

# NEW JERSEY



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2004

**RICHARD J. CODEY**

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**JOHN E. McCORMAC, CPA**

*State Treasurer*

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*Manager*

*Financial Reporting*

**STATE OF NEW JERSEY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2004  
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RICHARD J. CODEY  
Acting Governor

JOHN E. MCCORMAC, CPA  
State Treasurer

December 1, 2004

Acting Governor Richard J. Codey  
Members of the State Legislature  
New Jersey Citizens

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. The Department of the Treasury's Office of Management and Budget prepared this report and is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures.

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

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of this reporting model as reflected in these statements are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. All revenues, costs, assets, and liabilities of the State are shown to more clearly portray the State's fiscal health. Management's Discussion and Analysis is included on pages 15 to 28 in order to provide users with an objective and easily readable analysis of New Jersey's financial performance for the fiscal year ended June 30, 2004. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

The New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the 2003 GFOA Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the independent auditor's report on the basic financial statements, management's discussion and analysis, government-wide financial statements, fund financial statements for governmental funds, proprietary funds, fiduciary funds, and component units, together with notes to the basic financial statements as well as additional required supplementary information (Budgetary Schedules), and the other supplementary information (Combining Fund Statements). The statistical section includes the budgetary basis schedules, as well as selected financial and demographic information.

### **HIGHLIGHTS AND INITIATIVES**

#### **Fiscal Year 2004**

- Concerns in the Department of Human Services, Division of Youth and Family Services' (DYFS) system of keeping children safe were exposed when the circumstances surrounding the death of a seven-year-old boy was discovered in Newark. In the aftermath, former Governor McGreevey ordered an immediate accounting of all cases where a child had not been located and an open

allegation of abuse existed. As a result, it was determined that numerous allegations remained open and uninvestigated. Former Governor McGreevey also ordered a fact finding process that made a clear cut case for sweeping changes. It was revealed that DYFS' mission was too broad, its delivery system for children was fragmented, its caseworker supervision was inadequate, its workforce was too inexperienced, and that there was a lack of accountability across the whole system. During Fiscal Year 2004, over \$30.0 million was provided for the purpose of reforming and improving the DYFS' information systems and services. Implementation of the Statewide Automated Child Welfare Information System to comprehensively track and monitor cases, the hiring of additional direct care staff, support staff, and Human Services Police officers also occurred. The anticipated result is increased accountability, a revision in management expectations, enhanced recruitment, an expansion and mandate in training, strengthened supervision, and a reduction in caseloads.

- The State took steps to streamline the procedures for the State school construction program, which provides \$8.6 billion to build and renovate schools. In Fiscal Year 2004, \$108.5 million was spent for State debt service and increased aid for recently issued local debt for school construction.
- In Fiscal Year 2004 over \$100.0 million in funding for various homeland security and counter-terrorism initiatives occurred. These funds provided enhanced security for the State's nuclear power plants as well as prompt emergency medical response and additional support for the Office of Counter-Terrorism and State Police efforts to guard New Jersey residents against potential terrorist activities.

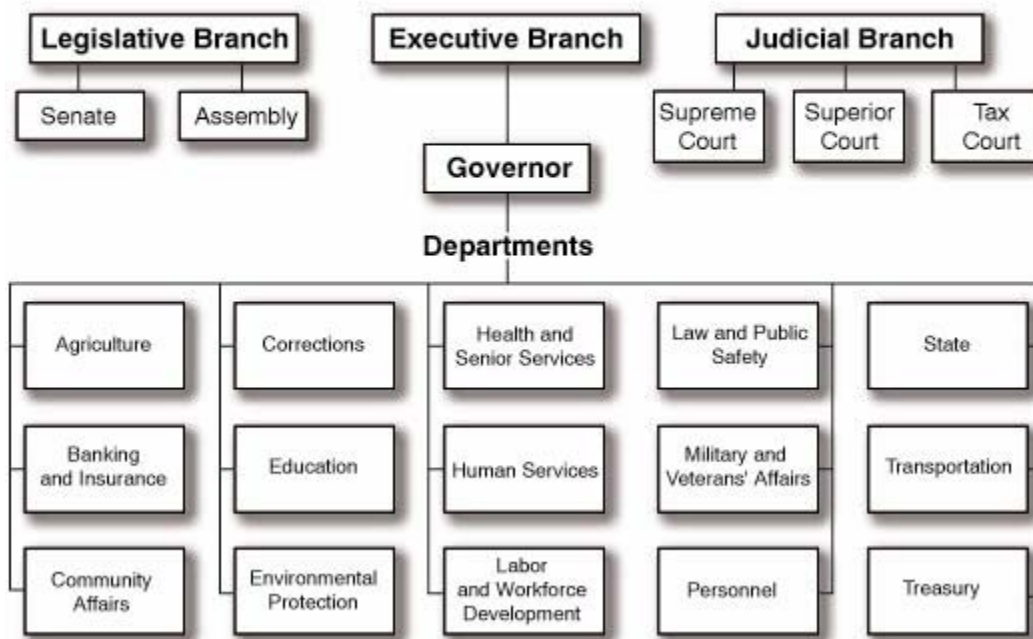
#### **Fiscal Year 2005**

- The cornerstone to the Fiscal Year 2005 Appropriations Act is the FAIR (Fair and Immediate Relief) Plan, which provides property tax relief to New Jersey's senior citizens and middle class taxpayers. The three pronged plan calls for immediate relief, spending reforms, and long-term structural changes to New Jersey's property tax system. Immediate relief comes in the form of increased rebate checks. Under the Homestead Rebate Program, the average check for senior citizens will increase to \$1,200, from \$775. Approximately 460,000 senior citizens will receive the \$1,200 maximum. Under the NJSAVER Program, qualified families will receive a rebate of \$800, up from \$250 the prior year. Approximately 1.2 million families are impacted, with another 190,000 families doubling their average rebates to \$500. In order to provide 2.0 million senior citizens and middle class New Jerseyans with property tax relief, an additional 2.6 percent tax on income over \$500,000 was enacted. Spending reforms under the FAIR Plan includes a limit on annual spending increases of municipal governments and school districts operations to 2.5 percent or less. Long-term reforms include the creation of a Citizens Task Force to recommend to the State Legislature the structure and scope of a Constitutional Convention on property tax reform. The Citizens Task Force would return their recommendations in time for the November 2005 ballot.
- Aid to Education continues to be a major component of State spending. The Fiscal Year 2005 Appropriations Act provides \$8.9 billion in school aid, an increase of \$753.3 million over Fiscal Year 2004. Three percent increases in formula aid were provided to non-Abbott school districts. Abbott school districts were provided increases for mandated programs and services as well as increases for the expansion of preschool programs. Fiscal Year 2005 also provides funding for new aid categories, which include \$15.0 million for a new preschool program in non-Abbott school districts; \$12.0 million in additional formula aid for school districts that have experienced unusually high enrollment growth; \$17.0 million to develop and implement strategies for enhanced teaching and learning in low income, non-Abbott school districts; and \$2.5 million in reward and incentive aid for high performing model districts meeting certain administrative efficiency standards. The Fiscal Year 2005 Appropriations Act also includes \$306.0 million for school facilities aid programs.

**NEW JERSEY GOVERNMENT**

The Executive Branch is headed by the Office of the Chief Executive which includes the Governor and staff that assist in the execution of the Governor’s constitutional powers and duties. The Governor is the State’s chief operating officer, and assists in directing and coordinating the activities of the various State departments. These duties include the implementation of new laws and activities, as well as ongoing responsibilities associated with existing laws, and other essential aspects of governing. The Office of the Chief Executive is active in the review and formulation of proposals of law that are ultimately submitted to the State Legislature. Staff assists in the development of public policy affecting the citizens of the State, and in the implementation of the State’s fiscal plan once it is adopted.

**ORGANIZATION OF NEW JERSEY STATE GOVERNMENT**



The Executive Branch consists of 15 departments comprising approximately 66,000 employees. The maximum number of departments permitted by the State Constitution is 20. Each department is headed by a single executive; four also have boards with policy-making and oversight responsibilities. Department heads and board members are appointed by the Governor with the advice and consent of the Senate, except for the Secretary of Agriculture, who is chosen by the Board of Agriculture with the approval of the Governor. Department heads continue in office until successors are named and confirmed by the Senate, with the exception of the Attorney General and the Secretary of State, who are appointed to serve during the Governor’s term. The Executive Branch oversees the performance of 566 municipalities and 611 school districts, and the incarceration and rehabilitation of approximately 27,000 prisoners. The Executive Branch also provides social services for one out of eight New Jersey citizens, reliable transportation, and protection for the State’s citizenry and environment.

New Jersey’s Legislative Branch consists of the State Senate and the General Assembly. There are 40 legislative districts with elections being held in odd-numbered years. There are 40 members of the State Senate. State Senators are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. There are 80 members of the General Assembly. Assemblymen are elected to two-year terms. The Office of Legislative Services is a nonpartisan agency

that provides legislators with legal, fiscal, research, information, and administrative services. It is organized with an executive director, a legislative counsel, the state auditor, a director of central staff, a director of data management, and a director of administration.

The Judicial Branch consists of the Supreme Court, the Appellate Division of the Superior Court, and the Tax Court. Judges are nominated by the Governor and must be confirmed by the Senate. Terms are for seven years. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately 7.0 million new cases are filed in New Jersey's courts every year, including 6.0 million in Municipal Court and 1.0 million in Superior Court. These cases address matters concerning civil, criminal, and family law.

### **COMPONENT UNITS**

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legally separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage these component units. Each component unit is established for a specific purpose for the benefit of the State's citizenry. GASB Statement No. 14 provides that the State's financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units on page 87.

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

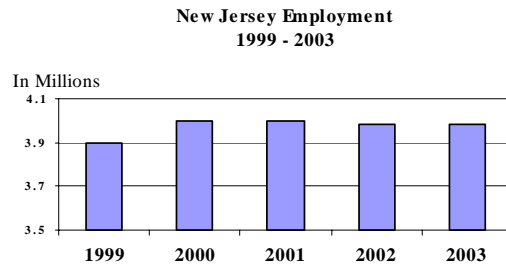
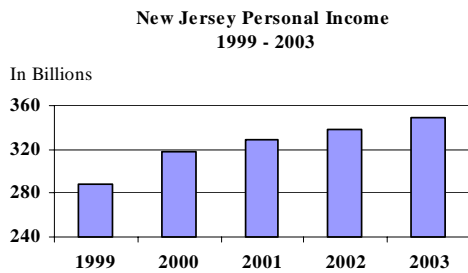
Through calendar year 2004, New Jersey's economy continued to expand and its recovery is showing signs of momentum. The State outperformed the nation in terms of job creation at a faster pace over last year. New Jersey added 101,700 jobs between the bottom of the employment cycle in March 2003 and September 2004. Payroll employment increased over 1.4 percent during the first nine months through September 2004 after declining slightly by 0.1 percent last year. Jobs in September 2004 grew at a 1.7 percent average annual rate over a year ago, continuing the positive year over year growth trend for the fifteenth consecutive month since July 2003, surpassing the pre-recession level.

Payroll employment increased by over 1.6 percent in the third quarter of 2004, a solid increase compared to the 0.4 percent growth in the same quarter a year ago, and maintained the momentum in job growth that started to pick up since the first quarter of 2004. Overall, the State added 60,300 jobs between January and September 2004. Employment gains were primarily spread across the service providing sectors with particularly strong growth in professional and business services (12,700 jobs), education and health services (9,500 jobs), and trade, transportation, and utilities (8,100 jobs). The total government (14,600 jobs) and construction (3,700 jobs) sectors also showed strong gains.

The generally improving labor market conditions have kept the State's jobless rate below 5.0 percent for the third straight month since July 2004. New Jersey's unemployment rate dropped to 4.8 percent in September 2004, well below the corresponding rate of 5.4 percent for the nation.

The preliminary 2004 second quarter growth rate for New Jersey's personal income of 4.7 percent improved over the revised first quarter 2004 growth rate of 4.1 percent. October 2004 economic forecasts project slight moderation in the third quarter followed by an improving personal income growth scenario in the fourth quarter and into 2005. Despite the slight increase in the inflation rate (around 3.0 percent) the growth momentum in the labor market conditions will benefit consumers and businesses. In addition, low interest rates continue to support spending on housing and other consumer durables in the State.





The housing sector continues to be robust during 2004 with new housing starts estimated to stay around 33,000 units or more for the year, slightly above the 2003 level. New vehicle registrations for the nine months through September 2004 were 3.5 percent above the level in 2003.

New Jersey and the nation are expected to have a solid year with economic momentum heading into calendar year 2005. In the December Beige Book, the United States Federal Reserve was upbeat reporting broad economic expansion across the nation. The fundamentals of the State's economic health remain stable and the long run prospects for economic growth of the State in calendar year 2005 and beyond are favorable.

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

## **BUDGET AND ACCOUNTING**

### **Budget Process**

The State Constitution, as well as certain statutes, governs the State's budget and appropriation process. Each department, board, commission, office or other agency of the State begins the budget process by filing with the Director of the Office of Management and Budget (the "Director") a request for appropriation or permission to spend, specifying all expenditures proposed to be made by such spending agency during the following fiscal year. The Director then examines each request and determines the necessity or advisability of the appropriation request. After review and examination, the Director submits the requests, together with findings, comments, and recommendations, to the Governor. It is the responsibility of the Governor to examine and consider all requests and formulate budget recommendations. The Governor's Budget Message is then transmitted on the fourth Tuesday in February, unless otherwise provided through legislation.

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

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

### **Legal Level of Control**

The State's Annual Appropriations Act includes the General Fund and certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). Legal control is maintained within the departments at the appropriation line item level. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major expenditure objects. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. During the budget

year, revisions to the Annual Appropriations Act reflecting program changes or interdepartmental transfers of an administrative nature may be effected with certain Executive and Legislative Branch approvals. Under the “General Provisions” section of the State’s Annual Appropriations Act, management may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

### **Accounting Systems**

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

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

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

## **RELEVANT FINANCIAL POLICIES**

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

As part of the General Fund’s resources and fund balance, the Surplus Revenue Fund was created as a rainy day fund. The Surplus Revenue Fund is used to account for excess revenues from prior fiscal years that are legislatively reserved and may be used to support current year’s appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and expended during economic downturns and emergency situations. An example of revenue collections outpacing projections occurred during Fiscal Year 2004, when \$282.4 million was deposited into the Surplus Revenue Fund. An example of an emergency situation that resulted in tapping the Surplus Revenue Fund occurred in Fiscal Year 2000 when the State needed \$26.9 million in emergency disaster relief funds to aid flood victims of Hurricane Floyd.

The State’s budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with GAAP. The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

## **FINANCIAL TRENDS**

### **Education**

State aid for elementary and secondary education continues to be one of the largest components of the State budget at almost one third of the Fiscal Year 2005 State appropriations. State funding for Education has historically been a struggle, especially in times of limited resources. The cost of compliance with State Supreme Court mandates for funding the poorest school districts, known as Abbott districts, forces the direction of a large portion of those resources, reducing the amount available for distribution to non-Abbott school districts. Having one of the highest per pupil spending amounts in the country and high reliance on property taxes for the local support adds to the pressure to increase the level of State support. Federal legislation such as the No Child Left Behind Act and the Individuals with Disabilities Education Act have placed additional requirements on districts that result in spending increases beyond the federal funding provided for the programs. The State periodically reviews its funding formulas to balance the competing needs as best possible.

### **Transportation**

Stable funding for public transportation occurred in 1984 with the passage of the New Jersey Transportation Trust Fund Authority. Prior to the enactment, funding was provided through various intermittent general obligation bond acts that were subject to voter approval. Funded from sources such as the Motor Fuels Tax, the Petroleum Products Gross Receipts Tax, a portion of the Sales and Use Tax, and bond proceeds, the New Jersey Transportation Trust Fund Authority has provided the New Jersey Department of Transportation and New Jersey Transit Corporation with a combined capital program that has grown from \$249.0 million in Fiscal Year 1985 to \$1,292.6 million in Fiscal Year 2005. Stable State and federal funding has allowed the New Jersey Transit Corporation to invest in such notable projects as the Secaucus Transfer, Newark Airport Station, Montclair Connection, MidTown Direct, and the Newark Elizabeth Rail Link. These projects are in addition to the purchase of rolling stock needed to upgrade the bus and rail fleet of vehicles. For Fiscal Year 2005, the New Jersey Transportation Trust Fund Authority has funded the New Jersey Department of Transportation's "Fix-it-First" approach that addresses bridges, pavement, and projects which support urban and suburban redevelopment, and protection of environmental values. The New Jersey Department of Transportation's program focuses on innovative strategies to promote safety, while providing a balanced, economical, effective attack on highway congestion.

### **Open Space Preservation**

One of State Government's responsibilities is the conservation of the State's natural resources. Open space preservation began in 1961 under the Department of Environmental Protection's Green Acres program. Farmland preservation, through the Department of Agriculture's State Agriculture Development Committee, began in 1983. The Garden State Preservation Trust was created in Calendar Year 1999 to provide funding for the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust for the preservation of open space, farmland, and historic properties. Through the annual \$98.0 million constitutional dedication from the State's Sales and Use Tax, the Garden State Preservation Trust has preserved approximately 40,000 acres per year since its inception. This amount represents a 111.1 percent increase from earlier funding efforts that concentrated on voter approved general obligation bond acts. A total of 551,358 acres have been preserved for open space, while a total of 129,310 acres have been preserved for farmland purposes.

## **AUDIT INFORMATION**

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

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

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the year ended June 30, 2003.

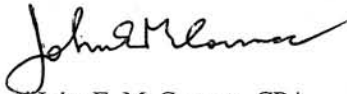
In order to qualify for the Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and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

The State of New Jersey has received this award every year since 1993. It is our belief that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 continues this tradition and conforms to the GFOA's Certificate of Achievement Program requirements.

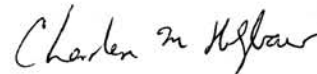
**ACKNOWLEDGEMENTS**

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

Sincerely,



John E. McCormac, CPA  
State Treasurer



Charlene M. Holzbaur  
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, 2003

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.



*Nancy L. Ziehl*

President

*Jeffrey R. Enen*

Executive Director

ASSEMBLYMAN  
ALBIO SIRES  
*Chairman*

SENATOR  
BERNARD F. KENNY, JR.  
*Vice-Chairman*

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ANTHONY R. BUCCO  
RICHARD J. CODEY  
NIA H. GILL  
LEONARD LANCE  
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CHRISTOPHER "KIP" BATEMAN  
FRANCIS J. BLEE  
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LORETTA WEINBERG



# New Jersey State Legislature

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The Honorable Richard J. Codey  
Acting Governor of New Jersey

The Honorable Richard J. Codey  
President of the Senate

The Honorable Albio Sires  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2004, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors.

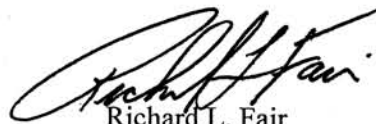
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2004 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Richard L. Fair  
State Auditor  
December 1, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2004. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

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

## FINANCIAL HIGHLIGHTS

### Government-wide

- The primary government's assets total \$27.5 billion, a decrease of \$2.5 billion from the prior fiscal year. This decrease was the result of lower unemployment contributions and the liquidation of a \$1.5 billion receivable from the Fiscal Year 2003 sale of tobacco rights under the master settlement agreement. As of June 30, 2004, liabilities exceeded assets by \$2.3 billion. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative \$13.0 billion. The negative balance is primarily a result of financing unfunded actuarial liabilities in the State's pension fund systems and uninsured motorist funds, financing local elementary and high school construction, and securitizing tobacco master settlement agreement receipts.
- June 30, 2004 component unit assets exceeded component unit liabilities by \$12.7 billion. Total component unit assets grew to \$34.4 billion, a \$3.9 billion increase in net assets from the prior fiscal year. The reclassification of Tobacco Settlement Financing Corporation, Inc. to the primary government of New Jersey represents \$2.9 billion of this increase.

### Fund Level

- The State's governmental funds reported June 30, 2004 combined ending fund balances of \$7.1 billion, a decrease of \$1.3 billion from the prior fiscal year. Of this amount, \$601.4 million represents unreserved undesignated fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is \$2.9 billion, with \$376.5 million unrestricted.
- Proprietary Funds reported June 30, 2004 net assets of \$1.7 billion. During the fiscal year, this amount decreased by \$522.2 million.

### Long-term Debt

- The State's long-term debt obligations increased 12.1 percent, to \$25.0 billion, which includes a net increase in bonded debt of \$2.3 billion.
- During the fiscal year, the State issued \$3.4 billion in bonds. New money issuances represented \$2.9 billion for transportation and education system improvements, while \$466.6 million represented four refunding transactions that provided the State with \$23.6 million in net present value savings. During the fiscal year ended June 30, 2004, the State paid \$1.8 billion in debt service on its long-term debt components. Non-bonded portions of the State's long-term debt total \$3.0 billion. This amount represents a \$346.7 million increase from the prior fiscal year and is mainly attributable to an increase in net pension obligations and capital leases.



## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

### Government-wide Financial Statements

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

- **Statement of Net Assets** Shown on page 31, the Statement of Net Assets presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.

- **Statement of Activities** Shown on pages 32 and 33, the Statement of Activities presents how the State's net assets changed during Fiscal Year 2004. All changes in net assets are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

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

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.
- **Business-type Activities** Certain State operations that are legislatively able to charge fees to external users to recover all or a portion of the cost of the services that are provided are classified as business-type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.
- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. The State has 22 authorities, of which the New Jersey Building Authority, the Garden State Preservation Trust, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation, Inc. are blended into governmental activities, and 12 colleges and universities that are reported as component units. These component units operate as business-type activities and are presented in two categories, major and non-major which is determined, generally, by the relative size of the entity's assets, liabilities, revenues, and expenses when compared to the total of the related component units. A list of the State's component units is shown in Notes 1B – Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units in the Notes to the Financial Statements. Audit reports of the individual component units can be obtained from their respective administrative offices.

#### **Reconciliation of Government-wide and Fund Financial Statements**

The Comprehensive Annual Financial Report includes two schedules (shown on pages 35 and 37) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

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

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements. The notes can be found on pages 52 to 95 of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004.

### **Fund Financial Statements**

Fund financial statements begin on page 106. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State's funds, which excludes components units, are divided into three categories – governmental, proprietary, and fiduciary.

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

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

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets as shown on pages 42 to 44. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

### **Notes to the Financial Statements**

Beginning on page 52, the Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

### **Required Supplementary Information**

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

### **Other Information**

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

Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Net Assets

The State's fiscal year ended combined net assets totaled a negative \$2.3 billion. Fiscal Year 2004 activities showed a \$3.5 billion decrease in combined net assets, with net assets of governmental activities decreasing by \$3.0 billion, and business-type activities decreasing by \$522.2 million.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2004</b>	<b>2003*</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003*</b>
Current and other noncurrent assets	\$ 10,495.0	\$ 13,311.2	\$ 3,170.7	\$ 3,761.5	\$ 13,665.7	\$ 17,072.7
Capital assets, net	13,857.4	12,960.8	--	--	13,857.4	12,960.8
<b>Total Assets</b>	<b>24,352.4</b>	<b>26,272.0</b>	<b>3,170.7</b>	<b>3,761.5</b>	<b>27,523.1</b>	<b>30,033.5</b>
Current liabilities	3,434.0	5,071.9	499.9	501.8	3,933.9	5,573.7
Noncurrent liabilities	24,958.1	22,266.1	973.1	1,039.9	25,931.2	23,306.0
<b>Total Liabilities</b>	<b>28,392.1</b>	<b>27,338.0</b>	<b>1,473.0</b>	<b>1,541.7</b>	<b>29,865.1</b>	<b>28,879.7</b>
Net Assets:						
Invested in capital assets, net of related debt	5,221.8	4,907.4	--	--	5,221.8	4,907.4
Restricted	3,715.3	4,175.0	1,697.7	2,219.8	5,413.0	6,394.8
Unrestricted	(12,976.8)	(10,148.4)	--	--	(12,976.8)	(10,148.4)
<b>Total Net Assets</b>	<b>\$ (4,039.7)</b>	<b>\$ (1,066.0)</b>	<b>\$ 1,697.7</b>	<b>\$ 2,219.8</b>	<b>\$ (2,342.0)</b>	<b>\$ 1,153.8</b>

\*Fiscal Year 2003 Governmental Activities and Total Primary Government have been restated.

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

#### Changes in Net Assets

The State's Fiscal Year 2004 net assets decreased by \$3.5 billion. During Fiscal Year 2004, the State made \$1.6 billion in expenditures that were supported by the balance of the Fiscal Year 2003 sale of tobacco rights. Another \$1.6 billion was disbursed to the New Jersey Schools Construction Corporation to help finance school facilities construction throughout the state. Approximately 52.1 percent of the State's total revenue came from general taxes, while 23.5 percent was derived from operating grants. Charges for services amounted to 21.5 percent of total revenues, while other items such as governmental subsidies and grants, capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 28.7 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 20.1 percent of total expenditures, while government direction, management, and control amounted to 12.7 percent. Other major expenditures focused on economic planning, development, and security, public safety and criminal justice, and community development and environmental management. During Fiscal Year 2004, governmental activity expenses exceeded program revenues, resulting in the use of \$22.7 billion of general

revenues (mostly taxes). Revenues from business-type activities in Fiscal Year 2004 exceeded expenses by \$203.8 million.

The deficit in unrestricted governmental net assets arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities that are required to be included in the government-wide financial statements.

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

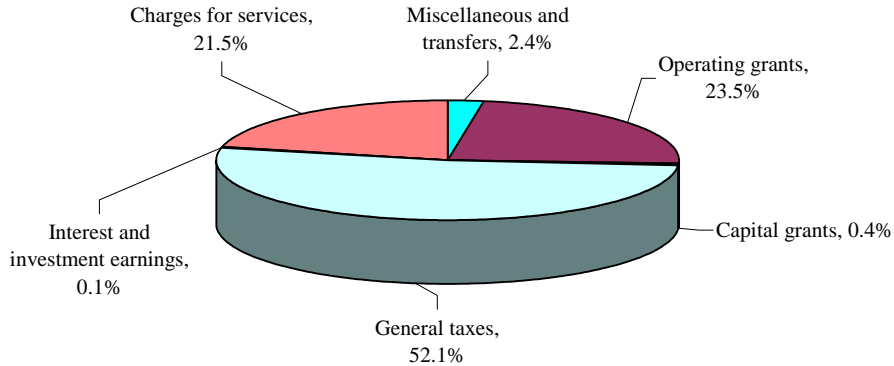
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Primary Government Total</b>	
	<b>2004</b>	<b>2003*</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003*</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3,341.0	\$ 3,900.7	\$ 5,317.4	\$ 4,706.4	\$ 8,658.4	\$ 8,607.1
Operating grants	8,985.0	9,151.1	481.8	897.8	9,466.8	10,048.9
Capital grants	140.9	30.6	--	--	140.9	30.6
General revenues						
General taxes	20,940.6	19,347.3	--	--	20,940.6	19,347.3
Interest and investment earnings	59.8	61.1	--	--	59.8	61.1
Miscellaneous	1,890.8	1,647.5	--	--	1,890.8	1,647.5
<b>Total Revenues</b>	<b>35,358.1</b>	<b>34,138.3</b>	<b>5,799.2</b>	<b>5,604.2</b>	<b>41,157.3</b>	<b>39,742.5</b>
<b>Expenses</b>						
Public safety and criminal justice	2,667.9	2,504.5	--	--	2,667.9	2,504.5
Physical and mental health	8,806.4	9,305.6	--	--	8,806.4	9,305.6
Educational, cultural, and intellectual development	12,548.5	10,686.3	--	--	12,548.5	10,686.3
Community development and environmental management	2,040.8	1,959.0	--	--	2,040.8	1,959.0
Economic planning, development, and security	3,714.8	4,050.2	--	--	3,714.8	4,050.2
Transportation programs	1,902.6	1,561.1	--	--	1,902.6	1,561.1
Government direction, management, and control	5,547.6	5,759.7	--	--	5,547.6	5,759.7
Special government services	267.2	236.3	--	--	267.2	236.3
Interest expense	624.3	460.0	--	--	624.3	460.0
State Lottery Fund	--	--	1,413.2	1,339.0	1,413.2	1,339.0
Unemployment Compensation Fund	--	--	2,481.5	2,876.3	2,481.5	2,876.3
Other	--	--	1,700.7	1,367.1	1,700.7	1,367.1
<b>Total Expenses</b>	<b>38,120.1</b>	<b>36,522.7</b>	<b>5,595.4</b>	<b>5,582.4</b>	<b>43,715.5</b>	<b>42,105.1</b>
Excess (Deficiency) Before Contributions and Transfers	(2,762.0)	(2,384.4)	203.8	21.8	(2,558.2)	(2,362.6)
Transfers	(211.7)	716.9	(726.0)	(716.9)	(937.7)	--
Gain on Sale of Tobacco Rights	--	5.5	--	--	--	5.5
<b>Increase (Decrease) In Net Assets</b>	<b>(2,973.7)</b>	<b>(1,662.0)</b>	<b>(522.2)</b>	<b>(695.1)</b>	<b>(3,495.9)</b>	<b>(2,357.1)</b>
<b>Net Assets - July 1, 2003</b>	<b>(1,066.0)</b>	<b>596.0</b>	<b>2,219.9</b>	<b>2,914.9</b>	<b>1,153.9</b>	<b>3,510.9</b>
<b>Net Assets - June 30, 2004</b>	<b>\$(4,039.7)</b>	<b>\$(1,066.0)</b>	<b>\$ 1,697.7</b>	<b>\$ 2,219.8</b>	<b>\$(2,342.0)</b>	<b>\$ 1,153.8</b>

\* Fiscal Year 2003 Governmental Activities and Total Primary Government have been restated.

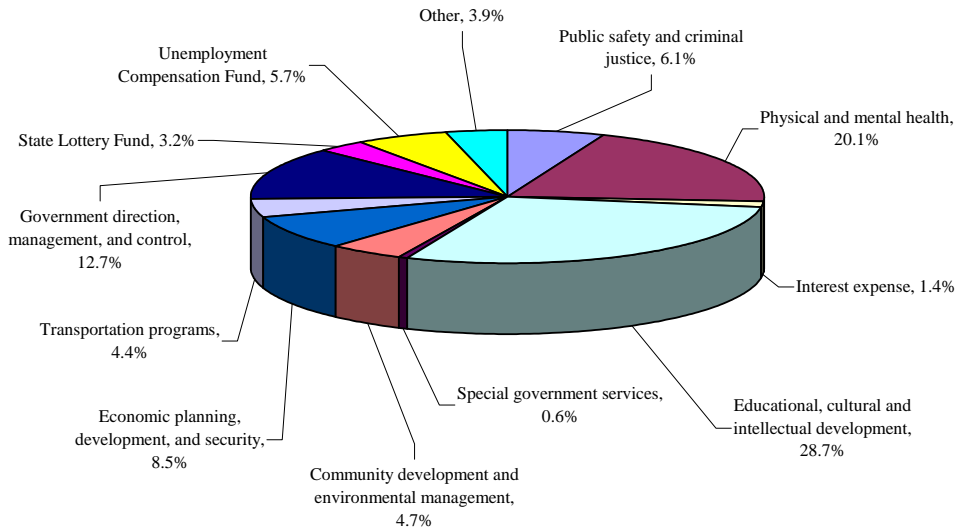
**Governmental Activities – Revenues and Expenditures**

The following pie charts depict governmental activities for revenues and expenditures for the fiscal year ended June 30, 2004:

**Revenues – Governmental Activities  
Fiscal Year Ended June 30, 2004**



**Expenditures – Governmental Activities  
Fiscal Year Ended June 30, 2004**



**Fiscal Year 2004 Revenue and Expenditures**

During Fiscal Year 2004, State revenues, net of transfers, totaled \$40.2 billion, an increase of \$471.6 million from the prior fiscal year. General taxes totaled \$20.9 billion and accounted for 52.1 percent of total State revenues for Fiscal Year 2004. This amount reflects a \$1.6 billion increase from the prior fiscal year. The State’s Gross Income Tax totaled \$7.3 billion, the Sales and Use Tax totaled \$6.3 billion and the Corporation Business Tax totaled \$2.4 billion. The State’s three major taxes comprised 76.0 percent of the total general taxes that were collected during Fiscal Year 2004.

Fiscal Year 2004 expenditures totaled \$43.7 billion, an increase of \$1.6 billion from the prior fiscal year. The largest increase in expenditures occurred in educational, cultural, and intellectual development areas.

This increase of \$1.9 billion represented a 17.4 percent increase over the prior fiscal year. Public safety and criminal justice increased \$163.5 million primarily as a result of increased funding in domestic security initiatives. Overall, 48.8 percent of all State expenditures occurred in the areas of education, higher education and physical and mental health.

**Business-type Activities**

For the fiscal year ended June 30, 2004, net assets of business-type activities totaled \$1.7 billion, a \$522.2 million decrease over the prior fiscal year. The major factor for this decrease was claims exceeding contributions in the Unemployment Compensation Fund.

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

The focus of the State’s major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State’s financing needs and serve as useful measures of the government’s net resources available for future spending. The State’s governmental funds reported June 30, 2004 fund balances of \$7.1 billion. Of this amount, \$601.4 million, or 8.5 percent constituted unreserved undesignated fund balances.

The following table presents a fund balance comparison of the components of the State’s budgeted ending undesignated fund balance for Fiscal Year 2004 and Fiscal Year 2003:

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

<b>Fund</b>	<b>Fiscal Year</b>		<b>Change</b>
	<b>2004</b>	<b>2003</b>	
General Fund	\$ 376.5	\$ 373.0	\$ 3.5
Surplus Revenue Fund	282.4	--	282.4
Property Tax Relief Fund	175.2	--	175.2
Casino Control Fund	4.9	4.3	0.6
Casino Revenue Fund	22.7	--	22.7
<b>Total</b>	<b>\$ 861.7</b>	<b>\$ 377.3</b>	<b>\$ 484.4</b>

**General Fund**

The General Fund is the State’s chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund’s fiscal year ending fund balance totaled \$2.9 billion, of which, \$1.5 billion represented unreserved fund balances. During Fiscal Year 2004, total fund balance increased by \$601.9 million.

On a budgetary basis, general revenues of \$23.7 billion were \$3.0 billion lower than the final budget. Negative variances were primarily the result of reductions in federal and other grants of \$2.2 billion, licenses and fees of \$169.3 million, and service and assessments of \$124.8 million.

Total expenditures were \$3.3 billion lower than original appropriations set forth in the budget enacted during June 2003 plus supplemental appropriations during the fiscal year. This amount includes \$863.0 million from public safety and criminal justice, \$758.4 million from physical and mental health, \$493.7 million from community development and environmental management, \$479.2 million from economic planning, development and security, and \$333.3 million from government direction, management, and control. Other reductions include \$252.1 million from educational, cultural, and intellectual development, \$68.7 million from special government services, and \$64.3 million from transportation programs.

Even though general revenues were lower than the final budget, momentum from the State's economic recovery resulted in State General Fund revenues growing \$564.8 million higher than original certifications. During Fiscal Year 2004, the State deposited \$282.4 million into the Surplus Revenue Fund. The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the amount certified by the Governor at the time of the approval of the annual appropriations act and the amount of General Fund revenue reported from the annual financial report of the General Fund for that fiscal year.

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

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2004, \$7.2 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2004 ending undesignated fund balance is \$175.2 million.

#### **State Lottery Fund**

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Available fund balances are transferred to the State's General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts, are accounted for in this fund.

In Fiscal Year 2004, gross revenues totaled \$2.2 billion, of which 55.6 percent was returned in prizes, 35.6 percent went to State education and institutions, 7.8 percent was paid to sales agents and ticket vendors, and 1.0 percent covered Lottery operational and promotional expenses. As of June 30, 2004, the State Lottery, since its inception, has generated over \$34.7 billion in gross revenues, \$17.8 billion in prizes, and contributed \$14.0 billion to the State.

#### **Unemployment Compensation Fund**

The Unemployment Compensation Fund accounts for monies deposited from employers and employees contributions for unemployment compensation, amounts credited or advances made by the Federal Government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund.

#### **Component Units**

Combined operating revenues and expenses for the State's component units for Fiscal Year 2004 amounted to \$7.5 billion and \$7.8 billion respectively. Total operations along with other financing sources and uses contributed to total combined net assets at fiscal year end of \$12.7 billion. The component units received \$1.8 billion in State appropriations during Fiscal Year 2004.

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

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

The Fiscal Year 2004 capital budget included \$2.4 billion of State and matching Federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority produced \$460.0 million for State highways, \$150.0 million for local highways, and \$618.2 million for mass transit. During Fiscal Year 2004, the New Jersey Economic Development Authority issued \$1.6 billion of School Facilities Construction Bonds to help fund the New Jersey Schools Construction Corporation's program. As of June 30, 2004, a total of



\$2.7 billion of the \$8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2004, another \$98.0 million of State funds were appropriated to the Garden State Preservation Trust for conservation purposes, while 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital Assets are shown in the table below. The State's investment in capital assets, net of accumulated depreciation, totaled \$13.9 billion as of June 30, 2004. Depreciation charges for Fiscal Year 2004 totaled \$424.1 million.

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

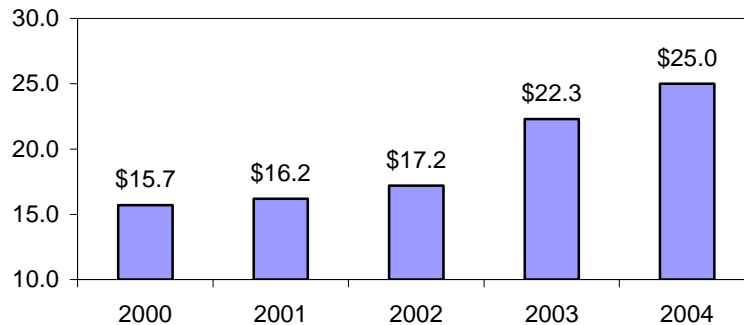
	<b>Total Primary Government</b>	
	<b>2004</b>	<b>2003</b>
Land	\$ 651.5	\$ 579.5
Land Improvements	25.0	24.9
Buildings and Improvements	1,460.3	1,390.9
Equipment	81.3	95.1
Infrastructure	11,290.9	10,681.3
<b>Sub-Total</b>	<b>13,509.0</b>	<b>12,771.7</b>
Construction-In-Progress	348.4	189.1
<b>Total</b>	<b>\$ 13,857.4</b>	<b>\$ 12,960.8</b>

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

**Long-Term Debt**

As of June 30, 2004, New Jersey's outstanding long-term debt totaled \$25.0 billion, a \$2.7 billion increase over the prior fiscal year. In addition, the State has \$8.4 billion of legislatively authorized bonding capacity that has not yet been issued. During Fiscal Year 2004, the legislatively authorized bonding capacity decreased by \$2.4 billion. The State's long-term debt for the past five fiscal years is shown below:

**Long-Term Debt  
Fiscal Year 2000 to Fiscal Year 2004  
(Expressed in Billions)**



Note: Fiscal Year 2003 has been restated to \$22.3 billion, from \$18.8 billion due to the inclusion of Tobacco Settlement Financing Corporation, Inc. indebtedness as applied under GASB Technical Bulletin 2004-1, and the inclusion of \$99.6 million of capital leases excluded from last year's balance.

The State's long-term debt can be broken into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds, Installment Obligations, Certificates of Participation, Tobacco Settlement Financing Corporation, Inc. Bonds, Unamortized Premium, and Unamortized Deferral on Refunding. Non-bonded categories include Capital Leases, Loans Payable, Accumulated Sick and Vacation Payable, Net Pension Obligation, and Other. A description of each category is as follows:

- **General Obligation Bonds** The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. Examples of capital projects financed by State General Obligation Bonds include correctional facilities, psychiatric institutions, dams, reservoirs, and transportation projects. As of June 30, 2004, the State had \$3.2 billion of State General Obligation Bonds outstanding with another \$742.4 million of bonding authorization remaining from various State General Obligation Bond Acts.
- **Revenue Bonds** This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority for the purpose of erecting office structures to support State operations, the Garden State Preservation Trust for the purpose of acquiring land to preserve for open space, and the New Jersey Transportation Trust Fund Authority for the purpose of constructing various transportation and transit related projects. As of June 30, 2004 the State had \$7.0 billion of Revenue Bonds outstanding with another \$1.7 billion of bonding authorization remaining for funding for Garden State Preservation Trust and New Jersey Transportation Trust Fund Authority programs. On May 6, 2004, the Garden State Preservation Trust sold \$500.0 million of its Open Space Farmland Preservation Bonds, 2005 Series A (Forward Delivery Bonds). The Garden State Preservation Trust expects to deliver these bonds on or about December 1, 2005.
- **Installment Obligations** This debt classification represents obligations whose debt service is subject to and dependent upon the State Legislature making annual appropriations. Installment obligations include bonds issued to help fund the State's school facilities construction program, and help fund the installation of college and university dormitory fire suppression equipment. The State's Installment Obligation Bonds outstanding as of June 30, 2004 total \$7.9 billion. Total authorized but unissued Installment Obligations equal \$6.0 billion as of June 30, 2004.
- **Certificates of Participation** Proceeds from certificates of participation are used primarily to finance State equipment needs under the State's master lease program. Currently, the State uses a line of credit as its preferred financing method. The State's Certificates of Participation outstanding as of June 30, 2004 equal \$77.4 million.
- **Tobacco Settlement Financing Corporation, Inc.** In November, 1998 the State entered into a master settlement agreement with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established Tobacco Settlement Financing Corporation, Inc., the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the master settlement agreement. In return, the Tobacco Settlement Financing Corporation, Inc. issued \$3.5 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004. Under GASB Technical Bulletin No. 2004-1, the Tobacco Settlement Financing Corporation, Inc. has been re-classified as a blended component unit of the State from that of a discretely presented component unit. Therefore, the debt of the Tobacco Settlement Financing Corporation, Inc. is reflected as a part of the State's debt. After taking into account its bond discount, the Tobacco Settlement Financing Corporation, Inc. as of June 30, 2004 had \$3.3 billion of bonds outstanding.
- **Unamortized Premium (Net)** During Fiscal Year 2004, unamortized premium totaled \$498.6 million, a \$133.4 million increase from the prior fiscal year's end. This increase is mainly

attributed to the State issuing \$2.8 billion of bonds with associated premium. GASB Statement No. 34 requires the premium to be deferred and amortized over the life of the refunding bonds.

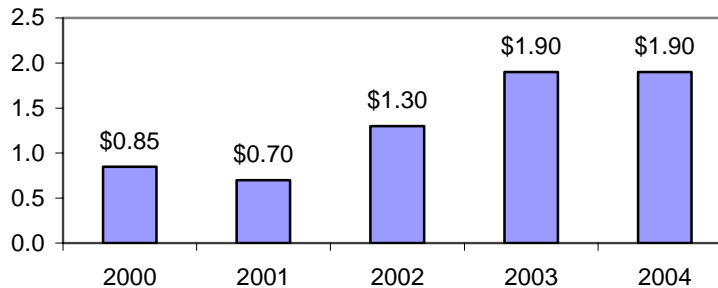
- **Unamortized Deferral on Refunding** Under GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, unamortized deferral on refunding shows the actual gain or loss on refunding transactions. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2004 the State has issued \$466.6 million of refunding bonds that are to be amortized over a time period of 14.7 years to 19.8 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds, applicable to GASB Statement No. 23 interpretation, have a total loss of \$223.8 million.
- **Capital Leases** Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Total Capital Leases outstanding as of June 30, 2004 equal \$691.5 million.
- **Loans Payable** Loans Payable represents amounts received by the New Jersey Automobile Insurance Guaranty Fund, from the New Jersey Property-Liability Insurance Guaranty Association (PLIGA). The loans were made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability. PLIGA loans of \$1.3 billion remain outstanding as of June 30, 2004.
- **Accumulated Sick and Vacation** Pursuant to GASB Statement No. 16, *Accounting for Compensated Balances*, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time. As of June 30, 2004, this amount totals \$466.1 million.
- **Net Pension Obligation** Net Pension Obligation represents the \$361.1 million pension fund liability due to the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension Annuity Fund as of June 30, 2004. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.
- **Other** Other includes obligations required to be reported as long-term indebtedness in accordance with the National Council on Governmental Accounting (NCGA) Statement No. 1. These obligations include health (\$120.6 million), dental (\$5.6 million), and Medicaid benefit claims (\$251.6 million of which \$119.7 million is federally reimbursable), which have been incurred but not reported.

### **Short-term Debt**

The State's short-term note program provides effective cash flow management of imbalances that occur in the timing between collections and disbursements of State revenues and appropriations during the fiscal year. The State Treasurer is authorized to issue short-term debt instruments without it constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes must be retired within twelve months of their issuance date. During Fiscal Year 2004, the State issued and retired \$1.9 billion in short-term notes.

The following chart details the amount of short-term borrowings the State has issued and retired since Fiscal Year 2000:

**Short-Term Debt  
Fiscal Year 2000 to Fiscal Year 2004  
(Expressed in Billions)**



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

**Credit Ratings**

Standard & Poor’s Corporation, Moody’s Investors Service, and Fitch Investors Service rate the State’s debt. As of the date of the transmittal letter, the State’s short-term and long-term credit rating are as follows:

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

**ECONOMIC CONDITION AND OUTLOOK**

New Jersey’s economy continues to expand with the recovery showing signs of momentum in 2004. The State outperformed the nation in terms of job creation at a faster pace over last year. The State added over 103,000 jobs between the bottom of the employment cycle in March 2003 and September 2004. Payroll employment increased over 1.5 percent during the first nine months through September 2004 after declining slightly by 0.1 percent last year. New Jersey’s jobless rate stayed at 4.8 percent in September 2004, well below the corresponding rate of 5.4 percent for the nation.

New Jersey’s employment increased by 1.7 percent in September 2004 from over a year ago adding close to 69,000 jobs and continuing the positive year over year growth trend for the fifteenth consecutive month since July 2003, surpassing the pre-recession level. Overall, the State added 61,700 jobs between January and September of 2004. Employment gains were primarily spread across the service providing sectors with particularly strong growth in Professional and Business Services (12,800 jobs). The Government sector grew by 2.4 percent adding over 14,000 jobs during this period.

However, the State continues to suffer from job losses in manufacturing and downsizing in the telecommunications industry. Practically all the job losses in New Jersey, between January and September 2004, were concentrated in manufacturing (-3,300 jobs), which has been declining for more than a decade, but the pace of job losses appears to be leveling off. New Jersey’s employment level remained consistently above the 4.0 million mark for the last seven months.

The United States' Department of Commerce's Bureau of Economic Analysis preliminary report released on September 28, 2004 indicates that during the second quarter of calendar year 2004, New Jersey's growth rate for personal income continued to improve at 4.7 percent over the revised growth of 4.1 percent during the first quarter of this year. Despite the slight increase in inflation rate (around 3.0 percent), the improving labor market conditions benefit New Jersey consumers and businesses. In addition, low interest rates continue to support spending on housing and other consumer durables in the State.

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

New Jersey State Government has undertaken several budgetary initiatives to address revenue pressures facing the State while the pace of the economic recovery becomes more consistent and stable. These initiatives include imposing a new fee on mobile telecommunications and telecommunications exchange customers and sale of new motor vehicle tires, implementing annual toxic surcharge based on emissions, increasing the tax rate on high income Gross Income Tax payers and cigarettes, and imposing a 6.0 percent gross receipts tax on certain cosmetic medical procedures. Other initiatives include limiting the Corporation Business Tax application on net operating loss provision to 50.0 percent of taxable income for tax years 2004 and 2005, revising outdoor advertising law and local tax treatment of certain outdoor signs, changing the phase-out schedule for the transitional energy facility assessment unit rate surcharges, and imposing "general purpose fee" on certain realty transfers and a fee on the purchase of residential property for over \$1.0 million.

### **REQUEST FOR INFORMATION**

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, 6<sup>th</sup> Floor, Trenton, New Jersey, 08625. Copies of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, the State Budget, and the Appropriations Handbook are also available at the following website: [www.state.nj.us/treasury/omb](http://www.state.nj.us/treasury/omb).

