Science, Social Studies, Visual and Performing Arts, Physical and Mental Health Education, and World Languages. The total (\$2.449 billion) was distributed based on a measure of local districts' property wealth and per capita income. Core Curriculum Standards Aid represented approximately 53 percent of the formula aid amount distributed in Fiscal Year 1998.

The net increase of \$445.9 million in the State School Aid appropriations for Fiscal Year 1998, includes significant funding for new initiatives including \$288.0 million for Early Childhood Education, \$175.0 million for Demonstrably Effective Programs, and \$50.4 million for the beginning of a statewide Distance Learning Network. On May 14, 1997, the State Supreme Court ruled that the new school funding law did not provide sufficient funding for the plaintiffs in the Abbott v. Burke case. As a result, an additional \$246.2 million was added to the Budget to provide additional parity aid to these districts. On May 21, 1998, the State Supreme Court accepted the State's plan to use a nationally acclaimed reading-based program called "Success for All" and other "whole-school reforms" to assure the "thorough and efficient" education required by the State constitution.

The State successfully completed the refinancing of its pension obligations at the end of Fiscal Year 1997. This was accomplished through the issuance of pension obligation bonds that were used to finance the former unfunded accrued liability. The Pension Security Plan of 1997 resulted in significant cost avoidance for Direct State Services, State Aid, and local employers participating in the Public Employees Retirement System and Police and Firemen's Retirement System. The following chart reflects combined actual and projected savings of normal and unfunded accrued liability contributions for these three groups from Fiscal Year 1997 through 1999. The total cost avoidance for this period is in excess of \$1.0 billion.

**Pension Security Plan Cost Avoidance  
for Direct State Services, State Aid and Local Employers  
(\$ in millions)**

	<u>Fiscal 1997</u>	<u>Fiscal 1998</u>	<u>Fiscal 1999</u>	<u>Fiscal 97-99</u>
Direct State Services and State Aid:				
Normal Contributions	\$ 193	\$ 348	\$ 218	\$ 759
Unfunded Accrued Liability Contributions	<u>60</u>	<u>---</u>	<u>---</u>	<u>60</u>
Direct State Services and State Aid Cost Avoidance	253	348	218	819
Local Pension Contribution Savings	<u>---</u>	<u>66</u>	<u>129</u>	<u>195</u>
Total Pension Security Plan Cost Avoidance	<u>\$ 253</u>	<u>\$ 414</u>	<u>\$ 347</u>	<u>\$ 1,014</u>

On November 5, 1996, the voters of the State, through voter referendum, amended the New Jersey Constitution to provide that an amount equivalent to 4.0 percent of the revenue annually derived from the Corporation Business Tax be deposited in a special account for appropriation for the following purposes and in the following manner: 1) a minimum of 1/2 for funding State costs relating to hazardous discharge remediations; 2) a minimum of 1/3, dedicated until December 31, 2008, for funding loans and grants for underground storage tank upgrades and replacements; and 3) a minimum of 1/6 or \$5.0 million, whichever is less, for funding costs related to water quality monitoring, watershed planning, and nonpoint source water pollution prevention. The total dedicated for Fiscal Years 1997 and 1998 from the Corporation Business Tax revenues was \$88.3 million.

**Fiscal Year 1999**

State School Aid to local districts in Fiscal Year 1999 totals \$5.926 billion, an increase of \$602.1 million. A new \$50.0 million appropriation for a school construction and renovation fund is included. This fund is supported through the dedication of a portion of the \$.40 increase per pack in the cigarette tax.

The total for formula aid programs is \$4.890 billion, including \$2.747 billion for core curriculum standards aid, \$647.9 million for special education, \$302.5 million for early childhood aid, and \$261.1 million for pupil transportation aid. There is an appropriation of \$917.4 million for the employer's share of teachers' pensions and social security payments.

The closure of the Marlboro Psychiatric Hospital and the North Princeton Developmental Center has enabled \$70.9 million to be reallocated from these institutions to community programs for the mentally ill and the developmentally disabled.

Funding in the amount of \$50.0 million is included for an Open Space Local Matching Program in Fiscal Year 1999. Counties and municipalities with open space taxes and funding programs will be eligible to receive state matching funds. These funds will support the purchase of open space and the preservation of farmland. The goal is to save 300,000 acres of open space during the next four years and one million acres over the next decade. A stable funding source for New Jersey's natural resources and farmland preservation efforts was established through the enactment of legislation this summer that dedicates \$98.0 million of sales tax revenues for this purpose beginning in Fiscal Year 2000, subject to voter approval.

Funding in the amount of \$25 million has been appropriated to redevelop abandoned properties. Under the program, the State will assist local governments, non-profit groups, and private developers in acquiring title to properties needed for viable redevelopment plans. This program is leveraged with \$300 million in bonds arranged through the New Jersey Economic Development Authority (EDA) and \$100 million from the New Jersey Housing and Mortgage Finance Agency (HMFA).

There is a \$47.6 million appropriation for KidCare, a program that provides health insurance for children whose parents cannot afford to purchase it. An extensive outreach plan is being initiated to increase the number of children in the program.

New Jersey has had the fastest growing economy in the Mid-Atlantic region for the past three years. To ensure the continuation of New Jersey's superior economic performance, the State has created the New Jersey Commerce and Economic Growth Commission. This independent Commission will have the flexibility to tailor economic development programs to the changing needs of New Jersey's businesses. The new Commission will be better positioned to take advantage of emerging economic growth opportunities than its predecessor, the Department of Commerce and Economic Development. Through its market-driven, results-oriented approach, the Commission will quickly respond to new opportunities by reallocating resources and finding the best people for the task. As an autonomous entity, the Commission will have greater opportunity to bring private sector resources to bear on its efforts to encourage investment and expansion. Major programs of the Commission will include: business attractions, business retention and expansion, international trade, small business and minority owned business development, and urban enterprise zones.

## **COMPONENT UNITS**

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

### **Authorities**

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

### **Colleges And Universities**

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

Combined operating revenues and expenses for the State's authorities amounted to \$2.5 billion and \$3.3 billion, respectively, for Fiscal Year 1998. Total operations along with other financing sources and uses contributed to a total combined fund balance at fiscal year end of \$12.9 billion.

For Fiscal Year 1998, combined revenues for the state colleges and universities were \$2.6 billion. Combined expenditures totaled \$3.2 billion. Total operations along with other financing sources and uses contributed to a total combined fund balance at fiscal year end of \$3.3 billion.

### **GENERAL FIXED ASSETS**

The general fixed assets of the State are used in the performance of general governmental functions and exclude the fixed assets of the component units. As of June 30, 1998, the general fixed assets of the State amounted to \$2.5 billion. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting primarily of highways, roads, and bridges, are not recorded in the general fixed assets.

### **DEBT ADMINISTRATION**

As of June 30, 1998, outstanding General Obligation Debt totaled \$3.6 billion. General Obligation Debt must be approved by voter referendum and is used primarily to finance various environmental projects, transportation infrastructure, and correctional and institutional construction.

The State's Master Lease Program is used primarily to finance various departmental equipment needs at tax-exempt rates by issuing Certificates of Participation. Beginning in Fiscal Year 1996 the State modified the Master Lease Program and began using a line of credit as the preferred method of financing various departmental equipment needs. As of June 30, 1998, outstanding Certificates of Participation totaled \$103.4 million and the State's outstanding balance on its line of credit totaled \$25.4 million.

The State first began issuing Tax and Revenue Anticipation Notes during Fiscal Year 1992, in order to provide effective cash flow management of imbalances which occur in the timing of collections and disbursements of State revenues and expenditures. The State Treasurer is authorized to issue these types of instruments without constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes that are issued must be retired within twelve months of their issuance date. The State has issued and retired short-term notes in prior fiscal years that have ranged from a high of \$1.8 billion in Fiscal Year 1992 to a low of \$450 million in Fiscal Year 1996. Beginning in Fiscal Year 1996, the State began issuing commercial paper as the sole instrument for meeting its cash flow needs. During Fiscal Year 1998, the State issued \$800 million in commercial paper. The entire amount was retired on June 15, 1998.

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

## LONG TERM DEBT

(Amount in Billions)

<u>Fiscal Year</u>	<u>Authorized- Unissued</u>	<u>Principal Amount of Outstanding Long-Term Debt</u>
1998	\$ 1.5	\$ 3.6
1997	1.9	3.4
1996	1.6	3.7
1995	1.5	3.6
1994	1.4	3.6

As of June 30, 1998, Standard and Poor's Corporation, Moody's Investors Service and Fitch Investors Service rate the State's long-term general obligation debt AA+, Aa1 and AA+, respectively. The State's Certificates of Participation are rated AA- by Standard and Poor's and A1 by Moody's.

### CASH MANAGEMENT

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

Unused cash is invested primarily in the New Jersey Cash Management Fund. The fund provides the State, its authorities and agencies, local municipalities, and school districts with a vehicle for short-term investment. For the fiscal year ended June 30, 1998, the New Jersey Cash Management Fund's average daily annualized rate of return for participating state accounts was 5.56 percent. For "Other-than-State" participants the average daily annualized rate of return, which includes charges for administrative and operating expenses, was 5.41 percent for the fiscal year ended June 30, 1998.

### RISK MANAGEMENT

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

### YEAR 2000

A major challenge confronting most government officials is the Year 2000 data processing problem. In order to address this problem and ensure the continuation of government operations into the Year 2000 and beyond, the State established a committee to work with the departments to identify and address Year 2000 renovation efforts and funding needs. A moratorium was imposed in February 1998 on all non-Year 2000 related data processing activities to ensure availability of resources for Year 2000 compliance.

The State Office of Information Technology and the various departments are utilizing both in-house and vendor resources in renovating lines of code and in-house applications. While there can be no guarantee that all the State's mission-critical and high-priority computer systems will be Year 2000 compliant, the State is concentrating efforts so that there will not be an adverse impact upon State operations or State finances as a result. As of June 30, 1998, the testing, validation, and implementation phases of approximately 55 percent of all critical centrally maintained systems are completed. For a more complete description of this matter, refer to Note 21 in the General Purpose Financial Statements.

**AUDIT INFORMATION**

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

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the year ended June 30, 1997.

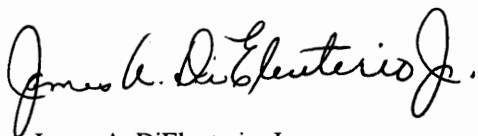
In order to qualify for the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and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

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

**ACKNOWLEDGMENTS**

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

Sincerely,



James A. DiEleuterio, Jr.  
State Treasurer



Elizabeth L. Pugh  
State Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of  
New Jersey

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1997

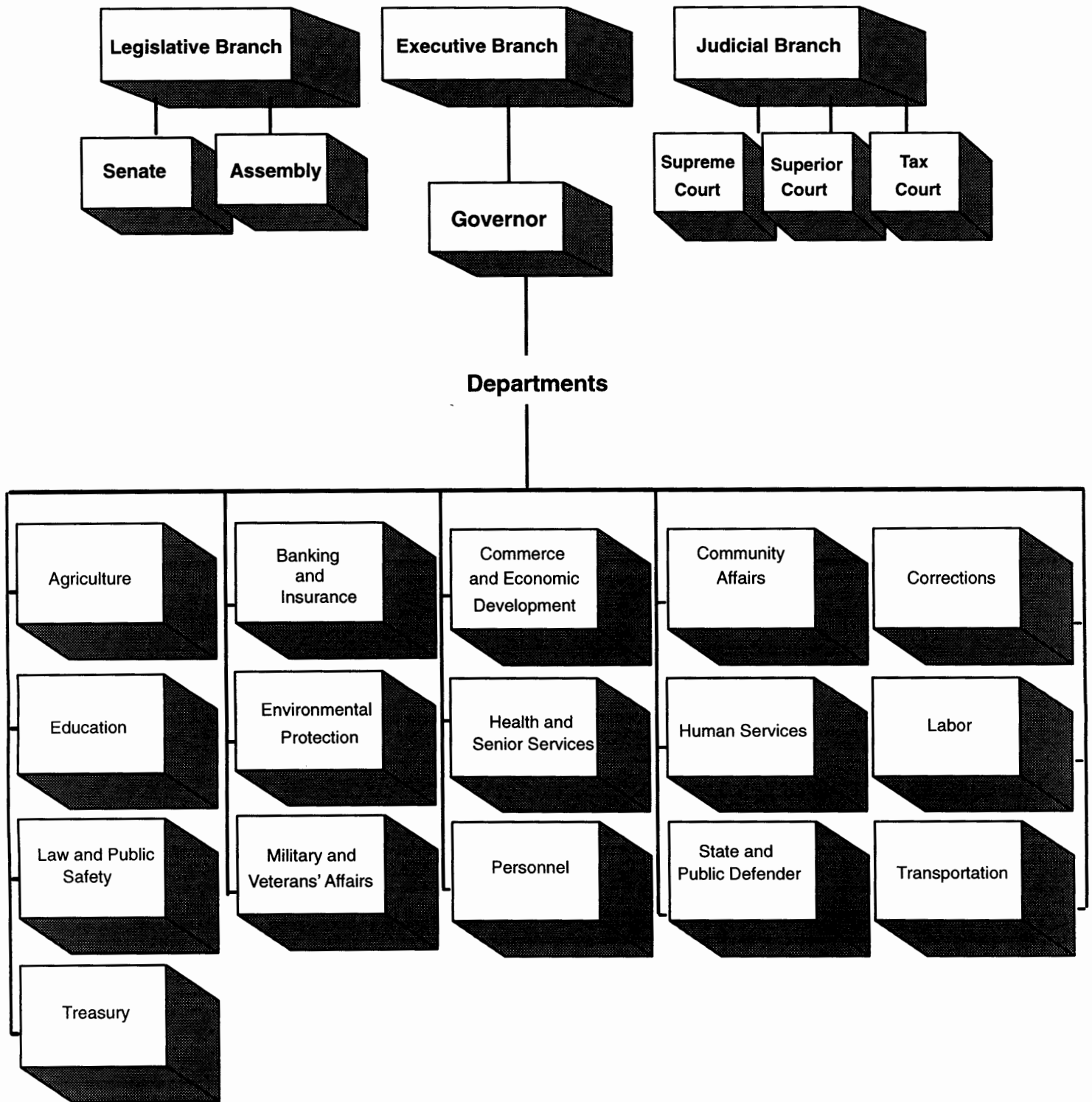
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



*Douglas R. Ellsworth*  
President

*Jeffrey L. Esler*  
Executive Director

# ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



# Financial



**The William Trent House** was built on a settlement known as Trent's Town named by the owner. Built in 1719 the classic Georgian house looks much today as it did when it was first constructed. As you walk through the building, you are drawn back to a time when Trenton was a wilderness tied closely to the Delaware River.



LEGISLATIVE  
SERVICES COMMISSION

SENATOR  
DONALD T. DiFRANCESCO  
*Chairman*

ASSEMBLYMAN  
JACK COLLINS  
*Vice-Chairman*

SENATE

BYRON M. BAER  
JOHN O. BENNETT  
GERALD CARDINALE  
RICHARD J. CODEY  
WYNONA M. LIPMAN  
ROBERT E. LITTELL  
JOHN A. LYNCH

GENERAL ASSEMBLY

JOSEPH CHARLES, JR.  
PAUL DIGAETANO  
JOSEPH V. DORJA, JR.  
NICHOLAS R. FELICE  
NIA H. GILL  
LEONARD LANCE  
LORETTA WEINBERG



**New Jersey State Legislature**

**OFFICE OF LEGISLATIVE SERVICES**

**OFFICE OF THE STATE AUDITOR**

125 SOUTH WARREN STREET

PO BOX 067

TRENTON NJ 08625-0067

RICHARD L. FAIR

*State Auditor*

(609) 292-3700

FAX (609) 633-0834

---

ALBERT PORRONI

*Executive Director*

(609) 292-4625

The Honorable Christine Todd Whitman  
Governor of New Jersey

The Honorable Donald T. DiFrancesco  
President of the Senate

The Honorable Jack Collins  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying general purpose financial statements of the State of New Jersey as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Component Units - Authorities and College and University Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Component Units - Authorities and College and University Funds, is based upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and 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 opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New Jersey as of June 30, 1998, and the results of its operations and cash flows of the nonexpendable trust funds and the proprietary fund type authorities for the year then ended in conformity with generally accepted accounting principles.

As discussed in note 2A, the State has adopted Statements 31 and 32 of the Governmental Accounting Standards Board. Implementation of Statement 31 resulted in a change from reporting investments at cost to reporting investments at fair value. As a result of implementing Statement 32, the New Jersey State Employees' Deferred Compensation Plan, which was previously reported as an agency fund, is being reported as an expendable trust fund in the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 1998 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 grants.

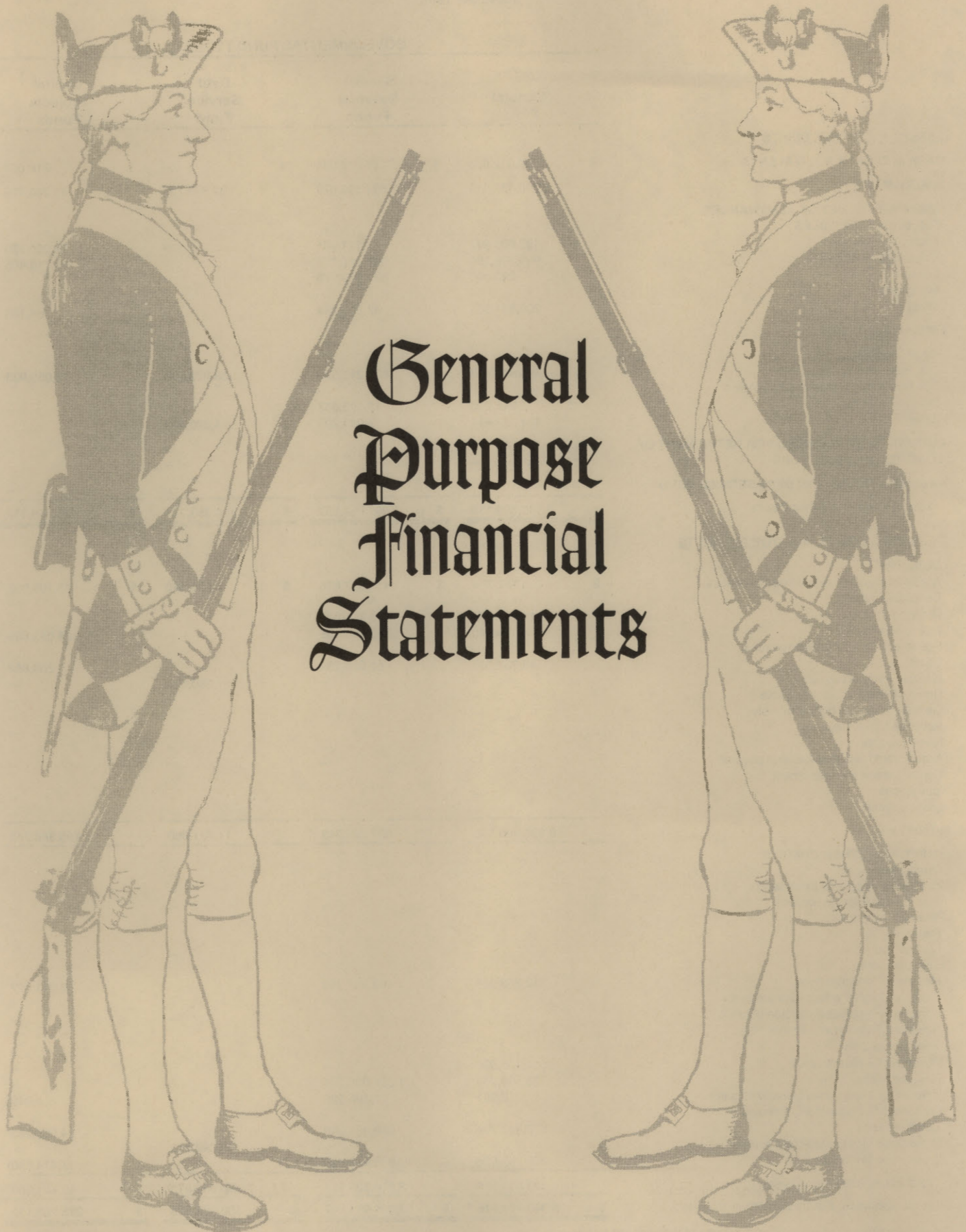
The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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



Richard L. Fair  
State Auditor  
October 30, 1998

General  
Purpose  
Financial  
Statements



**STATE OF NEW JERSEY  
COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 1998**

	<b>GOVERNMENTAL FUND TYPES</b>			
	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>
<b>ASSETS AND OTHER DEBITS</b>				
<b>CASH AND CASH EQUIVALENTS</b>	\$ 50,012,832	\$ 17,877,988	\$ --	\$ 216,097
<b>INVESTMENTS</b>	1,700,432,410	1,821,309,578	32,383,738	41,248,729
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>				
Federal government	422,803,247	117,961	--	93,060,780
Departmental accounts	999,308,195	386,416,277	--	89,118,405
Loans	298,000	877,060,779	--	--
Mortgages	--	--	--	--
Other	200,831,569	47,393,218	--	64,188
<b>FIXED ASSETS, NET</b>	--	--	--	--
<b>OTHER ASSETS</b>				
Due from other funds	458,941,452	636,211,576	63,679,195	13,059,933
Due from intergovernmental agencies	--	--	--	--
Deferred charges	2,940,000	15,623,667	--	--
Other	104,831,411	2,043,223	4,320,440	--
<b>AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS</b>	--	--	--	--
<b>AMOUNT AVAILABLE IN DEBT SERVICE FUND</b>	--	--	--	--
<b>Total Assets and Other Debits</b>	<b>\$ 3,940,399,116</b>	<b>\$ 3,804,054,267</b>	<b>\$ 100,383,373</b>	<b>\$ 236,768,132</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,055,352,354	\$ 413,837,876	\$ 4,320,440	\$ 68,103,002
Benefits payable	--	--	--	--
Deferred revenue	419,312,378	29,210,038	--	--
Due to other funds	618,385,640	383,150,195	--	128,053,889
Due to intergovernmental agencies	--	--	--	--
Other	43,939,766	61,526,234	--	209,852
Matured interest payable	--	--	7,380,620	--
Deferred compensation payable	--	--	--	--
General obligation bonds payable	--	--	--	--
Revenue bonds payable	--	--	--	--
Notes payable	--	--	--	--
Accumulated sick and vacation payable	--	--	--	--
Capital leases and installment obligations	--	--	--	--
Loans payable	--	--	--	--
<b>Total Liabilities</b>	<b>2,136,990,138</b>	<b>887,724,343</b>	<b>11,701,060</b>	<b>196,366,743</b>
<b>EQUITY AND OTHER CREDITS</b>				
Contributed capital	--	--	--	--
Investment in general fixed assets	--	--	--	--
Cost of investment in facilities	--	--	--	--
Retained earnings:				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Fund balances:				
Reserved-Encumbrances	340,369,961	493,952,290	--	23,311,327
Reserved-Higher educations programs	--	--	--	--
Reserved-Employees' pension benefits	--	--	--	--
Reserved-External investment pool participants	--	--	--	--
Reserved-Surplus revenue	534,109,930	--	--	--
Reserved-Other	23,509,764	1,051,008,594	--	--
Unreserved Designated-Unrealized gains	212,951	1,105,196	--	2,349
Unreserved Designated-Continuing appropriations	676,942,704	560,364,549	--	24,502,263
Unreserved Designated-Debt service	--	--	88,682,313	--
Unreserved Undesignated	228,263,668	809,899,295	--	(7,414,550)
<b>Total Equity and Other Credits</b>	<b>1,803,408,978</b>	<b>2,916,329,924</b>	<b>88,682,313</b>	<b>40,401,389</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$ 3,940,399,116</b>	<b>\$ 3,804,054,267</b>	<b>\$ 100,383,373</b>	<b>\$ 236,768,132</b>

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

FIDUCIARY FUND TYPES		ACCOUNT GROUPS		COMPONENT UNITS					
Trust And Agency Funds		General Fixed Asset Account Group	General Long-Term Debt Account Group	Authorities	College And University Funds				
\$	321,550,914	\$	--	\$	611,606,242	\$	198,476,077		
	74,027,216,908		--		5,615,140,984		1,327,624,854		
	2,605,077,703		--		--		--		
	499,630,715		--		--		334,602,006		
	912,814,270		--		--		--		
	--		--		6,701,091,171		--		
	1,832,670,153		--		2,568,243,996		--		
	--	2,534,506,058	--		9,393,462,860		3,048,855,492		
	51,079,154		--		--		32,864,322		
	--		--		4,785,717		--		
	2,213,647		--		50,549,035		--		
	1,419,036		--		300,495,370		43,402,626		
	--		--		13,886,296,750		5,742,340,245		
	--		--		88,682,313		--		
<u>\$</u>	<u>80,253,672,500</u>	<u>\$</u>	<u>2,534,506,058</u>	<u>\$</u>	<u>13,974,979,063</u>	<u>\$</u>	<u>30,987,715,620</u>	<u>\$</u>	<u>4,985,825,377</u>
\$	1,806,337,878	\$	--	\$	1,737,674,680	\$	295,542,300		
	207,718,726		--		--		--		
	14,410,982		--		210,430,260		115,989,069		
	93,381,586		--		--		32,864,322		
	--		--		4,785,717		--		
	13,860,926		--		298,106,192		22,875,530		
	--		--		--		--		
	--		--		--		1,305,000		
	--		--		3,572,894,598		--		
	--		--		3,757,389,929	14,199,806,430	946,565,000		
	--		--		--	543,760,192	2,285,000		
	--		--		431,142,141	--	--		
	--		--		4,941,873,759	1,074,266,000	310,875,651		
	--		--		1,271,678,636	--	--		
	2,135,710,098		--		13,974,979,063	18,068,829,471	1,728,301,872		
	--		--		--	3,211,674,457	--		
	--	2,534,506,058	--		--	1,866,177	--		
	--		--		--	--	2,006,024,539		
	--		--		--	600,758,536	--		
	--		--		--	2,671,247,229	--		
	3,435,075		--		--	--	--		
	--		--		--	--	687,215,447		
	70,084,819,016		--		--	--	--		
	3,150,377,777		--		--	--	--		
	--		--		--	--	--		
	65,473,231		--		--	4,867,767,838	60,264,860		
	361,854,526		--		--	--	32,207,067		
	2,327,168		--		--	--	--		
	--		--		--	--	--		
	4,449,675,609		--		--	1,565,571,912	471,811,592		
	78,117,962,402	2,534,506,058	--		--	12,918,886,149	3,257,523,505		
<u>\$</u>	<u>80,253,672,500</u>	<u>\$</u>	<u>2,534,506,058</u>	<u>\$</u>	<u>13,974,979,063</u>	<u>\$</u>	<u>30,987,715,620</u>	<u>\$</u>	<u>4,985,825,377</u>

STATE OF NEW JERSEY  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS**  
**AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>GOVERNMENTAL</b>	
	<b>General Fund</b>	<b>Special Revenue Funds</b>
<b>REVENUES</b>		
Taxes	\$ 8,291,647,200	\$ 6,316,730,047
Federal and other grants	5,042,852,992	41,340,411
Licenses and fees	764,929,039	85,445,388
Services and assessments	1,135,039,251	234,557,907
Investment earnings	45,139,046	94,230,048
Contributions	--	103,010
Other	1,521,979,196	1,783,234,099
<b>Total Revenues</b>	<b>16,801,586,724</b>	<b>8,555,640,910</b>
<b>OTHER FINANCING SOURCES</b>		
Transfers from other funds	1,316,872,575	531,805,016
Proceeds from sale of bonds	--	1,094,345,492
Other	66,289,413	154,524,011
<b>Total Other Financing Sources</b>	<b>1,383,161,988</b>	<b>1,780,674,519</b>
<b>Total Revenues and Other Financing Sources</b>	<b>18,184,748,712</b>	<b>10,336,315,429</b>
<b>EXPENDITURES</b>		
<b>Current:</b>		
Public safety and criminal justice	1,832,973,887	70,791,298
Physical and mental health	5,332,914,405	347,068,725
Educational, cultural and intellectual development	3,306,467,037	4,389,008,080
Community development and environmental management	760,841,080	927,554,057
Economic planning, development and security	2,533,211,755	294,798,166
Transportation programs	259,498,630	31,111,670
Government direction, management and control	2,369,049,006	1,584,996,590
Special government services	174,105,384	161,054
<b>Capital Outlay</b>	66,289,413	--
<b>Debt Service:</b>		
Principal	--	--
Interest	--	--
<b>Total Expenditures</b>	<b>16,635,350,597</b>	<b>7,645,489,640</b>
<b>OTHER FINANCING USES</b>		
Transfer to other fund	1,419,369,766	2,322,712,313
<b>Total Other Financing Uses</b>	<b>1,419,369,766</b>	<b>2,322,712,313</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>18,054,720,363</b>	<b>9,968,201,953</b>
Net Increase (Decrease) in Fund Balances for the Year	130,028,349	368,113,476
<b>FUND BALANCES-JULY 1, 1997</b>	<b>1,653,620,629</b>	<b>2,560,976,448</b>
<b>Residual Equity Transfer In (Out)</b>	<b>19,760,000</b>	<b>(12,760,000)</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 1,803,408,978</b>	<b>\$ 2,916,329,924</b>

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

FUND TYPES		FIDUCIARY FUND TYPES		COMPONENT UNITS
Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	Authorities	
\$ --	\$ --	\$ 1,683,250,696	\$ --	--
--	488,629,245	86,466,056	18,219,328	--
--	--	10,655,197	23,936,757	--
--	2,150	201,411,976	439,521,019	--
937,672	1,952,494	406,157,427	119,724,714	--
--	--	674,601,123	--	--
--	5,073,594	111,617,571	194,141,254	--
937,672	495,657,483	3,174,160,046	795,543,072	--
764,845,752	840,091,804	431,326,574	--	--
--	33,900,000	6,600,000	570,071,857	--
--	255,438	12,236	--	--
764,845,752	874,247,242	437,938,810	570,071,857	--
765,783,424	1,369,904,725	3,612,098,856	1,365,614,929	--
--	--	657,778	--	--
--	--	--	258,740,000	--
--	--	72,730,768	393,406,945	--
--	--	10,614,509	42,940,451	--
--	--	1,666,739,924	2,238,201	--
--	--	--	--	--
--	--	1,294,134,743	--	--
--	--	--	--	--
--	1,352,795,895	--	--	--
378,850,000	--	--	342,183,436	--
348,780,996	--	--	342,657,485	--
727,630,996	1,352,795,895	3,044,877,722	1,382,166,518	--
--	3,878,657	138,980,985	--	--
--	3,878,657	138,980,985	--	--
727,630,996	1,356,674,552	3,183,858,707	1,382,166,518	--
38,152,428	13,230,173	428,240,149	(16,551,589)	--
50,529,885	27,171,216	4,460,904,135	6,449,891,339	--
--	--	(7,000,000)	--	--
\$ 88,682,313	\$ 40,401,389	\$ 4,882,144,284	\$ 6,433,339,750	--

**STATE OF NEW JERSEY  
COMBINED STATEMENT OF NET ASSETS  
INVESTMENT AND PENSION TRUST FUNDS  
JUNE 30, 1998**

	<u>Investment Trust Fund</u>	<u>Pension Trust Funds</u>
<b><u>ASSETS</u></b>		
<b>CASH AND CASH EQUIVALENTS</b>	\$ 315,108,473	\$ 908,020
<b>INVESTMENTS</b>	2,821,962,597	67,673,059,703
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>		
Loans	--	899,377,573
Other	17,588,931	1,744,238,521
<b>OTHER ASSETS</b>		
Due from other funds	--	18,913,365
<b>Total Assets</b>	<u>3,154,660,001</u>	<u>70,336,497,182</u>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued expenses	2,501,345	33,323,826
Benefits payable	--	207,718,726
Due to other funds	1,780,879	10,635,614
<b>Total Liabilities</b>	<u>4,282,224</u>	<u>251,678,166</u>
<b>NET ASSETS HELD IN TRUST FOR PARTICIPANTS</b>	<u>\$ 3,150,377,777</u>	<u>\$ 70,084,819,016</u>

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

**STATE OF NEW JERSEY  
COMBINED STATEMENT OF CHANGES IN NET ASSETS  
INVESTMENT AND PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Investment Trust Fund</u>	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>		
<b>Contributions:</b>		
Employers	\$ --	\$ 560,458,943
Members	--	972,800,446
Other	--	17,405,811
	<hr/>	<hr/>
Total Contributions	--	1,550,665,200
<b>Investment Income:</b>		
Net increase (decrease) in fair value of investments	428,712	10,029,510,424
Interest	17,588,931	1,680,616,034
Dividends	359,901,405	473,331,320
	<hr/>	<hr/>
Total Investment Income	377,919,048	12,183,457,778
Less: Investment expense	--	6,776,447
	<hr/>	<hr/>
Net Investment Income	377,919,048	12,176,681,331
	<hr/>	<hr/>
Total Additions	377,919,048	13,727,346,531
<b>DEDUCTIONS</b>		
Benefit payment	--	2,483,013,920
Other	1,780,879	430,102,581
	<hr/>	<hr/>
Total Deductions	1,780,879	2,913,116,501
	<hr/>	<hr/>
<b>Net increase in net assets</b>	376,138,169	10,814,230,030
<b>NET ASSETS HELD IN TRUST FOR PARTICIPANTS - July 1, 1997</b>	<hr/> <b>2,774,239,608</b>	<hr/> <b>59,270,588,986</b>
<b>NET ASSETS HELD IN TRUST FOR PARTICIPANTS - JUNE 30, 1998</b>	<hr/> <b>\$ 3,150,377,777</b>	<hr/> <b>\$ 70,084,819,016</b>

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

**STATE OF NEW JERSEY  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
 NON-EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>FIDUCIARY FUND TYPES</u>	<u>COMPONENT UNITS</u>
	<u>Non-expendable Trust</u>	<u>Authorities</u>
<b>OPERATING REVENUES</b>		
Charges for services and sales	\$ --	\$ 1,306,260,879
Interest	--	188,069,000
Investment income	37,927	55,376,000
Net increase (decrease) in fair value of investments	--	--
Other	--	105,323,758
<b>Total Operating Revenues</b>	<u>37,927</u>	<u>1,655,029,637</u>
<b>OPERATING EXPENSES</b>		
Operations	--	1,411,413,146
Interest	--	176,595,000
Depreciation and amortization	--	286,962,397
Other	--	24,111,883
<b>Total Operating Expenses</b>	<u>--</u>	<u>1,899,082,426</u>
Operating Income(Loss)	<u>37,927</u>	<u>(244,052,789)</u>
<b>NONOPERATING REVENUES(EXPENSES)</b>		
Governmental subsidies and grants	--	303,776,461
Capital contributions	--	432,485,779
Interest revenue	--	94,669,945
Interest expense and fiscal charges	--	(345,146,439)
Other	--	(2,256,432)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>--</u>	<u>483,529,314</u>
Net Income (Loss)	37,927	239,476,525
<b>FUND EQUITY - Beginning of Year</b>	<u>583,398</u>	<u>6,244,203,697</u>
<b>FUND EQUITY - End of Year</b>	<u>\$ 621,325</u>	<u>\$ 6,483,680,222</u>

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



*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY  
COMBINED STATEMENT OF CASH FLOWS  
NON-EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>FIDUCIARY FUND TYPES</b>	<b>COMPONENT UNITS</b>
	<b>Non-expendable Trust</b>	<b>Authorities</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ --	\$ (244,052,789)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	--	286,962,397
Changes in operating assets:		
Decrease (increase) in mortgage receivables	--	(24,812,000)
Decrease (increase) in other receivables	(910)	128,145,349
Decrease (increase) in due from intergovernmental agencies	--	(1,597,335)
Decrease (increase) in deferred charges	--	3,202,044
Decrease (increase) in other assets	--	(11,527,092)
Changes in operating liabilities:		
Increase (decrease) in account payable and accrued expenses	--	133,374
Increase (decrease) in deferred revenue	--	(11,268,599)
Increase (decrease) in due to intergovernmental agencies	--	1,597,335
Increase (decrease) in other liabilities	--	44,306,020
Other changes	--	(2,256,432)
<b>Net cash provided by (used in) operating activities</b>	<b>(910)</b>	<b>168,832,272</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Governmental subsidies and grants	--	303,776,461
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>--</b>	<b>303,776,461</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital contributions received	--	432,485,779
Proceeds from issuance of revenue bonds	--	290,291,758
Proceeds from issuance of notes	--	154,964,000
Principal payment of revenue bonds	--	(279,118,356)
Principal payment of capital leases	--	(16,554,771)
Principal payment of notes	--	(18,781,024)
Interest expense paid	--	(345,146,439)
Acquisition/construction of capital assets	--	(207,568,298)
Disposition (acquisition) of fixed assets	--	(169,359,764)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>--</b>	<b>(158,787,115)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale of investments	--	303,249,179
Purchase of investments	(32,242)	(546,908,645)
Interest revenue received	37,927	94,669,945
<b>Net cash provided by (used in) investing activities</b>	<b>5,685</b>	<b>(148,989,521)</b>
Increase (Decrease) in cash and cash equivalents	4,775	164,832,097
<b>CASH AND CASH EQUIVALENTS, At Beginning of Year</b>	<b>(4,713)</b>	<b>119,778,667</b>
<b>CASH AND CASH EQUIVALENTS, At End of Year</b>	<b>\$ 62</b>	<b>\$ 284,610,764</b>

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

**STATE OF NEW JERSEY  
 COMBINED STATEMENT OF CASH FLOWS  
 NON-EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

**RECONCILIATION TO COMBINED BALANCE SHEET - CASH AND CASH EQUIVALENTS**

**FIDUCIARY FUND TYPES**

Cash per Combined Balance Sheet	\$	321,550,914
Less: Fund types not requiring cash flow statements		

Expendable Trust Funds	\$	3,744,584	
Investment Trust Fund		315,108,473	
Pension Trust Funds		908,020	
Agency Funds		1,789,775	
		321,550,852	

Non-cash flow statement cash		321,550,852
------------------------------	--	-------------

<b>Non-expendable Cash and Cash Equivalents</b>	<b>\$</b>	<b>62</b>
---	-----------	-----------

**COMPONENT UNITS**

Cash per Combined Balance Sheet	\$	611,606,242
Less: Component Units not requiring cash flow statements		

Governmental Funds		326,995,478
--------------------	--	-------------

<b>Proprietary Cash and Cash Equivalents</b>	<b>\$</b>	<b>284,610,764</b>
--	-----------	--------------------

Noncash, investing, capital and financing activities consist of \$450 million of additions to capital leases for the New Jersey Transit Authority, a discretely presented Proprietary Component Unit.

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

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
COLLEGE AND UNIVERSITY FUNDS  
JUNE 30, 1998**

	<u>The College Of New Jersey</u>	<u>Thomas A. Edison State College</u>	<u>Kean University Of New Jersey</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 330,000	\$ 241,783	\$ 6,036,000
<b>INVESTMENTS</b>	104,444,000	16,360,417	42,570,000
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Departmental	9,744,000	1,194,669	4,430,000
<b>FIXED ASSETS, NET</b>	257,152,000	29,357,626	102,878,000
<b>OTHER ASSETS</b>			
Due from other funds	7,182,000	307,382	970,000
Other	4,946,000	46,505	465,000
<b>Total Assets</b>	<u>\$ 383,798,000</u>	<u>\$ 47,508,382</u>	<u>\$ 157,349,000</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 17,147,000	\$ 3,275,956	\$ 10,656,000
Deferred revenue	2,668,000	2,488,690	1,299,000
Due to other funds	7,182,000	307,382	970,000
Other	79,000	--	--
Deferred compensation payable	--	--	--
Revenue bonds payable	170,473,000	--	--
Notes payable	--	--	--
Capital lease payable	--	1,330,084	37,259,000
<b>Total Liabilities</b>	<u>197,549,000</u>	<u>7,402,112</u>	<u>50,184,000</u>
<b>FUND BALANCES</b>			
Cost of investment in facilities	152,123,000	28,053,593	65,392,000
Reserved for:			
Auxiliary enterprises	--	--	14,147,000
General university	6,481,000	--	976,000
Endowment and similar funds	432,000	821,676	3,772,000
Retirement of indebtedness	17,110,000	--	2,889,000
Unreserved:			
Designated for unrealized gains	413,000	58,593	18,000
Undesignated	9,690,000	11,172,408	19,971,000
<b>Total Fund Balances</b>	<u>186,249,000</u>	<u>40,106,270</u>	<u>107,165,000</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 383,798,000</u>	<u>\$ 47,508,382</u>	<u>\$ 157,349,000</u>

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

<u>Montclair State University</u>	<u>New Jersey City University</u>	<u>New Jersey Institute Of Technology</u>
\$ 1,196,520	\$ 5,726	\$ 12,504,000
51,951,336	33,902,487	53,393,000
6,556,752	6,261,285	22,107,000
146,438,959	99,369,478	283,636,000
475,925	294,355	9,159,000
2,659,519	807,304	3,413,000
<u>\$ 209,279,011</u>	<u>\$ 140,640,635</u>	<u>\$ 384,212,000</u>
\$ 9,902,011	\$ 6,309,804	\$ 15,623,000
3,878,708	1,458,449	10,393,000
475,925	294,355	9,159,000
444,239	--	--
--	--	--
--	--	89,457,000
--	--	--
60,671,334	33,679,021	--
<u>75,372,217</u>	<u>41,741,629</u>	<u>124,632,000</u>
97,473,924	72,635,457	200,962,000
--	--	--
5,866,688	10,811,648	--
--	2,333,972	25,206,000
7,927,306	4,169,334	5,301,000
65,101	25,626	2,834,000
22,573,775	8,922,969	25,277,000
<u>133,906,794</u>	<u>98,899,006</u>	<u>259,580,000</u>
<u>\$ 209,279,011</u>	<u>\$ 140,640,635</u>	<u>\$ 384,212,000</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
COLLEGE AND UNIVERSITY FUNDS (Continued)  
JUNE 30, 1998**

	<u>The William Paterson University Of New Jersey</u>	<u>Ramapo College Of New Jersey</u>	<u>Rowan University</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 4,509,031	\$ 715,000	\$ 279,526
<b>INVESTMENTS</b>	31,382,792	17,934,000	49,978,226
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Departmental	2,669,163	2,219,000	7,221,765
<b>FIXED ASSETS, NET</b>	154,831,660	86,209,000	164,952,847
<b>OTHER ASSETS</b>			
Due from other funds	84,331	880,000	1,023,752
Other	890,099	51,000	3,131,803
<b>Total Assets</b>	<u>\$ 194,367,076</u>	<u>\$ 108,008,000</u>	<u>\$ 226,587,919</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 7,171,712	\$ 7,101,000	\$ 9,477,470
Deferred revenue	1,162,476	1,281,000	2,419,649
Due to other funds	84,331	880,000	1,023,752
Other	337,186	7,000	2,808,288
Deferred compensation payable	--	--	--
Revenue bonds payable	--	--	88,520,000
Notes payable	--	266,000	--
Capital lease payable	26,991,191	26,810,000	--
<b>Total Liabilities</b>	<u>35,746,896</u>	<u>36,345,000</u>	<u>104,249,159</u>
<b>FUND BALANCES</b>			
Cost of investment in facilities	130,702,737	55,095,000	87,706,698
Reserved for:			
Auxiliary enterprises	12,486,183	--	--
General university	788,598	6,916,000	22,605,027
Endowment and similar funds	3,221,463	--	1,788,777
Retirement of indebtedness	3,635,285	3,684,000	--
Unreserved:			
Designated for unrealized gains	96,558	37,000	504,189
Undesignated	7,689,356	5,931,000	9,734,069
<b>Total Fund Balances</b>	<u>158,620,180</u>	<u>71,663,000</u>	<u>122,338,760</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 194,367,076</u>	<u>\$ 108,008,000</u>	<u>\$ 226,587,919</u>

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

<u>Rutgers, The State University</u>	<u>Richard Stockton College Of New Jersey</u>	<u>University Of Medicine And Dentistry Of New Jersey</u>	<u>Total</u>
\$ 138,691,000	\$ 18,812,491	\$ 15,155,000	\$ 198,476,077
522,973,000	68,643,596	334,092,000	1,327,624,854
78,266,000	4,798,372	189,134,000	334,602,006
1,091,591,000	124,312,922	508,126,000	3,048,855,492
--	650,577	11,837,000	32,864,322
13,697,000	118,396	13,177,000	43,402,626
<u>\$ 1,845,218,000</u>	<u>\$ 217,336,354</u>	<u>\$ 1,071,521,000</u>	<u>\$ 4,985,825,377</u>
\$ 63,904,000	\$ 23,780,347	\$ 121,194,000	\$ 295,542,300
20,417,000	2,561,097	65,962,000	115,989,069
--	650,577	11,837,000	32,864,322
18,336,000	863,817	--	22,875,530
--	--	1,305,000	1,305,000
396,335,000	--	201,780,000	946,565,000
2,019,000	--	--	2,285,000
64,947,000	59,188,021	--	310,875,651
<u>565,958,000</u>	<u>87,043,859</u>	<u>402,078,000</u>	<u>1,728,301,872</u>
689,808,000	94,081,130	331,991,000	2,006,024,539
--	--	--	26,633,183
83,254,000	9,509,415	145,168,000	292,376,376
300,410,000	2,205,000	28,015,000	368,205,888
7,556,000	7,992,935	--	60,264,860
24,048,000	--	4,107,000	32,207,067
174,184,000	16,504,015	160,162,000	471,811,592
<u>1,279,260,000</u>	<u>130,292,495</u>	<u>669,443,000</u>	<u>3,257,523,505</u>
<u>\$ 1,845,218,000</u>	<u>\$ 217,336,354</u>	<u>\$ 1,071,521,000</u>	<u>\$ 4,985,825,377</u>

**STATE OF NEW JERSEY  
COMBINED STATEMENT OF CHANGES IN FUND BALANCES  
COLLEGE AND UNIVERSITY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>The College Of New Jersey</u>	<u>Thomas A. Edison State College</u>	<u>Kean University Of New Jersey</u>
<b>REVENUES AND OTHER ADDITIONS</b>			
Unrestricted Current Fund revenues	\$ 45,566,000	\$ 12,519,649	\$ 47,590,000
Student tuition and fees	--	--	--
Auxiliary enterprises	24,654,000	--	9,244,000
Patient service revenue	--	--	--
Governmental grants and contracts	26,182,000	3,625,461	11,716,000
Fringe benefit paid directly by the State of New Jersey	--	--	--
Private gifts, grants and contracts	129,000	254,953	1,866,000
Investment income	5,625,000	508,843	805,000
Realized gains on endowment investments	--	--	--
Interest on loans receivable	--	--	--
Expended for plant facilities	--	1,718,385	8,635,000
Retirement of indebtedness	--	178,302	889,000
Other	132,000	1,273,949	409,000
<b>Total Revenues and Other Additions</b>	<u>102,288,000</u>	<u>20,079,542</u>	<u>81,154,000</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>			
Educational and general	98,028,000	35,755,367	89,750,000
Institutional support	38,000	--	--
Operation and maintenance plant	5,562,000	--	--
Auxiliary enterprises	13,259,000	--	6,202,000
Expenditures for plant facilities	--	1,718,385	7,229,000
Loan cancellations, write-offs and refunds	--	--	510,000
Disposal of property, plant and equipment	--	734,800	--
Interest on indebtedness	9,494,000	36,399	1,388,000
Retirement of indebtedness	--	178,302	889,000
Depreciation and amortization	--	--	--
Other	331,000	1,273,949	1,077,000
<b>Total Expenditures and Other Deductions</b>	<u>126,712,000</u>	<u>39,697,202</u>	<u>107,045,000</u>
Net Revenues	<u>(24,424,000)</u>	<u>(19,617,660)</u>	<u>(25,891,000)</u>
<b>HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT)</b>			
Mandatory:			
Other	--	--	--
Non-mandatory:			
Plant funds	--	--	--
Other	(1,299,000)	--	--
Operating Transfers - In	34,800,000	21,690,496	32,694,000
<b>Total Higher Education and University Hospital Interfund Transfers</b>	<u>33,501,000</u>	<u>21,690,496</u>	<u>32,694,000</u>
Net Increase(Decrease) in Fund Balances	9,077,000	2,072,836	6,803,000
<b>FUND BALANCES - JULY 1, 1997</b>	<u>177,172,000</u>	<u>38,033,434</u>	<u>100,362,000</u>
<b>FUND BALANCES - JUNE 30, 1998</b>	<u>\$ 186,249,000</u>	<u>\$ 40,106,270</u>	<u>\$ 107,165,000</u>

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

<u>Montclair State University</u>	<u>New Jersey City University</u>	<u>New Jersey Institute Of Technology</u>
\$ 54,455,310	\$ 38,671,290	\$ 63,988,000
--	--	75,000
17,569,080	3,731,750	5,863,000
--	--	--
16,563,589	12,543,704	35,745,000
--	--	--
--	--	7,275,000
1,151,161	696,013	5,496,000
--	--	--
52,908	--	--
4,655,072	3,874,983	3,760,000
9,437,090	793,806	--
10,052,725	191,028	3,797,000
<u>113,936,935</u>	<u>60,502,574</u>	<u>125,999,000</u>
111,660,296	73,955,805	139,978,000
--	--	2,000
--	--	543,000
12,211,923	2,968,027	1,826,000
5,599,147	4,952,500	--
249,342	93,652	--
166,983	73,392	--
3,003,727	1,574,132	3,972,000
9,437,090	793,806	--
--	--	--
10,806,005	47,921	2,327,000
<u>153,134,513</u>	<u>84,459,235</u>	<u>148,648,000</u>
<u>(39,197,578)</u>	<u>(23,956,661)</u>	<u>(22,649,000)</u>
--	--	--
--	--	--
--	--	--
44,232,147	29,559,113	52,748,000
<u>44,232,147</u>	<u>29,559,113</u>	<u>52,748,000</u>
5,034,569	5,602,452	30,099,000
128,872,225	93,296,554	229,481,000
<u>\$ 133,906,794</u>	<u>\$ 98,899,006</u>	<u>\$ 259,580,000</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINED STATEMENT OF CHANGES IN FUND BALANCES (Continued)  
COLLEGE AND UNIVERSITY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>The William Paterson University Of New Jersey</u>	<u>Ramapo College Of New Jersey</u>	<u>Rowan University</u>
<b>REVENUES AND OTHER ADDITIONS:</b>			
Unrestricted Current Fund revenues	\$ 38,355,001	\$ 20,253,000	\$ 47,273,733
Student tuition and fees	--	--	--
Auxiliary enterprises	12,621,567	10,470,000	19,200,728
Patient service revenue	--	--	--
Governmental grants and contracts	8,502,243	--	13,668,150
Fringe benefit paid directly by the State of New Jersey	--	--	108,536
Private gifts, grants and contracts	279,908	5,297,000	438,632
Investment income	754,595	580,000	2,874,017
Realized gains on endowment investments	--	--	--
Interest on loans receivable	--	--	80,635
Expended for plant facilities	16,067,079	--	16,404,546
Retirement of indebtedness	7,955,138	--	1,881,759
Other	717,582	69,000	505,389
<b>Total Revenues and Other Additions</b>	<b>85,253,113</b>	<b>36,669,000</b>	<b>102,436,125</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>			
Educational and general	80,078,134	41,756,000	84,511,422
Institutional support	--	--	--
Operation and maintenance plant	--	--	--
Auxiliary enterprises	6,923,517	6,531,000	13,747,419
Expenditures for plant facilities	16,294,921	--	16,346,672
Loan cancellations, write-offs and refunds	167,116	--	440,766
Disposal of property, plant and equipment	1,043,385	--	--
Interest on indebtedness	1,634,385	1,651,000	5,031,142
Retirement of indebtedness	7,846,152	--	1,881,759
Depreciation and amortization	--	--	--
Other	671,009	8,329,000	253,638
<b>Total Expenditures and Other Deductions</b>	<b>114,658,619</b>	<b>58,267,000</b>	<b>122,212,818</b>
Net Revenues	(29,405,506)	(21,598,000)	(19,776,693)
<b>HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT)</b>			
Mandatory:			
Other	--	--	--
Non-mandatory:			
Plant funds	--	--	--
Other	--	--	--
Operating Transfers - In	37,138,715	27,140,000	34,135,000
<b>Total Higher Education and University Hospital Interfund Transfers</b>	<b>37,138,715</b>	<b>27,140,000</b>	<b>34,135,000</b>
Net Increase(Decrease) in Fund Balances	7,733,209	5,542,000	14,358,307
<b>FUND BALANCES - JULY 1, 1997</b>	<b>150,886,971</b>	<b>66,121,000</b>	<b>107,980,453</b>
<b>FUND BALANCES - JUNE 30, 1998</b>	<b>\$ 158,620,180</b>	<b>\$ 71,663,000</b>	<b>\$ 122,338,760</b>

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

Rutgers, The State University	Richard Stockton College Of New Jersey	University Of Medicine And Dentistry Of New Jersey	Total
\$ 401,200,000	\$ 28,166,083	\$ 437,337,000	\$ 1,235,375,066
--	--	--	75,000
138,771,000	11,067,646	5,598,000	258,790,771
--	--	131,368,000	131,368,000
271,658,000	8,363,886	109,774,000	518,342,033
--	--	--	108,536
65,541,000	1,246,170	36,776,000	119,103,663
47,163,000	1,420,404	22,849,000	89,923,033
--	--	--	--
--	39,430	566,000	738,973
76,508,000	5,050,498	52,131,000	188,804,563
14,906,000	1,748,805	--	37,789,900
7,228,000	10,731,463	15,048,000	50,155,136
<u>1,022,975,000</u>	<u>67,834,385</u>	<u>811,447,000</u>	<u>2,630,574,674</u>
945,748,000	52,485,581	482,480,000	2,236,186,605
--	--	--	40,000
--	--	--	6,105,000
116,386,000	6,373,228	4,482,000	190,910,114
59,310,000	5,830,861	54,574,000	171,855,486
835,000	83,758	79,000	2,458,634
1,012,000	292,707	--	3,323,267
26,442,000	2,584,571	11,172,000	67,983,356
14,906,000	1,748,805	--	37,680,914
58,049,000	--	44,699,000	102,748,000
27,224,000	10,671,298	357,781,000	420,792,820
<u>1,249,912,000</u>	<u>80,070,809</u>	<u>955,267,000</u>	<u>3,240,084,196</u>
<u>(226,937,000)</u>	<u>(12,236,424)</u>	<u>(143,820,000)</u>	<u>(609,509,522)</u>
--	--	(11,006,000)	(11,006,000)
--	--	6,000	6,000
--	--	--	(1,299,000)
<u>321,896,000</u>	<u>19,780,753</u>	<u>194,148,000</u>	<u>849,962,224</u>
<u>321,896,000</u>	<u>19,780,753</u>	<u>183,148,000</u>	<u>837,663,224</u>
94,959,000	7,544,329	39,328,000	228,153,702
<u>1,184,301,000</u>	<u>122,748,166</u>	<u>630,115,000</u>	<u>3,029,369,803</u>
<u>\$ 1,279,260,000</u>	<u>\$ 130,292,495</u>	<u>\$ 669,443,000</u>	<u>\$ 3,257,523,505</u>

**STATE OF NEW JERSEY**  
**COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES**  
**COLLEGE AND UNIVERSITY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	UNRESTRICTED FUNDS		
	The College Of New Jersey	Thomas A. Edison State College	Kean University Of New Jersey
<b>REVENUES AND OTHER ADDITIONS</b>			
Educational and general:			
Student tuition and fees	\$ 32,032,000	\$ 8,033,719	\$ 35,789,000
Patient service revenue	--	--	--
Governmental grants and contracts	173,000	253,771	86,000
Fringe benefits paid directly by the State of New Jersey	11,355,000	2,074,173	9,161,000
Private gifts, grants and contracts	165,000	--	22,000
Investment income	835,000	380,794	1,051,000
Other sources	1,006,000	1,777,192	1,481,000
	<u>45,566,000</u>	<u>12,519,649</u>	<u>47,590,000</u>
Auxiliary enterprises	24,654,000	--	9,244,000
<b>Total Revenues and Other Additions</b>	<u>70,220,000</u>	<u>12,519,649</u>	<u>56,834,000</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>			
Educational and general:			
Instruction	31,480,000	3,747,388	41,474,000
Research	1,557,000	--	96,000
Public service	90,000	675,238	683,000
Academic support	8,441,000	4,749,417	3,375,000
Student service	7,565,000	1,553,648	6,537,000
Institutional support	9,895,000	3,831,542	12,672,000
Scholarships and fellowships	3,634,000	--	1,728,000
Operation and maintenance of plant	11,713,000	--	10,466,000
Other	--	3,822,525	--
	<u>74,375,000</u>	<u>18,379,758</u>	<u>77,031,000</u>
Auxiliary enterprises	13,259,000	--	6,202,000
<b>Total Expenditures and Other Deductions</b>	<u>87,634,000</u>	<u>18,379,758</u>	<u>83,233,000</u>
Net Revenues	<u>(17,414,000)</u>	<u>(5,860,109)</u>	<u>(26,399,000)</u>
<b>HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) &amp; ADDITIONS</b>			
Excess(deficiency) of restricted additions over transfers to revenue	--	--	--
Refunds to Grantors	--	--	--
Mandatory:			
Principal and interest	(8,159,000)	(214,701)	(2,294,000)
Loan funds matching grants	--	--	(207,000)
Other	--	--	--
Non-Mandatory:			
Plant funds	(9,277,000)	(1,543,965)	--
Other	456,000	103,039	(2,636,000)
Operating transfers - in	33,592,000	7,904,000	32,694,000
<b>Total Higher Education and University Hospital Interfund Transfers</b>	<u>16,612,000</u>	<u>6,248,373</u>	<u>27,557,000</u>
<b>Net Increase (Decrease) in Fund Balances</b>	<u>\$ (802,000)</u>	<u>\$ 388,264</u>	<u>\$ 1,158,000</u>

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

<u>Montclair State University</u>	<u>New Jersey City University</u>	<u>New Jersey Institute Of Technology</u>
\$ 36,767,251	\$ 27,083,748	\$ 45,583,000
--	--	--
35,606	--	4,759,000
12,445,000	9,600,000	11,101,000
--	--	1,316,000
1,522,431	984,022	1,068,000
3,685,022	1,003,520	161,000
<hr/>	<hr/>	<hr/>
54,455,310	38,671,290	63,988,000
<hr/>	<hr/>	<hr/>
17,569,080	3,731,750	5,863,000
<hr/>	<hr/>	<hr/>
72,024,390	42,403,040	69,851,000
<hr/>	<hr/>	<hr/>
42,166,571	30,393,687	43,114,000
666,647	22,116	4,184,000
3,535,066	--	2,138,000
10,415,993	3,046,163	13,276,000
10,234,667	6,588,297	5,923,000
17,253,254	12,512,201	16,455,000
2,132,061	430,669	6,079,000
10,982,521	9,590,748	10,999,000
800,754	--	12,000
<hr/>	<hr/>	<hr/>
98,187,534	62,583,881	102,180,000
<hr/>	<hr/>	<hr/>
12,211,923	2,968,027	1,826,000
<hr/>	<hr/>	<hr/>
110,399,457	65,551,908	104,006,000
<hr/>	<hr/>	<hr/>
(38,375,067)	(23,148,868)	(34,155,000)
<hr/>	<hr/>	<hr/>
--	--	--
--	--	--
(5,596,325)	(2,654,140)	(7,172,000)
(1,356)	--	(25,000)
--	--	--
--	(2,898,520)	(3,951,000)
(220,260)	(811,141)	(821,000)
44,232,147	29,559,113	46,882,000
<hr/>	<hr/>	<hr/>
38,414,206	23,195,312	34,913,000
<hr/>	<hr/>	<hr/>
\$ 39,139	\$ 46,444	\$ 758,000
<hr/>	<hr/>	<hr/>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES (Continued)**  
**COLLEGE AND UNIVERSITY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>UNRESTRICTED FUNDS</b>		
	<b>The William Paterson University Of New Jersey</b>	<b>Ramapo College Of New Jersey</b>	<b>Rowan University</b>
<b>REVENUES AND OTHER ADDITIONS</b>			
Educational and general:			
Student tuition and fees	\$ 26,505,590	\$ 14,677,000	\$ 31,227,297
Patient service revenue	--	--	--
Governmental grants and contracts	--	--	--
Fringe benefits paid directly by the State of New Jersey	10,300,000	4,648,000	8,557,330
Private gifts, grants and contracts	--	--	3,043,075
Investment income	1,105,797	671,000	1,294,376
Other sources	443,614	257,000	3,151,655
	<u>38,355,001</u>	<u>20,253,000</u>	<u>47,273,733</u>
Auxiliary enterprises	12,621,567	10,470,000	19,200,728
<b>Total Revenues and Other Additions</b>	<u>50,976,568</u>	<u>30,723,000</u>	<u>66,474,461</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>			
Educational and general:			
Instruction	30,672,378	15,142,000	33,437,172
Research	125,998	--	181,693
Public service	307,310	--	1,801,423
Academic support	6,734,254	2,911,000	9,194,179
Student service	6,773,047	4,685,000	8,192,857
Institutional support	15,697,598	6,954,000	13,020,160
Scholarships and fellowships	1,522,996	584,000	--
Operation and maintenance of plant	9,672,085	6,075,000	7,567,534
Other	--	--	--
	<u>71,505,666</u>	<u>36,351,000</u>	<u>73,395,018</u>
Auxiliary enterprises	6,923,517	6,531,000	13,747,419
<b>Total Expenditures and Other Deductions</b>	<u>78,429,183</u>	<u>42,882,000</u>	<u>87,142,437</u>
Net Revenues	<u>(27,452,615)</u>	<u>(12,159,000)</u>	<u>(20,667,976)</u>
<b>HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) &amp; ADDITIONS</b>			
Excess(deficiency) of restricted additions over transfers to revenue	--	--	--
Refunds to Grantors	--	--	--
Mandatory:			
Principal and interest	(2,016,849)	(3,108,000)	(7,595,339)
Loan funds matching grants	--	(108,000)	(382,522)
Other	--	--	--
Non-Mandatory:			
Plant funds	(7,432,807)	(2,250,000)	(5,263,367)
Other	585,161	--	--
Operating transfers - in	36,173,286	17,961,000	34,135,000
<b>Total Higher Education and University Hospital Interfund Transfers</b>	<u>27,308,791</u>	<u>12,495,000</u>	<u>20,893,772</u>
<b>Net Increase (Decrease) in Fund Balances</b>	<u>\$ (143,824)</u>	<u>\$ 336,000</u>	<u>\$ 225,796</u>

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

<b>Rutgers, The State University</b>	<b>Richard Stockton College Of New Jersey</b>	<b>University Of Medicine And Dentistry Of New Jersey</b>	<b>Sub-total Unrestricted Funds</b>
\$ 251,730,000	\$ 18,185,813	\$ 38,495,000	\$ 566,109,418
--	--	291,407,000	291,407,000
7,668,000	--	--	12,975,377
88,544,000	6,777,000	86,288,000	260,850,503
776,000	198,997	--	5,521,072
15,679,000	1,213,455	--	25,804,875
36,803,000	1,790,818	21,147,000	72,706,821
<u>401,200,000</u>	<u>28,166,083</u>	<u>437,337,000</u>	<u>1,235,375,066</u>
<u>138,771,000</u>	<u>11,067,646</u>	<u>5,598,000</u>	<u>258,790,771</u>
<u>539,971,000</u>	<u>39,233,729</u>	<u>442,935,000</u>	<u>1,494,165,837</u>
329,056,000	19,553,813	132,828,000	753,065,009
57,910,000	224,784	--	64,968,238
19,046,000	1,052,049	--	29,328,086
27,028,000	4,142,105	5,780,000	99,093,111
38,438,000	4,352,331	5,015,000	105,857,847
66,707,000	7,671,148	46,226,000	228,894,903
18,430,000	618,038	2,093,000	37,251,764
84,068,000	6,542,453	34,684,000	202,360,341
--	--	344,655,000	349,290,279
<u>640,683,000</u>	<u>44,156,721</u>	<u>571,281,000</u>	<u>1,870,109,578</u>
<u>116,386,000</u>	<u>6,373,228</u>	<u>4,482,000</u>	<u>190,910,114</u>
<u>757,069,000</u>	<u>50,529,949</u>	<u>575,763,000</u>	<u>2,061,019,692</u>
<u>(217,098,000)</u>	<u>(11,296,220)</u>	<u>(132,828,000)</u>	<u>(566,853,855)</u>
--	--	--	--
--	--	--	--
(36,961,000)	(3,155,564)	(1,593,000)	(80,519,918)
(58,000)	(24,866)	(248,000)	(1,054,744)
--	--	(9,238,000)	(9,238,000)
(39,894,000)	--	(50,173,000)	(122,683,659)
(5,720,000)	(5,219,004)	--	(14,283,205)
<u>299,693,000</u>	<u>19,780,753</u>	<u>194,148,000</u>	<u>796,754,299</u>
<u>217,060,000</u>	<u>11,381,319</u>	<u>132,896,000</u>	<u>568,974,773</u>
<u>\$ (38,000)</u>	<u>\$ 85,099</u>	<u>\$ 68,000</u>	<u>\$ 2,120,918</u>

(Continued on next page)

STATE OF NEW JERSEY  
 COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES (Continued)  
 COLLEGE AND UNIVERSITY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	RESTRICTED FUNDS		
	The College Of New Jersey	Thomas A. Edison State College	Kean University Of New Jersey
<b>REVENUES AND OTHER ADDITIONS</b>			
Educational and general:			
Student tuition and fees	\$ --	\$ --	\$ --
Patient service revenue	--	--	--
Governmental grants and contracts	23,475,000	17,415,594	11,716,000
Fringe benefits paid directly by the State of New Jersey	--	--	--
Private gifts, grants and contracts	129,000	227,875	775,000
Investment income	--	--	18,000
Other sources	--	--	3,000
	<u>23,604,000</u>	<u>17,643,469</u>	<u>12,512,000</u>
Auxiliary enterprises	--	--	--
<b>Total Revenues and Other Additions</b>	<u>23,604,000</u>	<u>17,643,469</u>	<u>12,512,000</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>			
Educational and general:			
Instruction	1,732,000	--	1,774,000
Research	676,000	--	170,000
Public service	51,000	--	537,000
Academic support	64,000	--	22,000
Student service	95,000	--	298,000
Institutional support	--	--	14,000
Scholarships and fellowships	21,035,000	236,841	9,900,000
Operation and maintenance of plant	--	--	4,000
Other	--	17,138,768	92,000
	<u>23,653,000</u>	<u>17,375,609</u>	<u>12,811,000</u>
Auxiliary enterprises	--	--	--
<b>Total Expenditures and Other Deductions</b>	<u>23,653,000</u>	<u>17,375,609</u>	<u>12,811,000</u>
Net Revenues	<u>(49,000)</u>	<u>267,860</u>	<u>(299,000)</u>
<b>HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) &amp; ADDITIONS</b>			
<b>Excess(deficiency) of restricted additions over transfers to revenue</b>	--	137,509	341,000
<b>Refunds to Grantors</b>	--	--	(510,000)
Mandatory:			
Principal and interest	--	--	--
Loan funds matching grants	--	--	207,000
Other	--	--	--
Non-Mandatory:			
Plant funds	--	(267,860)	--
Other	49,000	(103,039)	--
Operating transfers - in	--	--	--
<b>Total Higher Education and University Hospital Interfund Transfers</b>	<u>49,000</u>	<u>(233,390)</u>	<u>38,000</u>
<b>Net Increase (Decrease) in Fund Balances</b>	<u>\$ --</u>	<u>\$ 34,470</u>	<u>\$ (261,000)</u>

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

<u>Montclair State University</u>	<u>New Jersey City University</u>	<u>New Jersey Institute Of Technology</u>	<u>The William Paterson University Of New Jersey</u>
\$ --	\$ --	\$ 75,000	\$ --
--	--	--	--
13,470,096	11,371,924	33,732,000	8,572,468
--	--	--	--
--	--	6,299,000	--
--	--	661,000	--
2,666	--	363,000	--
<u>13,472,762</u>	<u>11,371,924</u>	<u>41,130,000</u>	<u>8,572,468</u>
--	--	--	--
<u>13,472,762</u>	<u>11,371,924</u>	<u>41,130,000</u>	<u>8,572,468</u>
928,130	1,913,993	256,000	233,584
6,590	--	27,554,000	348,836
1,619,052	--	--	14,330
--	--	101,000	--
61,795	237,168	515,000	473,266
30,454	--	3,000	82,626
10,817,145	9,220,763	9,369,000	7,419,826
9,596	--	--	--
--	--	--	--
<u>13,472,762</u>	<u>11,371,924</u>	<u>37,798,000</u>	<u>8,572,468</u>
--	--	--	--
<u>13,472,762</u>	<u>11,371,924</u>	<u>37,798,000</u>	<u>8,572,468</u>
--	--	3,332,000	--
143,453	1,081,030	--	58,597
(141,273)	(19,921)	--	(93,959)
--	--	--	--
--	--	--	--
--	--	--	--
--	700,000	(2,572,000)	--
--	--	--	--
<u>2,180</u>	<u>1,761,109</u>	<u>(2,572,000)</u>	<u>(35,362)</u>
<u>\$ 2,180</u>	<u>\$ 1,761,109</u>	<u>\$ 760,000</u>	<u>\$ (35,362)</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES (Continued)**  
**COLLEGE AND UNIVERSITY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>RESTRICTED FUNDS</b>		
	<b>Ramapo College Of New Jersey</b>	<b>Rowan University</b>	<b>Rutgers, The State University</b>
<b>REVENUES AND OTHER ADDITIONS</b>			
Educational and general:			
Student tuition and fees	\$ --	\$ --	\$ --
Patient service revenue	--	--	--
Governmental grants and contracts	--	10,569,236	253,156,000
Fringe benefits paid directly by the State of New Jersey	--	108,536	--
Private gifts, grants and contracts	5,405,000	438,632	39,696,000
Investment income	--	--	11,688,000
Other sources	--	--	525,000
	<u>5,405,000</u>	<u>11,116,404</u>	<u>305,065,000</u>
Auxiliary enterprises	--	--	--
<b>Total Revenues and Other Additions</b>	<u>5,405,000</u>	<u>11,116,404</u>	<u>305,065,000</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>			
Educational and general:			
Instruction	558,000	1,805,611	9,427,000
Research	221,000	183,341	79,974,000
Public service	--	961,221	37,060,000
Academic support	--	--	1,158,000
Student service	710,000	--	2,631,000
Institutional support	--	--	1,905,000
Scholarships and fellowships	3,916,000	8,166,231	172,468,000
Operation and maintenance of plant	--	--	442,000
Other	--	--	--
	<u>5,405,000</u>	<u>11,116,404</u>	<u>305,065,000</u>
Auxiliary enterprises	--	--	--
<b>Total Expenditures and Other Deductions</b>	<u>5,405,000</u>	<u>11,116,404</u>	<u>305,065,000</u>
Net Revenues	--	--	--
<b>HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) &amp; ADDITIONS</b>			
Excess(deficiency) of restricted additions over transfers to revenue	69,000	(43,745)	14,898,000
Refunds to Grantors	--	--	--
Mandatory:			
Principal and interest	--	--	--
Loan funds matching grants	--	--	--
Other	--	--	--
Non-Mandatory:			
Plant funds	(47,000)	--	--
Other	--	--	(8,765,000)
Operating transfers - in	--	--	--
<b>Total Higher Education and University Hospital Interfund Transfers</b>	<u>22,000</u>	<u>(43,745)</u>	<u>6,133,000</u>
<b>Net Increase (Decrease) in Fund Balances</b>	<u>\$ 22,000</u>	<u>\$ (43,745)</u>	<u>\$ 6,133,000</u>

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

Richard Stockton College Of New Jersey	University Of Medicine And Dentistry Of New Jersey	Sub-Total Restricted Funds	Total Current Funds
\$ --	\$ --	\$ 75,000	\$ 566,184,418
--	134,187,000	134,187,000	425,594,000
7,116,109	97,213,000	487,807,427	500,782,804
--	--	108,536	260,959,039
1,212,751	--	54,183,258	59,704,330
--	53,384,000	65,751,000	91,555,875
--	--	893,666	73,600,487
8,328,860	284,784,000	743,005,887	1,978,380,953
--	--	--	258,790,771
8,328,860	284,784,000	743,005,887	2,237,171,724
148,844	7,859,000	26,636,162	779,701,171
99,811	81,747,000	190,980,578	255,948,816
626,543	137,383,000	178,252,146	207,580,232
--	--	1,345,000	100,438,111
764,421	--	5,785,650	111,643,497
--	37,847,000	39,882,080	268,776,983
6,668,304	3,974,000	263,191,110	300,442,874
20,937	--	476,533	202,836,874
--	--	17,230,768	366,521,047
8,328,860	268,810,000	723,780,027	2,593,889,605
--	--	--	190,910,114
8,328,860	268,810,000	723,780,027	2,784,799,719
--	15,974,000	19,225,860	(547,627,995)
33,419	7,159,000	23,877,263	23,877,263
--	--	(765,153)	(765,153)
--	--	--	(80,519,918)
--	(20,000)	187,000	(867,744)
--	(1,768,000)	(1,768,000)	(11,006,000)
--	(14,186,000)	(14,500,860)	(137,184,519)
--	--	(10,691,039)	(24,974,244)
--	--	--	796,754,299
33,419	(8,815,000)	(3,660,789)	565,313,984
\$ 33,419	\$ 7,159,000	\$ 15,565,071	\$ 17,685,989

**STATE OF NEW JERSEY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL-BUDGETARY BASIS**  
**GENERAL AND SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>GENERAL FUND</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Taxes	\$ 8,007,565,971	\$ 8,291,647,199	\$ 284,081,228
Federal and other grants	4,599,772,808	4,628,131,552	28,358,744
Licenses and fees	809,603,770	764,929,031	(44,674,739)
Services and assessments	1,021,368,675	1,135,039,207	113,670,532
Investment earnings	26,298,646	45,005,387	18,706,741
Other	1,556,107,275	1,521,979,258	(34,128,017)
<b>Total Revenues</b>	<b>16,020,717,145</b>	<b>16,386,731,634</b>	<b>366,014,489</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	1,367,647,826	1,336,632,569	(31,015,257)
<b>Total Other Financing Sources</b>	<b>1,367,647,826</b>	<b>1,336,632,569</b>	<b>(31,015,257)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>17,388,364,971</b>	<b>17,723,364,203</b>	<b>334,999,232</b>
<b>EXPENDITURES</b>			
Public safety and criminal justice	2,101,962,505	1,866,843,229	235,119,276
Physical and mental health	5,663,493,094	5,364,632,834	298,860,260
Educational, cultural and intellectual development	3,424,373,512	3,306,884,926	117,488,586
Community development and environmental management	1,316,121,049	782,873,731	533,247,318
Economic planning, development and security	2,675,079,894	2,120,055,318	555,024,576
Transportation programs	290,854,875	259,481,571	31,373,304
Government direction, management and control	2,526,006,821	2,391,520,993	134,485,828
Special government services	183,703,325	168,970,697	14,732,628
<b>Total Expenditures</b>	<b>18,181,595,075</b>	<b>16,261,263,299</b>	<b>1,920,331,776</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	1,386,366,757	1,386,366,757	--
<b>Total Other Financing Uses</b>	<b>1,386,366,757</b>	<b>1,386,366,757</b>	<b>--</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>19,567,961,832</b>	<b>17,647,630,056</b>	<b>1,920,331,776</b>
<b>Net Increase (Decrease) in Fund Balances for the Year</b>	<b>\$ (2,179,596,861)</b>	<b>\$ 75,734,147</b>	<b>\$ 2,255,331,008</b>

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

**BUDGETED SPECIAL REVENUE FUNDS**

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 5,364,200,000	\$ 5,903,313,255	\$ 539,113,255
--	--	--
54,761,000	53,126,718	(1,634,282)
--	--	--
2,500,000	1,244,906	(1,255,094)
34,690,444	34,089,671	(600,773)
<u>5,456,151,444</u>	<u>5,991,774,550</u>	<u>535,623,106</u>
<u>2,700,000</u>	<u>2,700,000</u>	<u>--</u>
<u>2,700,000</u>	<u>2,700,000</u>	<u>--</u>
<u>5,458,851,444</u>	<u>5,994,474,550</u>	<u>535,623,106</u>
42,804,489	40,765,027	2,039,462
311,461,444	303,454,803	8,006,641
4,409,530,657	4,384,095,793	25,434,864
786,054,000	786,053,443	557
6,137,000	6,137,000	--
22,227,000	22,227,000	--
407,470,000	403,649,082	3,820,918
93,000	63,941	29,059
<u>5,985,777,590</u>	<u>5,946,446,089</u>	<u>39,331,501</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>5,985,777,590</u>	<u>5,946,446,089</u>	<u>39,331,501</u>
<u>\$ (526,926,146)</u>	<u>\$ 48,028,461</u>	<u>\$ 574,954,607</u>

**New Jersey State Library**

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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

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

**B. Financial Reporting Entity**

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

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

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

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

**AUTHORITIES**

Casino Reinvestment Development Authority  
Hackensack Meadowlands Development Commission  
New Jersey Building Authority  
New Jersey Development Authority for Small Businesses,  
    Minorities' and Women's Enterprises  
New Jersey Economic Development Authority  
New Jersey Educational Facilities Authority  
New Jersey Environmental Infrastructure Trust  
New Jersey Health Care Facilities Financing Authority

New Jersey Higher Education Assistance Authority-NJ Class  
New Jersey Highway Authority  
New Jersey Housing and Mortgage Finance Agency  
New Jersey Redevelopment Authority  
New Jersey Sports and Exposition Authority  
New Jersey Transit Corporation  
New Jersey Transportation Trust Fund Authority  
New Jersey Turnpike Authority  
New Jersey Water Supply Authority  
South Jersey Port Corporation  
South Jersey Transportation Authority

## COLLEGES AND UNIVERSITIES

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

### C. Fund Accounting

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

#### 1. Governmental Fund Types

- a. General Fund - The fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.
- b. Special Revenue Funds - Are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes.

- c. Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.
- d. Capital Projects Funds - Account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds.

## **2. Fiduciary Fund Types**

- a. Expendable Trust Funds - Account for assets held by the State as a legal trustee when both principal and interest may be expended for designated purposes.
- b. Non-expendable Trust Funds - Accounts for assets held by the State as legal trustee in situations requiring that the principal be preserved intact and only the interest be expended as designated.
- c. Investment Trust Fund - Accounts for investment pool assets held by the State for legally separate entities that are not part of the State's financial reporting entity.
- d. Pension Trust Funds - Account for monies received for, expenses incurred by, and net assets available for plan benefits of the various public employee retirement systems.
- e. Agency Funds - Account for monies held by the State for custodial purposes only.

## **3. Account Groups**

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

## **4. Component Units**

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

## **D. Budgetary Process**

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

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

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

The State's budgetary basis of accounting differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis certain grants and other financial assistance are required to be recorded as revenues and expenditures (See Note 2G). A reconciliation of the differences between the budgetary basis and GAAP basis are presented in Note 2.

### **E. Bond Fund Appropriations**

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law shall have been submitted to the people at a general election and approved by a majority of the legally qualified voters. After approval by the electorate, and prior to any bond sale, the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

### **F. Basis of Accounting**

All of the governmental funds and expendable trust and agency funds are accounted for on the modified accrual basis of accounting. In accordance with this basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues which are considered to be susceptible to accrual include amounts received during the 12 month period subsequent to June 30 that were earned as of June 30 and in the hands of receiving agents.

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

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

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

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

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

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

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

## **G. Assets and Other Debits**

### **1. Cash and Cash Equivalents**

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

### **2. Investments**

Securities 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. 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 pool. 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 pool is reflected as investments in the Balance Sheet. See Notes 4, 18 and 19 for details.

### **3. Receivables**

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

### **4. Fixed Assets**

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

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

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

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

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

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

#### **5. Other Assets**

- a. Due from other funds - During the course of normal operations the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursements of expenses. See Note 7 for details.
- b. Due from intergovernmental agencies - Includes any receivable or payable and due to or due from Component Units - Authorities that relates to federal or other governmental agencies.

### **H. Equity and Other Credits**

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

- d. Reserved - External investment pool participants - Used to identify the portion of fund balance that represents amounts due to non-state participants of the State of New Jersey Cash Management Fund - external portion.
- e. Reserved - Surplus revenue - Used to identify that portion of fund balance, commonly called the "Rainy Day Fund," which represents excess revenues that have been set aside pursuant to P.L. 1990, c.44.
- f. 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.
- g. 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.
- h. Unreserved Designated - Continuing appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature.
- i. Unreserved Designated - Debt service - Used to identify that portion of the fund balance of the New Jersey Transportation Trust Fund which is made available to satisfy the debt service requirements of the subsequent period.
- j. Unreserved Undesignated - Used to represent that portion of fund balance resources available for appropriation.

## **I. Fiscal Year End Differences**

The following component units have fiscal years that end on December 31, 1997:

### **Special Revenue Funds**

New Jersey Building Authority (blended component unit)

### **Component Units - Authorities**

Casino Reinvestment Development Authority  
 Hackensack Meadowlands Development Commission  
 New Jersey Development Authority for Small Businesses, Minorities'  
 and Women's Enterprises  
 New Jersey Economic Development Authority  
 New Jersey Educational Facilities Authority  
 New Jersey Health Care Facilities Financing Authority  
 New Jersey Highway Authority  
 New Jersey Redevelopment Authority  
 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 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," for all State funds effective for the fiscal year ended June 30, 1998. Implementation of GASB Statement 31 resulted in a change from reporting investments at cost to reporting investments at fair value. The State has restated the fund balances for the fiscal year ended June 30, 1997, for changes resulting from the adoption of GASB Statement 31. (See Note 2B for restatements). The external portion (non-state participants) of the State of New Jersey Cash Management Fund is now being shown as an Investment Trust Fund and will have a Statement of Net Assets and a Statement of Changes in Net Assets.

The State has also adopted GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," for the fiscal year ended June 30, 1998. The New Jersey statute governing such plans was changed to state that "all assets and income of the plan shall be held in trust for the exclusive benefit of participating employees and their beneficiaries." In accordance with GASB Statement 32, the New Jersey State Employees' Deferred Compensation Plan, which was previously reported as an agency fund, is being reported as an expendable trust fund in the financial statements.

### B. Restatement of Fund Balances

The State has restated the fund balances for the fiscal year ending June 30, 1997, for changes resulting from the adoption of GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The cumulative effect of these restatements in the General Fund and various Special Revenue, Capital Projects, Expendable and Non-expendable Trust funds is an increase of \$70.9 million in fund balance for the fiscal year ending June 30, 1997.

The June 30, 1997 fund balance of the New Jersey State Employees' Deferred Compensation Plan has been restated from zero to \$585.3 million as a result of the State's adoption of GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

In addition, the June 30, 1997 fund balance of the New Jersey Local Development Financing Fund has decreased by \$0.3 million as a result of prior year corrections.

A summary of restatements, by fund type, is as follows:

	<u>GASB 31</u>	<u>GASB 32</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 79,291	\$ --	\$ --	\$ 79,291
Special Revenue Funds	492,533	--	(254,626)	237,907
Capital Projects Funds	2,351	--	--	2,351
Expendable Trust Funds	70,305,601	585,252,076	--	655,557,677
Non-expendable Trust Funds	4,935	--	--	4,935
Total	<u>\$ 70,884,711</u>	<u>\$ 585,252,076</u>	<u>\$ (254,626)</u>	<u>\$ 655,882,161</u>

### C. Deficit Fund Balances

The following funds have deficit fund balances. It is anticipated that bond sales during Fiscal Year 1999 will relieve most of these deficits (expressed in millions).

#### Capital Projects Funds

Public Purpose and Community-Based Facilities Construction Fund	\$ 1.7
--	--------

### Special Revenue Funds

1995 Farmland Preservation Fund	\$ 0.8
Hazardous Discharge Fund of 1981	9.3
Hazardous Discharge Fund of 1986	4.3
1992 Historic Preservation Fund	1.8
Jobs, Education and Competitiveness Fund	1.3
1992 New Jersey Green Acres Fund	1.1
State Land Acquisition and Development Fund	0.1

### Trust Funds

The Prescription Drug Program incurred a deficit fund balance of \$3.1 million. Rates for Fiscal Year 1999 were increased by 21.4 percent for the State group and 13.6 percent for the local group. These rate increases are expected to offset the current deficit.

### D. Revenue and Expenditure Budgets

1. The General Fund and four special revenue funds consisting of the Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds operate under a budgetary control system comprised of:
  - (a) The Annual Appropriations Act approved June 28, 1997 for Fiscal Year 1998 and various supplemental appropriations approved during the fiscal year.
  - (b) Other authorized appropriations which include reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year and estimated receipts.
  - (c) Appropriated Revenues (authorized by the Annual Appropriations Act) which established appropriations based on certain revenues.

The above items provided the following amounts for the Fiscal Year 1998 budget:

	Revenue and Other Increases (Expressed In Millions)	
	General Fund	Special Revenue Funds
Annual Appropriations Act	\$ 10,836.2	\$ 5,425.7
Appropriated Revenue	6,552.2	33.2
<b>Totals</b>	<b>\$ 17,388.4</b>	<b>\$ 5,458.9</b>

	Expenditures and Other Decreases (Expressed In Millions)	
	General Fund	Special Revenue Funds
Annual Appropriations Act	\$ 11,206.2	\$ 5,951.5
Other Authorized Appropriations	1,809.6	1.1
Appropriated Revenue	6,552.2	33.2
<b>Totals</b>	<b>\$ 19,568.0</b>	<b>\$ 5,985.8</b>

The Fiscal Year 1998 expenditure budget includes as other authorized appropriations all estimated federal entitlements.

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

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

**Actual on Budgetary Basis to GAAP Basis  
June 30, 1998  
(Expressed In Millions)**

	<b>General Fund</b>	<b>Special Revenue Funds</b>
<b>Budgeted Funds:</b>		
Budgetary basis - net increase (decrease) in fund balances for the fiscal year	\$ 75.7	\$ 48.0
Federal revenue and other financing sources	414.9	33.0
Residual equity transfers	(19.8)	--
Prior year expenditures and other financing uses	(840.1)	(30.4)
Encumbrances	499.3	76.5
GAAP basis - net increase (decrease) in fund balances for the fiscal year	130.0	127.1
<b>Non-Budgeted Funds:</b>		
GAAP basis - net increase (decrease) in fund balances for the fiscal year	--	241.0
<b>Total All Funds:</b>		
GAAP basis - net increase (decrease) in fund balances for the fiscal year	\$ 130.0	\$ 368.1

2. Other special revenue funds, capital projects funds, and trust funds do not operate under an annual budgetary control system, but expenditures are authorized by the enabling legislation. Accordingly, the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis does not include these funds.
3. The State Lottery operates under an informal budgetary control system approved by the New Jersey State Lottery Commission which for Fiscal Year 1998 resulted in the Governor's revenue certification of \$682.0 million representing transfers from the State Lottery Fund to the General Fund for administration (\$12.0 million) and for state institutions and education (\$670.0 million).

**E. Joint Ventures**

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

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

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor. The Governor of each State appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from 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 for the fiscal year ended December 31, 1997 disclosed the following (expressed in thousands):

	<b>Financial Position</b>		
	<u>Port Authority</u>	<u>PFC Program</u>	<u>Combined Total</u>
Total Assets	\$ 11,946,343	\$ 547,298	\$ 12,493,641
Total Liabilities	<u>8,644,780</u>	<u>--</u>	<u>8,644,780</u>
Net Assets	<u>\$ 3,301,563</u>	<u>\$ 547,298</u>	<u>\$ 3,848,861</u>
	<b>Operating Results</b>		
Operating Revenues	\$ 2,205,647	\$ 107,345	\$ 2,312,992
Operating Expenses	(1,461,264)	--	(1,461,264)
Depreciation and Amortization	<u>(381,535)</u>	<u>(5,115)</u>	<u>(386,650)</u>
Income from Operations	362,848	102,230	465,078
Financial Income (Expense), Net	<u>(230,924)</u>	<u>18,844</u>	<u>(212,080)</u>
Income before extraordinary item	<u>\$ 131,924</u>	<u>\$ 121,074</u>	<u>\$ 252,998</u>
	<b>Changes in Net Assets</b>		
Balance January 1, 1997	\$ 3,112,298	\$ 426,224	\$ 3,538,522
Net Income	161,374	121,074	282,448
Government Contributions in Aid of Construction	<u>27,891</u>	<u>--</u>	<u>27,891</u>
Balance December 31, 1997	<u>\$ 3,301,563</u>	<u>\$ 547,298</u>	<u>\$ 3,848,861</u>

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 1997, Port Authority debt consisted of the following (expressed in thousands):

**Bonds, Notes and Other Obligations**

Consolidated Bonds and Notes	\$	5,077,133
Special Project Bonds		1,482,675
Operating Asset Financing		479,420
Capital Asset Financing		<u>911,545</u>
		7,950,773
Less Unamortized Discount and Premium		<u>(164,961)</u>
<b>Total</b>	<b>\$</b>	<b><u>7,785,812</u></b>

**F. 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, 1998 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated. 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 1997 and Fiscal Year 1998 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year 1998</u>	<u>Fiscal Year 1997</u>
Tort	\$ 8.6	\$ 16.4
Workers' compensation	34.5	32.4
Automobile	5.9	4.6

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 1998. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

**G. Other**

In accordance with Governmental Accounting and Financial Reporting Standards (GASB) Codification L20.126, "Leases between State and Local Governments and Public Authorities", the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$526.7 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 1997.

In accordance with GASB Statement 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," an additional \$414.7 million in federal grant revenues and economic planning, development, and security expenditures and \$98.9 million in other assets and deferred revenues relating to the State's food stamp program have 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.

New Jersey Revised Statutes (52:18-16.1) sets the policy that the State Treasurer must follow when depositing State funds and for the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds as well as certificates of deposit must be collateralized. Securities pledged as collateral must consist of obligations of, or be guaranteed by, the United States or the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than \$15 million in State deposits per month are 100% and 120% of collateral, respectively, of the highest daily balance of each account. For banks that have State deposits which total \$15 million or more per month, the amount of collateral required is 120% of the total average daily balance on deposit in the bank during each calendar quarter of the year. The amount of collateral required for certificates of deposit is 120% of par value minus FDIC coverage.

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

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

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

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Amount</u>
Cash	\$ 105.8	\$ --	\$ 0.4	\$ 106.2	\$ 73.4
Certificates of deposit and related items	1.6	--	314.7	316.3	316.3
<b>Total</b>	<u>\$ 107.4</u>	<u>\$ --</u>	<u>\$ 315.1</u>	<u>\$ 422.5</u>	<u>\$ 389.7</u>

Negative book balances of \$285.7 million representing a managed overdraft have been reclassified and are included in the accounts payable balance on the balance sheet as follows:

<u>Funds</u>	<u>Amount (In Millions)</u>
General Fund	\$ 194.0
Special Revenue Funds	17.3
Capital Projects Funds	---
Trust and Agency Funds	74.4
<b>Total</b>	<u>\$ 285.7</u>

## NOTE 4 - INVESTMENTS

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, 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.

All 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.

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.

Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

Approximately \$1.3 billion of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. An agency fund has been established to record the deposit fund contracts and related liabilities at present value. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. Face value of deposit fund contracts approximates \$2.0 billion.

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

	<u>Fair Value</u>
Government bonds and obligations	\$ 2,406.8
Industrial bonds and commercial paper	921.8
Finance companies - senior debt	3.6
Telephone bonds	1.0
Gas, electric and water bonds	10.4
Common stock	896.2
Mortgage - backed certificates	2,587.5
Repurchase agreements	155.3
Other investments	<u>0.1</u>
Investments subject to risk categorization	6,982.7
Annuity contracts	1,254.6
Investment in State of New Jersey Cash Management investment pool	7,908.1
Investment in Common Pension Trust Fund investment pool	61,448.5
Mutual funds	<u>28.7</u>
<b>Total</b>	<u>\$ 77,622.6</u>

## NOTE 5 - RECEIVABLES

### A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 20 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement 2 - Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$2.0 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 1998.

Federal receivable balances in the Unemployment Compensation Fund (\$2.6 billion) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

### B. Departmental

Departmental accounts receivable of \$1,974.5 million 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 (\$137.6 million).

### C. Loans

Loans receivable of \$1,804.8 million are reduced by allowances of \$14.6 million and include \$818.2 million due from local units of government and other recipients for environmental projects, \$899.4 million representing loans from respective pension funds to participating members of the pension funds, \$35.2 million loaned for economic development within local units of government, \$18.6 million loaned for housing and mortgage assistance, and \$10.8 million due the Luxury Tax Fund from the Atlantic County Improvement Authority for housing projects.

### D. Other

Other receivables totaling \$2,572.6 million are reduced by allowances of \$491.6 million and include \$378.1 million of accrued earnings on investments and accrued interest on loans to third parties, contributions due from employers and members to the respective pension funds of \$1,383.9 million, contributions due from employers and members to the Health Benefits Fund of \$31.9 million, and \$200.7 million due from the Port Authority of New York and New Jersey.

## NOTE 6 - FIXED ASSETS

### A. Summary of Fixed Assets

A summary of fixed assets by category at June 30, 1998 is as follows (expressed in millions):

	<b>General Fixed Assets Account Group</b>
Land	\$ 378.0
Land improvements	68.8
Building and improvements	1,679.0
Machinery and equipment	261.5
Construction in progress	147.2
<b>Total</b>	<b>\$ 2,534.5</b>

### B. Changes in Fixed Assets

A summary reflecting changes in the General Fixed Assets Account Group and the resulting June 30, 1998 balances follows (expressed in millions):

	<b>Balance July 1, 1997</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 1998</b>
Land	\$ 351.2	\$ 26.8	\$ 0.0	\$ 378.0
Land improvements	64.2	4.6	0.0	68.8
Buildings and improvements	1,456.1	226.7	3.8	1,679.0
Machinery and equipment	307.7	22.7	68.9	261.5
Construction in progress	264.9	113.4	231.1	147.2
<b>Total</b>	<b>\$ 2,444.1</b>	<b>\$ 394.2</b>	<b>\$ 303.8</b>	<b>\$ 2,534.5</b>

## NOTE 7 - INTERFUND TRANSACTIONS

### A. Due From/Due To Other Funds

Interfund receivables and payables are referred to respectively as Due from other funds and Due to other funds on the balance sheet. A schedule of interfund receivables and payables at June 30, 1998 is presented below (expressed in thousands):

<u>Interfund Receivables and Payables</u>	<u>Due From</u>	<u>Due To</u>
<b>General Fund</b>	\$ 458,941	\$ 618,386
<b>Debt Service Fund</b>	63,679	--
<b>Special Revenue Funds</b>		
Casino Control Fund	10,087	--
Casino Revenue Fund	39,740	--
1995 Farmland Preservation Fund	--	10,335
Hazardous Discharge Fund of 1981	--	14,539
Hazardous Discharge Fund of 1986	3,666	9,801
Hazardous Discharge Site Cleanup Fund	17,250	8,786
Health Care Subsidy Fund	32,900	103,843
1992 New Jersey Green Acres Fund	60	6,729
1995 New Jersey Green Trust Fund	33	5,017
New Jersey Spill Compensation Fund	--	18,727
New Jersey Transportation Trust Fund Authority	--	63,679
New Jersey Workforce Development Partnership Fund	619	18,464
Property Tax Relief Fund	498,165	--
State Lottery Fund	--	66,400
Unemployment Compensation Auxiliary Fund	219	5,607
Wastewater Treatment Fund	12,980	--
1992 Wastewater Treatment Fund	39	5,048
Water Supply Fund	8,113	5,226
Other Special Revenue Funds (under \$5 million)	<u>12,341</u>	<u>40,949</u>
<b>Total Special Revenue Funds</b>	<u>636,212</u>	<u>383,150</u>
<b>Capital Projects Funds</b>		
New Jersey Bridge Rehabilitation and Improvement Fund	13,045	4,850
Public Purpose and Community-Based Facilities Construction Fund	--	5,155
Special Transportation Fund	--	115,359
Other Capital Projects Funds (under \$5 million)	<u>15</u>	<u>2,690</u>
<b>Total Capital Projects Funds</b>	<u>13,060</u>	<u>128,054</u>

**Interfund Receivables and Payables**

	<u>Due From</u>	<u>Due To</u>
<b>Trust and Agency Funds</b>		
<b>Trust Funds</b>		
Fund for Support of Free Public Schools	3,895	5,686
Health Benefits Program Fund	13,013	--
New Home Warranty Security Fund	--	5,742
State Disability Benefit Fund	847	26,823
Unclaimed Personal Property Trust Fund	109	12,113
<b>Pension Trust Funds</b>		
Public Employees' Retirement System	7,310	2,789
Other Trust and Agency Funds (under \$5 million)	<u>25,905</u>	<u>40,228</u>
<b>Total Trust and Agency Funds</b>	<u>51,079</u>	<u>93,381</u>
<b>Total All Funds</b>	<u>\$ 1,222,971</u>	<u>\$ 1,222,971</u>

**B. Transfer From/To Other Funds**

Transfers from and Transfers to other funds in the Statement of Revenues, Expenditures and Changes in Fund Balance represent transfers between funds. A schedule of Transfers from and Transfers to at June 30, 1998 is presented below (expressed in thousands):

	<u>Transfers From</u>	<u>Transfers To</u>
<b>General Fund</b>	\$ 1,316,873	\$ 1,419,370
<b>Debt Service Fund</b>	764,846	--
<b>Special Revenue Funds</b>		
Casino Revenue Fund	26,473	--
Cultural Centers and Historic Preservation Fund	--	7,075
Gubernatorial Elections Fund	9,230	--
Hazardous Discharge Fund of 1986	24,804	341
Hazardous Discharge Site Cleanup Fund	11,928	19,713
Health Care Subsidy Fund	42,900	395,066
Legal Services Fund	--	11,358
New Jersey Local Development Financing Fund	12,835	269
New Jersey Spill Compensation Fund	--	18,727
New Jersey Transportation Trust Fund Authority	380,300	1,123,833
New Jersey Workforce Development Partnership Fund	--	32,001
State Lottery Fund	--	658,400
Unemployment Compensation Auxiliary Fund	--	11,607
Water Supply Fund	--	5,226
Other Special Revenue Funds (under \$5 million)	<u>23,335</u>	<u>39,096</u>
<b>Total Special Revenue Funds</b>	<u>531,805</u>	<u>2,322,712</u>

	<u>Transfers From</u>	<u>Transfers To</u>
<b>Capital Projects Funds</b>		
Special Transportation Fund	837,882	--
Other Capital Projects Funds (under \$5 million)	<u>2,210</u>	<u>3,879</u>
<b>Total Capital Projects Fund</b>	<u>840,092</u>	<u>3,879</u>
<b>Expendable Trust Funds</b>		
Community Development Bond Fund	75	12,842
Dental Expense Program Fund	21,123	--
Fund for Support of Free Public Schools	--	9,423
Health Benefits Program Fund	331,166	--
Higher Education Assistance Fund	--	14,692
New Home Warranty Security Fund	--	5,742
Prescription Drug Program Fund	78,462	--
State Disability Benefit Fund	--	31,127
Unclaimed Personal Property Trust Fund	--	62,113
Other Trust and Agency Funds (under \$5 million)	<u>500</u>	<u>3,042</u>
<b>Total Expendable Trust Funds</b>	<u>431,326</u>	<u>138,981</u>
<b>Total All Funds</b>	<u>\$ 3,884,942</u>	<u>\$ 3,884,942</u>

### C. Residual Equity Transfers In (Out)

Residual equity transfers in (out) in the Statement of Revenues, Expenditures and Changes in Fund Balance represent nonroutine or nonrecurring transfers between funds and are reported as additions or deductions from fund balance. A schedule of Residual equity transfers in (out) at June 30, 1998 is presented below (expressed in thousands):

<b>Residual Equity Transfers</b>	<u>In</u>	<u>Out</u>
<b>General Fund</b>	\$ 19,760	\$ --
<b>Special Revenue Funds</b>		
Alcohol Education, Rehabilitation and Enforcement Fund	--	560
Health Care Subsidy Fund	--	9,000
Housing Assistance Fund	--	450
Mortgage Assistance Fund	<u>--</u>	<u>2,750</u>
<b>Total Special Revenue Funds</b>	<u>0</u>	<u>12,760</u>
<b>Expendable Trust Funds</b>		
New Home Warranty Fund	<u>--</u>	<u>7,000</u>
<b>Total Expendable Trust Funds</b>	<u>--</u>	<u>7,000</u>
<b>Total Residual Equity Transfers</b>	<u>\$ 19,760</u>	<u>\$ 19,760</u>

## NOTE 8 - DEFERRED REVENUE

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

Deferred revenue at June 30, 1998 in the General Fund (\$419.3 million) consists principally of amounts due from the Port Authority of New York and New Jersey, motor vehicle licenses and registrations, insurance licensing, professional board licenses and fees, and food stamp inventory (in accordance with the provisions of GASB Statement 24). The amount at June 30, 1998 in the Petroleum Overcharge Reimbursement Fund (\$19.0 million) represents oil overcharge monies, which have been received, but remain unexpended. The Health Benefit Program Fund reflects deferred revenue of \$13.8 million representing premiums received in June 1998 for July 1998 coverage. Additionally, the Casino Control Fund reflects deferred revenue of \$8.8 million which represents advance tax payments on slot machines from various casinos.

## NOTE 9 - LONG-TERM OBLIGATIONS

### A. Summary of Long-Term Obligations

A summary of long-term obligations at June 30, 1998 is shown below (expressed in thousands):

<u>General Long-Term Debt</u>	<u>Amount</u>
General obligation bonds	\$ 3,572,894
Revenue bonds	3,757,390
Accumulated sick and vacation payable	431,142
Capital leases	289,712
Installment obligations	4,548,776
Certificates of participation	103,386
Loans payable	<u>1,271,679</u>
<b>Total General Long-Term Debt</b>	<b><u>\$ 13,974,979</u></b>

### B. Debt Service Payments

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

	<b>General Long-Term Debt Account Group</b>		
	<u>State Bonded Debt</u>	<u>Revenue Bonds</u>	<u>Total</u>
First	\$ 297,990	\$ 127,614	\$ 425,604
Second	299,100	133,397	432,497
Third	300,945	139,307	440,252
Fourth	279,650	151,343	430,993
Fifth	262,795	157,080	419,875
Thereafter	<u>2,132,414</u>	<u>3,048,649</u>	<u>5,181,063</u>
<b>Total</b>	<b><u>\$ 3,572,894</u></b>	<b><u>\$ 3,757,390</u></b>	<b><u>\$ 7,330,284</u></b>

The general obligation bonded debt outstanding as of June 30, 1998 is \$3.6 billion which is secured by the full faith and credit of the State (the General Fund). The amount to be provided for retirement of general obligation bonds on the balance sheet represents appropriations to be provided in the future from the General Fund for principal payments.

The New Jersey Transportation Trust Fund issued \$703.9 million in new bonds on December 1, 1997.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 1998 was \$478.9 million. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances as a Transfer to other funds in the General Fund and a Transfer from other funds in the Debt Service Fund.

In prior years, the State has refunded various bond issuances by creating separate irrevocable trust funds. Refunding debt has been issued and the proceeds have been used to purchase United States Treasury Obligations--State and Local Government Series that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the State's General Long-Term Debt Account Group. As of June 30, 1998, the amount of defeased general obligation debt outstanding, but removed from the General Long-Term Debt Account Group amounted to \$744.3 million.

In addition, the State (the General Fund) has guaranteed the principal and interest payments on certain bonds issued by the New Jersey Sports and Exposition Authority. The amount outstanding on these bonds as of December 31, 1997 is \$120.2 million. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee. The State has contracted with the Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on certain other bonds issued by the Authority (State Contract Bonds). At June 30, 1998, the amount outstanding was \$455.7 million.

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

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 1997, the Corporation certified that it would be unable to provide sufficient funds from operations for debt reserve and, therefore, required a State appropriation for Fiscal Year 1998 in the amount of \$4.7 million.

### C. Changes in Long-Term Debt

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

	<u>Outstanding July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 1998</u>
General obligation bonds	\$ 3,437,450	\$ 423,120	\$ 287,675	\$ 3,572,895
Revenue bonds	3,027,115	1,319,490	589,215	3,757,390
Accumulated sick and vacation payable	414,210	16,932	--	431,142
Capital leases	241,038 *	66,289	17,616	289,711
Installment obligations	4,648,063 *	55,000	154,286	4,548,777
Certificates of participation	128,400 *	9,040	34,055	103,385
Loans payable	1,120,000	151,679	--	1,271,679
<b>Total</b>	<u>\$ 13,016,276</u>	<u>\$ 2,041,550</u>	<u>\$ 1,082,847</u>	<u>\$ 13,974,979</u>

\*Various State of New Jersey obligations previously classified as Installment Obligations have been reclassified to Certificates of Participation or Capital Leases.

#### D. Capital Lease and Installment Obligations

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

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 1998 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Obligations</u>
1999	\$ 37,144
2000	37,709
2001	36,386
2002	36,756
2003	36,744
Thereafter	<u>411,746</u>
Total minimum lease payments	596,485
Less: Amount representing interest	<u>306,773</u>
Present value of lease principal payments	<u>\$ 289,712</u>

Installment obligations represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities 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. Included in installment obligations is \$2.8 billion representing the principal amount of bonds issued by the Economic Development Authority (a component unit), which was utilized in funding the State's accrued pension liability. At the conclusion of the term of the installment agreements, title to the various facilities is to be transferred to the State. The following is a schedule, by fiscal year, of future installment payments together with the present value of net minimum installment payments, as of June 30, 1998 (expressed in thousands) for both installment purchases as well as various other installment obligations of the State:

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>
1999	\$ 296,367
2000	308,671
2001	307,466
2002	300,380
2003	314,263
Thereafter	<u>11,595,753</u>
Total minimum installment payments	13,122,900
Less: Amount representing interest	<u>8,574,124</u>
Present value of installments principal payments	<u>\$ 4,548,776</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 interest and principal 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, 1998 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>
1999	\$ 29,705
2000	23,665
2001	20,460
2002	16,928
2003	10,843
Thereafter	<u>29,814</u>
Total minimum certificates of participation payments	131,415
Less: Amount representing interest	<u>28,029</u>
Present value of certificates of participation payments	<u>\$ 103,386</u>

### E. Loans Payable

In addition, the New Jersey Automobile Insurance Guaranty Fund has received a loan of \$1.27 billion from the New Jersey Property-Liability Insurance Guaranty Association. This loan will be repaid to the Association when the financial obligations of the Joint Underwriters Association (JUA) have been fully satisfied.

### NOTE 10 - OTHER LIABILITIES

Other liabilities at June 30, 1998 include the following:

Other liabilities in the General Fund (\$43.9 million) and in the Property Tax Relief Fund (\$59.6 million) consists principally of revenue refunds payable and payments due to local units of government.

### NOTE 11 - FUND BALANCE RESERVED-OTHER

The following portions of fund balances have been reserved:

#### General Fund

The \$23.5 million reservation in the General Fund, consists principally of long-term advances and receivables due from individuals, estates, municipalities, railroads, and other funds, that are considered not currently available for appropriation.

#### Special Revenue Funds

Reservations of fund balance in various Special Revenue Funds consists principally of long-term loans and receivables due from individuals, municipalities, and authorities, that are considered not currently available for expenditure in subsequent accounting periods. Other reservations include legally mandated escrow balances and amounts set aside for lottery prizes that are not currently available for expenditure.

	<u>Amount (Expressed in millions)</u>
Beaches and Harbor Fund	\$ 1.3
Boarding House Rental Assistance Fund	5.4
Dam Restoration and Clean Waters Fund of 1992	0.5
Green Trust Fund	68.4
Hazardous Discharge Site Cleanup Fund	11.3

	<b>Amount</b> <b>(Expressed in millions)</b>
Housing Assistance Fund	6.5
Mortgage Assistance Fund	12.0
New Jersey Automobile Insurance Guaranty Fund	14.0
1989 New Jersey Green Trust Fund	73.4
1992 New Jersey Green Trust Fund	25.4
1995 New Jersey Green Trust Fund	12.8
New Jersey Local Development Financing Fund	35.2
New Jersey Transportation Trust Fund Authority	131.9
Petroleum Overcharge Reimbursement Fund	3.5
Pinelands Infrastructure Trust Fund	6.3
Resource Recovery and Solid Waste Disposal Facility Fund	103.4
Shore Protection Fund	2.1
State Lottery Fund	10.0
State Recycling Fund	5.7
Volunteer Emergency Service Organizations Loan Fund	1.6
Wastewater Treatment Fund	384.5
1992 Wastewater Treatment Fund	8.0
Water Conservation Fund	0.8
Water Supply Fund	<u>127.0</u>
<b>Total Special Revenue Funds</b>	<b><u>\$1,051.0</u></b>

## **Trust Funds**

### **Fund for Support of Free Public Schools**

New Jersey Statutes provide for the establishment of a School Bond Reserve within this fund, in an amount equal to at least one and one-half percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of the debt service for bonds as provided by State appropriations. Accordingly, \$56.0 million of this fund balance has been reserved at June 30, 1998.

### **Higher Education Assistance Fund**

An amount of \$2.6 million represents loans to students that will be paid over an extended period of time.

### **Unsatisfied Claim and Judgment Fund**

An amount of \$6.5 million represents receivables to be paid to the fund over an extended period of years.

## **NOTE 12 - OTHER FINANCING SOURCES/USES - OTHER**

During Fiscal Year 1998, a \$423.1 million general obligation bond sale generated a net premium of \$3.1 million which is reflected in Other Financing Sources - Other in various Capital Projects, Special Revenue, and Trust Funds. Additionally, the New Jersey Automobile Insurance Guaranty Fund (a special revenue fund) reflects \$151.7 million in Other Financing Sources - Other representing long-term financing from the New Jersey Property-Liability Insurance Guaranty Association. During the fiscal year, additions to capital leases totaled \$66.3 million which have been reflected in Other Financing Sources - Other in the General Fund.

### NOTE 13 - OPERATING LEASES

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancellable operating leases as of June 30, 1998 are as follows (expressed in thousands):

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
1999	\$ 83,437
2000	74,853
2001	67,223
2002	64,928
2003	62,875
Thereafter	<u>627,957</u>
Total Future Minimum Lease Payments	<u>\$ 981,273</u>

### NOTE 14 - ACCUMULATED UNPAID SICK AND VACATION BENEFITS

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

At June 30, 1998, accumulated employee sick leave balances had an estimated value of \$332.7 million which is reflected in the General Long-Term Debt Account Group. Cash payments for sick leave at retirement are made from annual legislative appropriations for salaries and wages on a "pay-as-you-go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

As of June 30, 1998, the liability for accumulated vacation pay of approximately \$98.4 million is reflected in the General Long-Term Debt Account Group. Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one year period.

### NOTE 15 - DEFERRED COMPENSATION

The State offers its employees a deferred compensation plan (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 has adopted GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," for the fiscal year ended June 30, 1998. In accordance with GASB Statement 32, the New Jersey State Employees' Deferred Compensation Plan, which was previously reported as an agency fund, is being reported as an expendable trust fund in the financial statements.

## 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 five years of successive service as a judge and 10 years in the aggregate of public service.

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

**Prison Officers' Pension Fund (POPF)**--established in January 1941, under the provisions of N.J.S.A. 43:7 to provide coverage to various employees of the State penal institutions who were appointed prior to January 1, 1960. The fund is a closed system with no active members. New employees 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 public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for 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 several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems. There are no employees covered by CPF.

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

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

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

## **Summary of Significant Accounting Policies**

### **Basis of Accounting**

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

### **Investment Valuation**

Investments, including short-term investments (State of New Jersey Cash Management Funds), 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**

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution for the fiscal years ended June 30, 1998 and 1997, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

### **Funding Policy**

#### **Contribution Requirements**

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

During the year ended June 30, 1998 for CPFPPF, JRS, POPF, SPRS, and TPAF, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are multi-employer pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress**

<b>Plan / Actuarial Valuation</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>PERS - State</b>						
3/31/95	\$ 5,499,850,766	\$ 5,921,281,646	\$ 421,430,880	92.9%	\$2,830,000,937	14.9%
3/31/96	6,565,471,539	6,225,818,232	(339,653,307)	105.5%	2,762,479,385	(12.3)%
3/31/97	6,987,217,172	6,606,707,924	(380,509,248)	105.8%	2,714,991,457	(14.0)%
<b>PERS - Local</b>						
3/31/95	8,629,411,069	8,433,456,163	(195,954,906)	102.3%	4,191,703,372	(4.7)%
3/31/96	9,919,779,257	8,960,275,181	(959,504,076)	110.7%	4,301,404,278	(22.3)%
3/31/97	10,523,061,499	9,599,816,842	(923,244,657)	109.6%	4,407,751,955	(20.9)%
<b>TPAF</b>						
3/31/95	16,942,637,259	18,410,393,538	1,467,756,279	92.0%	5,358,893,876	27.4%
3/31/96	20,843,247,418	19,828,428,735	(1,014,818,683)	105.1%	5,594,150,132	(18.1)%
3/31/97	22,045,481,579	21,224,484,588	(820,996,991)	103.9%	5,771,763,164	(14.2)%
<b>PFRS - State and Local</b>						
6/30/94	8,102,859,352	9,812,668,271	1,709,808,919	82.6%	1,774,962,741	96.3%
6/30/95	10,058,945,352	10,920,667,340	861,721,988	92.1%	1,843,745,932	46.7%
6/30/96	10,959,178,731	12,194,092,185	1,234,913,454	89.9%	1,967,863,025	62.8%
6/30/97	11,977,579,841	13,065,539,055	1,087,959,214	91.7%	2,084,542,813	52.2%
<b>SPRS</b>						
6/30/95	940,200,607	1,130,124,715	189,924,108	83.2%	135,971,603	139.7%
6/30/96	1,219,615,207	1,187,387,033	(32,228,174)	102.7%	142,390,519	(22.6)%
6/30/97	1,322,406,703	1,272,242,451	(50,164,252)	103.9%	142,636,260	(35.2)%
<b>JRS</b>						
6/30/95	163,907,007	255,572,086	91,665,079	64.1%	40,041,000	228.9%
6/30/96	283,199,734	283,199,734	--	100.0%	47,587,950	0.0%
6/30/97	317,289,094	295,150,638	(22,138,456)	107.5%	46,912,950	(47.2)%
<b>CPFPPF</b>						
6/30/95	50,406,423	82,101,504	31,695,081	61.4%	--	N/A
6/30/96	78,769,717	73,694,514	(5,075,203)	106.9%	--	N/A
6/30/97	70,420,937	66,004,245	(4,416,692)	106.7%	--	N/A
<b>POPF</b>						
6/30/95	3,339,376	19,594,151	16,254,775	17.0%	--	N/A
6/30/96	18,654,334	18,654,334	--	100.0%	--	N/A
6/30/97	20,977,035	17,479,545	(3,497,490)	120.0%	--	N/A

The annual pension cost for the fiscal year ending June 30, 1998 and relate information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented below:

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>
<b>Annual Pension Cost (APC)</b>			
State	\$ 8,047,380	\$ 10,834,814	\$ 73,587,848
Local	--	--	223,491,008
<b>Contributions Made</b>			
State	--	13,478,708	73,587,848
Local	--	--	223,491,008
<b>Percentage of APC Contributed</b>			
State	0.0%	124.4%	100.0%
Local	--	--	100.0%
<b>Net Pension Obligation</b>			
State	(25,367,375)	(94,720,782)	--
Local	--	--	--
<b>Contribution rates</b>			
State	N/A	22.8%	26.9%
State-related employers	N/A	N/A	14.2%
Employees	N/A	3.0%	8.5%
<b>Significant Actuarial Assumptions and Methods</b>			
<b>Date of actuarial valuation</b>	6/30/97	6/30/97	6/30/97
<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>	2 years	35 years	34 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>	8.75%	8.75%	8.75%
<b>Projected salary increases</b>	N/A	5.95%	5.95%
<b>Cost-of-Living Adjustments</b>	N/A	2.40%	2.40%

	<b>POPF</b>	<b>PERS</b>	<b>SPRS</b>	<b>TPAF</b>
<b>Annual Pension Cost (APC)</b>				
State	\$ 2,754,903	--	\$ 30,164,737	\$ 276,866,577
Local	--	19,034,673	--	--
<b>Contributions Made</b>				
State	--	--	--	--
Local	--	19,034,673	--	--
<b>Percentage of APC Contributed</b>				
State	0.0%	100.0%	0.0%	0.0%
Local	--	100.0%	--	--
<b>Net Pension Obligation</b>				
State	(15,983,712)	--	(45,759,446)	(952,761,510)
Local	--	--	--	--
<b>Contribution rates</b>				
State	N/A	0.0%	21.2%	4.9%
State-related employers	N/A	0.4%	N/A	N/A
Employees	N/A	5.0% (7/1 - 12/31) 4.5% (1/1 - 6/30)	7.5%	5.0% (7/1 - 12/31) 4.5% (1/1 - 6/30)
<b>Significant Actuarial Assumptions and Methods</b>				
<b>Date of actuarial valuation</b>	6/30/97	3/31/97	6/30/97	3/31/97
<b>Actuarial cost method</b>	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
<b>Amortization method</b>	Level Dollar Closed	Level Percent Closed	Level Dollar Closed	Level Percent Closed
<b>Remaining amortization period</b>	5 years	35 years	35 years	35 years
<b>Asset valuation method</b>	Market Value	Five Year Average Market Value	Five Year Average Market Value	Five Year Average Market Value
<b>Actuarial assumptions</b>				
<b>Investment rate of return</b>	5.00%	8.75%	8.75%	8.75%
<b>Projected salary increases</b>	N/A	5.95%	5.95%	5.95%
<b>Cost-of-Living Adjustments</b>	N/A	2.40%	2.40%	2.40%

The Annual Pension cost (APC) and Net Pension Obligation (NPO) for the single employer plans administered by the State of New Jersey for the fiscal year ending June 30, 1998 are presented below:

	CPFPF	JRS	POPF
Annual Required Contribution, 6/30/98	\$ (2,170,711)	\$ 14,658,095	\$ --
Interest adjustment on NPO	(2,923,791)	(8,056,728)	(936,931)
Adjustment to Annual Required Contribution	13,141,882	4,233,447	3,691,834
APC as of 6/30/98	<u>8,047,380</u>	<u>10,834,814</u>	<u>2,754,903</u>
Total Fiscal Year 1998 Contributions	--	(13,478,708)	--
Increase in NPO	8,047,380	(2,643,894)	2,754,903
NPO as of June 30, 1997	(33,414,755)	(92,076,888)	(18,738,615)
NPO as of June 30, 1998	<u>\$ (25,367,375)</u>	<u>\$ (94,720,782)</u>	<u>\$ (15,983,712)</u>

	SPRS	TPAF	TOTAL
Annual Required Contribution, 6/30/98	\$ 33,317,314	\$ 297,219,462	\$ 343,024,160
Interest adjustment on NPO	(6,643,366)	(107,592,458)	(126,153,274)
Adjustment to Annual Required Contribution	3,490,789	87,239,573	111,797,525
APC as of 6/30/97	<u>30,164,737</u>	<u>276,866,577</u>	<u>328,668,411</u>
Total Fiscal Year 1998 Contributions	--	--	(13,478,708)
Increase in NPO	30,164,737	276,866,577	315,189,703
NPO as of June 30, 1997	(75,924,183)	(1,229,628,087)	(1,449,782,528)
NPO as of June 30, 1998	<u>\$ (45,759,446)</u>	<u>\$ (952,761,510)</u>	<u>\$ (1,134,592,825)</u>

## NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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 reaching age 60 and accumulating 25 years of credited service. As of June 30, 1998, there were 42,240 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve of one half of 1 percent of the active State payroll.