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
JUNE 30, 2004**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 383,876,055	\$ 1,919,252	\$ 385,795,307	\$ 1,135,619,524
Investments	4,962,142,553	667,683,295	5,629,825,848	9,800,906,774
Receivables, net of allowances for uncollectibles				
Federal government	705,430,887	1,142,640,255	1,848,071,142	246,614,190
Departmental accounts	2,193,712,033	470,530,162	2,664,242,195	--
Loans	969,452,596	--	969,452,596	1,500,700,316
Mortgages	--	--	--	2,011,671,077
Other	942,730,119	140,771,910	1,083,502,029	1,839,575,080
Internal balances	88,708,204	(88,708,204 )	--	--
Due from external parties	17,423,531	--	17,423,531	36,583,527
Inventories	--	--	--	72,123,747
Other	179,367,567	14,203,751	193,571,318	1,156,369,797
<b>Noncurrent Assets:</b>				
Investments	--	821,629,480	821,629,480	--
Pension assets	52,107,130	--	52,107,130	--
Capital assets, net	13,857,442,711	--	13,857,442,711	16,576,472,973
<b>Total Assets</b>	<b>24,352,393,386</b>	<b>3,170,669,901</b>	<b>27,523,063,287</b>	<b>34,376,637,005</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued expenses	2,085,166,494	447,758,134	2,532,924,628	881,078,466
Due to external parties	19,333,432	--	19,333,432	117,899,963
Interest payable	197,199,288	--	197,199,288	158,196,313
Deferred revenue	267,602,176	4,836,606	272,438,782	155,987,857
Other	864,588,122	47,273,945	911,862,067	559,108,303
<b>Noncurrent Liabilities:</b>				
Due within one year	1,436,696,278	150,691,304	1,587,387,582	1,097,977,982
Due in more than one year	23,521,474,228	822,458,431	24,343,932,659	18,748,235,051
<b>Total Liabilities</b>	<b>28,392,060,018</b>	<b>1,473,018,420</b>	<b>29,865,078,438</b>	<b>21,718,483,935</b>
<b>NET ASSETS</b>				
<b>Invested in capital assets, net of related debt</b>	<b>5,221,771,442</b>	<b>--</b>	<b>5,221,771,442</b>	<b>1,037,820,680</b>
<b>Restricted for:</b>				
Capital projects	--	--	--	6,003,980,494
Educational, cultural, and intellectual development	292,197,351	--	292,197,351	--
Community development and environmental management	1,930,134,431	--	1,930,134,431	--
Economic planning, development, and security	712,342,515	--	712,342,515	--
Debt service	--	--	--	705,542,323
Unclaimed property	266,297,733	--	266,297,733	--
Unemployment	--	1,539,200,633	1,539,200,633	--
Other	514,355,778	158,450,848	672,806,626	2,106,419,318
<b>Unrestricted</b>	<b>(12,976,765,882 )</b>	<b>--</b>	<b>(12,976,765,882 )</b>	<b>2,804,390,255</b>
<b>Total Net Assets</b>	<b>\$ (4,039,666,632 )</b>	<b>\$ 1,697,651,481</b>	<b>\$ (2,342,015,151 )</b>	<b>\$ 12,658,153,070</b>

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

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions - Programs</b>				
<b>Primary Government:</b>				
Governmental activities:				
Public safety and criminal justice	\$ 2,667,952,645	\$ 968,734,515	\$ 256,502,680	\$ 3,050,166
Physical and mental health	8,806,383,402	703,613,113	692,500,300	--
Educational, cultural, and intellectual development	12,548,510,462	97,271,248	821,485,162	14,805
Community development and environmental management	2,040,764,135	244,609,790	526,889,205	70,885,445
Economic planning, development and security	3,714,764,492	517,688,585	397,203,575	22,025,000
Transportation programs	1,902,614,001	15,073,404	788,685,677	30,608,620
Government direction, management, and control	5,547,636,236	693,503,832	5,496,051,250	--
Special government services	267,238,834	100,496,551	5,700,675	14,294,072
Interest expense	624,265,977	--	--	--
Total governmental activities	<u>38,120,130,184</u>	<u>3,340,991,038</u>	<u>8,985,018,524</u>	<u>140,878,108</u>
Business-type activities:				
State Lottery Fund	1,413,187,903	2,231,037,500	1,126,443	--
Unemployment Compensation Fund	2,481,525,297	1,407,217,654	477,787,612	--
Other	1,700,680,357	1,679,172,486	2,841,106	--
Total business-type activities	<u>5,595,393,557</u>	<u>5,317,427,640</u>	<u>481,755,161</u>	<u>--</u>
<b>Total primary government</b>	<u><u>\$ 43,715,523,741</u></u>	<u><u>\$ 8,658,418,678</u></u>	<u><u>\$ 9,466,773,685</u></u>	<u><u>\$ 140,878,108</u></u>
<b>Component Units:</b>				
Authorities	\$ 3,655,680,672	\$ 1,806,098,991	\$ 1,530,161,757	\$ 950,755,433
Colleges and Universities	4,187,663,717	1,999,854,723	1,109,984,259	77,012,270
<b>Total Component Units</b>	<u><u>\$ 7,843,344,389</u></u>	<u><u>\$ 3,805,953,714</u></u>	<u><u>\$ 2,640,146,016</u></u>	<u><u>\$ 1,027,767,703</u></u>
General Revenues and Transfers:				
Taxes:				
Gross Income Tax				
Sales and Use Tax				
Corporate Business Tax				
Other taxes				
Investment earnings				
Payments from State				
Miscellaneous				
Transfers				
Total general revenue and transfers				
<b>Change in net assets</b>				
<b>Net Assets July 1, 2003 (Restated)</b>				
<b>Net Assets June 30, 2004</b>				

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

-----Net (Expense) Revenue and Changes in Net Assets-----

**Primary Government**

<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	<b>Component Units</b>
\$	(1,439,665,284 )	\$	--	\$ (1,439,665,284 )	\$ --
	(7,410,269,989 )		--	(7,410,269,989 )	--
	(11,629,739,247 )		--	(11,629,739,247 )	--
	(1,198,379,695 )		--	(1,198,379,695 )	--
	(2,777,847,332 )		--	(2,777,847,332 )	--
	(1,068,246,300 )		--	(1,068,246,300 )	--
	641,918,846		--	641,918,846	--
	(146,747,536 )		--	(146,747,536 )	--
	(624,265,977 )		--	(624,265,977 )	--
	<u>(25,653,242,514 )</u>		<u>--</u>	<u>(25,653,242,514 )</u>	<u>--</u>
	--	818,976,040	--	818,976,040	--
	--	(596,520,031 )	--	(596,520,031 )	--
	--	(18,666,765 )	--	(18,666,765 )	--
	--	<u>203,789,244</u>	--	<u>203,789,244</u>	<u>--</u>
	<u>(25,653,242,514 )</u>	<u>203,789,244</u>	--	<u>(25,449,453,270 )</u>	<u>--</u>
	--	--	--	--	631,335,509
	--	--	--	--	(1,000,812,465 )
	--	--	--	--	<u>(369,476,956 )</u>
	7,271,732,606	--	--	7,271,732,606	--
	6,254,591,942	--	--	6,254,591,942	--
	2,388,169,715	--	--	2,388,169,715	--
	5,026,146,751	--	--	5,026,146,751	--
	59,787,173	--	--	59,787,173	--
	--	--	--	--	1,769,920,103
	1,890,805,268	--	--	1,890,805,268	--
	(211,687,237 )	(726,003,052 )	--	(937,690,289 )	--
	<u>22,679,546,218</u>	<u>(726,003,052 )</u>	--	<u>21,953,543,166</u>	<u>1,769,920,103</u>
	<u>(2,973,696,296 )</u>	<u>(522,213,808 )</u>	--	<u>(3,495,910,104 )</u>	<u>1,400,443,147</u>
	(1,065,970,336 )	2,219,865,289	--	1,153,894,952	11,257,709,923
<u>\$</u>	<u>(4,039,666,632 )</u>	<u>\$ 1,697,651,481</u>	--	<u>\$ (2,342,015,151 )</u>	<u>\$ 12,658,153,070</u>



**STATE OF NEW JERSEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004**

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
<b>Cash and cash equivalents</b>	\$ 334,251,452	\$ --	\$ 49,624,603	\$ 383,876,055
<b>Investments</b>	1,679,326,430	--	3,282,816,123	4,962,142,553
<b>Receivables, net of allowances for uncollectibles</b>				
Federal government	449,444,644	--	136,277,473	585,722,117
Departmental accounts	1,432,183,631	384,723,143	376,805,259	2,193,712,033
Loans	19,162,109	--	950,290,487	969,452,596
Other	210,216,782	--	308,692,644	518,909,426
<b>Due from other funds</b>	858,840,465	140,719,778	331,600,962	1,331,161,205
<b>Other</b>				
Deferred charges	2,940,000	--	--	2,940,000
Other	48,706,630	--	7,239,528	55,946,158
<b>Total Assets</b>	<u>\$ 5,035,072,143</u>	<u>\$ 525,442,921</u>	<u>\$ 5,443,347,079</u>	<u>\$ 11,003,862,143</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accruals	\$ 1,539,502,443	\$ 6,715,314	\$ 538,948,737	\$ 2,085,166,494
Deferred revenue	254,978,166	--	135,196,010	390,174,176
Due to other funds	293,452,798	253,760,434	697,149,670	1,244,362,902
Other	93,503,228	76,072,352	28,012,542	197,588,122
<b>Total Liabilities</b>	<u>2,181,436,635</u>	<u>336,548,100</u>	<u>1,399,306,959</u>	<u>3,917,291,694</u>
<b>Fund Balances</b>				
Reserved for:				
Encumbrances	664,425,595	7,865,793	673,076,744	1,345,368,132
Surplus revenue	282,416,413	--	--	282,416,413
Other	415,228,633	--	1,479,808,256	1,895,036,889
Unreserved:				
General Fund	1,491,564,867	--	--	1,491,564,867
Special Revenue Funds	--	181,029,028	1,720,412,644	1,901,441,672
Debt Service Fund	--	--	239,349	239,349
Capital Projects Funds	--	--	170,503,127	170,503,127
<b>Total Fund Balances</b>	<u>2,853,635,508</u>	<u>188,894,821</u>	<u>4,044,040,120</u>	<u>7,086,570,449</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,035,072,143</u>	<u>\$ 525,442,921</u>	<u>\$ 5,443,347,079</u>	<u>\$ 11,003,862,143</u>

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

**STATE OF NEW JERSEY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2004**

**Total fund balances-governmental funds** **\$ 7,086,570,449**

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

The State has receivables which are not current resources and therefore are not reported in the fund perspective. 543,529,463

In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective. 120,481,409

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

Infrastructure assets	\$ 15,935,408,610	
Buildings and improvements	2,687,792,397	
Land and land improvements	735,508,794	
Other capital assets	653,437,434	
Accumulated depreciation	<u>(6,154,704,524)</u>	13,857,442,711

Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets. 122,572,000

The pension assets are not current and therefore are not reported in the fund perspective. 52,107,130

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

<b>Current Liabilities</b>		
Refunds due to taxpayers	\$ (667,000,000)	
Accrued interest	<u>(197,199,288)</u>	(864,199,288)
<b>Noncurrent Liabilities</b>		
Bonds and notes payable	(10,186,152,357)	
Installment obligations	(7,914,426,275)	
Loans payable	(1,279,358,087)	
Capital leases	(691,518,867)	
Compensated absences	(466,126,031)	
Unamortized deferral on refunding bonds	223,753,886	
Unamortized premium	(498,640,583)	
Tobacco Settlement Financing Corporation, Inc. bonds	(3,329,406,420)	
Other noncurrent liabilities	<u>(816,295,772)</u>	(24,958,170,506)

**Net assets of governmental activities** **\$ (4,039,666,632)**

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

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 11,866,659,748	\$ 7,400,732,606	\$ 1,741,533,617	\$ 21,008,925,971
Federal and other grants	7,653,663,535	--	841,516,731	8,495,180,266
Licenses and fees	706,970,624	--	104,555,571	811,526,195
Services and assessments	1,458,046,470	--	377,235,225	1,835,281,695
Investment earnings	42,472,602	--	54,401,458	96,874,060
Contributions	281,865,051	--	17,953	281,883,004
Other	2,778,541,616	--	435,249,880	3,213,791,496
<b>Total Revenues</b>	<b>24,788,219,646</b>	<b>7,400,732,606</b>	<b>3,554,510,435</b>	<b>35,743,462,687</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety and criminal justice	2,638,216,320	--	95,330,223	2,733,546,543
Physical and mental health	8,284,419,265	--	542,180,559	8,826,599,824
Educational, cultural, and intellectual development	6,223,363,773	5,329,877,153	1,170,380,789	12,723,621,715
Community development and environmental management	971,809,289	936,270,040	253,520,626	2,161,599,955
Economic planning, development, and security	3,072,175,117	--	691,421,719	3,763,596,836
Transportation programs	365,139,312	--	2,186,727,573	2,551,866,885
Government direction, management, and control	4,207,990,123	959,649,436	337,788,777	5,505,428,336
Special government services	270,641,367	--	212,004	270,853,371
<b>Capital Outlay</b>	<b>326,335,639</b>	<b>--</b>	<b>--</b>	<b>326,335,639</b>
<b>Debt Service:</b>				
Principal	--	--	483,354,412	483,354,412
Interest	--	--	650,489,779	650,489,779
<b>Total Expenditures</b>	<b>26,360,090,205</b>	<b>7,225,796,629</b>	<b>6,411,406,461</b>	<b>39,997,293,295</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,571,870,559 )</b>	<b>174,935,977</b>	<b>(2,856,896,026 )</b>	<b>(4,253,830,608 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of bonds	--	--	1,139,810,000	1,139,810,000
Transfers from (to) other funds	226,516,861	(16,067,759 )	(422,111,932 )	(211,662,830 )
Other	1,947,245,580	--	77,037,421	2,024,283,001
<b>Total other financing sources (uses)</b>	<b>2,173,762,441</b>	<b>(16,067,759 )</b>	<b>794,735,489</b>	<b>2,952,430,171</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>601,891,882</b>	<b>158,868,218</b>	<b>(2,062,160,537 )</b>	<b>(1,301,400,437 )</b>
<b>Fund balances - July 1, 2003 (Restated)</b>	<b>2,251,743,626</b>	<b>30,026,603</b>	<b>6,106,200,657</b>	<b>8,387,970,886</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 2,853,635,508</b>	<b>\$ 188,894,821</b>	<b>\$ 4,044,040,120</b>	<b>\$ 7,086,570,449</b>

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

**STATE OF NEW JERSEY  
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2004**

**Net change in fund balance - total governmental funds** \$ (1,301,400,437)

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

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

Capital outlay	\$ 1,320,744,519	
Depreciation expense	(424,142,122)	
Excess of capital outlay over depreciation expense		896,602,397

Pension assets resulting from contributions in excess of the annual required contribution are not financial resources and are not reported in the fund perspective. 52,107,130

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds. (1,139,810,000)

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as a liability. (1,876,335,682)

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

Bond principal retirement	495,540,248	
Capital lease payments	53,484,244	
Installment obligation retirement	165,151,620	
Certificates of participation retirement	44,939,374	
Tobacco Settlement Financing Corp, Inc.	18,625,000	
Total long-term debt repayment		777,740,486

Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2004 receivable balances increased by this amount. 70,237,349

Some revenues recorded in the Statement of Activities do not provide current financial resources and therefore are deferred in the fund perspective. 62,476,000

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

Increase in unamortized premiums	(117,744,262)	
Decrease in deferral on refunding issues	(18,997,473)	
Increase in deferred issuance costs	21,675,402	
Total capitalized and amortized items		(115,066,333)

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

Net decrease in accrued interest	18,797,649	
Increase in compensated absences, net pension obligation, and other	(308,044,855)	
Increase in revenue refunds payable	(111,000,000)	
Total additional expenditures and revenue reductions		(400,247,206)

**Change in net assets of governmental activities** **\$ (2,973,696,296)**

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

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2004**

	<b>State Lottery Fund</b>	<b>Unemployment Compensation Fund</b>	<b>Total Non-Major Proprietary Funds</b>	<b>Total Proprietary Funds</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 615,965	\$ 351,853	\$ 951,434	\$ 1,919,252
Investments	298,826,146	55,187,168	313,669,981	667,683,295
Receivables, net of allowances for uncollectibles				
Federal government	--	1,142,640,255	--	1,142,640,255
Departmental accounts	--	470,530,162	--	470,530,162
Other	39,149,762	17,587,868	84,034,280	140,771,910
Due from other funds	--	27,754,154	962,960	28,717,114
Other	14,203,751	--	--	14,203,751
<b>Noncurrent Assets</b>				
Investments	821,629,480	--	--	821,629,480
<b>Total Assets</b>	<b>1,174,425,104</b>	<b>1,714,051,460</b>	<b>399,618,655</b>	<b>3,288,095,219</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	85,587,378	105,599,613	256,571,143	447,758,134
Deferred revenue	--	--	4,836,606	4,836,606
Due to other funds	94,586,333	21,977,269	861,716	117,425,318
Other	--	47,273,945	--	47,273,945
<b>Noncurrent Liabilities</b>				
Due within one year	150,691,304	--	--	150,691,304
Due in more than one year	822,458,431	--	--	822,458,431
<b>Total Liabilities</b>	<b>1,153,323,446</b>	<b>174,850,827</b>	<b>262,269,465</b>	<b>1,590,443,738</b>
<b>NET ASSETS</b>				
<b>Restricted for:</b>				
Unemployment compensation	--	1,539,200,633	--	1,539,200,633
Other purposes	21,101,658	--	137,349,190	158,450,848
<b>Total Net Assets</b>	<b>\$ 21,101,658</b>	<b>\$ 1,539,200,633</b>	<b>\$ 137,349,190</b>	<b>\$ 1,697,651,481</b>

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

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>State Lottery Fund</b>	<b>Unemployment Compensation Fund</b>	<b>Non-Major Proprietary Funds</b>	<b>Total Proprietary Funds</b>
<b>OPERATING REVENUES</b>				
Sales and charges for services	\$ 2,186,669,795	\$ --	\$ --	\$ 2,186,669,795
Assessments	--	1,406,548,402	--	1,406,548,402
Contributions	--	--	1,664,635,079	1,664,635,079
From federal agencies	--	388,964,804	--	388,964,804
Other	44,367,705	669,252	14,537,407	59,574,364
<b>Total Operating Revenues</b>	<b>2,231,037,500</b>	<b>1,796,182,458</b>	<b>1,679,172,486</b>	<b>5,706,392,444</b>
<b>OPERATING EXPENSES</b>				
Unemployment compensation	--	2,472,707,804	--	2,472,707,804
Benefit payments	--	--	1,700,680,357	1,700,680,357
Lottery prize awards	1,239,739,586	--	--	1,239,739,586
Other	173,448,317	--	--	173,448,317
<b>Total Operating Expenses</b>	<b>1,413,187,903</b>	<b>2,472,707,804</b>	<b>1,700,680,357</b>	<b>5,586,576,064</b>
<b>Operating Income (Loss)</b>	<b>817,849,597</b>	<b>(676,525,346 )</b>	<b>(21,507,871 )</b>	<b>119,816,380</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	1,126,443	88,822,808	2,841,106	92,790,357
Miscellaneous revenue (expense)	--	(8,817,493 )	--	(8,817,493 )
<b>Total nonoperating revenue (expenses)</b>	<b>1,126,443</b>	<b>80,005,315</b>	<b>2,841,106</b>	<b>83,972,864</b>
<b>Income (loss) before transfers</b>	<b>818,976,040</b>	<b>(596,520,031 )</b>	<b>(18,666,765 )</b>	<b>203,789,244</b>
Transfers in (out)	(815,586,333 )	--	89,583,281	(726,003,052 )
<b>Change in net assets</b>	<b>3,389,707</b>	<b>(596,520,031 )</b>	<b>70,916,516</b>	<b>(522,213,808 )</b>
<b>Total Net Assets - July 1, 2003</b>	<b>17,711,951</b>	<b>2,135,720,664</b>	<b>66,432,674</b>	<b>2,219,865,289</b>
<b>Total Net Assets - June 30, 2004</b>	<b>\$ 21,101,658</b>	<b>\$ 1,539,200,633</b>	<b>\$ 137,349,190</b>	<b>\$ 1,697,651,481</b>

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

**STATE OF NEW JERSEY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>State Lottery Fund</b>	<b>Unemployment Compensation Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts received from customers	\$ 1,134,667,315	\$ --
Receipts from federal and local agencies	--	523,630,406
Receipts from assessments	--	1,227,431,481
Payments to suppliers	(53,835,764 )	--
Payments to prize winners	(411,924,875 )	--
Claims paid	--	(1,830,805,413 )
Other receipts (payments)	148,893,731	--
<b>Net cash provided (used) by operating activities</b>	<b>817,800,407</b>	<b>(79,743,526 )</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in (out)	(812,498,389 )	--
Miscellaneous receipts (payments)	--	(8,817,493 )
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(812,498,389 )</b>	<b>(8,817,493 )</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	1,049,055,000	--
Interest and dividends	--	88,822,808
Purchase of investments	(1,055,750,000 )	--
Other	--	--
<b>Net cash provided (used) by investing activities</b>	<b>(6,695,000 )</b>	<b>88,822,808</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,392,982 )</b>	<b>261,789</b>
<b>Cash and cash equivalents - July 1, 2003</b>	<b>2,008,947</b>	<b>90,064</b>
<b>Cash and cash equivalents - June 30, 2004</b>	<b>\$ 615,965</b>	<b>\$ 351,853</b>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities</b>		
Operating income (loss)	\$ 817,849,597	\$ (676,525,346 )
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Net changes in assets and liabilities:		
Current assets	(6,815,863 )	668,959,145
Noncurrent assets	52,597,927	--
Current liabilities	20,845,168	(72,177,325 )
Noncurrent liabilities	(66,676,422 )	--
<b>Net cash provided (used) by operating activities</b>	<b>\$ 817,800,407</b>	<b>\$ (79,743,526 )</b>

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

<b>Non-Major Proprietary Funds</b>	<b>Total Proprietary Funds</b>
\$ 85,842,721	\$ 1,220,510,036
1,592,800,571	2,116,430,977
--	1,227,431,481
--	(53,835,764 )
--	(411,924,875 )
(1,645,592,017 )	(3,476,397,430 )
(3,911,407 )	144,982,324
<u>29,139,868</u>	<u>767,196,749</u>
89,583,281	(722,915,108 )
--	(8,817,493 )
<u>89,583,281</u>	<u>(731,732,601 )</u>
--	1,049,055,000
3,005,964	91,828,772
(124,004,973 )	(1,179,754,973 )
(164,858 )	(164,858 )
<u>(121,163,867 )</u>	<u>(39,036,059 )</u>
(2,440,718 )	(3,571,911 )
<u>3,392,152</u>	<u>5,491,163</u>
<u>\$ 951,434</u>	<u>\$ 1,919,252</u>
\$ (21,507,871 )	\$ 119,816,380
(529,195 )	661,614,087
--	52,597,927
51,176,934	(155,223 )
--	(66,676,422 )
<u>\$ 29,139,868</u>	<u>\$ 767,196,749</u>



**STATE OF NEW JERSEY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2004**

	<b>Agency Funds</b>	<b>Investment Trust Fund</b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	\$ 8,206,401	\$ 1,415,527,913
<b>Investments</b>	89,306,262	3,366,955,269
<b>Receivables, net of allowances for uncollectibles</b>		
Members	--	--
Employers	2,484,014	--
Interest and dividends	--	--
Departmental accounts	760,759	--
Other	69,473	5,713,167
<b>Due from other funds</b>	8,715,921	--
<b>Other</b>	--	--
<b>Total Assets</b>	109,542,830	4,788,196,349
<b>LIABILITIES</b>		
<b>Accounts payable</b>	106,017,770	204,817,098
<b>Benefits payable</b>	--	--
<b>Due to other funds</b>	3,525,060	3,033,826
<b>Total Liabilities</b>	109,542,830	207,850,924
<b>NET ASSETS</b>		
<b>Held in Trust for Pension Benefits and Other Purposes</b>	\$ --	\$ 4,580,345,425

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

<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
\$ 591,231	\$ 717,901
69,239,905,430	11,158,288
172,571,687	--
1,145,886,836	--
330,857,626	--
--	--
--	--
13,048,307	--
1,183,221,649	--
<u>72,086,082,766</u>	<u>11,876,189</u>
59,566,227	2,748,975
367,719,166	--
9,950,734	3,344,707
<u>437,236,127</u>	<u>6,093,682</u>
<u>\$ 71,648,846,639</u>	<u>\$ 5,782,507</u>

**STATE OF NEW JERSEY  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Investment Trust Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ --	\$ 1,196,974,064	\$ --
Employers	--	1,504,583,395	--
Other	13,928,706,503	11,353,192	--
Total Contributions	<u>13,928,706,503</u>	<u>2,712,910,651</u>	<u>--</u>
Investment Income:			
Net increase (decrease) in fair value of investments	--	6,833,728,136	--
Interest and dividends	53,534,483	1,979,545,008	117,081
Total Investment Income	<u>53,534,483</u>	<u>8,813,273,144</u>	<u>117,081</u>
Less investment expense	--	8,069,985	--
Net Investment Income	<u>53,534,483</u>	<u>8,805,203,159</u>	<u>117,081</u>
Miscellaneous	--	--	286,742
<b>Total Additions</b>	<u>13,982,240,986</u>	<u>11,518,113,810</u>	<u>403,823</u>
<b>DEDUCTIONS</b>			
Benefit payments	--	5,261,678,081	--
Refunds of contributions	--	116,429,066	--
Refunds and transfers to other systems	--	--	24,407
Administrative expense	--	32,219,076	--
Payments in accordance with trust agreements	--	--	80,765
Distributions to shareholders	16,370,215,409	--	--
<b>Total Deductions</b>	<u>16,370,215,409</u>	<u>5,410,326,223</u>	<u>105,172</u>
Total Changes in Net Assets Held In Trust	(2,387,974,423 )	6,107,787,587	298,651
<b>Net Assets - July 1, 2003</b>	<u>6,968,319,848</u>	<u>65,541,059,052</u>	<u>5,483,856</u>
<b>Net Assets - June 30, 2004</b>	<u>\$ 4,580,345,425</u>	<u>\$ 71,648,846,639</u>	<u>\$ 5,782,507</u>

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

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**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
JUNE 30, 2004**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>	<u>Rutgers, The State University of New Jersey</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 77,874,622	\$ 193,943,263	\$ 35,222,000
Investments	2,293,397,303	1,287,155,274	867,080,000
Receivables, net of allowances for uncollectibles			
Federal government	198,672,095	--	--
Loans	--	--	7,592,000
Mortgages	--	--	--
Other	--	75,000	125,474,000
Due from external parties	--	22,201,385	--
Inventories	63,360,415	--	3,729,000
Other	201,408,094	505,618,205	106,731,000
<b>Noncurrent Assets</b>			
Fixed assets, net	6,962,750,647	3,237,692,756	1,481,862,000
<b>Total Assets</b>	<u>9,797,463,176</u>	<u>5,246,685,883</u>	<u>2,627,690,000</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	299,390,984	13,901,090	79,998,000
Due to external parties	--	82,923,145	--
Interest payable	--	74,067,757	--
Deferred revenue	--	1,766,177	37,095,000
Other	51,102,113	60,405,575	2,240,000
<b>Noncurrent</b>			
Due within one year	385,003,323	28,681,147	56,451,000
Due in more than one year	4,324,939,040	4,537,042,976	572,332,000
<b>Total Liabilities</b>	<u>5,060,435,460</u>	<u>4,798,787,867</u>	<u>748,116,000</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	--	(1,662,173,612 )	1,001,582,000
<b>Restricted for:</b>			
Capital projects	4,944,877,626	868,560,259	42,857,000
Debt service	--	45,644,171	19,515,000
Other purposes	9,481,104	150,300	494,721,000
<b>Unrestricted</b>	<u>(217,331,014 )</u>	<u>1,195,716,898</u>	<u>320,899,000</u>
<b>Total Net Assets</b>	<u>\$ 4,737,027,716</u>	<u>\$ 447,898,016</u>	<u>\$ 1,879,574,000</u>

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

<b>University of Medicine and Dentistry of New Jersey</b>	<b>Non-Major Component Units</b>	<b>Total Component Units</b>
\$ 56,533,000	\$ 772,046,639	\$ 1,135,619,524
647,391,000	4,705,883,197	9,800,906,774
17,675,000	30,267,095	246,614,190
29,109,000	1,463,999,316	1,500,700,316
--	2,011,671,077	2,011,671,077
196,591,000	1,517,435,080	1,839,575,080
--	14,382,142	36,583,527
3,800,000	1,234,332	72,123,747
81,287,000	261,325,498	1,156,369,797
<u>938,538,000</u>	<u>3,955,629,570</u>	<u>16,576,472,973</u>
<u>1,970,924,000</u>	<u>14,733,873,946</u>	<u>34,376,637,005</u>
220,509,000	267,279,392	881,078,466
--	34,976,818	117,899,963
3,305,000	80,823,556	158,196,313
40,484,000	76,642,680	155,987,857
--	445,360,615	559,108,303
58,848,000	568,994,512	1,097,977,982
652,784,000	8,661,137,035	18,748,235,051
<u>975,930,000</u>	<u>10,135,214,608</u>	<u>21,718,483,935</u>
434,475,000	1,263,937,292	1,037,820,680
62,497,000	85,188,609	6,003,980,494
31,577,000	608,806,152	705,542,323
396,483,000	1,205,583,914	2,106,419,318
69,962,000	1,435,143,371	2,804,390,255
<u>\$ 994,994,000</u>	<u>\$ 4,598,659,338</u>	<u>\$ 12,658,153,070</u>

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>	<u>Rutgers, The State University of New Jersey</u>
<b>Expenses</b>	\$ 1,847,827,934	\$ 709,862,621	\$ 1,342,242,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	583,271,928	632,824,016	499,796,000
Operating grants and contributions	666,801,940	449,111,124	482,509,000
Capital grants and contributions	661,203,976	--	9,029,000
<b>Net (Expense) Revenue</b>	<u>63,449,910</u>	<u>372,072,519</u>	<u>(350,908,000 )</u>
<b>General Revenue</b>			
Payments from State	<u>193,448,000</u>	<u>9,914,794</u>	<u>435,347,000</u>
<b>Total General Revenue</b>	<u>193,448,000</u>	<u>9,914,794</u>	<u>435,347,000</u>
<b>Change in Net Assets</b>	256,897,910	381,987,313	84,439,000
<b>Net Assets - Beginning of Year</b>	<u>4,480,129,806</u>	<u>65,910,703</u>	<u>1,795,135,000</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,737,027,716</u>	<u>\$ 447,898,016</u>	<u>\$ 1,879,574,000</u>

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

<b>University of Medicine and Dentistry of New Jersey</b>	<b>Non-Major Component Units</b>	<b>Total Component Units</b>
\$ 1,581,529,000	\$ 2,361,882,834	\$ 7,843,344,389
896,045,000	1,194,016,770	3,805,953,714
340,012,000	701,711,952	2,640,146,016
--	357,534,727	1,027,767,703
<u>(345,472,000 )</u>	<u>(108,619,385 )</u>	<u>(369,476,956 )</u>
<u>346,069,000</u>	<u>785,141,309</u>	<u>1,769,920,103</u>
<u>346,069,000</u>	<u>785,141,309</u>	<u>1,769,920,103</u>
597,000	676,521,924	1,400,443,147
<u>994,397,000</u>	<u>3,922,137,414</u>	<u>11,257,709,923</u>
<u><u>\$ 994,994,000</u></u>	<u><u>\$ 4,598,659,338</u></u>	<u><u>\$ 12,658,153,070</u></u>



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**STATE OF NEW JERSEY**  
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**Notes to the Financial Statements**

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

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

**A. Basis of Presentation**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). In 1999 the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. The State began implementing these standards for the fiscal year ending June 30, 2002.

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

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

**B. Financial Reporting Entity**

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

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

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

The following organizations comprise the State's component units. The Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Construction Corporation, the Tobacco Settlement Financing Corporation, Inc., and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 18.

## **AUTHORITIES**

Casino Reinvestment Development Authority  
Garden State Preservation Trust  
Higher Education Student Assistance Authority  
New Jersey Building Authority  
New Jersey Commerce and Economic Growth Commission  
New Jersey Development Authority for Small Businesses,  
Minorities and Women's Enterprises  
New Jersey Economic Development Authority  
New Jersey Educational Facilities Authority  
New Jersey Environmental Infrastructure Trust  
New Jersey Health Care Facilities Financing Authority  
New Jersey Housing and Mortgage Finance Agency  
New Jersey Meadowlands Development Commission  
New Jersey Redevelopment Authority  
New Jersey Schools Construction Corporation  
New Jersey Sports and Exposition Authority  
New Jersey Transit Corporation  
New Jersey Transportation Trust Fund Authority  
New Jersey Turnpike Authority  
New Jersey Water Supply Authority  
South Jersey Port Corporation  
South Jersey Transportation Authority  
Tobacco Settlement Financing Corporation, Inc.

## **COLLEGES AND UNIVERSITIES**

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

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

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

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

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

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Charges for services are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

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

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

#### **D. Measurement Focus and Basis of Accounting**

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

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

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. These revenues which are considered to be susceptible to accrual include amounts received during the twelve month period subsequent to June 30 that were earned as of June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other sources are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities. Unapplied overpayments of Corporation Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

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

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

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

The Unemployment Compensation Fund's principle ongoing operations consist of collecting contributions from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners.

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

## **E. Fund Accounting**

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

### **1. Major Funds**

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

- a. General Fund – The fund accounts for all State revenues, not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.
- b. Property Tax Relief Fund – This fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.
- c. State Lottery Fund – This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.

- d. Unemployment Compensation Fund – This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

## **2. Governmental Fund Types**

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

## **3. Fiduciary Fund Types**

- a. Pension (and other employee benefit) Trust Funds – These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.
- b. Investment Trust Fund – This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.
- c. Private-purpose Trust Funds – These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.
- d. Agency Funds – These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

## **4. Proprietary Fund Types**

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

## **F. Appropriations and Outstanding Debt**

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

## **G. Assets**

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

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

## **2. Investments**

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Balance Sheet of the State of New Jersey Cash Management Fund-External Portion.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. See Note 4 for additional details.

## **3. Receivables**

Receivables in the State's governmental, fiduciary, and proprietary funds, Component Units - Authorities, and Component Units - College and University Funds are stated net of allowances for uncollectable amounts and primarily consist of federal revenues, taxes, loans, interest, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 5 for details.

## **4. Capital Assets**

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

- a. All land, including parks and forests.
- b. Infrastructure assets such as roads, bridges, dams, highway lands, and rights-of-way.
- c. All general government buildings, including hospitals, care, and correctional facilities.
- d. Land improvements, machinery and equipment, and motor vehicles used in general operations, with unit costs above \$25,000, \$20,000, and \$30,000 respectively.
- e. Capital projects in the process of construction.

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

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



The State does not capitalize works of art, historical treasures, and similar assets. Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements.

## **5. Interfund/Intrafund Transactions**

Interfund Transactions - During the course of normal operations, the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

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

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

## **H. Liabilities**

### **1. Deferred Revenue**

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

Deferred revenue in the General Fund, at both levels, consists principally of amounts due from the Port Authority of New York and New Jersey and food stamp inventory (in accordance with the provisions of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*).

### **2. Deferred Compensation**

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

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

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

### **3. Accumulated Unpaid Sick and Vacation Benefits**

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

are made from annual legislative appropriations on a “pay-as-you-go” basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one-year period. The liability for accumulated employee sick leave and for accumulated vacation pay is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities.

#### **4. Other Long-term Obligations**

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

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

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

### **I. Net Assets**

1. Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - Net assets are reported as restricted when constraints placed on net asset use are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted - Unrestricted net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”
4. Held in Trust for Pension Benefits and Other Purposes - Used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

### **J. Fund Balances**

1. Reserved Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
2. Reserved Other - Used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.
3. Unreserved - General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds - Represents the following:
  - a. Unreserved Designated - Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature, as well as those portions of fund balance of non-budgeted governmental funds so designated by management.
  - b. Unreserved Designated - Unrealized Gains - Used to represent the portion of fund balance that resulted from the fair value reporting of investments, i.e., the difference between investments reported at fair value and the amortized cost of those investments.

- c. Unreserved Undesignated – Used to represent that portion of fund balance resources available for appropriation.

## **K. Fiscal Year End Differences**

The following component units have fiscal years that ended on December 31, 2003:

### **Special Revenue Funds**

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

### **Component Units - Authorities**

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

## **NOTE 2 - OTHER ACCOUNTING DISCLOSURES**

### **A. Change in Accounting Policy**

The State has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. In addition, the State has adopted GASB Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues*.

### **B. Reclassifications**

The Tobacco Settlement Fund has been reclassified from a major governmental fund to a special revenue, non-major governmental fund. Balances in this fund no longer meet the criteria for the classification as a major fund.

In accordance with GASB Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues*, the Tobacco Settlement Financing Corporation, Inc. (TSFC) has been reclassified from a discretely presented component unit to a blended component unit. As a blended component unit, the TSFC is reported as a special revenue, non-major governmental fund.

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

As mentioned above, the Tobacco Settlement Financing Corporation, Inc. has been reclassified from a discretely presented component unit which was reported using the economic resources measurement focus and the accrual basis of accounting, to a blended component unit which is reported using the current financial resources measurement focus and the modified accrual basis of accounting. This change in measurement focus and basis of accounting resulted in an increase in the opening fund balance of \$491.8 million.

The opening fund balance of the Motor Vehicle Commission Fund (a capital projects fund) has been increased by \$158.1 million. This fund had financial activity in prior years which was not properly recorded in the State's financial system. The restated opening fund balance represents the accumulated balance of prior years' activity.

The opening fund balance of the Housing Assistance Fund (a special revenue fund) has been reduced by \$0.3 million to reflect corrections of prior years' loan balances.

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

Restatements of various fund balances in the governmental funds also resulted in changes to the opening net asset balance. The reclassification of the Tobacco Settlement Financing Corporation, Inc. from a discretely presented component unit to a blended component unit, resulted in a decrease in the opening net asset balance of \$2.8 billion. Adjustments to the opening fund balances of the Motor Vehicle Commission Fund and the Housing Assistance Fund resulted in a net increase in the opening net asset balance of \$157.8 million.

In addition, the opening net asset balance was increased by \$679.1 million as a result of the adjustment of deferred revenue items recorded in prior years, and was reduced by \$99.6 million to reflect corrections of prior year capital lease balances.

## **E. Deficit Fund Balances**

It is anticipated that bond sales during Fiscal Year 2005 will relieve the current deficit fund balances in the Cultural Centers and Historic Preservation Fund and the New Jersey Transportation Trust Fund Authority.

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

## **F. Joint Ventures**

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

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

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

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

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

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2003 disclosed the following (expressed in millions):

<b>Financial Position</b>	<b>Combined Total</b>
Total Assets	\$ 18,879.3
Total Liabilities	<u>12,077.0</u>
Net Assets	<u><u>\$ 6,802.3</u></u>
<b>Operating Results</b>	
Operating Revenues	\$ 2,873.2
Operating Expenses	(1,919.3)
Depreciation and Amortization	(521.1)
Net Recoverables (Expenses) Related to the Events of September 11, 2001	<u>664.2</u>
Income from Operations	1,097.0
Non-operating Revenues (Expense), Net	<u>(214.0)</u>
Net Income	<u><u>\$ 883.0</u></u>
<b>Changes in Net Assets</b>	
Balance January 1, 2003	\$ 5,919.3
Net Income	<u>883.0</u>
Balance December 31, 2003	<u><u>\$ 6,802.3</u></u>

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2003, Port Authority debt consisted of the following (expressed in millions):

<b>Bonds, Notes and Other Obligations</b>	
Consolidated Bonds and Notes	\$ 7,053.3
Special Project Bonds	1,420.2
Operating Asset Financing	485.1
Capital Asset Financing	<u>953.7</u>
	9,912.3
Less: Unamortized Discount and Premium	<u>(156.2)</u>
<b>Total</b>	<u><u>\$ 9,756.1</u></u>

## G. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$706.7 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2003.

In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$376.1 million in federal grant revenues and economic planning, development, and security expenditures and \$0.7 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 presented in the fund financial statements.

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

Collateral requirements for demand accounts and time accounts for banks having less than \$15 million in State deposits per month require 100 percent coverage of the highest daily balance of the preceding month. For banks that have State deposits which total \$15 million or more per month, the amount of collateral required is 120 percent of the total average daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

The GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, 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	\$ 205.4	\$ --	\$ 152.8	\$ 358.2	\$ 395.3
Certificates of deposit and related items	--	--	1,415.5	1,415.5	1,415.5
<b>Totals</b>	<u>\$ 205.4</u>	<u>\$ --</u>	<u>\$ 1,568.3</u>	<u>\$ 1,773.7</u>	<u>\$ 1,810.8</u>

Negative book balances representing a managed overdraft have been reclassified as accounts payable. Carrying amount balances and negative book balances for all fund types excluding discretely presented component units are reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets as follows (expressed in millions):

	<b>Total Carrying Amount</b>	<b>Negative Book Balances</b>
Governmental activities	\$ 383.9	\$ 387.2
Business-type activities	1.9	61.7
Fiduciary funds	<u>1,425.0</u>	<u>9.9</u>
<b>Total</b>	<b><u>\$ 1,810.8</u></b>	<b><u>\$ 458.8</u></b>

#### **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.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are primarily reflected as investments in the Statement of Fiduciary Net Assets, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

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

Approximately \$1.0 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. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. The projected future costs of installment prize obligations amount to \$1.4 billion which are due in installments ranging from ten years to the lifetime of the recipient.

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 the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the entity's name. Investments for all funds are classified as Category 1 and are detailed as follows (expressed in millions):

	<b>Amount Reported As Investments</b>
Collateralized notes and mortgages	\$ 3,900.2
Common stock	34,724.0
Finance companies - senior debt	2,582.9
Foreign government bonds and notes	2,448.0
Foreign stock	11,046.9
Gas, electric, and water bonds	732.9
Government bonds and obligations	9,616.9
Industrial bonds and commercial paper	12,632.8
Preferred stock	4.6
Repurchase agreements	57.2
Telephone bonds	405.6
Investments subject to risk categorization	78,152.0
Annuity contracts	972.3
Miscellaneous	25.8
Mutual funds	8.7
<b>Total</b>	<b>\$ 79,158.8</b>

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

	<b>Current Investments</b>	<b>Non-Current Investments</b>	<b>Total</b>
Governmental activities	\$ 4,962.2	\$ --	\$ 4,962.2
Business-type activities	667.7	821.6	1,489.3
Fiduciary funds	72,707.3	--	72,707.3
	<b>\$ 78,337.2</b>	<b>\$ 821.6</b>	<b>\$ 79,158.8</b>



## **NOTE 5 - RECEIVABLES**

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

### **A. Federal**

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 19 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement No. 2 - *Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$2.8 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2004.

Federal receivable balances in the Unemployment Compensation Fund (\$1.1 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 \$2.7 billion include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and are reflected net of allowances (\$284.3 million).

### **C. Loans**

Loans receivable of \$982.7 million are reduced by allowances of \$13.2 million and include \$878.8 million due from local units of government and other recipients for environmental projects, \$46.8 million loaned for economic development within local units of government, and \$14.4 million loaned for housing and mortgage assistance.

### **D. Other**

Other receivables totaling \$1,683.7 million are reduced by allowances of \$600.2 million and include tax receivables due of \$423.8 million, \$209.2 million due from the Port Authority of New York and New Jersey, \$152.4 million due from trustee holding proceeds of Motor Vehicle Commission bonds, \$122.6 million due from tobacco companies, and contributions due from employers and members to the Health Benefits Local Government Employers Program Fund of \$76.3 million.

## **NOTE 6 - CAPITAL ASSETS**

A summary of capital assets and related accumulated depreciation by category as of June 30, 2004 is as follows (expressed in millions):

	<b>Balance July 1, 2003</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2004</b>
Land	\$ 579.5	\$ 72.0	\$ --	\$ 651.5
Land improvements	80.5	3.5	--	84.0
Buildings and improvements	2,540.4	167.1	19.7	2,687.8
Machinery and equipment	298.4	19.9	13.3	305.0
Construction in progress	189.1	217.2	57.9	348.4
Infrastructure	15,010.2	925.2	--	15,935.4
Total at historical cost	<u>18,698.1</u>	<u>1,404.9</u>	<u>90.9</u>	<u>20,012.1</u>
Less accumulated depreciation:				
Land improvements	55.6	3.4	--	59.0
Buildings and improvements	1,149.5	82.1	4.1	1,227.5
Machinery and equipment	203.3	23.0	2.6	223.7
Infrastructure	4,328.9	315.6	--	4,644.5
Total accumulated depreciation	<u>5,737.3</u>	<u>424.1</u>	<u>6.7</u>	<u>6,154.7</u>
Governmental activities capital assets, net	<u>\$ 12,960.8</u>	<u>\$ 980.8</u>	<u>\$ 84.2</u>	<u>\$ 13,857.4</u>

### A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to, works of art and historical treasures; such as statues; monuments; historical documents; paintings; forts and lighthouses; rare library books; various capitol-related artifacts and furnishings.

### B. Depreciation and Useful Lives

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

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

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

	<b>Amount</b>
Public safety and criminal justice	\$ 28.7
Physical and mental health	8.8
Educational, cultural, and intellectual development	3.9
Community development and environmental management	6.0
Economic planning, development, and security	2.5
Transportation programs	324.4
Government direction, management, and control	49.7
Special government services	0.1
	<u>\$ 424.1</u>

## NOTE 7 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

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

The balance of current interfund receivables and payables at June 30, 2004 are presented below (expressed in millions):

Due To	Due From						Total
	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Unemployment Compensation Trust	Non-Major Proprietary Funds	Fiduciary Funds	
General Fund	\$ --	\$ 130.8	\$ 142.9	\$ --	\$ 0.4	\$ 19.3	\$ 293.4
Property Tax Relief Fund	219.3	--	14.6	19.9	--	--	253.8
Non-Major Governmental Funds	533.3	2.8	153.1	7.9	--	--	697.1
Unemployment Compensation Trust	0.1	0.9	21.0	--	--	--	22.0
State Lottery Fund	94.6	--	--	--	--	--	94.6
Non-Major Proprietary Funds	0.3	--	--	--	0.5	--	0.8
Fiduciary Funds	11.2	6.2	--	--	--	2.5	19.9
<b>Total</b>	<b>\$ 858.8</b>	<b>\$ 140.7</b>	<b>\$ 331.6</b>	<b>\$ 27.8</b>	<b>\$ 0.9</b>	<b>\$ 21.8</b>	<b>\$ 1,381.6</b>

## B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2004 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	State Lottery Fund	Non-Major Proprietary Funds	Total
<b>Transfers (out) to:</b>						
General Fund *	\$ --	\$ --	\$ (3,398.3)	\$ (815.6)	\$ --	\$ (4,213.9)
Property Tax Relief Fund	--	--	--	--	--	--
Non-Major Governmental Funds	(2,038.5)	--	(1,738.7)	--	--	(3,777.2)
State Lottery Fund	--	--	--	--	--	--
Non-Major Proprietary Funds	(73.5)	(16.1)	--	--	--	(89.6)
Fiduciary Funds	--	--	--	--	--	--
<b>Total Transfers (Out)</b>	<u>\$ (2,112.0)</u>	<u>\$ (16.1)</u>	<u>\$ (5,137.0)</u>	<u>\$ (815.6)</u>	<u>\$ --</u>	<u>\$ (8,080.7)</u>
<b>Transfers in from:</b>						
General Fund	\$ --	\$ --	\$ 2,038.5	\$ --	\$ 73.5	\$ 2,112.0
Property Tax Relief Fund	--	--	--	--	16.1	16.1
Non-Major Governmental Funds	2,460.6	--	1,738.7	--	--	4,199.3
State Lottery Fund	815.6	--	--	--	--	815.6
Non-Major Proprietary Funds	--	--	--	--	--	--
Fiduciary Funds	--	--	--	--	--	--
<b>Total Transfers In</b>	<u>\$ 3,276.2</u>	<u>\$ --</u>	<u>\$ 3,777.2</u>	<u>\$ --</u>	<u>\$ 89.6</u>	<u>\$ 7,143.0</u>
<b>Net Transfers In (Out)</b>	<u>\$ 1,164.2</u>	<u>\$ (16.1)</u>	<u>\$ (1,359.8)</u>	<u>\$ (815.6)</u>	<u>\$ 89.6</u>	<u>\$ (937.7)</u>

\* Subsequent to the New Jersey Schools Construction Corporation's (a blended component unit) fiscal year ended December 31, 2003, bonds were issued, the proceeds of which were used to support the school construction programs to build and renovate schools. Due to the State having a June 30, 2004 fiscal year end, this transaction has been classified as transfer to the New Jersey Schools Construction Corporation from the General Fund which has created an imbalance within the transfers.

## NOTE 8 - SHORT-TERM DEBT

### Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The \$1.9 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2004 was as follows (expressed in millions):

	Outstanding July 1, 2003	Issued	Redeemed	Outstanding June 30, 2004
Tax and Revenue Anticipation Notes	\$ --	\$ 1,900.0	\$ (1,900.0)	\$ --

## NOTE 9 – LONG-TERM OBLIGATIONS

### A. Changes in Long-term Debt

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

Governmental Activities	Outstanding July 1, 2003	Additions	Deductions	Outstanding June 30, 2004	Amounts Due Within One Year
General obligation bonds	\$ 3,294.2	\$ 374.4	\$ 432.5	\$ 3,236.1	\$ 274.1
Revenue bonds	6,231.9	1,114.8	396.6	6,950.1	269.7
Accumulated sick and vacation payable	449.9	241.8	225.6	466.1	241.8
Capital leases (1)	642.3	102.7	53.5	691.5	58.7
Installment obligations	6,341.3	1,850.2	277.1	7,914.4	179.4
Certificates of participation	81.7	40.6	44.9	77.4	35.2
Loans payable	1,279.4	--	--	1,279.4	--
Net pension obligation	115.0	246.1	--	361.1	--
Tobacco securitization bonds (2)	3,345.1	--	15.7	3,329.4	--
Other	332.0	377.8	332.0	377.8	377.8
Unamortized premium	365.2	165.5	32.1	498.6	--
Unamortized deferral on refunding	(211.9)	(30.9)	(19.0)	(223.8)	--
<b>Subtotal Governmental Activities</b>	<b>22,266.1</b>	<b>4,483.0</b>	<b>1,791.0</b>	<b>24,958.1</b>	<b>1,436.7</b>
<b>Business-type Activities</b>					
Accumulated sick and vacation payable	0.8	0.4	0.4	0.8	0.4
Deposit fund contracts	1,039.0	100.1	166.8	972.3	150.7
<b>Subtotal Business-type Activities</b>	<b>1,039.8</b>	<b>100.5</b>	<b>167.2</b>	<b>973.1</b>	<b>151.1</b>
<b>Total Governmental and Business-type</b>	<b>\$ 23,305.9</b>	<b>\$ 4,583.5</b>	<b>\$ 1,958.2</b>	<b>\$ 25,931.2</b>	<b>\$ 1,587.8</b>

(1) July 1, 2003 was restated to include \$99.6 million of capital leases excluded from prior year's balance.

(2) July 1, 2003 was restated to include \$3.3 billion of Tobacco Settlement Financing Corporation bonds in accordance with GASB Technical Bulletin 2004-1.

## B. Debt Service Payments

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

<u>Fiscal Year</u>	<u>Long-term Debt</u>		
	<u>General Obligation Debt</u>	<u>Revenue Bonds</u>	<u>Total</u>
2005	\$ 274.1	\$ 269.7	\$ 543.8
2006	257.5	287.1	544.6
2007	254.2	337.6	591.8
2008	253.3	354.0	607.3
2009	233.1	373.4	606.5
2010-2014	1,108.6	2,236.1	3,344.7
2015-2019	634.4	2,173.1	2,807.5
2020-2024	220.9	855.2	1,076.1
2025-2029	--	63.9	63.9
<b>Subtotal</b>	3,236.1	6,950.1	10,186.2
Unamortized premium	108.6	276.8	385.4
Unamortized deferral on refunding	(62.3)	(152.7)	(215.0)
<b>Total</b>	<u>\$ 3,282.4</u>	<u>\$ 7,074.2</u>	<u>\$ 10,356.6</u>

Total general obligation bonds outstanding as of June 30, 2004 is \$3.2 billion. General obligation bonds are secured by the State's full faith and credit. The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 2004 was \$438.1 million. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, as a transfer between the General Fund and Non-major Funds (Debt Service Fund).