The State contributed \$50.0 million to the PERS and \$99.3 million to the TPAF in Fiscal Year 1998 for post-retirement medical benefits.

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

These benefits are funded by the State on a "pay as you go" basis. For Fiscal Year 1998, the State contributed \$13.1 million for 3,305 eligible retired members.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In Fiscal Year 1998, the State paid \$13.7 million toward Chapter 126 benefits for 4,732 eligible retired members.

## **NOTE 18 - COMPONENT UNITS - AUTHORITIES**

The accounts of public authorities, private not-for-profit corporations, and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. Authorities are legally separate entities that are not operating departments of the State.

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

The Authorities are managed independently, outside the appropriated budget process, and their powers generally are vested in the governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry, such as economic development, financing, public transportation, low cost housing, environmental protection, and capital development for health and education. In addition, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

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

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

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

**STATE OF NEW JERSEY  
CONDENSED BALANCE SHEET  
COMPONENT UNITS - AUTHORITIES  
JUNE 30, 1998  
(In thousands)**

	<b>New Jersey Educational Facilities Authority</b>	<b>New Jersey Health Care Facilities Financing Authority</b>	<b>New Jersey Highway Authority</b>	<b>New Jersey Housing And Mortgage Finance Agency</b>
<b>Assets</b>				
Current assets	\$ 448,606	\$ 581,891	\$ 288,911	\$ 1,277,718
Receivables, net	1,524,763	2,805,440	2,755	2,456,470
Fixed asset, net	301	697	1,431,357	14,051
Amount to be provided for:				
Bonds and notes	<u>1,539,045</u>	<u>3,272,084</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<b><u>\$ 3,512,715</u></b>	<b><u>\$ 6,660,112</u></b>	<b><u>\$ 1,723,023</u></b>	<b><u>\$ 3,748,239</u></b>
<b>Liabilities</b>				
Current liabilities	\$ 53,758	\$ 96,771	\$ 122,736	\$ 409,865
Revenue bonds and notes payable	1,539,045	3,272,084	595,300	2,717,089
Capital leases	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities</b>	<b><u>1,592,803</u></b>	<b><u>3,368,855</u></b>	<b><u>718,036</u></b>	<b><u>3,126,954</u></b>
<b>Fund Equity</b>				
Contributed capital	--	--	--	--
Investment in general fixed assets	301	697	--	--
Retained earnings				
Reserved	--	--	--	451,100
Unreserved	--	--	1,004,987	170,185
Fund balances				
Reserved-Other	1,893,688	2,758,803	--	--
Unreserved Undesignated	<u>25,923</u>	<u>531,757</u>	<u>--</u>	<u>--</u>
<b>Total Fund Equity</b>	<b><u>1,919,912</u></b>	<b><u>3,291,257</u></b>	<b><u>1,004,987</u></b>	<b><u>621,285</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 3,512,715</u></b>	<b><u>\$ 6,660,112</u></b>	<b><u>\$ 1,723,023</u></b>	<b><u>\$ 3,748,239</u></b>

**STATE OF NEW JERSEY  
CONDENSED BALANCE SHEET  
COMPONENT UNITS - AUTHORITIES  
JUNE 30, 1998  
(In thousands)**

	<b>New Jersey Transit Corporation</b>	<b>New Jersey Turnpike Authority</b>	<b>All Other Component Units Authorities</b>	<b>Total Component Units Authorities</b>
<b>Assets</b>				
Current assets	\$ 1,604,923	\$ 620,674	\$ 1,759,854	\$ 6,582,577
Receivables, net	64,355	7,867	2,407,685	9,269,335
Fixed asset, net	3,417,936	3,236,901	1,292,220	9,393,463
Amount to be provided for:				
Bonds and notes	--	--	931,211	5,742,340
<b>Total Assets</b>	<b>\$ 5,087,214</b>	<b>\$ 3,865,442</b>	<b>\$ 6,390,970</b>	<b>\$ 30,987,715</b>
<b>Liabilities</b>				
Current liabilities	\$ 648,240	\$ 136,725	\$ 782,902	\$ 2,250,997
Revenue bonds and notes payable	351,583	2,654,278	3,614,187	14,743,566
Capital leases	1,074,266	--	--	1,074,266
<b>Total Liabilities</b>	<b>2,074,089</b>	<b>2,791,003</b>	<b>4,397,089</b>	<b>18,068,829</b>
<b>Fund Equity</b>				
Contributed capital	3,081,820	--	129,854	3,211,674
Investment in general fixed assets	--	--	868	1,866
Retained earnings:				
Reserved	--	72,635	77,024	600,759
Unreserved	(68,695)	1,001,804	562,966	2,671,247
Fund balances				
Reserved-Other	--	--	215,277	4,867,768
Unreserved Undesignated	--	--	1,007,892	1,565,572
<b>Total Fund Equity</b>	<b>3,013,125</b>	<b>1,074,439</b>	<b>1,993,881</b>	<b>12,918,886</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 5,087,214</b>	<b>\$ 3,865,442</b>	<b>\$ 6,390,970</b>	<b>\$ 30,987,715</b>

**STATE OF NEW JERSEY  
CONDENSED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
COMPONENT UNITS - AUTHORITIES  
JUNE 30, 1998  
(In thousands)**

**Governmental Fund Type**

	<b>New Jersey Educational Facilities Authority</b>	<b>New Jersey Health Care Facilities Financing Authority</b>	<b>All Other Component Units Authorities</b>	<b>Total Component Units Authorities</b>
<b>Revenues</b>				
Operating	\$ 317,617	\$ 372,152	\$ 105,774	\$ 795,543
<b>Expenditures</b>				
Current	389,680	258,740	48,905	697,325
Debt Service	161,781	409,144	113,916	684,841
Total Expenditures	551,461	667,884	162,821	1,382,166
Operating Income (Loss)	(233,844)	(295,732)	(57,047)	(586,623)
Other Financing Sources	179,314	193,362	197,396	570,072
Net Increase (Decrease) in Fund Balance for the Year	(54,530)	(102,370)	140,349	(16,551)
<b>Fund Balance Beginning of Year</b>	<b>1,974,141</b>	<b>3,392,930</b>	<b>1,082,820</b>	<b>6,449,891</b>
<b>Fund Balance End of Year</b>	<b>\$ 1,919,611</b>	<b>\$ 3,290,560</b>	<b>\$ 1,223,169</b>	<b>\$ 6,433,340</b>

**STATE OF NEW JERSEY**  
**CONDENSED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS/FUND EQUITY**  
**COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 1998**  
(In thousands)

**Proprietary Fund Types**

	<b>New Jersey Highway Authority</b>	<b>New Jersey Housing And Mortgage Finance Agency</b>	<b>New Jersey Transit Corporation</b>
Operating Revenues	\$ 199,677	\$ 255,727	\$ 453,723
Operating Expenses			
Depreciation & Amortization	23,005	1,551	191,860
Other	99,651	215,507	847,943
Operating Income (Loss)	77,021	38,669	(586,080)
Governmental Subsidies and Grants	(10,000)	--	359,913
Capital Contribution	--	--	414,964
Other Nonoperating Revenues (Expenses)	(18,953)	(1,991)	26,499
Income(Loss) before Operating Transfers	48,068	36,678	215,296
Operating Transfers In (Out)	--	--	--
Net Income	48,068	36,678	215,296
<b>Retained Earnings/Fund Equity Beginning of Year</b>	<b>956,919</b>	<b>584,607</b>	<b>2,797,829</b>
<b>Retained Earnings/Fund Equity End of Year</b>	<b>\$ 1,004,987</b>	<b>\$ 621,285</b>	<b>\$ 3,013,125</b>

**STATE OF NEW JERSEY**  
**CONDENSED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS/FUND EQUITY**  
**COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 1998**  
(In thousands)

**Proprietary Fund Types**

	<u>New Jersey Turnpike Authority</u>	<u>All Other Component Units Authorities</u>	<u>Total Component Units Authorities</u>
Operating Revenues	\$ 368,110	\$ 377,793	\$ 1,655,030
Operating Expenses			
Depreciation & Amortization	24,062	46,484	286,962
Other	159,700	289,320	1,612,121
Operating Income (Loss)	184,348	41,989	(244,053)
Governmental Subsidies and Grants	(12,000)	(34,137)	303,776
Capital Contribution	--	17,522	432,486
Other Nonoperating Revenues (Expenses)	<u>(149,518)</u>	<u>(108,769)</u>	<u>(252,732)</u>
Income(Loss) before Operating Transfers	22,830	(83,395)	239,477
Operating Transfers In (Out)	<u>--</u>	<u>--</u>	<u>--</u>
Net Income	22,830	(83,395)	239,477
<b>Retained Earnings/Fund Equity Beginning of Year</b>	<u>1,051,609</u>	<u>853,240</u>	<u>6,244,204</u>
<b>Retained Earnings/Fund Equity End of Year</b>	<u>\$ 1,074,439</u>	<u>\$ 769,845</u>	<u>\$ 6,483,681</u>

## A. Restatements

The New Jersey Housing and Mortgage Finance Agency retained earnings has been restated from \$580.2 million to \$584.6 million in accordance with GASB Statement No. 31.

The New Jersey Environmental Infrastructure Trust fund balance has been restated from \$699.8 million to \$704.4 million to properly reflect deferred charges relating to bonds payable.

The New Jersey Redevelopment Authority fund balance has been restated from \$33.8 million to \$26.5 million to properly record other receivables.

The New Jersey Transit Authority retained earnings has been restated from \$2,789.7 million to \$2,797.8 million in accordance with GASB Statement No. 31.

The New Jersey Water Supply Authority retained earnings has been restated from \$95.2 million to \$82.1 million to record the write off of costs to be recovered from future billings.

## B. Cash and Cash Equivalents

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

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

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

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>
Cash	\$ 14,485	\$ 165,325	\$ 12,113	\$ 191,923	\$ 192,404
Certificates of deposits and related items	200	288,919	129,320	418,439	419,202
<b>Total</b>	<u>\$ 14,685</u>	<u>\$ 454,244</u>	<u>\$ 141,433</u>	<u>\$ 610,362</u>	<u>\$ 611,606</u>

Cash and cash equivalents for proprietary and governmental component units total \$284.6 million and \$327.0 million respectively.

## C. Investments

The Authorities primarily invest in U.S. Government Securities, other Government bonds and securities, and mortgage backed certificates. Governmental Accounting Standards Board Statement 3 requires investments to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for

which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments are categorized below for all discretely presented Authorities (expressed in thousands):

	Carrying Amount			Total	Market Value
	Category 1	Category 2	Category 3		
Government bonds and obligations	\$ 116,335	\$ 681,823	\$ 525,861	\$ 1,324,019	\$ 1,343,884
Repurchase agreements	105,540	274,454	475,555	855,549	859,851
Other	4,715	10,480	1,919,342	1,934,537	1,943,699
Investments subject to risk categorization	<u>\$ 226,590</u>	<u>\$ 966,757</u>	<u>\$ 2,920,758</u>	<u>\$ 4,114,105</u>	<u>\$ 4,147,434</u>
Participation in State of New Jersey					
Cash Management Fund				1,395,273	1,395,273
Annuity Contracts				105,763	105,763
Total reported as investments				<u>\$ 5,615,141</u>	<u>\$ 5,648,470</u>

#### D. Receivables

Other receivables in the Casino Reinvestment Development Authority (\$132.2 million), the New Jersey Economic Development Authority (\$1.6 billion), the New Jersey Environmental Infrastructure Trust (\$495.1 million), the New Jersey Health Care Facilities Financing Authority (\$60.3 million), the New Jersey Higher Education Assistance Authority (\$103.2 million), and the New Jersey Transit Corporation (\$64.4 million), represent notes receivable due from various companies or individuals.

#### E. Fixed Assets

A summary reflecting changes in the discretely presented Authorities fixed assets and the resulting June 30, 1998 balances follows (expressed in thousands):

	Balance	Additions	Deductions	Balance
	July 1, 1997*			June 30, 1998
Land	\$ 800,225	\$ 4,274	\$ 3,560	\$ 800,939
Land improvements	3,870,362	220,321	50,744	4,039,939
Buildings and improvements	1,795,991	445,393	96,135	2,145,249
Machinery and equipment	990,848	118,013	137,327	971,534
Construction in progress	1,308,930	445,860	328,988	1,425,802
<b>Total</b>	<u>\$ 8,766,356</u>	<u>\$ 1,233,861</u>	<u>\$ 616,754</u>	<u>\$ 9,383,463</u>

\*As restated.

## Depreciation Method

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

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

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

	<u>Accumulated Depreciation</u>
Land improvements	\$ 142,922
Building and improvements	1,009,294
Machinery and equipment	<u>1,136,885</u>
<b>Total</b>	<b>\$ 2,289,101</b>

## F. Long-Term Obligations

A summary of long-term obligations for the discretely presented Authorities at June 30, 1998 is shown below (expressed in thousands):

	<u>Proprietary</u>
Revenue bonds and notes	\$ 9,001,226
Capital leases and installment obligations	<u>1,074,266</u>
<b>Total Long-Term Debt</b>	<b>\$ 10,075,492</b>
	<u>Governmental</u>
Revenue bonds and notes	\$ 5,742,340
<b>Total Long-Term Debt</b>	<b>\$ 5,742,340</b>

Certain Authorities issue their own revenue bonds and bond anticipation notes. Bond anticipation notes are generally repaid from the proceeds of revenue bonds to be issued from renewal of the notes, Federal or State aid, or other sources relative to the purpose of the issuance. Revenue bonds, except as disclosed, are not obligations of the State of New Jersey. The State of New Jersey has entered into an agreement with the New Jersey Economic Development Authority whereby the State has agreed to annually pay to the Economic Recovery Fund, maintained by the Authority, an amount equivalent to the amount due to the State each year by the Port Authority of New York and New Jersey pursuant to the regional economic development agreement subject to and dependent upon appropriations being made for such purposes by the State Legislature.

## 1. Debt Service Payments

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

<u>Fiscal Year</u>	<u>Proprietary Funds</u>
First	\$ 758,506
Second	762,459
Third	792,895
Fourth	877,356
Fifth	885,177
Thereafter	<u>11,843,283</u>
Total minimum debt service payments	15,919,676
Less: Amount representing interest	<u>(7,105,204)</u>
Present value of debt service payments	<u>\$ 8,814,472</u>

<u>Fiscal Year</u>	<u>Governmental Funds</u>
First	\$ 578,077
Second	533,388
Third	538,429
Fourth	524,498
Fifth	514,418
Thereafter	<u>7,186,466</u>
Total minimum debt service payments	9,875,276
Less: Amount representing interest	<u>(4,106,698)</u>
Present value of debt service payments	<u>\$ 5,768,578</u>

## 2. Changes in Long Term Debt

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

	<u>Proprietary Funds</u>			<u>Outstanding June 30, 1998</u>
	<u>Outstanding July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	
Revenue Bonds and Notes	\$ 8,853,213	\$ 445,255	\$ 297,242	\$ 9,001,226
Capital Leases and Installment Obligations	<u>640,471</u>	<u>450,350</u>	<u>16,555</u>	<u>1,074,266</u>
<b>Total</b>	<u>\$ 9,493,684</u>	<u>\$ 895,605</u>	<u>\$ 313,797</u>	<u>\$ 10,075,492</u>

	<u>Governmental Funds</u>			<u>Outstanding July 1, 1998</u>
	<u>Outstanding July 1, 1997*</u>	<u>Additions</u>	<u>Deductions</u>	
Revenue Bonds and Notes	\$ 5,681,198	\$ 569,460	\$ 508,318	\$ 5,742,340
<b>Total</b>	<u>\$ 5,681,198</u>	<u>\$ 569,460</u>	<u>\$ 508,318</u>	<u>\$ 5,742,340</u>

\*As restated.

### 3. Capital Lease and Installment Obligations

The following is a schedule by fiscal year of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 1998 (expressed in thousands):

<u>Fiscal Year</u>	<u>Proprietary Funds</u>
First	\$ 52,291
Second	69,185
Third	107,333
Fourth	100,767
Fifth	92,217
Thereafter	<u>1,482,934</u>
Total minimum lease payments	1,904,727
Less: Amount representing interest	<u>(828,419)</u>
Present value of lease principal payments	<u>\$ 1,076,308</u>

### G. Fund Balance/Retained Earnings-Reserved-Other

The following significant fund balances have been reserved:

#### **New Jersey Educational Facilities Authority**

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

#### **New Jersey Environmental Infrastructure Trust**

An amount of \$100.4 million is reserved for debt service payments.

#### **New Jersey Health Care Facilities Financing Authority**

An amount of \$2.7 billion is reserved for mortgage receivables.

#### **New Jersey Housing and Mortgage Finance Agency**

The reserve of \$451.1 million includes \$301.7 million reserved in accordance with the Agency's bond resolution, \$130.5 million reserved for their administrative fund, and \$18.9 million reserved for new mortgage loan programs.

### H. Subsequent Events

Subsequent to June 30, 1998, the New Jersey Environmental Infrastructure Trust Fund issued bonds in the amount of \$72 million.

## **I. Description of Authorities**

**Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)**  
**1014 Atlantic Avenue**  
**Atlantic City, New Jersey 08401**  
**Fiscal Year Ending December 31, 1997**

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

**Hackensack Meadowlands Development Commission (N.J.S.A. 13:17-5)**  
**1 De Korte Park Plaza**  
**Lyndhurst, New Jersey 07071**  
**Fiscal Year Ending December 31, 1997**

The Hackensack Meadowlands Development Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. Pursuant to the Act, the Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development, and redevelopment of the 19,730 acre Meadowlands District. The agency also has the responsibility to provide garbage disposal facilities for 118 communities in Bergen, Essex, Hudson, and Passaic counties.

The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of fourteen municipalities and two counties, Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

**New Jersey Development Authority For Small Businesses, Minorities And Women's Enterprise (N.J.S.A. 34:1B-49)**  
**200 South Warren Street**  
**P.O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 1997**

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

**New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)**  
**Capital Place One**  
**200 South Warren Street**  
**P.O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 1997**

The New Jersey Economic Development Authority, created in 1974 as a public body corporate and politic, is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expanding employment opportunities and enlarging the tax base of state and local governments in the State of New Jersey.

**New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)**  
**101 College Road East**  
**Princeton, New Jersey 08540-6601**  
**Fiscal Year Ending December 31, 1997**

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

**New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)**  
**Station Plaza Bldg. #4**  
**South Clinton and Yard Avenue**  
**P.O. Box 366**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 1997**

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

**New Jersey Higher Education Assistance Authority - NJ Class (N.J.S.A. 18A:72-10)**  
**Office of Accounting**  
**P.O. Box 547**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending June 30, 1998**

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

**New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)**  
**(replaces New Jersey Wastewater Treatment Trust)**  
**3131 Princeton Pike - Building 6**  
**P. O. Box 440**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending June 30, 1998**

The New Jersey Environmental Infrastructure Trust (formerly New Jersey Wastewater Treatment Trust), established in, but not of, the Department of Environmental Protection in 1985, is a body corporate and politic, with corporate succession. The purpose of the Trust is to make loans to and guarantee debt incurred by local government units to finance the cost of wastewater treatment system projects. The Trust may from time to time issue bonds, notes or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of \$600 million in order to provide sufficient funds to carry out its purpose.

**New Jersey Highway Authority (N.J.S.A. 27:12B-4)**  
**Executive Offices**  
**Garden State Parkway**  
**Woodbridge, New Jersey 07095**  
**Fiscal Year Ending December 31, 1997**

The New Jersey Highway Authority, created in 1952 as a body corporate and politic, is authorized to acquire, construct, operate, and maintain highway projects (specifically the toll portions of the Garden State Parkway) with the provision that the Governor shall have the right to veto any action, except collective bargaining; and that the approval of the Governor and State Treasurer or Comptroller shall be required prior to adoption of any bond resolution or revision of tolls. The Authority has also been responsible for construction and maintenance of the PNC Arts Center.

**New Jersey Housing And Mortgage Finance Agency (N.J.S.A. 55:14K-4)**  
**637 South Clinton Avenue**  
**P. O. Box 18550**  
**Trenton, New Jersey 08650-2085**  
**Fiscal Year Ending June 30, 1998**

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

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

**New Jersey Redevelopment Authority (N.J.S.A 55:19-1)**  
**200 South Warren Street**  
**P. O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 1997**

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

**New Jersey Sports And Exposition Authority (N.J.S.A. 5:10-4)**  
**P. O. Box C-200**  
**East Rutherford, New Jersey 07073**  
**Fiscal Year Ending December 31, 1997**

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Continental Airlines Arena which opened in July, 1981. The Authority is charged with the responsibility to own, operate, and build various facilities, located in the State of New Jersey, including the Atlantic City Convention Center Authority, for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and to provide the terms and security thereof.

**New Jersey Transit Corporation (N.J.S.A. 27:25-1)**  
**One Penn Plaza East**  
**Newark, New Jersey 07105**  
**Fiscal Year Ending June 30, 1998**

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

NJ TRANSIT receives operating subsidies principally from the State of New Jersey by legislative appropriation and the Federal Government by defined formula grants under the Urban Mass Transportation Administration (UMTA). These government grants are used to support the operation of public transportation services.

NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the maintenance of certain NJ TRANSIT rolling stock and the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.

**New Jersey Turnpike Authority (N.J.S.A. 27:23-3)**

**P. O. Box 1121**

**New Brunswick, New Jersey 08903**

**Fiscal Year Ending December 31, 1997**

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

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

**P. O. Box 5196**

**Clinton, New Jersey 08809**

**Fiscal Year Ending June 30, 1998**

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

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

**South Jersey Port Corporation (N.J.S.A. 12:11A-1)**

**Second and Beck Streets**

**Camden, New Jersey 08104**

**Fiscal Year Ending December 31, 1997**

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

**South Jersey Transportation Authority (P.L. 1991, c.252)**

**Farley Service Plaza**

**P. O. Box 351**

**Hammonton, New Jersey 08037**

**Fiscal Year Ending December 31, 1997**

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

## NOTE 19 - COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS

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

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

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

### A. Fund Accounting

The financial activities of the colleges and universities are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for higher education programs and higher education general endowment and similar funds. The financial statements presented here are an aggregation of these fund types. Data regarding these funds can be obtained in the audit reports of the individual college and university funds for the year ended June 30, 1998.

### B. Restatements

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

	<u>Change</u>	<u>Amount</u>	<u>College/University</u>
Unrestricted	Net decrease of	\$33,000	New Jersey Institute of Technology
	Net decrease of	\$285,000	Rutgers, The State University
Restricted	Net increase of	\$12,000	New Jersey Institute of Technology
	Net decrease of	\$122,000	Rutgers, The State University
	Net decrease of	\$176,000	University of Medicine and Dentistry
Plant	Net increase of	\$974,000	The College of New Jersey
	Net increase of	\$288,000	New Jersey Institute of Technology
	Net increase of	\$51,000	Ramapo College of New Jersey
	Net increase of	\$367,000	Rutgers, The State University
	Net decrease of	\$385,000	University of Medicine and Dentistry
Endowment	Net increase of	\$2,619,000	New Jersey Institute of Technology
	Net increase of	\$35,790,000	Rutgers, The State University
	Net increase of	\$9,107,000	University of Medicine and Dentistry

The majority of the net changes in fund balance is a reflection of the adoption of GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools."

### C. Cash and Cash Equivalents

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

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

	Category 1	Category 2	Category 3	Total Bank Balance	Total Carrying Balance
Cash	\$ 18.3	\$ 0.5	\$ 2.9	\$ 21.7	\$ 25.4
Cash with fiscal agents	22.7	2.8	0.5	26.0	24.3
Certificates of deposit and related items	2.5	1.3	145.1	148.9	148.8
<b>Total</b>	<b>\$ 43.5</b>	<b>\$ 4.6</b>	<b>\$ 148.5</b>	<b>\$ 196.6</b>	<b>\$ 198.5</b>

The following state colleges and universities had negative cash balances at June 30, 1998. These amounts have been reclassified and will be presented as accounts payable by fund as follows:

Fund	College/University	Amount
Unrestricted	New Jersey City University	\$ 53,280
	William Paterson University of New Jersey	504,225
	Richard Stockton College of New Jersey	17,218,934
	University of Medicine and Dentistry	14,550,000
Restricted	University of Medicine and Dentistry	2,249,000
Plant	William Paterson University of New Jersey	4,067
	University of Medicine and Dentistry	591,000
Endowment	William Paterson University of New Jersey	39
	University of Medicine and Dentistry	36,000

### D. Investments

Donated securities are carried at market value at the date of gift. Governmental Accounting Standards Board Statement 3 requires investments to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by counterparties'

trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments of the colleges and universities are in accordance with the statutes of the State of New Jersey (see Note 4), regulations of governing boards, or applicable limitations set forth in gift instruments. Investments for all colleges and universities are detailed below (expressed in millions):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carry Amount</u>	<u>Market Value</u>
Government and Other	\$ 564.4	\$ 237.0	\$ --	\$ 801.4	\$ 795.9
Repurchase agreements	28.2	--	--	28.2	28.1
Industrial bonds and commercial paper	23.3	1.0	--	24.3	22.4
Telephone bonds	5.8	0.0	--	5.8	5.6
Utility bonds	0.0	0.5	--	0.5	0.5
Financial Companies - senior debt	53.4	9.1	--	62.5	61.5
Common Stock	176.8	21.9	0.1	198.8	160.4
Other	3.8	0.9	--	4.7	4.3
	<u>855.7</u>	<u>270.4</u>	<u>0.1</u>	<u>1,126.2</u>	<u>1,078.7</u>
Investments subject to risk categorization	\$	\$	\$	\$	\$
Participation in State of New Jersey Cash Management Fund				201.4	201.4
Total reported as investments				<u>\$ 1,327.6</u>	<u>\$ 1,280.1</u>

### E. Patient Service Revenues

Patient revenues, which were \$425.6 million during Fiscal Year 1998, are recognized at the time of service, net of allowances applicable to third-party payers, charity, and bad debts.

### F. Departmental Receivables

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on historical collection experience and a review of the status of existing receivables.

### G. Fixed Assets

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

	<u>College and University Funds</u>
Land	\$ 99.6
Land improvements	76.5
Building and improvements	2,771.9
Machinery and equipment	1,002.1
Construction in progress	181.3
Total Fixed Assets	4,131.4
Less: Accumulated depreciation	<u>1,082.5</u>
Total Net Fixed Assets	<u>\$ 3,048.9</u>

## H. Pension and Retirement Benefits

Retirement benefits for the majority of eligible full-time employees are provided under various pension agreements, namely the Public Employees' Retirement System (Note 16), the Teachers' Pension and Annuity Fund, and the Teachers' Insurance and Annuity Association College and Retirement Equity Fund. Under these arrangements, the plan participants make annual contributions and the State provides the employer portion of the contribution directly. Contributions made by the State in Fiscal Year 1998 amounted to \$73.2 million. In addition to the above major plans, some employees of Kean University, Montclair State University, Rowan University and The College of New Jersey are covered under the Police and Firemen's Retirement System and some employees of the University of Medicine and Dentistry are covered under retirement systems of the City of Newark. A summary of the State contribution is as follows (expressed in millions):

<u>College/University</u>	<u>State Contribution</u>
The College of New Jersey	\$ 3.0
Thomas A. Edison State College	0.4
New Jersey City University	1.5
Kean University	1.7
Montclair State University	4.4
New Jersey Institute of Technology	3.1
William Paterson University	2.2
Ramapo College of New Jersey	1.7
Rowan University	2.4
Rutgers, The State University of New Jersey	21.8
Richard Stockton College of New Jersey	2.0
University of Medicine and Dentistry	<u>29.0</u>
Total	<u>\$ 73.2</u>

## I. Notes Payable

A summary of notes payable as of June 30, 1998 is as follows (expressed in millions):

<u>College/University</u>	<u>Amount</u>
Ramapo College of New Jersey	\$ 0.3
Rutgers, The State University	<u>2.0</u>
Total	<u>\$ 2.3</u>

## J. Bonds Payable and Other Debt

A summary of bonds issued and outstanding for all colleges and universities as of June 30, 1998 is as follows (expressed in millions):

<u>College/University</u>	<u>Outstanding June 30, 1998</u>
College of New Jersey	\$ 170.5
New Jersey Institute of Technology	89.5
Rowan University	88.5
Rutgers, The State University of NJ	396.3
University of Medicine and Dentistry	<u>201.8</u>
Total	<u>\$ 946.6</u>

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

<u>Fiscal Year</u>	<u>Amount</u>
1999	\$ 53.4
2000	54.1
2001	55.1
2002	54.7
2003	55.6
Thereafter	<u>673.7</u>
Total	<u>\$ 946.6</u>

### K. Capitalized Lease Obligations

A summary of the capitalized lease obligations for all colleges and universities as of June 30, 1998 is as follows (expressed in millions):

<u>College/University</u>	<u>Outstanding June 30, 1998</u>
Thomas A. Edison State College	\$ 1.3
New Jersey City University	33.7
Kean University	37.3
Montclair University	60.7
William Paterson University	27.0
Ramapo College of New Jersey	26.8
Rutgers, The State University of New Jersey	64.9
Richard Stockton College of New Jersey	<u>59.2</u>
Total	<u>\$ 310.9</u>

At June 30, 1998, the above colleges and universities had future lease payments as shown in the following (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
1999	\$ 30.7
2000	26.5
2001	26.9
2002	25.6
2003	27.0
Thereafter	<u>350.2</u>
Total Lease Payments	486.9
Less : Amount Representing Interest	<u>176.0</u>
Present Value of Lease Payments	<u>\$ 310.9</u>

### L. Self Insurance Reserve Fund

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

### M. Commitments and Contingencies

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

## **N. Description of Colleges and Universities**

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

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

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

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

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

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

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

1. To award college credit through college proficiency examinations, the assessment of prior learning and/or the evaluation of transfer credits and special credentials, and to award associate and baccalaureate degrees to individuals who have met the degree requirements as established by the Academic Council of the College.
2. To develop and administer the Thomas A. Edison State College examination and Portfolio Assessment Programs as basic means through which Edison students may satisfy degree requirements.
3. To encourage the availability of college-level learning opportunities through cooperation with all types of institutions that are now providing, or have the potential to provide, college-level learning experiences outside the traditional modes of higher education. In developing these cooperative arrangements, the College will not provide instruction directly but will award credit for such educational experiences either through the evaluation of noncollegiate programs or the direct testing of student learning outcomes.
4. To develop linkages with or create educational delivery systems built around contemporary telecommunications technology which will provide the distant learner with information and guidance on educational opportunities, modes of support for independent study and assessment, and access to media-based instruction and testing.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Institute is recognized as a public institution of higher education by the State of New Jersey. The recognition is supported by an annual contract between the Institute and the State whereby the Institute agrees to render services of public higher education for the State of New Jersey. In return, the State appropriates funds to support the Institute.

The Institute was founded in 1881 (N.J.S.A. 18A:64E-1 et seq.). For more than three decades, the State Board of Education contracted annually with the New Jersey Institute of Technology, formerly Newark College of Engineering, for services in public higher education. Effective July 1, 1967, the contractual relationship is with the State Board of Higher Education (N.J.S.A. 18A:3-14).

The physical plant is located in Newark on 34 acres and is comprised of 16 buildings, including classroom-laboratory buildings, gymnasium, library, theatre, residence hall, maintenance building, parking lots, and playing fields.

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

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

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

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

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

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

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

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

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

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

Founded in 1766 as one of the colonial colleges, Rutgers became The State University in 1956 (N.J.S.A. 18A:65-1 et seq. as amended) with a reorganized Board of Trustees and a newly created Board of Governors. The membership of the Board of Governors consists of ex-officio members, the Chancellor of the Department of Higher Education of New Jersey, the President of the Corporation and 11 voting members, six of whom are appointed by the Governor of the State with the advice and consent of the Senate, and five of whom are appointed by the Board of Trustees from among its members. The Board of Governors has general supervision over the University operations. The Board of Trustees acts in overall advisory capacity and controls certain properties, funds, and trusts. The State Board of Higher Education (N.J.S.A. 18A:62-1 et seq.) is responsible for the coordination and general financial oversight of Rutgers as a part of the State system of higher education.

The University provides instruction to approximately 90,000 full and part-time students enrolled in instructional programs in its graduate and undergraduate colleges, schools, summer session, and continuing education programs.

Research, the second major area of University responsibility, has earned the support of commerce, industry, State and Federal governments, societies, and philanthropic organizations, as well as financing from the University funds.

Extension services, designed to take the University teaching function directly to the people of the State, is a major responsibility. Such services range from the work of the county agricultural, home economics, and 4-H Club agents to non-credit courses, including postgraduate work in technical and professional fields.

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

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

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

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

The University of Medicine and Dentistry of New Jersey is governed and managed by a Board of Trustees appointed by the Governor with Senate confirmation and administered by a President as the Chief Executive Officer. The primary purposes of the institution are the education of health care personnel including physicians, dentists, and allied health professionals, medical and dental research, and the provision of health care to the people of New Jersey.

The University is composed of three medical schools (two Allopathic and one Osteopathic), a dental school, a graduate school of biomedical sciences, and a school of allied health professions. Its medical programs are centered in Newark, Piscataway and Camden. It operates a hospital and two community mental health care centers which serve as both health care and teaching facilities.

In addition to its wholly owned facilities, the University is affiliated for teaching purposes at either, or both, the undergraduate and graduate level with 54 community hospitals and health care agencies, five community colleges, seven State colleges and universities, and three independent universities.

## **NOTE 20 - CONTINGENT LIABILITIES**

### **General Fund**

At any given time, there are various numbers of claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 1998, the exact amount involved in these legal proceedings is not fully determinable.

### **Special Revenue Funds**

#### **New Jersey Automobile Insurance Guaranty Fund**

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

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

Claims of approximately \$17.8 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. The ultimate disposition of these claims is not determinable at this time.

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

As of June 30, 1998, claims totaling \$23.0 million have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

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

Various claims totaling approximately \$20.0 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

## Capital Project and Special Revenue Funds

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

Correctional Facilities Construction Fund of 1987	\$ 3.8
1983 New Jersey Green Acres Fund	0.3
Public Purpose Buildings Construction Fund	3.4
Special Transportation Fund	23.0

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

## Trust Funds

### New Home Warranty Security Fund

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

### Real Estate Guaranty Fund

Claim payments, as certified by court orders, are made to persons aggrieved by the unlawful practices of real estate brokers or salesmen. As of June 30, 1998, there were various cases pending with a maximum possible exposure to the Fund of approximately \$.5 million. The ultimate disposition of these claims is not determinable at this time.

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

As of June 30, 1998, an independent study was performed which estimated an aggregate potential exposure for tort and medical malpractice claims of approximately \$86.1 million. The State has the ultimate liability for any claims in excess of the resources of the fund.

## Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 1998, audits of expenditures for Fiscal Year 1998 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 1998, it is management's opinion that disallowances, if any, would not be material.

## Pension Funds

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

## **NOTE 21 - YEAR 2000**

The State of New Jersey has implemented a plan to address the Year 2000 data processing problem and ensure the continuation of government operations into the Year 2000 and beyond.

Formal planning for the Year 2000 commenced in 1997 with the requirement that the various State departments submit comprehensive three year action plans identifying all Year 2000 impacts, strategies, timeframes for addressing these impacts, and estimates of cost. In addition, external parties have been requested to submit their plans for addressing the Year 2000 problem. The State imposed a moratorium during Fiscal Year 1998 on all non-year 2000 related data processing activities to ensure availability of resources for Year 2000 compliance. Agencies were directed to review current and ongoing technology initiatives in light of the moratorium and suspend all those that are not considered mission critical. This moratorium will remain in effect until each agency can certify that it is Year 2000 compliant.

With respect to remediation of the Year 2000 problem, the State's Office of Information Technology (OIT) is utilizing in-house and vendor resources to renovate over 65 million lines of code. Departments have quick access to vendor resources for renovating in-house applications, and to a State web site where current Year 2000 compliance information is available. Test tools have been purchased and testing environments have been established. In addition, all new equipment, software, systems, or enhancements purchased by the State must be Year 2000 compliant.

OIT is monitoring Year 2000 compliance on a quarterly basis and is providing assistance and assigning resources to accelerate compliance for mission critical systems. With work completed or in progress on all mission critical systems, most compliance testing is expected to be completed by mid-1999. While there can be no guarantee that all the State's mission-critical and high-priority computer systems will be Year 2000 compliant, the State is concentrating efforts so that there will not be an adverse impact upon State operations or State finances as a result. Departmental systems are in varying stages of remediation.

The total estimated cost to the State to achieve Year 2000 compliance is \$132 million. Approximately \$55 million of expenditures have been incurred as of June 30, 1998.

Colleges and universities, authorities, municipal, county and local sub-divisions will address Year 2000 in their separately issued financial reports.

## **NOTE 22 - SUBSEQUENT EVENTS**

Subsequent to June 30, 1998, the State issued \$700 million of short term notes in the form of commercial paper. Final maturity of the notes is June 15, 1999.

The image features two men in historical military uniforms, likely from the American Revolutionary War, standing in profile facing each other. They are wearing tricorn hats, dark jackets with white facings, and breeches. Each man holds a long rifle. The background is plain white.

# Combining Financial Statements

**New Jersey State Library**



# Special Revenue Funds



As battles between British and Continental armies raged across the northern half of New Jersey in 1777, the legislature abandoned Trenton and fled south to safer haven in the village of Haddonfield. There, they reconvened in the second-floor assembly room of the Indian King Tavern and continued to conduct the newly independent state's legal affairs and war efforts. The Great Seal of New Jersey adopted during those sessions used old world heraldic symbolism to mark the most important attributes and qualities of the state and its people.

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<u>Alcohol Education, Rehabilitation And Enforcement Fund</u>	<u>Beaches And Harbor Fund</u>	<u>Board of Bar Examiners</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 84,524	\$ 33,342	\$ 51,234
<b>INVESTMENTS</b>	5,757,836	1,170,012	1,935,876
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	106	--	--
Loans	--	--	--
Other	--	153,470	30,581
<b>OTHER ASSETS</b>			
Due from other funds	1,991,935	--	--
Deferred charges	--	--	--
Other	--	1,348,353	--
<b>Total Assets</b>	<u>\$ 7,834,401</u>	<u>\$ 2,705,177</u>	<u>\$ 2,017,691</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 1,374,222	\$ --	\$ 491,196
Deferred revenue	--	--	--
Due to other funds	1,775,772	143,594	--
Other	--	--	--
<b>Total Liabilities</b>	<u>3,149,994</u>	<u>143,594</u>	<u>491,196</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	3,542,236	4,000	--
Other	--	1,348,353	--
Unreserved:			
Designated-unrealized gains	721	147	30,271
Designated-continuing appropriations	--	1,208,584	--
Undesignated	1,141,450	499	1,496,224
<b>Total Fund Balances</b>	<u>4,684,407</u>	<u>2,561,583</u>	<u>1,526,495</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,834,401</u>	<u>\$ 2,705,177</u>	<u>\$ 2,017,691</u>

<b>Boarding House Rental Assistance Fund</b>	<b>Body Armor Replacement Fund</b>	<b>Casino Control Fund</b>	<b>Casino Revenue Fund</b>
\$ 21,840	\$ 660,176	\$ 51,000	\$ --
6,945,921	1,184,046	--	--
--	--	--	--
--	--	6,096,688	18,577,054
--	289,452	--	--
--	--	10,086,970	39,740,216
--	--	--	--
<u>\$ 6,967,761</u>	<u>\$ 2,133,674</u>	<u>\$ 16,234,658</u>	<u>\$ 58,317,270</u>
\$ 641,605	\$ --	\$ 3,362,480	\$ 24,321,452
--	--	8,754,603	--
685,000	--	--	--
--	--	--	--
<u>1,326,605</u>	<u>--</u>	<u>12,117,083</u>	<u>24,321,452</u>
--	--	4,699,211	33,995,818
5,405,461	--	--	--
870	148	--	--
--	--	--	--
<u>234,825</u>	<u>2,133,526</u>	<u>(581,636)</u>	<u>--</u>
<u>5,641,156</u>	<u>2,133,674</u>	<u>4,117,575</u>	<u>33,995,818</u>
<u>\$ 6,967,761</u>	<u>\$ 2,133,674</u>	<u>\$ 16,234,658</u>	<u>\$ 58,317,270</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<b>Casino Simulcasting Fund</b>	<b>Casino Simulcasting Special Fund</b>	<b>Catastrophic Illness in Children Relief Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 56,568	\$ 31,800	\$ 296,629
<b>INVESTMENTS</b>	3,395,822	3,199,706	16,333,725
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	69,518	600,665	2,624,612
Loans	--	--	--
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 3,521,908</b>	<b>\$ 3,832,171</b>	<b>\$ 19,254,966</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 378,004
Deferred revenue	--	--	--
Due to other funds	2,700,000	--	1,016,449
Other	--	--	--
<b>Total Liabilities</b>	<b>2,700,000</b>	<b>--</b>	<b>1,394,453</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	9,113
Other	--	--	--
Unreserved:			
Designated-unrealized gains	425	401	2,046
Designated-continuing appropriations	--	--	--
Undesignated	821,483	3,831,770	17,849,354
<b>Total Fund Balances</b>	<b>821,908</b>	<b>3,832,171</b>	<b>17,860,513</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,521,908</b>	<b>\$ 3,832,171</b>	<b>\$ 19,254,966</b>

<b>Clean Communities Account Fund</b>	<b>Clean Waters Fund</b>	<b>Cultural Centers And Historic Preservation Fund</b>	<b>1992 Dam Restoration and Clean Waters Trust Fund</b>	<b>1989 Development Potential Bank Transfer Fund</b>
\$ 79,115	\$ 21,984	\$ --	\$ 25,944	\$ 40,000
8,038,583	2,660,912	5,069,894	2,447,690	2,981,234
--	--	--	--	--
588,960	--	--	--	--
--	--	--	434,308	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 8,706,658</u>	<u>\$ 2,682,896</u>	<u>\$ 5,069,894</u>	<u>\$ 2,907,942</u>	<u>\$ 3,021,234</u>
\$ 58,180	\$ --	\$ 161,064	\$ 86,123	\$ --
--	--	--	--	--
725,000	67,652	4,074,932	--	45,429
--	6,654	--	14,095	--
<u>783,180</u>	<u>74,306</u>	<u>4,235,996</u>	<u>100,218</u>	<u>45,429</u>
5,116	744,913	13,703,557	6,357,351	--
--	--	--	434,308	--
1,007	333	--	--	373
--	--	--	--	--
<u>7,917,355</u>	<u>1,863,344</u>	<u>(12,869,659)</u>	<u>(3,983,935)</u>	<u>2,975,432</u>
<u>7,923,478</u>	<u>2,608,590</u>	<u>833,898</u>	<u>2,807,724</u>	<u>2,975,805</u>
<u>\$ 8,706,658</u>	<u>\$ 2,682,896</u>	<u>\$ 5,069,894</u>	<u>\$ 2,907,942</u>	<u>\$ 3,021,234</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<b>Developmental Disabilities Waiting List Reduction Fund</b>	<b>Disciplinary Oversight Committee</b>	<b>Division of Motor Vehicles Surcharge Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ --	\$ 1,450,844	\$ 475,269
<b>INVESTMENTS</b>	5,489,083	4,190,498	4,843,495
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	66,536	--
<b>OTHER ASSETS</b>			
Due from other funds	--	--	2,288,634
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 5,489,083</b>	<b>\$ 5,707,878</b>	<b>\$ 7,607,398</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 787,404	\$ 2,638,369	\$ 4,347,170
Deferred revenue	--	--	--
Due to other funds	74,583	--	--
Other	82,812	--	--
<b>Total Liabilities</b>	<b>944,799</b>	<b>2,638,369</b>	<b>4,347,170</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	8,071,413	--	--
Other	--	--	--
Unreserved:			
Designated-unrealized gains	--	62,705	607
Designated-continuing appropriations	--	--	--
Undesignated	(3,527,129)	3,006,804	3,259,621
<b>Total Fund Balances</b>	<b>4,544,284</b>	<b>3,069,509</b>	<b>3,260,228</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,489,083</b>	<b>\$ 5,707,878</b>	<b>\$ 7,607,398</b>

<b>Emergency Flood Control Fund</b>	<b>Emergency Medical Technician Training Fund</b>	<b>Enterprise Zone Assistance Fund</b>	<b>Farmland Preservation Fund</b>	<b>1989 Farmland Preservation Fund</b>
\$ 13,664	\$ --	\$ --	\$ 305	\$ 78,477
602,429	7,256,078	138,397,776	338,512	1,971,362
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 616,093</u>	<u>\$ 7,256,078</u>	<u>\$ 138,397,776</u>	<u>\$ 338,817</u>	<u>\$ 2,049,839</u>
\$ --	\$ 89,674	\$ 5,098,149	\$ 188,772	\$ --
--	--	--	--	--
396,898	71,287	1,589,032	94,589	90,000
--	--	--	--	20,387
<u>396,898</u>	<u>160,961</u>	<u>6,687,181</u>	<u>283,361</u>	<u>110,387</u>
68,908	--	63,796,357	--	--
--	--	--	--	--
75	909	17,332	42	247
150,212	3,891,406	42,945,636	55,414	--
--	3,202,802	24,951,270	--	1,939,205
<u>219,195</u>	<u>7,095,117</u>	<u>131,710,595</u>	<u>55,456</u>	<u>1,939,452</u>
<u>\$ 616,093</u>	<u>\$ 7,256,078</u>	<u>\$ 138,397,776</u>	<u>\$ 338,817</u>	<u>\$ 2,049,839</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<b>1992 Farmland Preservation Fund</b>	<b>1995 Farmland Preservation Fund</b>	<b>Green Trust Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 525,607	\$ --	\$ 241,152
<b>INVESTMENTS</b>	2,996,407	11,846,779	11,541,814
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	68,376,752
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	54,553	--	3,255,757
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 3,576,567</b>	<b>\$ 11,846,779</b>	<b>\$ 83,415,475</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ 2,282,655	\$ --
Deferred revenue	--	--	--
Due to other funds	2,308,811	10,334,771	--
Other	86,086	13,346	5,629
<b>Total Liabilities</b>	<b>2,394,897</b>	<b>12,630,772</b>	<b>5,629</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	14,012	19,458,973
Other	--	--	68,376,752
Unreserved:			
Designated-unrealized gains	375	--	--
Designated-continuing appropriations	--	--	--
Undesignated	1,181,295	(798,005)	(4,425,879)
<b>Total Fund Balances</b>	<b>1,181,670</b>	<b>(783,993)</b>	<b>83,409,846</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,576,567</b>	<b>\$ 11,846,779</b>	<b>\$ 83,415,475</b>

<b>Gubernatorial Elections Fund</b>	<b>Hazardous Discharge Fund Of 1981</b>	<b>Hazardous Discharge Fund Of 1986</b>	<b>Hazardous Discharge Site Cleanup Fund</b>	<b>Health Care Subsidy Fund</b>
\$ --	\$ 50,571	\$ --	\$ 112,631	\$ 1,529,241
--	5,205,152	4,077,316	36,925,773	49,409,015
--	--	--	--	--
--	--	35	3,550,000	98,025,535
--	--	--	--	--
--	--	--	11,302,494	--
361,784	--	3,665,911	17,250,210	32,900,000
--	--	--	--	--
--	--	--	--	--
<b>\$ 361,784</b>	<b>\$ 5,255,723</b>	<b>\$ 7,743,262</b>	<b>\$ 69,141,108</b>	<b>\$ 181,863,791</b>
\$ --	\$ --	\$ 1,976,726	\$ 341,341	\$ 2,103,477
--	--	--	--	--
--	14,539,011	9,800,711	8,785,980	103,842,560
--	23,822	222,677	--	--
--	14,562,833	12,000,114	9,127,321	105,946,037
361,784	--	50,461,078	25,045,755	--
--	--	--	11,302,494	--
--	--	--	4,624	6,188
--	--	--	23,660,914	--
--	(9,307,110)	(54,717,930)	--	75,911,566
361,784	(9,307,110)	(4,256,852)	60,013,787	75,917,754
<b>\$ 361,784</b>	<b>\$ 5,255,723</b>	<b>\$ 7,743,262</b>	<b>\$ 69,141,108</b>	<b>\$ 181,863,791</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<b>Higher Education Facility Renovation and Rehabilitation Fund</b>	<b>1992 Historic Preservation Fund</b>	<b>Historic Preservation Revolving Loan Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 22,510	\$ --	\$ --
<b>INVESTMENTS</b>	706,136	1,857,297	3,106,898
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	30,000
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	4,000,000	23,097	--
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 4,728,646</b>	<b>\$ 1,880,394</b>	<b>\$ 3,136,898</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 961,315	\$ 51,076	\$ --
Deferred revenue	4,459	--	--
Due to other funds	--	3,656,659	--
Other	--	17,099	--
<b>Total Liabilities</b>	<b>965,774</b>	<b>3,724,834</b>	<b>--</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	1,634,534	9,607,858	--
Other	--	--	30,000
Unreserved:			
Designated-unrealized gains	88	--	389
Designated-continuing appropriations	1,867,204	--	--
Undesignated	261,046	(11,452,298)	3,106,509
<b>Total Fund Balances</b>	<b>3,762,872</b>	<b>(1,844,440)</b>	<b>3,136,898</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,728,646</b>	<b>\$ 1,880,394</b>	<b>\$ 3,136,898</b>

<b>Housing Assistance Fund</b>	<b>Jobs, Education And Competitiveness Fund</b>	<b>Jobs, Science And Technology Fund</b>	<b>Korean Veterans' Memorial Fund</b>	<b>Medical Education Facilities Fund</b>
\$ 33,681	\$ 98,696	\$ 19,386	\$ 9,556	\$ 2,401
56,974	3,496,366	218,040	10,310	542,302
--	--	--	--	--
--	--	--	--	--
6,544,617	--	--	--	--
12,732	412,240	--	--	--
--	59,626	--	--	--
--	--	--	--	--
--	--	--	--	--
<b>\$ 6,648,004</b>	<b>\$ 4,066,928</b>	<b>\$ 237,426</b>	<b>\$ 19,866</b>	<b>\$ 544,703</b>
\$ --	\$ 984,280	\$ --	\$ --	\$ --
--	--	--	--	--
42,192	4,000,000	26,011	--	29,690
--	341,704	--	--	--
<b>42,192</b>	<b>5,325,984</b>	<b>26,011</b>	<b>--</b>	<b>29,690</b>
--	7,242,106	150,000	185	--
6,544,617	--	--	--	--
7	--	28	--	68
--	--	61,387	--	508,593
61,188	(8,501,162)	--	19,681	6,352
<b>6,605,812</b>	<b>(1,259,056)</b>	<b>211,415</b>	<b>19,866</b>	<b>515,013</b>
<b>\$ 6,648,004</b>	<b>\$ 4,066,928</b>	<b>\$ 237,426</b>	<b>\$ 19,866</b>	<b>\$ 544,703</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<u>Mortgage Assistance Fund</u>	<u>Natural Resources Fund</u>	<u>New Jersey Automobile Insurance Guaranty Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 12,817	\$ 20,263	\$ 51,847
<b>INVESTMENTS</b>	1,818,506	5,822,415	187,004,489
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	12,012,797	33,808	--
Other	490,870	63,459	642,404
<b>OTHER ASSETS</b>			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	561,220	--
<b>Total Assets</b>	<b>\$ 14,334,990</b>	<b>\$ 6,501,165</b>	<b>\$ 187,698,740</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 408,942
Deferred revenue	--	--	--
Due to other funds	672,536	832,071	--
Other	--	17	--
<b>Total Liabilities</b>	<b>672,536</b>	<b>832,088</b>	<b>408,942</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	8,370,036	--
Other	12,012,797	33,808	13,973,393
Unreserved:			
Designated-unrealized gains	228	--	23,419
Designated-continuing appropriations	1,066,440	--	--
Undesignated	582,989	(2,734,767)	173,292,986
<b>Total Fund Balances</b>	<b>13,662,454</b>	<b>5,669,077</b>	<b>187,289,798</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,334,990</b>	<b>\$ 6,501,165</b>	<b>\$ 187,698,740</b>

<b>New Jersey Building Authority</b>	<b>1995 New Jersey Coastal Blue Acres Trust Fund</b>	<b>1983 New Jersey Green Acres Fund</b>	<b>1989 New Jersey Green Acres Fund</b>	<b>1992 New Jersey Green Acres Fund</b>
\$ 75,427	\$ --	\$ 4,351	\$ --	\$ --
155,590,675	--	21,688,440	4,478,337	6,870,860
--	--	117,961	--	--
--	--	--	--	--
--	--	--	--	--
450,950	--	58,430	--	--
--	--	--	--	60,378
7,545,464	--	--	--	--
26,393	--	19,165	--	--
<b>\$ 163,688,909</b>	<b>\$ --</b>	<b>\$ 21,888,347</b>	<b>\$ 4,478,337</b>	<b>\$ 6,931,238</b>
\$ 13,030,359	\$ --	\$ 6,152	\$ 397,698	\$ 1,139,116
--	--	--	--	--
--	--	1,191,483	--	6,728,734
--	--	--	116,178	169,139
<b>13,030,359</b>	<b>--</b>	<b>1,197,635</b>	<b>513,876</b>	<b>8,036,989</b>
--	300,000	98,474	3,567,931	3,519,723
--	--	19,165	--	--
--	--	2,716	561	--
150,658,550	--	1,420,560	395,969	--
--	(300,000)	19,149,797	--	(4,625,474)
<b>150,658,550</b>	<b>--</b>	<b>20,690,712</b>	<b>3,964,461</b>	<b>(1,105,751)</b>
<b>\$ 163,688,909</b>	<b>\$ --</b>	<b>\$ 21,888,347</b>	<b>\$ 4,478,337</b>	<b>\$ 6,931,238</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<u>1995 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Trust Fund</u>	<u>1992 New Jersey Green Trust Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ --	\$ 264,563	\$ 612,104
<b>INVESTMENTS</b>	7,193,523	3,984,899	1,583,143
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	73,353,603	25,413,228
Other	--	549,202	126,477
<b>OTHER ASSETS</b>			
Due from other funds	--	112,352	--
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<u>\$ 7,193,523</u>	<u>\$ 78,264,619</u>	<u>\$ 27,734,952</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 3,349,533	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	1,156,262	--	2,042,771
Other	101,185	244,050	154,459
<b>Total Liabilities</b>	<u>4,606,980</u>	<u>244,050</u>	<u>2,197,230</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	7,671,181	14,367,757	33,408,367
Other	--	73,353,603	25,413,228
Unreserved:			
Designated-unrealized gains	--	--	--
Designated-continuing appropriations	--	--	--
Undesignated	(5,084,638)	(9,700,791)	(33,283,873)
<b>Total Fund Balances</b>	<u>2,586,543</u>	<u>78,020,569</u>	<u>25,537,722</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,193,523</u>	<u>\$ 78,264,619</u>	<u>\$ 27,734,952</u>