The State has refunded various general obligation bond issuances by creating separate irrevocable trust funds. Refunding bonds have been issued whereby the proceeds are used to purchase United States Treasury Obligations--State and Local Government Series. The securities are deposited into an irrevocable trust fund, and then held by the trustee. The investments themselves and the fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed as a liability from the State's long-term debt. As of June 30, 2004, the amount of defeased general obligation debt outstanding, but removed from the State's long-term debt amounted to \$853.4 million.

During Fiscal Year 2004, the State advance refunded various general obligation debt by issuing \$159.4 million of general obligation refunding bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$4.9 million. An economic loss of \$2.1 million was realized on the transaction.

The New Jersey Transportation Trust Fund issued \$924.8 million in bonds during fiscal year 2004.

During Fiscal Year 2004, the State advance refunded certain New Jersey Building Authority revenue bonds with a New Jersey Building Authority bond refunding. The New Jersey Building Authority issued \$189.9 million of revenue refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 19 years by \$8.2 million and to obtain an economic gain of \$9.8 million.

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

During Fiscal Year 2004, the State advance refunded certain New Jersey Economic Development Authority installment obligation bonds with an installment obligation bond refunding. The New Jersey Economic Development Authority issued \$117.3 million of installment obligation refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$10.4 million and to obtain an economic gain of \$1.5 million.

In addition, the State (the General Fund) has assisted the New Jersey Sports and Exposition Authority with two types of debt. The first involves use of the State's guarantee on certain bonds issued by the New Jersey Sports and Exposition Authority. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee. The amount outstanding on these bonds as of December 31, 2003, is \$38.5 million. The State has never had to make any State guaranteed debt service payments. The second type of debt involves the issuance of State Contract Bonds. The State has contracted with the New Jersey Sports and Exposition Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on the bonds. As of June 30, 2004, the amount outstanding on New Jersey Sports and Exposition Authority State Contract Bonds was \$657.5 million.

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

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2003, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service and, therefore, required a State appropriation for Fiscal Year 2004 in the amount of \$4.2 million.

### C. Capital Lease and Installment Obligations

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

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2004 (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 100.7
2006	99.4
2007	99.7
2008	99.5
2009	96.5
2010-2014	298.0
2015-2019	119.6
2020-2024	51.8
2025-2029	13.0
	<hr/>
Total minimum lease payments	978.2
Less: Amount representing interest	286.7
	<hr/>
Present value of lease principal payments	<u>\$ 691.5</u>

Installment obligations represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the debt service of the respective authorities' funds, subject to and dependent upon appropriations being made by the State Legislature for such purchases. At the conclusion of the term of the installment agreements, title to the various facilities is to be transferred to the State. The following is a schedule, by fiscal year, of future installment payments together with the present value of net minimum installment payments, as of June 30, 2004 (expressed in millions) for both installment purchases as well as various other installment obligations of the State:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 517.6
2006	533.8
2007	620.2
2008	635.1
2009	635.5
2010-2014	3,283.6
2015-2019	3,567.6
2020-2024	3,648.9
2025-2029	3,159.2
2030-2034	65.5
	<hr/>
Total minimum installment payments	16,667.0
Less: Amount representing interest	8,752.6
	<hr/>
<b>Subtotal</b>	7,914.4
Add: Unamortized premium	113.2
Add: Unamortized deferral on refunding	(8.8)
	<hr/>
Total principal payments	<u>\$ 8,018.8</u>

Those obligations identified as certificates of participation represent a series of master lease agreements with a trustee from the sale of certificates of participation. The State is required to make payments that approximate the principal and interest payments to be made by the trustee to certified holders. The following is a schedule, by fiscal year, of future payments together with the present value of net minimum payments, as of June 30, 2004 (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 38.0
2006	22.6
2007	15.0
2008	2.2
2009	1.1
2010-2014	5.7
	<hr/>
Total minimum certificates of participation payments	84.6
Less: Amount representing interest	7.2
	<hr/>
Total principal payments	<u>\$ 77.4</u>

#### **D. Loans Payable**

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



## E. Net Pension Obligation

As of June 30, 2004, the net pension obligation (NPO) for the State Police Retirement System, the Consolidated Police and Firemen's Retirement System and the Teachers' Pension and Annuity Fund amounted to \$361.1 million.

## F. Tobacco Securitization Bonds

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

During Fiscal Year 2003, the Tobacco Settlement Financing Corporation (TSFC) was presented as a discreet component unit of the State. Effective Fiscal Year 2004, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result of this, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC. The State is not liable for any debt issued by the TSFC nor is the debt dependent upon any dedicated stream of revenue generated by the State. The balance of bonds payable outstanding, net of unamortized bond discount as of June 30, 2004, is \$3.3 billion.

## G. Other

This obligation is claims that represent unmatured long-term indebtedness which is required (NCGA Statement 1) to be reported as general long-term liabilities of the government. This includes health (\$120.6 million), dental (\$5.6 million), and medicaid benefit claims (\$251.6 million of which \$119.7 million is federally reimbursable) which have been incurred but not reported.

## H. Proprietary Funds/Business-type Activities

Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Future payment of installment prizes in the amount of \$972.3 million are recorded as noncurrent liabilities in both the fund financial statements and the government-wide statements.

## NOTE 10 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2004 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2004 and Fiscal Year 2003 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2003</u>
Tort	\$ 8.1	\$ 12.0
Workers' compensation	21.3	18.4
Automobile	3.1	3.4

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2004. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

The State has obtained a financial guaranty policy insurance commitment to cover potential permanent losses on investments by non-state participants in the State of New Jersey Cash Management Fund-External Portion (Investment Trust Fund). The State is liable for reimbursement to the issuer of the financial guaranty policy insurance commitment for any payments made. This financial guaranty policy insurance commitment expires on December 1, 2012.

## **NOTE 11 – DERIVATIVES**

### **A. Interest Rate Swap Agreements**

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The State pays debt service on these debt obligations pursuant to a State contract it enters into with the issuer, subject to annual appropriations made by the State Legislature. These debt obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements). As of June 30, 2004 the State has 30 active swap agreements with 11 swap providers for a combined notional amount of \$4.4 billion.

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

The State acting through its public authorities entered into 16 swap agreements in connection with the issuance of \$1,219.5 million in variable rate bonds. These bonds, and their associated swap agreements, were part of five separate refunding transactions that produced net present value savings for the State's General Fund. In each case, the State, acting through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers. Under the terms of the swap agreements, the State will pay a fixed rate on a notional amount of bonds outstanding while the swap counterparty pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. In effect, the State has locked in its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

<u>Issuer/Series</u>	<u>Notional Amounts (\$ Millions)</u>	<u>Effective Date</u>	<u>Synthetic Fixed Rate</u>	<u>Variable Rate Received</u>
<b><u>NJ Sports and Exposition Authority</u></b>				
1992 Series C	\$ 184.620	11/12/92	5.860 %	Floating rate on the bonds
2002 Series B-1, B-2	120.590	1/29/02	4.500	The lesser of the weighted average of the BMA Index or 70% of the 1-Month USD-LIBOR
2002 Series C	4.465	1/29/02	6.010	100% of 1-Month USD-LIBOR
<b><u>NJ Transportation Trust Fund Authority</u></b>				
2003 Series B-1	85.000	1/30/03	3.565	67% of the weekly USD-LIBOR
2003 Series B-2	85.000	1/30/03	3.537	67% of the weekly USD-LIBOR
2003 Series B-3	50.000	1/30/03	3.630	67% of the weekly USD-LIBOR
2003 Series B-4	62.500	1/30/03	3.675	67% of the weekly USD-LIBOR
2003 Series B-5	62.500	1/30/03	3.675	67% of the weekly USD-LIBOR
<b><u>NJ Economic Development Authority</u></b>				
Pension Obligation Bonds, Series 2003	75.000	8/15/03	7.600	1-Month USD-LIBOR + 50 Basis Points
Pension Obligation Bonds, Series 2003	300.000	8/15/03	7.600	1-Month USD-LIBOR + 50 Basis Points
<b><u>NJ Building Authority</u></b>				
Morgan Stanley - 7 Days	26.590	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points
Morgan Stanley - 35 Days	11.400	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points
Citigroup - 7 Days	79.775	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points
Citigroup - 35 Days	34.095	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points
Goldman Sachs - 7 Days	26.590	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points
Goldman Sachs - 35 Days	11.400	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points

The bonds and the related swap agreements listed above have final maturities ranging from March 1, 2005 through February 15, 2029. The total notional amount of \$1,219.5 million matches the \$1,219.5 million of variable rate bonds that were issued.

Under the swap agreements with the New Jersey Sports and Exposition Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 4.50 percent to 6.01 percent. Depending on the associated swap agreement, the State receives a variable payment computed as either the floating rate on the bonds, the lesser of the BMA Index, or 70 percent of the one month USD-LIBOR, or 100 percent of the one month USD-LIBOR. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Transportation Trust Fund Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 3.53 percent to 3.68 percent. The State then receives a variable payment computed as 67 percent of the one month LIBOR from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Economic Development Authority, the State through the Authority pays a fixed payment at a rate of 7.60 percent. The State then receives a variable payment computed as the one month LIBOR plus 50 basis points on the same notional amount from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Building Authority, the State through the Authority pays a fixed payment at a rate of 3.64 percent. The State then receives a variable payment computed as 62 percent of the one month LIBOR plus 20 basis points on the same notional amount from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction agent determines the variable interest rate that is applied to the bonds.

### C. Interest Rate Swap Agreements – Forward Strategy

The State of New Jersey has entered into 14 swap agreements in association with \$3.2 billion of future bond transactions involving the New Jersey Economic Development Authority’s Business Employment Incentive Program and School Construction Program. The purpose of the swap agreements is to take advantage of today’s historically low fixed interest rate environment and “lock in” these current rates for bonds that are to be issued in the future. The swap agreements have allowed the State the opportunity to limit its interest rate exposure.

The New Jersey Economic Development Authority’s Business Employment Incentive Program has three active swap agreements for a combined notional amount of \$214.8 million. The effective date of the first swap agreement commences on November 1, 2004 and the others become effective every 12 months thereafter through November 1, 2006. Under the terms of the swap agreements, the State pays a fixed interest rate between 4.76 percent and 5.77 percent and receives a variable payment computed as 100 percent of the one month LIBOR plus seven basis points. The total notional amount of \$214.8 million will match the \$214.8 million of variable rate bonds that will be issued. Final maturities on the bonds and their associated swap agreement range from November 1, 2014 through November 1, 2016. The method for determining the variable interest rate on these bonds will be determined by the issuer.

The New Jersey Economic Development Authority’s School Construction Program has 11 active swap agreements for a combined notional amount of \$3.0 billion. The effective date of the first Swap Agreement commences on September 1, 2004 and the others become effective every six months thereafter through March 1, 2007. Under the terms of the swap agreements, the State pays a fixed interest rate between 4.06 percent and 4.41 percent and receives a variable payment computed as 75 percent of the one month LIBOR. The total notional amount of \$3.0 billion will match the \$3.0 billion of variable rate bonds that will be issued. Final maturities on the bonds and their associated swap agreements range from September 1, 2029 through March 1, 2032. The method for determining the variable interest rate on these bonds will be determined by the issuer.

A description of each swap agreement is as follows:

#### New Jersey Economic Development Authority

Issuer/Series	Notional Amounts (\$ Millions)	Effective Date	Synthetic Fixed Rate	Variable Rate Received
Business Employment Incentive Program	\$ 57.945	11/1/04	4.76050 %	100% of 1-Month USD-LIBOR + 7 Basis Points
Business Employment Incentive Program	78.150	11/1/05	5.36600	100% of 1-Month USD-LIBOR + 7 Basis Points
Business Employment Incentive Program	78.700	11/1/06	5.76500	100% of 1-Month USD-LIBOR + 7 Basis Points
School Facilities Construction Program	250.000	9/1/04	4.06250	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/04	4.06250	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	3/1/05	4.17625	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	3/1/05	4.17625	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/05	4.21840	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/05	4.21840	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	3/1/06	4.29590	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	3/1/06	4.29590	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/06	4.40740	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/06	4.40740	75% of 1-Month USD-LIBOR
School Facilities Construction Program	500.000	3/1/07	4.36920	75% of 1-Month USD-LIBOR

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

Between November 12, 1992 and June 30, 2004, the State, acting through its public authorities, has entered into 30 swap agreements. During this time, general interest rates have declined since the execution of the swap agreements. As a result, when the swap agreements are marked to market as of June 30, 2004, the State's entire portfolio has a negative net present value of \$99.3 million. A breakdown of this amount is shown below:

<u>Authority/Issuer</u>	<u>Net Present Value</u> <u>(\$ In Millions)</u>
NJ Building Authority	\$ (3.484)
NJ Economic Development Authority	
Business Employment Incentive Program	0.242
School Construction Program	25.476
Pension Obligation Bonds	(75.255)
NJ Sports and Exposition Authority	(48.657)
NJ Transportation Trust Fund Authority	2.365
<b>Total</b>	<u><u>\$ (99.313)</u></u>

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

#### **E. Interest Rate Swap Agreements - Credit Risk**

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

#### **F. Interest Rate Swap Agreements - Basis Risk**

The swap agreements expose the State to basis risk should the relationship between LIBOR and actual variable rate payments diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate resulting from future market conditions. As of June 30, 2004 this risk has not occurred.

#### **G. Interest Rate Swap Agreements - Termination Risk**

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

## **NOTE 12 - OTHER LIABILITIES**

Other liabilities presented in the statement of net assets consists principally of revenue refunds payable to taxpayers of \$854.9 million.

## **NOTE 13 - FUND BALANCES**

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

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

#### **General Fund**

The \$415.2 million reservation in the General Fund that is considered not currently available for appropriations consists principally of monies set aside to pay claimants whose property has been previously escheated to the State (\$250.4 million), monies set aside to pay employee dental, prescription, and health benefits (\$102.4 million), long-term advances, receivables due from individuals, estates, municipalities, railroads and other funds (\$16.0 million), and a portion of bond receipts which is earmarked to pay debt service in the next fiscal year (\$40.5 million).

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

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1 ½ percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, \$101.5 million has been reserved as of June 30, 2004.

#### **New Jersey Schools Construction Corporation**

In this fund, \$39.8 million has been reserved for Qualified Zone Academies.

#### **Tobacco Settlement Financing Corporation, Inc.**

The \$371.5 million reservation represents money reserved for future debt service payments on outstanding bonds payable.

### **B. Unreserved**

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

#### **General Fund**

The \$1.5 billion unreserved balance consists of \$1,105.4 million designated for continuing appropriations, \$9.6 million designated for unrealized gains, and \$376.5 million undesignated.

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

The \$181.0 million unreserved balance consists of \$5.8 million designated for continuing appropriations and \$175.2 million undesignated.

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

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

	<u>General Fund</u>	<u>Non-Major Funds</u>
Installment obligations issued	\$ 1,850.2	\$ --
Refunding bonds issued	159.4	190.0
Capital lease acquisitions	102.7	--
Premium related to revenue bonds	--	70.3
Premium related to installment obligations	70.9	--
Certificates of participation issued	40.7	--
Premium related to general obligation bonds	--	6.7
Payment to escrow agent on refunding bonds	(276.7)	(190.0)
<b>Other Financing Sources (Uses) - Other</b>	<u>\$ 1,947.2</u>	<u>\$ 77.0</u>

## NOTE 15 – OPERATING LEASES

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2004 are as follows (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 27.9
2006	21.8
2007	17.5
2008	14.7
2009	11.7
2010-2013	<u>14.7</u>
Total Future Minimum Lease Payments	<u>\$ 108.3</u>

## NOTE 16 – RETIREMENT SYSTEMS

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

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

**Judicial Retirement System (JRS)**--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after 5 years of successive service as a judge and 10 years in the aggregate of public service.

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

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

**Public Employees' Retirement System (PERS)**--established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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

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

### Other Pension Funds

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

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

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which are the CPFPPF, POPF, and CPF. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.



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

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

## **Basis of Accounting**

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

## **Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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

## **Significant Legislation**

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

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

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

Chapter 23, Public Law of 2002 provides early retirement incentive benefits to State employees enrolled in the PERS and TPAF who meet specified age and service requirements and who retire within a specified time period that generally extends from February 1, 2002 to July 1, 2002. The incentive benefits include an additional three years of service credit to employees who are at least 50 years of age with at least 25 years of service credit; State paid health care benefits to employees who are at least 60 years of age with a at least 20 but less than 25 years of service credit; an additional monthly benefit of \$500 per month for 24 months following the date of retirement to employees who are at least 60 years of age with at least 10, but not more than 20 years of service credit; and an additional pension benefit of 3/55 of the compensation upon which the retirement benefit is based to employees who are at least 55 years of age with 25 or more years of service credit and who retire on a veteran's retirement.

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 have been available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2003, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

## **Contribution Requirements**

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

During the year ended June 30, 2004 for CPFPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

The annual pension cost for the fiscal year ending June 30, 2004 and related information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented on the following pages. Note that the assumption regarding post-retirement benefit increases has not been disclosed because post-retirement health care benefits are currently being funded on a modified pay-as-you-go basis and not on an actuarial reserve basis.

	<b>CPFPF</b>	<b>JRS</b>	<b>PFRS</b>
<b>Annual Pension Cost (APC)</b>			
<b>State:</b>			
<b>06/30/02</b>	\$ 2,670,718	\$ 13,093,605	\$ --
<b>06/30/03</b>	3,506,122	14,982,569	--
<b>06/30/04</b>	4,494,183	17,080,677	22,215,429
<b>Local:</b>			
<b>06/30/02</b>	--	--	185,415
<b>06/30/03</b>	--	--	364,850
<b>06/30/04</b>	--	--	53,396,685
<b>Contributions Made</b>			
<b>State:</b>			
<b>06/30/02</b>	506,541	--	--
<b>06/30/03</b>	2,713,914	8,467,287	--
<b>06/30/04</b>	1,950,425	16,777,190	22,215,439
<b>Local:</b>			
<b>06/30/02</b>	--	--	185,415
<b>06/30/03</b>	--	--	364,850
<b>06/30/04</b>	--	--	53,396,685
<b>Percentage of APC Contributed</b>			
<b>State:</b>			
<b>06/30/02</b>	19.0%	0.0%	100.0%
<b>06/30/03</b>	77.4%	56.5%	100.0%
<b>06/30/04</b>	43.4%	98.2%	100.0%
<b>Local:</b>			
<b>06/30/02</b>	--	--	100.0%
<b>06/30/03</b>	--	--	100.0%
<b>06/30/04</b>	--	--	100.0%
<b>Net Pension Obligation</b>			
<b>State:</b>			
<b>06/30/02</b>	44,323	(52,171,192)	--
<b>06/30/03</b>	836,531	(45,655,910)	--
<b>06/30/04</b>	3,380,289	(45,352,422)	--
<b>Local:</b>			
<b>06/30/02</b>	--	--	--
<b>06/30/03</b>	--	--	--
<b>06/30/04</b>	--	--	--
<b>Contribution rates</b>			
<b>State</b>	N/A	25.9%	5.6%
<b>State-related employers</b>	N/A	N/A	2.5%
<b>Employees</b>	N/A	3.0%	8.5%

**Significant Actuarial Assumptions and Methods**

<b>Date of actuarial valuation</b>	6/30/03	6/30/03	6/30/03
<b>Actuarial cost method</b>	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
<b>Amortization method</b>	Level Dollar Closed	Level Dollar Closed	Level Percent Closed
<b>Remaining amortization period</b>	1 year	30 years	30 years
<b>Asset valuation method</b>	Five Year Average of Market Value	Five Year Average of Market Value	Five Year Average of Market Value
<b>Actuarial assumptions</b>			
<b>Investment rate of return</b>	2.00%	8.75%	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>					
<b>State:</b>	<b>06/30/02</b>	\$ 2,362,253	--	\$ 27,066,170	\$ 35,021,527
	<b>06/30/03</b>	1,354,894	--	32,553,999	226,078,274
	<b>06/30/04</b>	(938,653)	--	41,701,749	881,968,280
<b>Local:</b>	<b>06/30/02</b>	--	16,174,534	--	--
	<b>06/30/03</b>	--	16,987,033	--	--
	<b>06/30/04</b>	--	20,882,718	--	--
<b>Contributions Made</b>					
<b>State:</b>	<b>06/30/02</b>	--	--	--	--
	<b>06/30/03</b>	--	--	--	--
	<b>06/30/04</b>	--	--	--	--
<b>Local:</b>	<b>06/30/02</b>	--	16,174,534	--	--
	<b>06/30/03</b>	--	16,987,033	--	--
	<b>06/30/04</b>	--	20,882,718	--	--
<b>Percentage of APC Contributed</b>					
<b>State:</b>	<b>06/30/02</b>	0.0%	100.0%	0.0%	0.0%
	<b>06/30/03</b>	0.0%	100.0%	0.0%	0.0%
	<b>06/30/04</b>	0.0%	100.0%	0.0%	54.9%
<b>Local:</b>	<b>06/30/02</b>	--	100.0%	--	--
	<b>06/30/03</b>	--	100.0%	--	--
	<b>06/30/04</b>	--	100.0%	--	--
<b>Net Pension Obligation</b>					
<b>State:</b>	<b>06/30/02</b>	(7,170,948)	--	81,642,507	(421,761,704)
	<b>06/30/03</b>	(5,816,054)	--	114,196,506	(195,683,430)
	<b>06/30/04</b>	(6,754,707)	--	155,898,255	201,860,313
<b>Local:</b>	<b>06/30/02</b>	--	--	--	--
	<b>06/30/03</b>	--	--	--	--
	<b>06/30/04</b>	--	--	--	--
<b>Contribution rates</b>					
<b>State</b>		N/A	0.0%	19.4%	12.0%
<b>State-related employers</b>		N/A	0.4%	N/A	N/A
<b>Employees</b>		N/A	3.0%	7.5%	3.0%
<b>Significant Actuarial Assumptions and Methods</b>					
<b>Date of actuarial valuation</b>		6/30/03	6/30/03	6/30/03	6/30/03
<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>		1 year	38 years for UAAL 8 years for Asset Method Change	30 years	30 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 and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2004 are presented below:

	<b>SINGLE EMPLOYER PLANS</b>		
	<b>JRS</b>	<b>POPF</b>	<b>SPRS</b>
Annual Required Contribution, 6/30/04	\$ 18,720,233	\$ (6,754,707)	\$ 37,600,821
Interest adjustment on NPO	(3,994,892)	(290,803)	9,992,194
Adjustment to Annual Required Contribution	2,355,336	6,106,857	(5,891,266)
APC as of 6/30/04	<u>17,080,677</u>	<u>(938,653)</u>	<u>41,701,749</u>
Total Fiscal Year 2004 Contributions	16,777,190	--	--
Increase in NPO	303,487	(938,653)	41,701,749
NPO as of June 30, 2003	(45,655,910)	(5,816,054)	114,196,506
NPO as of June 30, 2004	<u>\$ (45,352,423)</u>	<u>\$ (6,754,707)</u>	<u>\$ 155,898,255</u>

	<b>COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS</b>		
	<b>CPFPF</b>	<b>TPAF</b>	<b>TOTAL ALL PLANS</b>
Annual Required Contribution, 6/30/04	\$ 5,330,714	\$ 686,284,850	\$ 741,181,911
Interest adjustment on NPO	73,196	(17,122,300)	(11,342,605)
Adjustment to Annual Required Contribution	(909,727)	212,805,730	214,466,930
APC as of 6/30/04	<u>4,494,183</u>	<u>881,968,280</u>	<u>944,306,236</u>
Total Fiscal Year 2004 Contributions	1,950,425	484,424,537	503,152,152
Increase in NPO	2,543,758	397,543,743	441,154,084
NPO as of June 30, 2003	836,531	(195,683,430)	(132,122,357)
NPO as of June 30, 2004	<u>\$ 3,380,289</u>	<u>\$ 201,860,313</u>	<u>\$ 309,031,727</u>

## **NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2004, there were 64,628 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

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

The State made post-retirement medical (PRM) contributions of \$424.8 million for TPAF and \$168.7 million for PERS in Fiscal Year 2004. The State did not make a contribution to the TPAF and PERS in Fiscal Year 2002 toward the cost of PRM benefits in accordance with P.L. 2002, c.11, which allowed the State to use available reserves in the Post-Retirement Medical Funds to cover required pay-as-you-go medical premiums. This legislation also suspended in Fiscal Years 2002 and 2003 the additional PRM contribution to increase the fund balance by one half of one percent of active member salaries for the valuation period.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. PERS and TPAF

retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed \$58.3 million for 5,417 eligible retired members for Fiscal Year 2004.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$74.0 million toward Chapter 126 benefits for 9,138 eligible retired members in Fiscal Year 2004.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$16.1 million in the current year to provide benefits under Chapter 330 to qualified retirees.

## **NOTE 18 - COMPONENT UNITS**

### **A. Authorities**

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

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

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

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

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

**Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)**  
**1014 Atlantic Avenue**  
**Atlantic City, New Jersey 08401**  
**Fiscal Year Ending December 31, 2003**  
**[www.njcrda.com](http://www.njcrda.com)**

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

**New Jersey Commerce and Economic Growth Commission (P.L. 1998, c.44)**  
**20 West State Street**  
**P.O. Box 820**  
**Trenton, New Jersey 08625-0820**  
**Fiscal Year Ending June 30, 2004**  
**[www.newjerseycommerce.org](http://www.newjerseycommerce.org)**

In accordance with P.L. 1998, c.44 the Department of Commerce and Economic Development, the principal economic development department in the Executive Branch of State Government, was abolished and the New Jersey Commerce and Economic Growth Commission was created. Its mission is to serve as the lead agency for promoting job growth, business growth, and economic development in New Jersey.

**New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (P.L. 1985, c.386)**  
**36 West State Street**  
**P.O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2003**  
**[www.fieldus.org/directory/records/335.htm](http://www.fieldus.org/directory/records/335.htm)**

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

**New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)**  
**36 West State Street**  
**P.O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2003**  
**[www.njeda.com](http://www.njeda.com)**

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

**New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)**  
**101 College Road East**  
**Princeton, New Jersey 08540-6601**  
**Fiscal Year Ending December 31, 2003**  
**[www.njefa.com](http://www.njefa.com)**

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

**New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)**  
**3131 Princeton Pike - Building 6**  
**P. O. Box 440**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending June 30, 2004**  
**[www.njeit.org](http://www.njeit.org)**

The New Jersey Environmental Infrastructure Trust was established in 1985 to make loans and guarantee debt incurred by local government units in financing the cost of wastewater treatment system projects. The Trust may from time to time issue bonds, notes, or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of \$600 million, in order to provide sufficient funds to carry out its statutory purpose.

**New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)**  
**Station Plaza Bldg. #4**  
**South Clinton and Yard Avenues**  
**P.O. Box 366**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2003**  
**[www.njhcffa.com](http://www.njhcffa.com)**

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

**New Jersey Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)**  
**P.O. Box 540**  
**Trenton, New Jersey 08625-0540**  
**Fiscal Year Ending June 30, 2004**  
**[www.hesaa.org](http://www.hesaa.org)**

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

**New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)**  
**637 South Clinton Avenue**  
**P. O. Box 18550**  
**Trenton, New Jersey 08650-2085**  
**Fiscal Year Ending June 30, 2004**  
**[www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa)**

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

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

**New Jersey Meadowlands Commission (N.J.S.A. 13:17-5)**  
**1 De Korte Park Plaza**  
**Lyndhurst, New Jersey 07071**  
**Fiscal Year Ending December 31, 2003**  
**[www.meadowlands.state.nj.us](http://www.meadowlands.state.nj.us)**

The New Jersey Meadowlands Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. The Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement, including open space acquisition of the 19,730 acre Meadowlands District.

The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of 14 municipalities and two counties; Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.



**New Jersey Redevelopment Authority (P.L. 1996, c.62)**  
**225 East State Street**  
**P. O. Box 790**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2003**  
**[www.state.nj.us/njra](http://www.state.nj.us/njra)**

The New Jersey Redevelopment Authority was created on 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)**  
**50 Route 120**  
**East Rutherford, New Jersey 07073**  
**Fiscal Year Ending December 31, 2003**  
**[www.njsea.com](http://www.njsea.com)**

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

**New Jersey Transit Corporation (N.J.S.A. 27:25-1)**  
**One Penn Plaza East**  
**Newark, New Jersey 07105**  
**Fiscal Year Ending June 30, 2004**  
**[www.njtransit.com](http://www.njtransit.com)**

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

NJ TRANSIT receives operating subsidies principally from the State by legislative appropriation and the Federal Government by defined formula grants under the Federal Transit Administration. These government grants are used to support the operation of public transportation services.

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

**New Jersey Turnpike Authority (N.J.S.A. 27:23-3)**  
**P. O. Box 1121**  
**New Brunswick, New Jersey 08903**  
**Fiscal Year Ending December 31, 2003**  
**[www.state.nj.us/turnpike](http://www.state.nj.us/turnpike)**

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, payable solely from tolls and other revenues of the Authority. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority. The New Jersey Turnpike Authority has assumed all operations of the New Jersey Highway Authority.

**New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)**  
**P. O. Box 5196**  
**Clinton, New Jersey 08809**  
**Fiscal Year Ending June 30, 2004**  
**[www.njwsa.org](http://www.njwsa.org)**

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

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

**South Jersey Port Corporation (N.J.S.A. 12:11A-1)**  
**Second and Beck Streets**  
**Camden, New Jersey 08104**  
**Fiscal Year Ending December 31, 2003**  
**[www.southjerseyport.com](http://www.southjerseyport.com)**

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

**South Jersey Transportation Authority (P.L. 1991, c.252)**  
**Farley Service Plaza**  
**P. O. Box 351**  
**Hammonton, New Jersey 08037**  
**Fiscal Year Ending December 31, 2003**  
**[www.sjta.com](http://www.sjta.com)**

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

## **B. Colleges and Universities**

As a result of P.L. 1988, c.42 and c.88, State colleges, whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status effective July 1, 1987.

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

Separately issued independent audited financial statements may be directly obtained from the colleges and universities. Addresses and web-sites of the colleges and universities are presented below:

**The College of New Jersey (N.J.S.A. 18A:62-1)**  
2000 Pennington Road  
Ewing, New Jersey 08628-0718  
[www.tcnj.edu](http://www.tcnj.edu)

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

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

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

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

**New Jersey Institute of Technology (N.J.S.A. 18A:64E-4)**  
323 Martin Luther King Jr. Boulevard  
University Heights  
Newark, New Jersey 07102-1982  
[www.njit.edu](http://www.njit.edu)

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

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

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

**Rutgers, The State University of New Jersey (N.J.S.A. 18A:65-12)**  
65 Davidson Road  
Piscataway, New Jersey 08854-5603  
[www.rutgers.edu](http://www.rutgers.edu)

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

**University of Medicine and Dentistry of New Jersey (N.J.S.A. 18A:64G-4)**  
335 George Street  
New Brunswick, New Jersey 08903-2688  
[www.umdnj.edu](http://www.umdnj.edu)

## **NOTE 19 - CONTINGENT LIABILITIES**

### **General Fund**

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The 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, 2004, the exact amount involved in these legal proceedings is not fully determinable.

### **Special Revenue Funds**

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

Claims of approximately \$18.3 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded is \$11.9 million. The ultimate disposition of these claims is not determinable at this time.

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

As of June 30, 2004, various claims have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

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

Various claims totaling approximately \$13.0 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.

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

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

### **Capital Projects Funds**

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$12.2 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

### **Federal Programs**

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2004, audits of expenditures for Fiscal Year 2004 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2004, it is management's opinion that disallowances, if any, would not be material.

## **NOTE 20 – SUBSEQUENT EVENTS**

### **Short-term Debt**

For Fiscal Year 2005, the State authorized the issuance of \$3.1 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On August 12, 2004 the State issued \$1.5 billion of tax and revenue anticipation notes. The notes have a June 24, 2005 final maturity and bear an interest rate of 3.0 percent per annum. The State has another \$1.6 billion remaining in Fiscal Year 2005 borrowing authorization should the State need additional funds in order to manage its cash flow more effectively.

## Long-term Debt

On August 25, 2004 the New Jersey Economic Development Authority issued \$807.5 million of Motor Vehicle Surcharges Revenue Bonds, 2004 Series A. Net proceeds from the bond sale are to be deposited into the Motor Vehicles Surcharges Securitization Fund, a special non-lapsing fund within the Department of the Treasury. As determined by the State Treasurer, bond proceeds will be transferred to the State's General Fund during the State's fiscal year which began on July 1, 2004. The bond proceeds are to be used for any lawful purpose of the State for which moneys on deposit in the General Fund may be used and to support the Fiscal Year 2005 appropriations. Interest on the bonds is payable semi-annually on January 1 and July 1, commencing on January 1, 2005. The final maturity on the bonds is July 1, 2034.

On August 31, 2004 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued \$250.0 million in School Facilities Construction Bonds 2004 Series I, and \$500.0 million in School Facilities Construction Bonds 2004 Series J. Proceeds from both bond issuances are to be used for the purpose of partially funding the school facilities construction program. The 2004 Series I bonds were issued as fixed rate debt. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on March 1, 2005. The final maturity on the 2004 Series I Bonds is September 1, 2029. The 2004 Series J Bonds are variable rate, Auction Rate Securities. In order to manage interest rate exposures and achieve a fixed rate on the bonds, the New Jersey Economic Development Authority entered into two separate swap agreements with swap providers with respect to the full principal amount of the 2004 Series J Bonds. The swap agreements shall be in effect during the entire term of the 2004 Series J Bonds. Each swap agreement provides that the Authority will pay the respective swap provider a fixed rate of 4.0625 percent on a notional amount equal to the principal amount of the 2004 Series J Bonds being hedged and that the swap provider will pay the New Jersey Economic Development Authority a floating amount based on 75.0 percent of the one month LIBOR on the same notional amount. As the 2004 Series J Bonds are redeemed, the notional amounts of the respective swap agreements shall decrease proportionately. The parties' obligations are expected to be settled on a net basis in accordance with the prevailing practice in the interest exchange market. The final maturity on the 2004 Series J Bonds is September 1, 2029.

On September 2, 2004 the New Jersey Transportation Trust Fund Authority issued \$471.7 million in bonds on behalf of both the New Jersey Department of Transportation and New Jersey Transit for various system improvements. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2004. Final maturity on the bonds is June 15, 2005.

On September 16, 2004 the Garden State Preservation Trust, entered into a forward delivery bond purchase contract for the issuance and sale of 2005 Series B, Open Space and Farmland Preservation Bonds in the aggregate principal amount of \$150.0 million. The bonds were issued to fund the acquisition and development of land in New Jersey in order to preserve open space for conservation and recreation purposes, to fund the acquisition of farmland and interests in farmland to support, as a first priority, agricultural or horticultural production, and finally, to fund the preservation of historic properties in New Jersey. The 2005 Series B Bonds that were issued are forward delivery bonds that are expected to close on December 1, 2005. The bonds were issued during September 2004 in order to take advantage of today's historical low interest rate environment. Interest on the bonds is payable semi-annually on each May 1 and November 1, beginning May 1, 2006. Final maturity on the bonds is November 1, 2016.

On September 23, 2004 the New Jersey Transportation Trust Fund Authority entered into a forward delivery bond purchase contract for the issuance and sale of 2005 Series A, Transportation System Bonds in the aggregate principal amount of \$566.8 million. Upon their issuance, the proceeds of the 2005 Series A Bonds will be applied to refund \$371.5 million of the Authority's 1995 Series A Bonds, and \$215.4 million of the Authority's 1995 Series B Bonds. The 2005 Series A Bonds will not be issued and delivered to the purchasers of the bonds until March 22, 2005. When issued, interest on the bonds will be payable semi-annually on June 15 and December 15, commencing on June 15, 2005. Final maturity on the bonds is December 15, 2014.

On October 14, 2004 the New Jersey Economic Development Authority issued \$1,461.0 million of Cigarette Tax Revenue Bonds, Series 2004. Net proceeds from the bond sale are to be deposited into the Cigarette Tax Securitization Proceeds Fund, a special non-lapsing fund within the Department of the Treasury. As determined by the State Treasurer, bond proceeds will be transferred to the State's General Fund during the State's fiscal year which began on July 1, 2004. The bond proceeds are to be used for any lawful purpose of the State for which moneys on deposit in the General Fund may be used and to support the Fiscal Year 2005 appropriations. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2004. The final maturity on the bonds is June 15, 2034.

On October 28, 2004 the New Jersey Transportation Trust Fund Authority issued \$849.8 million of 2004 Series B, Transportation System Bonds. Proceeds of the bond issuance will be applied to refund \$68.8 million of the Authority's 1995 Series A Bonds, \$45.3 million of the 1995 Series B Bonds, \$124.5 million of the 1996 Series A Bonds, \$289.9

million of the 1996 Series B Bonds, \$244.0 million of the 1997 Series A Bonds, \$76.7 million of the 1998 Series A Bonds, and \$23.5 million of the 2001 Series B Bonds. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2004. Final maturity on the bonds is December 15, 2017.

On October 29, 2004 the New Jersey Economic Development Authority issued \$89.3 million of 2004 Series A and B Bonds to provide funds for the payment in full or in part of employment incentive grants to certain eligible businesses in accordance with the terms and conditions of the Business Employment Incentive Program. The 2004 Series A and B Bonds are variable rate, Auction Rate Securities. The initial rate for the first 28 day period on the 2004 Series A Bonds was 1.95 percent. A swap agreement was entered into for the 2004 Series B Bonds. The swap agreements shall be in effect during the entire term of the 2004 Series B Bonds. The swap agreement for the 2004 Series B Bonds provides that the Authority will pay the respective swap provider a fixed rate of 4.76 percent on the notional amount equal to the principal amount of the 2004 Series B Bonds being hedged and that the respective swap provider will pay the New Jersey Economic Development Authority a floating amount based on 100 percent of the one-month USD LIBOR plus 0.07 percent on the same notional amount. As the 2004 Series B Bonds are redeemed, the notional amounts of the respective swap agreements shall decrease proportionately. The parties' obligations are expected to be settled on a net basis in accordance with the prevailing practice in the interest rate exchange market.

On November 16, 2004 the New Jersey Economic Development Authority issued \$37.5 million of State Lease Revenue Refunding Bonds, 2004 Series A. The bonds were issued to partially refund the 2000 Series Bonds. Interest is payable semi-annually on June 15 and December 15, commencing on June 15, 2005. Final maturity on the bonds is June 15, 2020.

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 11,323,250,000	\$ 11,955,136,000	\$ 11,866,659,748	\$ (88,476,252 )
Federal and other grants	9,534,361,739	9,578,151,022	7,373,249,893	(2,204,901,129 )
Licenses and fees	904,801,600	876,299,987	706,970,624	(169,329,363 )
Services and assessments	1,647,662,940	1,300,388,894	1,175,630,058	(124,758,836 )
Investment earnings	12,000	11,661,632	18,425,168	6,763,536
Other	2,963,090,622	3,012,966,458	2,604,578,243	(408,388,215 )
<b>Total revenues</b>	<b>26,373,178,901</b>	<b>26,734,603,993</b>	<b>23,745,513,734</b>	<b>(2,989,090,259 )</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	3,457,291,000	3,791,306,613	3,446,508,971	(344,797,642 )
<b>Total other financing sources</b>	<b>3,457,291,000</b>	<b>3,791,306,613</b>	<b>3,446,508,971</b>	<b>(344,797,642 )</b>
<b>Total revenues and other financing sources</b>	<b>29,830,469,901</b>	<b>30,525,910,606</b>	<b>27,192,022,705</b>	<b>(3,333,887,901 )</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,553,899,518	3,571,777,739	2,708,773,563	863,004,176
Physical and mental health	8,741,997,627	9,019,608,728	8,261,167,629	758,441,099
Educational, cultural, and intellectual development	6,475,175,412	6,484,952,536	6,232,864,340	252,088,196
Community development and environmental management	1,492,767,486	1,527,692,128	1,034,015,458	493,676,670
Economic planning, development, and security	3,157,078,384	3,196,260,612	2,717,026,753	479,233,859
Transportation programs	411,727,326	428,365,547	364,052,518	64,313,029
Government direction, management, and control	4,170,379,988	4,297,904,189	3,964,602,842	333,301,347
Special government services	325,438,281	334,872,248	266,201,280	68,670,968
<b>Total expenditures</b>	<b>28,328,464,022</b>	<b>28,861,433,727</b>	<b>25,548,704,383</b>	<b>3,312,729,344</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,503,459,879	1,503,459,879	1,503,459,879	--
<b>Total other financing uses</b>	<b>1,503,459,879</b>	<b>1,503,459,879</b>	<b>1,503,459,879</b>	<b>--</b>
<b>Total expenditures and other financing uses</b>	<b>29,831,923,901</b>	<b>30,364,893,606</b>	<b>27,052,164,262</b>	<b>3,312,729,344</b>
Net change in fund balance	(1,454,000 )	161,017,000	139,858,443	(21,158,557 )
<b>FUND BALANCES - JULY 1, 2003</b>	<b>250,000,000</b>	<b>372,982,470</b>	<b>372,982,470</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2004</b>	<b>\$ 248,546,000</b>	<b>\$ 533,999,470</b>	<b>\$ 512,840,913</b>	<b>\$ (21,158,557 )</b>

**Property Tax Relief Fund**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$	7,228,860,356	\$ 7,543,860,356	\$ 7,400,732,606	\$ (143,127,750 )
	--	--	--	--
	--	--	--	--
	--	--	--	--
	--	--	--	--
	--	--	--	--
	<u>7,228,860,356</u>	<u>7,543,860,356</u>	<u>7,400,732,606</u>	<u>(143,127,750 )</u>
	--	--	--	--
	--	--	--	--
	<u>7,228,860,356</u>	<u>7,543,860,356</u>	<u>7,400,732,606</u>	<u>(143,127,750 )</u>
	--	--	--	--
	--	--	--	--
	5,313,087,438	5,306,047,438	5,309,179,072	(3,131,634 )
	934,913,918	932,638,918	934,824,084	(2,185,166 )
	--	--	--	--
	--	--	--	--
	980,859,000	993,409,000	975,717,195	17,691,805
	--	--	--	--
	<u>7,228,860,356</u>	<u>7,232,095,356</u>	<u>7,219,720,351</u>	<u>12,375,005</u>
	--	311,765,000	--	311,765,000
	--	311,765,000	--	311,765,000
	<u>7,228,860,356</u>	<u>7,543,860,356</u>	<u>7,219,720,351</u>	<u>324,140,005</u>
	--	--	181,012,255	181,012,255
	--	--	--	--
<u>\$</u>	<u>--</u>	<u>\$ --</u>	<u>\$ 181,012,255</u>	<u>\$ 181,012,255</u>

(Continued on next page)



**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE (Continued)  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>TOTAL MAJOR GOVERNMENTAL FUNDS</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 18,552,110,356	\$ 19,498,996,356	\$ 19,267,392,354	\$ (231,604,002 )
Federal and other grants	9,534,361,739	9,578,151,022	7,373,249,893	(2,204,901,129 )
Licenses and fees	904,801,600	876,299,987	706,970,624	(169,329,363 )
Services and assessments	1,647,662,940	1,300,388,894	1,175,630,058	(124,758,836 )
Investment earnings	12,000	11,661,632	18,425,168	6,763,536
Other	2,963,090,622	3,012,966,458	2,604,578,243	(408,388,215 )
<b>Total revenues</b>	<b>33,602,039,257</b>	<b>34,278,464,349</b>	<b>31,146,246,340</b>	<b>(3,132,218,009 )</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	3,457,291,000	3,791,306,613	3,446,508,971	(344,797,642 )
<b>Total other financing sources</b>	<b>3,457,291,000</b>	<b>3,791,306,613</b>	<b>3,446,508,971</b>	<b>(344,797,642 )</b>
<b>Total revenues and other financing sources</b>	<b>37,059,330,257</b>	<b>38,069,770,962</b>	<b>34,592,755,311</b>	<b>(3,477,015,651 )</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,553,899,518	3,571,777,739	2,708,773,563	863,004,176
Physical and mental health	8,741,997,627	9,019,608,728	8,261,167,629	758,441,099
Educational, cultural, and intellectual development	11,788,262,850	11,790,999,974	11,542,043,412	248,956,562
Community development and environmental management	2,427,681,404	2,460,331,046	1,968,839,542	491,491,504
Economic planning, development, and security	3,157,078,384	3,196,260,612	2,717,026,753	479,233,859
Transportation programs	411,727,326	428,365,547	364,052,518	64,313,029
Government direction, management, and control	5,151,238,988	5,291,313,189	4,940,320,037	350,993,152
Special government services	325,438,281	334,872,248	266,201,280	68,670,968
<b>Total expenditures</b>	<b>35,557,324,378</b>	<b>36,093,529,083</b>	<b>32,768,424,734</b>	<b>3,325,104,349</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,503,459,879	1,815,224,879	1,503,459,879	311,765,000
<b>Total other financing uses</b>	<b>1,503,459,879</b>	<b>1,815,224,879</b>	<b>1,503,459,879</b>	<b>311,765,000</b>
<b>Total expenditures and other financing uses</b>	<b>37,060,784,257</b>	<b>37,908,753,962</b>	<b>34,271,884,613</b>	<b>3,636,869,349</b>
Net change in fund balance	(1,454,000 )	161,017,000	320,870,698	159,853,698
<b>FUND BALANCES - JULY 1, 2003</b>	<b>250,000,000</b>	<b>372,982,470</b>	<b>372,982,470</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2004</b>	<b>\$ 248,546,000</b>	<b>\$ 533,999,470</b>	<b>\$ 693,853,168</b>	<b>\$ 159,853,698</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Sources/inflows of resources:</b>		
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	\$27,192,022,705	\$7,400,732,606
<b>Differences--budget to GAAP:</b>		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	376,137,250	--
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(95,723,609)	--
Proceeds and premium from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	1,614,974,737	--
Proceeds from the sale of general obligation refunding bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	159,385,000	--
Premiums from the sale of installment obligations are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	5,935,204	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	443,602,000	--
Excess anticipated revenue transferred to Fund Balance - Reserved for Surplus Revenue is not a budgetary resource but is revenue for financial reporting purposes.	282,416,413	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	309,538,316	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$30,288,288,016	\$7,400,732,606

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Uses/outflows of resources:</b>		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$27,052,164,262	\$7,219,720,351
<b>Differences--budget to GAAP:</b>		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(943,485,461)	(2,897,017)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	774,382,612	25,041,054
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(511,901)	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	41,833,623	--
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	376,137,250	--
School construction bonds proceeds distributed to the New Jersey Schools Construction Corporation are not outflows of budgetary resources but are other financing uses for financial reporting purposes.	1,546,194,689	--
General obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are other financing uses for financial reporting purposes.	159,385,000	--
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	443,602,000	--
Expenditures in other funds are not outflows of budgetary resources but have been incorporated into expenditures for financial reporting purposes.	236,694,060	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$29,686,396,134	\$7,241,864,388

## STATE OF NEW JERSEY NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

### **Budgetary Process**

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
ALL PENSION TRUST FUNDS**

<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>						
6/30/01	11,123,818,861	9,886,463,368	(1,237,355,493)	112.5%	3,288,383,788	(37.6)%
6/30/02	11,073,156,965	10,760,557,482	(312,599,483)	102.9%	3,511,151,199	(8.9)%
6/30/03	10,829,953,189	11,942,299,170	1,112,345,981	90.7%	3,576,118,300	31.1%
<b>PERS - Local</b>						
6/30/01	16,625,288,260	13,819,038,491	(2,806,249,769)	120.3%	5,240,338,738	(53.6)%
6/30/02	16,503,081,054	14,929,334,103	(1,573,746,951)	110.5%	5,534,322,805	(28.4)%
6/30/03	16,406,284,200	15,887,012,746	(519,271,454)	103.3%	5,811,726,702	(8.9)%
<b>TPAF</b>						
6/30/01	35,351,379,511	32,745,357,185	(2,606,022,326)	108.0%	6,948,381,383	(37.5)%
6/30/02	35,148,246,433	35,146,591,842	(1,654,591)	100.0%	7,348,993,141	0.0%
6/30/03	34,651,825,932	37,383,732,882	2,731,906,950	92.7%	7,702,854,159	35.5%
<b>PFRS-State</b>						
6/30/01	1,991,299,968	1,866,140,391	(125,159,577)	106.7%	398,118,379	(31.4)%
6/30/02	2,032,977,241	2,046,820,189	13,842,948	99.3%	418,849,259	3.3%
6/30/03	1,907,107,359	2,288,937,652	381,830,293	83.3%	447,470,022	85.3%
<b>PFRS-Local</b>						
6/30/01	16,083,153,842	16,056,446,646	(26,707,196)	100.2%	2,163,590,060	(1.2)%
6/30/02	16,392,195,411	17,181,142,310	788,946,899	95.4%	2,275,130,620	34.7%
6/30/03	16,447,612,874	18,258,853,488	1,811,240,614	90.1%	2,393,467,444	75.7%
<b>SPRS</b>						
6/30/01	1,829,414,353	1,626,631,656	(202,782,697)	112.5%	199,727,203	(101.5)%
6/30/02	1,853,684,177	1,739,427,739	(114,256,438)	106.6%	215,161,126	(53.1)%
6/30/03	1,865,079,083	1,815,725,256	(49,353,827)	102.7%	217,448,864	(22.7)%
<b>JRS</b>						
6/30/01	379,592,346	372,760,069	(6,832,277)	101.8%	57,800,334	(11.8)%
6/30/02	373,231,198	388,950,803	15,719,605	96.0%	61,873,500	25.4%
6/30/03	372,835,265	431,450,218	58,614,953	86.4%	61,600,500	95.2%
<b>CPFPF</b>						
6/30/01	38,656,261	41,658,355	3,002,094	92.8%	-	N/A
6/30/02	31,842,976	36,350,384	4,507,408	87.6%	-	N/A
6/30/03	27,623,585	41,396,376	13,772,791	66.7%	-	N/A
<b>POPF</b>						
6/30/01	18,269,899	12,994,567	(5,275,332)	140.6%	-	N/A
6/30/02	17,908,452	11,781,734	(6,126,718)	152.0%	-	N/A
6/30/03	17,277,953	10,727,647	(6,550,306)	161.1%	-	N/A

**STATE OF NEW JERSEY  
BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
JUNE 30, 2004**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>				
<b>Cash and cash equivalents</b>	\$ 42,827,334	\$ 57,871	\$ 6,739,398	\$ 49,624,603
<b>Investments</b>	3,203,927,642	181,478	78,707,003	3,282,816,123
<b>Receivables, net of allowances for uncollectibles</b>				
Federal government	34,051	--	136,243,422	136,277,473
Departmental accounts	375,967,968	--	837,291	376,805,259
Loans	945,290,487	--	5,000,000	950,290,487
Other	156,181,836	--	152,510,808	308,692,644
<b>Due from other funds</b>	191,480,136	--	140,120,826	331,600,962
<b>Other</b>	3,092,245	4,147,283	--	7,239,528
<b>Total Assets</b>	<u>\$ 4,918,801,699</u>	<u>\$ 4,386,632</u>	<u>\$ 520,158,748</u>	<u>\$ 5,443,347,079</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accruals	\$ 335,578,961	\$ 4,147,283	\$ 199,222,493	\$ 538,948,737
Deferred revenue	135,196,010	--	--	135,196,010
Due to other funds	594,791,208	--	102,358,462	697,149,670
Other	28,012,542	--	--	28,012,542
<b>Total Liabilities</b>	<u>1,093,578,721</u>	<u>4,147,283</u>	<u>301,580,955</u>	<u>1,399,306,959</u>
<b>Fund Balances</b>				
Reserved for:				
Encumbrances	630,002,078	--	43,074,666	673,076,744
Other	1,474,808,256	--	5,000,000	1,479,808,256
Unreserved:				
Designated-continuing appropriations	1,666,076,951	--	175,427,875	1,841,504,826
Unrealized gains	23,898	--	--	23,898
Undesignated	54,311,795	239,349	(4,924,748 )	49,626,396
<b>Total Fund Balances</b>	<u>3,825,222,978</u>	<u>239,349</u>	<u>218,577,793</u>	<u>4,044,040,120</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,918,801,699</u>	<u>\$ 4,386,632</u>	<u>\$ 520,158,748</u>	<u>\$ 5,443,347,079</u>

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Non-Major Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,741,533,617	\$ --	\$ --	\$ 1,741,533,617
Federal and other grants	83,940,044	--	757,576,687	841,516,731
Licenses and fees	104,555,571	--	--	104,555,571
Services and assessments	376,617,000	--	618,225	377,235,225
Investment earnings	51,883,681	126,113	2,391,664	54,401,458
Contributions	17,953	--	--	17,953
Other	435,092,205	--	157,675	435,249,880
<b>Total Revenues</b>	<b>2,793,640,071</b>	<b>126,113</b>	<b>760,744,251</b>	<b>3,554,510,435</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety and criminal justice	78,628,795	--	16,701,428	95,330,223
Physical and mental health	541,958,943	--	221,616	542,180,559
Educational, cultural, and intellectual development	1,170,188,510	--	192,279	1,170,380,789
Community development and environmental management	253,520,626	--	--	253,520,626
Economic planning, development, and security	691,403,822	--	17,897	691,421,719
Transportation programs	121,280,159	--	2,065,447,414	2,186,727,573
Government direction, management, and control	328,752,590	--	9,036,187	337,788,777
Special government services	210,792	--	1,212	212,004
<b>Debt Service:</b>				
Principal	18,625,000	464,729,412	--	483,354,412
Interest	234,067,000	416,422,779	--	650,489,779
<b>Total Expenditures</b>	<b>3,438,636,237</b>	<b>881,152,191</b>	<b>2,091,618,033</b>	<b>6,411,406,461</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(644,996,166 )</b>	<b>(881,026,078 )</b>	<b>(1,330,873,782 )</b>	<b>(2,856,896,026 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of bonds	1,098,310,000	--	41,500,000	1,139,810,000
Transfers from (to) other funds	(2,582,329,039 )	891,459,205	1,268,757,902	(422,111,932 )
Other	75,428,907	--	1,608,514	77,037,421
<b>Total other financing sources (uses)</b>	<b>(1,408,590,132 )</b>	<b>891,459,205</b>	<b>1,311,866,416</b>	<b>794,735,489</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(2,053,586,298 )</b>	<b>10,433,127</b>	<b>(19,007,366 )</b>	<b>(2,062,160,537 )</b>
<b>Fund balances - July 1, 2003</b>	<b>5,878,809,276</b>	<b>(10,193,778 )</b>	<b>237,585,159</b>	<b>6,106,200,657</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 3,825,222,978</b>	<b>\$ 239,349</b>	<b>\$ 218,577,793</b>	<b>\$ 4,044,040,120</b>

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Alcohol Education, Rehabilitation and Enforcement Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Tourism Promotion Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ --	\$ 2,900,964	\$ 5,020
Investments	5,946,532	392,457	254,354
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	159,360	2,862,884	1,763,648
Loans	--	--	--
Other	--	--	--
Due from other funds	2,015,213	--	--
Other	--	--	--
<b>Total Assets</b>	<u>\$ 8,121,105</u>	<u>\$ 6,156,305</u>	<u>\$ 2,023,022</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 1,068,090	\$ 1,841,053	\$ 1,270,650
Deferred revenue	--	--	--
Due to other funds	1,657,499	2,862,884	--
Other	--	--	--
<b>Total Liabilities</b>	<u>2,725,589</u>	<u>4,703,937</u>	<u>1,270,650</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	95,427	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	5,300,089	1,452,368	752,372
Unrealized gains	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>5,395,516</u>	<u>1,452,368</u>	<u>752,372</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,121,105</u>	<u>\$ 6,156,305</u>	<u>\$ 2,023,022</u>



<u>Beaches and Harbor Fund</u>	<u>Board of Bar Examiners</u>	<u>Boarding House Rental Assistance Fund</u>	<u>Body Armor Replacement Fund</u>
\$ 3,139	\$ 3,813	\$ 67,268	\$ 790,552
863	4,705,295	438,746	5,011,388
--	--	--	--
--	--	--	352,299
--	--	--	--
13,704	--	--	--
--	--	--	--
1,348,353	--	--	--
<u>\$ 1,366,059</u>	<u>\$ 4,709,108</u>	<u>\$ 506,014</u>	<u>\$ 6,154,239</u>
\$ --	\$ 558,704	\$ 43,391	\$ 31,274
--	--	--	--
13,706	--	--	75,000
--	--	--	--
<u>13,706</u>	<u>558,704</u>	<u>43,391</u>	<u>106,274</u>
4,000	--	--	266,301
1,348,353	--	--	--
--	4,150,404	462,623	5,781,664
--	--	--	--
--	--	--	--
<u>1,352,353</u>	<u>4,150,404</u>	<u>462,623</u>	<u>6,047,965</u>
<u>\$ 1,366,059</u>	<u>\$ 4,709,108</u>	<u>\$ 506,014</u>	<u>\$ 6,154,239</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Capital City Redevelopment Loan and Grant Fund</u>	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 67,965	\$ 51,000	\$ --
<b>Investments</b>	517,158	--	--
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	8,036,464	37,033,498
Loans	1,330,368	--	--
Other	--	--	--
<b>Due from other funds</b>	--	15,331,498	57,037,169
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 1,915,491</u>	<u>\$ 23,418,962</u>	<u>\$ 94,070,667</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 16,609	\$ 5,148,992	\$ 25,632,424
Deferred revenue	--	10,249,000	777,000
Due to other funds	110,908	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>127,517</u>	<u>15,397,992</u>	<u>26,409,424</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	2,186,893	44,883,537
Other	1,330,368	--	--
Unreserved:			
Designated-continuing appropriations	457,606	946,516	30,840
Unrealized gains	--	--	--
Undesignated	--	4,887,561	22,746,866
<b>Total Fund Balances</b>	<u>1,787,974</u>	<u>8,020,970</u>	<u>67,661,243</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,915,491</u>	<u>\$ 23,418,962</u>	<u>\$ 94,070,667</u>

<u>Casino Simulcasting Fund</u>	<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>
\$ 415,842	\$ 1,841,836	\$ 130,172	\$ 7,428
442,305	3,123,594	4,710,167	1,897,413
--	--	--	--
--	--	4,667,455	37,483
--	--	--	--
--	--	--	--
--	--	96,518	--
--	--	--	--
<u>\$ 858,147</u>	<u>\$ 4,965,430</u>	<u>\$ 9,604,312</u>	<u>\$ 1,942,324</u>
\$ --	\$ --	\$ 392,050	\$ 346,513
--	--	--	--
700,000	--	5,375,913	--
--	--	--	--
<u>700,000</u>	<u>--</u>	<u>5,767,963</u>	<u>346,513</u>
--	--	34,059	544
--	--	--	--
158,147	4,965,430	3,802,290	--
--	--	--	--
--	--	--	1,595,267
<u>158,147</u>	<u>4,965,430</u>	<u>3,836,349</u>	<u>1,595,811</u>
<u>\$ 858,147</u>	<u>\$ 4,965,430</u>	<u>\$ 9,604,312</u>	<u>\$ 1,942,324</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Clean Waters Fund</u>	<u>Cultural Centers and Historic Preservation Fund</u>	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 778	\$ 74,548	\$ 420,782
<b>Investments</b>	1,954,088	3,241,074	5,457,088
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	9,970,162
Other	--	--	53,747
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 1,954,866</u>	<u>\$ 3,315,622</u>	<u>\$ 15,901,779</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ 275,185	\$ --
Deferred revenue	--	--	--
Due to other funds	21,958	5,511,641	--
Other	--	--	--
<b>Total Liabilities</b>	<u>21,958</u>	<u>5,786,826</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	181,419	2,248,629	1,844,452
Other	--	--	9,970,162
Unreserved:			
Designated-continuing appropriations	1,751,489	--	2,349,759
Unrealized gains	--	--	--
Undesignated	--	(4,719,833 )	1,737,406
<b>Total Fund Balances</b>	<u>1,932,908</u>	<u>(2,471,204 )</u>	<u>15,901,779</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,954,866</u>	<u>\$ 3,315,622</u>	<u>\$ 15,901,779</u>

<b>1989 Development Potential Bank Transfer Fund</b>	<b>Developmental Disabilities Waiting List Reduction Fund</b>	<b>Disciplinary Oversight Committee</b>	<b>Division of Motor Vehicles Surcharge Fund</b>
\$ 20,154	\$ 140,137	\$ 3,624,830	\$ 46,052
6,497,184	28,601,175	--	4,520,147
--	--	--	--
--	--	--	1,736,175
--	--	--	--
--	--	4,833	--
--	--	--	--
--	--	--	--
<b>\$ 6,517,338</b>	<b>\$ 28,741,312</b>	<b>\$ 3,629,663</b>	<b>\$ 6,302,374</b>
\$ --	\$ 135,271	\$ 2,033,869	\$ 6,201,436
--	--	--	--
74,123	353,655	--	--
--	--	--	--
<b>74,123</b>	<b>488,926</b>	<b>2,033,869</b>	<b>6,201,436</b>
--	1,322,827	--	--
--	--	--	--
5,581,632	26,929,559	1,595,794	100,938
--	--	--	--
861,583	--	--	--
<b>6,443,215</b>	<b>28,252,386</b>	<b>1,595,794</b>	<b>100,938</b>
<b>\$ 6,517,338</b>	<b>\$ 28,741,312</b>	<b>\$ 3,629,663</b>	<b>\$ 6,302,374</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Dredging and Containment Facility Fund</u>	<u>Drinking Water State Revolving Fund</u>	<u>1996 Economic Development Site Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 19,117	\$ 3,162,203	\$ 278,476
<b>Investments</b>	49,208,451	49,250,497	2,245,515
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	34,051	--
Departmental accounts	--	--	--
Loans	--	71,224,644	4,435,075
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 49,227,568</u>	<u>\$ 123,671,395</u>	<u>\$ 6,959,066</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ 103,602	\$ --
Deferred revenue	--	--	--
Due to other funds	269,558	34,051	--
Other	--	--	--
<b>Total Liabilities</b>	<u>269,558</u>	<u>137,653</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	40,602,774	32,418,095	--
Other	--	71,224,644	4,435,075
Unreserved:			
Designated-continuing appropriations	8,355,236	7,436,500	2,523,991
Unrealized gains	--	--	--
Undesignated	--	12,454,503	--
<b>Total Fund Balances</b>	<u>48,958,010</u>	<u>123,533,742</u>	<u>6,959,066</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 49,227,568</u>	<u>\$ 123,671,395</u>	<u>\$ 6,959,066</u>

<u>Emergency Flood Control Fund</u>	<u>Emergency Medical Technician Training Fund</u>	<u>Emergency Services Fund</u>	<u>Enterprise Zone Assistance Fund</u>
\$ 12,787	\$ 372,271	\$ 10,356	\$ 1,858,473
344,273	7,456,667	10,457,643	195,271,362
--	--	--	--
--	--	--	3,409,921
--	--	10,000	--
--	--	--	--
--	--	--	--
<u>357,060</u>	<u>7,828,938</u>	<u>10,477,999</u>	<u>200,539,756</u>
\$ --	\$ 147,225	\$ 4,867	\$ --
--	--	--	--
3,816	107,434	--	4,601,072
--	--	--	--
<u>3,816</u>	<u>254,659</u>	<u>4,867</u>	<u>4,601,072</u>
--	248,879	229,114	86,328,442
--	--	10,000	--
353,244	7,325,400	9,391,022	109,610,242
--	--	--	--
--	--	842,996	--
<u>353,244</u>	<u>7,574,279</u>	<u>10,473,132</u>	<u>195,938,684</u>
<u>\$ 357,060</u>	<u>\$ 7,828,938</u>	<u>\$ 10,477,999</u>	<u>\$ 200,539,756</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>1996 Environmental Cleanup Fund</u>	<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 35,780	\$ 1,578	\$ 22,770
<b>Investments</b>	5,493,678	183,506	2,659,793
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 5,529,458</u>	<u>\$ 185,084</u>	<u>\$ 2,682,563</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 262,903	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	500,000
Other	--	--	--
<b>Total Liabilities</b>	<u>262,903</u>	<u>--</u>	<u>500,000</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	12,021,448	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	185,084	2,112,074
Unrealized gains	--	--	--
Undesignated	(6,754,893 )	--	70,489
<b>Total Fund Balances</b>	<u>5,266,555</u>	<u>185,084</u>	<u>2,182,563</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,529,458</u>	<u>\$ 185,084</u>	<u>\$ 2,682,563</u>



<u>1995 Farmland Preservation Fund</u>	<u>Fund for Support of Free Public Schools</u>	<u>Garden State Farmland Preservation Trust Fund</u>	<u>Garden State Green Acres Preservation Trust Fund</u>
\$ 131,311	\$ 8,630	\$ 272,468	\$ --
9,264,923	96,962,905	210,514,711	238,113,288
--	--	--	--
--	--	--	--
--	--	--	17,708,634
--	2,877	--	74,764
--	4,567,478	--	--
--	--	--	--
<u>\$ 9,396,234</u>	<u>\$ 101,541,890</u>	<u>\$ 210,787,179</u>	<u>\$ 255,896,686</u>
\$ --	\$ 5,319	\$ 372,140	\$ 4,644,188
--	--	--	--
--	--	1,650,000	4,562,188
--	--	--	--
<u>--</u>	<u>5,319</u>	<u>2,022,140</u>	<u>9,206,376</u>
3,363	--	201,816	139,228,923
--	101,536,571	--	17,708,634
8,454,133	--	204,241,798	89,752,753
--	--	--	--
938,738	--	4,321,425	--
<u>9,396,234</u>	<u>101,536,571</u>	<u>208,765,039</u>	<u>246,690,310</u>
<u>\$ 9,396,234</u>	<u>\$ 101,541,890</u>	<u>\$ 210,787,179</u>	<u>\$ 255,896,686</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Garden State Historic Preservation Trust Fund</u>	<u>Green Trust Fund</u>	<u>Gubernatorial Elections Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 148,146	\$ 433,448	\$ --
Investments	20,710,459	7,680,879	--
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	526,708
Loans	--	72,247,865	--
Other	--	294,198	--
<b>Due from other funds</b>	--	5,319,532	782,970
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 20,858,605</u>	<u>\$ 85,975,922</u>	<u>\$ 1,309,678</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 73,344	\$ --	\$ --
Deferred revenue	--	15,976	--
Due to other funds	311,567	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>384,911</u>	<u>15,976</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	11,170,983	22,948,591	--
Other	--	72,247,865	--
Unreserved:			
Designated-continuing appropriations	7,644,030	--	--
Unrealized gains	--	--	--
Undesignated	1,658,681	(9,236,510 )	1,309,678
<b>Total Fund Balances</b>	<u>20,473,694</u>	<u>85,959,946</u>	<u>1,309,678</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 20,858,605</u>	<u>\$ 85,975,922</u>	<u>\$ 1,309,678</u>

<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>
\$ 711	\$ --	\$ 771,119	\$ 96,403
182,266	15,142,839	80,585,274	46,792,551
--	--	--	--
--	--	73,398	78,534,502
--	--	--	--
--	--	8,302,494	--
--	802,630	1,021,700	30,596,800
--	--	--	--
<u>\$ 182,977</u>	<u>\$ 15,945,469</u>	<u>\$ 90,753,985</u>	<u>\$ 156,020,256</u>
\$ --	\$ 2,566,991	\$ 762,774	\$ --
--	--	--	--
2,028	--	11,560,991	155,678,431
--	--	--	--
<u>2,028</u>	<u>2,566,991</u>	<u>12,323,765</u>	<u>155,678,431</u>
--	30,485,667	29,431,469	43,643
--	--	8,302,494	--
180,949	--	40,696,257	298,182
--	--	--	--
--	(17,107,189 )	--	--
<u>180,949</u>	<u>13,378,478</u>	<u>78,430,220</u>	<u>341,825</u>
<u>\$ 182,977</u>	<u>\$ 15,945,469</u>	<u>\$ 90,753,985</u>	<u>\$ 156,020,256</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<b>Higher Education Facility Renovation and Rehabilitation Fund</b>	<b>1992 Historic Preservation Fund</b>	<b>1995 Historic Preservation Fund</b>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 3,356	\$ 22,263	\$ 83,389
<b>Investments</b>	54,955	197,601	1,061,291
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	1,000,000	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 1,058,311</u>	<u>\$ 219,864</u>	<u>\$ 1,144,680</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ 158,808	\$ 7,563
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>158,808</u>	<u>7,563</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	548,781	436,867	1,126,144
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	184,575	--	10,973
Unrealized gains	--	--	--
Undesignated	324,955	(375,811)	--
<b>Total Fund Balances</b>	<u>1,058,311</u>	<u>61,056</u>	<u>1,137,117</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,058,311</u>	<u>\$ 219,864</u>	<u>\$ 1,144,680</u>

<u>Historic Preservation Revolving Loan Fund</u>	<u>Horse Racing Injury Compensation Fund</u>	<u>Housing Assistance Fund</u>	<u>Jobs, Education and Competitiveness Fund</u>	<u>Jobs, Science and Technology Fund</u>
\$ 198,741	\$ 337,652	\$ 56,859	\$ 11,843	\$ 30
3,440,526	4,533,060	4,073,348	7,478,561	27,304
--	--	--	--	--
--	--	--	--	--
266,381	--	2,528,601	--	--
2,675	--	40,702	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,908,323</u>	<u>\$ 4,870,712</u>	<u>\$ 6,699,510</u>	<u>\$ 7,490,404</u>	<u>\$ 27,334</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	1,139,186	396
3,139	--	--	--	--
<u>3,139</u>	<u>--</u>	<u>--</u>	<u>1,139,186</u>	<u>396</u>
--	--	--	3,946,423	--
266,381	--	2,528,601	--	--
3,230,052	4,870,712	4,000,001	2,231,860	26,938
--	--	--	--	--
408,751	--	170,908	172,935	--
<u>3,905,184</u>	<u>4,870,712</u>	<u>6,699,510</u>	<u>6,351,218</u>	<u>26,938</u>
<u>\$ 3,908,323</u>	<u>\$ 4,870,712</u>	<u>\$ 6,699,510</u>	<u>\$ 7,490,404</u>	<u>\$ 27,334</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<b>Korean Veterans' Memorial Fund</b>	<b>1996 Lake Restoration Fund</b>	<b>Lead Hazard Control Assistance Fund</b>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 32,283	\$ 112,864	\$ --
<b>Investments</b>	3,419	1,342,762	--
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	1,070,011	--
Other	--	--	--
<b>Due from other funds</b>	--	--	2,000,000
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 35,702</u>	<u>\$ 2,525,637</u>	<u>\$ 2,000,000</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	1,056,575	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>1,056,575</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	217,124	--
Other	--	1,070,011	--
Unreserved:			
Designated-continuing appropriations	--	1,006,328	2,000,000
Unrealized gains	--	--	--
Undesignated	(1,020,873)	232,174	--
<b>Total Fund Balances</b>	<u>(1,020,873)</u>	<u>2,525,637</u>	<u>2,000,000</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 35,702</u>	<u>\$ 2,525,637</u>	<u>\$ 2,000,000</u>

<u>Luxury Tax Fund</u>	<u>Mortgage Assistance Fund</u>	<u>Municipal Landfill Closure and Remediation Fund</u>	<u>Mutual Workers' Compensation Security Fund</u>	<u>Natural Resources Fund</u>
\$ 6,450	\$ 1,047	\$ 40,171	\$ 60,962	\$ 101,755
78,728	2,003,758	--	9,939,731	3,948,566
--	--	--	--	--
6,373,338	--	--	--	--
--	11,842,219	--	--	31,936
--	675,736	--	--	6,167
--	--	--	--	--
--	--	--	--	561,220
<u>\$ 6,458,516</u>	<u>\$ 14,522,760</u>	<u>\$ 40,171</u>	<u>\$ 10,000,693</u>	<u>\$ 4,649,644</u>
\$ 4,586,426	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	696,475	--	--	32,081
--	--	--	--	--
<u>4,586,426</u>	<u>696,475</u>	<u>--</u>	<u>--</u>	<u>32,081</u>
--	--	--	--	3,176,102
--	11,842,219	--	--	31,936
1,872,090	1,308,930	40,171	10,000,693	1,409,525
--	--	--	--	--
--	675,136	--	--	--
<u>1,872,090</u>	<u>13,826,285</u>	<u>40,171</u>	<u>10,000,693</u>	<u>4,617,563</u>
<u>\$ 6,458,516</u>	<u>\$ 14,522,760</u>	<u>\$ 40,171</u>	<u>\$ 10,000,693</u>	<u>\$ 4,649,644</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>New Home Warranty Security Fund</u>	<u>New Jersey Building Authority</u>	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 706,775	\$ --	\$ 64,304
<b>Investments</b>	37,901,399	88,394,533	2,287,750
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	1,013,865
Other	--	--	5,251
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	130,577	--
<b>Total Assets</b>	<u>\$ 38,608,174</u>	<u>\$ 88,525,110</u>	<u>\$ 3,371,170</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 2,650	\$ 2,281,739	\$ --
Deferred revenue	--	--	--
Due to other funds	3,815,883	--	--
Other	--	2,387,404	--
<b>Total Liabilities</b>	<u>3,818,533</u>	<u>4,669,143</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	153,966
Other	--	--	1,013,865
Unreserved:			
Designated-continuing appropriations	34,789,641	83,855,967	2,203,339
Unrealized gains	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>34,789,641</u>	<u>83,855,967</u>	<u>3,371,170</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 38,608,174</u>	<u>\$ 88,525,110</u>	<u>\$ 3,371,170</u>



<u>New Jersey Cultural Trust Fund</u>	<u>1983 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Acres Fund</u>	<u>1992 New Jersey Green Acres Fund</u>	<u>1995 New Jersey Green Acres Fund</u>
\$ --	\$ 5,228	\$ 276,906	\$ 89,004	\$ 217,726
20,783,630	19,905,870	5,040,163	1,672,986	6,551,814
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 20,783,630</u>	<u>\$ 19,911,098</u>	<u>\$ 5,317,069</u>	<u>\$ 1,761,990</u>	<u>\$ 6,769,540</u>
\$ 98,971	\$ --	\$ --	\$ 118	\$ 199,694
--	--	--	--	--
--	221,025	--	--	--
--	--	--	--	--
<u>98,971</u>	<u>221,025</u>	<u>--</u>	<u>118</u>	<u>199,694</u>
215,031	6,655	2,319,469	140,849	3,211,314
--	--	--	--	--
20,469,628	52,781	989,731	664,801	1,297,509
--	--	--	--	--
--	19,630,637	2,007,869	956,222	2,061,023
<u>20,684,659</u>	<u>19,690,073</u>	<u>5,317,069</u>	<u>1,761,872</u>	<u>6,569,846</u>
<u>\$ 20,783,630</u>	<u>\$ 19,911,098</u>	<u>\$ 5,317,069</u>	<u>\$ 1,761,990</u>	<u>\$ 6,769,540</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>1989 New Jersey Green Trust Fund</u>	<u>1992 New Jersey Green Trust Fund</u>	<u>1995 New Jersey Green Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 1,011,217	\$ 1,139,230	\$ 609,524
<b>Investments</b>	27,770,160	19,432,685	24,537,738
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	64,700,931	35,597,648	51,551,458
Other	311,821	166,190	210,332
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 93,794,129</u>	<u>\$ 56,335,753</u>	<u>\$ 76,909,052</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	16,130,096	17,249,091	13,027,133
Other	64,700,931	35,597,648	51,551,458
Unreserved:			
Designated-continuing appropriations	12,963,102	3,489,014	12,330,461
Unrealized gains	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>93,794,129</u>	<u>56,335,753</u>	<u>76,909,052</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 93,794,129</u>	<u>\$ 56,335,753</u>	<u>\$ 76,909,052</u>

<u>1995 New Jersey Inland Blue Acres Fund</u>	<u>New Jersey Insolvent Health Maintenance Organization Assistance Fund</u>	<u>New Jersey Lawyers' Assistance Program</u>	<u>New Jersey Lawyers' Fund for Client Protection</u>	<u>New Jersey Local Development Financing Fund</u>
\$ 8,626	\$ 639	\$ 1,745	\$ 4,090,740	\$ --
1,383,719	22,941,519	492,974	10,449,876	19,026,108
--	--	--	--	--
--	--	--	--	--
--	--	--	--	30,327,203
--	--	--	60,496	306,017
--	--	--	--	--
--	--	--	2,485	--
<u>\$ 1,392,345</u>	<u>\$ 22,942,158</u>	<u>\$ 494,719</u>	<u>\$ 14,603,597</u>	<u>\$ 49,659,328</u>
\$ --	\$ --	\$ 87,674	\$ 259,551	\$ --
--	--	--	--	--
--	273,519	--	--	--
--	--	--	--	--
<u>--</u>	<u>273,519</u>	<u>87,674</u>	<u>259,551</u>	<u>--</u>
65,474	--	--	--	--
--	--	--	--	30,327,203
759,200	22,668,639	407,045	14,320,148	19,332,125
--	--	--	23,898	--
567,671	--	--	--	--
<u>1,392,345</u>	<u>22,668,639</u>	<u>407,045</u>	<u>14,344,046</u>	<u>49,659,328</u>
<u>\$ 1,392,345</u>	<u>\$ 22,942,158</u>	<u>\$ 494,719</u>	<u>\$ 14,603,597</u>	<u>\$ 49,659,328</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>New Jersey Racing Industry Special Fund</u>	<u>New Jersey Schools Construction Corporation</u>	<u>New Jersey Spill Compensation Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 675,005	\$ 702,766	\$ 597,724
<b>Investments</b>	503,659	184,450,220	21,243,443
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	11,533	7,736,133
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	963,922	--
<b>Total Assets</b>	<u>\$ 1,178,664</u>	<u>\$ 186,128,441</u>	<u>\$ 29,577,300</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ 2,076,970	\$ 177,005
Deferred revenue	--	--	--
Due to other funds	--	--	18,326,404
Other	--	25,101,838	--
<b>Total Liabilities</b>	<u>--</u>	<u>27,178,808</u>	<u>18,503,409</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	3,523,730
Other	--	39,849,351	7,000,000
Unreserved:			
Designated-continuing appropriations	1,178,664	119,100,282	550,161
Unrealized gains	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>1,178,664</u>	<u>158,949,633</u>	<u>11,073,891</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,178,664</u>	<u>\$ 186,128,441</u>	<u>\$ 29,577,300</u>

<u>New Jersey Spinal Cord Research Fund</u>	<u>New Jersey Transportation Trust Fund Authority</u>	<u>New Jersey Workforce Development Partnership Fund</u>	<u>Petroleum Overcharge Reimbursement Fund</u>	<u>Pinelands Infrastructure Trust Fund</u>
\$ 594,983	\$ --	\$ --	\$ 184,656	\$ 568,004
12,963,159	51,886,758	92,266,342	9,882,401	4,227,182
--	--	--	--	--
--	--	28,098,965	--	--
--	--	--	3,575,000	4,585,299
--	--	--	--	50,340
--	32,500,000	3,519,027	--	--
--	--	--	--	--
<u>\$ 13,558,142</u>	<u>\$ 84,386,758</u>	<u>\$ 123,884,334</u>	<u>\$ 13,642,057</u>	<u>\$ 9,430,825</u>
\$ --	\$ --	\$ 4,147,876	\$ 14,361	\$ --
--	--	--	893,588	--
322,337	140,120,825	57,152,881	--	--
--	--	16,773	--	--
<u>322,337</u>	<u>140,120,825</u>	<u>61,317,530</u>	<u>907,949</u>	<u>--</u>
3,501,659	--	57,701,110	504,092	73,638
--	--	--	3,575,000	4,585,299
9,734,146	--	4,865,694	8,655,016	1,242,327
--	--	--	--	--
--	(55,734,067 )	--	--	3,529,561
<u>13,235,805</u>	<u>(55,734,067 )</u>	<u>62,566,804</u>	<u>12,734,108</u>	<u>9,430,825</u>
<u>\$ 13,558,142</u>	<u>\$ 84,386,758</u>	<u>\$ 123,884,334</u>	<u>\$ 13,642,057</u>	<u>\$ 9,430,825</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Pollution Prevention Fund</u>	<u>Real Estate Guaranty Fund</u>	<u>Resource Recovery and Solid Waste Disposal Facility Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 353,447	\$ 177,507	\$ 33,533
<b>Investments</b>	2,158,903	1,009,832	529,141
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	1,172,091	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	24,678	155,046	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 3,709,119</u>	<u>\$ 1,342,385</u>	<u>\$ 562,674</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	2,622,380	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>2,622,380</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	1,086,739	1,342,385	493,795
Unrealized gains	--	--	--
Undesignated	--	--	68,879
<b>Total Fund Balances</b>	<u>1,086,739</u>	<u>1,342,385</u>	<u>562,674</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,709,119</u>	<u>\$ 1,342,385</u>	<u>\$ 562,674</u>

<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>Shore Protection Fund</u>	<u>State Disability Benefit Fund</u>	<u>State Land Acquisition and Development Fund</u>
\$ 529,118	\$ 267,469	\$ 320,779	\$ 176,929	\$ 91,618
4,209,816	11,091,637	10,169,731	107,327,348	335,679
--	--	--	--	--
925,378	--	--	190,157,403	--
--	--	627,135	--	--
--	157,626	73,379	545,876	--
--	--	--	25,796,383	--
--	--	85,688	--	--
<u>\$ 5,664,312</u>	<u>\$ 11,516,732</u>	<u>\$ 11,276,712</u>	<u>\$ 324,003,939</u>	<u>\$ 427,297</u>
\$ 56,773	\$ 104,313	\$ --	\$ 41,534,400	\$ --
--	--	--	--	--
3,762,988	--	190,498	63,866,157	10,734
--	--	--	421,733	--
<u>3,819,761</u>	<u>104,313</u>	<u>190,498</u>	<u>105,822,290</u>	<u>10,734</u>
932,984	1,134,772	1,138,605	--	808,856
--	--	627,135	--	--
314,634	10,277,647	1,269,049	218,181,649	--
--	--	--	--	--
596,933	--	8,051,425	--	(392,293 )
<u>1,844,551</u>	<u>11,412,419</u>	<u>11,086,214</u>	<u>218,181,649</u>	<u>416,563</u>
<u>\$ 5,664,312</u>	<u>\$ 11,516,732</u>	<u>\$ 11,276,712</u>	<u>\$ 324,003,939</u>	<u>\$ 427,297</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>State Recreation and Conservation Land Acquisition and Development Fund</u>	<u>State Recycling Fund</u>	<u>Stock Workers' Compensation Security Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 68	\$ 337,887	\$ 920,382
<b>Investments</b>	911,598	5,707,260	23,133,259
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	74,766	--
Loans	--	1,365,046	--
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 911,666</u>	<u>\$ 7,484,959</u>	<u>\$ 24,053,641</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ 1,500	\$ --
Deferred revenue	--	--	--
Due to other funds	12,445	949,269	--
Other	--	--	--
<b>Total Liabilities</b>	<u>12,445</u>	<u>950,769</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	582,850	97,802	--
Other	--	1,365,046	--
Unreserved:			
Designated-continuing appropriations	316,371	1,346,440	24,053,641
Unrealized gains	--	--	--
Undesignated	--	3,724,902	--
<b>Total Fund Balances</b>	<u>899,221</u>	<u>6,534,190</u>	<u>24,053,641</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 911,666</u>	<u>\$ 7,484,959</u>	<u>\$ 24,053,641</u>



<b>Stormwater Management and Combined Sewer Overflow Abatement Fund</b>	<b>Superior Court of New Jersey Trust Fund</b>	<b>Supplemental Workforce Fund for Basic Skills</b>	<b>Tobacco Settlement Financing Corporation, Inc.</b>	<b>Tobacco Settlement Fund</b>
\$ --	\$ 1,460,997	\$ --	\$ 3,694,000	\$ 13,578
3,285,219	215,094,977	25,551,732	366,897,000	16,404,283
--	--	--	--	--
--	--	6,919,797	--	--
--	--	--	--	--
--	--	--	123,704,000	--
--	--	562,286	--	232,481
--	--	--	--	--
<u>\$ 3,285,219</u>	<u>\$ 216,555,974</u>	<u>\$ 33,033,815</u>	<u>\$ 494,295,000</u>	<u>\$ 16,650,342</u>
\$ 62,224	\$ 215,302,386	\$ 2,285,191	\$ 9,519	\$ --
--	--	--	122,572,000	--
--	--	1,728,992	232,481	305,454
--	--	--	--	--
<u>62,224</u>	<u>215,302,386</u>	<u>4,014,183</u>	<u>122,814,000</u>	<u>305,454</u>
5,801,930	--	10,348,986	--	--
--	--	--	371,481,000	--
--	1,253,588	18,670,646	--	16,100,000
--	--	--	--	--
(2,578,935 )	--	--	--	244,888
<u>3,222,995</u>	<u>1,253,588</u>	<u>29,019,632</u>	<u>371,481,000</u>	<u>16,344,888</u>
<u>\$ 3,285,219</u>	<u>\$ 216,555,974</u>	<u>\$ 33,033,815</u>	<u>\$ 494,295,000</u>	<u>\$ 16,650,342</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Trial Attorney Certification Program</u>	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed Utility Deposits Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 4,789	\$ 279,742	\$ 21,600
<b>Investments</b>	162,964	1,907,607	1,662,850
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	--	--	1,500,000
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 167,753</u>	<u>\$ 2,187,349</u>	<u>\$ 3,184,450</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 64,996	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	20,850
Other	--	--	--
<b>Total Liabilities</b>	<u>64,996</u>	<u>--</u>	<u>20,850</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	102,757	2,187,349	3,163,600
Unrealized gains	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>102,757</u>	<u>2,187,349</u>	<u>3,163,600</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 167,753</u>	<u>\$ 2,187,349</u>	<u>\$ 3,184,450</u>

<b>Unemployment Compensation Auxiliary Fund</b>	<b>Universal Services Fund</b>	<b>University of Medicine and Dentistry of New Jersey- Self-Insurance Reserve Fund</b>	<b>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</b>	<b>Vietnam Veterans' Memorial Fund</b>
\$ 120	\$ 170,323	\$ 283,253	\$ 244,833	\$ 14,708
17,749,753	66,870,579	2,066,637	9,441,707	267
--	--	--	--	--
--	--	--	--	--
--	--	--	10,660,834	--
4,358,601	7,564,184	--	--	--
138,100	--	5,700,000	--	--
--	--	--	--	--
<u>\$ 22,246,574</u>	<u>\$ 74,605,086</u>	<u>\$ 8,049,890</u>	<u>\$ 20,347,374</u>	<u>\$ 14,975</u>
\$ 7,200	\$ --	\$ 7,956,052	\$ --	\$ --
--	--	--	--	--
21,225,347	73,995,500	--	--	--
81,655	--	--	--	--
<u>21,314,202</u>	<u>73,995,500</u>	<u>7,956,052</u>	<u>--</u>	<u>--</u>
--	--	--	4,864,402	--
--	--	--	10,660,834	--
932,372	609,586	93,838	2,348,727	14,975
--	--	--	--	--
--	--	--	2,473,411	--
<u>932,372</u>	<u>609,586</u>	<u>93,838</u>	<u>20,347,374</u>	<u>14,975</u>
<u>\$ 22,246,574</u>	<u>\$ 74,605,086</u>	<u>\$ 8,049,890</u>	<u>\$ 20,347,374</u>	<u>\$ 14,975</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004**

	<u>Volunteer Emergency Service Organizations Loan Fund</u>	<u>Wastewater Treatment Fund</u>	<u>1992 Wastewater Treatment Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 364,511	\$ 386,379	\$ 1,445,268
<b>Investments</b>	1,104,302	395,393,994	9,472,378
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	1,530,825	406,749,258	18,699,913
Other	--	--	--
<b>Due from other funds</b>	--	688,446	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 2,999,638</u>	<u>\$ 803,218,077</u>	<u>\$ 29,617,559</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ --	\$ --
Deferred revenue	--	688,446	--
Due to other funds	--	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>688,446</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	6,026,587	3,419,763
Other	1,530,825	406,749,258	18,699,913
Unreserved:			
Designated-continuing appropriations	1,468,813	337,410,686	7,497,883
Unrealized gains	--	--	--
Undesignated	--	52,343,100	--
<b>Total Fund Balances</b>	<u>2,999,638</u>	<u>802,529,631</u>	<u>29,617,559</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,999,638</u>	<u>\$ 803,218,077</u>	<u>\$ 29,617,559</u>

<u>Water Conservation Fund</u>	<u>Water Supply Fund</u>	<u>Water Supply Replacement Trust Fund</u>	<u>Worker and Community Right to Know Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 62,840	\$ 249,668	\$ 952	\$ 58,242	\$ 42,827,334
922,132	52,437,250	62,291	443,310	3,203,927,642
--	--	--	--	34,051
--	--	--	3,052,435	375,967,968
220,219	121,419,957	--	--	945,290,487
4,572	1,443,588	--	--	156,181,836
--	--	--	92,181	191,480,136
--	--	--	--	3,092,245
<u>\$ 1,209,763</u>	<u>\$ 175,550,463</u>	<u>\$ 63,243</u>	<u>\$ 3,646,168</u>	<u>\$ 4,918,801,699</u>
\$ --	\$ 156,137	\$ --	\$ --	335,578,961
--	--	--	--	135,196,010
24,784	3,505,906	--	3,141,413	594,791,208
--	--	--	--	28,012,542
<u>24,784</u>	<u>3,662,043</u>	<u>--</u>	<u>3,141,413</u>	<u>\$ 1,093,578,721</u>
--	9,083,935	54,563	--	630,002,078
220,219	121,419,957	--	--	1,474,808,256
399,134	41,384,528	8,680	504,755	1,666,076,951
--	--	--	--	23,898
565,626	--	--	--	54,311,795
<u>1,184,979</u>	<u>171,888,420</u>	<u>63,243</u>	<u>504,755</u>	<u>3,825,222,978</u>
<u>\$ 1,209,763</u>	<u>\$ 175,550,463</u>	<u>\$ 63,243</u>	<u>\$ 3,646,168</u>	<u>\$ 4,918,801,699</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Alcohol Education, Rehabilitation and Enforcement Fund</b>	<b>Atlantic City Parking Fees Fund</b>	<b>Atlantic City Tourism Promotion Fund</b>
<b>REVENUES</b>			
Taxes	\$ 11,000,000	\$ 34,523,081	\$ 11,385,860
Federal and other grants	--	--	--
Licenses and fees	1,994,355	--	--
Services and assessments	--	--	--
Investment earnings	70,458	15,375	2,845
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>13,064,813</b>	<b>34,538,456</b>	<b>11,388,705</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	1,667,197	--	--
Physical and mental health	9,030,658	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	34,495,386	11,385,840
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>10,697,855</b>	<b>34,495,386</b>	<b>11,385,840</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,366,958</b>	<b>43,070</b>	<b>2,865</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(1,657,499 )	--	--
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(1,657,499 )</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>709,459</b>	<b>43,070</b>	<b>2,865</b>
<b>Fund balances - July 1, 2003</b>	<b>4,686,057</b>	<b>1,409,298</b>	<b>749,507</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 5,395,516</b>	<b>\$ 1,452,368</b>	<b>\$ 752,372</b>

<b>Beaches and Harbor Fund</b>	<b>Board of Bar Examiners</b>	<b>Boarding House Rental Assistance Fund</b>	<b>Body Armor Replacement Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	3,539,721	--	--
--	--	--	--
13,706	32,288	5,774	58,090
--	--	--	--
--	50,074	79,205	4,281,901
<u>13,706</u>	<u>3,622,083</u>	<u>84,979</u>	<u>4,339,991</u>
--	2,110,012	--	4,112,346
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	434,546
--	--	--	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>2,110,012</u>	<u>--</u>	<u>4,546,892</u>
<u>13,706</u>	<u>1,512,071</u>	<u>84,979</u>	<u>(206,901 )</u>
--	--	--	--
(13,706 )	--	--	(75,000 )
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(13,706 )</u>	<u>--</u>	<u>--</u>	<u>(75,000 )</u>
--	1,512,071	84,979	(281,901 )
1,352,353	2,638,333	377,644	6,329,866
<u>\$ 1,352,353</u>	<u>\$ 4,150,404</u>	<u>\$ 462,623</u>	<u>\$ 6,047,965</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Capital City Redevelopment Loan and Grant Fund</b>	<b>Casino Control Fund</b>	<b>Casino Revenue Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ 467,281,911
Federal and other grants	--	--	--
Licenses and fees	--	64,461,079	--
Services and assessments	--	--	--
Investment earnings	9,851	184,809	79,047
Contributions	--	--	--
Other	8,230	--	127,930,866
<b>Total Revenues</b>	<b>18,081</b>	<b>64,645,888</b>	<b>595,291,824</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	36,985,181	--
Physical and mental health	--	--	507,715,904
Educational, cultural, and intellectual development	--	--	38,307,785
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	2,426,595
Transportation programs	--	--	25,005,840
Government direction, management, and control	--	27,895,030	--
Special government services	--	--	92,953
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>64,880,211</b>	<b>573,549,077</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>18,081</b>	<b>(234,323 )</b>	<b>21,742,747</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(110,908 )	--	700,000
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(110,908 )</b>	<b>--</b>	<b>700,000</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(92,827 )</b>	<b>(234,323 )</b>	<b>22,442,747</b>
<b>Fund balances - July 1, 2003</b>	<b>1,880,801</b>	<b>8,255,293</b>	<b>45,218,496</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 1,787,974</b>	<b>\$ 8,020,970</b>	<b>\$ 67,661,243</b>



Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund	Clean Waters Fund
\$ --	\$ --	\$ --	\$ 14,704,529	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	5,340,122	--	--
14,676	42,541	89,018	48,121	21,958
--	--	--	--	--
701,923	6,658,017	--	--	--
<u>716,599</u>	<u>6,700,558</u>	<u>5,429,140</u>	<u>14,752,650</u>	<u>21,958</u>
--	3,866,245	--	--	--
--	--	111,513	--	--
--	--	--	--	--
--	--	--	20,756,602	57,453
--	--	--	--	--
--	--	6,750,704	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>3,866,245</u>	<u>6,862,217</u>	<u>20,756,602</u>	<u>57,453</u>
<u>716,599</u>	<u>2,834,313</u>	<u>(1,433,077 )</u>	<u>(6,003,952 )</u>	<u>(35,495 )</u>
--	--	--	--	--
(700,000 )	--	(8,125,477 )	(3,724,903 )	(21,958 )
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(700,000 )</u>	<u>--</u>	<u>(8,125,477 )</u>	<u>(3,724,903 )</u>	<u>(21,958 )</u>
16,599	2,834,313	(9,558,554 )	(9,728,855 )	(57,453 )
141,548	2,131,117	13,394,903	11,324,666	1,990,361
<u>\$ 158,147</u>	<u>\$ 4,965,430</u>	<u>\$ 3,836,349</u>	<u>\$ 1,595,811</u>	<u>\$ 1,932,908</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<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>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	48,482	75,085	44,278
Contributions	--	--	--
Other	--	244,905	--
<b>Total Revenues</b>	<b>48,482</b>	<b>319,990</b>	<b>44,278</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	559,023	--	--
Community development and environmental management	--	528	--
Economic planning, development, and security	231,618	--	--
Transportation programs	--	--	--
Government direction, management, and control	31,983	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>822,624</b>	<b>528</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(774,142 )</b>	<b>319,462</b>	<b>44,278</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	3,000,000
Transfers from (to) other funds	(192,108 )	--	(74,124 )
Other	--	--	116,699
<b>Total other financing sources (uses)</b>	<b>(192,108 )</b>	<b>--</b>	<b>3,042,575</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(966,250 )</b>	<b>319,462</b>	<b>3,086,853</b>
<b>Fund balances - July 1, 2003</b>	<b>(1,504,954 )</b>	<b>15,582,317</b>	<b>3,356,362</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ (2,471,204 )</b>	<b>\$ 15,901,779</b>	<b>\$ 6,443,215</b>

<b>Developmental Disabilities Waiting List Reduction Fund</b>	<b>Disciplinary Oversight Committee</b>	<b>Division of Motor Vehicles Surcharge Fund</b>	<b>Dredging and Containment Facility Fund</b>	<b>Drinking Water State Revolving Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	23,106,778
--	8,046,830	--	--	--
--	--	136,529,290	--	--
353,655	60,829	103,419	316,810	561,131
--	--	--	--	--
--	213,286	--	--	--
<u>353,655</u>	<u>8,320,945</u>	<u>136,632,709</u>	<u>316,810</u>	<u>23,667,909</u>
216,999	7,934,214	6,201,436	--	--
--	--	--	--	--
3,818,781	--	--	--	--
--	--	--	314,232	--
--	--	--	--	--
--	--	--	347,645	--
521,317	--	137,182,000	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>4,557,097</u>	<u>7,934,214</u>	<u>143,383,436</u>	<u>661,877</u>	<u>--</u>
<u>(4,203,442 )</u>	<u>386,731</u>	<u>(6,750,727 )</u>	<u>(345,067 )</u>	<u>23,667,909</u>
14,000,000	--	--	38,000,000	--
(353,655 )	--	--	(269,558 )	2,043,742
<u>428,131</u>	<u>--</u>	<u>--</u>	<u>1,478,188</u>	<u>--</u>
<u>14,074,476</u>	<u>--</u>	<u>--</u>	<u>39,208,630</u>	<u>2,043,742</u>
9,871,034	386,731	(6,750,727 )	38,863,563	25,711,651
18,381,352	1,209,063	6,851,665	10,094,447	97,822,091
<u>\$ 28,252,386</u>	<u>\$ 1,595,794</u>	<u>\$ 100,938</u>	<u>\$ 48,958,010</u>	<u>\$ 123,533,742</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>1996 Economic Development Site Fund</b>	<b>Emergency Flood Control Fund</b>	<b>Emergency Medical Technician Training Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	2,178,923
Investment earnings	15,653	3,816	90,422
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>15,653</b>	<b>3,816</b>	<b>2,269,345</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	3,290,530
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	79,957	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>79,957</b>	<b>--</b>	<b>3,290,530</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(64,304 )</b>	<b>3,816</b>	<b>(1,021,185 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	1,000,000	--	--
Transfers from (to) other funds	--	(3,816 )	(107,434 )
Other	38,900	--	--
<b>Total other financing sources (uses)</b>	<b>1,038,900</b>	<b>(3,816 )</b>	<b>(107,434 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>974,596</b>	<b>--</b>	<b>(1,128,619 )</b>
<b>Fund balances - July 1, 2003</b>	<b>5,984,470</b>	<b>353,244</b>	<b>8,702,898</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 6,959,066</b>	<b>\$ 353,244</b>	<b>\$ 7,574,279</b>

<b>Emergency Services Fund</b>	<b>Enterprise Zone Assistance Fund</b>	<b>1996 Environmental Cleanup Fund</b>	<b>1989 Farmland Preservation Fund</b>	<b>1992 Farmland Preservation Fund</b>
\$ --	\$ 79,920,563	\$ --	\$ --	\$ --
--	--	--	--	--
--	160,000	--	--	--
--	--	--	--	--
124,156	1,952,940	16,452	2,133	70,488
--	--	--	--	--
--	--	--	--	--
<u>124,156</u>	<u>82,033,503</u>	<u>16,452</u>	<u>2,133</u>	<u>70,488</u>
800,000	--	--	--	--
--	--	--	--	--
--	--	--	--	--
153,046	4,128,811	447,112	13,585	606,896
--	42,073,740	--	--	--
--	--	--	--	--
--	--	15,991	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>953,046</u>	<u>46,202,551</u>	<u>463,103</u>	<u>13,585</u>	<u>606,896</u>
<u>(828,890 )</u>	<u>35,830,952</u>	<u>(446,651 )</u>	<u>(11,452 )</u>	<u>(536,408 )</u>
--	--	5,000,000	--	--
--	(5,152,777 )	--	--	(500,000 )
--	--	194,498	--	--
<u>--</u>	<u>(5,152,777 )</u>	<u>5,194,498</u>	<u>--</u>	<u>(500,000 )</u>
(828,890 )	30,678,175	4,747,847	(11,452 )	(1,036,408 )
11,302,022	165,260,509	518,708	196,536	3,218,971
<u>\$ 10,473.132</u>	<u>\$ 195,938,684</u>	<u>\$ 5,266,555</u>	<u>\$ 185,084</u>	<u>\$ 2,182,563</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>1995 Farmland Preservation Fund</b>	<b>Fund for Support of Free Public Schools</b>	<b>Garden State Farmland Preservation Trust Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	7,850,700	--
Services and assessments	--	--	--
Investment earnings	376,624	941,481	2,419,560
Contributions	--	--	--
Other	--	--	3,109,932
<b>Total Revenues</b>	<b>376,624</b>	<b>8,792,181</b>	<b>5,529,492</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	567,772	--	61,559,478
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>567,772</b>	<b>--</b>	<b>61,559,478</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(191,148 )</b>	<b>8,792,181</b>	<b>(56,029,986 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	(3,283,222 )	26,042,116
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>(3,283,222 )</b>	<b>26,042,116</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(191,148 )</b>	<b>5,508,959</b>	<b>(29,987,870 )</b>
<b>Fund balances - July 1, 2003</b>	<b>9,587,382</b>	<b>96,027,612</b>	<b>238,752,909</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 9,396,234</b>	<b>\$ 101,536,571</b>	<b>\$ 208,765,039</b>