<b>1995 New Jersey Green Trust Fund</b>	<b>New Jersey Lawyers' Fund for Client Protection</b>	<b>New Jersey Local Development Financing Fund</b>	<b>New Jersey Spill Compensation Fund</b>	<b>New Jersey Transportation Trust Fund Authority</b>
\$ 229,102	\$ 91,374	\$ --	\$ 94,410	\$ --
3,865,935	11,298,106	12,040,573	42,394,776	272,531,821
--	--	--	--	--
--	--	--	30,845	8,919,413
12,828,074	--	35,238,424	--	--
23,299	135,970	415,663	7,014,284	--
32,539	--	--	--	--
--	--	--	--	--
--	2,404	--	--	--
<b>\$ 16,978,949</b>	<b>\$ 11,527,854</b>	<b>\$ 47,694,660</b>	<b>\$ 49,534,315</b>	<b>\$ 281,451,234</b>
\$ --	\$ 162,766	\$ 34,426	\$ 446,795	\$ 85,798,511
--	--	--	--	--
5,017,329	--	132,088	18,726,602	63,679,195
40,661	--	--	--	--
<b>5,057,990</b>	<b>162,766</b>	<b>166,514</b>	<b>19,173,397</b>	<b>149,477,706</b>
37,848,255	--	--	9,894,958	--
12,828,074	--	35,238,424	--	131,887,334
--	41,635	1,508	5,310	--
--	--	12,288,214	--	86,194
(38,755,370)	11,323,453	--	20,460,650	--
<b>11,920,959</b>	<b>11,365,088</b>	<b>47,528,146</b>	<b>30,360,918</b>	<b>131,973,528</b>
<b>\$ 16,978,949</b>	<b>\$ 11,527,854</b>	<b>\$ 47,694,660</b>	<b>\$ 49,534,315</b>	<b>\$ 281,451,234</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<b>New Jersey Workforce Development Partnership Fund</b>	<b>Petroleum Overcharge Reimbursement Fund</b>	<b>Pinelands Infrastructure Trust Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ --	\$ 17,780	\$ 51,176
<b>INVESTMENTS</b>	100,443,051	25,943,534	2,885,474
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	18,467,337	--	--
Loans	--	3,500,000	6,297,466
Other	--	--	106,165
<b>OTHER ASSETS</b>			
Due from other funds	618,925	--	--
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 119,529,313</b>	<b>\$ 29,461,314</b>	<b>\$ 9,340,281</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 7,008,066	\$ 60,697	\$ --
Deferred revenue	--	19,005,059	--
Due to other funds	18,464,362	--	--
Other	--	--	--
<b>Total Liabilities</b>	<b>25,472,428</b>	<b>19,065,756</b>	<b>--</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	39,258,983	--	165,142
Other	--	3,500,000	6,297,466
Unreserved:			
Designated-unrealized gains	12,579	3,249	361
Designated-continuing appropriations	--	3,749,176	2,877,312
Undesignated	54,785,323	3,143,133	--
<b>Total Fund Balances</b>	<b>94,056,885</b>	<b>10,395,558</b>	<b>9,340,281</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 119,529,313</b>	<b>\$ 29,461,314</b>	<b>\$ 9,340,281</b>

<b>Pollution Prevention Fund</b>	<b>Property Tax Relief Fund</b>	<b>Resource Recovery And Solid Waste Disposal Facility Fund</b>	<b>Safe Drinking Water Fund</b>	<b>Sanitary Landfill Facility Contingency Fund</b>
\$ 224,375	\$ --	\$ 61,767	\$ 104,021	\$ 98,893
3,928,626	--	19,916,897	6,006,447	29,445,755
--	--	--	--	--
1,182,311	225,298,806	--	426,458	119,482
--	--	103,394,487	--	--
--	--	--	--	--
--	498,165,445	--	166,404	--
--	--	--	--	--
--	--	--	--	--
<b>\$ 5,335,312</b>	<b>\$ 723,464,251</b>	<b>\$ 123,373,151</b>	<b>\$ 6,703,330</b>	<b>\$ 29,664,130</b>
\$ 9,140	\$ 93,689,841	\$ --	\$ 58,743	\$ 675
--	--	--	--	--
1,809,948	762	191,020	2,789,725	145,506
--	59,576,763	--	--	--
<b>1,819,088</b>	<b>153,267,366</b>	<b>191,020</b>	<b>2,848,468</b>	<b>146,181</b>
--	48,840,551	--	920,352	58,230
--	--	103,394,487	--	--
492	--	2,494	753	3,688
--	26,419,073	19,785,150	--	--
<b>3,515,732</b>	<b>494,937,261</b>	<b>--</b>	<b>2,933,757</b>	<b>29,456,031</b>
<b>3,516,224</b>	<b>570,196,885</b>	<b>123,182,131</b>	<b>3,854,862</b>	<b>29,517,949</b>
<b>\$ 5,335,312</b>	<b>\$ 723,464,251</b>	<b>\$ 123,373,151</b>	<b>\$ 6,703,330</b>	<b>\$ 29,664,130</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<u>Shore Protection Fund</u>	<u>State Land Acquisition And Development Fund</u>	<u>State Lottery Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 22,819	\$ 29,963	\$ 1,066,379
<b>INVESTMENTS</b>	10,744,971	211,043	89,343,832
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	2,094,405	--	--
Other	111,941	--	20,720,919
<b>OTHER ASSETS</b>			
Due from other funds	--	--	--
Deferred charges	--	--	8,078,203
Other	85,688	--	--
<b>Total Assets</b>	<u>\$ 13,059,824</u>	<u>\$ 241,006</u>	<u>\$ 119,209,333</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ 242,470	\$ 42,218,133
Deferred revenue	--	--	567,960
Due to other funds	--	28,925	66,400,437
Other	10,147	51,528	--
Total Liabilities	<u>10,147</u>	<u>322,923</u>	<u>109,186,530</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	172,622	6,048,854	--
Other	2,094,405	--	10,011,615
Unreserved:			
Designated-unrealized gains	1,346	--	11,188
Designated-continuing appropriations	2,848,856	--	--
Undesignated	7,932,448	(6,130,771)	--
Total Fund Balances	<u>13,049,677</u>	<u>(81,917)</u>	<u>10,022,803</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,059,824</u>	<u>\$ 241,006</u>	<u>\$ 119,209,333</u>

<b>State Recreation And Conservation Land Acquisition Fund</b>	<b>State Recreation And Conservation Land Acquisition And Development Fund</b>	<b>State Recycling Fund</b>	<b>Stormwater Management And Combined Sewer Overflow Abatement Fund</b>	<b>Superior Court Of New Jersey Trust Fund</b>
\$ 922	\$ 5,634	\$ 57,061	\$ 15,925	\$ 7,332,335
241	2,291,293	8,666,071	12,666,466	105,590,086
--	--	--	--	--
--	--	396,595	--	--
--	--	5,660,086	--	--
--	--	--	--	2,116,003
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,163</u>	<u>\$ 2,296,927</u>	<u>\$ 14,779,813</u>	<u>\$ 12,682,391</u>	<u>\$ 115,038,424</u>
\$ --	\$ --	\$ 7,899	\$ --	\$ 112,985,479
--	--	--	--	--
1,163	123,219	967,162	440,633	--
--	13,656	--	8,674	--
<u>1,163</u>	<u>136,875</u>	<u>975,061</u>	<u>449,307</u>	<u>112,985,479</u>
--	1,274,751	772,184	5,188,439	--
--	--	5,660,086	--	--
--	287	1,085	1,586	818,793
--	885,014	--	5,906,703	--
--	--	7,371,397	1,136,356	1,234,152
--	2,160,052	13,804,752	12,233,084	2,052,945
<u>\$ 1,163</u>	<u>\$ 2,296,927</u>	<u>\$ 14,779,813</u>	<u>\$ 12,682,391</u>	<u>\$ 115,038,424</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

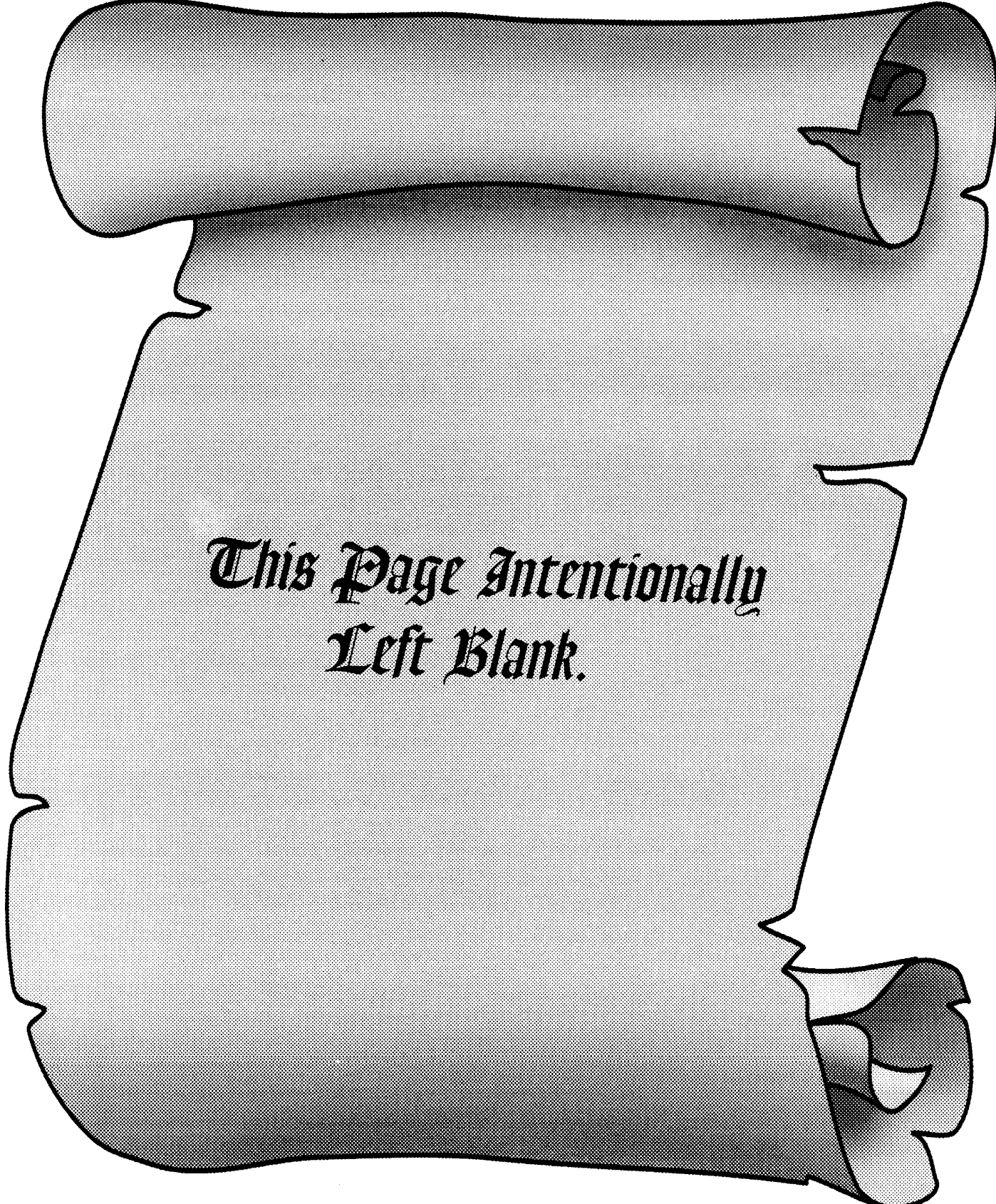
	<u>Trial Attorney Certification Program</u>	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Vietnam Veterans' Memorial Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 19,763	\$ 447,237	\$ 3
<b>INVESTMENTS</b>	174,354	9,770,089	--
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	68,848
Loans	--	--	--
Other	3,253	--	--
<b>OTHER ASSETS</b>			
Due from other funds	--	218,741	763
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 197,370</b>	<b>\$ 10,436,067</b>	<b>\$ 69,614</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 48,729	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	5,606,602	--
Other	--	82,016	--
<b>Total Liabilities</b>	<b>48,729</b>	<b>5,688,618</b>	<b>--</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-unrealized gains	3,217	1,224	--
Designated-continuing appropriations	--	--	--
Undesignated	145,424	4,746,225	69,614
<b>Total Fund Balances</b>	<b>148,641</b>	<b>4,747,449</b>	<b>69,614</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 197,370</b>	<b>\$ 10,436,067</b>	<b>\$ 69,614</b>

<b>Volunteer Emergency Service Organizations Loan Fund</b>	<b>Wastewater Treatment Fund</b>	<b>1992 Wastewater Treatment Fund</b>	<b>Water Conservation Fund</b>	<b>Water Supply Fund</b>
\$ 159,762	\$ 183,151	\$ 23,802	\$ 21,492	\$ 243,586
823,377	207,353,616	3,050,549	3,717,180	75,148,587
--	--	--	--	--
--	--	--	--	--
1,569,269	384,485,744	8,031,198	758,187	127,004,326
--	274,320	--	17,921	1,804,183
--	12,979,597	39,092	25,958	8,112,689
--	--	--	--	--
--	--	--	--	--
<b>\$ 2,552,408</b>	<b>\$ 605,276,428</b>	<b>\$ 11,144,641</b>	<b>\$ 4,540,738</b>	<b>\$ 212,313,371</b>
\$ --	\$ --	\$ --	\$ --	\$ 100
--	877,957	--	--	--
--	--	5,048,293	743,843	5,226,030
--	--	43,690	79,760	--
--	877,957	5,091,983	823,603	5,226,130
50,000	7,550,234	3,071,775	16,957	12,193,755
1,569,269	384,485,744	8,031,198	758,187	127,004,326
103	25,968	--	466	9,411
--	181,989,878	--	2,941,525	67,879,749
933,036	30,346,647	(5,050,315)	--	--
2,552,408	604,398,471	6,052,658	3,717,135	207,087,241
<b>\$ 2,552,408</b>	<b>\$ 605,276,428</b>	<b>\$ 11,144,641</b>	<b>\$ 4,540,738</b>	<b>\$ 212,313,371</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
SPECIAL REVENUE FUNDS  
JUNE 30, 1998**

	<b>Water Supply Replacement Trust Fund</b>	<b>Worker And Community Right To Know Fund</b>	<b>Total Special Revenue Funds</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 23,995	\$ 91,742	\$ 17,877,988
<b>INVESTMENTS</b>	5,252,805	3,561,667	1,821,309,578
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	117,961
Departmental accounts	--	1,373,009	386,416,277
Loans	--	--	877,060,779
Other	--	--	47,393,218
<b>OTHER ASSETS</b>			
Due from other funds	--	--	636,211,576
Deferred charges	--	--	15,623,667
Other	--	--	2,043,223
<b>Total Assets</b>	<b>\$ 5,276,800</b>	<b>\$ 5,026,418</b>	<b>\$ 3,804,054,267</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ 8,872	\$ 413,837,876
Deferred revenue	--	--	29,210,038
Due to other funds	--	4,066,881	383,150,195
Other	--	--	61,526,234
<b>Total Liabilities</b>	<b>--</b>	<b>4,075,753</b>	<b>887,724,343</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	348,501	--	493,952,290
Other	--	--	1,051,008,594
Unreserved:			
Designated-unrealized gains	658	445	1,105,196
Designated-continuing appropriations	4,816,836	--	560,364,549
Undesignated	110,805	950,220	809,899,295
<b>Total Fund Balances</b>	<b>5,276,800</b>	<b>950,665</b>	<b>2,916,329,924</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,276,800</b>	<b>\$ 5,026,418</b>	<b>\$ 3,804,054,267</b>

A grayscale illustration of a scroll with a textured, stippled appearance. The scroll is partially unrolled, with the top and bottom edges curled. The text is centered on the main body of the scroll.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Alcohol Education, Rehabilitation And Enforcement Fund</b>	<b>Beaches And Harbor Fund</b>	<b>Board of Bar Examiners</b>
<b>REVENUES</b>			
Taxes	\$ 11,000,000	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	1,960,242	--	1,704,909
Services and assessments	--	--	--
Investment earnings	301,418	143,677	86,662
Contributions	--	--	--
Other	--	--	19,945
<b>Total Revenues</b>	<b>13,261,660</b>	<b>143,677</b>	<b>1,811,516</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>13,261,660</b>	<b>143,677</b>	<b>1,811,516</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	1,686,878	--	1,611,749
Physical and mental health	8,912,000	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>10,598,878</b>	<b>--</b>	<b>1,611,749</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	1,775,772	143,594	--
<b>Total Other Financing Uses</b>	<b>1,775,772</b>	<b>143,594</b>	<b>--</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>12,374,650</b>	<b>143,594</b>	<b>1,611,749</b>
Net Increases (Decreases) in Fund Balances for the Year	887,010	83	199,767
<b>FUND BALANCES-JULY 1, 1997</b>	<b>4,357,397</b>	<b>2,561,500</b>	<b>1,326,728</b>
<b>Residual Equity Transfer In (Out)</b>	<b>(560,000)</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 4,684,407</b>	<b>\$ 2,561,583</b>	<b>\$ 1,526,495</b>

<b>Boarding House Rental Assistance Fund</b>	<b>Body Armor Replacement Fund</b>	<b>Casino Control Fund</b>	<b>Casino Revenue Fund</b>
\$ --	\$ --	\$ --	\$ 312,734,322
--	--	--	--
--	--	53,126,719	--
--	--	--	--
388,503	9,046	497,056	747,850
--	--	--	--
--	2,124,628	--	33,190,444
<u>388,503</u>	<u>2,133,674</u>	<u>53,623,775</u>	<u>346,672,616</u>
--	--	--	26,473,252
--	--	--	--
--	--	--	--
--	--	--	26,473,252
<u>388,503</u>	<u>2,133,674</u>	<u>53,623,775</u>	<u>373,145,868</u>
--	--	29,554,898	--
--	--	--	302,163,039
--	--	--	24,474,310
745,734	--	--	--
--	--	--	6,559,103
--	--	--	28,424,360
--	--	22,294,585	17,180,000
--	--	--	63,941
<u>745,734</u>	<u>--</u>	<u>51,849,483</u>	<u>378,864,753</u>
<u>685,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>685,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,430,734</u>	<u>--</u>	<u>51,849,483</u>	<u>378,864,753</u>
(1,042,231)	2,133,674	1,774,292	(5,718,885)
6,683,387	--	2,343,283	39,714,703
--	--	--	--
<u>\$ 5,641,156</u>	<u>\$ 2,133,674</u>	<u>\$ 4,117,575</u>	<u>\$ 33,995,818</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Casino Simulcasting Fund</b>	<b>Casino Simulcasting Special Fund</b>	<b>Catastrophic Illness in Children Relief Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	6,045,285
Investment earnings	166,001	311,729	894,974
Contributions	--	--	--
Other	687,805	6,454,522	--
<b>Total Revenues</b>	<b>853,806</b>	<b>6,766,251</b>	<b>6,940,259</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>853,806</b>	<b>6,766,251</b>	<b>6,940,259</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	6,448,352	--
Physical and mental health	--	--	108,039
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	4,944,103
Special government services	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>6,448,352</b>	<b>5,052,142</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	2,700,000	--	1,016,449
<b>Total Other Financing Uses</b>	<b>2,700,000</b>	<b>--</b>	<b>1,016,449</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>2,700,000</b>	<b>6,448,352</b>	<b>6,068,591</b>
Net Increases (Decreases) in Fund Balances for the Year	(1,846,194)	317,899	871,668
<b>FUND BALANCES-JULY 1, 1997</b>	<b>2,668,102</b>	<b>3,514,272</b>	<b>16,988,845</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 821,908</b>	<b>\$ 3,832,171</b>	<b>\$ 17,860,513</b>

Clean Communities Account Fund	Clean Waters Fund	Cultural Centers And Historic Preservation Fund	1992 Dam Restoration and Clean Waters Trust Fund	1989 Development Potential Bank Transfer Fund
\$ 14,218,760	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
471,653	98,372	507,938	165,984	128,690
--	--	--	--	--
--	--	201,582	--	--
14,690,413	98,372	709,520	165,984	128,690
--	--	--	--	--
--	2,000,000	--	--	3,000,000
--	15,070	--	--	22,605
--	2,015,070	--	--	3,022,605
14,690,413	2,113,442	709,520	165,984	3,151,295
--	--	--	--	--
--	--	--	--	--
--	--	3,727,406	--	--
11,871,761	1,921	1,794,944	472,513	10,000
--	--	--	--	--
--	--	--	--	--
--	31,843	--	--	77,911
--	--	--	--	--
11,871,761	33,764	5,522,350	472,513	87,911
725,000	81,303	7,074,932	--	65,907
725,000	81,303	7,074,932	--	65,907
12,596,761	115,067	12,597,282	472,513	153,818
2,093,652	1,998,375	(11,887,762)	(306,529)	2,997,477
5,829,826	610,215	12,721,660	3,114,253	(21,672)
--	--	--	--	--
\$ 7,923,478	\$ 2,608,590	\$ 833,898	\$ 2,807,724	\$ 2,975,805

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Developmental Disabilities Waiting List Reduction Fund</b>	<b>Disciplinary Oversight Committee</b>	<b>Division of Motor Vehicles Surcharge Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	5,079,669	--
Services and assessments	--	--	150,367,736
Investment earnings	242,829	232,156	463,396
Contributions	--	--	--
Other	--	92,912	--
<b>Total Revenues</b>	<b>242,829</b>	<b>5,404,737</b>	<b>150,831,132</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	403,178	--	--
Proceeds from sale of bonds	45,000,000	--	--
Other	339,076	--	--
<b>Total Other Financing Sources</b>	<b>45,742,254</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>45,985,083</b>	<b>5,404,737</b>	<b>150,831,132</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	393,811	6,104,668	3,808,115
Physical and mental health	--	--	--
Educational, cultural and intellectual development	38,238,513	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	602,812	--	143,762,906
Special government services	--	--	--
<b>Total Expenditures</b>	<b>39,235,136</b>	<b>6,104,668</b>	<b>147,571,021</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	381,748	--	--
<b>Total Other Financing Uses</b>	<b>381,748</b>	<b>--</b>	<b>--</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>39,616,884</b>	<b>6,104,668</b>	<b>147,571,021</b>
Net Increases (Decreases) in Fund Balances for the Year	6,368,199	(699,931)	3,260,111
<b>FUND BALANCES-JULY 1, 1997</b>	<b>(1,823,915)</b>	<b>3,769,440</b>	<b>117</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 4,544,284</b>	<b>\$ 3,069,509</b>	<b>\$ 3,260,228</b>

<b>Emergency Flood Control Fund</b>	<b>Emergency Medical Technician Training Fund</b>	<b>Enterprise Zone Assistance Fund</b>	<b>Farmland Preservation Fund</b>	<b>1989 Farmland Preservation Fund</b>
\$ --	\$ --	\$ 57,917,888	\$ --	\$ --
--	--	--	--	--
--	--	48,000	--	--
--	2,098,945	--	--	--
38,296	352,297	7,169,954	19,609	115,241
--	--	--	--	--
8,179	--	123,066	--	--
<u>46,475</u>	<u>2,451,242</u>	<u>65,258,908</u>	<u>19,609</u>	<u>115,241</u>
--	--	--	--	194,329
--	--	--	--	7,000,000
--	--	--	--	52,745
--	--	--	--	<u>7,247,074</u>
<u>46,475</u>	<u>2,451,242</u>	<u>65,258,908</u>	<u>19,609</u>	<u>7,362,315</u>
--	--	--	--	--
--	633,058	--	--	--
--	--	--	--	--
--	--	610,789	--	2,914,066
--	--	45,722,216	--	--
--	--	--	--	--
--	--	--	--	254,392
--	--	--	--	--
--	633,058	46,333,005	--	3,168,458
<u>396,898</u>	<u>71,287</u>	<u>1,589,033</u>	<u>94,589</u>	<u>137,781</u>
<u>396,898</u>	<u>71,287</u>	<u>1,589,033</u>	<u>94,589</u>	<u>137,781</u>
<u>396,898</u>	<u>704,345</u>	<u>47,922,038</u>	<u>94,589</u>	<u>3,306,239</u>
(350,423)	1,746,897	17,336,870	(74,980)	4,056,076
569,618	5,348,220	114,373,725	130,436	(2,116,624)
--	--	--	--	--
<u>\$ 219,195</u>	<u>\$ 7,095,117</u>	<u>\$ 131,710,595</u>	<u>\$ 55,456</u>	<u>\$ 1,939,452</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>1992 Farmland Preservation Fund</b>	<b>1995 Farmland Preservation Fund</b>	<b>Green Trust Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	255,886	200,612	266,259
Contributions	--	--	--
Other	799,838	847,645	936,730
<b>Total Revenues</b>	<b>1,055,724</b>	<b>1,048,257</b>	<b>1,202,989</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	1,076,070	12,039	3,255,758
Proceeds from sale of bonds	32,000,000	5,000,000	2,000,000
Other	241,122	37,675	15,070
<b>Total Other Financing Sources</b>	<b>33,317,192</b>	<b>5,049,714</b>	<b>5,270,828</b>
<b>Total Revenues and Other Financing Sources</b>	<b>34,372,916</b>	<b>6,097,971</b>	<b>6,473,817</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	16,728,997	6,400,300	1,057,750
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	1,020,177	197,479	9,559
Special government services	--	--	--
<b>Total Expenditures</b>	<b>17,749,174</b>	<b>6,597,779</b>	<b>1,067,309</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	510,314	284,185	13,652
<b>Total Other Financing Uses</b>	<b>510,314</b>	<b>284,185</b>	<b>13,652</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>18,259,488</b>	<b>6,881,964</b>	<b>1,080,961</b>
Net Increases (Decreases) in Fund Balances for the Year	16,113,428	(783,993)	5,392,856
<b>FUND BALANCES-JULY 1, 1997</b>	<b>(14,931,758)</b>	<b>--</b>	<b>78,016,990</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 1,181,670</b>	<b>\$ (783,993)</b>	<b>\$ 83,409,846</b>

<b>Gubernatorial Elections Fund</b>	<b>Hazardous Discharge Fund Of 1981</b>	<b>Hazardous Discharge Fund Of 1986</b>	<b>Hazardous Discharge Site Cleanup Fund</b>	<b>Health Care Subsidy Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ 246,753,091
--	--	--	--	--
--	--	--	--	--
--	--	--	29,348,072	40,000,000
--	281,731	185,720	1,987,592	2,931,050
--	--	--	--	--
899,227	--	--	--	--
<u>899,227</u>	<u>281,731</u>	<u>185,720</u>	<u>31,335,664</u>	<u>289,684,141</u>
9,229,754	--	24,804,386	11,927,562	42,900,000
--	5,000,000	46,000,000	--	--
--	37,675	346,611	--	--
<u>9,229,754</u>	<u>5,037,675</u>	<u>71,150,997</u>	<u>11,927,562</u>	<u>42,900,000</u>
<u>10,128,981</u>	<u>5,319,406</u>	<u>71,336,717</u>	<u>43,263,226</u>	<u>332,584,141</u>
10,128,981	--	--	--	--
--	--	--	--	35,252,589
--	--	--	--	--
--	--	10,110,726	2,356,967	--
--	--	--	--	--
--	--	--	--	--
--	196,921	6,041,738	--	--
--	--	--	--	--
<u>10,128,981</u>	<u>196,921</u>	<u>16,152,464</u>	<u>2,356,967</u>	<u>35,252,589</u>
--	3,160,147	340,463	19,713,298	395,066,065
--	3,160,147	340,463	19,713,298	395,066,065
<u>10,128,981</u>	<u>3,357,068</u>	<u>16,492,927</u>	<u>22,070,265</u>	<u>430,318,654</u>
--	1,962,338	54,843,790	21,192,961	(97,734,513)
361,784	(11,269,448)	(59,100,642)	38,820,826	182,652,267
--	--	--	--	(9,000,000)
<u>\$ 361,784</u>	<u>\$ (9,307,110)</u>	<u>\$ (4,256,852)</u>	<u>\$ 60,013,787</u>	<u>\$ 75,917,754</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	Historic Preservation Revolving Loan Fund
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	27,613	109,096	136,898
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>27,613</b>	<b>109,096</b>	<b>136,898</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	209,364	3,000,000
Proceeds from sale of bonds	--	6,000,000	--
Other	--	45,210	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>6,254,574</b>	<b>3,000,000</b>
<b>Total Revenues and Other Financing Sources</b>	<b>27,613</b>	<b>6,363,670</b>	<b>3,136,898</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	3,538,923	--	--
Community development and environmental management	--	4,176,949	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	267,268	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>3,538,923</b>	<b>4,444,217</b>	<b>--</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	669,950	--
<b>Total Other Financing Uses</b>	<b>--</b>	<b>669,950</b>	<b>--</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>3,538,923</b>	<b>5,114,167</b>	<b>--</b>
Net Increases (Decreases) in Fund Balances for the Year	(3,511,310)	1,249,503	3,136,898
<b>FUND BALANCES-JULY 1, 1997</b>	<b>7,274,182</b>	<b>(3,093,943)</b>	<b>--</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 3,762,872</b>	<b>\$ (1,844,440)</b>	<b>\$ 3,136,898</b>

<b>Housing Assistance Fund</b>	<b>Jobs, Education And Competitiveness Fund</b>	<b>Jobs, Science And Technology Fund</b>	<b>Korean Veterans' Memorial Fund</b>	<b>Legal Services Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	11,357,848
--	--	--	--	--
16,718	10,094	26,008	310	--
--	--	--	8,738	--
25,462	412,921	--	--	--
<u>42,180</u>	<u>423,015</u>	<u>26,008</u>	<u>9,048</u>	<u>11,357,848</u>
--	2,690,753	--	--	--
--	11,000,000	--	--	--
--	82,885	--	--	--
--	<u>13,773,638</u>	--	--	--
<u>42,180</u>	<u>14,196,653</u>	<u>26,008</u>	<u>9,048</u>	<u>11,357,848</u>
--	--	--	--	--
--	--	--	--	--
--	7,336,752	381,354	--	--
--	--	--	--	--
--	--	--	--	--
--	201,098	--	--	--
--	--	--	13,713	--
--	<u>7,537,850</u>	<u>381,354</u>	<u>13,713</u>	--
<u>42,192</u>	<u>75,085</u>	<u>26,011</u>	--	<u>11,357,848</u>
<u>42,192</u>	<u>75,085</u>	<u>26,011</u>	--	<u>11,357,848</u>
<u>42,192</u>	<u>7,612,935</u>	<u>407,365</u>	<u>13,713</u>	<u>11,357,848</u>
(12)	6,583,718	(381,357)	(4,665)	--
7,055,824	(7,842,774)	592,772	24,531	--
(450,000)	--	--	--	--
<u>\$ 6,605,812</u>	<u>\$ (1,259,056)</u>	<u>\$ 211,415</u>	<u>\$ 19,866</u>	<u>\$ --</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Medical Education Facilities Fund</b>	<b>Mortgage Assistance Fund</b>	<b>Natural Resources Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	29,730	112,068	381,018
Contributions	--	--	--
Other	--	984,503	2,578
<b>Total Revenues</b>	<b>29,730</b>	<b>1,096,571</b>	<b>383,596</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>29,730</b>	<b>1,096,571</b>	<b>383,596</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	--	--	721,757
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>--</b>	<b>721,757</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	29,690	672,536	832,071
<b>Total Other Financing Uses</b>	<b>29,690</b>	<b>672,536</b>	<b>832,071</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>29,690</b>	<b>672,536</b>	<b>1,553,828</b>
Net Increases (Decreases) in Fund Balances for the Year	40	424,035	(1,170,232)
<b>FUND BALANCES-JULY 1, 1997</b>	<b>514,973</b>	<b>15,988,419</b>	<b>6,839,309</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>(2,750,000)</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 515,013</b>	<b>\$ 13,662,454</b>	<b>\$ 5,669,077</b>

<b>New Jersey Automobile Insurance Guaranty Fund</b>	<b>New Jersey Building Authority</b>	<b>1983 New Jersey Green Acres Fund</b>	<b>1989 New Jersey Green Acres Fund</b>	<b>1992 New Jersey Green Acres Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	1,006,399	--	--	1,326,877
--	--	--	--	--
96,598	--	--	--	--
12,460,589	6,632,973	455,244	260,912	190,655
--	--	--	--	--
642,404	53,168,678	738,829	363,964	--
<u>13,199,591</u>	<u>60,808,050</u>	<u>1,194,073</u>	<u>624,876</u>	<u>1,517,532</u>
--	--	--	1,401,298	3,697,524
--	--	--	6,000,000	43,000,000
151,678,636	--	--	45,210	324,006
<u>151,678,636</u>	<u>--</u>	<u>--</u>	<u>7,446,508</u>	<u>47,021,530</u>
<u>164,878,227</u>	<u>60,808,050</u>	<u>1,194,073</u>	<u>8,071,384</u>	<u>48,539,062</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	153,176	2,027,554	14,134,267
200,012,127	--	--	--	--
--	--	--	--	--
648,718	25,889,115	--	615,040	1,533,682
--	--	--	--	--
<u>200,660,845</u>	<u>25,889,115</u>	<u>153,176</u>	<u>2,642,594</u>	<u>15,667,949</u>
--	--	1,191,483	40,955	2,004,918
--	--	1,191,483	40,955	2,004,918
<u>200,660,845</u>	<u>25,889,115</u>	<u>1,344,659</u>	<u>2,683,549</u>	<u>17,672,867</u>
(35,782,618)	34,918,935	(150,586)	5,387,835	30,866,195
223,072,416	115,739,615	20,841,298	(1,423,374)	(31,971,946)
--	--	--	--	--
<u>\$ 187,289,798</u>	<u>\$ 150,658,550</u>	<u>\$ 20,690,712</u>	<u>\$ 3,964,461</u>	<u>\$ (1,105,751)</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>1995 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Trust Fund</u>	<u>1992 New Jersey Green Trust Fund</u>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	56,650	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	375,851	9,502	154,261
Contributions	--	--	--
Other	--	1,508,102	677,339
<b>Total Revenues</b>	<u>432,501</u>	<u>1,517,604</u>	<u>831,600</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	968,845	2,982,872	2,071,671
Proceeds from sale of bonds	41,000,000	43,000,000	34,120,000
Other	308,936	324,006	257,095
<b>Total Other Financing Sources</b>	<u>42,277,781</u>	<u>46,306,878</u>	<u>36,448,766</u>
<b>Total Revenues and Other Financing Sources</b>	<u>42,710,282</u>	<u>47,824,482</u>	<u>37,280,366</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	20,299,165	4,292,146	6,293,837
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	932,277	1,548,397	1,204,091
Special government services	--	--	--
<b>Total Expenditures</b>	<u>21,231,442</u>	<u>5,840,543</u>	<u>7,497,928</u>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	1,436,124	293,513	2,275,670
<b>Total Other Financing Uses</b>	<u>1,436,124</u>	<u>293,513</u>	<u>2,275,670</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>22,667,566</u>	<u>6,134,056</u>	<u>9,773,598</u>
Net Increases (Decreases) in Fund Balances for the Year	20,042,716	41,690,426	27,506,768
<b>FUND BALANCES-JULY 1, 1997</b>	(17,456,173)	36,330,143	(1,969,046)
<b>Residual Equity Transfer In (Out)</b>	--	--	--
<b>FUND BALANCES-JUNE 30, 1998</b>	<u>\$ 2,586,543</u>	<u>\$ 78,020,569</u>	<u>\$ 25,537,722</u>

<u>1995 New Jersey Green Trust Fund</u>	<u>New Jersey Lawyers' Fund for Client Protection</u>	<u>New Jersey Local Development Financing Fund</u>	<u>New Jersey Spill Compensation Fund</u>	<u>New Jersey Transportation Trust Fund Authority</u>
\$ --	\$ --	\$ --	\$ 16,541,266	\$ --
--	--	--	--	--
--	2,468,671	27,000	9,504,280	--
--	--	--	--	--
187,615	699,767	482,222	1,738,408	16,497,265
--	--	--	--	--
42,410	683,834	1,510,959	225,957	--
<u>230,025</u>	<u>3,852,272</u>	<u>2,020,181</u>	<u>28,009,911</u>	<u>16,497,265</u>
471,811	--	12,834,596	--	380,300,000
22,000,000	--	--	--	716,725,492
165,770	--	--	--	--
<u>22,637,581</u>	<u>--</u>	<u>12,834,596</u>	<u>--</u>	<u>1,097,025,492</u>
<u>22,867,606</u>	<u>3,852,272</u>	<u>14,854,777</u>	<u>28,009,911</u>	<u>1,113,522,757</u>
--	3,915,738	--	--	--
--	--	--	--	--
--	--	--	--	--
7,259,274	--	--	2,197,525	--
--	--	278,363	--	--
--	--	--	--	2,687,310
570,554	--	--	--	--
--	--	--	--	--
<u>7,829,828</u>	<u>3,915,738</u>	<u>278,363</u>	<u>2,197,525</u>	<u>2,687,310</u>
150,170	--	269,377	18,726,601	1,123,833,313
150,170	--	269,377	18,726,601	1,123,833,313
<u>7,979,998</u>	<u>3,915,738</u>	<u>547,740</u>	<u>20,924,126</u>	<u>1,126,520,623</u>
14,887,608	(63,466)	14,307,037	7,085,785	(12,997,866)
(2,966,649)	11,428,554	33,221,109	23,275,133	144,971,394
--	--	--	--	--
<u>\$ 11,920,959</u>	<u>\$ 11,365,088</u>	<u>\$ 47,528,146</u>	<u>\$ 30,360,918</u>	<u>\$ 131,973,528</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>New Jersey Workforce Development Partnership Fund</b>	<b>Petroleum Overcharge Reimbursement Fund</b>	<b>Pinelands Infrastructure Trust Fund</b>
<b>REVENUES</b>			
Taxes	\$ 64,047,605	\$ --	\$ --
Federal and other grants	--	3,275,082	--
Licenses and fees	--	--	--
Services and assessments	8,242	--	--
Investment earnings	5,295,029	1,474,256	142,113
Contributions	--	--	--
Other	--	--	229,125
<b>Total Revenues</b>	<b>69,350,876</b>	<b>4,749,338</b>	<b>371,238</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>69,350,876</b>	<b>4,749,338</b>	<b>371,238</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	1,836,754	--	--
Community development and environmental management	--	1,214,561	38,795
Economic planning, development and security	40,165,837	2,060,520	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>42,002,591</b>	<b>3,275,081</b>	<b>38,795</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	32,001,457	--	--
<b>Total Other Financing Uses</b>	<b>32,001,457</b>	<b>--</b>	<b>--</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>74,004,048</b>	<b>3,275,081</b>	<b>38,795</b>
Net Increases (Decreases) in Fund Balances for the Year	(4,653,172)	1,474,257	332,443
<b>FUND BALANCES-JULY 1, 1997</b>	<b>98,710,057</b>	<b>8,921,301</b>	<b>9,007,838</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 94,056,885</b>	<b>\$ 10,395,558</b>	<b>\$ 9,340,281</b>

<b>Pollution Prevention Fund</b>	<b>Property Tax Relief Fund</b>	<b>Resource Recovery And Solid Waste Disposal Facility Fund</b>	<b>Safe Drinking Water Fund</b>	<b>Sanitary Landfill Facility Contingency Fund</b>
\$ --	\$ 5,590,578,934	\$ --	\$ 2,938,181	\$ --
--	--	--	--	--
2,332,801	--	--	--	1,422,263
174,749	--	1,075,192	287,856	1,560,303
--	--	--	--	--
--	--	--	--	--
<u>2,507,550</u>	<u>5,590,578,934</u>	<u>1,075,192</u>	<u>3,226,037</u>	<u>2,982,566</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,507,550</u>	<u>5,590,578,934</u>	<u>1,075,192</u>	<u>3,226,037</u>	<u>2,982,566</u>
--	--	--	--	--
--	--	--	--	--
--	4,309,474,068	--	--	--
--	786,053,443	--	347,897	8,175
--	--	--	--	--
--	--	--	--	--
--	364,026,017	--	--	--
--	--	--	--	--
--	<u>5,459,553,528</u>	--	<u>347,897</u>	<u>8,175</u>
<u>1,809,948</u>	--	<u>191,020</u>	<u>2,789,725</u>	<u>145,506</u>
<u>1,809,948</u>	--	<u>191,020</u>	<u>2,789,725</u>	<u>145,506</u>
<u>1,809,948</u>	<u>5,459,553,528</u>	<u>191,020</u>	<u>3,137,622</u>	<u>153,681</u>
697,602	131,025,406	884,172	88,415	2,828,885
2,818,622	439,171,479	122,297,959	3,766,447	26,689,064
--	--	--	--	--
<u>\$ 3,516,224</u>	<u>\$ 570,196,885</u>	<u>\$ 123,182,131</u>	<u>\$ 3,854,862</u>	<u>\$ 29,517,949</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Shore Protection Fund</u>	<u>State Land Acquisition And Development Fund</u>	<u>State Lottery Fund</u>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	475,966	41,298	4,078,772
Contributions	--	--	--
Other	290,005	--	1,645,298,259
<b>Total Revenues</b>	<u>765,971</u>	<u>41,298</u>	<u>1,649,377,031</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	355,139	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<u>--</u>	<u>355,139</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>765,971</u>	<u>396,437</u>	<u>1,649,377,031</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	--	1,115,646	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	12,412	990,124,117
Special government services	--	--	--
<b>Total Expenditures</b>	<u>--</u>	<u>1,128,058</u>	<u>990,124,117</u>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	28,925	658,400,436
<b>Total Other Financing Uses</b>	<u>--</u>	<u>28,925</u>	<u>658,400,436</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>--</u>	<u>1,156,983</u>	<u>1,648,524,553</u>
Net Increases (Decreases) in Fund Balances for the Year	765,971	(760,546)	852,478
<b>FUND BALANCES-JULY 1, 1997</b>	12,283,706	678,629	9,170,325
<b>Residual Equity Transfer In (Out)</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES-JUNE 30, 1998</b>	<u>\$ 13,049,677</u>	<u>\$ (81,917)</u>	<u>\$ 10,022,803</u>

State Recreation And Conservation Land Acquisition Fund	State Recreation And Conservation Land Acquisition And Development Fund	State Recycling Fund	Stormwater Management And Combined Sewer Overflow Abatement Fund	Superior Court Of New Jersey Trust Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	27,052	--	--
1,156	123,385	501,438	503,615	7,582,313
--	--	--	--	--
--	--	326,028	263,412	--
<u>1,156</u>	<u>123,385</u>	<u>854,518</u>	<u>767,027</u>	<u>7,582,313</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,156</u>	<u>123,385</u>	<u>854,518</u>	<u>767,027</u>	<u>7,582,313</u>
--	--	--	--	6,964,207
--	--	--	--	--
--	--	--	--	--
135,065	119,909	6,004,305	2,403,158	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>135,065</u>	<u>119,909</u>	<u>6,004,305</u>	<u>2,403,158</u>	<u>6,964,207</u>
<u>1,163</u>	<u>123,219</u>	<u>967,162</u>	<u>440,633</u>	--
<u>1,163</u>	<u>123,219</u>	<u>967,162</u>	<u>440,633</u>	--
<u>136,228</u>	<u>243,128</u>	<u>6,971,467</u>	<u>2,843,791</u>	<u>6,964,207</u>
(135,072)	(119,743)	(6,116,949)	(2,076,764)	618,106
135,072	2,279,795	19,921,701	14,309,848	1,434,839
--	--	--	--	--
<u>\$ --</u>	<u>\$ 2,160,052</u>	<u>\$ 13,804,752</u>	<u>\$ 12,233,084</u>	<u>\$ 2,052,945</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

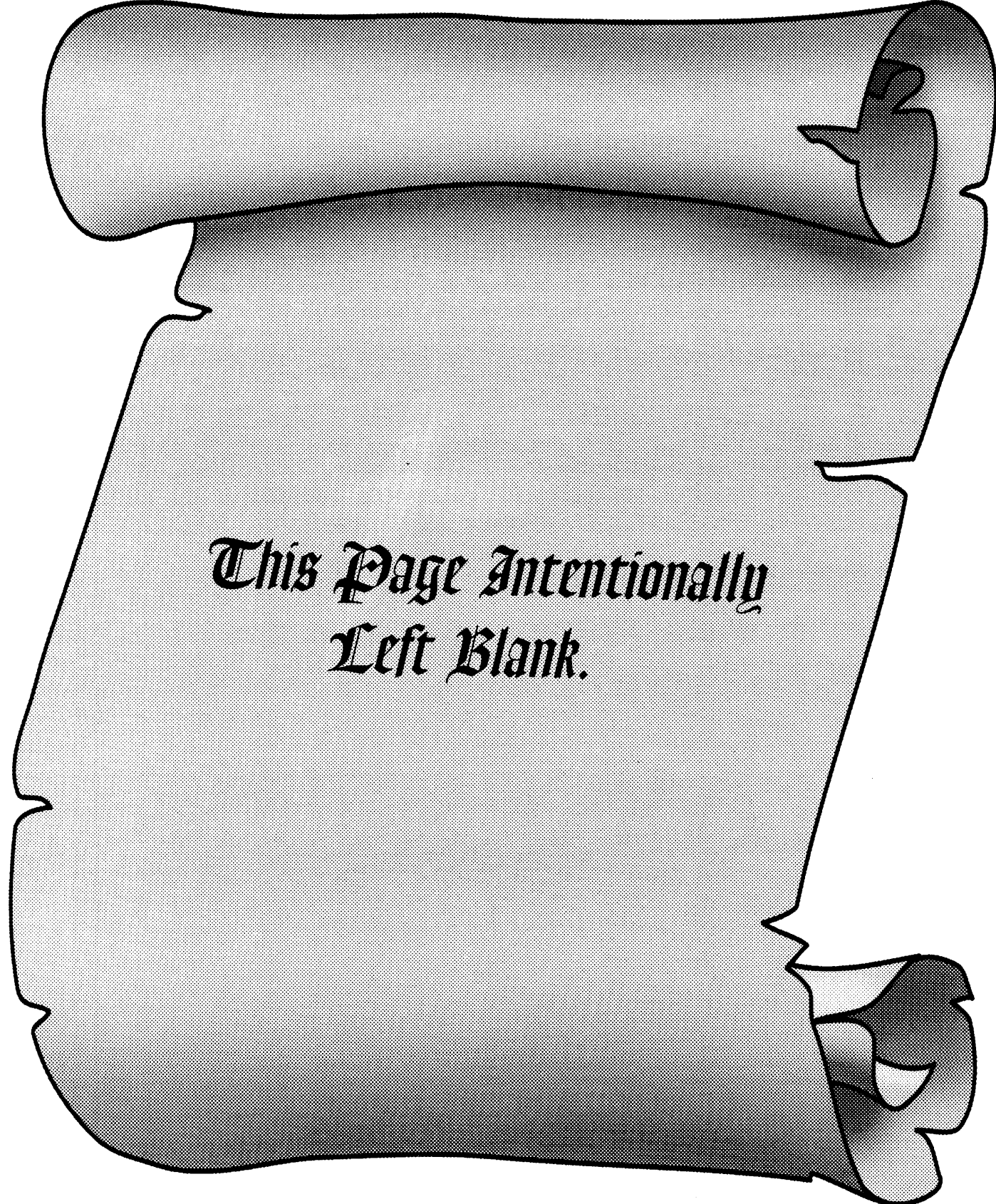
	<u>Trial Attorney Certification Program</u>	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Vietnam Veterans' Memorial Fund</u>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	163,550	--	--
Services and assessments	--	--	--
Investment earnings	11,140	530,160	--
Contributions	--	--	94,272
Other	2,393	15,709,272	--
<b>Total Revenues</b>	<u>177,083</u>	<u>16,239,432</u>	<u>94,272</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>177,083</u>	<u>16,239,432</u>	<u>94,272</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	173,901	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	83,400
<b>Total Expenditures</b>	<u>173,901</u>	<u>--</u>	<u>83,400</u>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	11,606,602	--
<b>Total Other Financing Uses</b>	<u>--</u>	<u>11,606,602</u>	<u>--</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>173,901</u>	<u>11,606,602</u>	<u>83,400</u>
Net Increases (Decreases) in Fund Balances for the Year	3,182	4,632,830	10,872
<b>FUND BALANCES-JULY 1, 1997</b>	145,459	114,619	58,742
<b>Residual Equity Transfer In (Out)</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES-JUNE 30, 1998</b>	<u>\$ 148,641</u>	<u>\$ 4,747,449</u>	<u>\$ 69,614</u>

<b>Volunteer Emergency Service Organizations Loan Fund</b>	<b>Wastewater Treatment Fund</b>	<b>1992 Wastewater Treatment Fund</b>	<b>Water Conservation Fund</b>	<b>Water Supply Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	35,675,403	--	--	--
--	--	--	--	--
--	--	--	--	--
44,571	7,214,217	182,274	118,364	1,724,462
--	--	--	--	--
33,912	4,608,587	--	40,023	9,058,620
<u>78,483</u>	<u>47,498,207</u>	<u>182,274</u>	<u>158,387</u>	<u>10,783,082</u>
--	--	256,600	288,215	--
--	--	10,000,000	14,500,000	--
--	--	75,350	109,258	--
--	--	<u>10,331,950</u>	<u>14,897,473</u>	--
<u>78,483</u>	<u>47,498,207</u>	<u>10,514,224</u>	<u>15,055,860</u>	<u>10,783,082</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	2,693,652	--	9,999,512	629,821
--	--	--	--	--
--	--	--	--	--
--	--	411,362	398,016	--
--	--	--	--	--
--	<u>2,693,652</u>	<u>411,362</u>	<u>10,397,528</u>	<u>629,821</u>
--	2,009,709	2,106,155	842,818	5,226,030
--	<u>2,009,709</u>	<u>2,106,155</u>	<u>842,818</u>	<u>5,226,030</u>
--	4,703,361	2,517,517	11,240,346	5,855,851
78,483	42,794,846	7,996,707	3,815,514	4,927,231
2,473,925	561,603,625	(1,944,049)	(98,379)	202,160,010
--	--	--	--	--
<u>\$ 2,552,408</u>	<u>\$ 604,398,471</u>	<u>\$ 6,052,658</u>	<u>\$ 3,717,135</u>	<u>\$ 207,087,241</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Water Supply Replacement Trust Fund</b>	<b>Worker And Community Right To Know Fund</b>	<b>Total Special Revenue Funds</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ 6,316,730,047
Federal and other grants	--	--	41,340,411
Licenses and fees	--	4,500	85,445,388
Services and assessments	--	2,810,913	234,557,907
Investment earnings	288,702	141,719	94,230,048
Contributions	--	--	103,010
Other	--	--	1,783,234,099
<b>Total Revenues</b>	<b>288,702</b>	<b>2,957,132</b>	<b>8,555,640,910</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	531,805,016
Proceeds from sale of bonds	--	--	1,094,345,492
Other	--	--	154,524,011
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>1,780,674,519</b>
<b>Total Revenues and Other Financing Sources</b>	<b>288,702</b>	<b>2,957,132</b>	<b>10,336,315,429</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	70,791,298
Physical and mental health	--	--	347,068,725
Educational, cultural and intellectual development	--	--	4,389,008,080
Community development and environmental management	158,000	--	927,554,057
Economic planning, development and security	--	--	294,798,166
Transportation programs	--	--	31,111,670
Government direction, management and control	--	--	1,584,996,590
Special government services	--	--	161,054
<b>Total Expenditures</b>	<b>158,000</b>	<b>--</b>	<b>7,645,489,640</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	4,066,881	2,322,712,313
<b>Total Other Financing Uses</b>	<b>--</b>	<b>4,066,881</b>	<b>2,322,712,313</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>158,000</b>	<b>4,066,881</b>	<b>9,968,201,953</b>
Net Increases (Decreases) in Fund Balances for the Year	130,702	(1,109,749)	368,113,476
<b>FUND BALANCES-JULY 1, 1997</b>	<b>5,146,098</b>	<b>2,060,414</b>	<b>2,560,976,448</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>(12,760,000)</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 5,276,800</b>	<b>\$ 950,665</b>	<b>\$ 2,916,329,924</b>

A grayscale illustration of a scroll with a textured, halftone background. The scroll is unrolled, showing a central rectangular area with text. The top and bottom edges of the scroll are rolled up, and the sides have a slightly wavy, aged appearance. The text is centered and written in a black, gothic-style font.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL-BUDGETARY BASIS**  
**BUDGETED SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

**CASINO CONTROL FUND**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Licenses and fees	54,761,000	53,126,718	(1,634,282)
Investment earnings	--	497,056	497,056
Other	--	--	--
<b>Total Revenues</b>	<u>54,761,000</u>	<u>53,623,774</u>	<u>(1,137,226)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
<b>Total Other Financing Sources</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>54,761,000</u>	<u>53,623,774</u>	<u>(1,137,226)</u>
<b>EXPENDITURES</b>			
Public safety and criminal justice	32,256,527	30,636,046	1,620,481
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	22,857,000	22,443,065	413,935
Special government services	--	--	--
<b>Total Expenditures</b>	<u>55,113,527</u>	<u>53,079,111</u>	<u>2,034,416</u>
<b>Net Increase (Decrease) in Fund Balances for the Year</b>	<u>\$ (352,527)</u>	<u>\$ 544,663</u>	<u>\$ 897,190</u>

**CASINO REVENUE FUND**

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 328,200,000	\$ 312,734,322	\$ (15,465,678)
--	--	--
2,500,000	747,850	(1,752,150)
33,190,444	33,190,444	--
<u>363,890,444</u>	<u>346,672,616</u>	<u>(17,217,828)</u>
<u>2,700,000</u>	<u>2,700,000</u>	<u>--</u>
<u>2,700,000</u>	<u>2,700,000</u>	<u>--</u>
<u>366,590,444</u>	<u>349,372,616</u>	<u>(17,217,828)</u>
--	--	--
311,461,444	303,454,803	8,006,641
24,487,000	24,474,308	12,692
--	--	--
6,137,000	6,137,000	--
22,227,000	22,227,000	--
17,180,000	17,180,000	--
93,000	63,941	29,059
<u>381,585,444</u>	<u>373,537,052</u>	<u>8,048,392</u>
<u>\$ (14,995,000)</u>	<u>\$ (24,164,436)</u>	<u>\$ (9,169,436)</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**BUDGET AND ACTUAL-BUDGETARY BASIS**  
**BUDGETED SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

<b>GUBERNATORIAL ELECTIONS FUND</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Licenses and fees	--	--	--
Investment earnings	--	--	--
Other	1,500,000	899,227	(600,773)
	1,500,000	899,227	(600,773)
<b>Total Revenues</b>	<b>1,500,000</b>	<b>899,227</b>	<b>(600,773)</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>1,500,000</b>	<b>899,227</b>	<b>(600,773)</b>
<b>EXPENDITURES</b>			
Public safety and criminal justice	10,547,962	10,128,981	418,981
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
	10,547,962	10,128,981	418,981
<b>Total Expenditures</b>	<b>10,547,962</b>	<b>10,128,981</b>	<b>418,981</b>
<b>Net Increase (Decrease) in Fund Balances for the Year</b>	<b>\$ (9,047,962)</b>	<b>\$ (9,229,754)</b>	<b>\$ (181,792)</b>

**PROPERTY TAX RELIEF FUND**

<b>Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
\$ 5,036,000,000	\$ 5,590,578,933	\$ 554,578,933
--	--	--
--	--	--
--	--	--
<u>5,036,000,000</u>	<u>5,590,578,933</u>	<u>554,578,933</u>
--	--	--
--	--	--
<u>5,036,000,000</u>	<u>5,590,578,933</u>	<u>554,578,933</u>
--	--	--
--	--	--
4,385,043,657	4,359,621,485	25,422,172
786,054,000	786,053,443	557
--	--	--
--	--	--
367,433,000	364,026,017	3,406,983
--	--	--
<u>5,538,530,657</u>	<u>5,509,700,945</u>	<u>28,829,712</u>
<u>\$ (502,530,657)</u>	<u>\$ 80,877,988</u>	<u>\$ 583,408,645</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**BUDGET AND ACTUAL-BUDGETARY BASIS**  
**BUDGETED SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>TOTAL</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance-Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Taxes	\$ 5,364,200,000	\$ 5,903,313,255	\$ 539,113,255
Licenses and fees	54,761,000	53,126,718	(1,634,282)
Investment earnings	2,500,000	1,244,906	(1,255,094)
Other	34,690,444	34,089,671	(600,773)
<b>Total Revenues</b>	<b>5,456,151,444</b>	<b>5,991,774,550</b>	<b>535,623,106</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	2,700,000	2,700,000	--
<b>Total Other Financing Sources</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>5,458,851,444</b>	<b>5,994,474,550</b>	<b>535,623,106</b>
<b>EXPENDITURES</b>			
Public safety and criminal justice	42,804,489	40,765,027	2,039,462
Physical and mental health	311,461,444	303,454,803	8,006,641
Educational, cultural and intellectual development	4,409,530,657	4,384,095,793	25,434,864
Community development and environmental management	786,054,000	786,053,443	557
Economic planning, development and security	6,137,000	6,137,000	--
Transportation programs	22,227,000	22,227,000	--
Government direction, management and control	407,470,000	403,649,082	3,820,918
Special government services	93,000	63,941	29,059
<b>Total Expenditures</b>	<b>5,985,777,590</b>	<b>5,946,446,089</b>	<b>39,331,501</b>
<b>Net Increase (Decrease) in Fund Balances for the Year</b>	<b>\$ (526,926,146)</b>	<b>\$ 48,028,461</b>	<b>\$ 574,954,607</b>

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

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

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

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

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

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

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

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

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

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

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

The Body Armor Replacement Fund is a repository fund for monies provided pursuant to subsection d. of R.S. 39:5-41 and shall be used exclusively for the purchase of body vests for law enforcement officers and correction officers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **1992 Dam Restoration And Clean Waters Trust Fund (P.L. 1992, c.88)**

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

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

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

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

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

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

This Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey.

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

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

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

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

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

This Fund was established to annually reimburse any private agency, organization or entity which is certified by the Commissioner of Health 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 rectification for which that entity is not otherwise reimbursed.

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

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment. No more than 27 enterprise zones may be in existence at any one time with no more than two designations in any one year.

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

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

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

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

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

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

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

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

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

An amount of \$83 million 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)**

The Gubernatorial Elections Fund accounts for receipts from the one dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

**Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)**

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

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

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

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

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

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

This Fund is comprised of revenues from employee and employer contributions, 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 Access program; 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)**

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

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

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

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

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.

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

An amount of \$12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

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

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

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

An amount of \$90 million was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

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

The Korean Veterans' Memorial Fund was created in the Department of the Treasury which 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 Korean Veterans' Memorial honoring the Korean veterans in the State of New Jersey.

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

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, 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.

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

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

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

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

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

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

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

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

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

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

The New Jersey Building Authority, created in 1981 as a body corporate and politic, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for construction and rehabilitation projects. The debt service on the bonds will be paid through lease agreements with the State.

**1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)**

An amount of \$15 million has been authorized from the Green Acres, Farmland and Historic Preservation, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**New Jersey Lawyers' Fund For Client Protection (R. 1:28-7)**

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

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

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

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

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

### **New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)**

The New Jersey Transportation Trust Fund Authority was created under the New Jersey Transportation Trust Fund Authority Act of 1984 to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system.

### **New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An amount of \$50 million was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, \$40 million has been allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million has been allocated for State loans to counties and municipalities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

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

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

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

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

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

An amount of \$190 million was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$150 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems.

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

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

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

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

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

An amount of \$350 million was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

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

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

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

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



# Capital Projects Funds



**Agriculture**—The central visual element of the design is a shield with three plows, a representation of the critical importance of agriculture to every aspect of daily life and government. The state's economic power, as well as its military significance, was based on the fact that it was the bread basket of the Mid-Atlantic region. Even as delegates discussed this seal at the Indian King, Continental and British soldiers elsewhere 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.