<b>Garden State Green Acres Preservation Trust Fund</b>	<b>Garden State Historic Preservation Trust Fund</b>	<b>Garden State Preservation Trust</b>	<b>Green Trust Fund</b>	<b>Gubernatorial Elections Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
450,000	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,797,576	183,884	--	76,537	--
--	--	--	--	--
290,991	--	--	1,260,866	603,441
<u>3,538,567</u>	<u>183,884</u>	<u>--</u>	<u>1,337,403</u>	<u>603,441</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
101,158,374	--	--	6,118,085	--
--	2,357,424	--	--	--
--	--	23,517,848	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>101,158,374</u>	<u>2,357,424</u>	<u>23,517,848</u>	<u>6,118,085</u>	<u>--</u>
<u>(97,619,807 )</u>	<u>(2,173,540 )</u>	<u>(23,517,848 )</u>	<u>(4,780,682 )</u>	<u>603,441</u>
--	--	--	--	--
36,975,985	5,743,812	23,517,848	--	--
--	--	--	--	--
<u>36,975,985</u>	<u>5,743,812</u>	<u>23,517,848</u>	<u>--</u>	<u>--</u>
(60,643,822 )	3,570,272	--	(4,780,682 )	603,441
307,334,132	16,903,422	--	90,740,628	706,237
<u>\$ 246,690,310</u>	<u>\$ 20,473,694</u>	<u>\$ --</u>	<u>\$ 85,959,946</u>	<u>\$ 1,309,678</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Hazardous Discharge Fund of 1981</b>	<b>Hazardous Discharge Fund of 1986</b>	<b>Hazardous Discharge Site Cleanup Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	29,294,059
Investment earnings	2,028	166,982	812,398
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>2,028</b>	<b>166,982</b>	<b>30,106,457</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	--	13,335,434	4,806,658
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	36,558,361	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>49,893,795</b>	<b>4,806,658</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,028</b>	<b>(49,726,813 )</b>	<b>25,299,799</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	40,000,000	--
Transfers from (to) other funds	(2,028 )	13,112,581	(11,357,276 )
Other	--	3,128	--
<b>Total other financing sources (uses)</b>	<b>(2,028 )</b>	<b>53,115,709</b>	<b>(11,357,276 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>--</b>	<b>3,388,896</b>	<b>13,942,523</b>
<b>Fund balances - July 1, 2003</b>	<b>180,949</b>	<b>9,989,582</b>	<b>64,487,697</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 180,949</b>	<b>\$ 13,378,478</b>	<b>\$ 78,430,220</b>



Health Care Subsidy Fund	Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	1995 Historic Preservation Fund	Historic Preservation Revolving Loan Fund
\$ 485,379,509	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
39,900,412	--	--	--	--
599,140	2,209	49,228	12,613	37,973
--	--	--	--	--
--	--	--	--	11,435
<u>525,879,061</u>	<u>2,209</u>	<u>49,228</u>	<u>12,613</u>	<u>49,408</u>
--	--	--	--	--
20,776,550	--	--	--	--
--	222,145	--	--	--
--	--	--	--	--
--	--	204,479	696,389	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>20,776,550</u>	<u>222,145</u>	<u>204,479</u>	<u>696,389</u>	<u>--</u>
<u>505,102,511</u>	<u>(219,936 )</u>	<u>(155,251 )</u>	<u>(683,776 )</u>	<u>49,408</u>
--	--	--	1,000,000	--
(511,783,191 )	--	--	--	--
--	--	--	38,900	--
<u>(511,783,191 )</u>	<u>--</u>	<u>--</u>	<u>1,038,900</u>	<u>--</u>
(6,680,680 )	(219,936 )	(155,251 )	355,124	49,408
7,022,505	1,278,247	216,307	781,993	3,855,776
<u>\$ 341,825</u>	<u>\$ 1,058,311</u>	<u>\$ 61,056</u>	<u>\$ 1,137,117</u>	<u>\$ 3,905,184</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Horse Racing Injury Compensation Fund</b>	<b>Housing Assistance Fund</b>	<b>Jobs, Education and Competitiveness Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	969,987	--	--
Investment earnings	49,227	45,177	90,393
Contributions	--	--	--
Other	--	40,702	48,793
<b>Total Revenues</b>	<b>1,019,214</b>	<b>85,879</b>	<b>139,186</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	467,885	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	1,173,670
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	223,878
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>467,885</b>	<b>--</b>	<b>1,397,548</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>551,329</b>	<b>85,879</b>	<b>(1,258,362 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	--	(139,186 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>(139,186 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>551,329</b>	<b>85,879</b>	<b>(1,397,548 )</b>
<b>Fund balances - July 1, 2003</b>	<b>4,319,383</b>	<b>6,613,631</b>	<b>7,748,766</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 4,870,712</b>	<b>\$ 6,699,510</b>	<b>\$ 6,351,218</b>

<b>Jobs, Science and Technology Fund</b>	<b>Korean Veterans' Memorial Fund</b>	<b>1996 Lake Restoration Fund</b>	<b>Lead Hazard Contol Assistance Fund</b>	<b>Legal Services Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	515	--	--	--
--	--	--	--	10,409,490
--	--	--	--	--
302	37	14,819	--	--
--	3,245	--	--	--
--	--	87,257	--	--
<b>302</b>	<b>3,797</b>	<b>102,076</b>	<b>--</b>	<b>10,409,490</b>
--	--	--	--	--
--	--	--	--	--
1,908	--	--	--	--
--	--	10,623	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<b>1,908</b>	<b>--</b>	<b>10,623</b>	<b>--</b>	<b>--</b>
<b>(1,606)</b>	<b>3,797</b>	<b>91,453</b>	<b>--</b>	<b>10,409,490</b>
--	--	--	--	--
(396)	--	--	2,000,000	(10,409,490)
--	--	--	--	--
<b>(396)</b>	<b>--</b>	<b>--</b>	<b>2,000,000</b>	<b>(10,409,490)</b>
(2,002)	3,797	91,453	2,000,000	--
28,940	(1,024,670)	2,434,184	--	--
<b>\$ 26,938</b>	<b>\$ (1,020,873)</b>	<b>\$ 2,525,637</b>	<b>\$ 2,000,000</b>	<b>\$ --</b>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Luxury Tax Fund</b>	<b>Medical Education Facilities Fund</b>	<b>Mortgage Assistance Fund</b>
<b>REVENUES</b>			
Taxes	\$ 23,775,169	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	868	4,982	20,989
Contributions	--	--	--
Other	--	--	675,486
<b>Total Revenues</b>	<b>23,776,037</b>	<b>4,982</b>	<b>696,475</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	23,775,170	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>23,775,170</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>867</b>	<b>4,982</b>	<b>696,475</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	(519,926 )	(696,475 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>(519,926 )</b>	<b>(696,475 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>867</b>	<b>(514,944 )</b>	<b>--</b>
<b>Fund balances - July 1, 2003</b>	<b>1,871,223</b>	<b>514,944</b>	<b>13,826,285</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 1,872,090</b>	<b>\$ --</b>	<b>\$ 13,826,285</b>

<b>Municipal Landfill Closure and Remediation Fund</b>	<b>Mutual Workers' Compensation Security Fund</b>	<b>Natural Resources Fund</b>	<b>New Home Warranty Security Fund</b>	<b>New Jersey Automobile Insurance Guaranty Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	909,129	--
--	289,121	--	6,235,054	--
--	111,974	20,434	391,676	320,773
--	--	--	--	--
112,453	--	11,646	208,875	--
<b>112,453</b>	<b>401,095</b>	<b>32,080</b>	<b>7,744,734</b>	<b>320,773</b>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
85,779	--	4,479,069	927,793	--
--	765,466	--	--	320,773
--	--	--	--	--
--	--	972,272	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<b>85,779</b>	<b>765,466</b>	<b>5,451,341</b>	<b>927,793</b>	<b>320,773</b>
<b>26,674</b>	<b>(364,371 )</b>	<b>(5,419,261 )</b>	<b>6,816,941</b>	<b>--</b>
--	--	7,500,000	--	--
--	--	(32,081 )	(3,815,883 )	--
--	--	291,748	--	--
--	--	<b>7,759,667</b>	<b>(3,815,883 )</b>	<b>--</b>
26,674	(364,371 )	2,340,406	3,001,058	--
13,497	10,365,064	2,277,157	31,788,583	--
<b>\$ 40,171</b>	<b>\$ 10,000,693</b>	<b>\$ 4,617,563</b>	<b>\$ 34,789,641</b>	<b>\$ --</b>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>New Jersey Building Authority</b>	<b>1995 New Jersey Coastal Blue Acres Trust Fund</b>	<b>New Jersey Cultural Trust Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	1,592,359	9,389	231,677
Contributions	--	--	--
Other	--	32,158	--
<b>Total Revenues</b>	<b>1,592,359</b>	<b>41,547</b>	<b>231,677</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	--	428,943	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	64,907,007	--	335,173
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>64,907,007</b>	<b>428,943</b>	<b>335,173</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(63,314,648 )</b>	<b>(387,396 )</b>	<b>(103,496 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	2,500,000	--
Transfers from (to) other funds	29,542,524	--	500,000
Other	--	97,249	--
<b>Total other financing sources (uses)</b>	<b>29,542,524</b>	<b>2,597,249</b>	<b>500,000</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(33,772,124 )</b>	<b>2,209,853</b>	<b>396,504</b>
<b>Fund balances - July 1, 2003</b>	<b>117,628,091</b>	<b>1,161,317</b>	<b>20,288,155</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 83,855,967</b>	<b>\$ 3,371,170</b>	<b>\$ 20,684,659</b>

1983 New Jersey Green Acres Fund	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund	1989 New Jersey Green Trust Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
221,025	55,947	58,243	22,919	291,471
--	--	--	--	--
--	--	83,449	3,825	1,689,621
<u>221,025</u>	<u>55,947</u>	<u>141,692</u>	<u>26,744</u>	<u>1,981,092</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
59,464	265,584	24,402	1,734,381	5,014,776
--	--	--	--	--
--	--	--	191,896	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>59,464</u>	<u>265,584</u>	<u>24,402</u>	<u>1,926,277</u>	<u>5,014,776</u>
<u>161,561</u>	<u>(209,637 )</u>	<u>117,290</u>	<u>(1,899,533 )</u>	<u>(3,033,684 )</u>
--	--	--	7,500,000	--
(221,025 )	--	--	--	--
--	--	--	291,748	--
<u>(221,025 )</u>	<u>--</u>	<u>--</u>	<u>7,791,748</u>	<u>--</u>
(59,464 )	(209,637 )	117,290	5,892,215	(3,033,684 )
<u>19,749,537</u>	<u>5,526,706</u>	<u>1,644,582</u>	<u>677,631</u>	<u>96,827,813</u>
<u>\$ 19,690,073</u>	<u>\$ 5,317,069</u>	<u>\$ 1,761,872</u>	<u>\$ 6,569,846</u>	<u>\$ 93,794,129</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	133,397	21,777	16,501
Contributions	--	--	--
Other	777,804	810,028	5,875
<b>Total Revenues</b>	<b>911,201</b>	<b>831,805</b>	<b>22,376</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	4,139,040	3,375,967	263,522
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	719,609	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>4,139,040</b>	<b>4,095,576</b>	<b>263,522</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,227,839 )</b>	<b>(3,263,771 )</b>	<b>(241,146 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	22,000,000	26,000,000	--
Transfers from (to) other funds	--	--	--
Other	855,793	1,011,391	--
<b>Total other financing sources (uses)</b>	<b>22,855,793</b>	<b>27,011,391</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>19,627,954</b>	<b>23,747,620</b>	<b>(241,146 )</b>
<b>Fund balances - July 1, 2003</b>	<b>36,707,799</b>	<b>53,161,432</b>	<b>1,633,491</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 56,335,753</b>	<b>\$ 76,909,052</b>	<b>\$ 1,392,345</b>



<b>New Jersey Insolvent Health Maintenance Organization Assistance Fund</b>	<b>New Jersey Lawyers' Assistance Program</b>	<b>New Jersey Lawyers' Fund for Client Protection</b>	<b>New Jersey Local Development Financing Fund</b>	<b>New Jersey Racing Industry Special Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	370,355	2,961,210	25,541	--
--	--	--	--	617,631
273,519	2,298	242,347	178,866	1,182
--	--	--	--	--
--	4,767	534,997	1,431,115	7,537,763
<u>273,519</u>	<u>377,420</u>	<u>3,738,554</u>	<u>1,635,522</u>	<u>8,156,576</u>
--	393,630	3,753,117	--	7,081,281
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,776,813	--	--	2,625,876	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,776,813</u>	<u>393,630</u>	<u>3,753,117</u>	<u>2,625,876</u>	<u>7,081,281</u>
<u>(2,503,294 )</u>	<u>(16,210 )</u>	<u>(14,563 )</u>	<u>(990,354 )</u>	<u>1,075,295</u>
--	--	--	--	--
(273,519 )	--	--	--	--
--	--	--	--	--
<u>(273,519 )</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(2,776,813 )	(16,210 )	(14,563 )	(990,354 )	1,075,295
25,445,452	423,255	14,358,609	50,649,682	103,369
<u>\$ 22,668,639</u>	<u>\$ 407,045</u>	<u>\$ 14,344,046</u>	<u>\$ 49,659,328</u>	<u>\$ 1,178,664</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>New Jersey Schools Construction Corporation</b>	<b>New Jersey Spill Compensation Fund</b>	<b>New Jersey Spinal Cord Research Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ 18,289,389	\$ --
Federal and other grants	--	--	--
Licenses and fees	210,921	3,240,424	--
Services and assessments	--	--	--
Investment earnings	5,488,373	195,813	131,771
Contributions	--	--	--
Other	94,675	793,402	4,188,109
<b>Total Revenues</b>	<b>5,793,969</b>	<b>22,519,028</b>	<b>4,319,880</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	1,033,788
Educational, cultural, and intellectual development	1,125,741,956	--	--
Community development and environmental management	--	2,768,791	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>1,125,741,956</b>	<b>2,768,791</b>	<b>1,033,788</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,119,947,987 )</b>	<b>19,750,237</b>	<b>3,286,092</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	607,681,474	(17,476,404 )	(322,337 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>607,681,474</b>	<b>(17,476,404 )</b>	<b>(322,337 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(512,266,513 )</b>	<b>2,273,833</b>	<b>2,963,755</b>
<b>Fund balances - July 1, 2003</b>	<b>671,216,146</b>	<b>8,800,058</b>	<b>10,272,050</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 158,949,633</b>	<b>\$ 11,073,891</b>	<b>\$ 13,235,805</b>

<b>New Jersey Transportation Trust Fund Authority</b>	<b>New Jersey Workforce Development Partnership Fund</b>	<b>Petroleum Overcharge Reimbursement Fund</b>	<b>Pinelands Infrastructure Trust Fund</b>	<b>Pollution Prevention Fund</b>
\$ --	\$ 86,492,986	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	1,486,903
4,522,157	770,017	115,501	46,655	29,172
--	--	--	--	--
--	--	--	159,617	--
<u>4,522,157</u>	<u>87,263,003</u>	<u>115,501</u>	<u>206,272</u>	<u>1,516,075</u>
--	--	--	--	--
--	--	--	--	--
--	363,242	--	--	--
--	--	1,782,472	102,660	--
--	35,153,101	22,844	--	--
95,926,674	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>95,926,674</u>	<u>35,516,343</u>	<u>1,805,316</u>	<u>102,660</u>	<u>--</u>
<u>(91,404,517 )</u>	<u>51,746,660</u>	<u>(1,689,815 )</u>	<u>103,612</u>	<u>1,516,075</u>
924,810,000	--	--	--	--
(921,255,305 )	(56,983,195 )	--	--	(2,609,830 )
70,349,136	--	--	--	--
<u>73,903,831</u>	<u>(56,983,195 )</u>	<u>--</u>	<u>--</u>	<u>(2,609,830 )</u>
(17,500,686 )	(5,236,535 )	(1,689,815 )	103,612	(1,093,755 )
<u>(38,233,381 )</u>	<u>67,803,339</u>	<u>14,423,923</u>	<u>9,327,213</u>	<u>2,180,494</u>
<u>\$ (55,734,067 )</u>	<u>\$ 62,566,804</u>	<u>\$ 12,734,108</u>	<u>\$ 9,430,825</u>	<u>\$ 1,086,739</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Real Estate Guaranty Fund</b>	<b>Resource Recovery and Solid Waste Disposal Facility Fund</b>	<b>Safe Drinking Water Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ 3,380,912
Federal and other grants	--	--	--
Licenses and fees	155,046	--	--
Services and assessments	--	--	--
Investment earnings	17,666	7,159	46,542
Contributions	--	--	--
Other	--	61,720	6,570
<b>Total Revenues</b>	<b>172,712</b>	<b>68,879</b>	<b>3,434,024</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	--	--	575,536
Economic planning, development, and security	30,280	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>30,280</b>	<b>--</b>	<b>575,536</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>142,432</b>	<b>68,879</b>	<b>2,858,488</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(1,000,000 )	--	(3,762,989 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(1,000,000 )</b>	<b>--</b>	<b>(3,762,989 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(857,568 )</b>	<b>68,879</b>	<b>(904,501 )</b>
<b>Fund balances - July 1, 2003</b>	<b>2,199,953</b>	<b>493,795</b>	<b>2,749,052</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 1,342,385</b>	<b>\$ 562,674</b>	<b>\$ 1,844,551</b>

<b>Sanitary Landfill Facility Contingency Fund</b>	<b>Shore Protection Fund</b>	<b>State Disability Benefit Fund</b>	<b>State Land Acquisition and Development Fund</b>	<b>State Recreation and Conservation Land Acquisition and Development Fund</b>
\$ --	\$ --	\$ 481,213,918	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
2,316,540	--	31,143,139	--	--
124,642	113,837	1,084,934	10,734	12,445
--	--	--	--	--
--	76,661	51,680	--	--
<u>2,441,182</u>	<u>190,498</u>	<u>513,493,671</u>	<u>10,734</u>	<u>12,445</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
171,327	5,613	--	526,426	649,266
1,831,654	--	450,168,289	--	--
--	--	--	--	--
--	--	--	63,965	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,002,981</u>	<u>5,613</u>	<u>450,168,289</u>	<u>590,391</u>	<u>649,266</u>
<u>438,201</u>	<u>184,885</u>	<u>63,325,382</u>	<u>(579,657 )</u>	<u>(636,821 )</u>
--	--	--	--	--
--	(190,498 )	(62,147,261 )	(10,734 )	(12,445 )
--	--	--	--	--
--	(190,498 )	(62,147,261 )	(10,734 )	(12,445 )
438,201	(5,613 )	1,178,121	(590,391 )	(649,266 )
10,974,218	11,091,827	217,003,528	1,006,954	1,548,487
<u>\$ 11,412,419</u>	<u>\$ 11,086,214</u>	<u>\$ 218,181,649</u>	<u>\$ 416,563</u>	<u>\$ 899,221</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	State Recycling Fund	Stock Workers' Compensation Security Fund	Stormwater Management and Combined Sewer Overflow Abatement Fund
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	20,827,569	--
Investment earnings	37,556	355,579	83,658
Contributions	--	--	--
Other	81,168	--	--
<b>Total Revenues</b>	<b>118,724</b>	<b>21,183,148</b>	<b>83,658</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	3,041,337	--	3,207,400
Economic planning, development, and security	--	39,227,280	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	175,904
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>3,041,337</b>	<b>39,227,280</b>	<b>3,383,304</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,922,613 )</b>	<b>(18,044,132 )</b>	<b>(3,299,646 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	2,775,634	--	--
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>2,775,634</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(146,979 )</b>	<b>(18,044,132 )</b>	<b>(3,299,646 )</b>
<b>Fund balances - July 1, 2003</b>	<b>6,681,169</b>	<b>42,097,773</b>	<b>6,522,641</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 6,534,190</b>	<b>\$ 24,053,641</b>	<b>\$ 3,222,995</b>

Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.	Tobacco Settlement Fund	Trial Attorney Certification Program
\$ --	\$ 24,185,790	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	220,520
--	--	--	--	--
2,343,255	207,265	12,354,000	305,454	2,206
--	--	--	--	--
--	--	120,191,000	122,647,656	4,575
<u>2,343,255</u>	<u>24,393,055</u>	<u>132,545,000</u>	<u>122,953,110</u>	<u>227,301</u>
2,610,077	200,000	--	--	229,175
--	--	--	--	--
--	--	--	--	--
--	13,743,563	--	--	--
--	--	--	--	--
--	--	206,000	--	--
--	--	--	--	--
--	--	18,625,000	--	--
--	--	234,067,000	--	--
<u>2,610,077</u>	<u>13,943,563</u>	<u>252,898,000</u>	<u>--</u>	<u>229,175</u>
<u>(266,822 )</u>	<u>10,449,492</u>	<u>(120,353,000 )</u>	<u>122,953,110</u>	<u>(1,874 )</u>
--	--	--	--	--
--	(1,683,455 )	--	(1,610,782,536 )	--
--	--	--	--	--
--	(1,683,455 )	--	(1,610,782,536 )	--
(266,822 )	8,766,037	(120,353,000 )	(1,487,829,426 )	(1,874 )
1,520,410	20,253,595	491,834,000	1,504,174,314	104,631
<u>\$ 1,253,588</u>	<u>\$ 29,019,632</u>	<u>\$ 371,481,000</u>	<u>\$ 16,344,888</u>	<u>\$ 102,757</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed Utility Deposits Trust Fund</u>	<u>Unemployment Compensation Auxiliary Fund</u>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	21,053	20,850	105,016
Contributions	--	--	--
Other	34,655	4,195,967	18,088,004
<b>Total Revenues</b>	<u>55,708</u>	<u>4,216,817</u>	<u>18,193,020</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	7,307	4,000,988	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<u>7,307</u>	<u>4,000,988</u>	<u>--</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>48,401</u>	<u>215,829</u>	<u>18,193,020</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	(20,850 )	(17,530,000 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>(20,850 )</u>	<u>(17,530,000 )</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>48,401</u>	<u>194,979</u>	<u>663,020</u>
<b>Fund balances - July 1, 2003</b>	<u>2,138,948</u>	<u>2,968,621</u>	<u>269,352</u>
<b>Fund balances - June 30, 2004</b>	<u>\$ 2,187,349</u>	<u>\$ 3,163,600</u>	<u>\$ 932,372</u>



<b>Universal Services Fund</b>	<b>University of Medicine and Dentistry of New Jersey- Self-Insurance Reserve Fund</b>	<b>Unsatisfied Claim and Judgment Fund</b>	<b>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</b>	<b>Vietnam Veterans' Memorial Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
74,434,507	6,500,000	14,938,428	--	--
170,579	29,638	582,347	122,044	1
--	--	--	--	14,708
--	--	385,488	18,934	--
<u>74,605,086</u>	<u>6,529,638</u>	<u>15,906,263</u>	<u>140,978</u>	<u>14,709</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	27,234,277	23,632,135	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	117,839
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>27,234,277</u>	<u>23,632,135</u>	<u>--</u>	<u>117,839</u>
<u>74,605,086</u>	<u>(20,704,639 )</u>	<u>(7,725,872 )</u>	<u>140,978</u>	<u>(103,130 )</u>
--	--	--	--	--
(73,995,500 )	17,200,000	(1,336,854 )	--	--
--	--	--	--	--
<u>(73,995,500 )</u>	<u>17,200,000</u>	<u>(1,336,854 )</u>	<u>--</u>	<u>--</u>
609,586	(3,504,639 )	(9,062,726 )	140,978	(103,130 )
--	3,598,477	9,062,726	20,206,396	118,105
<u>\$ 609,586</u>	<u>\$ 93,838</u>	<u>\$ --</u>	<u>\$ 20,347,374</u>	<u>\$ 14,975</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Volunteer Emergency Service Organizations Loan Fund</b>	<b>Wastewater Treatment Fund</b>	<b>1992 Wastewater Treatment Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	60,331,513	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	12,187	4,317,603	58,431
Contributions	--	--	--
Other	32,805	--	7,992
<b>Total Revenues</b>	<b>44,992</b>	<b>64,649,116</b>	<b>66,423</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	--	3,688,625	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	185,684
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>3,688,625</b>	<b>185,684</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>44,992</b>	<b>60,960,491</b>	<b>(119,261 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	6,000,000
Transfers from (to) other funds	--	(8,755,839 )	--
Other	--	--	233,398
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>(8,755,839 )</b>	<b>6,233,398</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>44,992</b>	<b>52,204,652</b>	<b>6,114,137</b>
<b>Fund balances - July 1, 2003</b>	<b>2,954,646</b>	<b>750,324,979</b>	<b>23,503,422</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 2,999,638</b>	<b>\$ 802,529,631</b>	<b>\$ 29,617,559</b>

<b>Water Conservation Fund</b>	<b>Water Supply Fund</b>	<b>Water Supply Replacement Trust Fund</b>	<b>Worker and Community Right to Know Fund</b>	<b>Total Non-Major Special Revenue Funds</b>
\$ --	\$ --	\$ --	\$ --	\$ 1,741,533,617
51,238	--	--	--	83,940,044
--	--	--	250	104,555,571
--	--	--	3,615,315	376,617,000
10,302	571,556	696	23,880	51,883,681
--	--	--	--	17,953
14,481	4,415,360	--	--	435,092,205
<u>76,021</u>	<u>4,986,916</u>	<u>696</u>	<u>3,639,445</u>	<u>2,793,640,071</u>
--	--	--	--	78,628,795
--	--	--	--	541,958,943
--	--	--	--	1,170,188,510
102,475	2,057,289	8,000	--	253,520,626
--	--	--	--	691,403,822
--	--	--	--	121,280,159
--	--	--	--	328,752,590
--	--	--	--	210,792
--	--	--	--	18,625,000
--	--	--	--	234,067,000
<u>102,475</u>	<u>2,057,289</u>	<u>8,000</u>	<u>--</u>	<u>3,438,636,237</u>
<u>(26,454 )</u>	<u>2,929,627</u>	<u>(7,304 )</u>	<u>3,639,445</u>	<u>(644,996,166 )</u>
--	--	--	--	1,098,310,000
(24,783 )	(3,505,906 )	--	(3,141,413 )	(2,582,329,039 )
--	--	--	--	75,428,907
<u>(24,783 )</u>	<u>(3,505,906 )</u>	<u>--</u>	<u>(3,141,413 )</u>	<u>(1,408,590,132 )</u>
(51,237 )	(576,279 )	(7,304 )	498,032	(2,053,586,298 )
1,236,216	172,464,699	70,547	6,723	5,878,809,276
<u>\$ 1,184,979</u>	<u>\$ 171,888,420</u>	<u>\$ 63,243</u>	<u>\$ 504,755</u>	<u>\$ 3,825,222,978</u>

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2004**

	<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>	\$ 22,512	\$ 28,000	\$ 6,202
<b>Investments</b>	581,422	2,143,294	288,000
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	104,901	--
<b>Due from other funds</b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 603,934</u>	<u>\$ 2,276,195</u>	<u>\$ 294,202</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ --	\$ --	\$ --
Due to other funds	<u>6,446</u>	<u>378,142</u>	<u>881</u>
<b>Total Liabilities</b>	<u>6,446</u>	<u>378,142</u>	<u>881</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	8,415	860,185	6,062
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	589,073	1,037,868	287,259
Undesignated	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Fund Balances</b>	<u>597,488</u>	<u>1,898,053</u>	<u>293,321</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 603,934</u>	<u>\$ 2,276,195</u>	<u>\$ 294,202</u>

<u>Human Services Facilities Construction Fund</u>	<u>Motor Vehicle Commission Fund</u>	<u>New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund</u>	<u>New Jersey Bridge Rehabilitation and Improvement Fund</u>
\$ 148,675	\$ 6,017,957	\$ 6,452	\$ 1,986
97,872	726,235	6,313,010	3,675
--	--	--	--
--	--	--	--
--	--	--	--
--	152,399,649	--	--
--	--	--	--
<u>\$ 246,547</u>	<u>\$ 159,143,841</u>	<u>\$ 6,319,462</u>	<u>\$ 5,661</u>
\$ 33,140	\$ 674,500	\$ --	\$ --
1,700	13,030,866	154,763	41
<u>34,840</u>	<u>13,705,366</u>	<u>154,763</u>	<u>41</u>
28,047	1,404,249	3,382,623	--
--	--	--	--
183,660	144,034,226	2,782,076	5,620
--	--	--	--
<u>211,707</u>	<u>145,438,475</u>	<u>6,164,699</u>	<u>5,620</u>
<u>\$ 246,547</u>	<u>\$ 159,143,841</u>	<u>\$ 6,319,462</u>	<u>\$ 5,661</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2004**

	<b>Public Purpose Buildings and Community-Based Facilities Construction Fund</b>	<b>Public Purpose Buildings Construction Fund</b>	<b>Special Transportation Fund</b>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 51,319	\$ 91,852	\$ --
<b>Investments</b>	4,964,369	155,926	--
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	136,243,422
Departmental accounts	--	--	837,291
Loans	--	--	5,000,000
Other	--	--	6,258
<b>Due from other funds</b>	--	--	140,120,826
<b>Total Assets</b>	<u>\$ 5,015,688</u>	<u>\$ 247,778</u>	<u>\$ 282,207,797</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 7,905	\$ --	\$ 196,962,937
Due to other funds	135,056	2,285	85,244,860
<b>Total Liabilities</b>	<u>142,961</u>	<u>2,285</u>	<u>282,207,797</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	512,428	608	--
Other	--	--	5,000,000
Unreserved:			
Designated-continuing appropriations	4,360,299	244,885	--
Undesignated	--	--	(5,000,000 )
<b>Total Fund Balances</b>	<u>4,872,727</u>	<u>245,493</u>	<u>--</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,015,688</u>	<u>\$ 247,778</u>	<u>\$ 282,207,797</u>

<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Transportation Rehabilitation and Improvement Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ 3,271	\$ 98,696	\$ 262,476	\$ 6,739,398
237,568	62,886,894	308,738	78,707,003
--	--	--	136,243,422
--	--	--	837,291
--	--	--	5,000,000
--	--	--	152,510,808
--	--	--	140,120,826
<u>\$ 240,839</u>	<u>\$ 62,985,590</u>	<u>\$ 571,214</u>	<u>\$ 520,158,748</u>
\$ --	\$ 1,544,011	\$ --	\$ 199,222,493
--	3,400,000	3,422	102,358,462
--	4,944,011	3,422	301,580,955
--	36,872,049	--	43,074,666
--	--	--	5,000,000
240,839	21,094,278	567,792	175,427,875
--	75,252	--	(4,924,748 )
240,839	58,041,579	567,792	218,577,793
<u>\$ 240,839</u>	<u>\$ 62,985,590</u>	<u>\$ 571,214</u>	<u>\$ 520,158,748</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<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	6,446	29,764	881
Other	--	11,062	--
<b>Total Revenues</b>	<b>6,446</b>	<b>40,826</b>	<b>881</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	884,335	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>884,335</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,446</b>	<b>(843,509 )</b>	<b>881</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	500,000
Transfers from (to) other funds	(6,446 )	(378,142 )	(881 )
Other	--	--	13,627
<b>Total other financing sources (uses)</b>	<b>(6,446 )</b>	<b>(378,142 )</b>	<b>512,746</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>--</b>	<b>(1,221,651 )</b>	<b>513,627</b>
<b>Fund balances - July 1, 2003</b>	<b>597,488</b>	<b>3,119,704</b>	<b>(220,306 )</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 597,488</b>	<b>\$ 1,898,053</b>	<b>\$ 293,321</b>



<b>Human Services Facilities Construction Fund</b>	<b>Institutional Construction Fund</b>	<b>Institutions Construction Fund</b>	<b>Motor Vehicle Commission Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
1,700	63	85	1,573,297
146,613	--	--	--
<u>148,313</u>	<u>63</u>	<u>85</u>	<u>1,573,297</u>
--	--	--	13,772,857
--	--	--	--
99,207	--	--	--
--	--	--	--
--	--	--	--
--	--	--	437,101
633	--	--	--
<u>99,840</u>	<u>--</u>	<u>--</u>	<u>14,209,958</u>
<u>48,473</u>	<u>63</u>	<u>85</u>	<u>(12,636,661 )</u>
--	--	--	--
(1,700 )	(6,800 )	(10,108 )	--
--	--	--	--
<u>(1,700 )</u>	<u>(6,800 )</u>	<u>(10,108 )</u>	<u>--</u>
46,773	(6,737 )	(10,023 )	(12,636,661 )
164,934	6,737	10,023	158,075,136
<u>\$ 211,707</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 145,438,475</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund</b>	<b>New Jersey Bridge Rehabilitation and Improvement Fund</b>	<b>Public Buildings Construction Fund</b>
<b>REVENUES</b>			
Federal and other grants	\$ --	\$ --	\$ --
Services and assessments	--	--	--
Investment earnings	154,763	41	31
Other	--	--	--
<b>Total Revenues</b>	<b>154,763</b>	<b>41</b>	<b>31</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	452,046	--	--
Government direction, management, and control	--	59,725	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>452,046</b>	<b>59,725</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(297,283 )</b>	<b>(59,684 )</b>	<b>31</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(154,763 )	(41 )	(4,915 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(154,763 )</b>	<b>(41 )</b>	<b>(4,915 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(452,046 )</b>	<b>(59,725 )</b>	<b>(4,884 )</b>
<b>Fund balances - July 1, 2003</b>	<b>6,616,745</b>	<b>65,345</b>	<b>4,884</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 6,164,699</b>	<b>\$ 5,620</b>	<b>\$ --</b>

<b>Public Purpose Buildings and Community-Based Facilities Construction Fund</b>	<b>Public Purpose Buildings Construction Fund</b>	<b>Special Transportation Fund</b>	<b>State Facilities for Handicapped Fund</b>
\$ --	\$ --	\$ 757,576,687	\$ --
--	--	618,225	--
135,056	2,285	--	2,621
--	--	--	--
<u>135,056</u>	<u>2,285</u>	<u>758,194,912</u>	<u>2,621</u>
2,044,236	--	--	--
221,616	--	--	--
63,868	29,204	--	--
17,897	--	--	--
--	--	2,031,057,373	--
255,861	--	--	--
--	579	--	--
<u>2,603,478</u>	<u>29,783</u>	<u>2,031,057,373</u>	<u>--</u>
<u>(2,468,422 )</u>	<u>(27,498 )</u>	<u>(1,272,862,461 )</u>	<u>2,621</u>
--	--	--	--
(135,056 )	(2,285 )	1,272,862,461	--
--	--	--	--
<u>(135,056 )</u>	<u>(2,285 )</u>	<u>1,272,862,461</u>	<u>--</u>
(2,603,478 )	(29,783 )	--	2,621
7,476,205	275,276	--	238,218
<u>\$ 4,872,727</u>	<u>\$ 245,493</u>	<u>\$ --</u>	<u>\$ 240,839</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>1999 Statewide Transportation and Local Bridge Fund</b>	<b>Transportation Rehabilitation and Improvement Fund</b>	<b>Total Non-Major Capital Projects Funds</b>
<b>REVENUES</b>			
Federal and other grants	\$ --	\$ --	\$ 757,576,687
Services and assessments	--	--	618,225
Investment earnings	481,209	3,422	2,391,664
Other	--	--	157,675
<b>Total Revenues</b>	<b>481,209</b>	<b>3,422</b>	<b>760,744,251</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	16,701,428
Physical and mental health	--	--	221,616
Educational, cultural, and intellectual development	--	--	192,279
Economic planning, development, and security	--	--	17,897
Transportation programs	33,937,995	--	2,065,447,414
Government direction, management, and control	8,283,500	--	9,036,187
Special government services	--	--	1,212
<b>Total Expenditures</b>	<b>42,221,495</b>	<b>--</b>	<b>2,091,618,033</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(41,740,286 )</b>	<b>3,422</b>	<b>(1,330,873,782 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	41,000,000	--	41,500,000
Transfers from (to) other funds	(3,400,000 )	(3,422 )	1,268,757,902
Other	1,594,887	--	1,608,514
<b>Total other financing sources (uses)</b>	<b>39,194,887</b>	<b>(3,422 )</b>	<b>1,311,866,416</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(2,545,399 )</b>	<b>--</b>	<b>(19,007,366 )</b>
<b>Fund balances - July 1, 2003</b>	<b>60,586,978</b>	<b>567,792</b>	<b>237,585,159</b>
<b>Fund balances - June 30, 2004</b>	<b>\$ 58,041,579</b>	<b>\$ 567,792</b>	<b>\$ 218,577,793</b>

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2004**

	<b>Health Benefits Local Government Employers Program Fund</b>	<b>Prescription Drug Local Government Employers Program Fund</b>	<b>Total Non-Major Proprietary Funds</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 818,249	\$ 133,185	\$ 951,434
Investments	305,671,011	7,998,970	313,669,981
Receivables, net of allowances			
Other	76,337,117	7,697,163	84,034,280
Due from other funds	962,960	--	962,960
<b>Total Assets</b>	<b>383,789,337</b>	<b>15,829,318</b>	<b>399,618,655</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	250,241,143	6,330,000	256,571,143
Deferred revenue	4,836,606	--	4,836,606
Due to other funds	340,857	520,859	861,716
<b>Total Liabilities</b>	<b>255,418,606</b>	<b>6,850,859</b>	<b>262,269,465</b>
<b>NET ASSETS</b>			
<b>Restricted for:</b>			
Other purposes	128,370,731	8,978,459	137,349,190
<b>Total Net Assets</b>	<b>\$ 128,370,731</b>	<b>\$ 8,978,459</b>	<b>\$ 137,349,190</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Health Benefits Local Government Employers Program Fund</b>	<b>Prescription Drug Local Government Employers Program Fund</b>	<b>Total Non-Major Proprietary Funds</b>
<b>OPERATING REVENUES</b>			
Contributions	\$ 1,580,600,568	\$ 84,034,511	\$ 1,664,635,079
Other	14,537,407	--	14,537,407
<b>Total Operating Revenues</b>	<b>1,595,137,975</b>	<b>84,034,511</b>	<b>1,679,172,486</b>
<b>OPERATING EXPENSES</b>			
Benefit payments	1,617,245,564	83,434,793	1,700,680,357
<b>Total Operating Expenses</b>	<b>1,617,245,564</b>	<b>83,434,793</b>	<b>1,700,680,357</b>
<b>Operating Income (Loss)</b>	<b>(22,107,589 )</b>	<b>599,718</b>	<b>(21,507,871 )</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	2,782,060	59,046	2,841,106
<b>Total nonoperating revenue (expenses)</b>	<b>2,782,060</b>	<b>59,046</b>	<b>2,841,106</b>
<b>Income (loss) before transfers</b>	<b>(19,325,529 )</b>	<b>658,764</b>	<b>(18,666,765 )</b>
Transfers in (out)	89,583,281	--	89,583,281
<b>Change in net assets</b>	<b>70,257,752</b>	<b>658,764</b>	<b>70,916,516</b>
<b>Total Net Assets - July 1, 2003</b>	<b>58,112,979</b>	<b>8,319,695</b>	<b>66,432,674</b>
<b>Total Net Assets - June 30, 2004</b>	<b>\$ 128,370,731</b>	<b>\$ 8,978,459</b>	<b>\$ 137,349,190</b>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Health Benefits Local Government Employers Program Fund</b>	<b>Prescription Drug Local Government Employers Program Fund</b>	<b>Total Non-Major Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts received from customers	\$ 85,326,884	\$ 515,837	\$ 85,842,721
Receipts from federal and local agencies	1,509,854,340	82,946,231	1,592,800,571
Claims paid	(1,563,358,716 )	(82,233,301 )	(1,645,592,017 )
Other receipts (payments)	(3,911,407 )	--	(3,911,407 )
<b>Net cash provided (used) by operating activities</b>	<b>27,911,101</b>	<b>1,228,767</b>	<b>29,139,868</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	89,583,281	--	89,583,281
<b>Net cash provided (used) by noncapital financing activities</b>	<b>89,583,281</b>	<b>--</b>	<b>89,583,281</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	2,942,092	63,872	3,005,964
Purchase of investments	(122,796,328 )	(1,208,645 )	(124,004,973 )
Other	(160,032 )	(4,826 )	(164,858 )
<b>Net cash provided (used) by investing activities</b>	<b>(120,014,268 )</b>	<b>(1,149,599 )</b>	<b>(121,163,867 )</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,519,886 )</b>	<b>79,168</b>	<b>(2,440,718 )</b>
<b>Cash and cash equivalents - July 1, 2003</b>	<b>3,338,135</b>	<b>54,017</b>	<b>3,392,152</b>
<b>Cash and cash equivalents - June 30, 2004</b>	<b>\$ 818,249</b>	<b>\$ 133,185</b>	<b>\$ 951,434</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (22,107,589 )	\$ 599,718	\$ (21,507,871 )
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Net changes in assets and liabilities:			
Current assets	43,248	(572,443 )	(529,195 )
Current liabilities	49,975,442	1,201,492	51,176,934
<b>Net cash provided (used) by operating activities</b>	<b>\$ 27,911,101</b>	<b>\$ 1,228,767</b>	<b>\$ 29,139,868</b>



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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2004**

	<u>Alternate Benefit Program Fund</u>	<u>Judiciary Bail Fund</u>	<u>Judiciary Child Support and Paternity Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 261,287	\$ 842,754	\$ 4,484,525
<b>Investments</b>	11,949,036	27,108,058	22,614,956
<b>Receivables, net of allowances for uncollectibles</b>			
Employers	--	--	--
Departmental accounts	--	--	--
Other	27,651	41,822	--
<b>Due from other funds</b>	<u>8,706,378</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 20,944,352</u>	<u>\$ 27,992,634</u>	<u>\$ 27,099,481</u>
<b>LIABILITIES</b>			
<b>Accounts payable</b>	\$ 20,036,372	\$ 27,992,634	\$ 27,099,481
<b>Due to other funds</b>	<u>907,980</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities</b>	<u>\$ 20,944,352</u>	<u>\$ 27,992,634</u>	<u>\$ 27,099,481</u>

<u>Judiciary Probation Fund</u>	<u>Judiciary Special Civil Fund</u>	<u>Luxury Tax Development Fund</u>
\$ 91,199	\$ 90,984	\$ 3,864
9,830,519	3,058,967	1,587,165
--	--	--
--	--	--
--	--	--
<u>\$ 9,921,718</u>	<u>\$ 3,149,951</u>	<u>\$ 1,591,029</u>
9,921,718	3,149,951	1,591,029
--	--	--
<u>\$ 9,921,718</u>	<u>\$ 3,149,951</u>	<u>\$ 1,591,029</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**AGENCY FUNDS**  
**JUNE 30, 2004**

	<u>Pension Adjustment Fund</u>	<u>Resource Recovery Investment Tax Fund</u>	<u>Solid Waste Service Tax Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 688,111	\$ 100,299	\$ 444,367
Investments	3,169,285	394,109	8,445,801
Receivables, net of allowances for uncollectibles			
Employers	2,484,014	--	--
Departmental accounts	--	--	457,001
Other	--	--	--
Due from other funds	<u>9,543</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<b><u>\$ 6,350,953</u></b>	<b><u>\$ 494,408</u></b>	<b><u>\$ 9,347,169</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,808,277	\$ 494,408	\$ 9,347,169
Due to other funds	<u>2,542,676</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities</b>	<b><u>\$ 6,350,953</u></b>	<b><u>\$ 494,408</u></b>	<b><u>\$ 9,347,169</u></b>

<b>Tourism Improvement and Development Act</b>	<b>Wage and Hour Trust Fund</b>	<b>Total Agency Funds</b>
\$ 9,775	\$ 1,189,236	\$ 8,206,401
25,204	1,123,162	89,306,262
--	--	2,484,014
303,758	--	760,759
--	--	69,473
--	--	8,715,921
<u>\$ 338,737</u>	<u>\$ 2,312,398</u>	<u>\$ 109,542,830</u>
\$ 269,737	\$ 2,306,994	\$ 106,017,770
69,000	5,404	3,525,060
<u>\$ 338,737</u>	<u>\$ 2,312,398</u>	<u>\$ 109,542,830</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
<b>ALTERNATE BENEFIT PROGRAM FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 344,780	\$ 106,588,461	\$ 106,671,954	\$ 261,287
Investments	14,931,117	140,987,768	143,969,849	11,949,036
Receivables, net - other	28,170	27,651	28,170	27,651
Due from other funds	5,091,548	8,706,378	5,091,548	8,706,378
<b>Total Assets</b>	<b><u>\$ 20,395,615</u></b>	<b><u>\$ 256,310,258</u></b>	<b><u>\$ 255,761,521</u></b>	<b><u>\$ 20,944,352</u></b>
<b>Liabilities</b>				
Account Payable	\$ 18,598,669	\$ 20,771,586	\$ 19,333,883	\$ 20,036,372
Due to other funds	1,796,946	907,980	1,796,946	907,980
<b>Total Liabilities</b>	<b><u>\$ 20,395,615</u></b>	<b><u>\$ 21,679,566</u></b>	<b><u>\$ 21,130,829</u></b>	<b><u>\$ 20,944,352</u></b>
<b>JUDICIARY BAIL FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 237,620	\$ 182,253,762	\$ 181,648,628	\$ 842,754
Investments	26,083,966	17,384,478	16,360,386	27,108,058
Receivables, net - other	41,822	--	--	41,822
<b>Total Assets</b>	<b><u>\$ 26,363,408</u></b>	<b><u>\$ 199,638,240</u></b>	<b><u>\$ 198,009,014</u></b>	<b><u>\$ 27,992,634</u></b>
<b>Liabilities</b>				
Accounts Payable	\$ 26,363,408	\$ 100,791,639	\$ 99,162,413	\$ 27,992,634
<b>Total Liabilities</b>	<b><u>\$ 26,363,408</u></b>	<b><u>\$ 100,791,639</u></b>	<b><u>\$ 99,162,413</u></b>	<b><u>\$ 27,992,634</u></b>
<b>JUDICIARY CHILD SUPPORT AND PATERNITY FUND</b>				
<b>Assets</b>				
Cash	\$ 2,814,909	\$ 2,517,287,822	\$ 2,515,618,206	\$ 4,484,525
Investments	24,955,050	156,642,091	158,982,185	22,614,956
<b>Total Assets</b>	<b><u>\$ 27,769,959</u></b>	<b><u>\$ 2,673,929,913</u></b>	<b><u>\$ 2,674,600,391</u></b>	<b><u>\$ 27,099,481</u></b>
<b>Liabilities</b>				
Accounts Payable	\$ 27,769,959	\$ 1,717,638,938	\$ 1,718,309,416	\$ 27,099,481
<b>Total Liabilities</b>	<b><u>\$ 27,769,959</u></b>	<b><u>\$ 1,717,638,938</u></b>	<b><u>\$ 1,718,309,416</u></b>	<b><u>\$ 27,099,481</u></b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<b>JUDICIARY PROBATION FUND</b>				
<b>Assets</b>				
Cash	\$ --	\$ 82,470,055	\$ 82,378,856	\$ 91,199
Investments	9,228,518	12,339,634	11,737,633	9,830,519
<b>Total Assets</b>	<u>\$ 9,228,518</u>	<u>\$ 94,809,689</u>	<u>\$ 94,116,489</u>	<u>\$ 9,921,718</u>
<b>Liabilities</b>				
Accounts payable	\$ 9,228,518	\$ 54,460,622	\$ 53,767,422	\$ 9,921,718
<b>Total Liabilities</b>	<u>\$ 9,228,518</u>	<u>\$ 54,460,622</u>	<u>\$ 53,767,422</u>	<u>\$ 9,921,718</u>
<b>JUDICIARY SPECIAL CIVIL FUND</b>				
<b>Assets</b>				
Cash	\$ 229,966	\$ 71,207,561	\$ 71,346,543	\$ 90,984
Investments	2,698,967	13,952,450	13,592,450	3,058,967
<b>Total Assets</b>	<u>\$ 2,928,933</u>	<u>\$ 85,160,011</u>	<u>\$ 84,938,993</u>	<u>\$ 3,149,951</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,928,933	\$ 51,504,858	\$ 51,283,840	\$ 3,149,951
<b>Total Liabilities</b>	<u>\$ 2,928,933</u>	<u>\$ 51,504,858</u>	<u>\$ 51,283,840</u>	<u>\$ 3,149,951</u>
<b>LUXURY TAX DEVELOPMENT FUN</b>				
<b>Assets</b>				
Cash	\$ 32,877	\$ 20,000	\$ 49,013	\$ 3,864
Investments	1,589,563	17,602	20,000	1,587,165
<b>Total Assets</b>	<u>\$ 1,622,440</u>	<u>\$ 37,602</u>	<u>\$ 69,013</u>	<u>\$ 1,591,029</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,622,440	\$ 66,615	\$ 98,026	\$ 1,591,029
<b>Total Liabilities</b>	<u>\$ 1,622,440</u>	<u>\$ 66,615</u>	<u>\$ 98,026</u>	<u>\$ 1,591,029</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<b>PENSION ADJUSTMENT FUND</b>				
<b>Assets</b>				
Cash	\$ 132,124	\$ 9,993,552	\$ 9,437,565	\$ 688,111
Investments	4,102,651	11,355,614	12,288,980	3,169,285
Receivables, net - employers	2,779,531	12,159,203	12,454,720	2,484,014
Due from other funds	23,463	113,790	127,710	9,543
<b>Total Assets</b>	<b>\$ 7,037,769</b>	<b>\$ 33,622,159</b>	<b>\$ 34,308,975</b>	<b>\$ 6,350,953</b>
<b>Liabilities</b>				
Accounts payable	\$ 3,807,568	\$ 3,734	\$ 3,025	\$ 3,808,277
Due to other funds	3,230,201	21,941,221	22,628,746	2,542,676
<b>Total Liabilities</b>	<b>\$ 7,037,769</b>	<b>\$ 21,944,955</b>	<b>\$ 22,631,771</b>	<b>\$ 6,350,953</b>