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 1998**

	<u>Correctional Facilities Construction Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>	<u>Energy Conservation Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 3,511	\$ 3,990	\$ 6,887
<b>INVESTMENTS</b>	882,103	22,801,249	2,802,594
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	--	--	--
<b>Total Assets</b>	<u>\$ 885,614</u>	<u>\$ 22,805,239</u>	<u>\$ 2,809,481</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ 120,756	\$ 10,775
Due to other funds	57,015	2,349,243	66,038
Other	--	--	8,701
<b>Total Liabilities</b>	<u>57,015</u>	<u>2,469,999</u>	<u>85,514</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	2,586	8,750,106	360,016
Unreserved:			
Designated-unrealized gains	110	1,169	351
Designated-continuing appropriations	825,903	11,583,965	--
Undesignated	--	--	2,363,600
<b>Total Fund Balances</b>	<u>828,599</u>	<u>20,335,240</u>	<u>2,723,967</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 885,614</u>	<u>\$ 22,805,239</u>	<u>\$ 2,809,481</u>

<b>Human Services Facilities Construction Fund</b>	<b>Institutional Construction Fund</b>	<b>Institutions Construction Fund</b>	<b>New Jersey Bridge Rehabilitation And Improvement And Railroad Right-of-Way Preservation Fund</b>
\$ 5,826	\$ 1,594	\$ 2,700	\$ 60,993
2,024,146	7,020	9,313	4,361,512
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	6,427
<b>\$ 2,029,972</b>	<b>\$ 8,614</b>	<b>\$ 12,013</b>	<b>\$ 4,428,932</b>
\$ 75,184	\$ --	\$ --	\$ 633,398
122,921	384	509	--
14,050	--	--	127,394
<b>212,155</b>	<b>384</b>	<b>509</b>	<b>760,792</b>
479,272	--	6,888	10,036,985
125	--	2	--
1,338,420	8,230	4,614	--
--	--	--	(6,368,845)
<b>1,817,817</b>	<b>8,230</b>	<b>11,504</b>	<b>3,668,140</b>
<b>\$ 2,029,972</b>	<b>\$ 8,614</b>	<b>\$ 12,013</b>	<b>\$ 4,428,932</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
CAPITAL PROJECTS FUNDS  
JUNE 30, 1998**

	<u>New Jersey Bridge Rehabilitation And Improvement Fund</u>	<u>Public Buildings Construction Fund</u>	<u>Public Purpose Buildings And Community-Based Facilities Construction Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 4,278	\$ 1,571	\$ 64,920
<b>INVESTMENTS</b>	2,893,993	3,504	3,633,046
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Other	59,724	--	--
<b>OTHER ASSETS</b>			
Due from other funds	13,045,055	--	--
<b>Total Assets</b>	<u>\$ 16,003,050</u>	<u>\$ 5,075</u>	<u>\$ 3,697,966</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 254,174
Due to other funds	4,850,050	191	5,155,567
Other	--	--	--
<b>Total Liabilities</b>	<u>4,850,050</u>	<u>191</u>	<u>5,409,741</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	1,311,506	--	1,818,938
Unreserved:			
Designated-unrealized gains	362	--	--
Designated-continuing appropriations	9,740,281	4,825	--
Undesignated	100,851	59	(3,530,713)
<b>Total Fund Balances</b>	<u>11,153,000</u>	<u>4,884</u>	<u>(1,711,775)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 16,003,050</u>	<u>\$ 5,075</u>	<u>\$ 3,697,966</u>

<b>Public Purpose Buildings Construction Fund</b>	<b>Special Transportation Fund</b>	<b>State Facilities For Handicapped Fund</b>	<b>Transportation Rehabilitation And Improvement Fund</b>	<b>Total Capital Projects Funds</b>
\$ 1,649	\$ --	\$ 4,662	\$ 53,516	\$ 216,097
1,312,171	--	224,723	293,355	41,248,729
--	93,060,780	--	--	93,060,780
--	89,118,405	--	--	89,118,405
--	4,464	--	--	64,188
--	--	--	8,451	13,059,933
<b>\$ 1,313,820</b>	<b>\$ 182,183,649</b>	<b>\$ 229,385</b>	<b>\$ 355,322</b>	<b>\$ 236,768,132</b>
\$ 183,672	\$ 66,825,043	\$ --	\$ --	\$ 68,103,002
93,365	115,358,606	--	--	128,053,889
--	--	--	59,707	209,852
277,037	182,183,649	--	59,707	196,366,743
545,030	--	--	--	23,311,327
165	--	28	37	2,349
491,588	--	208,859	295,578	24,502,263
--	--	20,498	--	(7,414,550)
1,036,783	--	229,385	295,615	40,401,389
<b>\$ 1,313,820</b>	<b>\$ 182,183,649</b>	<b>\$ 229,385</b>	<b>\$ 355,322</b>	<b>\$ 236,768,132</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Correctional Facilities Construction Fund</b>	<b>Correctional Facilities Construction Fund of 1987</b>	<b>Energy Conservation Fund</b>
<b>REVENUES</b>			
Federal and other grants	\$ --	\$ --	\$ --
Services and assessments	--	--	--
Investment earnings	57,041	782,166	81,435
Other	--	478,758	--
<b>Total Revenues</b>	<b>57,041</b>	<b>1,260,924</b>	<b>81,435</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	3,900,000
Other	--	--	29,387
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>3,929,387</b>
<b>Total Revenues and Other Financing Sources</b>	<b>57,041</b>	<b>1,260,924</b>	<b>4,010,822</b>
<b>EXPENDITURES</b>			
<b>Capital Outlay:</b>			
Public safety and criminal justice	599,992	441,723	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	2,911
Economic Planning, development and and security	--	--	3,355,493
Transportation programs	--	--	--
Government direction, management and control	--	--	17,937
Special government services	--	--	--
<b>Total Expenditures</b>	<b>599,992</b>	<b>441,723</b>	<b>3,376,341</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	57,015	2,349,243	92,659
<b>Total Other Financing Uses</b>	<b>57,015</b>	<b>2,349,243</b>	<b>92,659</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>657,007</b>	<b>2,790,966</b>	<b>3,469,000</b>
Net Increase (Decrease) in Fund Balances for the Year	(599,966)	(1,530,042)	541,822
<b>FUND BALANCES-JULY 1, 1997</b>	<b>1,428,565</b>	<b>21,865,282</b>	<b>2,182,145</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 828,599</b>	<b>\$ 20,335,240</b>	<b>\$ 2,723,967</b>

<b>Human Services Facilities Construction Fund</b>	<b>Institutional Construction Fund</b>	<b>Institutions Construction Fund</b>	<b>New Jersey Bridge Rehabilitation And Improvement And Railroad Right-of-Way Preservation Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
123,049	385	509	100,599
--	--	--	305,700
<u>123,049</u>	<u>385</u>	<u>509</u>	<u>406,299</u>
--	--	--	1,543,240
--	--	--	30,000,000
--	--	--	226,051
--	--	--	<u>31,769,291</u>
<u>123,049</u>	<u>385</u>	<u>509</u>	<u>32,175,590</u>
--	561	2,200	--
--	--	--	--
361,301	--	1,607	--
--	--	--	--
--	--	--	11,593,507
23,080	--	--	733,931
81,228	--	--	--
<u>465,609</u>	<u>561</u>	<u>3,807</u>	<u>12,327,438</u>
<u>122,921</u>	<u>384</u>	<u>509</u>	<u>204,777</u>
<u>122,921</u>	<u>384</u>	<u>509</u>	<u>204,777</u>
<u>588,530</u>	<u>945</u>	<u>4,316</u>	<u>12,532,215</u>
(465,481)	(560)	(3,807)	19,643,375
<u>2,283,298</u>	<u>8,790</u>	<u>15,311</u>	<u>(15,975,235)</u>
<u>\$ 1,817,817</u>	<u>\$ 8,230</u>	<u>\$ 11,504</u>	<u>\$ 3,668,140</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>New Jersey Bridge Rehabilitation And Improvement Fund</b>	<b>Public Buildings Construction Fund</b>	<b>Public Purpose Buildings And Community-Based Facilities Construction Fund</b>
<b>REVENUES</b>			
Federal and other grants	\$ --	\$ --	\$ --
Services and assessments	--	--	--
Investment earnings	550,603	191	149,640
Other	336,255	--	1,003,262
<b>Total Revenues</b>	<b>886,858</b>	<b>191</b>	<b>1,152,902</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>886,858</b>	<b>191</b>	<b>1,152,902</b>
<b>EXPENDITURES</b>			
<b>Capital Outlay:</b>			
Public safety and criminal justice	--	--	3,179,342
Physical and mental health	--	--	143,164
Educational, cultural and intellectual development	--	10	1,239,810
Economic planning, development and and security	--	--	240,179
Transportation programs	335,510	--	--
Government direction, management and control	--	--	85,025
Special government services	--	--	--
<b>Total Expenditures</b>	<b>335,510</b>	<b>10</b>	<b>4,887,520</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	887,051	191	70,542
<b>Total Other Financing Uses</b>	<b>887,051</b>	<b>191</b>	<b>70,542</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>1,222,561</b>	<b>201</b>	<b>4,958,062</b>
Net Increase (Decrease) in Fund Balances for the Year	(335,703)	(10)	(3,805,160)
<b>FUND BALANCES-JULY 1, 1997</b>	<b>11,488,703</b>	<b>4,894</b>	<b>2,093,385</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 11,153,000</b>	<b>\$ 4,884</b>	<b>\$ (1,711,775)</b>

<b>Public Purpose Buildings Construction Fund</b>	<b>Special Transportation Fund</b>	<b>State Facilities For Handicapped Fund</b>	<b>Transportation Rehabilitation And Improvement Fund</b>	<b>Total Capital Projects Funds</b>
\$ --	\$ 488,629,245	\$ --	\$ --	\$ 488,629,245
--	2,150	--	--	2,150
93,431	--	13,423	22	1,952,494
--	2,949,619	--	--	5,073,594
<u>93,431</u>	<u>491,581,014</u>	<u>13,423</u>	<u>22</u>	<u>495,657,483</u>
--	837,881,511	--	667,053	840,091,804
--	--	--	--	33,900,000
--	--	--	--	255,438
--	<u>837,881,511</u>	--	<u>667,053</u>	<u>874,247,242</u>
<u>93,431</u>	<u>1,329,462,525</u>	<u>13,423</u>	<u>667,075</u>	<u>1,369,904,725</u>
244,064	--	--	--	4,467,882
--	--	--	--	143,164
534,158	--	96,578	--	2,236,375
--	--	--	--	3,595,672
--	1,329,462,525	--	1,296	1,341,392,838
--	--	--	18,763	878,736
--	--	--	--	81,228
<u>778,222</u>	<u>1,329,462,525</u>	<u>96,578</u>	<u>20,059</u>	<u>1,352,795,895</u>
<u>93,365</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,878,657</u>
<u>93,365</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,878,657</u>
<u>871,587</u>	<u>1,329,462,525</u>	<u>96,578</u>	<u>20,059</u>	<u>1,356,674,552</u>
(778,156)	--	(83,155)	647,016	13,230,173
<u>1,814,939</u>	<u>--</u>	<u>312,540</u>	<u>(351,401)</u>	<u>27,171,216</u>
<u>\$ 1,036,783</u>	<u>\$ --</u>	<u>\$ 229,385</u>	<u>\$ 295,615</u>	<u>\$ 40,401,389</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

**New Jersey Bridge Rehabilitation And Improvement And Railroad Right-Of-Way Preservation Fund (P.L. 1989, c.180)**

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

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

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

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

An amount of \$337.5 million was authorized for construction, reconstruction, development, extension, and equipping of public buildings for state institutions, higher education, including state and county colleges, vocational education, and for a statewide television and radio network.

**Public Purpose Buildings And Community-Based Facilities Construction Fund (P.L. 1989, c.184)**

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

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

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

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

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

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

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

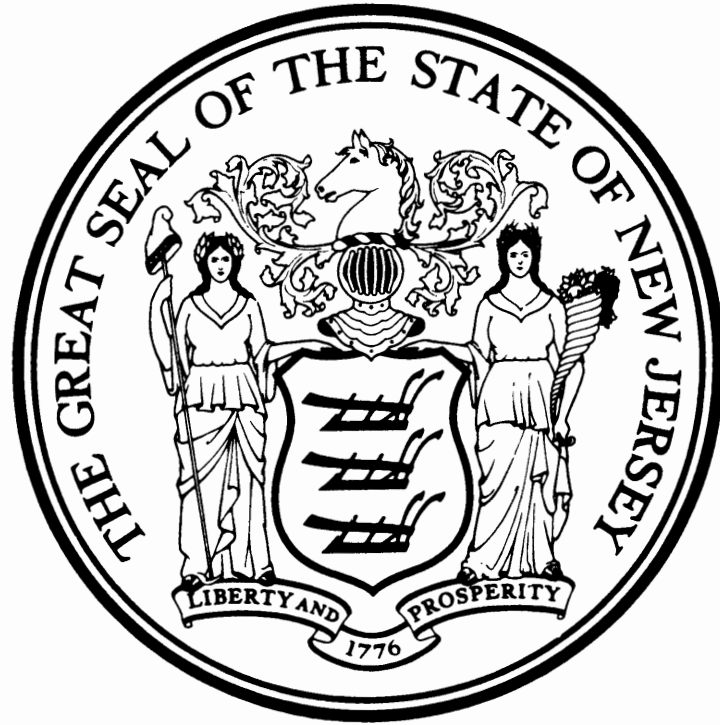
An amount of \$25 million was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

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

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



# Trust and Agency Funds



**Abundance**—The female figure on the right in the seal is Ceres, the Roman goddess of grain. She holds a cornucopia representing the extraordinary fertile soils and natural abundance of the state's fields, forests and waters.

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
TRUST AND AGENCY FUNDS  
JUNE 30, 1998**

	<u>Expendable Trust Funds</u>	<u>Nonexpendable Trust Fund</u>	<u>Investment Trust Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 3,744,584	\$ 62	\$ 315,108,473
<b>INVESTMENTS</b>	2,156,441,971	614,087	2,821,962,597
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	2,605,077,703	--	--
Departmental accounts	495,273,291	--	--
Loans	2,596,682	--	--
Other	63,099,834	7,176	17,588,931
<b>OTHER ASSETS</b>			
Due from other funds	30,674,087	--	--
Deferred charges	2,213,647	--	--
Other	1,419,036	--	--
<b>Total Assets</b>	<u>\$ 5,360,540,835</u>	<u>\$ 621,325</u>	<u>\$ 3,154,660,001</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 389,329,004	\$ --	\$ 2,501,345
Benefits payable	--	--	--
Deferred revenue	14,410,982	--	--
Due to other funds	64,103,573	--	1,780,879
Other	10,552,992	--	--
<b>Total Liabilities</b>	<u>478,396,551</u>	<u>--</u>	<u>4,282,224</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	3,435,075	--	--
Employees' pension benefits	--	--	--
Pool participants	--	--	3,150,377,777
Other	65,057,158	416,073	--
Unreserved:			
Designated-unrealized gains	361,846,085	8,441	--
Designated-continuing appropriations	2,327,168	--	--
Undesignated	4,449,478,798	196,811	--
<b>Total Fund Balances</b>	<u>4,882,144,284</u>	<u>621,325</u>	<u>3,150,377,777</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,360,540,835</u>	<u>\$ 621,325</u>	<u>\$ 3,154,660,001</u>

<u>Pension Trust Funds</u>	<u>Agency Funds</u>	<u>Total Trust and Agency Funds</u>
\$ 908,020	\$ 1,789,775	\$ 321,550,914
67,673,059,703	1,375,138,550	74,027,216,908
--	--	2,605,077,703
--	4,357,424	499,630,715
899,377,573	10,840,015	912,814,270
1,744,238,521	7,735,691	1,832,670,153
18,913,365	1,491,702	51,079,154
--	--	2,213,647
--	--	1,419,036
<u>\$ 70,336,497,182</u>	<u>\$ 1,401,353,157</u>	<u>\$ 80,253,672,500</u>
\$ 33,323,826	\$ 1,381,183,703	\$ 1,806,337,878
207,718,726	--	207,718,726
--	--	14,410,982
10,635,614	16,861,520	93,381,586
--	3,307,934	13,860,926
<u>251,678,166</u>	<u>1,401,353,157</u>	<u>2,135,710,098</u>
--	--	3,435,075
70,084,819,016	--	70,084,819,016
--	--	3,150,377,777
--	--	65,473,231
--	--	361,854,526
--	--	2,327,168
--	--	4,449,675,609
<u>70,084,819,016</u>	<u>--</u>	<u>78,117,962,402</u>
<u>\$ 70,336,497,182</u>	<u>\$ 1,401,353,157</u>	<u>\$ 80,253,672,500</u>

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
EXPENDABLE TRUST FUNDS  
JUNE 30, 1998**

	<b>Alternate Benefit Long-Term Disability Fund</b>	<b>Community Development Bond Fund</b>	<b>Dental Expense Program Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ --	\$ 7,613	\$ 1,113,511
<b>INVESTMENTS</b>	3,046,897	16,774	7,817,809
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	1,388,961
<b>OTHER ASSETS</b>			
Due from other funds	--	7,926	2,958,992
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 3,046,897</b>	<b>\$ 32,313</b>	<b>\$ 13,279,273</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 813,100	\$ --	\$ 4,676,242
Deferred revenue	--	--	627,865
Due to other funds	--	--	--
Other	--	32,311	--
<b>Total Liabilities</b>	<b>813,100</b>	<b>32,311</b>	<b>5,304,107</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-unrealized gains	384	2	979
Designated-continuing appropriations	--	--	--
Undesignated	2,233,413	--	7,974,187
<b>Total Fund Balances</b>	<b>2,233,797</b>	<b>2</b>	<b>7,975,166</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,046,897</b>	<b>\$ 32,313</b>	<b>\$ 13,279,273</b>

<u>Emergency Services Fund</u>	<u>Fund For Support Of Free Public Schools</u>	<u>Health Benefits Program Fund</u>	<u>Higher Education Assistance Fund</u>
\$ 65,673	\$ 35,834	\$ --	\$ 288,920
1,432,758	139,717,154	312,356,146	40,063,935
--	--	--	21,471,835
--	--	--	--
--	--	--	2,596,682
--	954,957	31,904,549	185,567
1,587,163	3,895,079	17,334,670	--
--	--	--	--
--	--	--	--
<u>\$ 3,085,594</u>	<u>\$ 144,603,024</u>	<u>\$ 361,595,365</u>	<u>\$ 64,606,939</u>
\$ 1,627,144	\$ 5,319	\$ 183,475,529	\$ 1,391,024
--	--	13,783,117	--
--	5,685,778	--	4,307,276
--	--	--	9,311,481
<u>1,627,144</u>	<u>5,691,097</u>	<u>197,258,646</u>	<u>15,009,781</u>
1,618	--	--	2,686,035
--	55,958,228	--	2,596,682
179	53,228,099	167,671	5,017
1,456,653	--	--	--
--	29,725,600	164,169,048	44,309,424
<u>1,458,450</u>	<u>138,911,927</u>	<u>164,336,719</u>	<u>49,597,158</u>
<u>\$ 3,085,594</u>	<u>\$ 144,603,024</u>	<u>\$ 361,595,365</u>	<u>\$ 64,606,939</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
EXPENDABLE TRUST FUNDS  
JUNE 30, 1998**

	<b>Horse Racing Injury Compensation Fund</b>	<b>Insurance Annuity Trust Fund</b>	<b>Motor Vehicle Security Responsibility Fund</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 189,316	\$ 2,600	\$ 118,396
<b>INVESTMENTS</b>	893,396	41,510	142,369
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
<b>Total Assets</b>	<b>\$ 1,082,712</b>	<b>\$ 44,110</b>	<b>\$ 260,765</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 252,953
Deferred revenue	--	--	--
Due to other funds	--	--	7,794
Other	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>260,747</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-unrealized gains	112	5	18
Designated-continuing appropriations	--	--	--
Undesignated	1,082,600	44,105	--
<b>Total Fund Balances</b>	<b>1,082,712</b>	<b>44,110</b>	<b>18</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,082,712</b>	<b>\$ 44,110</b>	<b>\$ 260,765</b>

<u>Mutual Workers' Compensation Security Fund</u>	<u>New Home Warranty Security Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation Fund</u>	<u>New Jersey Insurance Development Fund</u>	<u>New Jersey State Employees' Deferred Compensation Plan</u>
\$ 38,810	\$ --	\$ 99	\$ 50,916	\$ 64,601
9,004,953	38,975,376	920,732	39,280,098	760,755,629
--	--	--	--	--
--	43,800	--	--	--
--	--	--	--	--
--	265,212	--	--	2,463,588
--	--	--	--	--
--	--	--	--	--
<u>\$ 9,043,763</u>	<u>\$ 39,284,388</u>	<u>\$ 920,831</u>	<u>\$ 39,331,014</u>	<u>\$ 763,283,818</u>
\$ --	\$ 171,839	\$ --	\$ --	\$ 2,358,962
--	--	--	--	--
--	5,742,056	--	--	--
--	--	--	--	822,259
<u>--</u>	<u>5,913,895</u>	<u>--</u>	<u>--</u>	<u>3,181,221</u>
--	--	--	--	--
--	--	--	--	--
1,128	28,742	--	4,919	251,654,187
--	--	870,515	--	--
<u>9,042,635</u>	<u>33,341,751</u>	<u>50,316</u>	<u>39,326,095</u>	<u>508,448,410</u>
<u>9,043,763</u>	<u>33,370,493</u>	<u>920,831</u>	<u>39,331,014</u>	<u>760,102,597</u>
<u>\$ 9,043,763</u>	<u>\$ 39,284,388</u>	<u>\$ 920,831</u>	<u>\$ 39,331,014</u>	<u>\$ 763,283,818</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
EXPENDABLE TRUST FUNDS  
JUNE 30, 1998**

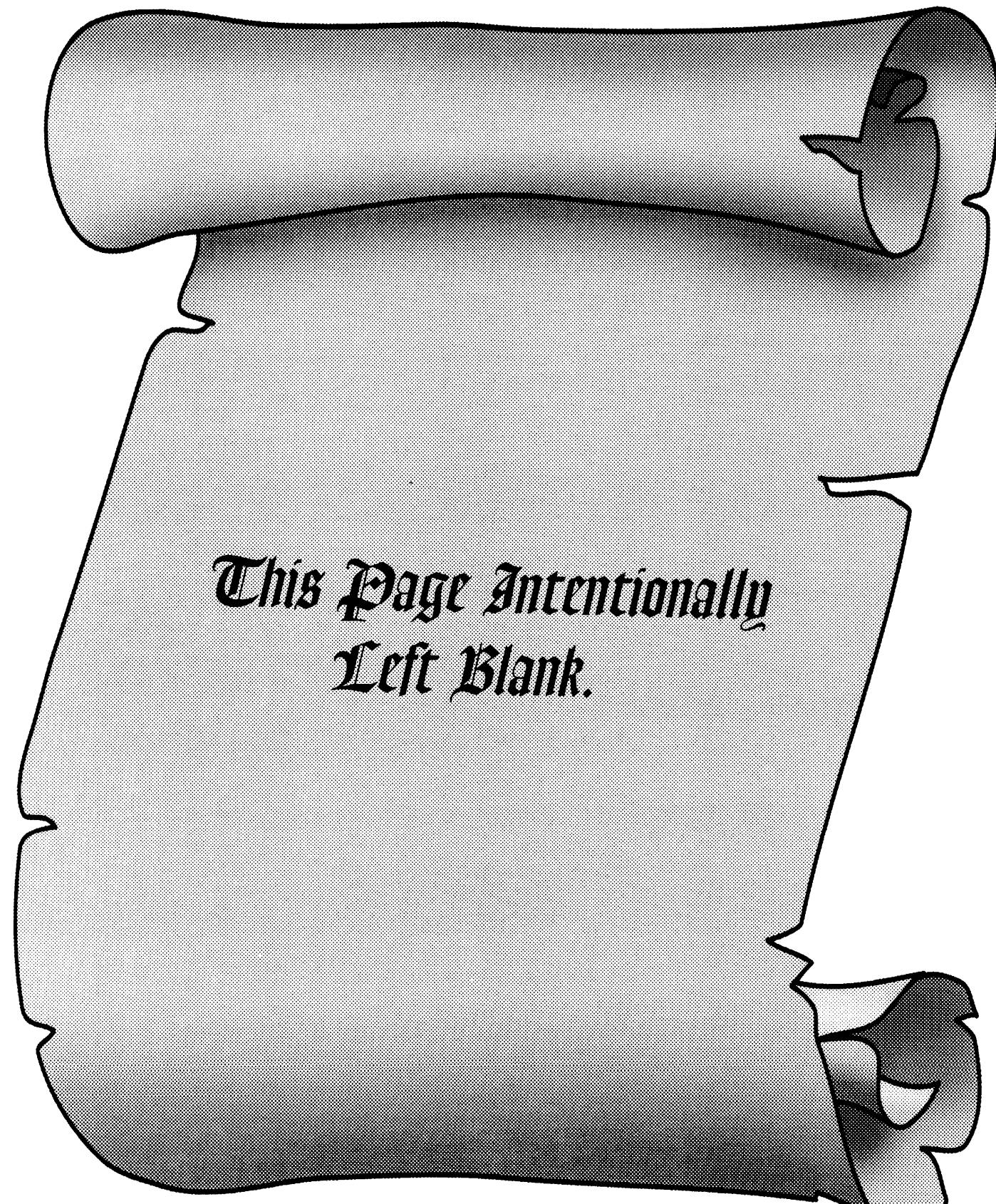
	<u>Prescription Drug Program Fund</u>	<u>Real Estate Guaranty Fund</u>	<u>State Disability Benefit Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 25,874	\$ 2,675	\$ 178,579
<b>INVESTMENTS</b>	5,871,048	1,441,382	97,754,380
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	--
Departmental accounts	--	--	133,150,350
Loans	--	--	--
Other	906,496	--	223,311
<b>OTHER ASSETS</b>			
Due from other funds	3,296,636	62,444	846,754
Deferred charges	--	--	19,398
Other	--	--	1,419,036
<b>Total Assets</b>	<u>\$ 10,100,054</u>	<u>\$ 1,506,501</u>	<u>\$ 233,591,808</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 8,842,785	\$ --	\$ 32,164,629
Deferred revenue	--	--	--
Due to other funds	4,321,711	--	26,823,547
Other	--	--	386,941
<b>Total Liabilities</b>	<u>13,164,496</u>	<u>--</u>	<u>59,375,117</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-unrealized gains	--	181	12,242
Designated-continuing appropriations	--	--	--
Undesignated	(3,064,442)	1,506,320	174,204,449
<b>Total Fund Balances</b>	<u>(3,064,442)</u>	<u>1,506,501</u>	<u>174,216,691</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,100,054</u>	<u>\$ 1,506,501</u>	<u>\$ 233,591,808</u>

<u>Stock Workers' Compensation Security Fund</u>	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed County Deposit Trust Fund</u>	<u>Unclaimed Personal Property Trust Fund</u>	<u>Unemployment Compensation Fund</u>
\$ 10,998	\$ 27,259	\$ 15,718	\$ --	\$ 12,298
74,309,207	1,187,455	2,541,110	167,228,708	68,464
--	--	--	--	2,583,605,868
--	--	--	--	361,963,141
--	--	--	--	--
71,639	--	--	11,940	11,498,016
--	574,992	--	109,431	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 74,391,844</u>	<u>\$ 1,789,706</u>	<u>\$ 2,556,828</u>	<u>\$ 167,350,079</u>	<u>\$ 2,957,147,787</u>
\$ --	\$ --	\$ --	\$ 38,734,167	\$ 78,852,280
--	--	--	--	--
--	383,347	--	12,113,130	1,684,420
--	--	--	--	--
--	<u>383,347</u>	--	<u>50,847,297</u>	<u>80,536,700</u>
--	--	--	747,422	--
--	--	--	--	--
756	148	318	55,617,816	9
--	--	--	--	--
<u>74,391,088</u>	<u>1,406,211</u>	<u>2,556,510</u>	<u>60,137,544</u>	<u>2,876,611,078</u>
<u>74,391,844</u>	<u>1,406,359</u>	<u>2,556,828</u>	<u>116,502,782</u>	<u>2,876,611,087</u>
<u>\$ 74,391,844</u>	<u>\$ 1,789,706</u>	<u>\$ 2,556,828</u>	<u>\$ 167,350,079</u>	<u>\$ 2,957,147,787</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
EXPENDABLE TRUST FUNDS  
JUNE 30, 1998**

	<b>University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund</b>	<b>Unsatisfied Claim And Judgment Fund</b>	<b>Total Expendable Trust Funds</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 1,494,894	\$ --	\$ 3,744,584
<b>INVESTMENTS</b>	103,776,362	347,798,319	2,156,441,971
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Federal government	--	--	2,605,077,703
Departmental accounts	116,000	--	495,273,291
Loans	--	--	2,596,682
Other	1,425,859	11,799,739	63,099,834
<b>OTHER ASSETS</b>			
Due from other funds	--	--	30,674,087
Deferred charges	2,194,249	--	2,213,647
Other	--	--	1,419,036
<b>Total Assets</b>	<b>\$ 109,007,364</b>	<b>\$ 359,598,058</b>	<b>\$ 5,360,540,835</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 829,397	\$ 35,133,634	\$ 389,329,004
Deferred revenue	--	--	14,410,982
Due to other funds	--	3,034,514	64,103,573
Other	--	--	10,552,992
<b>Total Liabilities</b>	<b>829,397</b>	<b>38,168,148</b>	<b>478,396,551</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	3,435,075
Other	--	6,502,248	65,057,158
Unreserved:			
Designated-unrealized gains	1,079,617	43,556	361,846,085
Designated-continuing appropriations	--	--	2,327,168
Undesignated	107,098,350	314,884,106	4,449,478,798
<b>Total Fund Balances</b>	<b>108,177,967</b>	<b>321,429,910</b>	<b>4,882,144,284</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 109,007,364</b>	<b>\$ 359,598,058</b>	<b>\$ 5,360,540,835</b>

A grayscale illustration of a scroll with a textured, stippled appearance. The scroll is unrolled, showing a central area with text. The top and bottom edges are rolled up, and the sides have a wavy, irregular border. The text is centered and written in a black, gothic-style font.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF PLAN NET ASSETS  
PENSION TRUST FUNDS  
JUNE 30, 1998**

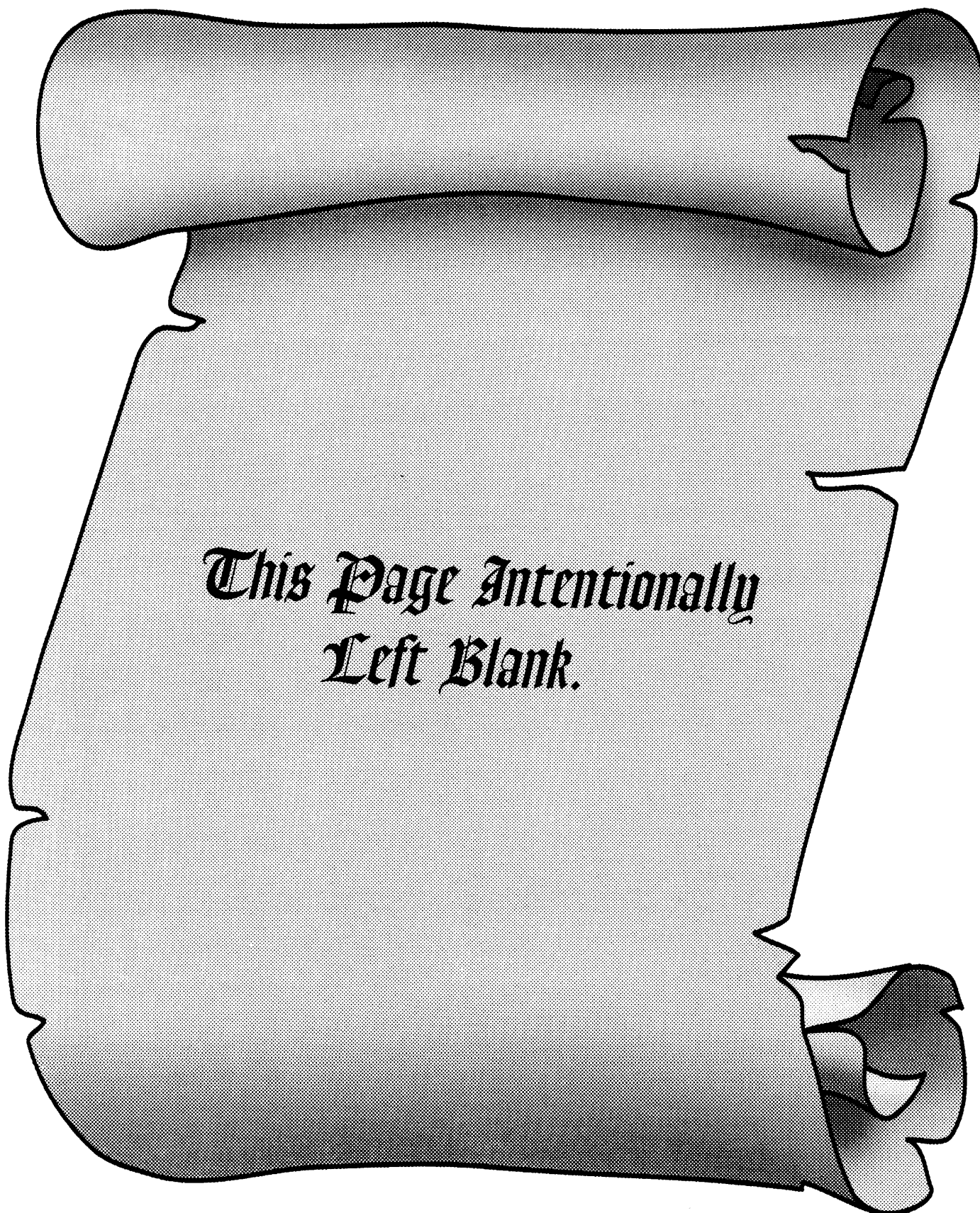
	<b>Central Pension Fund</b>	<b>Consolidated Police And Firemen's Pension Fund</b>	<b>Judicial Retirement System</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 30,535	\$ 326,745	\$ 51,898
<b>INVESTMENTS</b>	29,448	53,973,833	357,104,294
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Loans	--	--	428,018
Other	46	252,078	2,378,884
<b>OTHER ASSETS</b>			
Due from other funds	25,544	3,948,123	41,754
<b>Total Assets</b>	<u>85,573</u>	<u>58,500,779</u>	<u>360,004,848</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	40	351	175
Benefits payable	38,672	2,432,311	1,548,247
Due to other funds	46,861	90,083	604,528
<b>Total Liabilities</b>	<u>85,573</u>	<u>2,522,745</u>	<u>2,152,950</u>
<b>FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS</b>	<u>\$ --</u>	<u>\$ 55,978,034</u>	<u>\$ 357,851,898</u>

<b>Police And Firemen's Retirement System</b>	<b>Prison Officers' Pension Fund</b>	<b>Public Employees' Retirement System</b>	<b>State Police Retirement System</b>
\$ 436,370	\$ 21,360	\$ --	\$ 36,234
14,489,226,421	20,267,893	22,443,245,579	1,620,134,060
316,466,645	--	351,266,114	21,185,174
873,963,358	372	381,701,720	8,741,232
<u>2,997,472</u>	<u>123,374</u>	<u>10,545,327</u>	<u>725,788</u>
<u>15,683,090,266</u>	<u>20,412,999</u>	<u>23,186,758,740</u>	<u>1,650,822,488</u>
3,832,974	180	20,334,889	280,400
48,198,209	313,335	70,363,711	4,445,136
<u>2,003,421</u>	<u>3,412</u>	<u>3,365,332</u>	<u>782,697</u>
<u>54,034,604</u>	<u>316,927</u>	<u>94,063,932</u>	<u>5,508,233</u>
<u>\$ 15,629,055,662</u>	<u>\$ 20,096,072</u>	<u>\$ 23,092,694,808</u>	<u>\$ 1,645,314,255</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF PLAN NET ASSETS (Continued)  
PENSION TRUST FUNDS  
JUNE 30, 1998**

	<u>Supplemental Annuity Collective Trust</u>	<u>Teachers' Pension And Annuity Fund</u>	<u>Total Pension Trust Funds</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 4,878	\$ --	\$ 908,020
<b>INVESTMENTS</b>	206,918,892	28,482,159,283	67,673,059,703
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Loans	--	210,031,622	899,377,573
Other	438,838	476,761,993	1,744,238,521
<b>OTHER ASSETS</b>			
Due from other funds	40,397	465,586	18,913,365
<b>Total Assets</b>	<u>207,403,005</u>	<u>29,169,418,484</u>	<u>70,336,497,182</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,287,241	7,587,576	33,323,826
Benefits payable	--	80,379,105	207,718,726
Due to other funds	5,238	3,734,042	10,635,614
<b>Total Liabilities</b>	<u>1,292,479</u>	<u>91,700,723</u>	<u>251,678,166</u>
<b>FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS</b>	<u>\$ 206,110,526</u>	<u>\$ 29,077,717,761</u>	<u>\$ 70,084,819,016</u>

A stylized illustration of a scroll, partially unrolled, with a textured, greyish background. The scroll is oriented vertically. The text is centered on the unrolled portion of the scroll.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
JUNE 30, 1998**

	<u>Alternate Benefit Program Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Tourism Promotion Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 299,158	\$ 12,609	\$ 182,040
<b>INVESTMENTS</b>	9,727,093	1,482,949	166,154
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Departmental accounts	--	1,272,855	718,483
Loans	--	--	--
Other	2,443,224	--	--
<b>OTHER ASSETS</b>			
Due from other funds	1,120,373	--	--
<b>Total Assets</b>	<u>\$ 13,589,848</u>	<u>\$ 2,768,413</u>	<u>\$ 1,066,677</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 10,362,820	\$ 2,768,413	\$ 1,066,677
Due to other funds	3,227,028	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>13,589,848</u>	<u>2,768,413</u>	<u>1,066,677</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,589,848</u>	<u>\$ 2,768,413</u>	<u>\$ 1,066,677</u>

<b>Capital City Redevelopment Loan And Grant Fund</b>	<b>Judiciary Bail Fund</b>	<b>Judiciary Child Support And Paternity Fund</b>	<b>Judiciary Probation Fund</b>
\$ 5,778	\$ --	\$ --	\$ --
2,714,730	31,662,375	22,329,717	5,332,664
--	--	--	--
--	--	--	--
--	369,303	--	--
--	--	--	--
<u>\$ 2,720,508</u>	<u>\$ 32,031,678</u>	<u>\$ 22,329,717</u>	<u>\$ 5,332,664</u>
\$ 2,368,427	\$ 29,832,065	\$ 20,394,804	\$ 5,061,668
352,081	2,199,613	1,934,913	270,996
--	--	--	--
<u>2,720,508</u>	<u>32,031,678</u>	<u>22,329,717</u>	<u>5,332,664</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 2,720,508</u>	<u>\$ 32,031,678</u>	<u>\$ 22,329,717</u>	<u>\$ 5,332,664</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
AGENCY FUNDS  
JUNE 30, 1998**

	<u>Judiciary Special Civil Fund</u>	<u>Judiciary Superior Court Miscellaneous Fund</u>	<u>Luxury Tax Development Fund</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ --	\$ 144,544	\$ 6,882
<b>INVESTMENTS</b>	3,670,146	3,545,646	1,871,017
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	301,339	--	--
<b>Total Assets</b>	<u>\$ 3,971,485</u>	<u>\$ 3,690,190</u>	<u>\$ 1,877,899</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 3,797,799	\$ 144,988	\$ 1,877,899
Due to other funds	173,686	3,545,202	--
Other	--	--	--
<b>Total Liabilities</b>	<u>3,971,485</u>	<u>3,690,190</u>	<u>1,877,899</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,971,485</u>	<u>\$ 3,690,190</u>	<u>\$ 1,877,899</u>

<u>Luxury Tax Fund</u>	<u>New Jersey Medical Malpractice Reinsurance Recovery Fund</u>	<u>Pension Adjustment Fund</u>	<u>Resource Recovery Investment Tax Fund</u>
\$ 471,546	\$ 43,811	\$ 205,370	\$ 100,299
185,763	25,903,192	2,846,105	316,561
1,683,154	--	--	--
10,840,015	--	--	--
--	--	4,923,164	--
--	--	69,990	--
<u>\$ 13,180,478</u>	<u>\$ 25,947,003</u>	<u>\$ 8,044,629</u>	<u>\$ 416,860</u>
\$ 13,180,478	\$ 25,947,003	\$ --	\$ 416,392
--	--	4,736,695	468
--	--	3,307,934	--
<u>13,180,478</u>	<u>25,947,003</u>	<u>8,044,629</u>	<u>416,860</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 13,180,478</u>	<u>\$ 25,947,003</u>	<u>\$ 8,044,629</u>	<u>\$ 416,860</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
AGENCY FUNDS  
JUNE 30, 1998**

	<b>Solid Waste Service Tax Fund</b>	<b>State Lottery Agency Fund</b>	<b>Tourism Improvement And Development Act</b>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 39,486	\$ --	\$ 131,065
<b>INVESTMENTS</b>	5,655,437	1,254,572,668	38,989
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Departmental accounts	267,119	--	415,813
Loans	--	--	--
Other	--	--	--
<b>OTHER ASSETS</b>			
Due from other funds	--	--	--
<b>Total Assets</b>	<b>\$ 5,962,042</b>	<b>\$ 1,254,572,668</b>	<b>\$ 585,867</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 5,824,126	\$ 1,254,572,668	\$ 523,076
Due to other funds	137,916	--	62,791
Other	--	--	--
Total Liabilities	5,962,042	1,254,572,668	585,867
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	--	--	--
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,962,042</b>	<b>\$ 1,254,572,668</b>	<b>\$ 585,867</b>

<b>Unclaimed Insurance Payments on Deposits Accounts Fund</b>	<b>Wage and Hour Trust Fund</b>	<b>1992 Wastewater Treatment Trust Fund</b>	<b>Total Agency Funds</b>
\$ 27,464	\$ 119,723	\$ --	\$ 1,789,775
1,985,795	1,131,462	87	1,375,138,550
--	--	--	4,357,424
--	--	--	10,840,015
--	--	--	7,735,691
--	--	--	1,491,702
<u>\$ 2,013,259</u>	<u>\$ 1,251,185</u>	<u>\$ 87</u>	<u>\$ 1,401,353,157</u>
\$ 1,902,713	\$ 1,141,600	\$ 87	\$ 1,381,183,703
110,546	109,585	--	16,861,520
--	--	--	3,307,934
<u>2,013,259</u>	<u>1,251,185</u>	<u>87</u>	<u>1,401,353,157</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 2,013,259</u>	<u>\$ 1,251,185</u>	<u>\$ 87</u>	<u>\$ 1,401,353,157</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Alternate Benefit Long-Term Disability Fund</b>	<b>Community Development Bond Fund</b>	<b>Dental Expense Program Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	161,845	124,976	529,720
Contributions	--	--	21,649,017
Other	--	--	--
<b>Total Revenues</b>	<b>161,845</b>	<b>124,976</b>	<b>22,178,737</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	500,000	75,492	21,123,000
Proceeds from sale of bonds	--	6,600,000	--
Other	--	12,236	--
<b>Total Other Financing Sources</b>	<b>500,000</b>	<b>6,687,728</b>	<b>21,123,000</b>
<b>Total Revenues and Other Financing Sources</b>	<b>661,845</b>	<b>6,812,704</b>	<b>43,301,737</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Government direction, management and control	813,100	205,438	45,361,863
<b>Total Expenditures</b>	<b>813,100</b>	<b>205,438</b>	<b>45,361,863</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	12,842,197	--
<b>Total Other Financing Uses</b>	<b>--</b>	<b>12,842,197</b>	<b>--</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>813,100</b>	<b>13,047,635</b>	<b>45,361,863</b>
Net Increase (Decrease) in Fund Balances for the Year	(151,255)	(6,234,931)	(2,060,126)
<b>FUND BALANCES-JULY 1, 1997</b>	<b>2,385,052</b>	<b>6,234,933</b>	<b>10,035,292</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 2,233,797</b>	<b>\$ 2</b>	<b>\$ 7,975,166</b>

<b>Emergency Services Fund</b>	<b>Fund For Support Of Free Public Schools</b>	<b>Health Benefits Program Fund</b>	<b>Higher Education Assistance Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	65,322,029
--	7,631,765	--	2,269,358
--	--	--	--
138,564	23,215,877	24,235,057	2,115,177
--	--	565,876,815	--
--	--	18,512,968	17,222,856
<u>138,564</u>	<u>30,847,642</u>	<u>608,624,840</u>	<u>86,929,420</u>
--	--	331,166,082	--
--	--	--	--
--	--	--	--
--	--	331,166,082	--
<u>138,564</u>	<u>30,847,642</u>	<u>939,790,922</u>	<u>86,929,420</u>
--	--	--	--
--	--	--	72,730,768
--	--	--	--
--	--	--	--
1,925,000	--	1,110,963,884	--
<u>1,925,000</u>	<u>--</u>	<u>1,110,963,884</u>	<u>72,730,768</u>
--	9,422,463	--	14,691,808
--	9,422,463	--	14,691,808
<u>1,925,000</u>	<u>9,422,463</u>	<u>1,110,963,884</u>	<u>87,422,576</u>
(1,786,436)	21,425,179	(171,172,962)	(493,156)
3,244,886	117,486,748	335,509,681	50,090,314
--	--	--	--
<u>\$ 1,458,450</u>	<u>\$ 138,911,927</u>	<u>\$ 164,336,719</u>	<u>\$ 49,597,158</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Horse Racing Injury Compensation Fund</b>	<b>Insurance Annuity Trust Fund</b>	<b>Motor Vehicle Security Responsibility Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	16,404	1,761	7,805
Contributions	--	--	--
Other	1,657,347	6,000	--
<b>Total Revenues</b>	<b>1,673,751</b>	<b>7,761</b>	<b>7,805</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>1,673,751</b>	<b>7,761</b>	<b>7,805</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	657,778	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Government direction, management and control	--	--	--
<b>Total Expenditures</b>	<b>657,778</b>	<b>--</b>	<b>--</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	--	7,794
<b>Total Other Financing Uses</b>	<b>--</b>	<b>--</b>	<b>7,794</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>657,778</b>	<b>--</b>	<b>7,794</b>
Net Increase (Decrease) in Fund Balances for the Year	1,015,973	7,761	11
<b>FUND BALANCES-JULY 1, 1997</b>	<b>66,739</b>	<b>36,349</b>	<b>7</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 1,082,712</b>	<b>\$ 44,110</b>	<b>\$ 18</b>

<b>Mutual Workers' Compensation Security Fund</b>	<b>New Home Warranty Security Fund</b>	<b>New Jersey Federal-State Rural Rehabilitation Fund</b>	<b>New Jersey Insurance Development Fund</b>	<b>New Jersey State Employees' Deferred Compensation Plan</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	250,000	--	--	--
--	690,354	--	--	--
81,087	3,885,449	--	--	--
505,495	2,415,303	50,988	2,126,372	129,254,588
--	--	--	--	76,207,019
--	13,358	--	--	--
<u>586,582</u>	<u>7,254,464</u>	<u>50,988</u>	<u>2,126,372</u>	<u>205,461,607</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>586,582</u>	<u>7,254,464</u>	<u>50,988</u>	<u>2,126,372</u>	<u>205,461,607</u>
--	--	--	--	--
--	--	--	--	--
--	10,565,000	49,509	--	--
667,655	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>30,611,086</u>
<u>667,655</u>	<u>10,565,000</u>	<u>49,509</u>	<u>--</u>	<u>30,611,086</u>
--	5,742,056	--	--	--
<u>--</u>	<u>5,742,056</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>667,655</u>	<u>16,307,056</u>	<u>49,509</u>	<u>--</u>	<u>30,611,086</u>
(81,073)	(9,052,592)	1,479	2,126,372	174,850,521
9,124,836	49,423,085	919,352	37,204,642	585,252,076
--	(7,000,000)	--	--	--
<u>\$ 9,043,763</u>	<u>\$ 33,370,493</u>	<u>\$ 920,831</u>	<u>\$ 39,331,014</u>	<u>\$ 760,102,597</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Prescription Drug Program Fund</b>	<b>Real Estate Guaranty Fund</b>	<b>State Disability Benefit Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ 356,361,891
Federal and other grants	--	--	--
Licenses and fees	--	62,445	--
Services and assessments	--	--	25,595,079
Investment earnings	387,676	79,033	3,847,747
Contributions	10,868,272	--	--
Other	--	--	17,291
<b>Total Revenues</b>	<b>11,255,948</b>	<b>141,478</b>	<b>385,822,008</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	78,462,000	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
<b>Total Other Financing Sources</b>	<b>78,462,000</b>	<b>--</b>	<b>--</b>
<b>Total Revenues and Other Financing Sources</b>	<b>89,717,948</b>	<b>141,478</b>	<b>385,822,008</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	48,948	329,826,409
Government direction, management and control	101,482,655	--	--
<b>Total Expenditures</b>	<b>101,482,655</b>	<b>48,948</b>	<b>329,826,409</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	--	31,127,023
<b>Total Other Financing Uses</b>	<b>--</b>	<b>--</b>	<b>31,127,023</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>101,482,655</b>	<b>48,948</b>	<b>360,953,432</b>
Net Increase (Decrease) in Fund Balances for the Year	(11,764,707)	92,530	24,868,576
<b>FUND BALANCES-JULY 1, 1997</b>	<b>8,700,265</b>	<b>1,413,971</b>	<b>149,348,115</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ (3,064,442)</b>	<b>\$ 1,506,501</b>	<b>\$ 174,216,691</b>

<b>Stock Workers' Compensation Security Fund</b>	<b>Unclaimed Child Support Trust Fund</b>	<b>Unclaimed County Deposit Trust Fund</b>	<b>Unclaimed Personal Property Trust Fund</b>	<b>Unemployment Compensation Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ 1,326,888,805
--	--	--	--	20,894,027
--	--	--	--	--
1,705,674	--	--	--	--
3,974,894	64,279	138,717	28,365,945	160,797,537
--	--	--	--	--
64,208	191,645	88,261	72,147,913	1,233,374
<u>5,744,776</u>	<u>255,924</u>	<u>226,978</u>	<u>100,513,858</u>	<u>1,509,813,743</u>
--	--	--	--	--
--	--	--	--	--
<u>5,744,776</u>	<u>255,924</u>	<u>226,978</u>	<u>100,513,858</u>	<u>1,509,813,743</u>
--	--	--	--	--
--	--	--	--	--
2,275,151	--	--	--	1,146,883,926
--	20,045	153,882	2,597,790	--
<u>2,275,151</u>	<u>20,045</u>	<u>153,882</u>	<u>2,597,790</u>	<u>1,146,883,926</u>
--	--	--	62,113,130	--
--	--	--	62,113,130	--
<u>2,275,151</u>	<u>20,045</u>	<u>153,882</u>	<u>64,710,920</u>	<u>1,146,883,926</u>
3,469,625	235,879	73,096	35,802,938	362,929,817
70,922,219	1,170,480	2,483,732	80,699,844	2,513,681,270
--	--	--	--	--
<u>\$ 74,391,844</u>	<u>\$ 1,406,359</u>	<u>\$ 2,556,828</u>	<u>\$ 116,502,782</u>	<u>\$ 2,876,611,087</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund</b>	<b>Unsatisfied Claim And Judgment Fund</b>	<b>Total Expendable Trust Funds</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ 1,683,250,696
Federal and other grants	--	--	86,466,056
Licenses and fees	--	1,275	10,655,197
Services and assessments	14,725,000	155,419,687	201,411,976
Investment earnings	7,879,313	15,722,354	406,157,427
Contributions	--	--	674,601,123
Other	--	462,350	111,617,571
<b>Total Revenues</b>	<b>22,604,313</b>	<b>171,605,666</b>	<b>3,174,160,046</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	--	--	431,326,574
Proceeds from sale of bonds	--	--	6,600,000
Other	--	--	12,236
<b>Total Other Financing Sources</b>	<b>--</b>	<b>--</b>	<b>437,938,810</b>
<b>Total Revenues and Other Financing Sources</b>	<b>22,604,313</b>	<b>171,605,666</b>	<b>3,612,098,856</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	657,778
Educational, cultural and intellectual development	--	--	72,730,768
Community development and environmental management	--	--	10,614,509
Economic planning, development and security	13,788,000	173,249,835	1,666,739,924
Government direction, management and control	--	--	1,294,134,743
<b>Total Expenditures</b>	<b>13,788,000</b>	<b>173,249,835</b>	<b>3,044,877,722</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	--	3,034,514	138,980,985
<b>Total Other Financing Uses</b>	<b>--</b>	<b>3,034,514</b>	<b>138,980,985</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>13,788,000</b>	<b>176,284,349</b>	<b>3,183,858,707</b>
Net Increase (Decrease) in Fund Balances for the Year	8,816,313	(4,678,683)	428,240,149
<b>FUND BALANCES-JULY 1, 1997</b>	<b>99,361,654</b>	<b>326,108,593</b>	<b>4,460,904,135</b>
<b>Residual Equity Transfer In (Out)</b>	<b>--</b>	<b>--</b>	<b>(7,000,000)</b>
<b>FUND BALANCES-JUNE 30, 1998</b>	<b>\$ 108,177,967</b>	<b>\$ 321,429,910</b>	<b>\$ 4,882,144,284</b>

A grayscale illustration of a scroll with a textured, stippled appearance. The scroll is partially unrolled, with the top and bottom edges curled. The text is centered on the main body of the scroll.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

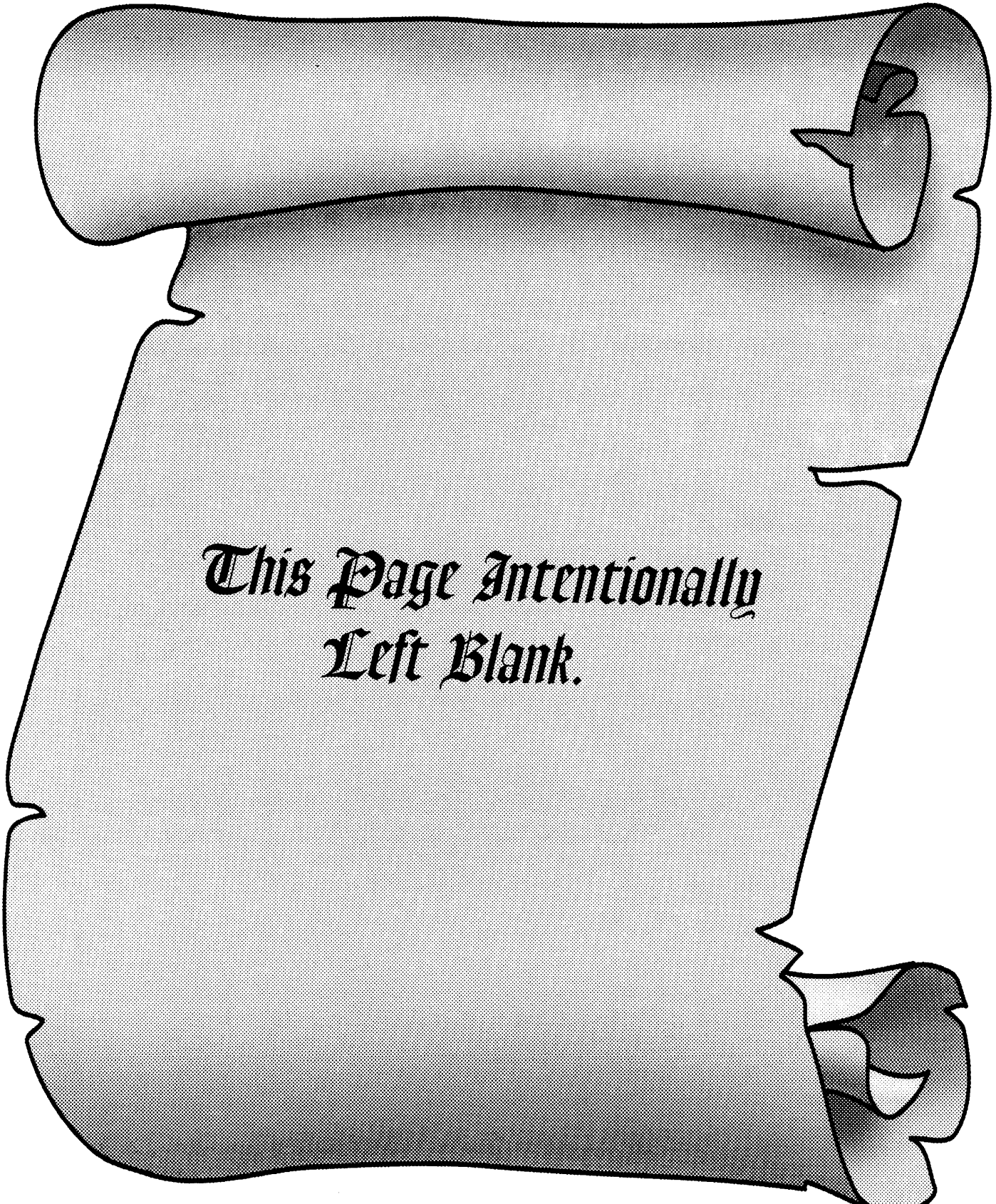
	<b>Central Pension Fund</b>	<b>Consolidated Police And Firemen's Pension Fund</b>	<b>Judicial Retirement System</b>
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Employers	\$ 474,685	\$ 105,882	\$ 14,053,520
Members	--	--	1,550,943
Other	25,681	15,891,018	--
Total Contributions	<u>500,366</u>	<u>15,996,900</u>	<u>15,604,463</u>
<b>Investment Income:</b>			
Net increase (decrease) in fair value of investments	3	187,792	44,384,036
Interest	7,082	2,967,325	10,109,191
Dividends	--	--	1,959,829
Total Investment Income	<u>7,085</u>	<u>3,155,117</u>	<u>56,453,056</u>
Less: Investment expense	<u>--</u>	<u>13,399</u>	<u>21,507</u>
Net Investment Income	<u>7,085</u>	<u>3,141,718</u>	<u>56,431,549</u>
Total Additions	<u>507,451</u>	<u>19,138,618</u>	<u>72,036,012</u>
<b>DEDUCTIONS</b>			
Benefit payment	461,358	28,213,699	18,866,085
Other	46,093	66,819	234,638
Total Deductions	<u>507,451</u>	<u>28,280,518</u>	<u>19,100,723</u>
<b>Net Increase in Plan Assets</b>	<u>--</u>	<u>(9,141,900)</u>	<u>52,935,289</u>
<b>FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - July 1, 1997</b>	<u>--</u>	<u>65,119,934</u>	<u>304,916,609</u>
<b>FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - June 30, 1998</b>	<u>\$ --</u>	<u>\$ 55,978,034</u>	<u>\$ 357,851,898</u>

<b>Police And Firemen's Retirement System</b>	<b>Prison Officers' Pension Fund</b>	<b>Public Employees' Retirement System</b>	<b>State Police Retirement System</b>
\$ 379,946,171	\$ --	\$ 51,336,168	\$ 12,916,749
196,837,955	--	412,345,805	15,999,870
--	1,466,973	17,984	--
<u>576,784,126</u>	<u>1,466,973</u>	<u>463,699,957</u>	<u>28,916,619</u>
2,093,364,317	2,538	3,430,482,761	231,729,255
376,273,717	1,150,833	520,352,622	41,243,521
98,718,544	--	163,509,133	10,607,771
<u>2,568,356,578</u>	<u>1,153,371</u>	<u>4,114,344,516</u>	<u>283,580,547</u>
1,010,146	1,868	3,267,923	102,273
<u>2,567,346,432</u>	<u>1,151,503</u>	<u>4,111,076,593</u>	<u>283,478,274</u>
<u>3,144,130,558</u>	<u>2,618,476</u>	<u>4,574,776,550</u>	<u>312,394,893</u>
567,838,462	3,486,834	831,459,986	52,617,233
47,900,546	12,605	209,970,963	1,396,023
<u>615,739,008</u>	<u>3,499,439</u>	<u>1,041,430,949</u>	<u>54,013,256</u>
2,528,391,550	(880,963)	3,533,345,601	258,381,637
<u>13,100,664,112</u>	<u>20,977,035</u>	<u>19,559,349,207</u>	<u>1,386,932,618</u>
<u>\$ 15,629,055,662</u>	<u>\$ 20,096,072</u>	<u>\$ 23,092,694,808</u>	<u>\$ 1,645,314,255</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS (Continued)  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Supplemental Annuity Collective Trust</b>	<b>Teachers' Pension And Annuity Fund</b>	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Employers	\$ --	\$ 101,625,768	\$ 560,458,943
Members	5,895,392	340,170,481	972,800,446
Other	--	4,155	17,405,811
Total Contributions	<u>5,895,392</u>	<u>441,800,404</u>	<u>1,550,665,200</u>
<b>Investment Income:</b>			
Net increase (decrease) in fair value of investments	43,132,797	4,186,226,925	10,029,510,424
Interest	166,889	728,344,854	1,680,616,034
Dividends	3,085,497	195,450,546	473,331,320
Total Investment Income	<u>46,385,183</u>	<u>5,110,022,325</u>	<u>12,183,457,778</u>
Less: Investment expense	<u>--</u>	<u>2,359,331</u>	<u>6,776,447</u>
Net Investment Income	<u>46,385,183</u>	<u>5,107,662,994</u>	<u>12,176,681,331</u>
Total Additions	<u>52,280,575</u>	<u>5,549,463,398</u>	<u>13,727,346,531</u>
<b>DEDUCTIONS</b>			
Benefit payment	23,561,021	956,509,242	2,483,013,920
Other	--	170,474,894	430,102,581
Total Deductions	<u>23,561,021</u>	<u>1,126,984,136</u>	<u>2,913,116,501</u>
<b>Net Increase in Plan Assets</b>	<u>28,719,554</u>	<u>4,422,479,262</u>	<u>10,814,230,030</u>
<b>FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - July 1, 1997</b>	<u>177,390,972</u>	<u>24,655,238,499</u>	<u>59,270,588,986</u>
<b>FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - June 30, 1998</b>	<u>\$ 206,110,526</u>	<u>\$ 29,077,717,761</u>	<u>\$ 70,084,819,016</u>

A stylized illustration of a scroll with a textured, greyish background. The scroll is unrolled, showing a central area with text. The text is written in a black, gothic-style font. The scroll has decorative, wavy edges and is shown from a slightly elevated perspective.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>ALTERNATE BENEFIT PROGRAM FUND</b>				
<b>ASSETS</b>				
Cash	\$ 988,215	\$ 7,945,869	\$ 8,634,926	\$ 299,158
Investments	6,617,661	94,835,467	91,726,035	9,727,093
Receivables - Other	17,702	2,443,224	17,702	2,443,224
Due from other funds	6,293,194	1,120,373	6,293,194	1,120,373
<b>Total Assets</b>	<b>\$ 13,916,772</b>	<b>\$ 106,344,933</b>	<b>\$ 106,671,857</b>	<b>\$ 13,589,848</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 12,689,116	\$ 10,823,255	\$ 13,149,551	\$ 10,362,820
Due to other funds	1,227,656	6,808,223	4,808,851	3,227,028
<b>Total Liabilities</b>	<b>\$ 13,916,772</b>	<b>\$ 17,631,478</b>	<b>\$ 17,958,402</b>	<b>\$ 13,589,848</b>
<b>ATLANTIC CITY PARKING FEES FUND</b>				
<b>ASSETS</b>				
Cash	\$ 20,447	\$ 53,126,510	\$ 53,134,348	\$ 12,609
Investments	1,494,674	16,908,199	16,919,924	1,482,949
Receivables - Departmental accounts	1,469,532	1,272,855	1,469,532	1,272,855
<b>Total Assets</b>	<b>\$ 2,984,653</b>	<b>\$ 71,307,564</b>	<b>\$ 71,523,804</b>	<b>\$ 2,768,413</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,984,653	\$ 36,176,090	\$ 36,392,330	\$ 2,768,413
<b>Total Liabilities</b>	<b>\$ 2,984,653</b>	<b>\$ 36,176,090</b>	<b>\$ 36,392,330</b>	<b>\$ 2,768,413</b>
<b>ATLANTIC CITY TOURISM PROMOTION</b>				
<b>ASSETS</b>				
Cash	\$ 58,502	\$ 15,674,955	\$ 15,551,417	\$ 182,040
Investments	140,789	6,230,358	6,204,993	166,154
Receivables - Departmental accounts	1,047,521	718,483	1,047,521	718,483
<b>Total Assets</b>	<b>\$ 1,246,812</b>	<b>\$ 22,623,796</b>	<b>\$ 22,803,931</b>	<b>\$ 1,066,677</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,246,812	\$ 17,878,939	\$ 18,059,074	\$ 1,066,677
<b>Total Liabilities</b>	<b>\$ 1,246,812</b>	<b>\$ 17,878,939</b>	<b>\$ 18,059,074</b>	<b>\$ 1,066,677</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>CAPITAL CITY REDEVELOPMENT LOAN AND GRANT FUND</b>				
<b>ASSETS</b>				
Cash	\$ 29,110	\$ 429,437	\$ 452,769	\$ 5,778
Investments	2,983,444	153,901	422,615	2,714,730
<b>Total Assets</b>	<b><u>\$ 3,012,554</u></b>	<b><u>\$ 583,338</u></b>	<b><u>\$ 875,384</u></b>	<b><u>\$ 2,720,508</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,689,785	\$ 320,723	\$ 642,081	\$ 2,368,427
Due to other funds	322,769	352,081	322,769	352,081
<b>Total Liabilities</b>	<b><u>\$ 3,012,554</u></b>	<b><u>\$ 672,804</u></b>	<b><u>\$ 964,850</u></b>	<b><u>\$ 2,720,508</u></b>
<b>JUDICIARY BAIL FUND</b>				
<b>ASSETS</b>				
Cash	\$ --	\$ 91,230,592	\$ 91,230,592	\$ --
Investments	32,304,305	9,257,036	9,898,966	31,662,375
Receivables - Other	--	369,303	--	369,303
<b>Total Assets</b>	<b><u>\$ 32,304,305</u></b>	<b><u>\$ 100,856,931</u></b>	<b><u>\$ 101,129,558</u></b>	<b><u>\$ 32,031,678</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 30,275,339	\$ 67,452,009	\$ 67,895,283	\$ 29,832,065
Due to other funds	2,028,966	2,386,929	2,216,282	2,199,613
<b>Total Liabilities</b>	<b><u>\$ 32,304,305</u></b>	<b><u>\$ 69,838,938</u></b>	<b><u>\$ 70,111,565</u></b>	<b><u>\$ 32,031,678</u></b>
<b>JUDICIARY CHILD SUPPORT AND PATERNITY FUND</b>				
<b>ASSETS</b>				
Cash	\$ --	\$ 1,836,526,793	\$ 1,836,526,793	\$ --
Investments	23,662,433	115,173,505	116,506,221	22,329,717
<b>Total Assets</b>	<b><u>\$ 23,662,433</u></b>	<b><u>\$ 1,951,700,298</u></b>	<b><u>\$ 1,953,033,014</u></b>	<b><u>\$ 22,329,717</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 22,306,212	\$ 1,383,062,504	\$ 1,384,973,912	\$ 20,394,804
Due to other funds	1,356,221	1,934,913	1,356,221	1,934,913
<b>Total Liabilities</b>	<b><u>\$ 23,662,433</u></b>	<b><u>\$ 1,384,997,417</u></b>	<b><u>\$ 1,386,330,133</u></b>	<b><u>\$ 22,329,717</u></b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>JUDICIARY PROBATION FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 60,671	\$ 35,778,492	\$ 35,839,163	\$ --
Investments	3,968,090	8,107,460	6,742,886	5,332,664
<b>Total Assets</b>	<b>\$ 4,028,761</b>	<b>\$ 43,885,952</b>	<b>\$ 42,582,049</b>	<b>\$ 5,332,664</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 3,843,875	\$ 28,145,379	\$ 26,927,586	\$ 5,061,668
Due to other funds	184,886	270,996	184,886	270,996
<b>Total Liabilities</b>	<b>\$ 4,028,761</b>	<b>\$ 28,416,375</b>	<b>\$ 27,112,472</b>	<b>\$ 5,332,664</b>
<b>JUDICIARY SPECIAL CIVIL FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ --	\$ 44,780,304	\$ 44,780,304	\$ --
Investments	3,115,563	9,261,986	8,707,403	3,670,146
Due from other funds	215,186	301,339	215,186	301,339
<b>Total Assets</b>	<b>\$ 3,330,749</b>	<b>\$ 54,343,629</b>	<b>\$ 53,702,893</b>	<b>\$ 3,971,485</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 3,209,346	\$ 33,266,405	\$ 32,677,952	\$ 3,797,799
Due to other funds	121,403	173,686	121,403	173,686
<b>Total Liabilities</b>	<b>\$ 3,330,749</b>	<b>\$ 33,440,091</b>	<b>\$ 32,799,355</b>	<b>\$ 3,971,485</b>
<b>JUDICIARY SUPERIOR COURT-MISCELLANEOUS FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 151,253	\$ 88,516,101	\$ 88,522,810	\$ 144,544
Investments	3,476,083	44,271,484	44,201,921	3,545,646
<b>Total Assets</b>	<b>\$ 3,627,336</b>	<b>\$ 132,787,585</b>	<b>\$ 132,724,731</b>	<b>\$ 3,690,190</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 151,431	\$ 52,071,149	\$ 52,077,592	\$ 144,988
Due to other funds	3,475,905	6,623,202	6,553,905	3,545,202
<b>Total Liabilities</b>	<b>\$ 3,627,336</b>	<b>\$ 58,694,351</b>	<b>\$ 58,631,497</b>	<b>\$ 3,690,190</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>LUXURY TAX DEVELOPMENT FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 6,329	\$ 58,433	\$ 57,880	\$ 6,882
Investments	1,799,241	101,776	30,000	1,871,017
<b>Total Assets</b>	<b>\$ 1,805,570</b>	<b>\$ 160,209</b>	<b>\$ 87,880</b>	<b>\$ 1,877,899</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 1,805,570	\$ 188,089	\$ 115,760	\$ 1,877,899
<b>Total Liabilities</b>	<b>\$ 1,805,570</b>	<b>\$ 188,089</b>	<b>\$ 115,760</b>	<b>\$ 1,877,899</b>
<b>LUXURY TAX FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 57,014	\$ 30,932,205	\$ 30,517,673	\$ 471,546
Investments	206,268	12,494,495	12,515,000	185,763
Receivables - Departmental accounts	2,092,686	1,683,154	2,092,686	1,683,154
Receivables - Loans	10,840,015	--	--	10,840,015
<b>Total Assets</b>	<b>\$ 13,195,983</b>	<b>\$ 45,109,854</b>	<b>\$ 45,125,359</b>	<b>\$ 13,180,478</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 13,195,983	\$ 35,814,357	\$ 35,829,862	\$ 13,180,478
<b>Total Liabilities</b>	<b>\$ 13,195,983</b>	<b>\$ 35,814,357</b>	<b>\$ 35,829,862</b>	<b>\$ 13,180,478</b>
<b>NEW JERSEY MEDICAL MALPRACTICE REINSURANCE RECOVERY FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 38,177	\$ 2,690,999	\$ 2,685,365	\$ 43,811
Investments	22,196,005	3,707,187	--	25,903,192
<b>Total Assets</b>	<b>\$ 22,234,182</b>	<b>\$ 6,398,186</b>	<b>\$ 2,685,365</b>	<b>\$ 25,947,003</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 22,234,182	\$ 3,712,821	\$ --	\$ 25,947,003
<b>Total Liabilities</b>	<b>\$ 22,234,182</b>	<b>\$ 3,712,821</b>	<b>\$ --</b>	<b>\$ 25,947,003</b>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>PENSION ADJUSTMENT FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 366,822	\$ 13,251,064	\$ 13,412,516	\$ 205,370
Investments	3,106,992	18,159,368	18,420,255	2,846,105
Receivables - Other	4,825,925	22,313,909	22,216,670	4,923,164
Due from other funds	55,287	211,463	196,760	69,990
<b>Total Assets</b>	<b><u>\$ 8,355,026</u></b>	<b><u>\$ 53,935,804</u></b>	<b><u>\$ 54,246,201</u></b>	<b><u>\$ 8,044,629</u></b>
<b><u>LIABILITIES</u></b>				
Due to other funds	\$ 4,869,358	\$ 17,919,950	\$ 18,052,613	\$ 4,736,695
Other	3,485,668	197	177,931	3,307,934
<b>Total Liabilities</b>	<b><u>\$ 8,355,026</u></b>	<b><u>\$ 17,920,147</u></b>	<b><u>\$ 18,230,544</u></b>	<b><u>\$ 8,044,629</u></b>
<b>RESOURCE RECOVERY INVESTMENT TAX FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 107,982	\$ 682,586	\$ 690,269	\$ 100,299
Investments	975,872	339,797	999,108	316,561
<b>Total Assets</b>	<b><u>\$ 1,083,854</u></b>	<b><u>\$ 1,022,383</u></b>	<b><u>\$ 1,689,377</u></b>	<b><u>\$ 416,860</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 1,026,267	\$ 339,547	\$ 949,422	\$ 416,392
Due to other funds	57,587	468	57,587	468
<b>Total Liabilities</b>	<b><u>\$ 1,083,854</u></b>	<b><u>\$ 340,015</u></b>	<b><u>\$ 1,007,009</u></b>	<b><u>\$ 416,860</u></b>
<b>SAFE NEIGHBORHOOD SERVICES FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 83,073	\$ 12,180,498	\$ 12,263,571	\$ --
Investments	11,943,938	12,180,501	24,124,439	--
<b>Total Assets</b>	<b><u>\$ 12,027,011</u></b>	<b><u>\$ 24,360,999</u></b>	<b><u>\$ 36,388,010</u></b>	<b><u>\$ --</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 12,027,011	\$ 153,493	\$ 12,180,504	\$ --
<b>Total Liabilities</b>	<b><u>\$ 12,027,011</u></b>	<b><u>\$ 153,493</u></b>	<b><u>\$ 12,180,504</u></b>	<b><u>\$ --</u></b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>SOLID WASTE SERVICE TAX FUND</b>				
<b>ASSETS</b>				
Cash	\$ 150,990	\$ 13,782,698	\$ 13,894,202	\$ 39,486
Investments	9,568,942	9,060,294	12,973,799	5,655,437
Receivables - Departmental accounts	245,049	267,119	245,049	267,119
<b>Total Assets</b>	<u>\$ 9,964,981</u>	<u>\$ 23,110,111</u>	<u>\$ 27,113,050</u>	<u>\$ 5,962,042</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,745,911	\$ 1,012,863	\$ 4,934,648	\$ 5,824,126
Due to other funds	219,070	139,268	220,422	137,916
<b>Total Liabilities</b>	<u>\$ 9,964,981</u>	<u>\$ 1,152,131</u>	<u>\$ 5,155,070</u>	<u>\$ 5,962,042</u>
<b>STATE LOTTERY AGENCY FUND</b>				
<b>ASSETS</b>				
Investments	\$ 1,271,321,102	\$ 140,597,770	\$ 157,346,204	\$ 1,254,572,668
<b>Total Assets</b>	<u>\$ 1,271,321,102</u>	<u>\$ 140,597,770</u>	<u>\$ 157,346,204</u>	<u>\$ 1,254,572,668</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,271,321,102	\$ 140,597,770	\$ 157,346,204	\$ 1,254,572,668
<b>Total Liabilities</b>	<u>\$ 1,271,321,102</u>	<u>\$ 140,597,770</u>	<u>\$ 157,346,204</u>	<u>\$ 1,254,572,668</u>
<b>TOURISM IMPROVEMENT AND DEVELOPMENT ACT</b>				
<b>ASSETS</b>				
Cash	\$ 70,279	\$ 5,565,604	\$ 5,504,818	\$ 131,065
Investments	13,324	2,730,662	2,704,997	38,989
Receivables - Departmental accounts	414,019	415,813	414,019	415,813
<b>Total Assets</b>	<u>\$ 497,622</u>	<u>\$ 8,712,079</u>	<u>\$ 8,623,834</u>	<u>\$ 585,867</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 497,622	\$ 6,038,626	\$ 6,013,172	\$ 523,076
Due to other funds	--	62,791	--	62,791
<b>Total Liabilities</b>	<u>\$ 497,622</u>	<u>\$ 6,101,417</u>	<u>\$ 6,013,172</u>	<u>\$ 585,867</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>UNCLAIMED INSURANCE PAYMENTS ON DEPOSIT ACCOUNTS FUND</b>				
<b>ASSETS</b>				
Cash	\$ 44,917	\$ 100,663	\$ 118,116	\$ 27,464
Investments	1,975,764	110,694	100,663	1,985,795
<b>Total Assets</b>	<b>\$ 2,020,681</b>	<b>\$ 211,357</b>	<b>\$ 218,779</b>	<b>\$ 2,013,259</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,970,018	\$ 77,443	\$ 144,748	\$ 1,902,713
Due to other funds	50,663	110,546	50,663	110,546
<b>Total Liabilities</b>	<b>\$ 2,020,681</b>	<b>\$ 187,989</b>	<b>\$ 195,411</b>	<b>\$ 2,013,259</b>
<b>WAGE AND HOUR TRUST FUND</b>				
<b>ASSETS</b>				
Cash	\$ 312,142	\$ 2,267,633	\$ 2,460,052	\$ 119,723
Investments	972,117	334,345	175,000	1,131,462
<b>Total Assets</b>	<b>\$ 1,284,259</b>	<b>\$ 2,601,978</b>	<b>\$ 2,635,052</b>	<b>\$ 1,251,185</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,121,588	\$ 1,913,566	\$ 1,893,554	\$ 1,141,600
Due to other funds	162,671	347,341	400,427	109,585
<b>Total Liabilities</b>	<b>\$ 1,284,259</b>	<b>\$ 2,260,907</b>	<b>\$ 2,293,981</b>	<b>\$ 1,251,185</b>
<b>WASTEWATER TREATMENT TRUST FUND</b>				
<b>ASSETS</b>				
Cash	\$ 6,863	\$ 14,984,707	\$ 14,991,570	\$ --
Investments	952,602	7,032,104	7,984,706	--
Due from other funds	7,000,000	--	7,000,000	--
<b>Total Assets</b>	<b>\$ 7,959,465</b>	<b>\$ 22,016,811</b>	<b>\$ 29,976,276</b>	<b>\$ --</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,959,465	\$ 8,023,675	\$ 15,983,140	\$ --
<b>Total Liabilities</b>	<b>\$ 7,959,465</b>	<b>\$ 8,023,675</b>	<b>\$ 15,983,140</b>	<b>\$ --</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1998</u>
<b>1992 WASTEWATER TREATMENT TRUST FUND</b>				
<b><u>ASSETS</u></b>				
Cash	\$ --	\$ 10,718,626	\$ 10,718,626	\$ --
Investments	60,975	5,330,372	5,391,260	87
<b>Total Assets</b>	<b>\$ 60,975</b>	<b>\$ 16,048,998</b>	<b>\$ 16,109,886</b>	<b>\$ 87</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 60,975	\$ 5,231,764	\$ 5,292,652	\$ 87
Due to other funds	--	10,391,260	10,391,260	--
<b>Total Liabilities</b>	<b>\$ 60,975</b>	<b>\$ 15,623,024</b>	<b>\$ 15,683,912</b>	<b>\$ 87</b>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b><u>ASSETS</u></b>				
Cash	\$ 2,552,786	\$ 2,281,224,769	\$ 2,281,987,780	\$ 1,789,775
Investments	1,402,856,184	516,378,761	544,096,395	1,375,138,550
Receivables - Departmental accounts	5,268,807	4,357,424	5,268,807	4,357,424
Receivables - Loans	10,840,015	--	--	10,840,015
Receivables - Other	4,843,627	25,126,436	22,234,372	7,735,691
Due from other funds	13,563,667	1,633,175	13,705,140	1,491,702
<b>Total Assets</b>	<b>\$ 1,439,925,086</b>	<b>\$ 2,828,720,565</b>	<b>\$ 2,867,292,494</b>	<b>\$ 1,401,353,157</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 1,422,362,263	\$ 1,832,300,467	\$ 1,873,479,027	\$ 1,381,183,703
Due to other funds	14,077,155	47,521,654	44,737,289	16,861,520
Other	3,485,668	197	177,931	3,307,934
<b>Total Liabilities</b>	<b>\$ 1,439,925,086</b>	<b>\$ 1,879,822,318</b>	<b>\$ 1,918,394,247</b>	<b>\$ 1,401,353,157</b>

**STATE OF NEW JERSEY  
TRUST AND AGENCY FUNDS  
DESCRIPTION OF FUNDS**

**EXPENDABLE TRUST FUNDS**

**Alternate Benefit Long-Term Disability Fund**

This Fund was established on October 1, 1986. It is an employer-funded, expendable trust fund for long-term disability. Benefits will be paid to those members of the Alternate Benefit Programs Fund who have been disabled for two years or more since October 1, 1986.

**Community Development Bond Fund (P.L. 1981, c.486)**

An amount of \$85 million was authorized to capitalize the New Jersey Local Development Financing Fund and to provide support for the revitalization, development, and creation of urban industrial parks in the communities. An amount of \$45 million is allocated to capitalize the New Jersey Local Development Financing Fund; \$30 million is allocated for low-interest loans and grants to counties, municipalities, and other entities for assisting capital construction projects which will aid in the revitalization of distressed urban areas and in the promotion of the economic and social development of older central commercial districts of rural and developing communities. The remaining \$10 million is allocated to provide financial assistance for the creation and development of urban industrial parks.

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

This program is available to most State employees who are eligible to participate in the State health benefits program for themselves and their dependents. The cost is borne jointly by the State and the employee. The employee may select either the traditional insurance coverage with an insurance carrier or enrollment in one of the participating dental plan organizations. Under the traditional insurance coverage, each year the covered employee and dependents must satisfy the specified deductible, after which the insurance will pay 80 percent of the additional eligible charges incurred during that particular year. The dental plan organizations provide prepaid plans where the payroll deductions cover all eligible services except for specified co-payments.

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

This Fund was established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

### **Fund For Support Of Free Public Schools (N.J.S.A. 18A:56-1)**

This Fund was formerly known as "The School Fund." The constitution of 1844 provided that such funds for the support of free schools remain a perpetual fund (Article VII, Section IV, Paragraph 2).

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian lands of the State, licenses, and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 1980, c.72, enacted on July 16, 1980, known as the "New Jersey School Bond Reserve Act," provides for the establishment of a School Bond Reserve within the Fund for Support of Free Public Schools, in an amount equal to at least 1 1/2 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of bonds for debt service, which is provided by state appropriations.

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

This program provides basic health services for employees of State and local governments. Employees may enroll in either a traditional plan with the insurance carrier or a health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, basic and extended medical-surgical benefits, major medical benefits, and for employees between the ages of 65 and 69, the option to select from the traditional program for coverage or the Federal Medicare Program. An HMO provides employees with a wider range of preventive health care. It contemplates less hospitalization and greater use of outpatient facilities. In addition to a prepaid fixed monthly premium, the employee or dependent may be required to pay a small charge when visiting the HMO facility. This plan also provides for hospital services, skilled nursing, and home health care treatment.

### **Higher Education Assistance Fund (N.J.S.A. 18A:72-8)**

This Fund accounts for the guaranteed loans made by financial institutions to assist qualified persons in meeting the costs of higher education in certain educational institutions. Defaulted loans are purchased from the financial institutions. A direct loan program was subsequently added to the Fund activities.

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

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

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

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

### **Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered and/or the return to motorist of such unused portion upon release of liability.

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

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

### **New Home Warranty Security Fund (N.J.S.A. 46:3B-7)**

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

### **New Jersey Federal-State Rural Rehabilitation Fund (N.J.S.A. 52:18A-1 et seq.)**

This Fund was established to receive monies from the Federal government previously accounted for by the Department of Agriculture. The monies are available for loans to farmers in New Jersey.

### **New Jersey Insurance Development Fund (N.J.S.A. 17:37A-18)**

Receipts derived from a surcharge on all basic property insurance premiums paid for insurance policies written in the State, collected by the insurer, and remitted to the State are deposited in this Fund. Payments from the Fund reimburse any insurer or the New Jersey Insurance Underwriting Association for losses sustained. The reimbursement in any given calendar year shall not, however, exceed 5 percent of the insurance premiums written on essential property insurance in the State in the most recent full calendar year.

### **New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)**

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

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

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes or other institutions. Included are those drugs which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. All full-time State employees are eligible to enroll for coverage in the program without cost to the employee.

### **Real Estate Guaranty Fund (N.J.S.A. 45:15-34)**

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

**State Disability Benefit Fund (N.J.S.A. 43:21-46a)**

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions and for administrative expenses.

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

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.

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

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

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

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

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

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

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

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

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

### **University Of Medicine And Dentistry Of New Jersey -- Self-Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)**

This Fund is established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

### **Unsatisfied Claim And Judgment Fund (N.J.S.A. 39:6-61)**

Receipts from insurance companies, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this Fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

## **INVESTMENT TRUST FUND**

### **State Of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)**

This is an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

## **PENSION TRUST FUNDS**

### **Central Pension Fund**

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

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

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating counties and municipalities and one-third by the State.

### **Judicial Retirement System (N.J.S.A. 43:6A)**

This system provides pension benefits to members of the State judiciary. The system is maintained on an actuarial reserve basis.

### **Police And Firemen's Retirement System (N.J.S.A. 43:16A)**

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain state and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

### **Prison Officers' Pension Fund (N.J.S.A. 43:7)**

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

### **Public Employees' Retirement System (N.J.S.A. 43:15A)**

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

### **State Police Retirement System (N.J.S.A. 53:5A)**

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

### **Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)**

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

### **Teachers' Pension And Annuity Fund (N.J.S.A. 18A:66)**

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

### **NON-EXPENDABLE TRUST FUND**

#### **State Of New Jersey -- Tischler Memorial Fund (N.J.S.A. 52:18A-1 et seq.)**

This Fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey; the principal amount of the Fund is to be invested in a prudent manner and the income from such investment is to be used for library materials.

### **AGENCY FUNDS**

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

The Alternate Benefit Programs were established for full-time faculty members of public institutions of higher education. All eligible faculty members were permitted to transfer their interests in State retirement systems to these programs. Participants have the option to provide for their pensions through fixed or variable annuities purchased through various carriers as provided for in Chapter 92, P.L. 1995. The minimum contribution by employees is 5 percent of their base salary, and the State will contribute a flat rate of 8 percent of their base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Programs.

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

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

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

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the convention center operating authority. Amounts expended by the convention center operating authority are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

#### **Capital City Redevelopment Loan And Grant Fund (P.L. 1987, c.58)**

This Fund has been established for the redevelopment and revitalization of the City of Trenton. The State has established a redevelopment corporation operating within the boundaries of the Trenton district, which will plan, coordinate, and promote the public and private development of that district in a manner which enhances the vitality of the Trenton area as a place of commerce, recreation, and culture and as an area in which to conduct public business and visit historic sites.

**Judiciary Bail Fund (R.3:26)**

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

**Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)**

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

**Judiciary Probation Fund (N.J.S.A. 2C:46-4)**

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

**Judiciary Special Civil Fund (R.6)**

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

**Judiciary Superior Court-Miscellaneous Fund (N.J. Court Rules, Parts II, IV, V, VI, VIII)**

The purpose of this Fund is to serve as a repository for the collection and disbursement of various fees, fines, and costs collected by court divisions of the Superior Court of New Jersey. These monies are separate and distinct from those included under the Superior Court of New Jersey Trust Fund.

**Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a(B))**

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in the City of Atlantic City.

**Luxury Tax Fund (N.J.S.A. 40:48-8.30a(B)), (P.L. 1991, c.375)**

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, subsidization of Convention Center operating budget deficits, and providing housing opportunities for low and moderate income families.

**New Jersey Medical Malpractice Reinsurance Recovery Fund (N.J.S.A. 17:30D-9)**

The purpose of this Fund is to provide a financial backup for the plan of operation of the New Jersey Medical Malpractice Reinsurance Association and shall be used to reimburse the Association for any deficit sustained in the operation of the Association.

**Pension Adjustment Fund (N.J.S.A. 43:3B)**

The Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

**Resource Recovery Investment Tax Fund (P.L. 1985, c.38)**

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

**Safe Neighborhoods Services Fund (P.L. 1993, c.220)**

This Fund was created by combining State, Federal and local resources to rapidly place 2,000 police officers in communities throughout the State. The Fund will also provide hard-pressed municipalities with funding to purchase equipment vital to effective police operations.

**Solid Waste Service Tax Fund (P.L. 1985, c.38)**

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

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

The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

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

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

**Unclaimed Insurance Payments on Deposit Accounts Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation (FDIC).

**Wage And Hour Trust Fund (N.J.S.A. 34:11-57)**

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages. In addition to the amounts collected and disbursed in this manner, the Office of Wage and Hour Compliance may also supervise the direct wage settlement payments by employers to employees.

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

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

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

An amount of \$5 million has been authorized for payment to, and use by the New Jersey Wastewater Treatment Trust, an Authority established per P.L. 1985, c.334. The money is to be used as reserve and guarantee funding to secure debt issued by the Authority or by local government units to meet the costs of wastewater treatment system projects in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.



# Component Units—Authorities



**Liberty**—The female figure on the left is Liberty, holding a staff topped with the same kind of “Liberty cap” worn as a symbol of rebellion by patriots throughout the colonies.

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
COMPONENT UNITS - AUTHORITIES  
JUNE 30, 1998**

	<u>Casino Reinvestment Development Authority</u>	<u>Hackensack Meadowlands Development Commission</u>	<u>New Jersey Developmental Authority for Small Businesses, Minorities' And Women's Enterprises</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 19,665,071	\$ 8,912,484	\$ 65,014
<b>INVESTMENTS</b>	248,102,567	136,553,504	2,181,415
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Mortgages	--	--	--
Other	132,179,797	14,510,042	1,752,367
<b>FIXED ASSETS, NET</b>	579,390	12,178,792	23,013
<b>OTHER ASSETS</b>			
Due from intergovernmental agencies	--	4,382,535	--
Deferred charges	1,130,228	37,810	--
Other	87,431,594	1,610,000	323,276
<b>AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS</b>	146,199,923	--	--
<b>Total Assets</b>	<u>\$ 635,288,570</u>	<u>\$ 178,185,167</u>	<u>\$ 4,345,085</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 190,083,215	\$ 123,151,436	\$ 196,940
Deferred revenue	--	3,275,169	--
Due to intergovernmental agencies	--	4,382,535	--
Other	18,689,556	4,425,718	293,105
Revenue bonds payable	146,199,923	1,610,000	--
Notes payable	--	--	--
Capital lease obligations	--	--	--
<b>Total Liabilities</b>	<u>354,972,694</u>	<u>136,844,858</u>	<u>490,045</u>
<b>EQUITY AND OTHER CREDITS</b>			
Contributed Capital	--	2,812,066	--
Investment in general fixed assets	579,390	--	23,013
Retained Earnings:			
Reserved	--	35,738,076	--
Unreserved	--	2,790,167	--
Fund Balances:			
Reserved-Other	80,861,573	--	5,487,522
Unreserved-Undesignated	198,874,913	--	(1,655,495)
<b>Total Equity and Other Credits</b>	<u>280,315,876</u>	<u>41,340,309</u>	<u>3,855,040</u>
<b>Total Liabilities, Equity and Other Credits</b>	<u>\$ 635,288,570</u>	<u>\$ 178,185,167</u>	<u>\$ 4,345,085</u>

<b>New Jersey Economic Development Authority</b>	<b>New Jersey Educational Facilities Authority</b>	<b>New Jersey Environmental Infrastructure Trust</b>	<b>New Jersey Health Care Facilities Financing Authority</b>
\$ 67,758,292	\$ 651,907	\$ 76,933,543	\$ 229,016,000
381,102,051	446,334,466	130,992,481	352,782,000
--	1,517,782,171	--	2,745,135,000
1,615,750,982	6,980,725	495,112,106	60,305,000
164,726,690	301,498	199,967	697,000
--	--	--	--
9,644,858	--	8,384,169	--
2,995,285	1,619,541	672,505	93,000
--	1,539,044,671	582,005,213	3,272,084,000
<b>\$ 2,241,978,158</b>	<b>\$ 3,512,714,979</b>	<b>\$ 1,294,299,984</b>	<b>\$ 6,660,112,000</b>
\$ 36,755,182	\$ 53,757,199	\$ 7,778,986	\$ 96,771,000
144,134,919	--	--	--
--	--	--	--
18,643,137	--	--	--
1,466,745,149	1,539,044,671	582,005,213	3,269,123,000
33,275,192	--	--	2,961,000
--	--	--	--
<b>1,699,553,579</b>	<b>1,592,801,870</b>	<b>589,784,199</b>	<b>3,368,855,000</b>
--	--	--	--
--	301,498	199,967	697,000
--	--	--	--
542,424,579	--	--	--
--	1,893,688,495	100,395,913	2,758,803,000
--	25,923,116	603,919,905	531,757,000
<b>542,424,579</b>	<b>1,919,913,109</b>	<b>704,515,785</b>	<b>3,291,257,000</b>
<b>\$ 2,241,978,158</b>	<b>\$ 3,512,714,979</b>	<b>\$ 1,294,299,984</b>	<b>\$ 6,660,112,000</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
COMPONENT UNITS - AUTHORITIES  
JUNE 30, 1998**

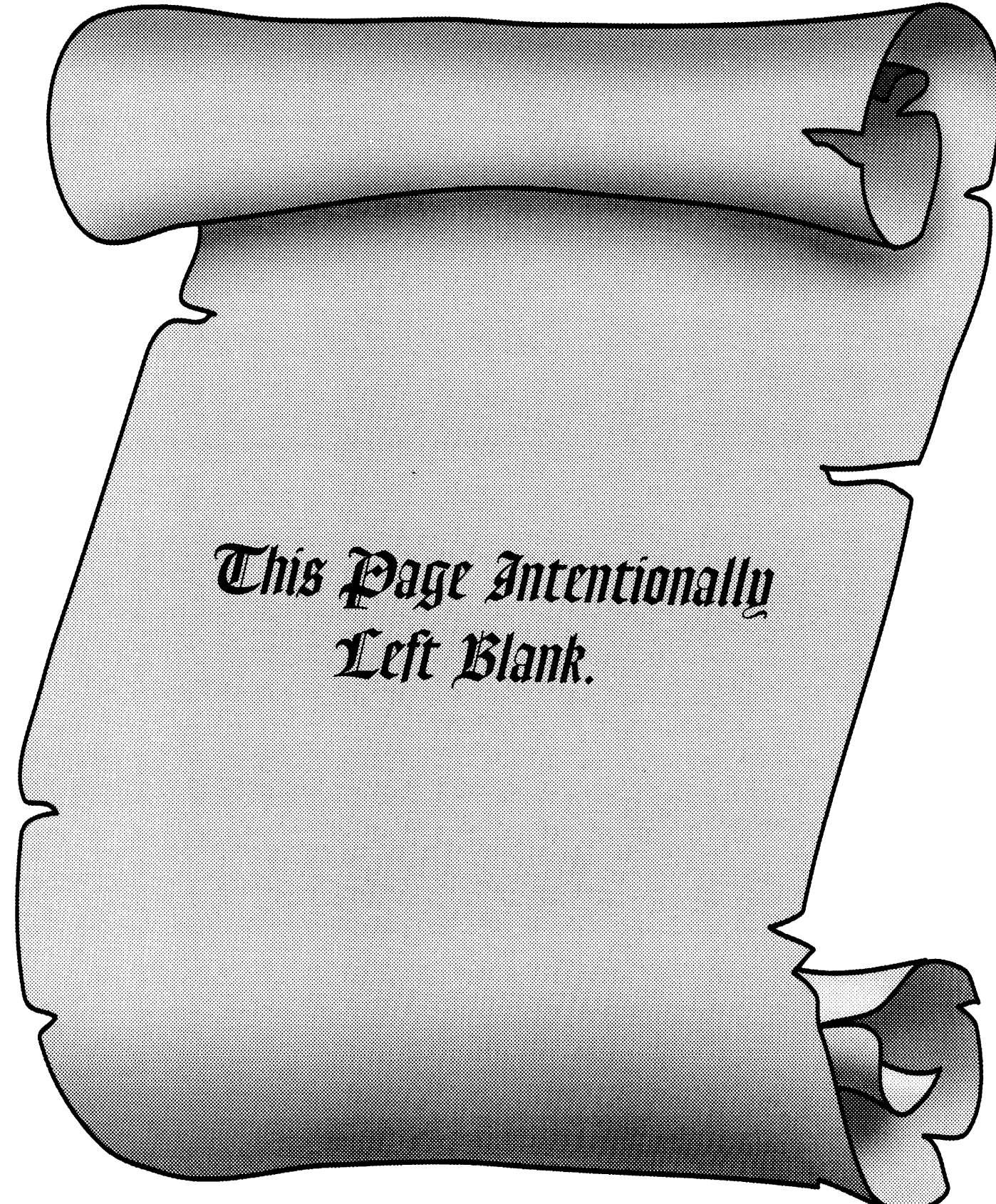
	<u>New Jersey Higher Education Assistance Authority NJ Class</u>	<u>New Jersey Highway Authority</u>	<u>New Jersey Housing And Mortgage Finance Agency</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 289,341	\$ 3,153,991	\$ 59,774,000
<b>INVESTMENTS</b>	107,236,449	259,445,712	1,185,635,000
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Mortgages	--	--	2,438,174,000
Other	103,244,902	2,754,585	18,296,000
<b>FIXED ASSETS, NET</b>	--	1,431,357,201	14,051,000
<b>OTHER ASSETS</b>			
Due from intergovernmental agencies	--	--	--
Deferred charges	--	--	23,571,000
Other	--	26,311,401	8,738,000
<b>AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS</b>	<u>203,006,438</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 413,777,130</u>	<u>\$ 1,723,022,890</u>	<u>\$ 3,748,239,000</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 4,018,219	\$ 86,294,289	\$ 349,024,000
Deferred revenue	--	10,913,696	24,211,000
Due to intergovernmental agencies	--	--	--
Other	--	25,528,227	36,630,000
Revenue bonds payable	203,006,438	595,300,000	2,717,089,000
Notes payable	--	--	--
Capital lease obligations	--	--	--
<b>Total Liabilities</b>	<u>207,024,657</u>	<u>718,036,212</u>	<u>3,126,954,000</u>
<b>EQUITY AND OTHER CREDITS</b>			
Contributed Capital	--	--	--
Investment in general fixed assets	--	--	--
Retained Earnings:			
Reserved	--	--	451,100,000
Unreserved	--	1,004,986,678	170,185,000
Fund Balances:			
Reserved-Other	--	--	--
Unreserved-Undesignated	206,752,473	--	--
<b>Total Equity and Other Credits</b>	<u>206,752,473</u>	<u>1,004,986,678</u>	<u>621,285,000</u>
<b>Total Liabilities, Equity and Other Credits</b>	<u>\$ 413,777,130</u>	<u>\$ 1,723,022,890</u>	<u>\$ 3,748,239,000</u>

<b>New Jersey Redevelopment Authority</b>	<b>New Jersey Sports And Exposition Authority</b>	<b>New Jersey Transit Corporation</b>	<b>New Jersey Turnpike Authority</b>	<b>New Jersey Water Supply Authority</b>
\$ 374,602	\$ 7,297,000	\$ 6,015,000	\$ 14,692,924	\$ 174,386
13,569,541	177,071,000	1,492,834,000	603,758,483	30,431,976
--	--	--	--	--
14,711,129	14,270,000	64,355,000	7,866,874	2,336,423
65,309	775,946,000	3,417,936,000	3,236,901,329	169,983,775
--	--	--	--	--
--	6,953,000	--	--	827,970
14,685	39,963,000	106,074,000	2,222,352	19,049,402
--	--	--	--	--
<u>\$ 28,735,266</u>	<u>\$ 1,021,500,000</u>	<u>\$ 5,087,214,000</u>	<u>\$ 3,865,441,962</u>	<u>\$ 222,803,932</u>
\$ 96,475	\$ 58,418,000	\$ 529,969,000	\$ 76,333,722	\$ 110,851,572
--	26,722,000	--	198,215	296,677
--	--	--	--	--
42,147	10,644,000	118,271,000	60,192,552	--
--	863,339,000	--	2,654,278,473	27,327,685
--	30,941,000	351,583,000	--	--
--	--	1,074,266,000	--	--
<u>138,622</u>	<u>990,064,000</u>	<u>2,074,089,000</u>	<u>2,791,002,962</u>	<u>138,475,934</u>
--	27,324,000	3,081,820,000	--	51,402,335
65,309	--	--	--	--
--	4,112,000	--	72,635,000	32,925,663
--	--	(68,695,000)	1,001,804,000	--
28,531,335	--	--	--	--
--	--	--	--	--
<u>28,596,644</u>	<u>31,436,000</u>	<u>3,013,125,000</u>	<u>1,074,439,000</u>	<u>84,327,998</u>
<u>\$ 28,735,266</u>	<u>\$ 1,021,500,000</u>	<u>\$ 5,087,214,000</u>	<u>\$ 3,865,441,962</u>	<u>\$ 222,803,932</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
COMPONENT UNITS - AUTHORITIES  
JUNE 30, 1998**

	<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>Total Authorities</u>
<b>ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>	\$ 370,616	\$ 116,462,071	\$ 611,606,242
<b>INVESTMENTS</b>	11,336,130	35,774,209	5,615,140,984
<b>RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES</b>			
Mortgages	--	--	6,701,091,171
Other	9,009,684	4,808,380	2,568,243,996
<b>FIXED ASSETS, NET</b>	67,575,982	100,939,914	9,393,462,860
<b>OTHER ASSETS</b>			
Due from intergovernmental agencies	--	403,182	4,785,717
Deferred charges	--	--	50,549,035
Other	129,847	3,247,482	300,495,370
<b>AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS</b>	--	--	5,742,340,245
<b>Total Assets</b>	<u>\$ 88,422,259</u>	<u>\$ 261,635,238</u>	<u>\$ 30,987,715,620</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 3,728,236	\$ 10,447,209	\$ 1,737,674,680
Deferred revenue	234,824	443,760	210,430,260
Due to intergovernmental agencies	--	403,182	4,785,717
Other	547,157	4,199,593	298,106,192
Revenue bonds payable	78,715,000	56,022,878	14,199,806,430
Notes payable	--	125,000,000	543,760,192
Capital lease obligations	--	--	1,074,266,000
<b>Total Liabilities</b>	<u>83,225,217</u>	<u>196,516,622</u>	<u>18,068,829,471</u>
<b>EQUITY AND OTHER CREDITS</b>			
Contributed Capital	--	48,316,056	3,211,674,457
Investment in general fixed assets	--	--	1,866,177
Retained Earnings:			
Reserved	768,560	3,479,237	600,758,536
Unreserved	4,428,482	13,323,323	2,671,247,229
Fund Balances:			
Reserved-Other	--	--	4,867,767,838
Unreserved-Undesignated	--	--	1,565,571,912
<b>Total Equity and Other Credits</b>	<u>5,197,042</u>	<u>65,118,616</u>	<u>12,918,886,149</u>
<b>Total Liabilities, Equity and Other Credits</b>	<u>\$ 88,422,259</u>	<u>\$ 261,635,238</u>	<u>\$ 30,987,715,620</u>

A grayscale illustration of a scroll with a textured, stippled appearance. The scroll is unrolled, showing a central area with text. The top and bottom edges are rolled up, and the sides have a wavy, irregular border. The text is centered and written in a black, gothic-style font.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**COMPONENT UNITS - AUTHORITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Casino Reinvestment Development Authority</b>	<b>New Jersey Developmental Authority for Small Businesses, Minorities' And Women's Enterprises</b>	<b>New Jersey Educational Facilities Authority</b>
<b>REVENUES</b>			
Federal and other grants	\$ 144,388	\$ --	\$ 5,139,720
Licenses and fees	15,730,290	14,622	1,125,792
Services and assessments	--	--	129,404,019
Investment earnings	8,859,542	360,394	25,118,171
Other	13,845,442	18,048	156,829,329
<b>Total Revenues</b>	<b>38,579,662</b>	<b>393,064</b>	<b>317,617,031</b>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of bonds	102,804,496	--	179,314,150
<b>Total Other Financing Sources</b>	<b>102,804,496</b>	<b>--</b>	<b>179,314,150</b>
<b>Total Revenue and Other Financing Sources</b>	<b>141,384,158</b>	<b>393,064</b>	<b>496,931,181</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	389,680,296
Community development and environmental management	29,570,685	--	--
Economic planning, development and security	--	501,286	--
<b>Debt Service:</b>			
Principal	40,059,833	--	78,661,545
Interest	6,254,204	--	83,119,007
<b>Total Expenditures</b>	<b>75,884,722</b>	<b>501,286</b>	<b>551,460,848</b>
Net Increases (Decreases) in Fund Balances for the Year	65,499,436	(108,222)	(54,529,667)
<b>FUND BALANCES - JULY 1, 1997</b>	<b>214,237,050</b>	<b>3,940,249</b>	<b>1,974,141,278</b>
<b>FUND BALANCES - JUNE 30, 1998</b>	<b>\$ 279,736,486</b>	<b>\$ 3,832,027</b>	<b>\$ 1,919,611,611</b>

<b>New Jersey Environmental Infrastructure Trust</b>	<b>New Jersey Health Care Facilities Financing Authority</b>	<b>New Jersey Higher Education Assistance Authority NJ Class</b>	<b>New Jersey Redevelopment Authority</b>	<b>Total Governmental Authorities</b>
\$ 10,685,220	\$ --	\$ --	\$ 2,250,000	\$ 18,219,328
3,269,957	2,356,000	1,438,596	1,500	23,936,757
--	310,117,000	--	--	439,521,019
37,488,141	36,261,000	10,121,859	1,515,607	119,724,714
--	23,418,000	4,637	25,798	194,141,254
<u>51,443,318</u>	<u>372,152,000</u>	<u>11,565,092</u>	<u>3,792,905</u>	<u>795,543,072</u>
<u>14,591,211</u>	<u>193,362,000</u>	<u>80,000,000</u>	<u>--</u>	<u>570,071,857</u>
<u>14,591,211</u>	<u>193,362,000</u>	<u>80,000,000</u>	<u>--</u>	<u>570,071,857</u>
<u>66,034,529</u>	<u>565,514,000</u>	<u>91,565,092</u>	<u>3,792,905</u>	<u>1,365,614,929</u>
--	258,740,000	--	--	258,740,000
--	--	3,726,649	--	393,406,945
13,369,766	--	--	--	42,940,451
--	--	--	1,736,915	2,238,201
17,885,000	198,007,000	7,570,058	--	342,183,436
34,828,316	211,137,000	7,318,958	--	342,657,485
<u>66,083,082</u>	<u>667,884,000</u>	<u>18,615,665</u>	<u>1,736,915</u>	<u>1,382,166,518</u>
(48,553)	(102,370,000)	72,949,427	2,055,990	(16,551,589)
<u>704,364,371</u>	<u>3,392,930,000</u>	<u>133,803,046</u>	<u>26,475,345</u>	<u>6,449,891,339</u>
<u>\$ 704,315,818</u>	<u>\$ 3,290,560,000</u>	<u>\$ 206,752,473</u>	<u>\$ 28,531,335</u>	<u>\$ 6,433,339,750</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY  
COMPONENT UNITS - AUTHORITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

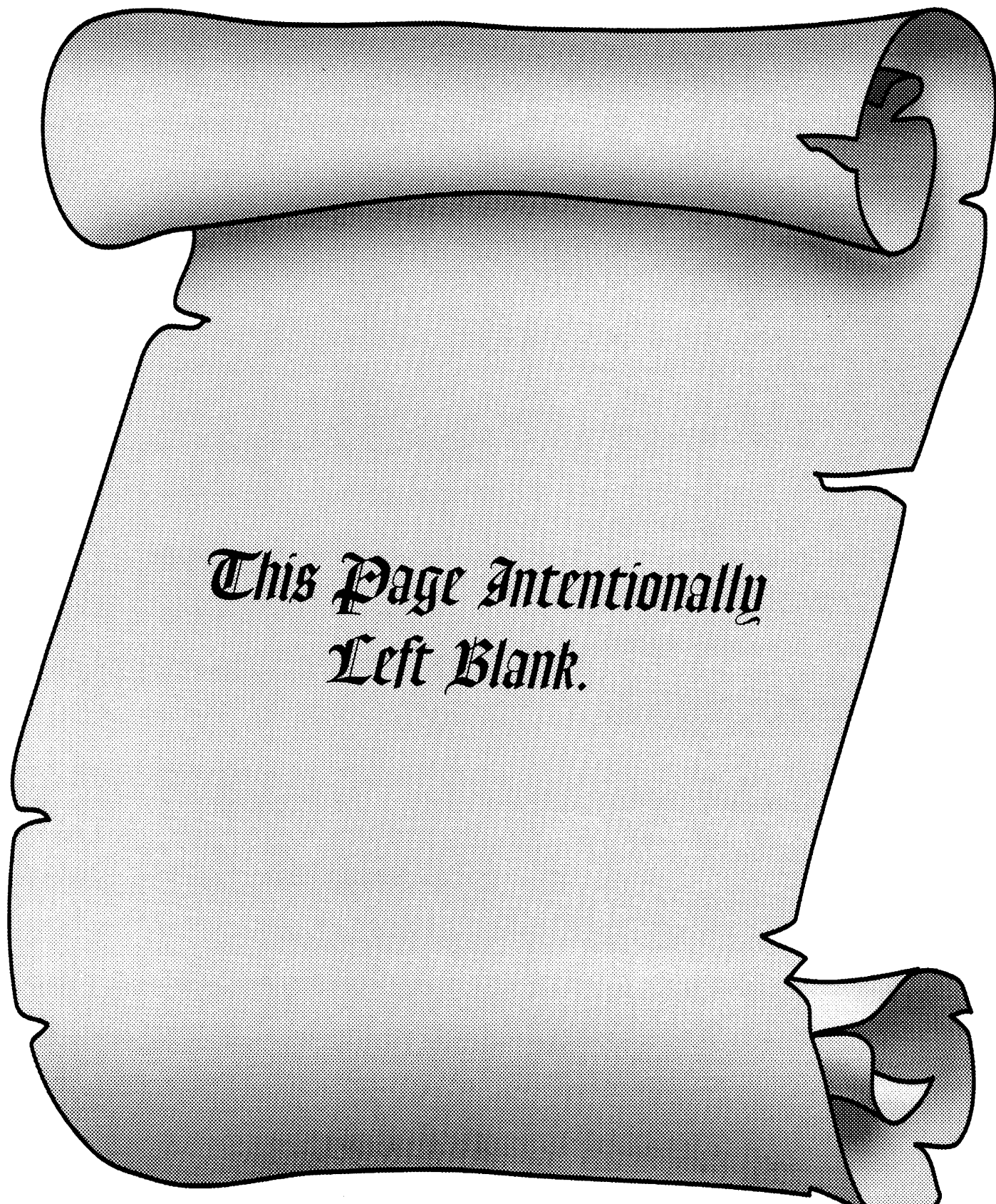
	<b>Hackensack Meadowlands Development Commission</b>	<b>New Jersey Economic Development Authority</b>	<b>New Jersey Highway Authority</b>
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 25,246,389	\$ 23,176,968	\$ 193,643,382
Interest	--	--	--
Investment income	--	--	--
Other	1,656,259	64,397,606	6,033,606
Total Operating Revenues	<u>26,902,648</u>	<u>87,574,574</u>	<u>199,676,988</u>
<b>OPERATING EXPENSES</b>			
Operations	29,187,273	25,620,067	99,650,823
Interest	--	--	--
Depreciation and amortization	88,636	12,146,218	23,004,962
Other	--	--	--
Total Operating Expenses	<u>29,275,909</u>	<u>37,766,285</u>	<u>122,655,785</u>
Operating Income (loss)	<u>(2,373,261)</u>	<u>49,808,289</u>	<u>77,021,203</u>
<b>NONOPERATING REVENUES(EXPENSES)</b>			
Governmental subsidies and grants	3,318,700	(90,356,665)	(10,000,000)
Capital Contributions	--	--	--
Interest revenue	687,344	30,463,789	14,086,408
Interest expense and fiscal charges	(381,449)	(86,265,326)	(33,039,523)
Other	--	--	--
Total Nonoperating Revenues (Expenses)	<u>3,624,595</u>	<u>(146,158,202)</u>	<u>(28,953,115)</u>
Income before operating transfers	<u>1,251,334</u>	<u>(96,349,913)</u>	<u>48,068,088</u>
Net income (loss)	1,251,334	(96,349,913)	48,068,088
<b>FUND EQUITY - Beginning of Year</b>	<u>40,088,975</u>	<u>638,774,492</u>	<u>956,918,590</u>
<b>FUND EQUITY - End of Year</b>	<u>\$ 41,340,309</u>	<u>\$ 542,424,579</u>	<u>\$ 1,004,986,678</u>

<b>New Jersey Housing And Mortgage Finance Agency</b>	<b>New Jersey Sports And Exposition Authority</b>	<b>New Jersey Transit Corporation</b>	<b>New Jersey Turnpike Authority</b>	<b>New Jersey Water Supply Authority</b>
\$ 10,419,000	\$ 193,055,000	\$ 429,547,000	\$ 364,916,033	\$ 18,550,163
188,069,000	--	--	--	--
55,376,000	--	--	--	--
1,863,000	--	24,176,000	3,194,049	2,356,965
<u>255,727,000</u>	<u>193,055,000</u>	<u>453,723,000</u>	<u>368,110,082</u>	<u>20,907,128</u>
38,912,000	183,851,000	830,330,000	159,699,690	8,571,774
176,595,000	--	--	--	--
1,551,000	23,631,000	191,860,000	24,062,000	5,561,782
--	4,921,000	17,613,000	--	--
<u>217,058,000</u>	<u>212,403,000</u>	<u>1,039,803,000</u>	<u>183,761,690</u>	<u>14,133,556</u>
38,669,000	(19,348,000)	(586,080,000)	184,348,392	6,773,572
--	49,292,000	359,913,000	(12,000,000)	--
--	5,284,000	414,964,000	--	--
--	12,224,000	19,300,000	12,890,252	1,803,493
(797,000)	(51,993,000)	(6,901,000)	(147,314,408)	(6,161,706)
(1,194,000)	--	14,100,000	(15,094,080)	(153,647)
<u>(1,991,000)</u>	<u>14,807,000</u>	<u>801,376,000</u>	<u>(161,518,236)</u>	<u>(4,511,860)</u>
36,678,000	(4,541,000)	215,296,000	22,830,156	2,261,712
36,678,000	(4,541,000)	215,296,000	22,830,156	2,261,712
584,607,000	35,977,000	2,797,829,000	1,051,608,844	82,066,286
<u>\$ 621,285,000</u>	<u>\$ 31,436,000</u>	<u>\$ 3,013,125,000</u>	<u>\$ 1,074,439,000</u>	<u>\$ 84,327,998</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY (Continued)**  
**COMPONENT UNITS - AUTHORITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>South Jersey Port Corporation</b>	<b>South Jersey Transportation Authority</b>	<b>Total Proprietary Authorities</b>
<b>OPERATING REVENUES</b>			
Charges for services and sales	\$ 16,934,391	\$ 30,772,553	\$ 1,306,260,879
Interest	--	--	188,069,000
Investment income	--	--	55,376,000
Other	459,935	1,186,338	105,323,758
	<u>17,394,326</u>	<u>31,958,891</u>	<u>1,655,029,637</u>
<b>OPERATING EXPENSES</b>			
Operations	14,263,171	21,327,348	1,411,413,146
Interest	--	--	176,595,000
Depreciation and amortization	2,609,164	2,447,635	286,962,397
Other	--	1,577,883	24,111,883
	<u>16,872,335</u>	<u>25,352,866</u>	<u>1,899,082,426</u>
Operating Income(Loss)	<u>521,991</u>	<u>6,606,025</u>	<u>(244,052,789)</u>
<b>NONOPERATING REVENUES(EXPENSES)</b>			
Governmental subsidies and grants	6,109,426	(2,500,000)	303,776,461
Capital Contributions	--	12,237,779	432,485,779
Interest revenue	166,172	3,048,487	94,669,945
Interest expense and fiscal charges	(4,987,763)	(7,305,264)	(345,146,439)
Other	--	85,295	(2,256,432)
	<u>1,287,835</u>	<u>5,566,297</u>	<u>483,529,314</u>
Income before operating transfers	<u>1,809,826</u>	<u>12,172,322</u>	<u>239,476,525</u>
Net income (loss)	1,809,826	12,172,322	239,476,525
<b>FUND EQUITY - Beginning of Year</b>	<u>3,387,216</u>	<u>52,946,294</u>	<u>6,244,203,697</u>
<b>FUND EQUITY - End of Year</b>	<u>\$ 5,197,042</u>	<u>\$ 65,118,616</u>	<u>\$ 6,483,680,222</u>

A stylized illustration of a scroll with a textured, greyish background. The scroll is unrolled, showing a central area with text. The text is written in a black, gothic-style font. The scroll has decorative, wavy edges and is shown from a slightly elevated perspective.