**RESOURCE RECOVERY  
INVESTMENT TAX FUND**

<b>Assets</b>				
Cash	\$ 100,299	\$ 137	\$ 137	\$ 100,299
Investments	389,760	4,349	--	394,109
<b>Total Assets</b>	<b>\$ 490,059</b>	<b>\$ 4,486</b>	<b>\$ 137</b>	<b>\$ 494,408</b>
<b>Liabilities</b>				
Accounts payable	\$ 490,059	\$ 4,349	\$ --	\$ 494,408
<b>Total Liabilities</b>	<b>\$ 490,059</b>	<b>\$ 4,349</b>	<b>\$ --</b>	<b>\$ 494,408</b>

**SOLID WASTE SERVICE TAX FUND**

<b>Assets</b>				
Cash	\$ 6,933	\$ 15,847,923	\$ 15,410,489	\$ 444,367
Investments	9,394,760	3,551,040	4,499,999	8,445,801
Receivables, net - departmental	374,932	457,001	374,932	457,001
<b>Total Assets</b>	<b>\$ 9,776,625</b>	<b>\$ 19,855,964</b>	<b>\$ 20,285,420</b>	<b>\$ 9,347,169</b>
<b>Liabilities</b>				
Accounts payable	\$ 9,776,625	\$ 11,686,815	\$ 12,116,271	\$ 9,347,169
<b>Total Liabilities</b>	<b>\$ 9,776,625</b>	<b>\$ 11,686,815</b>	<b>\$ 12,116,271</b>	<b>\$ 9,347,169</b>



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<b>TOURISM IMPROVEMENT AND DEVELOPMENT FUND</b>				
<b>Assets</b>				
Cash	\$ 44,719	\$ 5,526,610	\$ 5,561,554	\$ 9,775
Investments	14,610	476,234	465,640	25,204
Receivables, net - departmental	174,325	303,758	174,325	303,758
<b>Total Assets</b>	<b>\$ 233,654</b>	<b>\$ 6,306,602</b>	<b>\$ 6,201,519</b>	<b>\$ 338,737</b>
<b>Liabilities</b>				
Accounts payable	\$ 168,014	\$ 10,386,875	\$ 10,285,152	\$ 269,737
Due to other funds	65,640	69,000	65,640	69,000
<b>Total Liabilities</b>	<b>\$ 233,654</b>	<b>\$ 10,455,875</b>	<b>\$ 10,350,792</b>	<b>\$ 338,737</b>

**WAGE AND HOUR TRUST FUND**

<b>Assets</b>				
Cash	\$ 849,394	\$ 7,303,727	\$ 6,963,885	\$ 1,189,236
Investments	1,111,891	11,271	--	1,123,162
<b>Total Assets</b>	<b>\$ 1,961,285</b>	<b>\$ 7,314,998</b>	<b>\$ 6,963,885</b>	<b>\$ 2,312,398</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,793,151	\$ 7,303,727	\$ 6,789,884	\$ 2,306,994
Due to other funds	168,134	11,270	174,000	5,404
<b>Total Liabilities</b>	<b>\$ 1,961,285</b>	<b>\$ 7,314,997</b>	<b>\$ 6,963,884</b>	<b>\$ 2,312,398</b>

**TOTAL AGENCY FUNDS**

<b>Assets</b>				
Cash	\$ 4,793,621	\$ 2,998,499,610	\$ 2,995,086,830	\$ 8,206,401
Investments	94,500,853	356,722,531	361,917,122	89,306,262
Receivables, net - employers	2,779,531	12,159,203	12,454,720	2,484,014
Receivables, net - departmental	549,257	760,759	549,257	760,759
Receivables, net - other	69,992	27,651	28,170	69,473
Due from other funds	5,115,011	8,820,168	5,219,258	8,715,921
<b>Total Assets</b>	<b>\$ 107,808,265</b>	<b>\$ 3,376,989,922</b>	<b>\$ 3,375,255,357</b>	<b>\$ 109,542,830</b>
<b>Liabilities</b>				
Accounts payable	\$ 102,547,344	\$ 1,974,619,758	\$ 1,971,149,332	\$ 106,017,770
Due to other funds	5,260,921	22,929,471	24,665,332	3,525,060
<b>Total Liabilities</b>	<b>\$ 107,808,265</b>	<b>\$ 1,997,549,229</b>	<b>\$ 1,995,814,664</b>	<b>\$ 109,542,830</b>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
JUNE 30, 2004**

	<b>Alternate Benefit Long-Term Disability Fund</b>	<b>Central Pension Fund</b>	<b>Consolidated Police and Firemen's Pension Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ --	\$ 8,864	\$ 127,592
Investments	3,101,889	29,336	14,221,242
<b>Receivables, net of allowances for uncollectibles</b>			
Members	--	--	--
Employers	--	--	--
Interest and dividends	--	7	6,540
<b>Due from other funds</b>	--	2,383	2,313,315
<b>Other</b>	--	21,187	54,572
<b>Total Assets</b>	<u>3,101,889</u>	<u>61,777</u>	<u>16,723,261</u>
<b>LIABILITIES</b>			
Accounts payable	--	2	1,041
Benefits payable	--	40,985	1,321,703
Due to other funds	--	20,790	21,239
<b>Total Liabilities</b>	<u>--</u>	<u>61,777</u>	<u>1,343,983</u>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 3,101,889</u>	<u>\$ --</u>	<u>\$ 15,379,278</u>

<u>Judicial Retirement System</u>	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Police and Firemen's Retirement System</u>
\$ 15,943	\$ 281,877	\$ --
322,560,760	1,354,091,493	15,438,648,656
--	74,442	44,689,622
--	--	390,478,775
1,366,875	3,438,920	74,087,774
66,107	--	2,414,444
610,046	1,106,602	489,251,881
<u>324,619,731</u>	<u>1,358,993,334</u>	<u>16,439,571,152</u>
8,496	339,893	5,979,989
2,132,462	5,377,311	78,285,653
98,613	--	2,109,178
<u>2,239,571</u>	<u>5,717,204</u>	<u>86,374,820</u>
<u>\$ 322,380,160</u>	<u>\$ 1,353,276,130</u>	<u>\$ 16,353,196,332</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**JUNE 30, 2004**

	<u>Prison Officers' Pension Fund</u>	<u>Public Employees' Retirement System</u>	<u>State Police Retirement System</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 156,955	\$ --	\$ --
<b>Investments</b>	15,668,017	21,896,391,180	1,656,406,309
<b>Receivables, net of allowances for uncollectibles</b>			
Members	--	51,829,894	12,607
Employers	--	691,223,689	--
Interest and dividends	174,912	109,715,145	7,279,612
<b>Due from other funds</b>	105,555	7,157,024	889,881
<b>Other</b>	--	435,129,294	30,181,324
<b>Total Assets</b>	<u>16,105,439</u>	<u>23,191,446,226</u>	<u>1,694,769,733</u>
<b>LIABILITIES</b>			
<b>Accounts payable</b>	67	32,066,050	102,063
<b>Benefits payable</b>	218,217	122,251,210	7,346,988
<b>Due to other funds</b>	<u>2,727</u>	<u>3,776,559</u>	<u>235,786</u>
<b>Total Liabilities</b>	<u>221,011</u>	<u>158,093,819</u>	<u>7,684,837</u>
<b>NET ASSETS</b>			
<b>Held in Trust for Pension Benefits and Other Purposes</b>	<u>\$ 15,884,428</u>	<u>\$ 23,033,352,407</u>	<u>\$ 1,687,084,896</u>

<b>Supplemental Annuity Collective Trust</b>	<b>Teachers' Pension and Annuity Fund</b>	<b>Total Pension and Other Employee Benefits Trust Funds</b>
\$ --	\$ --	\$ 591,231
145,961,548	28,392,825,000	69,239,905,430
396,599	75,568,523	172,571,687
--	64,184,372	1,145,886,836
180,200	134,607,641	330,857,626
33,329	66,269	13,048,307
15,436	226,851,307	1,183,221,649
<u>146,587,112</u>	<u>28,894,103,112</u>	<u>72,086,082,766</u>
1,065,789	20,002,837	59,566,227
474,212	150,270,425	367,719,166
6,022	3,679,820	9,950,734
<u>1,546,023</u>	<u>173,953,082</u>	<u>437,236,127</u>
<u>\$ 145,041,089</u>	<u>\$ 28,720,150,030</u>	<u>\$ 71,648,846,639</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Alternate Benefit Long-Term Disability Fund</b>	<b>Central Pension Fund</b>	<b>Consolidated Police and Firemen's Pension Fund</b>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ --	\$ --	\$ --
Employers	2,000,000	425,229	2,000,402
Other	--	29,716	10,054,671
<b>Total Contributions</b>	<b>2,000,000</b>	<b>454,945</b>	<b>12,055,073</b>
Investment Income:			
Net increase (decrease) in fair value of investments	(2,204 )	(11 )	(84,541 )
Interest and dividends	44,629	798	245,771
<b>Total Investment Income</b>	<b>42,425</b>	<b>787</b>	<b>161,230</b>
Less investment expense	--	--	8,966
<b>Net Investment Income</b>	<b>42,425</b>	<b>787</b>	<b>152,264</b>
<b>Total Additions</b>	<b>2,042,425</b>	<b>455,732</b>	<b>12,207,337</b>
<b>DEDUCTIONS</b>			
Benefit payments	1,859,858	435,528	16,829,838
Refunds of contributions	--	20,204	--
Administrative expense	--	--	28,831
<b>Total Deductions</b>	<b>1,859,858</b>	<b>455,732</b>	<b>16,858,669</b>
<b>Total Changes in Net Assets Held In Trust</b>	<b>182,567</b>	<b>--</b>	<b>(4,651,332 )</b>
<b>Net Assets - July 1, 2003</b>	<b>2,919,322</b>	<b>--</b>	<b>20,030,610</b>
<b>Net Assets - June 30, 2004</b>	<b>\$ 3,101,889</b>	<b>\$ --</b>	<b>\$ 15,379,278</b>

<b>Judicial Retirement System</b>	<b>New Jersey State Employees' Deferred Compensation Plan</b>	<b>Police and Firemen's Retirement System</b>
\$ 1,795,721	\$ 129,545,400	\$ 263,173,065
5,084,315	--	264,164,091
--	--	--
<u>6,880,036</u>	<u>129,545,400</u>	<u>527,337,156</u>
35,511,678	121,397,297	1,498,740,652
7,982,171	25,438,930	445,907,716
<u>43,493,849</u>	<u>146,836,227</u>	<u>1,944,648,368</u>
17,676	200,538	1,010,059
<u>43,476,173</u>	<u>146,635,689</u>	<u>1,943,638,309</u>
<u>50,356,209</u>	<u>276,181,089</u>	<u>2,470,975,465</u>
27,064,394	58,415,128	987,055,680
139,889	--	7,148,274
169,824	809,953	3,530,770
<u>27,374,107</u>	<u>59,225,081</u>	<u>997,734,724</u>
22,982,102	216,956,008	1,473,240,741
299,398,058	1,136,320,122	14,879,955,591
<u>\$ 322,380,160</u>	<u>\$ 1,353,276,130</u>	<u>\$ 16,353,196,332</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Prison Officers' Pension Fund</b>	<b>Public Employees' Retirement System</b>	<b>State Police Retirement System</b>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ --	\$ 374,864,048	\$ 14,682,524
Employers	--	774,452,373	45,339
Other	1,264,147	4,592	66
<b>Total Contributions</b>	<b>1,264,147</b>	<b>1,149,321,013</b>	<b>14,727,929</b>
Investment Income:			
Net increase (decrease) in fair value of investments	(590,765 )	2,098,412,036	174,220,969
Interest and dividends	691,732	684,378,221	42,080,833
<b>Total Investment Income</b>	<b>100,967</b>	<b>2,782,790,257</b>	<b>216,301,802</b>
Less investment expense	1,785	4,147,000	92,811
<b>Net Investment Income</b>	<b>99,182</b>	<b>2,778,643,257</b>	<b>216,208,991</b>
<b>Total Additions</b>	<b>1,363,329</b>	<b>3,927,964,270</b>	<b>230,936,920</b>
<b>DEDUCTIONS</b>			
Benefit payments	2,750,556	1,771,806,236	89,272,063
Refunds of contributions	--	65,677,159	53,968
Administrative expense	6,298	18,619,582	264,858
<b>Total Deductions</b>	<b>2,756,854</b>	<b>1,856,102,977</b>	<b>89,590,889</b>
<b>Total Changes in Net Assets Held In Trust</b>	<b>(1,393,525 )</b>	<b>2,071,861,293</b>	<b>141,346,031</b>
<b>Net Assets - July 1, 2003</b>	<b>17,277,953</b>	<b>20,961,491,114</b>	<b>1,545,738,865</b>
<b>Net Assets - June 30, 2004</b>	<b>\$ 15,884,428</b>	<b>\$ 23,033,352,407</b>	<b>\$ 1,687,084,896</b>



<b>Supplemental Annuity Collective Trust</b>	<b>Teachers' Pension and Annuity Fund</b>	<b>Total Pension and Other Employee Benefits Trust Funds</b>
\$ 7,217,751	\$ 405,695,555	\$ 1,196,974,064
--	456,411,646	1,504,583,395
--	--	11,353,192
<u>7,217,751</u>	<u>862,107,201</u>	<u>2,712,910,651</u>
21,166,968	2,884,956,057	6,833,728,136
<u>2,541,301</u>	<u>770,232,906</u>	<u>1,979,545,008</u>
23,708,269	3,655,188,963	8,813,273,144
--	2,591,150	8,069,985
<u>23,708,269</u>	<u>3,652,597,813</u>	<u>8,805,203,159</u>
<u>30,926,020</u>	<u>4,514,705,014</u>	<u>11,518,113,810</u>
--	2,306,188,800	5,261,678,081
14,651,852	28,737,720	116,429,066
--	8,788,960	32,219,076
<u>14,651,852</u>	<u>2,343,715,480</u>	<u>5,410,326,223</u>
16,274,168	2,170,989,534	6,107,787,587
128,766,921	26,549,160,496	65,541,059,052
<u>\$ 145,041,089</u>	<u>\$ 28,720,150,030</u>	<u>\$ 71,648,846,639</u>

**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2004**

	<b>Insurance Annuity Trust Fund</b>	<b>Motor Vehicle Security Responsibility Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 100	\$ 24,293
Investments	93,434	237,186
<b>Total Assets</b>	<b>93,534</b>	<b>261,479</b>
<b>LIABILITIES</b>		
Accounts payable	--	258,751
Due to other funds	--	2,629
<b>Total Liabilities</b>	<b>--</b>	<b>261,380</b>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits and Other Purposes	<b>\$ 93,534</b>	<b>\$ 99</b>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 675,639	\$ 17,869	\$ 717,901
<u>8,883,290</u>	<u>1,944,378</u>	<u>11,158,288</u>
<u>9,558,929</u>	<u>1,962,247</u>	<u>11,876,189</u>
2,490,224	--	2,748,975
<u>3,320,300</u>	<u>21,778</u>	<u>3,344,707</u>
<u>5,810,524</u>	<u>21,778</u>	<u>6,093,682</u>
<u><u>\$ 3,748,405</u></u>	<u><u>\$ 1,940,469</u></u>	<u><u>\$ 5,782,507</u></u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>Insurance Annuity Trust Fund</b>	<b>Motor Vehicle Security Responsibility Fund</b>
<b>ADDITIONS</b>		
Investment Income:		
Interest and dividends	\$ 964	\$ 2,629
Total Investment Income	964	2,629
Miscellaneous	6,000	--
<b>Total Additions</b>	<b>6,964</b>	<b>2,629</b>
<b>DEDUCTIONS</b>		
Refunds and transfers to other systems	--	2,629
Payments in accordance with trust agreements	--	--
<b>Total Deductions</b>	<b>--</b>	<b>2,629</b>
Total Changes in Net Assets Held In Trust	6,964	--
<b>Net Assets - July 1, 2003</b>	<b>86,570</b>	<b>99</b>
<b>Net Assets - June 30, 2004</b>	<b>\$ 93,534</b>	<b>\$ 99</b>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 91,710	\$ 21,778	\$ 117,081
91,710	21,778	117,081
<u>279,146</u>	<u>1,596</u>	<u>286,742</u>
<u>370,856</u>	<u>23,374</u>	<u>403,823</u>
--	21,778	24,407
<u>39,741</u>	<u>41,024</u>	<u>80,765</u>
<u>39,741</u>	<u>62,802</u>	<u>105,172</u>
331,115	(39,428 )	298,651
<u>3,417,290</u>	<u>1,979,897</u>	<u>5,483,856</u>
<u>\$ 3,748,405</u>	<u>\$ 1,940,469</u>	<u>\$ 5,782,507</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR COMPONENT UNITS  
JUNE 30, 2004**

	Authorities	Colleges and Universities	Total Non-Major Component Units
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 594,630,394	\$ 177,416,245	\$ 772,046,639
Investments	3,630,374,659	1,075,508,538	4,705,883,197
Receivables, net of allowances for uncollectibles			
Federal government	10,283,117	19,983,978	30,267,095
Loans	1,448,368,305	15,631,011	1,463,999,316
Mortgages	2,011,671,077	--	2,011,671,077
Other	1,468,758,578	48,676,502	1,517,435,080
Due from external parties	4,775,056	9,607,086	14,382,142
Inventories	41,549	1,192,783	1,234,332
Other	191,432,169	69,893,329	261,325,498
<b>Noncurrent Assets</b>			
Fixed assets, net	1,989,758,112	1,965,871,458	3,955,629,570
<b>Total Assets</b>	11,350,093,016	3,383,780,930	14,733,873,946
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	137,860,815	129,418,577	267,279,392
Due to external parties	32,565,281	2,411,537	34,976,818
Interest payable	67,673,413	13,150,143	80,823,556
Deferred revenue	25,896,743	50,745,937	76,642,680
Other	438,605,302	6,755,313	445,360,615
<b>Noncurrent</b>			
Due within one year	519,534,293	49,460,219	568,994,512
Due in more than one year	7,044,003,601	1,617,133,434	8,661,137,035
<b>Total Liabilities</b>	8,266,139,448	1,869,075,160	10,135,214,608
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	451,500,066	812,437,226	1,263,937,292
<b>Restricted for:</b>			
Capital projects	51,116,125	34,072,484	85,188,609
Debt service	538,591,097	70,215,055	608,806,152
Other purposes	957,042,818	248,541,096	1,205,583,914
<b>Unrestricted</b>	1,085,703,462	349,439,909	1,435,143,371
<b>Total Net Assets</b>	\$ 3,083,953,568	\$ 1,514,705,770	\$ 4,598,659,338

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
NON-MAJOR COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
<b>Expenses</b>	\$ 1,097,990,117	\$ 1,263,892,717	\$ 2,361,882,834
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	590,003,047	604,013,723	1,194,016,770
Operating grants and contributions	414,248,693	287,463,259	701,711,952
Capital grants and contributions	289,551,457	67,983,270	357,534,727
<b>Net (Expense) Revenue</b>	<u>195,813,080</u>	<u>(304,432,465 )</u>	<u>(108,619,385 )</u>
<b>General Revenue</b>			
Payments from State	312,856,413	472,284,896	785,141,309
<b>Total General Revenue</b>	<u>312,856,413</u>	<u>472,284,896</u>	<u>785,141,309</u>
<b>Change in Net Assets</b>	508,669,493	167,852,431	676,521,924
<b>Net Assets - Beginning of Year</b>	<u>2,575,284,075</u>	<u>1,346,853,339</u>	<u>3,922,137,414</u>
<b>Net Assets - End of Year</b>	<u>\$ 3,083,953,568</u>	<u>\$ 1,514,705,770</u>	<u>\$ 4,598,659,338</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR COMPONENT UNITS - AUTHORITIES  
JUNE 30, 2004**

	<b>Casino Reinvestment Development Authority</b>	<b>Higher Education Student Assistance Authority</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 366,566	\$ 29,165,012
Investments	80,080,072	894,382,849
Receivables, net of allowances for uncollectibles		
Federal government	--	9,726,298
Loans	--	615,080,854
Mortgages	111,736,077	--
Other	6,204,105	6,983,771
Due from external parties	--	--
Inventories	--	--
Other	20,925,408	6,237,896
<b>Noncurrent Assets</b>		
Fixed assets, net	96,264,083	838,260
<b>Total Assets</b>	<b>315,576,311</b>	<b>1,562,414,940</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	2,756,612	42,490,384
Due to external parties	--	--
Interest payable	2,398,741	--
Deferred revenue	--	--
Other	--	6,625,082
<b>Noncurrent Liabilities</b>		
Due within one year	6,387,712	5,148,235
Due in more than one year	243,687,435	956,959,433
<b>Total Liabilities</b>	<b>255,230,500</b>	<b>1,011,223,134</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	118,526	--
<b>Restricted for:</b>		
Capital projects	--	--
Debt service	17,535,497	10,565,543
Other purposes	33,234,895	540,626,263
<b>Unrestricted</b>	<b>9,456,893</b>	<b>--</b>
<b>Total Net Assets</b>	<b>\$ 60,345,811</b>	<b>\$ 551,191,806</b>



New Jersey Commerce and Economic Growth Commission	New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority
\$ 16,944	\$ 98,689	\$ 82,383,713	\$ 116,843
4,730,096	1,283,222	703,133,606	6,673,296
--	--	--	--
2,693,976	--	--	--
--	--	--	--
--	1,751,490	1,408,487,996	260,475
505,056	--	--	--
7,793	344	--	--
3,740,610	289,028	11,473,192	67,947
103,461	--	141,493,585	280,285
<u>11,797,936</u>	<u>3,422,773</u>	<u>2,346,972,092</u>	<u>7,398,846</u>
3,791,274	30,795	1,471,611	301,172
--	--	--	--
--	--	20,024,259	--
2,116,774	--	1,649,785	--
390,058	290,000	139,656,690	--
646,695	--	94,239,786	--
--	--	1,318,635,205	630,100
<u>6,944,801</u>	<u>320,795</u>	<u>1,575,677,336</u>	<u>931,272</u>
103,461	--	44,823,837	--
--	--	--	--
--	--	--	--
2,783,324	--	72,148,853	--
1,966,350	3,101,978	654,322,066	6,467,574
<u>\$ 4,853,135</u>	<u>\$ 3,101,978</u>	<u>\$ 771,294,756</u>	<u>\$ 6,467,574</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2004**

	<b>New Jersey Environmental Infrastructure Trust</b>	<b>New Jersey Health Care Facilities Financing Authority</b>	<b>New Jersey Housing and Mortgage Finance Agency</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 373,301,649	\$ --	\$ 14,258,000
Investments	117,450,016	2,511,000	1,432,325,000
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Loans	697,046,926	--	122,462,000
Mortgages	--	--	1,899,935,000
Other	--	1,832,000	14,290,000
Due from external parties	--	--	4,270,000
Inventories	--	--	--
Other	27,547,908	173,000	29,698,000
<b>Noncurrent Assets</b>			
Fixed assets, net	33,862	48,000	14,733,000
<b>Total Assets</b>	<b>1,215,380,361</b>	<b>4,564,000</b>	<b>3,531,971,000</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	14,784,704	184,000	--
Due to external parties	--	--	12,093,000
Interest payable	--	--	19,992,000
Deferred revenue	--	301,000	--
Other	--	190,000	216,333,000
<b>Noncurrent Liabilities</b>			
Due within one year	65,325,000	--	290,110,000
Due in more than one year	860,859,453	--	2,258,064,000
<b>Total Liabilities</b>	<b>940,969,157</b>	<b>675,000</b>	<b>2,796,592,000</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	--	--	14,733,000
<b>Restricted for:</b>			
Capital projects	--	--	--
Debt service	209,762,804	--	228,659,000
Other purposes	49,053,748	--	247,089,000
<b>Unrestricted</b>	<b>15,594,652</b>	<b>3,889,000</b>	<b>244,898,000</b>
<b>Total Net Assets</b>	<b>\$ 274,411,204</b>	<b>\$ 3,889,000</b>	<b>\$ 735,379,000</b>

<u>New Jersey Meadowlands Commission</u>	<u>New Jersey Redevelopment Authority</u>	<u>New Jersey Sports and Exposition Authority</u>	<u>New Jersey Water Supply Authority</u>
\$ 11,451,177	\$ 15,544,350	\$ 24,547,000	\$ 4,913,657
74,425,778	29,492,096	172,312,000	33,295,943
--	--	--	--
--	10,806,902	--	--
--	--	--	--
8,116,582	586,780	6,423,000	2,642,267
--	--	--	--
--	--	--	--
--	--	58,907,000	21,685,286
16,689,281	81,029	962,190,000	148,845,658
<u>110,682,818</u>	<u>56,511,157</u>	<u>1,224,379,000</u>	<u>211,382,811</u>
10,742,314	244,776	47,734,000	2,218,996
--	10,126,975	--	--
--	--	20,512,000	--
--	--	18,949,000	2,104,656
--	--	73,564,000	--
--	--	45,615,000	4,743,291
52,378,495	--	900,564,000	108,076,467
<u>63,120,809</u>	<u>10,371,751</u>	<u>1,106,938,000</u>	<u>117,143,410</u>
16,689,281	81,029	44,581,000	36,025,900
--	34,110,955	--	810,479
--	--	38,112,000	9,037,990
5,365,969	--	--	1,240,737
25,506,759	11,947,422	34,748,000	47,124,295
<u>\$ 47,562,009</u>	<u>\$ 46,139,406</u>	<u>\$ 117,441,000</u>	<u>\$ 94,239,401</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2004**

	<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>Total Non-Major Authorities</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 535,924	\$ 37,930,870	\$ 594,630,394
Investments	58,804,781	19,474,904	3,630,374,659
Receivables, net of allowances for uncollectibles			
Federal government	--	556,819	10,283,117
Loans	277,647	--	1,448,368,305
Mortgages	--	--	2,011,671,077
Other	7,783,314	3,396,798	1,468,758,578
Due from external parties	--	--	4,775,056
Inventories	--	33,412	41,549
Other	3,766,357	6,920,537	191,432,169
<b>Noncurrent Assets</b>			
Fixed assets, net	116,162,729	491,994,879	1,989,758,112
<b>Total Assets</b>	<u>187,330,752</u>	<u>560,308,219</u>	<u>11,350,093,016</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	1,469,433	9,640,744	137,860,815
Due to external parties	10,136,972	208,334	32,565,281
Interest payable	2,973,224	1,773,189	67,673,413
Deferred revenue	174,989	600,539	25,896,743
Other	--	1,556,472	438,605,302
<b>Noncurrent Liabilities</b>			
Due within one year	3,035,000	4,283,574	519,534,293
Due in more than one year	131,595,000	212,554,013	7,044,003,601
<b>Total Liabilities</b>	<u>149,384,618</u>	<u>230,616,865</u>	<u>8,266,139,448</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	11,839,816	282,504,216	451,500,066
<b>Restricted for:</b>			
Capital projects	--	16,194,691	51,116,125
Debt service	10,436,778	14,481,485	538,591,097
Other purposes	5,500,000	29	957,042,818
<b>Unrestricted</b>	<u>10,169,540</u>	<u>16,510,933</u>	<u>1,085,703,462</u>
<b>Total Net Assets</b>	<u>\$ 37,946,134</u>	<u>\$ 329,691,354</u>	<u>\$ 3,083,953,568</u>

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<b>New Jersey Commerce and Economic Growth Commission</b>	<b>New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises</b>	<b>New Jersey Economic Development Authority</b>	<b>New Jersey Educational Facilities Authority</b>
\$ 22,835,782	\$ 1,673,727	\$ 108,572,007	\$ 2,191,089
2,463,800	147,245	4,053,350	3,007,246
499,325	190,410	105,822,600	58,409
--	--	--	--
<u>(19,872,657 )</u>	<u>(1,336,072 )</u>	<u>1,303,943</u>	<u>874,566</u>
20,250,435	--	219,617,880	--
<u>20,250,435</u>	<u>--</u>	<u>219,617,880</u>	<u>--</u>
377,778	(1,336,072 )	220,921,823	874,566
4,475,357	4,438,050	550,372,933	5,593,008
<u>\$ 4,853,135</u>	<u>\$ 3,101,978</u>	<u>\$ 771,294,756</u>	<u>\$ 6,467,574</u>

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**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF ACTIVITIES (Continued)  
 NON-MAJOR COMPONENT UNITS - AUTHORITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>New Jersey Environmental Infrastructure Trust</b>	<b>New Jersey Health Care Facilities Financing Authority</b>	<b>New Jersey Housing and Mortgage Finance Agency</b>
<b>Expenses</b>	\$ 48,530,483	\$ 2,669,000	\$ 174,176,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	4,158,323	3,453,000	23,445,000
Operating grants and contributions	47,397,885	42,000	159,519,000
Capital grants and contributions	--	--	--
<b>Net (Expense) Revenue</b>	<b>3,025,725</b>	<b>826,000</b>	<b>8,788,000</b>
<b>General Revenue</b>			
Payments from State	1,122,904	--	--
<b>Total General Revenue</b>	<b>1,122,904</b>	<b>--</b>	<b>--</b>
<b>Change in Net Assets</b>	<b>4,148,629</b>	<b>826,000</b>	<b>8,788,000</b>
<b>Net Assets - Beginning of Year</b>	<b>270,262,575</b>	<b>3,063,000</b>	<b>726,591,000</b>
<b>Net Assets - End of Year</b>	<b>\$ 274,411,204</b>	<b>\$ 3,889,000</b>	<b>\$ 735,379,000</b>



<b>New Jersey Meadowlands Commission</b>	<b>New Jersey Redevelopment Authority</b>	<b>New Jersey Sports and Exposition Authority</b>	<b>New Jersey Water Supply Authority</b>
\$ 35,402,182	\$ 1,616,191	\$ 404,161,000	\$ 22,621,420
28,615,286	1,475,768	345,271,000	21,976,643
17,846,119	345,833	9,889,000	444,839
--	--	17,565,000	--
11,059,223	205,410	(31,436,000 )	(199,938 )
--	9,936,999	29,527,000	--
--	9,936,999	29,527,000	--
11,059,223	10,142,409	(1,909,000 )	(199,938 )
36,502,786	35,996,997	119,350,000	94,439,339
<u>\$ 47,562,009</u>	<u>\$ 46,139,406</u>	<u>\$ 117,441,000</u>	<u>\$ 94,239,401</u>

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES (Continued)  
NON-MAJOR COMPONENT UNITS - AUTHORITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>South Jersey Port Corporation</b>	<b>South Jersey Transportation Authority</b>	<b>Total Non-Major Authorities</b>
<b>Expenses</b>	\$ 26,101,618	\$ 73,221,517	\$ 1,097,990,117
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	24,824,958	62,891,281	590,003,047
Operating grants and contributions	549,282	3,433,990	414,248,693
Capital grants and contributions	965,435	7,396,787	289,551,457
<b>Net (Expense) Revenue</b>	<b>238,057</b>	<b>500,541</b>	<b>195,813,080</b>
<b>General Revenue</b>			
Payments from State	3,770,690	--	312,856,413
<b>Total General Revenue</b>	<b>3,770,690</b>	<b>--</b>	<b>312,856,413</b>
<b>Change in Net Assets</b>	<b>4,008,747</b>	<b>500,541</b>	<b>508,669,493</b>
<b>Net Assets - Beginning of Year</b>	<b>33,937,387</b>	<b>329,190,813</b>	<b>2,575,284,075</b>
<b>Net Assets - End of Year</b>	<b>\$ 37,946,134</b>	<b>\$ 329,691,354</b>	<b>\$ 3,083,953,568</b>

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
JUNE 30, 2004**

	<b>The College of New Jersey</b>	<b>Thomas Edison State College</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,275,000	\$ 674,471
Investments	193,579,000	29,280,778
Receivables, net of allowances for uncollectibles		
Federal government	1,198,000	783,309
Loans	4,130,000	--
Other	4,874,000	1,879,562
Due from external parties	--	--
Inventories	--	--
Other	11,486,000	329,831
<b>Noncurrent Assets</b>		
Fixed assets, net	430,875,000	31,327,121
<b>Total Assets</b>	648,417,000	64,275,072
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	16,206,000	2,227,695
Due to external parties	27,000	108,537
Interest payable	2,397,000	--
Deferred revenue	3,309,000	6,352,060
Other	6,016,000	--
<b>Noncurrent Liabilities</b>		
Due within one year	5,233,000	741,748
Due in more than one year	345,065,000	332,967
<b>Total Liabilities</b>	378,253,000	9,763,007
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	212,782,000	31,131,058
<b>Restricted for:</b>		
Capital projects	13,861,000	--
Debt service	1,096,000	--
Other purposes	10,785,000	2,885,914
<b>Unrestricted</b>	31,640,000	20,495,093
<b>Total Net Assets</b>	\$ 270,164,000	\$ 54,512,065

<u>Kean University</u>	<u>Montclair State University</u>	<u>New Jersey City University</u>
\$ 93,590,000	\$ 5,201,393	\$ 591,626
34,313,000	184,506,888	78,421,758
1,615,000	257,724	1,053,614
1,289,000	3,652,584	770,506
--	10,979,947	4,503,276
5,181,000	--	--
--	--	--
3,668,000	8,304,037	3,091,061
<u>126,487,000</u>	<u>290,171,064</u>	<u>120,877,251</u>
<u>266,143,000</u>	<u>503,073,637</u>	<u>209,309,092</u>
16,357,000	14,149,044	11,872,779
--	--	--
--	4,061,027	1,259,719
4,981,000	9,993,089	1,853,567
103,000	535,027	--
5,236,000	7,666,257	3,905,998
<u>120,570,000</u>	<u>277,009,022</u>	<u>104,068,503</u>
<u>147,247,000</u>	<u>313,413,466</u>	<u>122,960,566</u>
57,196,000	98,756,689	56,335,542
3,268,000	--	--
6,939,000	9,982,595	5,405,981
7,423,000	31,418,673	5,372,391
<u>44,070,000</u>	<u>49,502,214</u>	<u>19,234,612</u>
<u>\$ 118,896,000</u>	<u>\$ 189,660,171</u>	<u>\$ 86,348,526</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**JUNE 30, 2004**

	<u>New Jersey Institute of Technology</u>	<u>The William Paterson University of New Jersey</u>	<u>Ramapo College of New Jersey</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 28,842,000	\$ --	\$ 4,327,000
Investments	75,069,000	120,681,093	51,803,000
Receivables, net of allowances for uncollectibles			
Federal government	11,996,000	768,011	90,000
Loans	1,934,000	754,400	794,000
Other	13,300,000	5,345,188	1,389,000
Due from external parties	--	573,372	3,603,000
Inventories	--	--	--
Other	31,662,000	2,670,865	3,108,000
<b>Noncurrent Assets</b>			
Fixed assets, net	246,567,000	194,850,905	175,914,000
<b>Total Assets</b>	<u>409,370,000</u>	<u>325,643,834</u>	<u>241,028,000</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	21,312,000	13,392,340	13,829,000
Due to external parties	2,276,000	--	--
Interest payable	--	--	--
Deferred revenue	10,373,000	5,317,973	1,751,000
Other	--	--	--
<b>Noncurrent Liabilities</b>			
Due within one year	1,667,000	5,968,161	7,865,000
Due in more than one year	183,853,000	128,662,205	155,885,000
<b>Total Liabilities</b>	<u>219,481,000</u>	<u>153,340,679</u>	<u>179,330,000</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	83,560,000	116,059,366	36,918,000
<b>Restricted for:</b>			
Capital projects	13,797,000	1,563,006	182,000
Debt service	--	13,956,570	5,657,000
Other purposes	46,786,000	11,403,646	6,991,000
<b>Unrestricted</b>	<u>45,746,000</u>	<u>29,320,567</u>	<u>11,950,000</u>
<b>Total Net Assets</b>	<u>\$ 189,889,000</u>	<u>\$ 172,303,155</u>	<u>\$ 61,698,000</u>

<u>Rowan University</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
\$ 38,091,376	\$ 3,823,379	\$ 177,416,245
224,813,433	83,040,588	1,075,508,538
2,222,320	--	19,983,978
--	2,306,521	15,631,011
3,187,238	3,218,291	48,676,502
--	249,714	9,607,086
1,151,876	40,907	1,192,783
3,795,884	1,777,651	69,893,329
<u>250,423,976</u>	<u>98,378,141</u>	<u>1,965,871,458</u>
<u>523,686,103</u>	<u>192,835,192</u>	<u>3,383,780,930</u>
11,293,624	8,779,095	129,418,577
--	--	2,411,537
5,432,397	--	13,150,143
4,923,855	1,891,393	50,745,937
101,286	--	6,755,313
6,582,809	4,594,246	49,460,219
<u>243,232,478</u>	<u>58,455,259</u>	<u>1,617,133,434</u>
<u>271,566,449</u>	<u>73,719,993</u>	<u>1,869,075,160</u>
74,311,190	45,387,381	812,437,226
--	1,401,478	34,072,484
17,429,800	9,748,109	70,215,055
110,497,889	14,977,583	248,541,096
49,880,775	47,600,648	349,439,909
<u>\$ 252,119,654</u>	<u>\$ 119,115,199</u>	<u>\$ 1,514,705,770</u>

**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF ACTIVITIES  
 NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>The College of New Jersey</u>	<u>Thomas Edison State College</u>
<b>Expenses</b>	\$ 128,942,000	\$ 53,925,180
<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Program Revenues</b>		
Charges for services	71,218,000	17,361,636
Operating grants and contributions	20,752,000	24,707,226
Capital grants and contributions	3,382,000	2,024
	<u>(33,590,000 )</u>	<u>(11,854,294 )</u>
<b>Net (Expense) Revenue</b>		
<b>General Revenue</b>		
Payments from State	<u>51,576,000</u>	<u>13,609,998</u>
<b>Total General Revenue</b>	<u>51,576,000</u>	<u>13,609,998</u>
<b>Change in Net Assets</b>	17,986,000	1,755,704
<b>Net Assets - July 1, 2003</b>	<u>252,178,000</u>	<u>52,756,361</u>
<b>Net Assets - June 30, 2004</b>	<u>\$ 270,164,000</u>	<u>\$ 54,512,065</u>



<u>Kean University</u>	<u>Montclair State University</u>	<u>New Jersey City University</u>
\$ 140,507,000	\$ 170,822,930	\$ 99,863,831
72,728,000	95,970,004	41,911,613
29,852,000	32,330,206	19,855,080
1,289,000	2,063,210	590,750
<u>(36,638,000 )</u>	<u>(40,459,510 )</u>	<u>(37,506,388 )</u>
<u>55,589,000</u>	<u>66,055,355</u>	<u>44,365,934</u>
<u>55,589,000</u>	<u>66,055,355</u>	<u>44,365,934</u>
18,951,000	25,595,845	6,859,546
<u>99,945,000</u>	<u>164,064,326</u>	<u>79,488,980</u>
<u>\$ 118,896,000</u>	<u>\$ 189,660,171</u>	<u>\$ 86,348,526</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES (Continued)  
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>New Jersey Institute of Technology</b>	<b>The William Paterson University of New Jersey</b>	<b>Ramapo College of New Jersey</b>
<b>Expenses</b>	\$ 197,501,000	\$ 137,907,468	\$ 91,994,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	66,056,000	71,344,016	49,331,000
Operating grants and contributions	67,090,000	16,437,007	10,830,000
Capital grants and contributions	41,813,000	2,248,396	226,000
<b>Net (Expense) Revenue</b>	<u>(22,542,000 )</u>	<u>(47,878,049 )</u>	<u>(31,607,000 )</u>
<b>General Revenue</b>			
Payments from State	67,044,000	56,645,260	28,627,000
<b>Total General Revenue</b>	<u>67,044,000</u>	<u>56,645,260</u>	<u>28,627,000</u>
<b>Change in Net Assets</b>	44,502,000	8,767,211	(2,980,000 )
<b>Net Assets - July 1, 2003</b>	<u>145,387,000</u>	<u>163,535,944</u>	<u>64,678,000</u>
<b>Net Assets - June 30, 2004</b>	<u><u>\$ 189,889,000</u></u>	<u><u>\$ 172,303,155</u></u>	<u><u>\$ 61,698,000</u></u>

<u>Rowan University</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
\$ 148,344,004	\$ 94,085,304	\$ 1,263,892,717
74,121,881	43,971,573	604,013,723
44,397,079	21,212,661	287,463,259
13,718,023	2,650,867	67,983,270
<u>(16,107,021 )</u>	<u>(26,250,203 )</u>	<u>(304,432,465 )</u>
<u>53,856,212</u>	<u>34,916,137</u>	<u>472,284,896</u>
<u>53,856,212</u>	<u>34,916,137</u>	<u>472,284,896</u>
37,749,191	8,665,934	167,852,431
<u>214,370,463</u>	<u>110,449,265</u>	<u>1,346,853,339</u>
<u>\$ 252,119,654</u>	<u>\$ 119,115,199</u>	<u>\$ 1,514,705,770</u>

**STATE OF NEW JERSEY**  
**DESCRIPTION OF FUNDS**

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

**Special Revenue Fund**

Annual deposits of \$11 million are made to this Fund from annual collections of the Alcohol Beverage Excise Tax. The monies collected shall be dedicated as follows: 75.0 percent to alcohol rehabilitation, 15.0 percent to enforcement, and 10.0 percent to education.

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

**Alternate Benefit Long-Term Disability Fund**

**Pension Trust Fund**

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

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

**Agency Fund**

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

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

**Special Revenue Fund**

Effective July 1, 2003, P.L. 2003, c.116 imposes a \$3 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. One half of the revenue collected is to be made available to the Casino Reinvestment Development Authority. The remaining one half is deposited into the Casino Revenue Fund.

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

**Special Revenue Fund**

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the Atlantic City Convention and Visitors Authority. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

The Body Armor Replacement Fund is a repository fund for monies used exclusively for the purchase of body vests for law enforcement officers and correction officers.

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

**Special Revenue Fund**

This Fund was established for the redevelopment and revitalization of the City of Trenton. The State has established the Capital City Redevelopment Corporation operating within the boundaries of the Trenton district, which plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

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

**Special Revenue Fund**

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)**

**Special Revenue Fund**

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)**

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

The purpose of this Fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

**Central Pension Fund**

**Pension Trust Fund**

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

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

**Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised portions of legislation affecting the Clean Communities Account Fund and the State Recycling Fund. Specifically, this legislation imposes a user fee on sales of litter-generating products to be credited to the Clean Communities Account Fund. Of the annual amount credited to the Fund, 25.0 percent, but not more than \$4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the Fund shall be used to provide grants to eligible municipalities for programs of litter pickup and removal; and shall also be used for a State program of litter pickup and removal and of enforcement of litter-related laws.

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

**Special Revenue Fund**

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

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

**Pension Trust Fund**

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating counties and municipalities and one-third by the State.

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

**Capital Projects Fund**

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

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

**Capital Projects Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

General Obligation bonds, authorized in the amount of \$20 million, provide for the acquisition and development rights of land by the State for recreation and conservation purposes.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

This Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

Established in 1972, this fund reimburses municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

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

**Capital Projects Fund**

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



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

#### **Special Revenue Fund**

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment.

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1.0 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. During November, 2003 voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust with authorization to issue up to \$1.15 billion in bonds, from \$1.0 billion, in order to help meet its legislative mandate. The Trust was placed within the Department of the Treasury but independent of its supervision or control.

### **General Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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)**

#### **Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Proprietary Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

The purpose of this Fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Capital Projects Fund**

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

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

**Capital Projects Fund**

An amount of \$100 million of General Obligation bonds 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)**

**Capital Projects Fund**

An amount of \$80 million of General Obligation bonds 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.

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

**Private Purpose Trust Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

**Judicial Retirement System (N.J.S.A. 43:6A)**

**Pension Trust Fund**

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

**Judiciary Bail Fund (R.3:26)**

**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

**Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)**

**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

**Judiciary Probation Fund (N.J.S.A. 2C:46-4)**

**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

**Judiciary Special Civil Fund (R.6)**

**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

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

**Special Revenue Fund**

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

**1996 Lake Restoration Fund (P.L. 1996, c.70)**

**Special Revenue Fund**

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

**Lead Hazard Control Assistance Fund (P.L. 2003, c.311)**

**Special Revenue Fund**

This fund was established for the purpose of providing financial assistance in the form of grants or loans to eligible homeowners to make their homes lead-safe. Money will be received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units, a portion of the sales tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

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

**Special Revenue Fund**

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

**Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))**

**Agency Fund**

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in the City of Atlantic City.

**Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)**

**Special Revenue Fund**

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

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

**Special Revenue Fund**

An amount of \$120 million of General Obligation bonds 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)**

**Special Revenue Fund**

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

**Motor Vehicle Commission Fund (P.L. 2003, c.13)**

**Capital Projects Fund**

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million is to be transferred to the Administrative Office of the Courts for improvements to the automated traffic system, and the remainder is for the payment of the costs of capital improvements for Motor Vehicle Commission facilities, including but not limited to building improvements, and the acquisition and installation of furniture, fixtures, machinery, computers and electronic equipment.

**Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)**

**Private Purpose Trust Fund**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

**Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)**

**Special Revenue Fund**

This Fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

**New Home Warranty Security Fund (N.J.S.A. 46:3B-7)**

**Special Revenue Fund**

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

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

#### **Special Revenue Fund**

This Fund is 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.

Effective June 9, 2003, P.L. 2003, c.89 repealed section 23 of P.L. 1990, c.8. All balances in this fund created pursuant to section 23 of P.L. 1990, c.8 were transferred to the New Jersey Property-Liability Insurance Guaranty Association.

### **New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)**

#### **Capital Projects Fund**

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

### **New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)**

#### **Capital Projects Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.



**New Jersey Cultural Trust Fund (P.L. 2000, c.76)**

**Special Revenue Fund**

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the Fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

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

**Special Revenue Fund**

An amount of \$135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount, \$52 million 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)**

**Special Revenue Fund**

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local government units to acquire and develop land for recreation and conservation purposes.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

An amount of \$140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing monies to meet the inland blue acre cost of acquisition by the State, for recreation and conservation purposes, of lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

**New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)**

**Special Revenue Fund**

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of \$41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

**New Jersey Lawyers' Assistance Program (R. 1:28B)**

**Special Revenue Fund**

This Fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The Fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

**New Jersey Racing Industry Special Fund (P.L. 2001, c.199)**

**Special Revenue Fund**

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutual money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing.

**New Jersey Schools Construction Corporation**

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

**New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)**

**Special Revenue Fund**

A \$1 surcharge on motor vehicle fines and penalties are credited to this Fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

**New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)**

**Pension Trust Fund**

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

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

**Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

### **Pension Adjustment Fund (N.J.S.A. 43:3B)**

#### **Agency Fund**

The Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the State Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

### **Police and Firemen's Retirement System (N.J.S.A. 43:16A)**

#### **Pension Trust Fund**

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

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

#### **Special Revenue Fund**

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

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

### **Proprietary Fund**

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

## **Prison Officers' Pension Fund (N.J.S.A. 43:7)**

### **Pension Trust Fund**

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

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

### **Special Revenue Fund**

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

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

### **Capital Projects Fund**

An amount of \$337.5 million of General Obligation bonds 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 Employees' Retirement System (N.J.S.A. 43:15A)**

### **Pension Trust Fund**

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

## **Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**

### **Capital Projects Fund**

An amount of \$125 million of General Obligation bonds was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

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

### **Capital Projects Fund**

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

The Public Purpose Buildings Construction Fund also provides an additional \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

**Real Estate Guaranty Fund (N.J.S.A. 45:15-34)**

**Special Revenue Fund**

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

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

**Special Revenue Fund**

An amount of \$85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

**Resource Recovery Investment Tax Fund (P.L. 1985, c.38)**

**Agency Fund**

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

## **Solid Waste Service Tax Fund (P.L. 1985, c.38)**

### **Agency Fund**

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

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

### **Capital Projects Fund**

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

## **State Disability Benefit Fund (N.J.S.A. 43:21-46a)**

### **Special Revenue Fund**

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

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

### **Capital Projects Fund**

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

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

### **Special Revenue Fund**

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

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

### **Proprietary Fund**

Monies derived from the sale of State lottery tickets are deposited into this Fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. The balance of funds is paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

## **State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)**

### **Investment Trust Fund**

This Fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

### **State Police Retirement System (N.J.S.A. 53:5A)**

#### **Pension Trust Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised prior portions of legislation affecting this Fund. Specifically, this legislation requires that 25.0 percent of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this Fund, to provide recycling grants to municipalities and counties for local recycling programs.

### **1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)**

#### **Capital Projects Fund**

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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



### **Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)**

#### **Pension Trust Fund**

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

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

#### **Special Revenue Fund**

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

### **Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)**

#### **Pension Trust Fund**

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

### **Tobacco Settlement Financing Corporation, Inc. (P.L. 2002, c.32)**

#### **Special Revenue Fund**

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

### **Tobacco Settlement Fund**

#### **Special Revenue Fund**

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this Fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During Fiscal Year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

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

#### **Agency Fund**

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

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

### **Capital Projects Fund**

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

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

### **Special Revenue Fund**

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

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

### **Special Revenue Fund**

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

## **Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)**

### **Private Purpose Trust Fund**

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75.0 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

## **Unclaimed Insurance Payments on Deposit Accounts Fund**

### **Private Purpose Trust Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation (FDIC).

## **Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)**

### **Special Revenue Fund**

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this Fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services (SHARES) non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

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

### **Special Revenue Fund**

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

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

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

### **Proprietary Fund**

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, 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.

## **Universal Services Fund (P.L. 1999, c.23)**

### **Special Revenue Fund**

Monies deposited into this Fund are generated from a “societal benefit charge” on monthly utility bills. The funds generated from the charge will support the Lifeline program as well as clean energy initiatives.

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

**(N.J.S.A. 52:18A-1 et seq.)**

### **Special Revenue Fund**

This Fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

## **Unsatisfied Claim and Judgment Fund (N.J.S.A. 39:6-61)**

### **Special Revenue Fund**

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.