*This Page Intentionally  
Left Blank.*

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CASH FLOWS  
COMPONENT UNITS - AUTHORITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>Hackensack Meadowlands Development Commission</b>	<b>New Jersey Economic Development Authority</b>	<b>New Jersey Highway Authority</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,373,261)	\$ 49,808,289	\$ 77,021,203
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization	88,636	12,146,218	23,004,962
Changes in operating assets:			
Decrease (increase) in mortgage receivables	--	--	--
Decrease (increase) in other receivables	(2,775,804)	99,695,398	227,642
Decrease (increase) in due from intergovernmental agencies	(2,238,100)	--	--
Decrease (increase) in deferred charges	66,491	1,512,034	--
Decrease (increase) in other assets	280,771	(82,795)	(3,523,173)
Changes in operating liabilities:			
Increase (decrease) in account payable and accrued expenses	2,178	(485,834)	2,737,865
Increase (decrease) in deferred revenue	(221,854)	(13,114,947)	964,755
Increase (decrease) in due to intergovernmental agencies	2,238,100	--	--
Increase (decrease) in other liabilities	3,932,851	(16,551,403)	4,172,390
Other changes	--	--	--
<b>Net cash provided by (used in) operating activities</b>	<b>(999,992)</b>	<b>132,926,960</b>	<b>104,605,644</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Governmental subsidies and grants	3,318,700	(90,356,665)	(10,000,000)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>3,318,700</b>	<b>(90,356,665)</b>	<b>(10,000,000)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital contributions received	--	--	--
Proceeds from issuance of revenue bonds	--	177,475,015	--
Proceeds from issuance of notes	--	1,000,000	--
Principal payment of revenue bonds	(260,000)	(58,345,000)	(15,510,000)
Principal payment of capital leases	(20,771)	--	--
Principal payment of notes	--	(18,105,024)	--
Interest expense paid	(381,449)	(86,265,326)	(33,039,523)
Acquisition/construction of capital assets	--	--	(56,066,712)
Disposition (acquisition) of fixed assets	(273,819)	(48,767,515)	--
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(936,039)</b>	<b>(33,007,850)</b>	<b>(104,616,235)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Sale of investments	1,429,040	--	1,742,006
Purchase of investments	--	(8,004,612)	(7,343,435)
Interest revenue received	687,344	30,463,789	14,086,408
<b>Net cash provided by (used in) investing activities</b>	<b>2,116,384</b>	<b>22,459,177</b>	<b>8,484,979</b>
Increase (Decrease) in cash and Cash Equivalents	3,499,053	32,021,622	(1,525,612)
<b>CASH AND CASH EQUIVALENTS, At Beginning of Year</b>	<b>5,413,431</b>	<b>35,736,670</b>	<b>4,679,603</b>
<b>CASH AND CASH EQUIVALENTS, At End of Year</b>	<b>\$ 8,912,484</b>	<b>\$ 67,758,292</b>	<b>\$ 3,153,991</b>

<b>New Jersey Housing And Mortgage Finance Agency</b>	<b>New Jersey Sports And Exposition Authority</b>	<b>New Jersey Transit Corporation</b>	<b>New Jersey Turnpike Authority</b>	<b>New Jersey Water Supply Authority</b>
\$ 38,669,000	\$ (19,348,000)	\$ (586,080,000)	\$ 184,348,392	\$ 6,773,572
1,551,000	23,631,000	191,860,000	24,062,000	5,561,782
(24,812,000)	--	--	--	--
(1,522,000)	1,392,000	30,731,000	2,594,346	8,682
--	--	--	--	--
597,000	1,007,000	--	--	19,519
(913,000)	(69,000)	(13,868,000)	8,069,043	(995,984)
21,849,000	6,981,000	(29,633,000)	(1,481,724)	(2,664,460)
3,245,000	(1,980,000)	--	(148)	(34,984)
--	--	--	--	--
(32,000)	606,000	48,891,000	1,370,432	--
(1,194,000)	--	14,100,000	(15,094,080)	(153,647)
<u>37,438,000</u>	<u>12,220,000</u>	<u>(343,999,000)</u>	<u>203,868,261</u>	<u>8,514,480</u>
--	49,292,000	359,913,000	(12,000,000)	--
--	49,292,000	359,913,000	(12,000,000)	--
--	5,284,000	414,964,000	--	--
107,655,000	--	--	--	--
--	28,964,000	--	--	--
(118,680,000)	(14,479,000)	--	(65,335,515)	(953,841)
--	--	(16,534,000)	--	--
--	(676,000)	--	--	--
(797,000)	(51,993,000)	(6,901,000)	(147,314,408)	(6,161,706)
--	(66,096,000)	--	(70,703,477)	--
(149,000)	--	(117,645,000)	--	(1,970,675)
<u>(11,971,000)</u>	<u>(98,996,000)</u>	<u>273,884,000</u>	<u>(283,353,400)</u>	<u>(9,086,222)</u>
22,762,000	213,394,000	--	63,922,133	--
--	(186,312,000)	(308,186,000)	--	(1,213,781)
--	12,224,000	19,300,000	12,890,252	1,803,493
<u>22,762,000</u>	<u>39,306,000</u>	<u>(288,886,000)</u>	<u>76,812,385</u>	<u>589,712</u>
48,229,000	1,822,000	912,000	(14,672,754)	17,970
11,545,000	5,475,000	5,103,000	29,365,678	156,416
<u>\$ 59,774,000</u>	<u>\$ 7,297,000</u>	<u>\$ 6,015,000</u>	<u>\$ 14,692,924</u>	<u>\$ 174,386</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
COMPONENT UNITS - AUTHORITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<b>South Jersey Port Corporation</b>	<b>South Jersey Transportation Authority</b>	<b>Total Proprietary Authorities</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 521,991	\$ 6,606,025	\$ (244,052,789)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	2,609,164	2,447,635	286,962,397
Changes in operating assets:			
Decrease (increase) in mortgage receivables	--	--	(24,812,000)
Decrease (increase) in other receivables	537,776	(2,743,691)	128,145,349
Decrease (increase) in due from intergovernmental agencies	--	640,765	(1,597,335)
Decrease (increase) in deferred charges	--	--	3,202,044
Decrease (increase) in other assets	1,733	(426,687)	(11,527,092)
Changes in operating liabilities:			
Increase (decrease) in account payable accrued expenses	(669,642)	3,497,991	133,374
Increase (decrease) in deferred revenue	(113,589)	(12,832)	(11,268,599)
Increase (decrease) in due to intergovernmental agencies	--	(640,765)	1,597,335
Increase (decrease) in other liabilities	21,783	1,894,967	44,306,020
Other changes	--	85,295	(2,256,432)
<b>Net cash provided by (used in) operating activities</b>	<b>2,909,216</b>	<b>11,348,703</b>	<b>168,832,272</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Governmental subsidies and grants	6,109,426	(2,500,000)	303,776,461
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>6,109,426</b>	<b>(2,500,000)</b>	<b>303,776,461</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital contributions received	--	12,237,779	432,485,779
Proceeds from issuance of revenue bonds	--	5,161,743	290,291,758
Proceeds from issuance of notes	--	125,000,000	154,964,000
Principal payment of revenue bonds	(3,420,000)	(2,135,000)	(279,118,356)
Principal payment of capital leases	--	--	(16,554,771)
Principal payment of notes	--	--	(18,781,024)
Interest expense paid	(4,987,763)	(7,305,264)	(345,146,439)
Acquisition/construction of capital assets	--	(14,702,109)	(207,568,298)
Disposition (acquisition) of fixed assets	(553,755)	--	(169,359,764)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(8,961,518)</b>	<b>118,257,149</b>	<b>(158,787,115)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Sale of investments	--	--	303,249,179
Purchase of investments	(916,977)	(34,931,840)	(546,908,645)
Interest revenue received	166,172	3,048,487	94,669,945
<b>Net cash provided by (used in) investing activities</b>	<b>(750,805)</b>	<b>(31,883,353)</b>	<b>(148,989,521)</b>
Increase (Decrease) in cash and Cash Equivalents	(693,681)	95,222,499	164,832,097
<b>CASH AND CASH EQUIVALENTS, At Beginning of Year</b>	<b>1,064,297</b>	<b>21,239,572</b>	<b>119,778,667</b>
<b>CASH AND CASH EQUIVALENTS, At End of Year</b>	<b>\$ 370,616</b>	<b>\$ 116,462,071</b>	<b>\$ 284,610,764</b>

# General Fixed Asset Account Group



**Sovereignty**—Sitting atop the shield between both females is the helmet of a knight's suit of armor, a traditional old world symbol of state sovereignty that is also said to be a symbol for the importance of human intelligence and honor to the affairs of state.

**STATE OF NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION  
JUNE 30, 1998**

<b>FUNCTION:</b>	<u>Land</u>	<u>Land Improvements</u>
Public safety and criminal justice	\$ 5,506,836	\$ 37,829,755
Physical and mental health	3,396,885	5,639,388
Educational, cultural, and intellectual development	23,813,650	1,095,016
Community development and environmental management	328,586,015	15,650,174
Economic planning, development and security	1,174,427	869,453
Transportation programs	10,950,447	5,452,064
Government direction, management and control	4,616,204	2,237,865
Special government services	--	--
Construction in progress	--	--
<b>TOTAL GENERAL FIXED ASSETS BY FUNCTION</b>	<u>\$ 378,044,464</u>	<u>\$ 68,773,715</u>

<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 772,119,965	\$ 55,149,276	\$ --	\$ 870,605,832
256,712,049	18,094,210	--	283,842,532
33,504,496	8,764,983	--	67,178,145
123,172,513	13,413,902	--	480,822,604
57,357,026	14,842,582	--	74,243,488
117,206,318	83,306,411	--	216,915,240
318,912,076	67,271,404	--	393,037,549
--	605,293	--	605,293
--	--	147,255,375	147,255,375
<u>\$ 1,678,984,443</u>	<u>\$ 261,448,061</u>	<u>\$ 147,255,375</u>	<u>\$ 2,534,506,058</u>

**STATE OF NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE  
JUNE 30, 1988**

	<u>Land</u>	<u>Land Improvements</u>
<b>INVESTMENT IN GENERAL FIXED ASSETS:</b>		
ACQUIRED ON OR BEFORE JUNE 30, 1988:	\$ 188,880,477	\$ 41,250,024
ACQUIRED AFTER JUNE 30, 1988 FROM:		
State revenues	64,866,176	24,723,186
General obligation bonds	113,892,810	--
Federal revenues	7,959,138	--
Donations	2	2,500,000
Other	2,445,861	300,505
Construction in progress	--	--
Total Sources	<u>189,163,987</u>	<u>27,523,691</u>
<b>Total Investments in General Fixed Assets</b>	<u>\$ 378,044,464</u>	<u>\$ 68,773,715</u>

NOTE: June 30, 1988 represents the beginning of the first year in which the Fixed Asset System was used.  
The schedule does not reflect the funding sources for the construction in progress account.

<b>Buildings and Improvements</b>	<b>Machinery and Equipment</b>	<b>Construction in Progress</b>	<b>Total</b>
\$ 896,706,752	\$ 45,908,599	\$ --	\$ 1,172,745,852
555,524,475	196,735,617	--	841,849,454
226,552,789	2,186,880	--	342,632,479
--	7,364,407	--	15,323,545
61,200	409,080	--	2,970,282
139,227	8,843,478	--	11,729,071
--	--	147,255,375	147,255,375
<u>782,277,691</u>	<u>215,539,462</u>	<u>147,255,375</u>	<u>1,361,760,207</u>
<u>\$ 1,678,984,443</u>	<u>\$ 261,448,061</u>	<u>\$ 147,255,375</u>	<u>\$ 2,534,506,058</u>

**STATE OF NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION  
FOR THE FISCAL YEAR ENDING JUNE 30, 1998**

	<u>Balance June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
<b>FUNCTION:</b>				
Public safety and criminal justice	\$ 663,033,349	\$ 210,963,781	\$ 3,391,298	\$ 870,605,832
Physical and mental health	275,772,374	8,125,706	55,548	283,842,532
Educational, cultural, and intellectual development	66,876,225	301,920	--	67,178,145
Community development and environmental management	446,430,237	36,148,510	1,756,143	480,822,604
Economic planning, development and security	73,137,229	2,988,415	1,882,156	74,243,488
Transportation programs	204,038,929	15,639,656	2,763,345	216,915,240
Government direction, management and control	449,286,769	6,620,301	62,869,521	393,037,549
Special government services	605,293	--	--	605,293
Construction in progress	264,945,516	113,446,792	231,136,933	147,255,375
<b>Total General Fixed Assets Allocated To Functions</b>	<u>\$ 2,444,125,921</u>	<u>\$ 394,235,081</u>	<u>\$ 303,854,944</u>	<u>\$ 2,534,506,058</u>

# General Long Term Debt Account Group



**Strength**—Framed in plumes above the helmet is a horse's head marking the fact that New Jersey was a major center for the breeding of horses. The equestrian head also symbolizes the attributes of strength, speed and utility in war or commerce.

**STATE OF NEW JERSEY  
SCHEDULE OF OUTSTANDING BONDS  
JUNE 30, 1998**

	<u>ACT OF</u>	<u>AUTHORIZED</u>
Beaches and Harbors	1977	\$ 30,000,000
Clean Waters	1976	120,000,000
Community Development	1982	85,000,000
Correctional Facilities Construction	1982	170,000,000
Correctional Facilities Construction	1987	198,000,000
Developmentally Disabled Waiting List		
Reduction and Human Services Facilities Construction	1994	160,000,000
Emergency Flood Control	1978	25,000,000
Energy Conservation	1980	50,000,000
Farmland Preservation	1981	50,000,000
Green Acres, Farmland and Historic Preservation and Blue Acres of 1995	1995	340,000,000
Hazardous Discharge	1981	100,000,000
Hazardous Discharge	1986	200,000,000
Higher Education Construction	1971	155,000,000
Human Services Facilities Construction	1984	60,000,000
Institutional Construction	1978	100,000,000
Institutions Construction	1976	80,000,000
Jobs, Education and Competitiveness	1988	350,000,000
Jobs, Science and Technology	1984	90,000,000
Medical Education Facilities	1977	120,000,000
Natural Resources	1980	145,000,000
New Jersey Bridge Rehabilitation and Improvement	1983	135,000,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	115,000,000
New Jersey Green Acres	1983	135,000,000
New Jersey Green Acres Cultural Centers and Historic Preservation	1987	100,000,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	345,000,000
New Jersey Open Space Preservation	1989	300,000,000
Pinelands Infrastructure Trust	1985	30,000,000
Port of New Jersey Revitalization, Dredging., Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300,000,000
Public Building Construction	1968	337,500,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	125,000,000
Public Purpose Buildings Construction	1980	159,000,000
Refunding Bonds	1985	2,969,689,598
Resource Recovery and Solid Waste Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
State Recreation and Conservation Land Acquisition	1971	80,000,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000
State Transportation	1968	640,000,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	50,000,000
Transportation Rehabilitation and Improvement	1979	475,000,000
Urban and Rural Centers Unsafe Buildings Demolition Bonds	1997	20,000,000
Wastewater Treatment	1985	190,000,000
Water Conservation	1969	271,000,000
Water Supply	1981	350,000,000
<b>TOTAL</b>		<b>\$ 10,315,189,598</b>

<u>UNISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
\$ --	\$ 26,350,000	\$ 3,650,000
5,000,000	89,382,000	25,618,000
--	43,779,000	41,221,000
--	169,500,000	500,000
--	167,700,000	30,300,000
104,000,000	339,000	55,661,000
--	21,050,000	3,950,000
2,100,000	40,550,000	7,350,000
--	46,575,000	3,425,000
272,000,000	--	68,000,000
49,000,000	36,642,000	14,358,000
123,000,000	997,000	76,003,000
--	148,400,000	6,600,000
--	48,214,000	11,786,000
--	90,700,000	9,300,000
--	64,840,000	15,160,000
27,000,000	180,214,000	142,786,000
--	84,250,000	5,750,000
--	86,000,000	34,000,000
47,500,000	90,418,000	7,082,000
--	132,000,000	3,000,000
38,000,000	28,609,000	48,391,000
14,500,000	109,825,000	10,675,000
23,500,000	59,375,000	17,125,000
158,880,000	1,816,000	184,304,000
62,000,000	86,164,000	151,836,000
8,000,000	18,500,000	3,500,000
300,000,000	--	--
--	306,100,000	31,400,000
38,000,000	58,950,000	28,050,000
--	153,055,000	5,945,000
--	690,840,000	2,278,849,598
24,500,000	23,265,000	37,235,000
--	45,381,000	4,619,000
7,000,000	176,509,000	16,491,000
--	19,780,000	5,220,000
--	79,200,000	800,000
--	173,102,000	26,898,000
--	601,850,000	38,150,000
35,000,000	12,250,000	2,750,000
--	429,713,000	45,287,000
20,000,000	--	--
--	173,475,000	16,525,000
--	243,336,000	27,664,000
93,400,000	230,920,000	25,680,000
<u>\$ 1,452,380,000</u>	<u>\$ 5,289,915,000</u>	<u>\$ 3,572,894,598</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN GENERAL LONG - TERM DEBT ACCOUNT GROUP**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ACT OF</u>	<u>OUTSTANDING</u> <u>JULY 1, 1997</u>
<b>State Bonded Debt:</b>		
Beaches and Harbors	1977	\$ 4,200,000
Clean Waters	1976	28,650,000
Community Development	1982	36,900,000
Correctional Facilities Construction	1982	500,000
Correctional Facilities Construction	1987	40,200,000
Developmentally Disabled Waiting List Reduction and Human Services Facilities Construction	1994	11,000,000
Emergency Flood Control	1978	4,950,000
Energy Conservation	1980	5,000,000
Farmland Preservation	1981	5,425,000
Green Acres, Farmland and Historic Preservation and Blue Acres of 1995	1995	--
Hazardous Discharge	1981	11,600,000
Hazardous Discharge	1986	30,920,000
Higher Education Construction	1971	8,800,000
Human Services Facilities Construction	1984	13,800,000
Institutional Construction	1978	11,000,000
Institutions Construction	1976	17,900,000
Jobs, Education and Competitiveness	1988	145,950,000
Jobs, Science and Technology	1984	7,800,000
Medical Education Facilities	1977	40,800,000
Natural Resources	1980	8,290,000
New Jersey Bridge Rehabilitation and Improvement	1983	5,000,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	20,550,000
New Jersey Green Acres	1983	11,950,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	20,950,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	55,845,000
New Jersey Open Space Preservation	1989	100,440,000
Pinelands Infrastructure Trust	1985	4,600,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	--
Public Building Construction	1968	39,950,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	32,400,000
Public Purpose Buildings Construction	1980	7,395,000
Refunding Bonds	1985	2,428,869,598
Resource Recovery and Solid Waste Disposal Facility	1985	39,710,000
Shore Protection	1983	5,200,000
State Land Acquisition and Development	1978	19,150,000
State Mortgage Assistance	1976	6,200,000
State Recreation and Conservation Land Acquisition	1971	1,000,000
State Recreation and Conservation Land Acquisition and Development	1974	31,800,000
State Transportation	1968	48,250,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	3,500,000
Transportation Rehabilitation and Improvement	1979	50,500,000
Wastewater Treatment	1985	21,875,000
Water Conservation	1969	17,400,000
Water Supply	1981	31,230,000
<b>Other Debt:</b>		
Revenue Bonds Payable	--	3,027,114,929
Accumulated Sick and Vacation Payable	--	414,210,432
Capital Leases	--	241,038,063 *
Installment Obligations	--	4,648,062,861 *
Certificates of Participation	--	128,399,889 *
Loans Payable	--	1,120,000,000
<b>TOTAL</b>		<b>\$ 13,016,275,772</b>

\* Various State of New Jersey obligations previously classified as Installment Obligation have been reclassified as either Certificates of Participation or Capital leases.

<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>OUTSTANDING JUNE 30, 1998</u>
\$ --	\$ 550,000	\$ 3,650,000
2,000,000	5,032,000	25,618,000
6,600,000	2,279,000	41,221,000
--	--	500,000
--	9,900,000	30,300,000
45,000,000	339,000	55,661,000
--	1,000,000	3,950,000
3,900,000	1,550,000	7,350,000
--	2,000,000	3,425,000
68,000,000	--	68,000,000
5,000,000	2,242,000	14,358,000
46,000,000	917,000	76,003,000
--	2,200,000	6,600,000
--	2,014,000	11,786,000
--	1,700,000	9,300,000
--	2,740,000	15,160,000
11,000,000	14,164,000	142,786,000
--	2,050,000	5,750,000
--	6,800,000	34,000,000
--	1,208,000	7,082,000
--	2,000,000	3,000,000
30,000,000	2,159,000	48,391,000
2,000,000	3,275,000	10,675,000
--	3,825,000	17,125,000
130,120,000	1,661,000	184,304,000
59,000,000	7,604,000	151,836,000
--	1,100,000	3,500,000
--	--	--
--	8,550,000	31,400,000
--	4,350,000	28,050,000
--	1,450,000	5,945,000
--	150,020,000	2,278,849,598
--	2,475,000	37,235,000
--	581,000	4,619,000
--	2,659,000	16,491,000
--	980,000	5,220,000
--	200,000	800,000
--	4,902,000	26,898,000
--	10,100,000	38,150,000
--	750,000	2,750,000
--	5,213,000	45,287,000
--	5,350,000	16,525,000
14,500,000	4,236,000	27,664,000
--	5,550,000	25,680,000
1,319,489,929	589,214,929	3,757,389,929
16,931,709	--	431,142,141
66,289,413	17,615,652	289,711,824
55,000,000	154,286,458	4,548,776,403
9,040,240	34,054,597	103,385,532
151,678,636	--	1,271,678,636
<u>\$ 2,041,549,927</u>	<u>\$ 1,082,846,636</u>	<u>\$ 13,974,979,063</u>

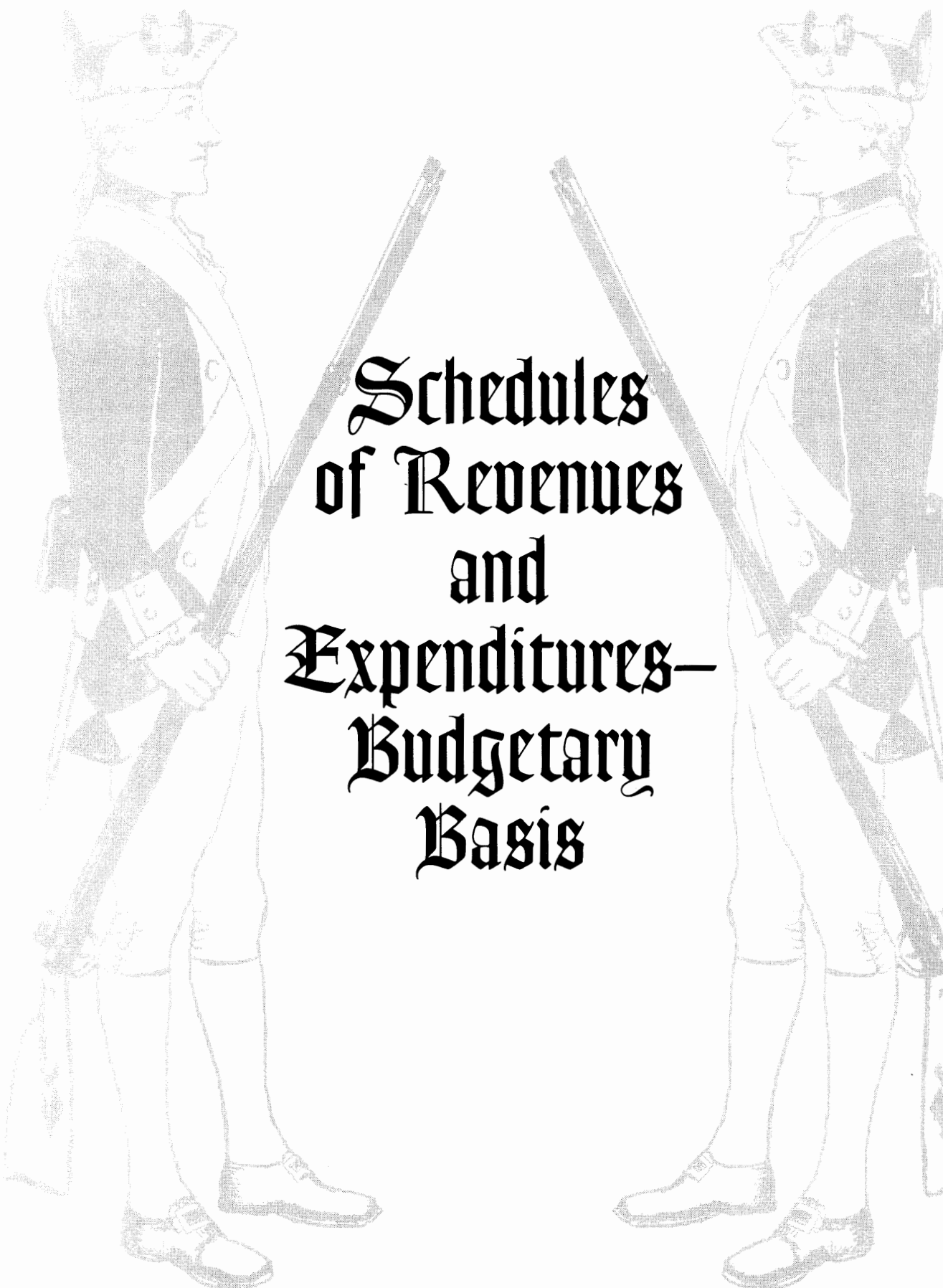


# Statistical



It was at **Rockingham** that General George Washington received the grand news, the Treaty of Paris had been signed. For eight years, he had served his country during the American Revolution and now, at Rockingham, the General wrote his Farewell Orders to the Armies of the United States.





**Schedules  
of Revenues  
and  
Expenditures—  
Budgetary  
Basis**



# Schedule of Anticipated and Appropriated Revenue



*Hope for the future*—And below it all, in a banner anchored at its center with the year of independence, is the new state's motto: "Liberty and Prosperity", the two post-war goals of all those in the Indian King that day who signed this seal into law and, in other legislation, officially changed the status of New Jersey from that of a colony to that of a sovereign state in an independent nation.

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>MAJOR TAXES</b>				
Sales	\$ 4,550,000,000	\$ 4,766,194,660	105	\$ 216,194,660
Corporation Business	1,282,000,000	1,231,629,172	96	(50,370,828)
Motor Fuels	470,000,000	476,158,272	101	6,158,272
Motor Vehicle Fees	419,000,000	435,855,324	104	16,855,324
Transfer Inheritance	305,000,000	337,679,941	111	32,679,941
Insurance Premiums	261,000,000	294,838,136	113	33,838,136
Cigarette	243,000,000	326,936,016	135	83,936,016
Petroleum Products Gross Receipts	198,000,000	197,227,418	100	(772,582)
Corporation Banks and Financial Institutions	100,000,000	56,234,674	56	(43,765,326)
Alcoholic Beverage Excise	75,000,000	74,851,212	100	(148,788)
Realty Transfer	51,000,000	63,259,822	124	12,259,822
Savings Institutions	18,000,000	21,083,981	117	3,083,981
Tobacco Products Wholesale Sales	7,000,000	11,682,321	167	4,682,321
Public Utility Excise (Reform)	7,000,000	9,174,800	131	2,174,800
<b>TOTAL MAJOR TAXES</b>	<b>7,986,000,000</b>	<b>8,302,805,749</b>	<b>104</b>	<b>316,805,749</b>
<b>MISCELLANEOUS TAXES, FEES, REVENUES</b>				
<b>Executive Branch:</b>				
<b>Department of Agriculture:</b>				
Fertilizer Inspection Fees	168,000	168,000	100	--
Miscellaneous Revenues	4,000	15,665	392	11,665
<b>Total Department of Agriculture</b>	<b>172,000</b>	<b>183,665</b>	<b>107</b>	<b>11,665</b>
<b>Department of Banking and Insurance:</b>				
Actuarial Services	5,000	150,060	3,001	145,060
Bank Assessments	2,739,000	3,136,461	115	397,461
Banking - Examination Fees	2,947,000	624,755	21	(2,322,245)
Banking - Licenses and Other Fees	3,124,000	4,251,732	136	1,127,732
FAIR Act Administration	12,500,000	13,307,357	106	807,357
Insurance - Special Purpose Assessment	12,200,000	11,231,047	92	(968,953)
Insurance Examination Billings	1,500,000	1,781,230	119	281,230
Insurance Fraud Prevention	12,350,000	12,203,943	99	(146,057)
Insurance Licenses & Other Fees	8,476,000	9,352,226	110	876,226
Real Estate Commission	3,530,000	3,443,401	98	(86,599)
<b>Total Department of Banking and Insurance</b>	<b>59,371,000</b>	<b>59,482,212</b>	<b>100</b>	<b>111,212</b>
<b>Department of Community Affairs:</b>				
Affordable Housing and Neighborhood Preservation - Fair Housing	18,325,000	18,325,000	100	--
Boarding Home Fees	250,000	331,576	133	81,576
Construction Fees	5,523,000	5,523,000	100	--
Fire Safety	13,326,000	13,333,988	100	7,988
Hackensack Meadowlands Development	4,200,000	4,200,000	100	--
Housing Inspection Fees	6,437,000	6,311,699	98	(125,301)
Miscellaneous	--	3,013	--	3,013
Plan Review Additional	1,647,000	1,647,000	100	--
Planned Real Estate Development Fees	828,000	828,000	100	--
<b>Total Department of Community Affairs</b>	<b>50,536,000</b>	<b>50,503,276</b>	<b>100</b>	<b>(32,724)</b>
<b>Department of Education:</b>				
Academy for the Advancement of Teaching and Administration	275,000	190,563	69	(84,437)
Audit Recoveries	1,900,000	1,348,803	71	(551,197)
Audit of Enrollments	10,000,000	7,672,562	77	(2,327,438)

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Local School District Loan Recoveries	17,600,000	11,049,616	63	(6,550,384)
Miscellaneous Revenue	310,000	119,148	38	(190,852)
Nonpublic Schools Textbook Recoveries	500,000	556,101	111	56,101
School Construction Inspection Fees	277,000	277,000	100	--
State Board of Examiners	1,700,000	1,708,285	100	8,285
<b>Total Department of Education</b>	<b>32,562,000</b>	<b>22,922,078</b>	<b>70</b>	<b>(9,639,922)</b>
<b>Department of Environmental Protection:</b>				
Air Pollution Fees and Fines	10,850,000	13,765,813	127	2,915,813
Clean Water Enforcement Act	1,750,000	1,785,474	102	35,474
Coastal Area Development Review Act	894,000	873,655	98	(20,345)
Endangered Species Tax Checkoff	312,000	312,000	100	--
Excess Diversion	230,000	257,019	112	27,019
Freshwater Wetlands-Fees	1,760,000	2,314,470	132	554,470
Freshwater Wetlands-Fines	30,000	192,404	641	162,404
Hazardous Waste Fees	4,700,000	2,041,354	43	(2,658,646)
Hazardous Waste Fines	350,000	219,725	63	(130,275)
Hunters' and Anglers' Licenses	10,945,000	10,945,000	100	--
Industrial Site Recovery Act	1,500,000	1,475,101	98	(24,899)
Laboratory Certification Fees	3,400,000	1,538,655	45	(1,861,345)
Laboratory Certification Fines	22,000	500	2	(21,500)
Marina Rentals	840,000	954,347	114	114,347
Marine Lands - Preparation and Filing Fees	120,000	87,817	73	(32,183)
Medical Waste	3,600,000	3,810,801	106	210,801
Miscellaneous Revenues	64,000	32,463	51	(31,537)
New Jersey Pollutant Discharge Elimination	21,200,000	10,824,101	51	(10,375,899)
New Jersey Water Supply Authority Debt Service Repayment	770,000	770,000	100	--
Parks Management Fees and Permits	4,000,000	4,230,286	106	230,286
Parks Management Fines	160,000	164,450	103	4,450
Pesticide Control Fees	4,000,000	4,060,228	102	60,228
Pesticide Control Fines	50,000	33,090	66	(16,910)
Radiation Protection Fees	3,050,000	3,226,618	106	176,618
Radiation Protection Fines	45,000	11,100	25	(33,900)
Radon Testers Certification	260,000	179,062	69	(80,938)
Recycling Fees	450,000	--	--	(450,000)
Shellfish and Marine Fisheries	10,000	7,992	80	(2,008)
Solid & Hazardous Waste Disclosure	4,050,000	2,685,022	66	(1,364,978)
Solid Waste-Utility Regulation Assessments	3,200,000	2,699,714	84	(500,286)
Solid Waste-Utility Regulation Fines	200,000	244,044	122	44,044
Solid Waste Fines - DEP	250,000	874,296	350	624,296
Solid Waste Management Fees - DEP	6,360,000	7,212,140	113	852,140
Spring Meadow Golf Course	500,000	500,000	100	--
Stormwater Permits	2,900,000	50,925	2	(2,849,075)
Stream Encroachment	1,330,000	1,384,292	104	54,292
Toxic Catastrophe Prevention - Fees	1,258,000	1,271,313	101	13,313
Toxic Catastrophe Prevention - Fines	52,000	34,000	65	(18,000)
Treatment Works	850,000	1,157,744	136	307,744
Underground Storage Tanks	1,741,000	2,026,459	116	285,459
Water Allocation	2,100,000	2,047,869	98	(52,131)
Water Supply Management	800,000	1,316,694	165	516,694
Water/Wastewater Operators Licenses	305,000	215,405	71	(89,595)
Waterfront Development - Fees	1,040,000	1,281,447	123	241,447
Waterfront Development - Fines	15,000	--	--	(15,000)
Well Permits/Well Drillers/Pump Installers Licenses	1,000,000	1,000,215	100	215
Wetlands	22,000	8,805	40	(13,195)
Worker Community Right to Know - Fines	182,000	38,300	21	(143,700)
<b>Total Department of Environmental Protection</b>	<b>103,517,000</b>	<b>90,162,209</b>	<b>87</b>	<b>(13,354,791)</b>

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>Department of Health:</b>				
Animal Control	550,000	430,603	78	(119,397)
Consumer Health Penalties	790,000	796,081	101	6,081
New Jersey Essential Health Services Commission	1,200,000	1,200,000	100	--
Miscellaneous Revenues	--	179,251	--	179,251
Rabies Control	453,000	453,000	100	--
<b>Total Department of Health</b>	<b>2,993,000</b>	<b>3,058,935</b>	<b>102</b>	<b>65,935</b>
<b>Department of Human Services:</b>				
Child Care Licensing/Adoption Law	120,000	276,347	230	156,347
Federal Revenue Initiatives	20,000,000	60,053,713	300	40,053,713
Marriage License Fees	1,309,000	1,288,195	98	(20,805)
Medicaid Uncompensated Care - Acute	160,000,000	189,158,853	118	29,158,853
Medicaid Uncompensated Care - Mental Health	18,011,000	25,770,834	143	7,759,834
Medicaid Uncompensated Care - Psychiatric	169,562,000	178,424,605	105	8,862,605
Medicaid Uncompensated Care - UMDNJ	52,550,000	56,854,785	108	4,304,785
Medicaid Uncompensated Care - Piscataway	--	7,238,760	--	7,238,760
Medical Assistance- Federal Match on PAAD	2,250,000	--	--	(2,250,000)
Miscellaneous Revenue	--	6,959	--	6,959
Patients' and Residents' Cost Recovery Developmental Disability	22,843,000	14,904,038	65	(7,938,962)
Patients' and Residents' Cost Recovery Psychiatric Hospitals	48,322,000	46,540,130	96	(1,781,870)
Patients' and Residents' Cost Recovery Special Residential Services	1,154,000	1,116,709	97	(37,291)
School Based Medicaid	26,000,000	24,465,341	94	(1,534,659)
<b>Total Department of Human Services</b>	<b>522,121,000</b>	<b>606,099,269</b>	<b>116</b>	<b>83,978,269</b>
<b>Department of Labor:</b>				
Special Compensation Fund	1,540,000	1,540,000	100	--
Workers' Compensation Assessment	11,029,000	11,029,000	100	--
Workplace Standards	2,538,000	2,538,360	100	360
<b>Total Department of Labor</b>	<b>15,107,000</b>	<b>15,107,360</b>	<b>100</b>	<b>360</b>
<b>Department of Law and Public Safety:</b>				
Beverage Licenses	2,000,000	2,000,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Consumer Affairs	2,000	--	--	(2,000)
Controlled Dangerous Substances	100,000	100,000	100	--
Legalized Games of Chance Control	1,390,000	1,339,881	96	(50,119)
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	435,000	435,000	100	--
Audiology and Speech - Language Pathology Advisory	87,000	87,000	100	--
Certified Public Accountants	691,000	691,000	100	--
Chiropractic Examiners	481,000	481,000	100	--
Cosmetology and Hairstyling	2,029,000	2,029,000	100	--
Dentistry	725,000	725,000	100	--
Electrical Contractors	481,000	481,000	100	--
Marriage Counselor Examiners	150,000	150,000	100	--
Master Plumbers	331,000	331,000	100	--
Medical Examiners	3,670,000	3,670,000	100	--
Mortuary Science	244,000	244,000	100	--

STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Nursing	2,835,000	2,835,000	100	--
Occupational Therapists and Assistants	92,000	--	--	(92,000)
Ophthalmic Dispensers and Ophthalmic Technicians	189,000	189,000	100	--
Optometrists	257,000	257,000	100	--
Orthotics & Prosthesis	32,000	559	2	(31,441)
Pharmacy	1,150,000	1,150,000	100	--
Physical Therapy	201,000	201,000	100	--
Professional Engineers & Land Surveyors	798,000	798,000	100	--
Professional Planners	185,000	185,000	100	--
Psychological Examiners	431,000	431,000	100	--
Public Movers and Warehousemen	228,000	228,000	100	--
Real Estate Appraisers	312,000	312,000	100	--
Respiratory Care	134,000	134,000	100	--
Shorthand Reporting	76,000	76,000	100	--
Social Workers	490,000	490,000	100	--
Veterinary Medical Examiners	157,000	157,000	100	--
New Jersey Cemetery Board	150,000	150,000	100	--
<b>Division of State Police:</b>				
Fingerprint Fees	1,014,000	1,027,571	101	13,571
Other Licenses	162,000	171,740	106	9,740
Private Detective Licenses	220,000	220,000	100	--
Escheats Settlement Recoveries	700,000	--	--	(700,000)
Miscellaneous	--	73,369	--	73,369
Other Boating Fees	1,000	556	56	(444)
Pleasure Boat Licenses	2,200,000	2,226,448	101	26,448
Securities Enforcement Fund	5,398,000	5,398,000	100	--
Violent Crime Board Administration	3,500,000	3,514,252	100	14,252
<b>Total Department of Law and Public Safety</b>	<b>37,293,000</b>	<b>36,554,376</b>	<b>98</b>	<b>(738,624)</b>
<b>Department of Military and Veterans' Affairs:</b>				
Soldiers' Homes	20,466,000	21,856,754	107	1,390,754
<b>Total Department of Military and Veterans' Affairs</b>	<b>20,466,000</b>	<b>21,856,754</b>	<b>107</b>	<b>1,390,754</b>
<b>Department of State:</b>				
Commercial Recording - Expedited	2,803,000	2,803,490	100	490
Commissions	1,098,000	1,098,000	100	--
General Revenues - Fees	21,200,000	21,201,210	100	1,210
<b>Total Department of State</b>	<b>25,101,000</b>	<b>25,102,700</b>	<b>100</b>	<b>1,700</b>
<b>Department of Transportation:</b>				
Air Safety Fund	600,000	600,000	100	--
Applications and Highway Permits	1,700,000	1,320,565	78	(379,435)
Auto Body Repair Shop Licensing	206,000	108,980	53	(97,020)
Autonomous Transportation Authorities	24,500,000	24,291,667	99	(208,333)
Drunk Driving Fines	785,000	661,299	84	(123,701)
Federal Commercial Driver License	1,000,000	1,000,000	100	--
Good Driver	123,000,000	120,367,892	98	(2,632,108)
Heavy Duty Diesel	4,350,000	46,743	1	(4,303,257)
Interest on Purchase of Right of Way	26,000	3,689	14	(22,311)
Logo Sign Program Fees	575,000	195,185	34	(379,815)
Miscellaneous Revenue	--	10,020	--	10,020
Motor Vehicle Database-Automated Access	11,000,000	8,943,312	81	(2,056,688)
Motor Vehicle Security - Responsibility Law Administration	5,851,000	14,719,120	252	8,868,120
Motor Vehicle Surcharge Program	--	(567)	--	(567)
Outdoor Advertising	740,000	741,000	100	1,000
Parking Offenses	360,000	360,000	100	--
Petitions and Motor Carrier Inspections	145,000	145,000	100	--

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Photo Licensing	1,000,000	1,000,000	100	--
Sale of Assets	5,300,000	--	--	(5,300,000)
Salvage Title Program	466,000	356,400	76	(109,600)
Special Plate Fees	1,174,000	1,097,476	93	(76,524)
Uninsured Motorists Program	3,386,000	3,949,947	117	563,947
<b>Total Department of Transportation</b>	<b>186,164,000</b>	<b>179,917,728</b>	<b>97</b>	<b>(6,246,272)</b>
<b>Department of the Treasury:</b>				
Assessments - Cable TV	3,064,000	2,934,000	96	(130,000)
Assessments - Public Utility	19,354,000	18,816,991	97	(537,009)
Casino Fines	150,000	141,916	95	(8,084)
Coin Operated Telephones	6,000,000	5,940,933	99	(59,067)
Cost Assessment	--	1,532,890	--	1,532,890
Equipment Leasing - Debt Service Recovery	4,823,000	4,823,844	100	844
Escrow Interest from Construction Accounts	30,000	287,882	960	257,882
Higher Education Bond Interest Recoveries	221,000	221,017	100	17
Investment Earnings	8,000,000	26,460,579	--	18,460,579
Miscellaneous	--	2,737,948	--	2,737,948
Nuclear Emergency Response Assessment	3,911,000	9,520,300	243	5,609,300
Public Utilities Fines	100,000	100,000	--	--
Public Utility Gross Receipts and Franchise Taxes	38,360,000	68,428,580	178	30,068,580
Public Utility Tax - Administration	250,000	3,038	1	(246,962)
Railroad Tax:				
Class II	4,765,000	2,523,656	53	(2,241,344)
Franchise	3,250,000	933,515	29	(2,316,485)
Rate Payer Advocate	3,832,000	3,833,481	100	1,481
SOIL Match	5,000,000	--	--	(5,000,000)
Sale of Real Property	4,019,000	5,962,905	--	1,943,905
Surplus Property	2,000,000	1,007,054	50	(992,946)
Transitional Energy Facilities Assessment	361,000,000	314,898,854	87	(46,101,146)
<b>Total Department of the Treasury</b>	<b>468,129,000</b>	<b>471,109,383</b>	<b>101</b>	<b>2,980,383</b>
<b>Other Sources:</b>				
Miscellaneous Revenue	500,000	1,878,465	376	1,378,465
<b>Total Other Sources</b>	<b>500,000</b>	<b>1,878,465</b>	<b>376</b>	<b>1,378,465</b>
<b>Inter-Departmental Accounts:</b>				
Administration and Investment of Pension Funds	35,645,000	41,344,986	116	5,699,986
Employee Maintenance Deduction	850,000	855,435	101	5,435
Fringe Benefit Recoveries from Colleges and Universities	54,150,000	41,170,890	76	(12,979,110)
Fringe Benefit Recoveries from School Districts	21,000,000	13,897,399	66	(7,102,601)
Fringe Benefit Recoveries from Federal and Other Funds	71,711,000	70,223,890	98	(1,487,110)
Indirect Cost Recovery - DEP Other Funds	13,827,000	10,320,579	75	(3,506,421)
Indirect Cost Recovery - Federal	7,000,000	7,367,348	105	367,348
Market Transition Facility	54,100,000	58,000,000	107	3,900,000
Rent of State Building Space	1,163,000	1,481,967	127	318,967
Social Security Recoveries from Federal and Other Funds	35,000,000	37,365,688	107	2,365,688
<b>Total Inter-Departmental Accounts</b>	<b>294,446,000</b>	<b>282,028,182</b>	<b>96</b>	<b>(12,417,818)</b>
<b>Judicial Branch:</b>				
Court Fees	52,599,000	59,131,700	112	6,532,700
Court Unification County Reimbursements	59,656,000	54,849,373	92	(4,806,627)
<b>Total Judicial Branch</b>	<b>112,255,000</b>	<b>113,981,073</b>	<b>102</b>	<b>1,726,073</b>
<b>TOTAL MISCELLANEOUS TAXES, FEES, REVENUES</b>	<b>1,930,733,000</b>	<b>1,979,947,665</b>	<b>103</b>	<b>49,214,665</b>

STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>INTERFUND TRANSFERS</b>				
Alcoholic Education Rehabilitation and Enforcement Fund	560,000	560,000	100	--
Beaches and Harbor Fund	165,000	143,594	87	(21,406)
Clean Communities Account Fund	725,000	725,000	100	--
Clean Water Fund	40,000	81,303	203	41,303
Community Development Bond Fund	340,000	7,601	2	(332,399)
Correctional Facilities Construction Fund	200,000	57,016	29	(142,984)
Correctional Facilities Construction Act of 1987	565,000	2,001,243	354	1,436,243
Cultural Center & Historic Preservation Fund 1987	425,000	709,509	167	284,509
Development Potential Bank Transfer Fund '89	--	20,478	--	20,478
Developmental Disabilities Waiting List Reduction and Human Services Fund	450,000	381,748	85	(68,252)
Emergency Flood Control Fund	400,000	280,272	70	(119,728)
Energy Conservation Fund	229,000	92,659	40	(136,341)
Farmland Preservation Fund	117,000	19,589	17	(97,411)
Farmland Preservation Fund 1989	--	47,781	--	47,781
Farmland Preservation Fund 1992	--	218,429	--	218,429
Farmland Preservation Fund 1995	--	34,129	--	34,129
Fund for Support of Free Public Schools	5,700,000	5,685,778	100	(14,222)
Green Trust Fund	--	13,652	--	13,652
Hazardous Discharge Fund	--	84,430	--	84,430
Hazardous Discharge Fund of 1986	5,377,000	340,463	6	(5,036,537)
Hazardous Discharge Site Cleanup Fund	14,428,000	14,428,000	100	--
Health Cars Subsidy Fund	9,000,000	9,000,000	100	--
Historic Preservation Fund 1992	420,000	460,955	110	40,955
Housing Assistance Fund	540,000	492,192	91	(47,808)
Human Services Facilities Construction Fund	65,000	122,921	189	57,921
Institutional Construction Fund	1,000	384	38	(616)
Institutions Construction Fund	1,000	509	51	(491)
Jobs, Education and Competitiveness Fund	--	75,085	--	75,085
Jobs, Science and Technology Fund	2,000	26,011	1,301	24,011
Judiciary - Bail Fund	1,800,000	1,795,410	100	(4,590)
Judiciary - Special Civil Fund	110,000	173,686	158	63,686
Judiciary - Probation Fund	125,000	270,996	217	145,996
Judiciary - Child Support Fund	1,250,000	1,359,921	109	109,921
Judiciary - Superior Court Fund	530,000	238,202	45	(291,798)
Legal Services Fund	11,600,000	11,357,848	98	(242,152)
Medical Education Facilities Fund	20,000	29,690	148	9,690
Medical Malpractice Reinsurance Recovery Fund	14,500,000	--	--	(14,500,000)
Mortgage Assistance Fund	3,435,000	3,422,536	100	(12,464)
Motor Vehicle Security Responsibility Fund	8,000	7,794	97	(206)
Natural Resources Fund	652,000	789,223	121	137,223
New Home Warranty Security Fund	7,000,000	7,000,000	100	--
New Jersey Bridge Rehabilitation and Improvement Fund	480,000	887,051	185	407,051
New Jersey Bridge Rehabilitation and RR Right of Way	--	204,777	--	204,777
New Jersey Green Acres Fund 1983	1,075,000	1,191,483	111	116,483
New Jersey Green Acres Fund 1989	1,924,000	40,955	2	(1,883,045)
New Jersey Green Acres Fund 1992	--	1,255,513	--	1,255,513
New Jersey Green Acres Fund 1995	--	1,241,862	--	1,241,862
New Jersey Green Trust Fund 1989	--	293,513	--	293,513
New Jersey Green Trust Fund 1992	1,924,000	2,156,899	112	232,899
New Jersey Green Trust Fund 1995	--	150,170	--	150,170
New Jersey Spill Compensation Security Fund Administrative Costs	12,977,000	12,941,876	100	(35,124)
Pollution Prevention Fund	1,565,000	1,565,000	100	--
Public Building Construction Fund	--	191	--	191
Public Purpose Buildings Construction Fund	67,000	93,365	139	26,365
Public Purpose Buildings and Community-Based Facilities Construction Fund	531,000	70,542	13	(460,458)
Resource Recovery Investment Fund	215,000	468	--	(214,532)

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Resource Recovery & Solid Waste	224,000	191,020	85	(32,980)
Safe Drinking Water Fund	1,936,000	1,936,000	100	--
Sanitary Landfill Facilities				
Contingency Fund	399,000	145,506	36	(253,494)
School Fund Investment Account	2,472,000	2,472,000	100	--
Shore Protection Fund	670,000	--	--	(670,000)
Solid Waste Services Tax Fund	75,000	100,416	134	25,416
State Disability Benefits Fund	24,767,000	24,767,000	100	--
State Lottery Fund	670,000,000	642,829,785	96	(27,170,215)
State Lottery Fund Administration	12,044,000	15,570,651	129	3,526,651
State Land Acquisition & Development Fund	--	28,925	--	28,925
State Recreation and Conservation				
Land Acquisition and Development Fund				
(Act of 1974)	49,000	123,219	251	74,219
State Recreation and Conservation				
Land Acquisition and Development Fund				
(Act of 1971)	4,000	1,163	29	(2,837)
State Recycling Fund	919,000	919,000	100	--
State of New Jersey Cash Management Fund	1,750,000	1,780,880	102	30,880
Stormwater Management and Combined				
Sewer Overflow Abatement Fund	475,000	440,633	93	(34,367)
Unclaimed Insurance Payments On Deposit	--	110,546	--	110,546
Unclaimed Personal Property Trust Fund	42,700,000	59,188,880	139	16,488,880
Unemployment Compensation Auxiliary Fund	11,609,000	11,606,602	100	(2,398)
Unsatisfied Claim and Judgment Fund	3,013,000	3,034,514	101	--
Wage and Hour Trust Fund	75,000	59,421	79	(15,579)
Wastewater Treatment Fund 1992	--	68,259	--	68,259
Wastewater Treatment Trust Fund 1992	--	34,129	--	34,129
Water Conservation Fund	628,000	764,362	122	136,362
Water Supply Fund	11,067,000	4,592,984	42	(6,474,016)
Worker and Community Right to Know Fund	2,550,000	2,541,745	100	(8,255)
Workforce Development Partnership Fund	30,451,000	30,436,476	100	(14,524)
<b>TOTAL INTERFUND TRANSFERS</b>	<b>919,415,000</b>	<b>888,393,818</b>	<b>97</b>	<b>(31,021,182)</b>
<b>TOTAL REVENUES, GENERAL FUND</b>	<b>\$ 10,836,148,000</b>	<b>\$ 11,171,147,232</b>	<b>103</b>	<b>\$ 334,999,232</b>

STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 5,036,000,000	\$ 5,590,578,933	111	\$ 554,578,933
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<b>\$ 5,036,000,000</b>	<b>\$ 5,590,578,933</b>	<b>111</b>	<b>\$ 554,578,933</b>

STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GUBERNATORIAL ELECTIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 1,500,000	\$ 899,227	60	\$ (600,773)
<b>TOTAL GUBERNATORIAL ELECTIONS FUND</b>	<b>\$ 1,500,000</b>	<b>\$ 899,227</b>	<b>60</b>	<b>\$ (600,773)</b>

STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Licenses and Fees	\$ 54,761,000	\$ 53,126,718	97	\$ (1,634,282)
Interest	--	497,056	--	497,056
<b>TOTAL CASINO CONTROL FUND</b>	<b>\$ 54,761,000</b>	<b>\$ 53,623,774</b>	<b>98</b>	<b>\$ (1,137,226)</b>

STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	ANTICIPATED TO JUNE 30, 1998	REALIZED TO JUNE 30, 1998		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 328,200,000	\$ 312,734,322	95	\$ (15,465,678)
Casino Simulcasting Fund	2,700,000	2,700,000	100	--
Investment Income	2,500,000	747,850	30	(1,752,150)
<b>TOTAL CASINO REVENUE FUND</b>	<b>\$ 333,400,000</b>	<b>\$ 316,182,172</b>	<b>95</b>	<b>\$ (17,217,828)</b>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
<b>LEGISLATIVE BRANCH:</b>	\$ --	\$ --	\$ 50,274	\$ 50,274
<b>EXECUTIVE BRANCH:</b>				
Chief Executive	--	--	1,065,000	1,065,000
Agriculture	818,439	115,726,024	9,039,914	125,584,377
Banking and Insurance	238,671	--	36,994,547	37,233,218
Commerce and Economic Development	--	150,880	22,882,683	23,033,563
Community Affairs	22,656,496	160,977,775	18,202,883	201,837,154
Corrections	--	21,400	41,158,905	41,180,305
Education	458,522	383,211,629	12,592,807	396,262,958
Environmental Protection	17,173,886	38,953,904	16,808,114	72,935,904
Health	3,089,442	244,728,013	64,782,700	312,600,155
Human Services	110,268,953	3,094,462,399	422,503,558	3,627,234,910
Labor	15,416,746	285,212,055	68,207,742	368,836,543
Law and Public Safety	56,374,313	44,047,572	93,512,862	193,934,747
Military and Veterans Affairs	1,480,204	16,711,169	238,960	18,430,333
Personnel	3,109,166	--	--	3,109,166
State	2,757,520	745,896	11,640,808	15,144,224
Transportation	12,653,690	15,481,284	27,099,892	55,234,866
Treasury	21,176,930	55,755,859	951,370,685	1,028,303,474
Interdepartmental	7,476,492.00	--	--	7,476,492
<b>TOTAL EXECUTIVE BRANCH</b>	<b>\$ 275,149,469</b>	<b>\$ 4,456,185,859</b>	<b>\$ 1,798,102,060</b>	<b>\$ 6,529,437,388</b>
<b>JUDICIAL BRANCH:</b>	<b>3,783,253</b>	<b>484,639</b>	<b>18,461,417</b>	<b>22,729,309</b>
<b>TOTAL APPROPRIATED REVENUE</b>	<b>\$ 278,932,722</b>	<b>\$ 4,456,670,498</b>	<b>\$ 1,816,613,751</b>	<b>\$ 6,552,216,971</b>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
<b>EXECUTIVE BRANCH:</b>				
Human Services	\$ 33,190,444	\$ --	\$ --	\$ 33,190,444
<b>TOTAL APPROPRIATED REVENUE</b>	<b>\$ 33,190,444</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 33,190,444</b>

# Schedule of Appropriations and Expenditures



The text about the State seal are taken, with permission, from the Indian King Tavern web site at <http://www.levins.com/tavern.html>, copyright 1996 and 1997.