P.L. 2003, c.89 was approved June 9, 2003. This law abolishes the Unsatisfied Claim and Judgment Fund and transfers all balances to the New Jersey Property-Liability Insurance Guaranty Association.

### **Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)**

#### **Special Revenue Fund**

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

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

#### **Special Revenue Fund**

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

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

#### **Special Revenue Fund**

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

### **Wage and Hour Trust Fund (N.J.S.A. 34:11-57)**

#### **Agency Fund**

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

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

#### **Special Revenue Fund**

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$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. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

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

**Special Revenue Fund**

An amount of \$45 million was authorized for the purpose of making zero interest loans to local 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)**

**Special Revenue Fund**

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

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

**Special Revenue Fund**

An amount of \$350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the Fund are allocated for expenses incurred in connection with the Act's provisions by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury.

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2004**

<b>FUNCTION:</b>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
Public safety and criminal justice	\$ 8,765,863	\$ 49,607,261	\$ 886,746,781
Physical and mental health	3,090,008	6,263,196	358,904,519
Educational, cultural, and intellectual development	23,840,793	1,174,502	148,904,914
Community development and environmental management	598,645,444	20,194,029	139,094,337
Economic planning, development, and security	279,100	--	56,356,836
Transportation programs	7,899,797	1,655,790	165,739,565
Government direction, management, and control	8,916,204	5,176,807	932,045,445
Special government services	--	--	--
Construction in progress	--	--	--
<b>Total Gross Capital Assets By Function</b>	<u>\$ 651,437,209</u>	<u>\$ 84,071,585</u>	<u>\$ 2,687,792,397</u>

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 73,920,810	\$ 19,934,112	\$ --	\$ 1,038,974,827
20,809,101	--	--	389,066,824
15,109,854	2,361,000	--	191,391,063
13,344,020	--	--	771,277,830
5,227,561	--	--	61,863,497
99,854,674	14,231,656,299	--	14,506,806,125
76,260,218	--	--	1,022,398,674
558,303	--	--	558,303
--	1,681,457,199	348,352,893	2,029,810,092
<u>\$ 305,084,541</u>	<u>\$ 15,935,408,610</u>	<u>\$ 348,352,893</u>	<u>\$ 20,012,147,235</u>

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF GROSS CAPITAL ASSETS BY SOURCE  
JUNE 30, 2004**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
<b>INVESTMENT IN GENERAL FIXED ASSETS:</b>			
ACQUIRED ON OR BEFORE JUNE 30, 1988:	\$ 188,666,581	\$ 41,119,652	\$ 799,996,646
ACQUIRED AFTER JUNE 30, 1988 FROM:			
State revenues	69,033,811	39,140,397	1,555,785,629
General obligation bonds	375,635,508	247,500	284,930,670
Federal revenues	11,001,171	763,531	33,654,818
Donations	--	2,500,000	3,261,200
Other	7,100,138	300,505	10,163,434
Construction in progress	--	--	--
Infrastructure	--	--	--
<b>TOTAL SOURCES</b>	<u>462,770,628</u>	<u>42,951,933</u>	<u>1,887,795,751</u>
<b>Total Gross Capital Assets By Source</b>	<u>\$ 651,437,209</u>	<u>\$ 84,071,585</u>	<u>\$ 2,687,792,397</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 infrastructure and construction in progress accounts.



<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 43,263,076	\$ 4,815,780,183	\$ --	\$ 5,888,826,138
242,935,594	--	--	1,906,895,431
5,304,132	--	--	666,117,810
3,134,384	--	--	48,553,904
337,394	--	--	6,098,594
10,109,961	--	--	27,674,038
--	1,681,457,199	348,352,893	2,029,810,092
--	9,438,171,228	--	9,438,171,228
<u>261,821,465</u>	<u>11,119,628,427</u>	<u>348,352,893</u>	<u>14,123,321,097</u>
<u>\$ 305,084,541</u>	<u>\$ 15,935,408,610</u>	<u>\$ 348,352,893</u>	<u>\$ 20,012,147,235</u>

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
<b>FUNCTION:</b>				
Public safety and criminal justice	\$ 1,015,618,758	\$ 24,761,170	\$ 1,405,101	\$ 1,038,974,827
Physical and mental health	383,027,725	7,012,475	973,376	389,066,824
Educational, cultural, and intellectual development	188,667,826	2,723,237	--	191,391,063
Community development and environmental management	691,465,220	80,273,077	460,467	771,277,830
Economic planning, development, and security	61,579,618	283,879	--	61,863,497
Transportation programs	13,811,564,835	697,001,576	1,760,286	14,506,806,125
Government direction, management, and control	928,776,206	121,956,412	28,333,944	1,022,398,674
Special government services	558,303	--	--	558,303
Construction in progress	1,616,854,713	849,503,823	436,548,444	2,029,810,092
<b>Total Gross Capital Assets By Function</b>	<u>\$ 18,698,113,204</u>	<u>\$ 1,783,515,649</u>	<u>\$ 469,481,618</u>	<u>\$ 20,012,147,235</u>

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>Balance July 1, 2003</u>	<u>Depreciation Expense</u>	<u>Disposals</u>	<u>Balance June 30, 2004</u>
<b>FUNCTION:</b>				
Public safety and criminal justice	\$ 467,719,790	\$ 28,744,230	188,312	\$ 496,275,708
Physical and mental health	227,842,854	8,756,535	23,638	236,575,751
Educational, cultural, and intellectual development	57,279,474	3,907,758	--	61,187,232
Community development and environmental management	91,785,118	6,032,633	161,895	97,655,856
Economic planning, development, and security	34,017,321	2,491,660	--	36,508,981
Transportation programs	4,445,168,521	324,439,856	188,224	4,769,420,153
Government direction, management, and control	413,064,388	49,730,281	6,148,419	456,646,250
Special government services	395,424	39,169	--	434,593
<b>Total Accumulated Depreciation By Function</b>	<u>\$ 5,737,272,890</u>	<u>\$ 424,142,122</u>	<u>\$ 6,710,488</u>	<u>\$ 6,154,704,524</u>

**STATE OF NEW JERSEY  
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS  
JUNE 30, 2004**

<b><u>GENERAL OBLIGATION BOND ACT</u></b>	<b><u>YEAR AUTHORIZED</u></b>	<b><u>AMOUNT AUTHORIZED (1)</u></b>
Beaches and Harbor	1977	\$ 30,000,000
Clean Waters	1976	120,000,000
Community Development	1982	85,000,000
Dam, Lake, Stream, Flood Control, Water Resources and Wastewater Treatment Project Bonds	2003	200,000,000
Developmental Disabilities 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
Hazardous Discharge	1981	100,000,000
Hazardous Discharge	1986	200,000,000
Institutional Construction	1978	100,000,000
Institutions Construction	1976	80,000,000
Jobs, Education and Competitiveness	1988	350,000,000
Natural Resources	1980	145,000,000
New Jersey Bridge Rehabilitation and Improvement 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
1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	340,000,000
New Jersey Human Services Facilities Construction	1984	60,000,000
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 Purpose Buildings and Community-Based Facilities Construction	1989	125,000,000
Refunding Bonds	1985	4,466,185,000
Resource Recovery and Solid Waste Disposal Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000
State Transportation	1968	640,000,000
Statewide Transportation and Local Bridge Fund	1999	500,000,000
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
Water Conservation	1969	271,000,000
Water Supply	1981	350,000,000
<b>TOTAL</b>		<b>\$ 10,827,185,000</b>

(1) An additional \$1,000,000 Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

(2) Retired includes bonds for which provision for payment have been made through the sale and issuance of refunding bonds.

<b>AMOUNT UNISSUED</b>	<b>AMOUNT RETIRED (2)</b>	<b>AMOUNT OUTSTANDING</b>
\$ -	\$ 29,400,000	\$ 600,000
5,000,000	114,209,000	791,000
-	82,302,000	2,698,000
200,000,000	-	-
5,000,000	80,814,000	74,186,000
-	25,000,000	-
1,600,000	46,925,000	1,475,000
43,000,000	53,221,000	3,779,000
48,000,000	83,203,000	68,797,000
-	99,400,000	600,000
-	78,800,000	1,200,000
-	320,418,000	29,582,000
9,600,000	101,172,000	34,228,000
-	90,437,000	24,563,000
14,500,000	119,995,000	505,000
9,000,000	85,060,000	5,940,000
26,780,000	196,080,000	122,140,000
25,500,000	152,775,000	161,725,000
-	59,357,000	643,000
26,000,000	232,354,000	41,646,000
8,000,000	22,000,000	-
199,000,000	32,550,000	68,450,000
5,000,000	101,295,000	18,705,000
-	2,286,700,259	2,179,484,741
-	69,975,000	15,025,000
-	49,856,000	144,000
1,500,000	193,850,000	4,650,000
-	24,600,000	400,000
-	198,371,000	1,629,000
-	640,000,000	-
-	165,515,000	334,485,000
21,500,000	19,515,000	8,985,000
-	466,857,000	8,143,000
-	3,030,000	16,970,000
-	267,069,000	3,931,000
93,400,000	256,600,000	-
<u>\$ 742,380,000</u>	<u>\$ 6,848,705,259</u>	<u>\$ 3,236,099,741</u>

**STATE OF NEW JERSEY  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>YEAR AUTHORIZED</u>	<u>OUTSTANDING JULY 1, 2003</u>
<b>General Obligation Bond Act:</b>		
Beaches and Harbor	1977	\$ 1,100,000
Clean Waters	1976	3,721,000
Community Development	1982	4,699,000
Developmentally Disabled Waiting List		
Reduction and Human Services Facilities Construction	1994	74,711,000
Emergency Flood Control	1978	450,000
Energy Conservation	1980	1,525,000
Hazardous Discharge	1981	5,463,000
Hazardous Discharge	1986	45,790,000
Institutional Construction	1978	1,800,000
Institutions Construction	1976	3,100,000
Jobs, Education and Competitiveness	1988	53,368,000
Natural Resources	1980	31,712,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	32,644,000
New Jersey Green Acres	1983	785,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	6,455,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	130,289,000
1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	144,245,000
New Jersey Human Services Facilities Construction	1984	1,879,000
New Jersey Open Space Preservation	1989	62,478,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	27,435,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	20,630,000
Refunding Bonds	1985	2,221,814,153
Resource Recovery and Solid Waste Disposal Facility	1985	16,850,000
Shore Protection	1983	420,000
State Land Acquisition and Development	1978	8,227,000
State Mortgage Assistance	1976	1,000,000
State Recreation and Conservation Land Acquisition and Development	1974	4,753,000
State Transportation	1968	1,000,000
Statewide Transportation and Local Bridge Fund	1999	334,025,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	10,030,000
Transportation Rehabilitation and Improvement	1979	15,260,000
Urban and Rural Centers Unsafe Buildings Demolition Bonds	1997	20,000,000
Water Conservation	1969	6,516,000
<b>Subtotal General Obligation Bond Act</b>		<u>3,294,174,153</u>
<b>Other Debt:</b>		
Revenue Bonds Payable	--	6,231,943,452
Accumulated Sick and Vacation Payable	--	449,934,048
Capital Leases (1)	--	642,291,373
Installment Obligations	--	6,341,261,534
Certificates of Participation	--	81,661,849
Loans Payable	--	1,279,358,087
Net Pension Obligation	--	115,033,037
Unamortized Premium	--	365,248,334
Unamortized Deferral on Refunding	--	(211,909,490)
Other	--	332,018,444
Tobacco Settlement Financing Corporation Bonds Payable (2)	--	3,345,107,347
<b>Subtotal Other Debt</b>		<u>18,971,948,015</u>
 <b>TOTAL</b>		 <b>\$ <u>22,266,122,168</u></b>

(1) July 1, 2003 was restated to include \$99.6 million of capital leases excluded from prior year's balance.

(2) July 1, 2003 was restated to include \$3.3 billion of Tobacco Settlement Financing Corporation bonds in accordance with GASB Technical Bulletin 2004-1.

<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>OUTSTANDING JUNE 30, 2004</u>
\$ -	\$ 500,000	\$ 600,000
-	2,930,000	791,000
-	2,001,000	2,698,000
14,000,000	14,525,000	74,186,000
-	450,000	-
500,000	550,000	1,475,000
-	1,684,000	3,779,000
40,000,000	16,993,000	68,797,000
-	1,200,000	600,000
-	1,900,000	1,200,000
-	23,786,000	29,582,000
7,500,000	4,984,000	34,228,000
-	8,081,000	24,563,000
-	280,000	505,000
-	515,000	5,940,000
28,000,000	36,149,000	122,140,000
37,000,000	19,520,000	161,725,000
-	1,236,000	643,000
3,000,000	23,832,000	41,646,000
44,000,000	2,985,000	68,450,000
-	1,925,000	18,705,000
159,385,000	201,714,412	2,179,484,741
-	1,825,000	15,025,000
-	276,000	144,000
-	3,577,000	4,650,000
-	600,000	400,000
-	3,124,000	1,629,000
-	1,000,000	-
41,000,000	40,540,000	334,485,000
-	1,045,000	8,985,000
-	7,117,000	8,143,000
-	3,030,000	16,970,000
-	2,585,000	3,931,000
374,385,000	432,459,412	3,236,099,741
1,114,760,000	396,650,836	6,950,052,616
241,816,520	225,624,537	466,126,031
102,711,738	53,484,244	691,518,867
1,850,221,361	277,056,620	7,914,426,275
40,668,944	44,939,374	77,391,419
-	-	1,279,358,087
246,105,820	-	361,138,857
165,488,617	32,096,368	498,640,583
(30,841,905)	(18,997,509)	(223,753,886)
377,765,496	332,018,444	377,765,496
-	15,700,927	3,329,406,420
4,108,696,591	1,358,573,841	21,722,070,765
\$ 4,483,081,591	\$ 1,791,033,253	\$ 24,958,170,506

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>CASINO CONTROL FUND</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and fees	64,702,769	62,635,769	64,461,079	1,825,310
Investment earnings	--	180,000	184,809	4,809
Other	--	--	--	--
<b>Total revenues</b>	<b>64,702,769</b>	<b>62,815,769</b>	<b>64,645,888</b>	<b>1,830,119</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	--	--	--	--
<b>Total other financing sources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total revenues and other financing sources</b>	<b>64,702,769</b>	<b>62,815,769</b>	<b>64,645,888</b>	<b>1,830,119</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	35,854,148	36,730,428	37,265,566	(535,138 )
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	28,848,621	28,076,341	28,074,079	2,262
Special government services	--	--	--	--
<b>Total expenditures</b>	<b>64,702,769</b>	<b>64,806,769</b>	<b>65,339,645</b>	<b>(532,876 )</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	--	--	--	--
<b>Total other financing uses</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total expenditures and other financing uses</b>	<b>64,702,769</b>	<b>64,806,769</b>	<b>65,339,645</b>	<b>(532,876 )</b>
Net change in fund balance	--	(1,991,000 )	(693,757 )	1,297,243
<b>FUND BALANCES - JULY 1, 2003</b>	<b>--</b>	<b>4,329,636</b>	<b>4,329,636</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2004</b>	<b>\$ --</b>	<b>\$ 2,338,636</b>	<b>\$ 3,635,879</b>	<b>\$ 1,297,243</b>



**CASINO REVENUE FUND**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$	448,000,000	\$ 454,000,000	\$ 467,281,911	\$ 13,281,911
	--	--	--	--
	--	--	79,047	79,047
	127,945,096	127,945,096	127,930,866	(14,230 )
	575,945,096	581,945,096	595,291,824	13,346,728
	700,000	700,000	700,000	--
	700,000	700,000	700,000	--
	576,645,096	582,645,096	595,991,824	13,346,728
	--	--	--	--
	508,745,138	510,360,140	507,176,730	3,183,410
	38,409,000	38,561,000	38,307,785	253,215
	2,440,000	2,459,000	2,440,000	19,000
	25,458,002	25,572,000	25,458,000	114,000
	--	--	--	--
	92,956	92,956	92,953	3
	575,145,096	577,045,096	573,475,468	3,569,628
	--	5,600,000	--	5,600,000
	--	5,600,000	--	5,600,000
	575,145,096	582,645,096	573,475,468	9,169,628
	1,500,000	--	22,516,356	22,516,356
	--	--	--	--
<b>\$</b>	<b>1,500,000</b>	<b>\$ --</b>	<b>\$ 22,516,356</b>	<b>\$ 22,516,356</b>

(Continued on next page)

**STATE OF NEW JERSEY**  
**BUDGETARY COMPARISON SCHEDULE (Continued)**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<b>GOVERNATORIAL ELECTIONS FUND</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and fees	--	--	--	--
Investment earnings	--	--	--	--
Other	1,500,000	1,500,000	603,441	(896,559 )
<b>Total revenues</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>603,441</b>	<b>(896,559 )</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	--	--	--	--
<b>Total other financing sources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total revenues and other financing sources</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>603,441</b>	<b>(896,559 )</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	--	--	--	--
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	--	--	--	--
Special government services	--	--	--	--
<b>Total expenditures</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	--	--	--	--
<b>Total other financing uses</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total expenditures and other financing uses</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Net change in fund balance	1,500,000	1,500,000	603,441	(896,559 )
<b>FUND BALANCES - JULY 1, 2003</b>	<b>1,500,000</b>	<b>706,237</b>	<b>706,237</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2004</b>	<b>\$ 3,000,000</b>	<b>\$ 2,206,237</b>	<b>\$ 1,309,678</b>	<b>\$ (896,559 )</b>

**TOTAL NON-MAJOR GOVERNMENTAL FUNDS**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$	448,000,000	\$ 454,000,000	\$ 467,281,911	\$ 13,281,911
	64,702,769	62,635,769	64,461,079	1,825,310
	--	180,000	263,856	83,856
	129,445,096	129,445,096	128,534,307	(910,789 )
	642,147,865	646,260,865	660,541,153	14,280,288
	700,000	700,000	700,000	--
	700,000	700,000	700,000	--
	642,847,865	646,960,865	661,241,153	14,280,288
	35,854,148	36,730,428	37,265,566	(535,138 )
	508,745,138	510,360,140	507,176,730	3,183,410
	38,409,000	38,561,000	38,307,785	253,215
	2,440,000	2,459,000	2,440,000	19,000
	25,458,002	25,572,000	25,458,000	114,000
	28,848,621	28,076,341	28,074,079	2,262
	92,956	92,956	92,953	3
	639,847,865	641,851,865	638,815,113	3,036,752
	--	5,600,000	--	5,600,000
	--	5,600,000	--	5,600,000
	639,847,865	647,451,865	638,815,113	8,636,752
	3,000,000	(491,000 )	22,426,040	22,917,040
	1,500,000	5,035,873	5,035,873	--
\$	4,500,000	\$ 4,544,873	\$ 27,461,913	\$ 22,917,040

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Gubernatorial Elections Fund</u>
<b>Sources/inflows of resources:</b>			
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	\$64,645,888	\$595,991,824	\$603,441
Differences--budget to GAAP:			
No reconciling items.	--	--	--
	<hr/>	<hr/>	<hr/>
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$64,645,888</u>	<u>\$595,991,824</u>	<u>\$603,441</u>
<b>Uses/outflows of resources:</b>			
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$65,339,645	\$573,475,468	\$ --
Differences--budget to GAAP:			
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,706,592)	(25,800,267)	--
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	1,247,158	25,873,876	--
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(23,373)	--	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	<u>23,373</u>	<u>--</u>	<u>--</u>
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$64,880,211</u>	<u>\$573,549,077</u>	<u>\$ --</u>

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**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>MAJOR TAXES</b>				
Sales	\$ 6,165,000,000	\$ 6,261,700,380	101	\$ 96,700,380
Corporation Business	2,055,000,000	2,370,169,715	115	315,169,715
Motor Fuels	544,000,000	566,830,724	104	22,830,724
Motor Vehicle Fees	233,094,000	235,254,177	100	2,160,177
Transfer Inheritance	433,000,000	516,007,975	119	83,007,975
Insurance Premiums	420,000,000	417,872,602	99	(2,127,398 )
Cigarette	635,000,000	612,167,296	96	(22,832,704 )
Petroleum Products Gross Receipts	225,000,000	216,247,008	96	(8,752,992 )
Corporation Banks and Financial Institutions	131,000,000	141,432,025	107	10,432,025
Alcoholic Beverage Excise	83,000,000	87,357,152	105	4,357,152
Realty Transfer	172,000,000	227,064,302	132	55,064,302
Savings Institutions	5,000,000	(11,912,325 )	(238 )	(16,912,325 )
Tobacco Products Wholesale Sales	13,000,000	10,345,355	79	(2,654,645 )
Public Utility Excise	8,700,000	9,320,698	107	620,698
<b>TOTAL MAJOR TAXES</b>	<b>11,122,794,000</b>	<b>11,659,857,084</b>	<b>104</b>	<b>537,063,084</b>

**MISCELLANEOUS TAXES, FEES, REVENUES**

**Executive Branch:**

**Department of Agriculture:**

Fertilizer Inspection Fees	291,000	291,000	100	--
Miscellaneous Revenue	4,000	4,895	122	895
<b>Total Department of Agriculture</b>	<b>295,000</b>	<b>295,895</b>	<b>100</b>	<b>895</b>

**Department of Banking and Insurance:**

Actuarial Services	52,000	46,101	88	(5,899 )
Bank Assessments	3,525,000	3,525,000	100	--
Banking Examination Fees	2,262,000	2,262,000	100	--
Banking Licenses and Other Fees	5,500,000	5,500,000	100	--
FAIR Act Administration	14,500,000	16,862,997	116	2,362,997
Fraud Fines	--	1,955,023	--	1,955,023
Insurance Examination Billings	2,000,000	1,750,322	87	(249,678 )
Insurance Fraud Prevention	33,843,000	33,240,230	98	(602,770 )
Insurance Licenses and Other Fees	12,330,000	12,086,004	98	(243,996 )
Insurance Special Purpose Assessment	16,921,000	14,969,315	88	(1,951,685 )
Real Estate Commission	7,600,000	10,318,193	135	2,718,193
<b>Total Department of Banking and Insurance</b>	<b>98,533,000</b>	<b>102,515,185</b>	<b>104</b>	<b>3,982,185</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>Department of Community Affairs:</b>				
Affordable Housing and Neighborhood Preservation Fair Housing	19,439,000	19,439,000	100	--
Boarding Home Fees	368,000	515,133	139	147,133
Construction Fees	11,950,000	11,950,001	100	1
Divorce Filing Fees	1,202,000	1,265,100	105	63,100
Fire Safety	14,405,000	14,405,000	100	--
Housing Inspection Fees	7,256,000	7,256,000	100	--
Miscellaneous Revenue	--	50	--	50
Planned Real Estate Development Fees	828,000	828,000	100	--
<b>Total Department of Community Affairs</b>	<b>55,448,000</b>	<b>55,658,284</b>	<b>100</b>	<b>210,284</b>
<b>Department of Corrections:</b>				
Miscellaneous Revenue	--	5,490	--	5,490
<b>Total Department of Corrections</b>	<b>--</b>	<b>5,490</b>	<b>--</b>	<b>5,490</b>
<b>Department of Education:</b>				
Audit Recoveries	1,000,000	689,593	68	(310,407)
Audit of Enrollments	1,600,000	1,288,224	80	(311,776)
Local School District Loan Recoveries-NJEDA	9,231,000	9,186,196	99	(44,804)
Miscellaneous Revenue	125,000	115,885	92	(9,115)
Nonpublic Schools Handicapped and Auxiliary Recoveries	5,000,000	12,808,892	256	7,808,892
Nonpublic Schools Textbook Recoveries	1,365,000	1,522,577	111	157,577
School Construction Inspection Fees	2,993,000	2,993,000	100	--
State Board of Examiners	2,475,000	2,475,000	100	--
<b>Total Department of Education</b>	<b>23,789,000</b>	<b>31,079,367</b>	<b>130</b>	<b>7,290,367</b>
<b>Department of Environmental Protection:</b>				
Air Pollution Fees and Fines	21,880,000	22,913,698	104	1,033,698
Clean Water Enforcement Act	2,700,000	2,157,442	79	(542,558)
Coastal Area Development Review Act	1,880,000	1,666,792	88	(213,208)
Endangered Species Tax Check-Off	225,000	225,000	100	--
Environmental Infrastructure Financing Program - Administrative Fee	5,000,000	5,000,000	100	--
Excess Diversion	240,000	328,009	136	88,009
Freshwater Wetlands Fees	2,600,000	3,567,957	137	967,957
Freshwater Wetlands Fines	45,000	96,698	214	51,698
Hazardous Waste Fees	3,800,000	2,436,993	64	(1,363,007)

**STATE OF NEW JERSEY**  
**SCHEDULE OF ANTICIPATED REVENUE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED	REALIZED TO JUNE 30, 2004		REALIZATION
	TO JUNE 30, 2004	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Hazardous Waste Fines	500,000	984,437	196	484,437
Hunters' and Anglers' Licenses	12,800,000	12,162,395	95	(637,605 )
Industrial Site Recovery Act	1,200,000	1,209,494	100	9,494
Laboratory Certification Fees	1,600,000	791,014	49	(808,986 )
Laboratory Certification Fines	25,000	12,500	50	(12,500 )
Marina Rentals	900,000	900,000	100	--
Marine Lands - Preparation and Filing Fees	175,000	103,877	59	(71,123 )
Medical Waste	3,700,000	4,079,335	110	379,335
Miscellaneous Revenue	--	(13,579 )	--	(13,579 )
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	11,850,000	12,155,720	102	305,720
Parks Management Fees and Permits	4,300,000	4,300,115	100	115
Parks Management Fines	185,000	160,753	86	(24,247 )
Pesticide Control Fees	4,000,000	4,277,750	106	277,750
Pesticide Control Fines	30,000	59,180	197	29,180
Radiation Protection Fees	3,418,000	3,325,572	97	(92,428 )
Radiation Protection Fines	65,000	87,870	135	22,870
Radon Testers Certification	275,000	238,015	86	(36,985 )
Shellfish and Marine Fisheries	7,000	10,125	144	3,125
Solid and Hazardous Waste Disclosure	3,708,000	2,979,270	80	(728,730 )
Solid Waste - Utility Regulation Assessments	3,100,000	3,206,981	103	106,981
Solid Waste Fines	900,000	577,981	64	(322,019 )
Solid Waste Management Fees	8,207,000	4,569,231	55	(3,637,769 )
Spring Meadow Golf Course	300,000	300,000	100	--
Stream Encroachment	2,600,000	1,717,120	66	(882,880 )
Stormwater Permits	5,800,000	2,995,370	51	(2,804,630 )
Toxic Catastrophe Prevention Fees	1,200,000	1,237,196	103	37,196
Toxic Catastrophe Prevention Fines	25,000	68,650	274	43,650
Treatment Works Approval	2,073,000	1,629,298	78	(443,702 )
Underground Storage Tanks Fees	705,000	1,062,061	150	357,061
Water Allocation	2,000,000	3,196,672	159	1,196,672
Water Supply Management Regulations	1,600,000	1,530,414	95	(69,586 )
Water/Wastewater Operators Licenses	215,000	214,523	99	(477 )
Waterfront Development Fees	2,400,000	2,133,317	88	(266,683 )
Well Permits/Well Drillers/ Pump Installers Licenses	1,200,000	982,215	81	(217,785 )
Wetlands	26,000	24,393	93	(1,607 )
Worker Community Right to Know Fines	60,000	15,220	25	(44,780 )
<b>Total Department of Environmental Protection</b>	<b>119,519,000</b>	<b>111,677,074</b>	<b>93</b>	<b>(7,841,926 )</b>



**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>Department of Health and Senior Services:</b>				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	--
Charity Care Recovery	--	1,181,101	--	1,181,101
Health Care Reform	1,200,000	1,200,000	100	--
HMO Covered Lives	2,286,000	1,739,158	76	(546,842 )
Licenses, Fines, Permits, Penalties and Fees	790,000	790,000	100	--
<b>Total Department of Health and Senior Services</b>	<b>10,276,000</b>	<b>10,910,259</b>	<b>106</b>	<b>634,259</b>
<b>Department of Human Services:</b>				
Child Care Licensing/Adoption Law	300,000	337,244	112	37,244
Early Periodic Screening and Diagnostic Treatment	3,000,000	16,207,872	540	13,207,872
Marriage License Fees	1,309,000	1,266,173	96	(42,827 )
Medicaid Uncompensated Care-Acute	253,210,000	305,035,000	120	51,825,000
Medicaid Uncompensated Care-Mental Health	30,475,000	32,413,556	106	1,938,556
Medicaid Uncompensated Care-Psychiatric	171,454,000	171,087,529	99	(366,471 )
Medical Assistance-Federal Match on PAAD				
Medicaid Dual Eligibles	2,000,000	227,728	11	(1,772,272 )
Miscellaneous Federal Revenue Initiatives	15,000,000	--	--	(15,000,000 )
Miscellaneous Revenue	700,000	156,942	22	(543,058 )
Patients' and Residents' Cost Recoveries - Developmental Disability	15,280,000	19,481,815	127	4,201,815
Patients' and Residents' Cost Recoveries - Psychiatric Hospitals	51,508,000	73,829,318	36	22,321,318
School Based Medicaid	34,500,000	15,764,568	45	(18,735,432 )
<b>Total Department of Human Services</b>	<b>578,736,000</b>	<b>635,807,745</b>	<b>109</b>	<b>57,071,745</b>
<b>Department of Labor:</b>				
Special Compensation Fund	1,660,000	1,660,000	100	--
Workers' Compensation Assessment	11,938,000	11,938,000	100	--
Workplace Standards - Licenses, Permits and Fines	2,820,000	2,820,000	100	--
<b>Total Department of Labor</b>	<b>16,418,000</b>	<b>16,418,000</b>	<b>100</b>	<b>--</b>
<b>Department of Law and Public Safety:</b>				
Beverage Licenses	3,960,000	3,960,000	100	--

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
Legalized Games of Chance Control	1,200,000	1,200,000	100	--
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	375,000	375,000	100	--
Audiology and Speech Language Pathology Advisory	100,000	100,000	100	--
Certified Public Accountants	220,000	220,000	100	--
Chiropractors	450,000	450,000	100	--
Cosmetology and Hairstyling	1,000,000	1,000,000	100	--
Dentistry	850,000	850,000	100	--
Electrical Contractors	120,000	120,000	100	--
Marriage Counselor Examiners	200,000	200,000	100	--
Master Plumbers	300,000	182,113	60	(117,887 )
Medical Examiners	2,600,000	2,600,000	100	--
Mortuary Science	400,000	400,000	100	--
New Jersey Cemetery Board	50,000	50,000	100	--
Nursing	6,050,000	6,050,000	100	--
Occupational Therapists and Assistants	140,000	140,000	100	--
Ophthalmic Dispensers and Ophthalmic Technicians	135,000	135,000	100	--
Optometrists	75,000	75,000	100	--
Orthotics and Prosthesis	50,000	50,000	100	--
Pharmacy	556,000	556,000	100	--
Physical Therapy	250,000	250,000	100	--
Professional Engineers and Land Surveyors	850,000	850,000	100	--
Professional Planners	75,000	75,000	100	--
Psychological Examiners	225,000	217,074	96	(7,926 )
Real Estate Appraisers	885,000	885,000	100	--
Respiratory Care	125,000	125,000	100	--
Shorthand Reporting	60,000	60,000	100	--
Social Workers	700,000	700,000	100	--
State Board of Psychoanalysts	50,000	--	--	(50,000 )
Veterinary Medical Examiners	150,000	150,000	100	--

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>Division of State Police:</b>				
Fingerprint Fees	2,694,000	2,694,000	100	--
Other Licenses	204,000	229,844	112	25,844
Private Detective Licenses	220,000	220,000	100	--
Miscellaneous Revenue	--	18,915	--	18,915
EDA School Construction Recoveries	2,829,000	822,927	29	(2,006,073 )
Pleasure Boat Licenses	3,200,000	3,027,996	94	(172,004 )
Securities Enforcement	16,047,000	16,047,000	100	--
Violent Crime Compensation	3,930,000	3,930,000	100	--
<b>Total Department of Law and Public Safety</b>	<b>54,990,000</b>	<b>52,680,869</b>	<b>95</b>	<b>(2,309,131 )</b>
<b>Department of Military and Veterans' Affairs:</b>				
Soldiers' Homes	26,823,000	29,540,853	110	2,717,853
<b>Total Department of Military and Veterans' Affairs</b>	<b>26,823,000</b>	<b>29,540,853</b>	<b>110</b>	<b>2,717,853</b>
<b>Department of State:</b>				
Miscellaneous Revenue	--	42,119	--	42,119
<b>Total Department of State</b>	<b>--</b>	<b>42,119</b>	<b>--</b>	<b>42,119</b>
<b>Department of Transportation:</b>				
Air Safety Fund	965,000	965,000	100	--
Applications and Highway Permits	1,300,000	1,300,000	100	--
Auto Body Repair Shop Licensing	15,000	29,840	198	14,840
Autonomous Transportation Authorities	24,500,000	24,708,334	100	208,334
Drunk Driving Fines	350,000	368,993	105	18,993
Good Driver	61,000,000	76,259,420	125	15,259,420
Graduated Driver's License	1,600,000	1,381,345	86	(218,655 )
Heavy Duty Diesel Fines	640,000	426,544	66	(213,456 )
Interest on Purchase of Right-of-Way	5,000	63	1	(4,937 )
Limo Fees	10,000,000	--	--	(10,000,000 )
Logo Sign Program Fees	300,000	300,000	100	--
Miscellaneous Revenue	--	50,445	--	50,445
Motor Vehicle Database - Automated Access	55,327,000	49,595,862	89	(5,731,138 )
Motor Vehicle Inspection Fund	76,710,000	77,701,443	101	991,443
Motor Vehicle Surcharge Program	360,000	426,433	111	66,433
Outdoor Advertising	24,740,000	6,652,744	26	(18,087,256 )

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED	REALIZED TO JUNE 30, 2004		REALIZATION
	TO JUNE 30, 2004	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Photo Licensing	--	46,836	--	46,836
Salvage Title Program	980,000	1,070,920	109	90,920
Special Plate Fees	750,000	1,024,659	136	274,659
Tow Truck Marker Fee	--	114,350	--	114,350
Uninsured Motorists Program	3,400,000	5,336,902	156	1,936,902
<b>Total Department of Transportation</b>	<b>262,942,000</b>	<b>247,760,133</b>	<b>94</b>	<b>(15,181,867 )</b>
<b>Department of the Treasury:</b>				
Assessments - Cable TV	3,738,000	3,984,333	106	246,333
Assessments - Public Utility	23,494,000	24,873,825	105	1,379,825
Business Personal Property	--	19,010	--	19,010
Casino Fines	--	577,285	--	577,285
Coin Operated Telephones	4,200,000	3,828,711	91	(371,289 )
Commercial Recording Expedited	2,853,000	2,853,000	100	--
Commissions	1,000,000	1,314,707	131	314,707
Dormitory Safety Trust Fund - Debt Service Recovery	5,270,000	--	--	(5,270,000 )
Equipment Leasing Fund - Debt Service Recovery	3,892,000	4,083,390	104	191,390
Escrow Interest - Construction Accounts	7,000	15,272	218	8,272
General Revenue - Fees	31,580,000	42,664,651	135	11,084,651
Higher Education Capital Improvement Fund - Debt Service Recovery	9,287,000	--	--	(9,287,000 )
Hotel Occupancy Tax	111,400,000	80,972,056	72	(30,427,944 )
Investment Earnings	--	18,388,025	--	18,388,025
Lease and Leaseback	14,500,000	--	--	(14,500,000 )
Miscellaneous Revenue	260,000	4,644,952	1,786	4,384,952
New Jersey Economic Development Authority	4,000,000	22,025,000	550	18,025,000
New Jersey Redevelopment Authority	9,000,000	--	--	(9,000,000 )
Nuclear Emergency Response Assessment	3,173,000	4,011,000	126	838,000
ODS Mediation Fees	158,000	158,000	100	--
Public Defender Client Receipts	5,340,000	4,499,787	(15 )	(840,213 )
Public Utility - Customer Specific Tax	1,998,000	1,867,570	93	(130,430 )
Public Utility Fines	500,000	5,841,086	1,168	5,341,086
Public Utility Gross Receipts and Franchise Taxes	69,000,000	76,848,959	111	7,848,959
Railroad Tax:				
Class II	3,700,000	3,659,744	98	(40,256 )
Franchise	540,000	620,559	114	80,559
Rate Payer Advocate	6,547,000	6,547,000	100	--

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED	REALIZED TO JUNE 30, 2004		REALIZATION
	TO JUNE 30, 2004	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Sale of Real Property	10,345,000	--	--	(10,345,000 )
Second Referral Debt Collections - Hospitals	20,000,000	--	--	(20,000,000 )
Surplus Property	950,000	950,000	100	--
Transitional Energy Facilities Assessment	218,300,000	249,521,558	114	31,221,558
<b>Total Department of the Treasury</b>	<b>565,032,000</b>	<b>564,769,480</b>	<b>99</b>	<b>(262,520 )</b>
<b>Other Sources:</b>				
Miscellaneous Revenue	500,000	758,900	151	258,900
<b>Total Other Sources</b>	<b>500,000</b>	<b>758,900</b>	<b>151</b>	<b>258,900</b>
<b>Inter-Departmental Accounts:</b>				
Administration and Investment of Pension and Health Benefit Funds - Recoveries	46,000,000	47,030,267	102	1,030,267
Employee Maintenance Deductions	300,000	300,000	100	--
Fringe Benefit Recoveries from Colleges and Universities	99,000,000	104,352,080	105	5,352,080
Fringe Benefit Recoveries from Federal and Other Funds	141,150,000	156,869,502	111	15,719,502
Fringe Benefit Recoveries from School Districts	26,000,000	34,754,666	133	8,754,666
Indirect Cost Recoveries - DEP Other Funds	11,100,000	9,802,990	88	(1,297,010 )
MTF Revenue Fund	107,747,000	90,550,956	84	(17,196,044 )
Rent of State Building Space	1,900,000	1,912,980	100	12,980
Social Security Recoveries from Federal and Other Funds	43,000,000	52,356,833	121	9,356,833
<b>Total Inter-Departmental Accounts</b>	<b>476,197,000</b>	<b>497,930,274</b>	<b>104</b>	<b>21,733,274</b>
<b>Judicial Branch:</b>				
Court Fees	60,995,000	65,279,717	107	4,284,717
Court Unification Center Reimbursements	--	2,200,000	--	2,200,000
<b>Total Judicial Branch</b>	<b>60,995,000</b>	<b>67,479,717</b>	<b>110</b>	<b>6,484,717</b>
<b>TOTAL MISCELLANEOUS TAXES, FEES, REVENUES</b>	<b>2,350,493,000</b>	<b>2,425,329,644</b>	<b>103</b>	<b>74,836,644</b>
<b>INTERFUND TRANSFERS</b>				
Beaches and Harbor Fund	30,000	13,706	45	(16,294 )
Clean Waters Fund	39,000	21,958	56	(17,042 )
Correctional Facilities Construction Fund	10,000	6,446	64	(3,554 )

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED	REALIZED TO JUNE 30, 2004		REALIZATION
	TO JUNE 30, 2004	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Correctional Facilities Construction Fund - 1987	59,000	29,764	50	(29,236)
Cultural Centers and Historic Preservation Fund - 1987	145,000	48,482	33	(96,518)
Developmental Disabilities Waiting List Reduction Fund	252,000	353,655	140	101,655
Dredging and Containment Facility Fund	338,000	269,558	79	(68,442)
Emergency Flood Control Fund	7,000	3,816	54	(3,184)
Energy Conservation Fund	--	881	--	881
Enterprise Zone Assistance Fund	3,000,000	2,504,646	83	(495,354)
Garden State Farmland Preservation Trust Fund	1,764,000	1,650,000	93	(114,000)
Garden State Green Acres Preservation Trust Fund	5,006,000	4,562,188	91	(443,812)
Garden State Historic Preservation Trust Fund	489,000	311,567	63	(177,433)
Hazardous Discharge Fund	4,000	2,028	50	(1,972)
Hazardous Discharge Site Cleanup Fund	18,180,000	2,718,282	14	(15,461,718)
Housing Assistance Fund	105,000	--	--	(105,000)
Human Services Facilities Construction Fund	1,000	1,700	170	700
Institutional Construction Fund	--	6,800	--	6,800
Institutions Construction Fund	1,000	--	--	(1,000)
Jobs, Education and Competitiveness Fund	100,000	139,186	139	39,186
Jobs, Science and Technology Fund	--	396	--	396
Judiciary Bail Fund	525,000	277,751	52	(247,249)
Judiciary Child Support and Paternity Fund	450,000	260,841	57	(189,159)
Judiciary Probation Fund	150,000	105,338	70	(44,662)
Judiciary Special Civil Fund	47,000	26,040	55	(20,960)
Judiciary Superior Court Miscellaneous Fund	80,000	58,759	73	(21,241)
Legal Services Fund	10,750,000	10,409,490	96	(340,510)
Medical Education Facilities Fund	--	519,927	--	519,927
Mortgage Assistance Fund	925,000	696,475	75	(228,525)
Motor Vehicle Security Responsibility Fund	7,000	2,629	37	(4,371)
Natural Resources Fund	55,000	32,081	58	(22,919)
New Jersey Bridge Rehabilitation and Improvement Fund	--	41	--	41
New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund	100,000	154,763	154	54,763
New Jersey Green Acres Fund - 1983	394,000	221,025	56	(172,975)

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED	REALIZED TO JUNE 30, 2004		REALIZATION
	TO JUNE 30, 2004	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
New Jersey Insolvent HMO Assistance Fund	250,000	273,519	109	23,519
New Jersey Spill Compensation Fund	14,750,000	14,521,886	98	(228,114 )
New Jersey Workforce Development Partnership Fund	43,839,000	40,332,530	92	(3,506,470 )
Pollution Prevention Fund	2,347,000	2,347,000	100	--
Public Buildings Construction Fund	--	4,914	--	4,914
Public Purpose Buildings and Community-Based Facilities Construction Fund	150,000	135,056	90	(14,944 )
Public Purpose Buildings Construction Fund	1,000	2,285	228	1,285
Real Estate Guaranty Fund	1,000,000	1,000,000	100	--
Resource Recovery Investment Tax Fund	--	87	--	87
Safe Drinking Water Fund	2,251,000	2,251,000	100	--
School Fund Investment Account	2,930,000	1,515,995	51	(1,414,005 )
Shore Protection Fund	275,000	190,498	69	(84,502 )
Solid Waste Service Tax Fund	50,000	2,021	4	(47,979 )
State Disability Benefits Fund	56,699,000	55,219,214	97	(1,479,786 )
State Land Acquisition and Development Fund	16,000	10,734	67	(5,266 )
State Lottery Fund	793,000,000	794,971,914	100	1,971,914
State Lottery Fund - Administration	23,163,000	20,614,419	88	(2,548,581 )
State of New Jersey Cash Management Fund	2,900,000	3,033,826	104	133,826
State Recreation and Conservation Land Acquisition and Development - 1974	26,000	12,445	47	(13,555 )
State Recycling Fund	1,014,000	949,269	93	(64,731 )
1999 Statewide Transportation and Local Bridge Fund	--	3,400,000	--	3,400,000
Stock Workers' Compensation Security Fund	15,000,000	--	--	(15,000,000 )
Supplemental Workforce Fund for Basic Skills	2,000,000	1,667,453	83	(332,547 )
Tobacco Settlement Fund	1,612,022,000	1,610,782,536	99	(1,239,464 )
Transportation Rehabilitation and Improvement Fund - 1979	6,000	3,422	57	(2,578 )
Unclaimed Insurance Payments on Deposit Account Fund	39,000	21,778	55	(17,222 )
Unclaimed Personal Property Trust Fund	172,379,000	164,760,000	95	(7,619,000 )
Unclaimed Utilities Deposits Trust Fund	60,000	20,850	34	(39,150 )
Unemployment Compensation Auxiliary Fund	17,675,000	17,530,000	99	(145,000 )
Universal Services Fund	72,000,000	72,431,000	100	431,000
Unsatisfied Claim and Judgment Fund	2,461,000	1,336,854	54	(1,124,146 )
Wage and Hour Trust Fund	75,000	11,270	15	(63,730 )
Water Conservation Fund	38,000	24,784	65	(13,216 )
Water Supply Fund	3,634,000	3,485,906	95	(148,094 )

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Worker and Community Right to Know Fund	3,420,000	3,141,413	91	(278,587 )
<b>TOTAL INTERFUND TRANSFERS</b>	<b>2,888,483,000</b>	<b>2,841,416,097</b>	<b>98</b>	<b>(47,066,903 )</b>
<b>TOTAL REVENUES, GENERAL FUND</b>	<b>\$ 16,361,770,000</b>	<b>\$ 16,926,602,825</b>	<b>103</b>	<b>\$ 564,832,825</b>



**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Licenses and Fees	\$ 62,737,000	\$ 64,461,079	103	\$ 1,724,079
Investment Income	--	184,809	--	184,809
<b>TOTAL CASINO CONTROL FUND</b>	<b>\$ 62,737,000</b>	<b>\$ 64,645,888</b>	<b>103</b>	<b>\$ 1,908,888</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 358,000,000	\$ 377,554,903	105	\$ 19,554,903
Casino Simulcasting Fund	700,000	700,000	100	--
Investment Income	--	79,047	--	79,047
Newly Enacted Casino Taxes and Fees	90,000,000	89,737,728	99	(262,272 )
<b>TOTAL CASINO REVENUE FUND</b>	<b>\$ 448,700,000</b>	<b>\$ 468,071,678</b>	<b>104</b>	<b>\$ 19,371,678</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GUBERNATORIAL ELECTIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 1,500,000	\$ 603,441	40	\$ (896,559 )
<b>TOTAL GUBERNATORIAL ELECTIONS FUND</b>	<b>\$ 1,500,000</b>	<b>\$ 603,441</b>	<b>40</b>	<b>\$ (896,559 )</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	ANTICIPATED TO JUNE 30, 2004	REALIZED TO JUNE 30, 2004		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 7,130,000,000	\$ 7,400,732,606	103	\$ 270,732,606
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<b>\$ 7,130,000,000</b>	<b>\$ 7,400,732,606</b>	<b>103</b>	<b>\$ 270,732,606</b>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
<b>LEGISLATIVE BRANCH</b>	\$ --	\$ --	\$ 16,244	\$ 16,244
<b>EXECUTIVE BRANCH</b>				
Chief Executive	--	--	1,272,712	1,272,712
Agriculture	1,715,039	217,597,563	9,789,580	229,102,182
Banking and Insurance	7,009,064	--	1,563,763	8,572,827
Community Affairs	22,820,980	213,918,444	69,631,759	306,371,183
Corrections	--	7,509,008	57,466,137	64,975,145
Education	1,395,509	775,689,039	14,985,256	792,069,804
Environmental Protection	16,143,871	63,062,293	27,613,247	106,819,411
Health and Senior Services	11,596,055	358,913,456	146,019,980	516,529,491
Human Services	220,322,028	4,990,707,950	627,498,974	5,838,528,952
Labor	36,222,786	320,435,871	166,221,764	522,880,421
Law and Public Safety	100,681,465	131,651,261	147,574,406	379,907,132
Military and Veterans Affairs	2,173,210	36,967,360	227,561	39,368,131
Personnel	5,207,594	--	--	5,207,594
State	1,386,758	24,208,403	21,404,964	47,000,125
Transportation	3,051,880	49,214,413	325,687,788	377,954,081
Treasury	14,451,739	2,723,462	1,150,305,980	1,167,481,181
Interdepartmental	784,880	--	3,952	788,832
<b>TOTAL EXECUTIVE BRANCH</b>	<u>444,962,858</u>	<u>7,192,598,523</u>	<u>2,767,267,823</u>	<u>10,404,829,204</u>
<b>JUDICIAL BRANCH</b>	<u>3,425,345</u>	<u>1,025,687</u>	<u>42,816,204</u>	<u>47,267,236</u>
<b>TOTAL APPROPRIATED REVENUE</b>	<u>\$ 448,388,203</u>	<u>\$ 7,193,624,210</u>	<u>\$ 2,810,100,271</u>	<u>\$ 10,452,112,684</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
CASINO REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
<b>EXECUTIVE BRANCH</b>				
Health and Senior Services	\$ 127,920,146	\$ --	\$ --	\$ 127,920,146
<b>TOTAL APPROPRIATED REVENUE</b>	<u>\$ 127,920,146</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 127,920,146</u>