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b><u>DIRECT STATE SERVICES</u></b>			
<b>Legislative Branch</b>	\$ 53,681,700	\$ 7,593,146	\$ 52,268,733
<b>Executive Branch</b>			
Chief Executive's Office	5,057,000	850,367	5,035,871
Agriculture	8,845,789	1,948,225	9,895,883
Banking and Insurance	39,552,000	2,852,820	37,293,011
Commerce and Economic Development	16,969,000	3,685,564	18,384,165
Community Affairs	24,037,000	10,911,108	29,219,483
Corrections	675,938,000	30,762,688	679,754,962
Education	36,385,229	1,929,309	30,601,582
Environmental Protection	209,810,475	23,461,458	194,865,455
Health and Senior Services	42,765,000	6,927,476	45,621,265
Human Services	635,435,337	18,570,616	603,497,593
Labor	55,157,000	21,112,083	68,832,773
Law and Public Safety	302,944,000	88,075,401	367,619,781
Military and Veterans' Affairs	53,342,384	4,892,352	56,444,328
Personnel	25,414,000	4,033,519	26,792,419
State	805,222,596	19,041,384	821,538,294
Transportation	162,943,000	38,840,954	171,543,523
Treasury	203,746,950	36,804,395	223,091,098
Miscellaneous Executive Commissions	2,826,000	546,287	2,757,142
Inter-Departmental Accounts	1,515,141,601	(101,202,511)	1,369,955,172
<b>Total Executive Branch</b>	<u>4,821,532,361</u>	<u>214,043,495</u>	<u>4,762,743,800</u>
<b>Judicial Branch</b>	<u>356,899,000</u>	<u>26,625,585</u>	<u>350,944,959</u>
<b>TOTAL DIRECT STATE SERVICES</b>	<u>\$ 5,232,113,061</u>	<u>\$ 248,262,226</u>	<u>\$ 5,165,957,492</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,584,163	\$ --	\$ 7,421,950
10,135	3,081	858,280
335,719	24,382	538,030
2,849,990	860,977	1,400,842
1,958,201	302,434	9,764
565,603	299,967	4,863,055
12,220,053	411,711	14,313,962
5,163,471	32,812	2,516,673
8,248,234	8,429,953	21,728,291
1,883,254	409,526	1,778,431
20,167,418	1,060,695	29,280,247
1,480,135	562,923	5,393,252
9,046,187	1,066,786	13,286,647
849,870	181,128	759,410
752,189	4,337	1,898,574
405,246	196,948	2,123,492
8,467,626	14,235,863	7,536,942
11,203,313	1,202,541	5,054,393
12,470	--	602,675
11,114,261	30,572,216	2,297,441
<u>96,733,375</u>	<u>59,858,280</u>	<u>116,240,401</u>
<u>14,809,875</u>	<u>1,946,009</u>	<u>15,823,742</u>
<u>\$ 113,127,413</u>	<u>\$ 61,804,289</u>	<u>\$ 139,486,093</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 1,543,000	\$ (20,959)	\$ 1,487,970
Commerce and Economic Development	31,684,000	191,342	7,757,201
Community Affairs	41,950,000	4,611,443	38,021,369
Corrections	110,696,000	438,647	106,153,555
Education	5,067,000	(469,899)	4,353,829
Environmental Protection	2,350,000	--	105,401
Health and Senior Services	724,529,000	7,433,855	720,516,063
Human Services	1,913,077,000	185,615,401	2,023,736,687
Labor	18,222,000	5,845,637	23,417,671
Law and Public Safety	14,433,000	--	8,707,743
Military and Veterans' Affairs	1,018,000	62,786	959,474
State	71,234,000	(20,251,756)	45,896,698
Transportation	165,850,000	2,050,968	165,263,274
Treasury	213,891,000	6,094,470	197,844,243
Total Executive Branch	<u>3,315,544,000</u>	<u>191,601,935</u>	<u>3,344,221,178</u>
Judicial Branch	<u>--</u>	<u>--</u>	<u>(13,565)</u>
<b>TOTAL GRANTS-IN-AID</b>	<u>\$ 3,315,544,000</u>	<u>\$ 191,601,935</u>	<u>\$ 3,344,207,613</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 18,067	\$ 16,004	\$ --
7,553,219	83,000	16,481,922
6,528,015	145,977	1,866,082
14,967	--	4,966,125
41,257	202,015	--
254,599	1,990,000	--
8,386,423	939,702	2,120,667
13,085,914	13,307,305	48,562,495
--	--	649,966
4,725,248	9	1,000,000
35,078	45,044	41,190
4,999,192	86,353	1
503,408	908,000	1,226,286
1,053,733	15,425,369	5,662,125
<u>47,199,120</u>	<u>33,148,778</u>	<u>82,576,859</u>
<u>4,565</u>	<u>--</u>	<u>9,000</u>
<u>\$ 47,203,685</u>	<u>\$ 33,148,778</u>	<u>\$ 82,585,859</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b><u>STATE AID</u></b>			
<b>Executive Branch</b>			
Agriculture	\$ 7,004,000	\$ --	\$ 7,003,915
Commerce and Economic Development	4,721,000	--	4,720,879
Community Affairs	84,986,000	18,558,615	88,885,845
Education	942,721,902	1,814,399	935,911,969
Environmental Protection	9,067,000	899,262	6,559,752
Health and Senior Services	20,866,000	--	19,263,877
Human Services	388,256,000	15,297,649	376,413,224
Law and Public Safety	4,948,000	30,000	4,978,000
State	15,112,000	--	14,740,114
Treasury	159,081,000	120,000	154,636,290
	<u>1,636,762,902</u>	<u>36,719,925</u>	<u>1,613,113,865</u>
<b>Total Executive Branch</b>			
	<u>1,636,762,902</u>	<u>36,719,925</u>	<u>1,613,113,865</u>
<b>TOTAL STATE AID</b>	<u>\$ 1,636,762,902</u>	<u>\$ 36,719,925</u>	<u>\$ 1,613,113,865</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 85	\$ --
--	--	121
710,579	2,242,025	11,706,166
1,830,949	6,094,526	698,857
2,682,591	653,371	70,548
1,597,616	4,507	--
17,536	--	27,122,889
--	--	--
371,552	334	--
724,700	3,840,010	--
<u>7,935,523</u>	<u>12,834,858</u>	<u>39,598,581</u>
<u>\$ 7,935,523</u>	<u>\$ 12,834,858</u>	<u>\$ 39,598,581</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b><u>CAPITAL CONSTRUCTION</u></b>			
<b>Legislative Branch</b>	\$ --	\$ 281,717	\$ 16,133
<b>Executive Branch</b>			
Agriculture	415,000	11,531	350,000
Commerce and Economic Development	325,000	11,444	177,455
Corrections	9,554,000	13,973,488	1,920,520
Education	2,148,000	255,642	909,236
Environmental Protection	97,630,000	12,339,694	67,525,902
Health and Senior Services	1,506,000	241,560	494,191
Human Services	11,084,000	5,850,681	6,123,908
Law and Public Safety	4,053,000	9,566,035	2,090,020
Military and Veterans' Affairs	2,000,000	1,779,086	638,888
State	6,651,000	5,839,344	7,219,675
Transportation	380,300,000	829,748	380,313,635
Treasury	5,402,000	15,632,011	6,130,330
Miscellaneous Executive Commissions	2,000	--	2,000
Inter-Departmental Accounts	17,005,000	6,264,823	3,999,848
<b>Total Executive Branch</b>	<u>538,075,000</u>	<u>72,595,087</u>	<u>477,895,608</u>
<b>TOTAL CAPITAL CONSTRUCTION</b>	<u>\$ 538,075,000</u>	<u>\$ 72,876,804</u>	<u>\$ 477,911,741</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 74,834	\$ --	\$ 190,750
35,467	--	41,064
75,600	--	83,389
1,462,794	--	20,144,174
970,696	--	523,710
5,545,194	263,000	36,635,598
621,159	--	632,210
2,116,391	--	8,694,382
1,176,961	--	10,352,054
1,599,527	--	1,540,671
59,870	--	5,210,799
8,722	215,574	591,817
884,752	4,883,459	9,135,470
--	--	--
4,438,300	--	14,831,675
<u>18,995,433</u>	<u>5,362,033</u>	<u>108,417,013</u>
<u>\$ 19,070,267</u>	<u>\$ 5,362,033</u>	<u>\$ 108,607,763</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b><u>DEBT SERVICE</u></b>			
<b>Executive Branch</b>			
Commerce and Economic Development	\$ 5,098,000	\$ --	\$ 5,097,285
Environmental Protection	82,703,000	--	82,693,360
Treasury	395,909,000	--	391,103,306
<b>Total Executive Branch</b>	<u>483,710,000</u>	<u>--</u>	<u>478,893,951</u>
<b>TOTAL DEBT SERVICE</b>	<u>\$ 483,710,000</u>	<u>\$ --</u>	<u>\$ 478,893,951</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$           --	\$           715	\$           --
--	9,640	--
--	4,805,694	--
<hr/>	<hr/>	<hr/>
--	4,816,049	--
<hr/>	<hr/>	<hr/>
<u>\$           --</u>	<u>\$       4,816,049</u>	<u>\$           --</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>FEDERAL</b>			
<b>Executive Branch</b>			
Agriculture	\$ 185,388,353	\$ 1,196,811	\$ 128,963,138
Commerce and Economic Development	125,000	422,977	422,977
Community Affairs	190,510,405	76,523,141	153,518,704
Corrections	11,384,000	11,217,625	12,943,642
Education	398,241,151	35,515,089	356,126,399
Environmental Protection	291,661,676	15,835,565	28,689,613
Health and Senior Services	961,748,598	50,214,412	824,812,245
Human Services	2,675,782,455	57,688,825	2,358,839,656
Labor	332,984,000	89,149,123	290,999,610
Law and Public Safety	110,013,014	21,765,495	38,361,360
Military and Veterans' Affairs	16,113,813	7,410,893	11,207,806
Personnel	--	463,214	354,699
State	1,070,500	116,577	784,441
Transportation	32,000,000	4,116,659	8,526,165
Treasury	20,221,509	2,159,231	15,476,264
<b>Total Executive Branch</b>	<u>5,227,244,474</u>	<u>373,795,637</u>	<u>4,230,026,719</u>
<b>Judicial Branch</b>	<u>50,192,396</u>	<u>2,100,432</u>	<u>40,668,939</u>
<b>TOTAL FEDERAL</b>	<u>\$ 5,277,436,870</u>	<u>\$ 375,896,069</u>	<u>\$ 4,270,695,658</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 14,427,329	\$ --	\$ 43,194,697
--	--	125,000
27,823,822	39,516,000	46,175,020
581,933	--	9,076,050
25,652,394	--	51,977,447
7,570,980	33,968,146	237,268,502
86,648,477	--	100,502,288
18,147,905	36,976,000	319,507,719
26,951,041	--	104,182,472
17,405,443	--	76,011,706
7,351,977	--	4,964,923
--	--	108,515
132,381	--	270,255
2,571,800	--	25,018,694
3,802,084	--	3,102,392
<u>239,067,566</u>	<u>110,460,146</u>	<u>1,021,485,680</u>
<u>1,828,329</u>	<u>--</u>	<u>9,795,560</u>
<u>\$ 240,895,895</u>	<u>\$ 110,460,146</u>	<u>\$ 1,031,281,240</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>REVOLVING FUNDS</b>			
<b>Legislative Branch</b>	\$ --	\$ 50,724	\$ 47,258
<b>Executive Branch</b>			
Commerce and Economic Development	--	1	--
Community Affairs	--	9,644,438	1,902,438
Corrections	--	24,781,261	25,537,760
Education	--	3,114,348	2,074,937
Environmental Protection	--	3,755,699	1,904,969
Health and Senior Services	--	11,623,966	9,985,995
Human Services	--	11,321,612	11,145,136
Labor	--	2,333,927	1,410,146
Law and Public Safety	--	994,797	830,072
State	--	10,939,801	4,871,564
Transportation	--	856,708	679,073
Treasury	--	185,186,097	159,345,625
<b>Total Executive Branch</b>	--	264,552,655	219,687,715
<b>TOTAL REVOLVING FUNDS</b>	<u>\$ --</u>	<u>\$ 264,603,379</u>	<u>\$ 219,734,973</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$           --	\$           --	\$           3,466
--	--	1
2,319,498	500,000	4,922,502
1,357,237	--	(2,113,736)
142,217	--	897,194
135,192	--	1,715,538
408,870	--	1,229,101
607,058	--	(430,582)
142,339	--	781,442
101,450	--	63,275
628,621	--	5,439,616
20,147	--	157,488
<u>19,534,064</u>	<u>          --</u>	<u>6,306,408</u>
<u>25,396,693</u>	<u>500,000</u>	<u>18,968,247</u>
<u>\$    25,396,693</u>	<u>\$    500,000</u>	<u>\$   18,971,713</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>ALL OTHER</b>			
<b>Legislative Branch</b>	\$ --	\$ 22,655	\$ --
<b>Executive Branch</b>			
Chief Executive's Office	--	1,463,385	982,069
Agriculture	--	12,880,489	9,244,181
Banking and Insurance	--	40,591,558	38,251,897
Commerce and Economic Development	--	24,531,868	10,897,041
Community Affairs	--	23,538,950	3,025,747
Corrections	--	18,231,460	12,199,161
Education	--	11,957,646	10,020,609
Environmental Protection	--	44,289,173	13,773,907
Health and Senior Services	--	91,844,328	51,956,913
Human Services	--	428,194,123	413,946,743
Labor	--	219,722,113	115,131,767
Law and Public Safety	--	120,984,736	92,406,455
Military and Veterans' Affairs	--	262,633	113,620
State	--	4,901,636	4,352,016
Transportation	--	22,965,444	7,533,592
Treasury	--	804,412,981	778,586,473
<b>Total Executive Branch</b>	--	1,870,772,523	1,562,422,191
<b>Judicial Branch</b>	--	23,564,483	15,389,160
<b>TOTAL ALL OTHER</b>	<u>\$ --</u>	<u>\$ 1,894,359,661</u>	<u>\$ 1,577,811,351</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 22,655
--	--	481,316
255,537	7,000	3,373,771
2,028	--	2,337,633
3,024,734	--	10,610,093
8,455,914	--	12,057,289
1,090,703	--	4,941,596
433,173	--	1,503,864
6,084,348	--	24,430,918
7,920,929	3,000,000	28,966,486
412,409	3,046	13,831,925
--	--	104,590,346
5,253,454	--	23,324,827
10,847	--	138,166
68,634	--	480,986
4,522,306	4,668,000	6,241,546
6,830,148	61,114	18,935,246
<u>44,365,164</u>	<u>7,739,160</u>	<u>256,246,008</u>
<u>1,308,772</u>	<u>--</u>	<u>6,866,551</u>
<u>\$ 45,673,936</u>	<u>\$ 7,739,160</u>	<u>\$ 263,135,214</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b><u>GENERAL FUND SUMMARY</u></b>			
<b>Legislative Branch</b>	\$ 53,681,700	\$ 7,948,242	\$ 52,332,124
<b>Executive Branch</b>			
Chief Executive's Office	5,057,000	2,313,752	6,017,940
Agriculture	203,196,142	16,016,097	156,945,087
Banking and Insurance	39,552,000	43,444,378	75,544,908
Commerce and Economic Development	58,922,000	28,843,196	47,457,003
Community Affairs	341,483,405	143,787,695	314,573,586
Corrections	807,572,000	99,405,169	838,509,600
Education	1,384,563,282	54,116,534	1,339,998,561
Environmental Protection	693,222,151	100,580,851	396,118,359
Health and Senior Services	1,751,414,598	168,285,597	1,672,650,549
Human Services	5,623,634,792	722,538,907	5,793,702,947
Labor	406,363,000	338,162,883	499,791,967
Law and Public Safety	436,391,014	241,416,464	514,993,431
Military and Veterans' Affairs	72,474,197	14,407,750	69,364,116
Personnel	25,414,000	4,496,733	27,147,118
State	899,290,096	20,586,986	899,402,802
Transportation	741,093,000	69,660,481	733,859,262
Treasury	998,251,459	1,050,409,185	1,926,213,629
Miscellaneous Executive Commissions	2,828,000	546,287	2,759,142
Inter-Departmental Accounts	1,532,146,601	(94,937,688)	1,373,955,020
<b>Total Executive Branch</b>	<u>16,022,868,737</u>	<u>3,024,081,257</u>	<u>16,689,005,027</u>
<b>Judicial Branch</b>	<u>407,091,396</u>	<u>52,290,500</u>	<u>406,989,493</u>
<b>TOTAL GENERAL FUND SUMMARY</b>	<u>\$ 16,483,641,833</u>	<u>\$ 3,084,319,999</u>	<u>\$ 17,148,326,644</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,658,997	\$ --	\$ 7,638,821
10,135	3,081	1,339,596
15,072,119	47,471	47,147,562
2,852,018	860,977	3,738,475
12,611,754	386,149	27,310,290
46,403,431	42,703,969	81,590,114
16,727,687	411,711	51,328,171
34,234,157	6,329,353	58,117,745
30,521,138	45,314,110	321,849,395
107,466,728	4,353,735	135,229,183
54,554,631	51,347,046	446,569,075
28,573,515	562,923	215,597,478
37,708,743	1,066,795	124,038,509
9,847,299	226,172	7,444,360
752,189	4,337	2,007,089
6,665,496	283,635	13,525,149
16,094,009	20,027,437	40,772,773
44,032,794	30,218,187	48,196,034
12,470	--	602,675
15,552,561	30,572,216	17,129,116
<u>479,692,874</u>	<u>234,719,304</u>	<u>1,643,532,789</u>
<u>17,951,541</u>	<u>1,946,009</u>	<u>32,494,853</u>
<u>\$ 499,303,412</u>	<u>\$ 236,665,313</u>	<u>\$ 1,683,666,463</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
Law and Public Safety	\$ 32,251,000	\$ 5,527	\$ 29,407,787
Treasury	22,510,000	347,000	21,052,320
<b>TOTAL CASINO CONTROL FUND</b>	<u>\$ 54,761,000</u>	<u>\$ 352,527</u>	<u>\$ 50,460,107</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
Health and Senior Services	\$ 612,000	\$ 248,932	\$ 815,125
Law and Public Safety	92,000	1,000	63,941
<b>GRANTS-IN-AID</b>			
Health and Senior Services	277,659,000	32,941,512	299,803,688
Human Services	28,184,000	--	27,634,468
Labor	2,440,000	--	2,440,000
<b>STATE AID</b>			
Transportation	22,227,000	--	1,789,962
Treasury	17,180,000	--	17,180,000
<b>TOTAL CASINO REVENUE FUND</b>	<u>\$ 348,394,000</u>	<u>\$ 33,191,444</u>	<u>\$ 349,727,184</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,228,259	\$ 1,506,762	\$ 113,719
1,390,745	60,121	353,814
<u>\$ 2,619,004</u>	<u>\$ 1,566,883</u>	<u>\$ 467,533</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 28,880	\$ 5,114	\$ 11,813
--	27,059	2,000
3,141,761	3,845,333	3,809,730
202,189	347,343	--
--	--	--
20,437,038	--	--
--	--	--
<u>\$ 23,809,868</u>	<u>\$ 4,224,849</u>	<u>\$ 3,823,543</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
GUBERNATORIAL ELECTIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
Law and Public Safety	\$ 10,395,700	\$ 152,262	\$ 10,128,981
<b>TOTAL GUBERNATORIAL ELECTIONS FUND</b>	<u>\$ 10,395,700</u>	<u>\$ 152,262</u>	<u>\$ 10,128,981</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

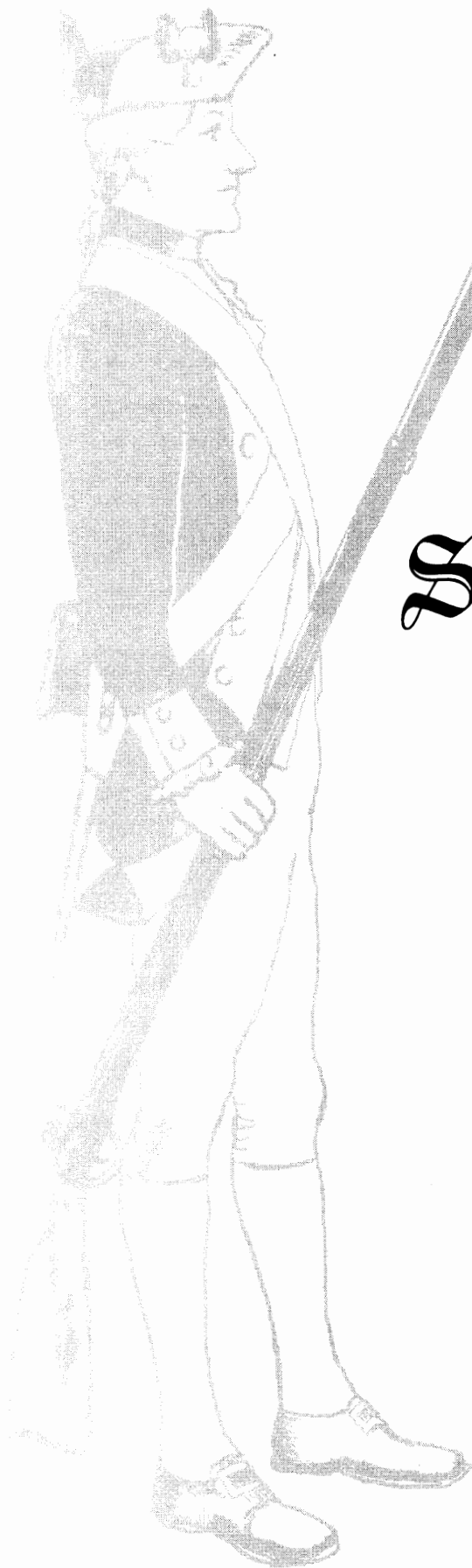
	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
Treasury	\$ 325,000,000	\$ --	\$ 322,590,227
<b>STATE AID</b>			
Community Affairs	786,054,000	--	786,053,443
Education	4,384,372,203	671,454	4,309,474,068
Treasury	42,433,000	--	41,435,790
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<u>\$ 5,537,859,203</u>	<u>\$ 671,454</u>	<u>\$ 5,459,553,528</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$                    --	\$                    418,981	\$                    --
<u>\$                    --</u>	<u>\$                    418,981</u>	<u>\$                    --</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$                    --	\$                    2,409,773	\$                    --
--	557	--
50,147,417	308	25,421,864
<u>                          --</u>	<u>                          1</u>	<u>                  997,209</u>
<u>\$            50,147,417</u>	<u>\$            2,410,639</u>	<u>\$            26,419,073</u>



# Other Statistical Data



**STATE OF NEW JERSEY  
TEN-YEAR FINANCIAL SUMMARY <sup>(1)</sup>  
FOR FISCAL YEAR ENDED JUNE 30  
(Expressed in Millions)**

	<u>1998<sup>(5)</sup></u>	<u>1997<sup>(4)</sup></u>	<u>1996</u>	<u>1995</u>
<b>REVENUES<sup>(2)</sup></b>				
Taxes	\$ 14,195	\$ 13,008	\$ 12,690	\$ 12,146
Federal and other grants	5,532	5,664	5,392	4,778
Licenses and fees	818	759	693	710
Services and assessments	1,135	1,157	1,228	1,226
Investment earnings	46	48	51	67
Other	3,516	3,726	3,908	3,475
<b>Total Revenues</b>	<u>\$ 25,242</u>	<u>\$ 24,362</u>	<u>\$ 23,962</u>	<u>\$ 22,402</u>
<b>EXPENDITURES<sup>(3)</sup></b>				
Public safety and criminal justice	\$ 1,873	\$ 1,814	\$ 1,687	\$ 1,529
Physical and mental health	5,635	5,547	5,308	5,158
Education, cultural and intellectual development	7,641	7,190	7,126	6,275
Community development and environmental management	1,547	1,351	1,305	1,119
Economic planning, development and security	2,540	2,677	2,791	2,381
Transportation programs	1,617	1,731	1,587	1,466
Government direction, management and control	2,553	2,420	2,508	3,227
Special government services	174	177	161	157
Other financing uses	1,386	1,291	1,763	1,003
<b>Total Expenditures</b>	<u>\$ 24,966</u>	<u>\$ 24,198</u>	<u>\$ 24,236</u>	<u>\$ 22,315</u>

<sup>(1)</sup> The ten year summary includes the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, the Gubernatorial Elections Fund, and the Special Transportation Fund.

<sup>(2)</sup> All of the governmental funds and expendable trust and agency funds are accounted for on the modified accrual basis of accounting. In accordance with this basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues which are considered to be susceptible to accrual include amounts received during the 12 month period subsequent to June 30 that were earned as of June 30 and in the hands of receiving agents.

<sup>(3)</sup> Expenditures are recorded on an accrual basis when the related liability is incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

<sup>(4)</sup> Excludes nonrecurring pension obligation refinancing of \$2,803 million.

<sup>(5)</sup> Excludes additions to capital leases.

<b>1994</b>	<b>1993</b>	<b>1992</b>	<b>1991</b>	<b>1990</b>	<b>1989</b>
\$ 12,291	\$ 12,734	\$ 12,618	\$ 11,391	\$ 9,992	\$ 10,092
4,309	4,827	4,659	3,556	3,226	2,918
641	554	538	523	527	517
1,061	1,822	1,285	1,186	1,246	967
41	54	26	24	29	78
3,213	1,912	3,185	665	751	576
<b>\$ 21,556</b>	<b>\$ 21,903</b>	<b>\$ 22,311</b>	<b>\$ 17,345</b>	<b>\$ 15,771</b>	<b>\$ 15,148</b>
\$ 1,307	\$ 1,268	\$ 1,229	\$ 1,176	\$ 1,116	\$ 1,064
4,798	4,996	4,928	3,251	2,748	2,398
6,995	6,943	6,733	5,586	5,557	5,099
1,125	1,105	1,085	685	657	703
2,294	2,306	2,123	1,922	1,792	1,680
1,420	1,347	1,264	1,462	1,475	1,388
2,598	2,560	3,063	2,398	2,252	2,691
145	132	131	125	125	119
786	1,000	1,216	800	712	728
<b>\$ 21,468</b>	<b>\$ 21,657</b>	<b>\$ 21,772</b>	<b>\$ 17,405</b>	<b>\$ 16,434</b>	<b>\$ 15,870</b>

## STATE OF NEW JERSEY CORPORATE HEADQUARTERS

Wakefern Food Corporation	Cosmair Inc.
American Telephone & Telegraph	Silver Line Building Products
Lucent Technologies	BASF Corporation
The Prudential Insurance Company	Fleet Financial
Pathmark Stores, Inc.	Liz Claiborne, Inc.
Johnson & Johnson	Professional Security Bureau, LTD
Public Service Enterprise Group, Inc.	Warner-Lambert Company
Great Atlantic & Pacific Tea Co.	Commerce Bancorp
Continental Airlines	Burlington Coat Factory
Merck & Company, Inc.	Sony Electronics
Summit Bancorp	Claridge At Park Place
Bally's Park Place, Inc.	Foster Wheeler Corp.
Trump Taj Mahal Casino Resort	Bestfoods Corporation
Bellcore	NJ Manufacturers Ins. Cos.
Trump Plaza/Worlds Fair Casino	Becton, Dickinson and Company
Schering-Plough Corp.	Siemens Corp.
Automatic Data Processing, Inc.	Cendant Mortgage
Tropicana Casino and Resort	Frigidaire Home Comfort Products
Novartis	KPMG Peat Marwick
Atlantic City Hilton Casino Resort	Campbell Soup Company
The Grand Union Company	Village National Bank
PNC Bank Corp.	The Star-Ledger
Caesars Atlantic City Hotel/Casino	Beneficial Corp.
Blue Cross & Blue Shield	Holman Enterprises
Nabisco Foods Group	M & M Mars, Inc.
Resorts Casino Hotel	Dun & Bradstreet
American Home Products	Ingersall-Rand Company
The Chubb Corporation	Macromedia Inc.
Allied Signal Inc.	Ricoh Corporation
Harrah's Atlantic City, Casino Hotel	Union Camp Corp.
Showboat Casino-Hotel	Food Circus Supermarkets
General Public Utilities Corp.	GEC - Marconi Hazeltine Corp.
Toys "R" Us, Inc.	National Starch and Chemical Co.
Trump Marina Hotel & Casino	The CIT Group
Village Supermarket, Inc.	MCI Corporation
Hoffmann-LaRoche, Inc.	The Hertz Corporation
Sands Hotel & Casino	Marcal Paper Mills, Inc.

Source: "New Jersey Business", New Jersey Business & Industry Association, "26th Annual Top 100 Employers, May 1998". Data reprinted with the permission of the New Jersey Business & Industry Association.

**STATE OF NEW JERSEY  
FIFTY LARGEST EMPLOYERS**

<b>Rank</b>	<b>Name</b>	<b>New Jersey Employment 1997</b>
1	Wakefern Food Corporation	34,669
2	American Telephone & Telegraph	28,900
3	United Parcel Service	18,000
4	Bell Atlantic-New Jersey Incorporated	17,651
5	Lucent Technologies	17,500
6	The Prudential Insurance Company	17,405
7	Pathmark Stores, Inc.	16,022
8	Great Atlantic & Pacific Tea Co.	12,000
9	Johnson & Johnson	11,000
10	Merrill Lynch & Company, Incorporated	10,566
11	Public Service Enterprise Group, Inc.	10,400
12	Federated Department Stores	10,266
13	Continental Airlines	9,897
14	Merck & Company, Inc.	9,258
15	Sears, Roebuck and Company	9,000
16	Summit Bancorp	8,206
17	Bristol-Myers Squibb Company	8,000
18	Bally's Park Place, Inc.	6,822
19	Federal Express	6,100
20	K-Mart	6,100
21	Wal-Mart Stores, Incorporated	5,834
22	Trump Taj Mahal Casino Resort	5,800
23	Bellcore	5,700
24	Trump Plaza/Worlds Fair Casino	5,608
25	Schering-Plough Corp.	5,200
26	Lockheed Martin	5,009
27	Automatic Data Processing, Inc.	5,000
28	First Union Corp.	5,000
29	Tropicana Casino and Resort	4,800
30	Novartis	4,600
31	J.C. Penny Company, Incorporated	4,500
32	Atlantic City Hilton Casino Resort	4,330
33	The Grand Union Company	4,300
34	PNC Bank Corp.	4,200
35	General Motors Corporation	4,185
36	Marriott Corporation	3,960
37	Caesars Atlantic City Hotel/Casino	3,947
38	Blue Cross & Blue Shield	3,933
39	Nabisco Foods Group	3,873
40	Resorts Casino Hotel	3,871
41	American Home Products	3,822
42	The Chubb Corporation	3,650
43	Allied Signal Inc.	3,600
44	Harrah's Atlantic City, Casino Hotel	3,543
45	Showboat Casino-Hotel	3,500
46	General Public Utilities Corp.	3,386
47	Toys "R" Us, Inc.	3,360
48	Exxon Corporation	3,200
49	Trump Marina Hotel & Casino	3,200
50	Village Supermarket, Inc.	3,200

Source: "New Jersey Business", New Jersey Business & Industry Association, "26th Annual Top 100 Employers, May 1998". Data reprinted with the permission of the New Jersey Business & Industry Association.

**STATE OF NEW JERSEY**  
**RATIO OF GENERAL LONG-TERM BONDED DEBT TO**  
**ASSESSED VALUE AND DEBT PER CAPITA**  
**(Expressed in Thousands except as indicated)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value (1)</b>	<b>General Long-Term Debt Outstanding (2)</b>	<b>General Long-Term Debt</b>	
				<b>Ratio to Assessed Value</b>	<b>Per Capita</b>
1988	7,718	\$ 314,561,257	\$ 2,772,774	0.88	\$ 359.26
1989	7,726	343,525,022	2,956,283	0.86	382.64
1990	7,735	365,656,420	3,073,053	0.84	397.29
1991	7,773	387,122,878	3,316,391	0.86	426.66
1992	7,820	398,926,473	3,594,741	0.90	459.69
1993	7,879	398,926,840	3,591,315	0.90	455.81
1994	7,904	412,288,812	3,646,891	0.88	461.40
1995	7,945	419,342,052	3,688,361	0.88	464.24
1996	7,988	432,759,176	3,437,450	0.79	430.33
1997	8,053	442,504,941	3,572,895	0.81	443.67

(1) Includes Real and Personal Property.

(2) Includes bonded debt only.

Sources: New Jersey Department of the Treasury, Annual Report of the Division of Taxation.  
New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY**  
**CONSTRUCTION CONTRACTS AWARDED**  
**1991-1997**  
**(Expressed in Millions)**

<b>Construction Type</b>	<b>1991</b>	<b>1992</b>	<b>1993*</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1996/1997 % Change</b>
Nonresidential	\$ 2,435	\$ 2,044	\$ 2,243	\$ 2,683	\$ 2,770	\$ 2,963	\$ 3,574	20.6
Residential	1,662	1,683	2,404	2,309	2,256	2,319	2,601	12.2
Nonbuilding **	2,086	1,770	1,508	1,548	1,437	1,846	2,132	15.5
<b>Total Construction</b>	<b>\$ 6,183</b>	<b>\$ 5,497</b>	<b>\$ 6,155</b>	<b>\$ 6,540</b>	<b>\$ 6,463</b>	<b>\$ 7,128</b>	<b>\$ 8,307</b>	<b>16.5</b>

Notes: Data for 1994 and forward include monthly revisions published by contract with F.W. Dodge; reprinting is not permitted, except for cumulative year-to-date present changes.

\* Beginning October 1993, dormitories and hotels are no longer categorized as residential but as nonresidential.

\*\* Nonbuilding includes public construction, such as streets and highways, bridges as well as utilities and communications systems.

Source: F.W. Dodge Division, McGraw Hill Information Systems Company

**STATE OF NEW JERSEY**  
**VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL AND PER CAPITA INCOME**  
(Expressed in Thousands except as indicated)

<u>Year</u>	<u>Population</u>	<u>Assessed Valuation of Real Property</u>	<u>True Valuation of Real Property</u>	<u>Personal Income (millions)</u>	<u>Per Capita Income</u>
1988	7,718	\$ 270,194,943	\$ 370,409,335	\$ 170,914	\$ 22,146
1989	7,726	309,697,842	537,003,305	182,882	23,671
1990	7,735	362,531,101	512,132,134	192,893	24,936
1991	7,773	383,786,011	502,839,850	192,341	25,426
1992*	7,820	395,846,856	492,201,955	204,091	26,098
1993*	7,879	409,094,683	485,920,335	210,622	26,732
1994*	7,904	416,127,649	488,261,504	221,607	28,038
1995*	7,945	423,960,677	497,070,641	229,286	28,858
1996*	7,988	429,753,244	499,810,185	248,052	31,053
1997	8,053	458,732,353	505,356,447	268,037	33,284

\* 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**  
**COMPOSITION OF NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT**  
**NEW JERSEY AND THE UNITED STATES - 1997**  
(Expressed in Thousands)

	<u>New Jersey</u>		<u>United States</u>
	<u>No. of Jobs</u>	<u>% of Total</u>	<u>% of Total</u>
Total Nonagricultural	3,724.6	100.0	100.0
Manufacturing	482.1	12.9	15.2
Mining	1.9	0.1	0.5
Construction	131.3	3.5	4.6
Transportation and Utilities	256.8	6.9	5.2
Trade	872.3	23.4	23.4
Finance, Insurance, and Real Estate	238.9	6.4	5.8
Services	1,172.1	31.5	29.4
Government	569.2	15.3	16.0

Note: Percent of total column may not equal 100% due to rounding.

Sources: U.S. Department of Labor, Bureau of Labor Statistic  
New Jersey Department of Labor, Division of Labor Market and Demographic Research

**STATE OF NEW JERSEY  
MANUFACTURING AND NON-MANUFACTURING EMPLOYMENT  
(Expressed in Thousands)**

	<u>1987</u>	<u>1992</u>	<u>1997</u>	<b>Percentage Change from 1987-1997</b>	<b>Percentage of Total Employment 1997</b>
<b>Manufacturing Durable Goods</b>					
Electrical Machinery and Instruments	114.3	74.8	64.2	(43.8) %	1.5 %
Non-Electric Machinery	54.0	39.9	34.0	(37.0)	0.8
Fabricated Metals	45.3	33.9	31.7	(30.0)	0.8
Stone, Clay and Glass	23.9	17.8	16.6	(30.5)	0.4
Primary Metals	18.7	13.4	12.0	(35.8)	0.3
Other	<u>53.8</u>	<u>31.7</u>	<u>34.1</u>	(36.6)	<u>0.8</u>
<b>Total Durable</b>	<u>310.0</u>	<u>211.5</u>	<u>192.6</u>	(37.9)	<u>4.6</u>
<b>Non-Durable Goods</b>					
Chemicals	115.9	111.0	96.7	(16.6)	2.3
Apparel	42.7	31.8	25.6	(40.0)	0.6
Printing and Publishing	66.5	56.6	59.4	(10.7)	1.4
Food	48.9	41.8	37.9	(22.5)	0.9
Rubber and Plastics	35.3	30.8	29.1	(17.6)	0.7
Other	<u>52.9</u>	<u>46.9</u>	<u>40.8</u>	(22.9)	<u>1.0</u>
<b>Total Non-Durable</b>	<u>362.2</u>	<u>318.9</u>	<u>289.5</u>	(20.1)	<u>6.9</u>
<b>Total Manufacturing</b>	<u>672.2</u>	<u>530.4</u>	<u>482.1</u>	(28.3)	<u>11.5</u>
<b>Non-Manufacturing</b>					
Trade	858.3	809.9	872.3	1.6	20.7
Services	872.6	978.9	1,172.1	34.3	27.9
Government	547.1	571.9	569.2	4.0	13.5
Transportation, Communication and Public Utility	233.6	228.2	256.8	9.9	6.1
Finance, Insurance, and Real Estate	226.8	226.6	238.9	5.3	5.7
Contract Construction	163.4	110.2	131.3	(19.6)	3.1
Other	<u>674.5</u>	<u>532.2</u>	<u>484.0</u>	(28.2)	<u>11.5</u>
<b>Total Non-Manufacturing</b>	<u>3,576.3</u>	<u>3,457.9</u>	<u>3,724.6</u>	4.1	<u>88.5</u>
<b>Grand Total</b>	<u>4,248.5</u>	<u>3,988.3</u>	<u>4,206.7</u>	(1.0) %	<u>100.0 %</u>

Source: New Jersey Department of Labor "New Jersey Economic Indicators" July 1998, Number 394.

**STATE OF NEW JERSEY  
AVERAGE HOURLY GROSS DOLLAR EARNINGS OF PRODUCTION WORKERS  
ANNUAL AVERAGES**

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
<b>TOTAL MANUFACTURING</b>	\$ 10.88	\$ 11.17	\$ 11.76	\$ 12.17	\$ 12.59	\$ 12.98	\$ 13.38	\$ 13.56	\$ 13.86	\$ 13.85
Durable Goods	10.79	10.93	11.46	12.05	12.44	12.89	13.23	13.40	13.74	13.74
Lumber	8.91	9.63	10.95	11.48	11.48	11.31	11.51	11.82	11.97	11.99
Furniture	9.23	9.63	10.38	10.21	10.32	10.57	10.80	10.78	10.41	10.41
Stone, Clay, and Glass	10.96	11.48	11.41	11.74	11.96	12.62	13.17	13.39	13.67	13.66
Primary Metals	10.53	10.84	11.48	11.99	12.54	13.00	13.18	13.63	13.68	13.68
Fabricated Metals	10.83	11.00	11.14	12.15	12.45	12.71	13.18	13.48	13.65	13.65
Non-Electrical Machinery	11.12	11.53	12.30	12.93	13.39	13.84	14.26	14.40	14.49	14.50
Transportation Equipment	13.72	13.46	13.95	14.97	16.11	17.82	18.57	18.44	17.93	17.95
Miscellaneous Manufacturing	8.70	9.03	9.69	9.97	10.50	10.91	10.82	11.02	11.74	11.75
Non-Durable Goods	10.97	11.37	12.02	12.26	12.70	13.04	13.48	13.67	13.94	13.94
Food	10.89	11.27	11.41	11.56	12.30	12.97	13.52	13.44	13.28	13.28
Textiles	9.03	9.03	9.53	9.65	9.75	9.79	9.71	10.04	10.61	10.67
Apparel	7.56	7.60	7.97	7.98	7.97	7.96	8.33	8.45	8.59	8.59
Paper	10.58	11.20	11.53	11.91	12.26	12.37	12.84	13.07	13.33	13.35
Printing and Publishing	12.14	12.89	13.35	13.45	13.92	13.80	13.85	14.01	14.11	14.08
Chemicals	12.88	12.93	13.96	14.39	15.17	15.84	16.38	16.90	17.40	17.39
Petroleum	18.14	18.81	20.16	21.43	22.23	23.61	25.24	25.04	25.33	25.32
Rubber and Plastics	9.02	9.23	9.85	9.99	10.52	10.70	11.02	11.30	11.53	11.52
Leather	6.85	7.13	7.50	8.01	8.19	8.38	8.64	8.61	9.36	9.36

Source: New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY  
PERSONAL AND PER CAPITA INCOME,  
AND NEW DWELLING UNITS**

<u>Year</u>	<u>Personal Income (\$ Millions)</u>	<u>Per Capita Income</u>	<u>Value of New Dwelling Units Authorized (\$ Thousands)</u>
1988	\$ 170,914	\$ 22,146	\$ 3,811,599
1989	182,882	23,671	3,115,047
1990	192,893	24,936	2,173,780
1991	192,341	25,426	1,977,947
1992	204,091	26,098	2,538,486
1993	210,622	26,732	3,130,101
1994	221,607	28,038	3,189,788
1995	229,286	28,858	2,825,560
1996	248,052	31,053	2,134,127
1997	268,037	33,284	2,533,451

Source: New Jersey Department of Labor and New Jersey Economic Policy Council.

**STATE OF NEW JERSEY  
CASH RECEIPTS FROM FARM MARKETINGS  
(Expressed in Millions)**

<u>Year</u>	<u>Livestock and Products</u>	<u>Crops</u>	<u>Total</u>
1988	\$ 192.5	\$ 452.1	\$ 644.6
1989	197.3	461.7	659.0
1990	195.8	454.6	650.4
1991	193.0	465.2	658.2
1992	190.3	463.2	653.5
1993	198.7	507.6	706.3
1994	182.6	585.8	768.4
1995	200.5	572.2	772.7
1996	195.6	608.0	803.6
1997	179.8	597.6	777.4

Source: New Jersey and U. S. Departments of Agriculture.

**STATE OF NEW JERSEY**  
**STATE AID FOR LOCAL SCHOOL DISTRICTS**  
**CONSOLIDATED SUMMARY**  
**GENERAL FUND AND PROPERTY TAX RELIEF FUND**  
(Expressed in Thousands)

	<u>Expended</u> <u>Fiscal Year 1998</u>	<u>Appropriated</u> <u>Fiscal Year 1998</u>
<b>Formula Aid Program</b>		
Restoration of Penalties for Excessive Administrative Expenditures	\$ 6,603	\$ -
Core Curriculum Standards Aid	2,449,067	2,747,601
Abbott v. Burke Parity Program	220,257	249,834
Supplemental Core Curriculum Standards Aid	208,794	157,296
Additional Supplemental Core Curriculum Standards Aid	32,952	32,952
Early Childhood Aid	287,575	302,527
Instructional Supplement	17,000	17,417
Demonstrably Effective Program Aid	175,420	187,328
Rewards and Recognition	10,060	10,011
Stabilization Aid	52,685	47,781
Stabilization Aid II	-	30,249
Supplemental Stabilization Aid	51,501	56,175
Additional Supplemental Stabilization Aid:		
Large Efficient Districts	3,000	6,000
County Special Services District Placements	10,994	-
High Senior Citizen Concentrations	921	921
Supplemental School Tax Reduction Aid	10,687	15,926
Categorical Aids:		
Distance Learning Network	50,458	52,225
Adult Education Grants	25,000	25,007
Bilingual Education	57,428	53,178
Special Education	585,589	637,941
Extraordinary Special Education Costs Aid	-	10,000
County Special Services Tuition Stabilization	1,190	2,500
County Vocational Education	22,564	32,151
Pupil Transportation Aid	243,916	261,078
School Construction and Renovation Fund	-	50,000
Debt Service Aid	95,305	95,141
Hold Harmless Aid - Hoboken, Plainfield	1,418	-
Less:		
Abbott District Excess Surplus Reduction	-	(10,043)
Stabilization Aid	-	(181,397)
Subtotal Formula Aid Programs	<u>4,620,384</u>	<u>4,889,799</u>
<b>Other Aid to Education</b>		
Nonpublic School Aid	69,684	82,695
Payment for Children with Unknown District of Residence	8,214	10,056
General Vocational Aid	6,509	6,321
Additional School Building Aid (Debt Service)	8,973	7,655
Educational Information & Resource Center	400	400
School Bus Crossing Arms	1,003	1,000
Other Aid	8,863	10,276
Subtotal Other Aid to Education	<u>103,646</u>	<u>118,403</u>
<b>Direct State Payments for Education</b>		
Teachers' Pension Assistance	98,530	371,487
Debt Service on Pension Obligation Bonds	24,095	68,297
Pension and Annuity Assistance - Other	12,441	17,006
Teachers' Social Security Assistance	438,268	460,568
Subtotal Direct State Payments for Education	<u>573,334</u>	<u>917,358</u>
<b>Total</b>	<u>\$ 5,297,364</u>	<u>\$ 5,925,560</u>

**STATE OF NEW JERSEY  
PUBLIC SCHOOL ENROLLMENTS**

<u>Year</u>	<u>K - 6</u>	<u>7 - 8</u>	<u>9 - 12</u>	<u>Total K - 12</u>	<u>Pre-K</u>	<u>Non- Graded</u>	<u>Special Ed.</u>	<u>Post- Graduate</u>	<u>Total Other Grades</u>	<u>Total All Grades</u>
1988	557,713	147,942	308,542	1,014,197	6,195	1,727	56,840	1,912	66,674	1,080,871
1989	564,666	149,004	293,273	1,006,943	6,531	762	59,569	2,200	69,062	1,076,005
1990	577,480	151,351	289,007	1,017,838	6,998	716	62,115	1,979	71,808	1,089,646
1991	588,734	154,752	291,788	1,035,274	8,261	835	63,115	2,311	74,522	1,109,796
1992	600,607	157,841	295,337	1,053,785	9,123	1,466	63,683	2,503	76,775	1,130,560
1993	614,559	161,421	288,412	1,064,392	9,225	17,423 (a)	60,113	458	87,219	1,151,611
1994	629,355	164,252	292,488	1,086,095	10,283	18,132	59,602	140	88,157	1,174,252
1995	647,817	166,457	295,219	1,109,493	9,405	17,184	59,541	106	86,236	1,195,729
1996	662,059	168,966	300,421	1,131,446	9,737	17,785	59,513	97	87,132	1,218,578
1997	670,013	172,155	302,589	1,144,757	10,220	18,372	67,481	90	96,163	1,240,920

(a) Nongraded enrollment became insignificant in 1993 and was replaced with vocational enrollment.

Source: New Jersey Department of Education, Office of Management Information. (Enrollments--October 15 of year indicated)

**STATE OF NEW JERSEY  
SECTOR SUMMARY OF FALL ENROLLMENT  
NEW JERSEY COLLEGES AND UNIVERSITIES, 1996 and 1997**

<b>Full and Part-Time Sector</b>	<b>Undergraduate</b>		<b>Post-Baccalaureate</b>		<b>Total Enrollments</b>	
	<b>1996</b>	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>	<b>1997</b>
<b><u>Full-Time Enrollment</u></b>						
Community Colleges	54,053	53,323	--	--	54,053	53,323
State Colleges	40,934	41,874	1,414	1,356	42,348	43,230
Rutgers University	28,994	29,804	4,552	4,487	33,546	34,291
New Jersey Institute of Technology	3,413	3,411	1,037	1,063	4,450	4,474
University of Medicine and Dentistry	270	253	3,023	3,072	3,293	3,325
Independent Colleges	32,005	33,258	7,230	7,116	39,235	40,374
<b>Total Full-Time</b>	<b>159,669</b>	<b>161,923</b>	<b>17,256</b>	<b>17,094</b>	<b>176,925</b>	<b>179,017</b>
<b><u>Part-Time Enrollment</u></b>						
Community Colleges	73,050	69,265	--	--	73,050	69,265
State Colleges	16,733	16,418	9,764	9,623	26,497	26,041
Rutgers University	6,054	5,908	8,212	8,142	14,266	14,050
New Jersey Institute of Technology	1,594	1,584	1,793	2,075	3,387	3,659
Thomas A. Edison State College	8,575	8,515	10	49	8,585	8,564
University of Medicine and Dentistry	528	508	593	635	1,121	1,143
Independent Colleges	13,169	12,489	11,129	11,399	24,298	23,888
<b>Total Part-Time</b>	<b>119,703</b>	<b>114,687</b>	<b>31,501</b>	<b>31,923</b>	<b>151,204</b>	<b>146,610</b>
<b><u>Full and Part-Time</u></b>						
Community Colleges	127,103	122,588	--	--	127,103	122,588
State Colleges	57,667	58,292	11,178	10,979	68,845	69,271
Rutgers University	35,048	35,712	12,764	12,629	47,812	48,341
New Jersey Institute of Technology	5,007	4,995	2,830	3,138	7,837	8,133
Thomas A. Edison State College	8,575	8,515	10	49	8,585	8,564
University of Medicine and Dentistry	798	761	3,616	3,707	4,414	4,468
Independent Colleges	45,174	45,747	18,359	18,515	63,533	64,262
<b>Total Full and Part-Time</b>	<b>279,372</b>	<b>276,610</b>	<b>48,757</b>	<b>49,017</b>	<b>328,129</b>	<b>325,627</b>

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

**STATE OF NEW JERSEY  
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

**FULL-TIME UNDERGRADUATE ENROLLMENT**

<u>Year</u>	<u>Community Colleges</u>	<u>State Colleges</u>	<u>Other Public 4-Year(1)</u>	<u>Independent Colleges</u>	<u>Total</u>
1988	39,244	36,526	31,213	29,032	136,015
1989	42,398	37,873	31,308	29,801	141,380
1990	45,673	39,457	31,390	29,477	145,997
1991	49,497	39,911	32,147	29,343	150,898
1992	52,584	40,569	32,147	29,148	154,448
1993	54,923	40,246	31,595	29,818	156,582
1994	54,676	39,356	31,597	30,082	155,711
1995	54,862	40,265	32,272	30,244	157,643
1996	54,053	40,934	32,677	32,005	159,669
1997	53,323	41,874	33,468	33,258	161,923

**PART-TIME UNDERGRADUATE ENROLLMENT**

1988	71,428	19,980	16,003	12,773	120,184
1989	76,044	20,383	16,232	13,282	125,941
1990	79,167	20,540	16,526	13,281	129,514
1991	83,132	19,067	16,851	13,299	132,349
1992	86,144	18,958	17,584	13,824	136,510
1993	84,992	18,304	17,747	13,893	134,936
1994	81,086	17,871	17,259	13,366	129,582
1995	78,378	17,400	17,103	12,936	125,817
1996	73,050	16,733	16,751	13,169	119,703
1997	69,265	16,418	16,515	12,489	114,687

(1) Includes Rutgers University, New Jersey Institute of Technology, The University of Medicine and Dentistry's School of Allied Health Professions, and Thomas A. Edison State College.

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

**STATE OF NEW JERSEY  
FULL-TIME PAID EMPLOYEES  
(excludes Colleges and Universities)**

<u>Department/Agency</u>	<u>December 1995</u>	<u>December 1996</u>	<u>December 1997</u>
Agriculture	203	204	240
Banking & Insurance	617	566	560
Chief Executive's Office	134	124	114
Commerce	90	95	110
-Public Broadcasting Authority	153	145	135
-Commission on Science and Technology	6	6	6
Community Affairs	849	854	922
Corrections	8,171	8,107	9,038
-Parole Board	147	155	158
Education	948	848	826
Environmental Protection	3,380	3,119	3,054
Health	1,835	1,823	1,791
Human Services	18,218	17,760	17,991
Labor	3,853	3,692	3,736
-Public Employees Relations Commission	36	37	39
Law and Public Safety	6,117	6,017	6,111
-Election Law Enforcement Commission	29	35	39
-Violent Crimes Compensation Board	55	51	50
-Executive Commission on Ethical Standards	7	6	7
-Juvenile Justice	1,094	1,181	1,318
Military and Veterans' Affairs	1,458	1,370	1,357
Personnel	555	486	434
State	263	253	234
-Office of Administrative Law	136	129	115
-Public Defender	826	832	835
-Commission on Higher Education	19	19	20
Transportation	4,278	4,161	3,961
-Division of Motor Vehicles	1,642	1,619	1,675
Treasury	4,479	4,394	4,368
-Casino Control Commission	343	343	336
-Student Assistance	190	192	193
-Board of Public Utilities	302	303	307
<b>Subtotal Executive Branch</b>	<b><u>60,433</u></b>	<b><u>58,926</u></b>	<b><u>60,080</u></b>
Legislature	470	473	469
Judiciary (Administrative Office of the Courts)	1,678	1,685	1,690
<b>Statewide Total</b>	<b><u>62,581</u></b>	<b><u>61,084</u></b>	<b><u>62,239</u></b>
Judiciary (County Courts)*	7,449	7,226	7,027

\* The State takeover of the County Courts was implemented in January of 1995.

**STATE OF NEW JERSEY  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service *</u>	<u>State Expenditures</u>	<u>Ratio of Debt Service to Total State Expenditures</u>
1989	\$ 185,051,000	\$ 171,025,655	\$ 356,076,655	\$ 11,861,117,648	3.00
1990	178,801,000	187,069,534	365,870,534	12,153,464,061	3.01
1991	198,230,000	196,011,871	394,241,871	12,552,477,202	3.14
1992	207,557,000	202,997,090	410,554,090	15,146,159,738	2.71
1993	93,923,000	115,876,389	209,799,389	14,666,284,793	1.43
1994	3,425,000	116,512,997	119,937,997	14,864,235,964	0.81
1995	3,425,000	100,096,833	103,521,833	15,330,072,857	0.68
1996	244,281,000	209,070,625	453,351,625	16,262,695,982	2.79
1997	250,911,000	195,989,910	446,900,910	16,335,984,225	2.74
1998	287,675,000	191,218,950	478,893,950	17,213,867,639	2.78

\* Includes only Debt Service on General Obligation Bonded Debt.

**CALCULATION OF LEGAL DEBT LIMITS**

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together 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 work distinctly specified therein. No such law may take effect until it has been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war or to repel invasion, suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined in the Constitution would prohibit any other method of creating such debt and liability.

**STATE OF NEW JERSEY  
CALCULATION OF LEGAL DEBT LIMITS  
(Expressed in Thousands)**

<u>Fiscal Year</u>	<u>Total General Fund Appropriations*</u>	<u>Legal Debt Limit</u>	<u>Outstanding General Obligation Bonded Debt</u>
1989	\$ 8,392,878	\$ 83,929	\$ 2,772,774
1990	8,797,697	87,977	2,956,283
1991	9,127,646	91,276	3,073,053
1992	10,233,988	102,340	3,316,391
1993	10,082,054	100,821	3,594,741
1994	10,270,698	102,707	3,591,315
1995	10,471,079	104,711	3,646,891
1996	11,216,997	112,170	3,688,361
1997	11,240,476	112,405	3,437,450
1998	11,206,205	112,062	3,572,895

\* Does not include Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund, the revenues of which are restricted as to use by their respective legislation.

**STATE OF NEW JERSEY**  
**PROPERTY TAX RELIEF PROGRAMS and INITIATIVES**  
(Expressed in Millions)

<b>Program</b>	<b>APPROPRIATIONS</b>			
	<b>FY 1995</b>	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>
<b>School Aid</b>				
Direct Aid	\$ 3,925.6	\$ 4,149.0	\$ 4,184.0	\$ 4,749.9
Teachers' Pension and Social Security	485.7	623.8	667.4	573.6
Pension Security Plan Savings	-	-	-	20.4
State Initiated Budget Savings	129.7	41.2	49.5	41.2
Subtotal School Aid And Budget Savings	<u>4,541.0</u>	<u>4,814.0</u>	<u>4,900.9</u>	<u>5,385.1</u>
<b>Municipal Aid And Budget Savings</b>				
Consolidated Municipal Property Tax Relief Aid	795.8	754.6	756.0	756.0
Legislative Initiative Block Grant Program	33.0	33.0	33.0	33.0
SMPTR Discretionary Aid	30.0	30.0	30.0	30.0
Aid to Densely Populated Municipalities	25.0	17.0	9.0	-
Municipal Aid From Utility Taxes-Restructuring Proposal	781.8	730.0	730.0	740.0
Health Benefit Cost Relief	27.1	-	4.1	-
Pension Security Plan Savings	-	-	-	10.8
Municipal Pension Cost Savings	34.9	103.0	103.0	103.0
Subtotal Municipal Aid And Budget Savings	<u>1,727.6</u>	<u>1,667.6</u>	<u>1,665.1</u>	<u>1,672.8</u>
<b>Other Local Aid And Budget Savings</b>				
Transportation Trust Fund-Aid for Local Projects	100.0	130.0	130.0	130.0
Judicial Unification	-	30.0	90.0	-
Aid to County Psychiatric Hospitals	79.4	78.3	76.0	76.0
Community College Aid	-	-	-	140.1
Urban Enterprise Zones-Sales Tax Dedication	29.6	48.3	58.0	60.0
Veterans and Senior/Disabled Citizens Property Tax Deductions	58.2	57.9	55.8	54.1
Health Benefit Cost Relief	-	-	3.4	29.7
Judicial Unification	-	-	-	120.0
Department of Community Affairs-Housing and Neighborhood Assistance	16.6	16.6	16.6	16.6
Library Aid	13.1	13.1	12.0	13.1
Pension Contributions on Behalf of Local Governments	6.3	9.2	9.7	9.7
Pension Security Plan Savings	-	-	-	34.4
Miscellaneous Programs	23.0	24.2	22.3	18.0
Subtotal Other Local Aid And Budget Savings	<u>326.2</u>	<u>407.6</u>	<u>473.8</u>	<u>701.7</u>
<b>Direct Taxpayer Relief</b>				
Homestead Rebates	323.9	325.0	325.0	325.0
Property Tax Deduction Act	-	-	120.0	167.0
Subtotal Direct Taxpayer Relief	<u>323.9</u>	<u>325.0</u>	<u>445.0</u>	<u>492.0</u>
<b>GRAND TOTAL</b>	<b>\$ <u>6,918.7</u></b>	<b>\$ <u>7,214.2</u></b>	<b>\$ <u>7,484.8</u></b>	<b>\$ <u>8,251.6</u></b>

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

<u>Year</u>	<u>Population</u>	<u>Civilian Labor Force</u>	<u>Resident Employment</u>	<u>Unemployment</u>	<u>New Jersey Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
1988	7,718	3,985	3,824	151	3.8 %	5.5 %
1989	7,726	3,989	3,826	163	4.1	5.3
1990	7,735	4,048	3,846	202	5.0	5.5
1991	7,773	4,040	3,772	267	6.6	6.7
1992	7,820	4,034	3,697	337	8.4	7.4
1993	7,879	4,001	3,706	295	7.4	6.8
1994	7,904	4,108	3,828	280	6.8	6.1
1995	7,945	4,081	3,830	250	6.4	5.6
1996	7,988	4,140	3,914	226	6.2	5.4
1997	8,053	4,192	3,991	201	5.1	4.9

Sources: New Jersey Department of Labor, "New Jersey Economic Indicators"  
New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY  
NEW VEHICLE REGISTRATIONS  
1990-1997**

<u>Calendar Year</u>	<u>Cars</u>	<u>Light Trucks Vans</u>	<u>Total Vehicles</u>	
			<u>Annual</u>	<u>Monthly Average</u>
1990	371,928	103,680	475,608	39,634
1991	327,710	90,612	418,322	34,860
1992	324,998	99,974	424,972	35,414
1993	368,218	134,808	503,026	41,919
1994	371,592	160,398	531,990	44,333
1995	350,533	158,366	508,899	42,408
1996*	350,955	182,203	533,158	44,430
1997	344,904	192,299	537,203	44,767

\* Revised

Source: R.L.Polk and Company

## MISCELLANEOUS STATISTICAL DATA

In 1787, New Jersey became the third state to ratify the U.S. Constitution.

The State Constitution was adopted on July 2, 1776, subsequently superceded by the State Constitution of 1844 and the current Constitution which was ratified by the State's voters on November 4, 1947.

The State Constitution establishes a bicameral legislature which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

The area of the State, 7,489.2 square miles, ranks it fifth smallest in size. The estimated population as of July 1, 1997 was 8,053,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,075 people per square mile.

The higher education system in New Jersey includes 24 private colleges, 19 community colleges, as well as the following State institutions:

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

# ACKNOWLEDGMENTS

Report prepared by: Office of Management and Budget - Financial Reporting

Richard Bruno

John Carson	Joseph Mallardi
Madeline Deschon	Dominic Marrocco
Harold Fleming	Edward Pericoloso
Beverly Hewitt	Benedetto Pulone
David Jacobson	Michele Ridge
Joseph Lombardo	Sandra Smith

Special Appreciation to:

Cash Accounting Unit - Office of Management and Budget

Sonia Sciandra	- Office of Administrative Support
Marianne Fagans	- Director's Office, Office of Management and Budget
Diane Chepega	- Office of State Planning
David Larkin	- Office of Information Technology

Cover: Painting of the Old Barracks courtesy of the Old Barracks Museum;  
John Wright, Artist

Indian King Tavern photo supplied by Hoag Levins

Text of the State Seal taken with permission from the Indian King Web Site  
(<http://www.levins.com/tavern.html>)

William Trent House photo courtesy of the William Trent House Museum

Rockingham photo courtesy of the Rockingham Estate