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**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
<b>Legislative Branch</b>	\$ 69,051,428	\$ 17,349,519	\$ 69,602,714
<b>Executive Branch</b>			
Chief Executive's Office	5,351,000	783,214	5,141,401
Agriculture	9,384,000	2,441,730	10,998,879
Banking and Insurance	68,018,000	6,145,707	65,868,837
Community Affairs	34,770,802	15,332,715	45,010,015
Corrections	845,325,000	2,961,135	830,082,157
Education	61,645,797	278,912	50,562,361
Environmental Protection	219,132,864	33,091,354	226,147,187
Health and Senior Services	78,020,000	34,441,884	97,524,729
Human Services	678,591,438	86,492,661	735,797,221
Labor	60,018,000	38,012,804	89,900,434
Law and Public Safety	468,482,000	191,100,169	561,985,384
Military and Veterans' Affairs	77,802,144	3,936,488	77,943,993
Personnel	25,936,000	7,391,172	29,044,930
State	23,462,000	918,642	21,485,249
Transportation	102,330,500	4,862,372	102,481,405
Treasury	370,132,394	59,027,079	381,427,934
Miscellaneous Executive Commissions	1,373,000	34,779	1,404,165
Inter-Departmental Accounts	1,640,888,409	(20,428,287 )	1,532,569,197
<b>Total Executive Branch</b>	<u>4,770,663,348</u>	<u>466,824,530</u>	<u>4,865,375,478</u>
<b>Judicial Branch</b>	<u>502,164,000</u>	<u>25,431,695</u>	<u>492,462,370</u>
<b>TOTAL DIRECT STATE SERVICES</b>	<u>\$ 5,341,878,776</u>	<u>\$ 509,605,744</u>	<u>\$ 5,427,440,562</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 4,396,386	\$ --	\$ 12,401,847
--	5,015	987,798
265,652	1	561,198
828,112	5,734,507	1,732,251
639,200	291,439	4,162,863
15,447,633	1,393,883	1,362,462
6,288,443	3,471,423	1,602,482
9,962,576	1,524,069	14,590,386
11,465,827	2,361,352	1,109,976
15,522,677	1,001,129	12,763,072
1,292,924	4,980,355	1,857,091
21,609,596	1,224,707	74,762,482
2,105,135	5,368	1,684,136
1,370,038	7	2,912,197
1,736,548	242,810	916,035
2,309,293	1,094,581	1,307,593
20,121,944	3,095,193	24,514,402
527	--	3,087
16,029,111	10,793,620	61,068,194
<u>126,995,236</u>	<u>37,219,459</u>	<u>207,897,705</u>
<u>25,704,678</u>	<u>33,865</u>	<u>9,394,782</u>
<u>\$ 157,096,300</u>	<u>\$ 37,253,324</u>	<u>\$ 229,694,334</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 436,000	\$ 688,772	\$ 688,989
Community Affairs	36,865,000	12,450,533	28,771,142
Corrections	89,386,000	4,989,782	91,477,858
Education	9,443,000	(270,000 )	8,648,430
Environmental Protection	9,250,000	7,882,211	3,836,827
Health and Senior Services	709,891,000	210,433	662,147,400
Human Services	3,268,465,073	216,146,567	3,425,493,701
Labor	31,279,000	(3,900,000 )	27,379,000
Law and Public Safety	18,822,000	35,000	8,418,894
Military and Veterans' Affairs	1,044,000	62,843	964,520
State	1,090,689,000	(26,855,065 )	1,039,896,594
Transportation	193,827,000	3,530,357	194,487,854
Treasury	211,663,041	(10,743,184 )	196,213,438
Inter-Departmental Accounts	618,159,000	(8,848,833 )	604,724,699
<b>Total Executive Branch</b>	<u>6,289,219,114</u>	<u>195,379,416</u>	<u>6,293,149,346</u>
<b>Judicial Branch</b>	<u>--</u>	<u>300,000</u>	<u>300,000</u>
<b>TOTAL GRANTS-IN-AID</b>	<u>\$ 6,289,219,114</u>	<u>\$ 195,679,416</u>	<u>\$ 6,293,449,346</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 240,896	\$ 103,164	\$ 91,723
13,971,204	47,795	6,525,392
684,090	34	2,213,800
211,242	313,328	--
3,850,443	1,248,537	8,196,404
12,485,458	14,366,898	21,101,677
47,526,846	1,677,775	9,913,318
--	--	--
10,138,101	300,005	--
87,958	9,148	45,217
6,298,209	5,525	17,633,607
1,119,924	110,000	1,639,579
1,264,550	3,398,814	43,055
1,111,061	1,727,268	1,747,139
<u>98,989,982</u>	<u>23,308,291</u>	<u>69,150,911</u>
--	--	--
<u>\$ 98,989,982</u>	<u>\$ 23,308,291</u>	<u>\$ 69,150,911</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>STATE AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 11,015,000	\$ --	\$ 10,662,811
Community Affairs	19,996,000	35,580,942	29,462,883
Education	2,979,407,000	(18,314,404 )	2,945,039,294
Environmental Protection	4,255,000	3,714	4,135,212
Health and Senior Services	58,454,000	--	54,347,909
Human Services	308,222,000	27,505,741	326,713,815
Law and Public Safety	15,109,000	7,421,769	11,456,201
State	16,827,000	--	16,540,990
Treasury	269,664,666	--	259,440,547
<b>Total Executive Branch</b>	<u>3,682,949,666</u>	<u>52,197,762</u>	<u>3,657,799,662</u>
<b>TOTAL STATE AID</b>	<u>\$ 3,682,949,666</u>	<u>\$ 52,197,762</u>	<u>\$ 3,657,799,662</u>



<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 15,166	\$ 6,026	\$ 330,997
362,348	2,073	25,749,638
1,050,650	9,489,201	5,513,451
92,678	3,714	27,110
3,978,042	128,049	--
--	153	9,013,773
--	90,000	10,984,568
--	286,010	--
--	1,944,765	8,279,354
5,498,884	11,949,991	59,898,891
\$ 5,498,884	\$ 11,949,991	\$ 59,898,891

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>CAPITAL CONSTRUCTION</b>			
<b>Legislative Branch</b>	\$ --	\$ 107,987	\$ 43,265
<b>Executive Branch</b>			
Agriculture	--	5,141,470	3,998,851
Corrections	--	10,370,314	370,668
Education	--	1,465,558	149,851
Environmental Protection	140,074,000	54,434,324	76,169,808
Health and Senior Services	620,000	310,729	83,478
Human Services	5,600,000	24,849,896	4,336,193
Law and Public Safety	4,346,000	19,813,811	1,886,308
Military and Veterans' Affairs	165,000	1,463,948	170,936
Personnel	--	1,697	--
State	--	641,493	34,712
Transportation	805,000,000	1	804,190,216
Treasury	--	12,919,004	2,164,787
Miscellaneous Executive Commissions	--	2,000	--
Inter-Departmental Accounts	194,233,000	21,955,001	175,227,428
<b>Total Executive Branch</b>	<u>1,150,038,000</u>	<u>153,369,246</u>	<u>1,068,783,236</u>
<b>TOTAL CAPITAL CONSTRUCTION</b>	<u>\$ 1,150,038,000</u>	<u>\$ 153,477,233</u>	<u>\$ 1,068,826,501</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 30,594	\$ --	\$ 34,128
--	--	1,142,619
3,897,270	--	6,102,376
170,768	200,000	944,939
24,444,046	--	93,894,470
133,113	--	714,138
7,542,392	--	18,571,311
4,026,025	1,257,000	16,990,478
748,571	--	709,441
--	--	1,697
472,757	11,156	122,868
--	809,785	--
883,395	4,765,356	5,105,466
--	--	2,000
5,831,228	939,000	34,190,345
<u>48,149,565</u>	<u>7,982,297</u>	<u>178,492,148</u>
<u>\$ 48,180,159</u>	<u>\$ 7,982,297</u>	<u>\$ 178,526,276</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DEBT SERVICE</b>			
<b>Executive Branch</b>			
Environmental Protection	\$ 68,053,000	\$ (3,839,693 )	\$ 63,179,729
Treasury	374,428,000	3,839,693	374,886,633
<b>Total Executive Branch</b>	<u>442,481,000</u>	<u>--</u>	<u>438,066,362</u>
<b>TOTAL DEBT SERVICE</b>	<u>\$ 442,481,000</u>	<u>\$ --</u>	<u>\$ 438,066,362</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 1,033,578	\$ --
--	3,381,060	--
--	4,414,638	--
<u>\$ --</u>	<u>\$ 4,414,638</u>	<u>\$ --</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>FEDERAL</b>			
<b>Executive Branch</b>			
Agriculture	\$ 236,083,769	\$ 27,587,113	\$ 200,487,948
Community Affairs	263,375,551	32,497,640	244,401,906
Corrections	11,042,984	19,504,539	24,600,532
Education	837,241,286	95,466,977	719,063,225
Environmental Protection	224,231,435	33,767,733	46,852,435
Health and Senior Services	2,093,483,271	22,405,995	1,552,534,484
Human Services	3,860,820,555	209,919,891	3,517,326,868
Labor	385,276,972	74,252,193	255,053,091
Law and Public Safety	703,348,024	104,171,096	77,848,780
Military and Veterans' Affairs	55,505,993	9,196,161	19,660,331
Personnel	--	314,501	299,518
State	34,344,719	1,731,611	24,526,029
Transportation	64,427,000	34,586,753	44,039,314
Treasury	4,684,196	1,042,681	3,138,621
<b>Total Executive Branch</b>	<u>8,773,865,755</u>	<u>666,444,884</u>	<u>6,729,833,082</u>
<b>Judicial Branch</b>	<u>69,367,950</u>	<u>2,227,855</u>	<u>69,065,172</u>
<b>TOTAL FEDERAL</b>	<u>\$ 8,843,233,705</u>	<u>\$ 668,672,739</u>	<u>\$ 6,798,898,254</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 38,524,168	\$ --	\$ 24,658,766
30,362,747	--	21,108,538
983,649	--	4,963,342
64,191,986	--	149,453,052
16,709,342	72,551,292	121,886,099
95,907,634	--	467,447,148
100,484,128	36,976,000	415,953,450
58,854,194	--	145,621,880
64,923,109	--	664,747,231
4,934,256	--	40,107,567
14,983	--	--
3,171,906	--	8,378,395
9,789,425	--	45,185,014
647,842	--	1,940,414
<hr/> 489,499,369 <hr/>	<hr/> 109,527,292 <hr/>	<hr/> 2,111,450,896 <hr/>
950,196	--	1,580,437
<hr/> \$ 490,449,565 <hr/>	<hr/> \$ 109,527,292 <hr/>	<hr/> \$ 2,113,031,333 <hr/>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>REVOLVING FUNDS</b>			
<b>Legislative Branch</b>	\$ --	\$ 16,974	\$ 16,974
<b>Executive Branch</b>			
Community Affairs	--	17,818,741	7,551,230
Corrections	--	35,296,685	32,683,582
Education	--	6,251,110	3,998,393
Environmental Protection	--	1,638,308	755,259
Health and Senior Services	--	23,327,110	16,915,896
Human Services	--	4,746,915	6,264,125
Labor	--	2,056,097	1,335,954
Law and Public Safety	--	472,907	260,731
State	--	720,707	1,282,004
Transportation	--	841,938	560,894
Treasury	--	199,491,650	165,859,178
<b>Total Executive Branch</b>	--	292,662,168	237,467,246
<b>TOTAL REVOLVING FUNDS</b>	<u>\$ --</u>	<u>\$ 292,679,142</u>	<u>\$ 237,484,220</u>



<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$           --	\$           --	\$           --
2,425,655	--	7,841,856
602,840	--	2,010,263
398,449	333,608	1,520,660
42,758	--	840,291
1,390,892	--	5,020,322
788,918	--	(2,306,128 )
162,750	--	557,393
--	--	212,176
35,293	--	(596,590 )
70,624	--	210,420
16,363,944	2,000	17,266,528
<u>22,282,123</u>	<u>335,608</u>	<u>32,577,191</u>
<u>\$ 22,282,123</u>	<u>\$ 335,608</u>	<u>\$ 32,577,191</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>ALL OTHER</b>			
<b>Legislative Branch</b>	\$ --	\$ 11,155	\$ --
<b>Executive Branch</b>			
Chief Executive's Office	--	1,632,868	1,172,278
Agriculture	--	12,490,824	8,883,025
Banking and Insurance	--	2,379,504	2,048,740
Community Affairs	--	107,829,037	7,547,339
Corrections	--	30,946,030	23,654,723
Education	--	19,119,428	10,237,038
Environmental Protection	--	53,337,682	14,666,624
Health and Senior Services	--	171,780,808	117,784,284
Human Services	--	622,297,290	574,748,657
Labor	--	223,316,153	146,327,985
Law and Public Safety	--	192,322,737	164,153,723
Military and Veterans' Affairs	--	327,938	36,501
Personnel	--	25,369	(42,150 )
State	--	25,802,994	18,870,188
Transportation	--	354,527,445	231,682,818
Treasury	--	976,644,699	834,050,865
<b>Total Executive Branch</b>	--	2,794,780,806	2,155,822,638
<b>Judicial Branch</b>	--	48,421,904	30,891,254
<b>TOTAL ALL OTHER</b>	<u>\$ --</u>	<u>\$ 2,843,213,865</u>	<u>\$ 2,186,713,892</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 11,155
--	--	460,590
22,464	--	3,585,335
3,925	12,275	314,564
34,656,613	--	65,625,085
809,975	880	6,480,452
347,786	--	8,534,604
4,622,525	32,997	34,015,536
13,093,021	2,891,772	38,011,731
2,769,689	205,868	44,573,076
1,739,510	--	75,248,658
15,915,730	196,000	12,057,284
--	--	291,437
63,869	--	3,650
609,054	--	6,323,752
25,039,193	1,934,374	95,871,060
10,100,741	30,427,891	102,065,202
<u>109,794,095</u>	<u>35,702,057</u>	<u>493,462,016</u>
<u>11,194,355</u>	<u>30,826</u>	<u>6,305,469</u>
<u>\$ 120,988,450</u>	<u>\$ 35,732,883</u>	<u>\$ 499,778,640</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GENERAL FUND SUMMARY</b>			
<b>Legislative Branch</b>	\$ 69,051,428	\$ 17,485,635	\$ 69,662,953
<b>Executive Branch</b>			
Chief Executive's Office	5,351,000	2,416,082	6,313,679
Agriculture	256,918,769	48,349,909	235,720,503
Banking and Insurance	68,018,000	8,525,211	67,917,577
Community Affairs	355,007,353	221,509,608	362,744,515
Corrections	945,753,984	104,068,485	1,002,869,520
Education	3,887,737,083	103,997,581	3,737,698,592
Environmental Protection	664,996,299	180,315,633	435,743,081
Health and Senior Services	2,940,468,271	252,476,959	2,501,338,180
Human Services	8,121,699,066	1,191,958,961	8,590,680,580
Labor	476,573,972	333,737,247	519,996,464
Law and Public Safety	1,210,107,024	515,337,489	826,010,021
Military and Veterans' Affairs	134,517,137	14,987,378	98,776,281
Personnel	25,936,000	7,732,739	29,302,298
State	1,165,322,719	2,960,382	1,122,635,766
Transportation	1,165,584,500	398,348,866	1,377,442,501
Treasury	1,230,572,297	1,242,221,622	2,217,182,003
Miscellaneous Executive Commissions	1,373,000	36,779	1,404,165
Inter-Departmental Accounts	2,453,280,409	(7,322,119 )	2,312,521,324
<b>Total Executive Branch</b>	<u>25,109,216,883</u>	<u>4,621,658,812</u>	<u>25,446,297,050</u>
<b>Judicial Branch</b>	<u>571,531,950</u>	<u>76,381,454</u>	<u>592,718,796</u>
<b>TOTAL GENERAL FUND SUMMARY</b>	<u>\$ 25,749,800,261</u>	<u>\$ 4,715,525,901</u>	<u>\$ 26,108,678,799</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 4,426,980	\$ --	\$ 12,447,130
--	5,015	1,448,388
39,068,346	109,191	30,370,638
832,037	5,746,782	2,046,815
82,417,767	341,307	131,013,372
22,425,457	1,394,797	23,132,695
72,659,324	13,807,560	167,569,188
59,724,368	76,394,187	273,450,296
138,453,987	19,748,071	533,404,992
174,634,650	39,860,925	508,481,872
62,049,378	4,980,355	223,285,022
116,612,561	3,067,712	779,754,219
7,875,920	14,516	42,837,798
1,448,890	7	2,917,544
12,323,767	545,501	32,778,067
38,328,459	3,948,740	144,213,666
49,382,416	47,015,079	159,214,421
527	--	5,087
22,971,400	13,459,888	97,005,678
<u>901,209,254</u>	<u>230,439,633</u>	<u>3,152,929,758</u>
<u>37,849,229</u>	<u>64,691</u>	<u>17,280,688</u>
<u>\$ 943,485,463</u>	<u>\$ 230,504,324</u>	<u>\$ 3,182,657,576</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
<b>Executive Branch</b>			
Law and Public Safety	\$ 37,699,000	\$ 55,148	\$ 36,528,034
Treasury	26,938,000	1,910,621	27,105,019
<b>TOTAL CASINO CONTROL FUND</b>	<u>\$ 64,637,000</u>	<u>\$ 1,965,769</u>	<u>\$ 63,633,053</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
Health and Senior Services	\$ 871,000	\$ 111,518	\$ 844,951
Law and Public Safety	92,000	956	92,953
<b>GRANTS-IN-AID</b>			
Health and Senior Services	299,602,000	127,832,622	422,747,350
Human Services	118,737,000	--	118,635,785
Labor	2,440,000	--	2,440,000
<b>STATE AID</b>			
Transportation	25,458,000	--	2,914,162
<b>TOTAL CASINO REVENUE FUND</b>	<u>\$ 447,200,000</u>	<u>\$ 127,945,096</u>	<u>\$ 547,675,201</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 737,532	\$ 310,972	\$ 177,610
969,060	5,635	768,907
<u>\$ 1,706,592</u>	<u>\$ 316,607</u>	<u>\$ 946,517</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 91,784	\$ 14,945	\$ 30,838
--	3	--
3,164,645	1,522,627	--
--	101,215	--
--	--	--
22,543,838	--	--
<u>\$ 25,800,267</u>	<u>\$ 1,638,790</u>	<u>\$ 30,838</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
Treasury	\$ 862,311,000	\$ (15,000,000 )	\$ 828,810,586
<b>STATE AID</b>			
Community Affairs	960,069,000	(18,808,082 )	940,399,338
Education	5,158,094,000	135,866,438	5,285,137,544
Environmental Protection	10,453,000	(300,000 )	8,027,729
Treasury	159,808,000	(2,898,000 )	154,448,137
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<u>\$ 7,150,735,000</u>	<u>\$ 98,860,356</u>	<u>\$ 7,216,823,334</u>



<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 18,476,745	\$ 23,669
795,193	66,387	--
--	3,082,016	5,740,878
2,101,824	23,447	--
--	2,461,863	--
<hr/>	<hr/>	<hr/>
<u>\$ 2,897,017</u>	<u>\$ 24,110,458</u>	<u>\$ 5,764,547</u>

**STATE OF NEW JERSEY  
TEN-YEAR FINANCIAL SUMMARY <sup>(1)</sup>  
FOR FISCAL YEAR ENDED JUNE 30  
(Expressed in Millions)**

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>REVENUES <sup>(2)</sup></b>				
Taxes	\$ 19,735	\$ 18,317	\$ 16,800	\$ 17,824
Federal and other grants	8,411	7,883	7,566	6,684
Licenses and fees	771	944	840	896
Services and assessments	1,459	1,344	1,287	1,188
Investment earnings	43	39	15	82
Contributions	282	510	231	136
Other	7,219	7,412	6,167	5,026
<b>Total Revenues</b>	<u>\$ 37,920</u>	<u>\$ 36,449</u>	<u>\$ 32,906</u>	<u>\$ 31,836</u>
<b>EXPENDITURES <sup>(2)</sup></b>				
Public safety and criminal justice	\$ 2,675	\$ 2,511	\$ 2,506	\$ 2,385
Physical and mental health	8,792	9,280	8,831	7,523
Education, cultural, and intellectual development	-	11,592	10,597	9,585
Community development and environmental management	1,908	1,844	1,894	1,855
Economic planning, development, and security	3,075	2,892	2,832	2,628
Transportation programs	2,421	2,145	2,024	1,753
Government direction, management, and control	4,958	5,219	4,759	4,075
Special government services	271	239	230	224
Other financing uses	1,519	1,377	1,326	1,493
<b>Total Expenditures</b>	<u>\$ 37,211</u>	<u>\$ 36,104</u>	<u>\$ 34,634</u>	<u>\$ 31,521</u>

(1) 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. Nonrecurring items are not included in either revenues or expenditures.

(2) The State's policy for revenue and expenditure recognition is described in Note 1.

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$	16,718	\$ 15,335	\$ 14,195	\$ 13,008	\$ 12,690	\$ 12,146
	6,041	5,616	5,532	5,664	5,392	4,778
	854	839	818	759	693	710
	1,223	1,137	1,135	1,157	1,228	1,226
	72	55	46	48	51	67
	--	--	--	--	--	--
	4,855	3,711	3,516	3,726	3,908	3,475
<u>\$</u>	<u>29,763</u>	<u>\$ 26,693</u>	<u>\$ 25,242</u>	<u>\$ 24,362</u>	<u>\$ 23,962</u>	<u>\$ 22,402</u>
\$	2,261	\$ 2,076	\$ 1,873	\$ 1,814	\$ 1,687	\$ 1,529
	7,127	5,861	5,635	5,547	5,308	5,158
	8,833	8,424	7,641	7,190	7,126	6,275
	1,702	1,576	1,547	1,351	1,305	1,119
	2,735	2,641	2,540	2,677	2,791	2,381
	1,581	1,572	1,617	1,731	1,587	1,466
	2,965	2,604	2,553	2,420	2,508	3,227
	207	187	174	177	161	157
	1,777	1,576	1,386	1,291	1,763	1,003
<u>\$</u>	<u>29,188</u>	<u>\$ 26,517</u>	<u>\$ 24,966</u>	<u>\$ 24,198</u>	<u>\$ 24,236</u>	<u>\$ 22,315</u>

**STATE OF NEW JERSEY  
REVENUE SUMMARY FOR BUDGETED FUNDS\*  
2000-2004  
(Expressed in Millions)**

<b>Major Tax</b>	<b>Fiscal Year</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Gross Income Tax	\$ 7,400.7	\$ 6,735.3	\$ 6,837.0	\$ 7,989.2	\$ 7,205.3
Sales and Use Tax	6,261.7	5,936.1	5,996.8	5,758.7	5,508.1
Corporation Business Tax	2,370.2	2,525.4	1,171.5	1,389.5	1,452.1
Other Major Taxes	3,028.0	2,837.3	2,489.1	2,429.9	2,307.8
Miscellaneous Taxes, Fees	4,472.4	4,265.2	2,911.5	2,296.9	2,307.7
State Lottery	795.0	765.4	754.5	697.4	719.9
Casino Taxes and Fees	532.7	413.9	413.0	399.3	396.3
<b>Total</b>	<b>\$ 24,860.7</b>	<b>\$ 23,478.6</b>	<b>\$ 20,573.4</b>	<b>\$ 20,960.9</b>	<b>\$ 19,897.2</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

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

**STATE OF NEW JERSEY  
REVENUE SUMMARY FOR BUDGETED FUNDS\*  
PERCENT DISTRIBUTION BY MAJOR TAX  
2000-2004**

<b>Major Tax</b>	<b>Fiscal Year</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Gross Income Tax	29.8 %	28.7 %	33.2 %	38.1 %	36.3 %
Sales and Use Tax	25.2	25.3	29.1	27.5	27.7
Corporation Business Tax	9.5	10.7	5.7	6.6	7.3
Other Major Taxes	12.2	12.1	12.1	11.6	11.6
Miscellaneous Taxes, Fees	18.0	18.2	14.2	11.0	11.5
State Lottery	3.2	3.2	3.7	3.3	3.6
Casino Taxes and Fees	2.1	1.8	2.0	1.9	2.0
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

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

**STATE OF NEW JERSEY  
EXPENDITURE SUMMARY FOR BUDGETED FUNDS\*  
2000-2004  
(Expressed in Millions)**

<b>Expenditure Category</b>	<b>Fiscal Year</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Direct State Services	\$ 5,650.9	\$ 5,437.5	\$ 5,106.4	\$ 5,012.6	\$ 4,650.2
Grants-In-Aid	7,768.2	8,035.2	7,264.0	6,210.0	6,211.7
State Aid	10,079.7	9,163.6	8,834.8	8,408.2	7,866.4
Capital Construction	1,117.0	1,075.4	1,012.1	1,171.0	737.4
Debt Service	438.1	430.4	451.2	525.0	494.2
<b>Total</b>	<b>\$ 25,053.9</b>	<b>\$ 24,142.1</b>	<b>\$ 22,668.5</b>	<b>\$ 21,326.8</b>	<b>\$ 19,959.9</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

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

**STATE OF NEW JERSEY  
EXPENDITURE SUMMARY FOR BUDGETED FUNDS\*  
PERCENT DISTRIBUTION BY MAJOR EXPENDITURE CATEGORY  
2000-2004**

<b>Expenditure Category</b>	<b>Fiscal Year</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Direct State Services	22.6 %	22.5 %	22.5 %	23.5 %	23.3 %
Grants-In-Aid	31.0	33.3	32.0	29.1	31.1
State Aid	40.2	38.0	39.0	39.4	39.4
Capital Construction	4.5	4.4	4.5	5.5	3.7
Debt Service	1.7	1.8	2.0	2.5	2.5
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

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

**STATE OF NEW JERSEY  
EXPENDITURES FOR BUDGETED FUNDS\*  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Expressed in Millions)**

<b>Government Branch</b>	<b>Direct State Service</b>	<b>Grants- In-Aid</b>	<b>State Aid</b>	<b>Capital Construction</b>	<b>Debt Service</b>	<b>Total</b>
<b>Executive Branch</b>						
Chief Executive Office	\$ 5.1	\$ --	\$ --	\$ --	\$ --	\$ 5.1
Agriculture	11.3	0.9	10.7	4.0	--	26.9
Banking and Insurance	66.7	--	--	--	--	66.7
Community Affairs	45.6	42.7	971.0	--	--	1,059.3
Corrections	845.5	92.2	--	4.3	--	942.0
Education	56.9	8.9	8,231.2	0.3	--	8,297.3
Environmental Protection	236.1	7.7	14.4	100.6	63.2	422.0
Health and Senior Services	109.9	1,100.5	58.3	0.2	--	1,268.9
Human Services	751.3	3,591.7	326.7	11.9	--	4,681.6
Labor	91.2	29.8	--	--	--	121.0
Law and Public Safety	621.0	18.6	11.5	5.9	--	657.0
Military and Veterans' Affairs	80.1	1.0	--	0.9	--	82.0
Personnel	30.4	--	--	--	--	30.4
State	23.2	1,046.2	16.5	0.5	--	1,086.4
Transportation	104.8	195.6	25.5	804.2	--	1,130.1
Treasury	429.6	1,026.3	413.9	3.0	374.9	2,247.7
Miscellaneous	1.4	--	--	--	--	1.4
Inter-Departmental	1,548.6	605.8	--	181.1	--	2,335.5
<b>Subtotal</b>	<b>5,058.7</b>	<b>7,767.9</b>	<b>10,079.7</b>	<b>1,116.9</b>	<b>438.1</b>	<b>24,461.3</b>
<b>Legislative Branch</b>	74.0	--	--	0.1	--	74.1
<b>Judicial Branch</b>	518.2	0.3	--	--	--	518.5
<b>Grand Total</b>	<b>\$ 5,650.9</b>	<b>\$ 7,768.2</b>	<b>\$ 10,079.7</b>	<b>\$ 1,117.0</b>	<b>\$ 438.1</b>	<b>\$ 25,053.9</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

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

**STATE OF NEW JERSEY**  
**STATE AID, TAX RELIEF, AND LOCAL BUDGET SAVINGS INITIATIVES**  
(Expressed in Millions)

Program	Fiscal Year			
	2004	2003	2002	2001
<b>School Aid</b>				
Direct Aid	\$ 6,704.5	\$ 6,647.0	\$ 6,453.6	\$ 5,914.7
School Construction and Renovation	242.4	6.9	82.0	129.9
Teachers' Retirement Benefits and Social Security	1,184.1	977.6	905.7	792.5
<b>Subtotal</b>	<b>8,131.0</b>	<b>7,631.5</b>	<b>7,441.3</b>	<b>6,837.1</b>
<b>Municipal Aid and Budget Savings</b>				
Consolidated Municipal Property Tax Relief Aid	835.4	835.4	835.2	787.8
Energy Receipts Property Tax Relief Aid	762.7	755.0	755.0	750.0
Special Municipal Aid	28.3	58.0	38.7	--
Trenton Capital City Aid	16.5	--	--	--
Business Personal Property Tax Depreciation	--	--	--	33.9
Legislative Initiative Block Grant Program	34.8	34.8	34.8	33.8
Extraordinary Aid	35.0	30.5	25.0	25.0
Regional Efficiency Aid Program	10.0	9.0	20.0	16.8
Regional Efficiency Development Incentive Program	2.0	--	5.0	10.0
Open Space - Payments in Lieu of Taxes	8.0	8.0	7.4	7.1
Watershed Moratorium Offset Aid	--	--	3.4	3.3
<b>Subtotal</b>	<b>1,732.7</b>	<b>1,730.7</b>	<b>1,724.5</b>	<b>1,667.7</b>
<b>Other Local Aid and Budget Savings</b>				
County College Aid	214.0	201.3	203.7	191.1
Transportation Trust Fund - Aid for Local Projects	150.0	150.0	150.0	150.0
Aid to County Psychiatric Hospitals	93.5	94.5	91.7	87.2
Urban Enterprise Zones - Sales Tax Dedication	57.5	13.1	57.4	43.5
Intergovernmental Transfer Funds (IGT)	--	--	--	51.4
Department of Community Affairs - Housing and Neighborhood Assistance	16.7	16.7	16.7	16.6
Library Aid	22.8	16.9	15.4	15.1
Pension Contributions on Behalf of Local Governments	38.3	31.4	21.9	15.6
Miscellaneous Programs	111.4	168.8	22.5	23.2
<b>Subtotal</b>	<b>704.2</b>	<b>692.7</b>	<b>579.3</b>	<b>593.7</b>
<b>Direct Taxpayer Relief</b>				
NJ SAVER Program	324.6	679.1	727.4	336.7
Homestead Rebates	514.7	514.3	500.6	335.1
Veterans and Senior/Disabled Citizens' Property Tax Relief	132.0	118.7	91.9	77.3
Property Tax Deduction Act	341.0	335.1	316.8	301.0
<b>Subtotal</b>	<b>1,312.3</b>	<b>1,647.2</b>	<b>1,636.7</b>	<b>1,050.1</b>
<b>Pension Security Plan Savings</b>				
School District Pension Security Program Savings	28.9	13.3	10.6	10.6
Municipal Pension Security Program Savings	34.9	16.1	12.8	12.8
Police and Firemen's Retirement Local Savings	214.0	263.2	150.0	150.0
Other Local Pension Security Program Savings	69.0	31.9	25.3	25.3
<b>Subtotal</b>	<b>346.8</b>	<b>324.5</b>	<b>198.7</b>	<b>198.7</b>
<b>Grand Total</b>	<b>\$ 12,227.0</b>	<b>\$ 12,026.6</b>	<b>\$ 11,580.5</b>	<b>\$ 10,347.3</b>

**Source:**

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

**STATE OF NEW JERSEY**  
**CONSOLIDATED SUMMARY - STATE AID FOR LOCAL SCHOOL DISTRICTS**  
**GENERAL FUND AND PROPERTY TAX RELIEF FUND**  
**(Expressed in Thousands)**

<b>Formula Aid Program</b>	<b>Expended Fiscal Year 2004</b>	<b>Available Resources Fiscal Year 2005</b>
Core Curriculum Standards Aid	\$ 3,079,584	\$ 3,080,318
Supplemental Core Curriculum Standards Aid	251,768	251,768
Early Childhood Aid	330,630	330,630
Instructional Supplement	15,621	15,621
Demonstrably Effective Program Aid	199,512	199,512
Stabilization Aid	111,626	111,626
Stabilization Aid II	2,491	2,491
Stabilization Aid III	11,402	11,402
Additional Supplemental Stabilization Aid:		
Large Efficient Districts	5,250	5,250
Regionalization Incentive Aid	18,295	18,295
High Senior Citizen Concentrations	1,231	1,231
Categorical Aids:		
Adult Education Grants	28,721	28,721
Bilingual Education	65,578	65,578
Special Education	896,420	896,420
County Vocational Education	38,948	38,948
Pupil Transportation Aid	305,652	307,187
School Choice	6,537	7,969
Aid for Enrollment Adjustments	16,456	16,456
Formula Entitlement Amelioration Aid	313	--
Consolidated Aid	130,127	130,127
Additional Formula Aid	--	90,000
Above Average Enrollment Growth	--	12,000
<b>Less</b>		
Stabilization Aid Growth Limitation	(73,576)	(73,576)
Growth Savings - Payment Change	(14,250)	(14,500)
<b>Subtotal Net Thorough and Efficient Budget</b>	<b>5,428,336</b>	<b>5,533,474</b>
School Construction and Renovation Programs	108,463	183,991
Debt Service Aid	126,601	121,272
<b>Subtotal School Building Aid</b>	<b>235,064</b>	<b>305,263</b>
<b>Subtotal Formula Aid Programs</b>	<b>5,663,400</b>	<b>5,838,737</b>
<b>Other Aid to Education</b>		
Nonpublic School Aid	100,266	104,118
Education Opportunity Aid	1,051,330	1,103,414
Education Access Aid	--	195,000
Abbott Preschool Expansion Aid	142,442	182,400
Early Launch to Learning Initiative	--	15,000
High Expectations for Learning Proficiency	--	17,000
Positive Achievement and Cost Effectiveness	--	2,500
Payment for Children with Unknown District of Residence	22,952	21,400
Extraordinary Special Education Costs Aid	52,000	52,000
General Vocational Aid	5,446	4,860
Additional School Building Aid (Debt Service)	1,599	955
Educational Information & Resource Center	450	450
Charter School Aid	5,714	10,500
Charter Schools - Council on Local Mandates Decision Offset Aid	5,499	5,500
Character Education	4,742	4,750
Teacher Quality Mentoring	1,997	2,500
Other Aid	7,609	11,699
<b>Subtotal Other Aid to Education</b>	<b>1,402,046</b>	<b>1,734,046</b>
<b>Direct State Payments for Education</b>		
Teachers' Pension and Annuity Fund - Post Retirement Medical	422,458	524,979
Debt Service on Pension Obligation Bonds	83,512	79,779
Pension Retirement Medical Other than PTRF	65,385	82,013
Teachers' Social Security Payments for Education	594,427	624,750
<b>Subtotal Direct State Payments for Education</b>	<b>1,165,782</b>	<b>1,311,521</b>
<b>Total</b>	<b>\$ 8,231,228</b>	<b>\$ 8,884,304</b>

**Source:**

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



**STATE OF NEW JERSEY  
RATIO OF TOTAL DEBT SERVICE ON GENERAL OBLIGATION  
BONDS TO TOTAL STATE EXPENDITURES**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service*</b>	<b>State Expenditures</b>	<b>Ratio</b>
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	16,243,868,982	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	17,214,149,639	2.78
1999	297,990,000	197,553,385	495,543,385	18,531,794,940	2.67
2000	301,995,000	192,228,225	494,223,225	19,959,907,507	2.48
2001	319,650,000	205,395,184	525,045,184	21,326,795,958	2.46
2002	296,135,380	155,040,632	451,176,012	22,679,930,235	1.99
2003	260,845,065	179,611,063	440,456,128	24,142,092,646	1.82
2004	273,189,412	176,979,025	450,168,437	25,053,883,222	1.80

\* Includes debt service on General Obligation Bonds only. Savings achieved through the sale of General Obligation Refunding Bonds are reflected in lower debt service payments made in Fiscal Years 1995, 1996, 1999, 2002, 2003, and 2004.

**Source:**

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

**STATE OF NEW JERSEY  
RATIO OF GENERAL LONG-TERM BONDED DEBT TO  
ASSESSED VALUE AND DEBT PER CAPITA  
(Expressed in Thousands Except for General Long-Term Debt Ratios)**

<b>Fiscal Year</b>	<b>New Jersey Population**</b>	<b>Assessed Value**</b>	<b>General Long-Term Debt Outstanding (1)</b>	<b>General Long-Term Debt Comparison To Assessed Value</b>	<b>General Long-Term Debt Per Capita***</b>
1994	7,904	\$ 416,075,191	\$ 3,591,316	0.86 %	\$ 454.37
1995	7,945	423,960,774	3,646,891	0.86	459.02
1996	7,988	429,753,224	3,688,361	0.86	461.74
1997	8,053	438,965,016	3,437,450	0.78	426.85
1998	8,115	455,710,137	3,572,895	0.78	440.28
1999	8,143	470,554,943	3,649,905	0.78	448.23
2000	8,414	493,863,234	3,790,570	0.77	450.51
2001	8,504 *	524,816,215	3,470,920	0.66	408.15
2002	8,575 *	567,908,706	3,170,939	0.56	369.79
2003	8,638	606,248,658	3,294,174	0.54	381.36

\* NJ Population has been revised for 2001 and 2002.

\*\* NJ Population and Assessed Value (includes real and personal property) are shown on a calendar year basis.

\*\*\* General Long-Term Debt Per Capita has been revised for Fiscal Years 1994 through 2002.

(1) Includes State General Obligation 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  
STATE CONSTITUTION - LEGAL DEBT LIMITATIONS**

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war, or to repel invasion, or to suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY  
CALCULATION OF LEGAL LIMITS  
(Expressed in Thousands)**

<b>Fiscal Year</b>	<b>Total General Fund Appropriations*</b>	<b>Legal Debt Limit</b>	<b>Outstanding General Obligation Bonded Debt</b>
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
1999	11,629,300	116,293	3,649,905
2000	12,462,175	124,622	3,790,570
2001	13,098,142	130,981	3,470,920
2002	14,186,563	141,866	3,170,939
2003	15,980,463	159,805	3,294,174
2004	16,906,567	169,066	3,236,100

\* Does not include the 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.

**Source:**

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

**STATE OF NEW JERSEY**  
**LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2004 AND 2003**  
(Expressed in Thousands)

<u>Debt Program</u>	<u>Year</u>	<u>Amount Authorized</u>	<u>Unissued As Of</u>	
			<u>6/30/2004</u>	<u>6/30/2003</u>
<b><u>General Obligation Bonds</u></b>				
Clean Waters	1976	\$ 120,000	\$ 5,000	\$ 5,000
State Land Acquisition and Development	1978	200,000	1,500	1,500
Natural Resources	1980	145,000	9,600	17,100
Energy Conservation	1980	50,000	1,600	2,100
Water Supply	1981	350,000	93,400	93,400
Hazardous Discharge	1981	100,000	43,000	43,000
New Jersey Green Acres	1983	135,000	14,500	14,500
Pinelands Infrastructure Trust	1985	30,000	8,000	8,000
Hazardous Discharge	1986	200,000	48,000	88,000
New Jersey Green Acres, Cultural Centers & Historic Preservation	1987	100,000	9,000	9,000
Open Space Preservation	1989	300,000	26,000	29,000
Public Purpose Buildings and Community - Based Facilities Construction	1989	125,000	5,000	5,000
Stormwater Management & Combined Sewer Overflow Abatement	1989	50,000	21,500	21,500
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345,000	26,780	54,780
Development Disabilities' Waiting List Reduction and Human Services Facilities Construction	1994	160,000	5,000	19,000
1995 New Jersey Green Acres, Farmland & Historic Preservation & Blue Acres	1995	340,000	25,500	62,500
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300,000	199,000	243,000
Statewide Transportation and Local Bridge	1999	500,000	--	41,000
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200,000	200,000	--
<b>Subtotal</b>		<u>3,750,000</u>	<u>742,380</u>	<u>757,380</u>
<b><u>Revenue Bonds Payable</u></b>				
<b><u>Transportation Trust Fund Authority</u></b>				
Annual Capital Plan*	1995	6,300,000	1,007,845	1,932,655
<b><u>Garden State Preservation Trust**</u></b>				
Open Space and Farmland Preservation Bonds***	1999, 2004	1,150,000	650,001	500,001
<b>Subtotal</b>		<u>7,450,000</u>	<u>1,657,846</u>	<u>2,432,656</u>
<b><u>Installment Obligations</u></b>				
<b><u>Economic Development Authority</u></b>				
Market Transition Facility	1994	750,000	44,730	44,730
School Facilities Construction	2000	8,600,000	5,904,071	7,454,071
<b><u>Educational Facilities Authority</u></b>				
Equipment Leasing Fund	1993	100,000	25,415	12,615
Capital Improvement Fund	1999	550,000	590	77,315
Dormitory Safety Trust Fund	2000	90,000	10,790	16,230
<b>Subtotal</b>		<u>10,090,000</u>	<u>5,985,596</u>	<u>7,604,961</u>
<b>Total</b>		<u>\$ 21,290,000</u>	<u>\$ 8,385,822</u>	<u>\$ 10,794,997</u>

**Notes:**

For debt issued after June 30, 2004, please refer to Note 20 of the Notes to the Financial Statements.

\* The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2004.

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

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

**Source:**

New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY  
MARKET TRANSITION FACILITY (MTF) BONDS  
DEBT SERVICE COVERAGE RATIO  
(Expressed in Millions Except for Coverage Ratio)**

<b>Fiscal Year</b>	<b>MTF Revenue</b>	<b>Debt Service</b>	<b>Coverage Ratio</b>
1997	\$ 131.2	\$ 40.4	3.2
1998	150.8	70.5	2.1
1999	143.4	72.5	2.0
2000	133.2	72.4	1.8
2001	126.4	72.4	1.7
2002	128.6	61.7	2.1
2003	134.3	65.7	2.0
2004	136.6	71.7	1.9

**Source:**

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

**CORPORATE HEADQUARTERS  
LOCATED IN THE STATE OF NEW JERSEY**

Amerada Hess Corporation	Lucent Technologies, Inc.
American Standard Companies, Inc.	Masterfoods USA
AT&T	Medco Health Solutions
Automatic Data Processing, Inc.	Merck & Company, Inc.
AVAYA	NJM Insurance Group
Aventis	North Jersey Media Group, Inc.
BAE Systems	Novartis Pharmaceuticals Corp.
BASF Corporation	Pathmark Stores, Inc.
BD (Becton Dickinson and Company)	Pearson Education
Bed Bath & Beyond, Inc.	Pharmacia Corp.
Big M, Inc.	The PNC Financial Services Group, Inc.
Borgata Hotel Casino & Spa	Prudential Financial, Inc.
Campbell Soup Company	Public Service Enterprise Group, Inc.
Cendant Corp.	Quest Diagnostics, Inc.
The Chubb Corporation	Quick Chek Food Stores
Comcast	Resorts Atlantic City
Commerce Bancorp	Ricoh Corporation
Continental Airlines	Roche
Educational Testing Service	Sand's Casino Hotel
Food Circus Supermarkets	Schering-Plough Corp.
The Great Atlantic & Pacific Tea Co., Inc.	The Shevell Group of Companies
Holman Enterprises	Silver Line Building Products Corp.
Honeywell	Telcordia Technologies, Inc.
Horizon BC & BS of NJ	Tropicana/Aztar Corp.
Jersey Central Power & Light	Trump Hotel & Casino Resorts
Jevic Transportation Inc.	Valley National Bank
Johnson & Johnson	Viking Yacht Company
Kings Super Markets, Inc.	Wachovia
KPMG LLP	Wakefern Food Corporation/Shoprite
L-3 Communication Systems - East	Wyeth

**Source:**

"New Jersey Business," New Jersey Business & Industry Association, "32nd Annual Top 100 Employers, May 2004." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY  
FIFTY LARGEST PRIVATE SECTOR EMPLOYERS**

<u>Rank</u>	<u>Employer</u>	<u>2003 NJ Employment</u>
1	Wakefern Food Corporation/Shoprite	32,769
2	United Parcel Service (UPS)	18,000
3	Verizon	14,923
4	Caesars Entertainment	14,569
5	AT&T	13,960
6	Pathmark Stores, Inc.	12,600
7	Home Depot	12,000
8	Johnson & Johnson	11,500
9	Continental Airlines	11,000
10	Wal-Mart Stores, Inc.	11,000
11	The Great Atlantic & Pacific Tea Co., Inc.	10,763
12	Trump Hotel & Casino Resorts	10,468
13	Public Service Enterprise Group, Inc.	10,387
14	Cendant Corp.	9,436
15	Prudential Financial, Inc.	9,419
16	Merrill Lynch & Co., Inc.	9,300
17	Federated Dept. Stores	9,233
18	Bristol-Myers Squibb Company	8,600
19	FedEx Corporation	7,400
20	Merck & Company, Inc.	7,359
21	Schering-Plough Corp.	7,212
22	Commerce Bancorp	6,480
23	Lucent Technologies, Inc.	6,383
24	Wachovia	6,300
25	FleetBoston Financial	6,200
26	Lockheed Martin Corporation	6,000
27	The Stop & Shop Supermarket Co.	6,000
28	Acme Markets, Inc.	5,981
29	Harrah's Entertainment, Inc.	5,979
30	Sears, Roebuck & Co.	5,900
31	Automated Data Processing, Inc.	5,845
32	Pfizer, Inc.	5,500
33	IBM Corporation	4,960
34	Citigroup, Inc.	4,900
35	UBS Financial Services, Inc.	4,607
36	Horizon BC & BS of NJ	4,600
37	Tropicana/Aztar Corp.	4,404
38	Kmart Corporation	4,400
39	Medco Health Solutions	4,229
40	The Bank of New York	4,053
41	The Chubb Corporation	4,100
42	Borgata Hotel Casino & Spa	4,000
43	Novartis Pharmaceuticals Corp.	4,000
44	Six Flags, Inc.	4,000
45	Telcordia Technologies, Inc.	3,590
46	Silver Line Building Products Corp.	3,550
47	Aventis	3,500
48	May Department Stores	3,500
49	Roche	3,280
50	L'Oreal USA, Inc.	3,262

**Source:**

"New Jersey Business, "New Jersey Business & Industry Association, "32nd Annual Top 100 Employers, May 2004." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY  
FULL-TIME PAID EMPLOYEES\*  
(Excludes Colleges and Universities)**

<b>Department/Agency</b>	<b>January</b>		
	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Executive Branch</b>			
Agriculture	254	247	259
Banking and Insurance	481	486	517
Chief Executive's Office	111	118	116
Community Affairs	1,045	1,015	1,106
Corrections	9,257	9,344	9,445
Parole Board	652	699	713
Education	971	920	991
Environmental Protection	3,296	3,248	3,449
Health	2,136	1,953	2,148
Human Services	20,152	19,278	18,978
Labor	3,672	3,458	3,486
Public Employees Relations Commission	34	36	36
Law and Public Safety	7,405	7,137	7,379
Election Law Enforcement Commission	45	46	50
Violent Crimes Compensation Board	48	46	47
Executive Commission on Ethical Standards	8	8	9
Juvenile Justice	1,705	1,585	1,638
Military and Veterans' Affairs	1,419	1,358	1,449
Personnel	399	376	440
State	185	187	202
Commission on Higher Education	19	22	24
Public Broadcasting Authority	159	157	159
Student Assistance	210	193	213
Transportation	6,049	5,109	5,438
Treasury	3,594	3,604	3,880
Casino Control Commission	350	325	334
Commission on Science and Technology	5	8	9
Office of Administrative Law	110	109	112
Office of Information Technology	923	929	1,048
Public Defender	951	877	942
Board of Public Utilities/Ratepayer Advocate	336	319	307
Miscellaneous Executive Commissions	2	2	2
<b>Total</b>	<b>65,983</b>	<b>63,199</b>	<b>64,926</b>
<b>Legislative Branch</b>	520	506	492
<b>Judicial Branch (Administrative Office of the Courts)</b>	1,797	1,753	1,795
<b>Statewide Total Without Courts</b>	<b>68,300</b>	<b>65,458</b>	<b>67,213</b>
<b>Judicial Branch</b>	7,546	7,365	7,566
<b>Grand Statewide Total</b>	<b>75,846</b>	<b>72,823</b>	<b>74,779</b>

\* Full-time paid employees were tabulated as of pay period one for each year displayed.

**Source:**

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

**STATE OF NEW JERSEY  
SECTOR SUMMARY OF FALL ENROLLMENT  
NEW JERSEY COLLEGES AND UNIVERSITIES, 2003 AND 2002**

<b>Full and Part-time Sector</b>	<b>Undergraduate</b>		<b>Post-Baccalaureate</b>		<b>Total Enrollments</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b><u>Full-time Enrollment</u></b>						
Community Colleges	69,768	66,067	--	--	69,768	66,067
State Colleges	49,785	48,085	2,375	2,079	52,160	50,164
Rutgers, The State University	32,958	33,323	6,092	5,027	39,050	38,350
New Jersey Institute of Technology	4,239	4,238	1,261	1,310	5,500	5,548
University of Medicine and Dentistry	510	586	3,238	3,210	3,748	3,796
Independent Colleges	40,568	39,675	9,869	9,288	50,437	48,963
<b>Total</b>	<b>197,828</b>	<b>191,974</b>	<b>22,835</b>	<b>20,914</b>	<b>220,663</b>	<b>212,888</b>
<b><u>Part-time Enrollment</u></b>						
Community Colleges	76,082	72,857	--	--	76,082	72,857
State Colleges	13,276	13,904	12,407	12,070	25,683	25,974
Rutgers, The State University	5,160	5,253	7,058	7,877	12,218	13,130
New Jersey Institute of Technology	1,473	1,492	1,797	1,788	3,270	3,280
Thomas Edison State College	10,011	9,012	222	213	10,233	9,225
University of Medicine and Dentistry	262	202	932	682	1,194	884
Independent Colleges	10,434	10,552	12,920	12,967	23,354	23,519
<b>Total</b>	<b>116,698</b>	<b>113,272</b>	<b>35,336</b>	<b>35,597</b>	<b>152,034</b>	<b>148,869</b>
<b><u>Total Enrollment</u></b>						
Community Colleges	145,850	138,924	--	--	145,850	138,924
State Colleges	63,061	61,989	14,782	14,149	77,843	76,138
Rutgers, The State University	38,118	38,576	13,150	12,904	51,268	51,480
New Jersey Institute of Technology	5,712	5,730	3,058	3,098	8,770	8,828
Thomas Edison State College	10,011	9,012	222	213	10,233	9,225
University of Medicine and Dentistry	772	788	4,170	3,892	4,942	4,680
Independent Colleges	51,002	50,227	22,789	22,255	73,791	72,482
<b>Grand Total</b>	<b>314,526</b>	<b>305,246</b>	<b>58,171</b>	<b>56,511</b>	<b>372,697</b>	<b>361,757</b>

**Source:**

New Jersey Commission on Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."



**STATE OF NEW JERSEY  
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

**Full-time Undergraduate Enrollment**

<b>Year</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Other Public 4-Year*</b>	<b>Independent Colleges</b>	<b>Total</b>
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
1998	53,643	42,843	34,578	35,175	166,239
1999	54,869	43,895	35,857	36,075	170,696
2000	56,509	44,603	36,425	37,498	175,035
2001	59,921	46,014	37,561	38,803	182,299
2002	66,067	48,085	38,147	39,675	191,974
2003	69,768	49,785	37,707	40,568	197,828

**Part-time Undergraduate Enrollment**

<b>Year</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Other Public 4-Year*</b>	<b>Independent Colleges</b>	<b>Total</b>
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
1998	67,471	15,471	16,452	11,757	111,151
1999	68,013	14,663	15,739	11,349	109,764
2000	68,076	14,680	15,541	11,435	109,732
2001	69,998	14,147	15,226	11,125	110,496
2002	72,857	13,904	15,959	10,552	113,272
2003	76,082	13,276	16,906	10,434	116,698

**Total Undergraduate Enrollment**

<b>Year</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Other Public 4-Year*</b>	<b>Independent Colleges</b>	<b>Total</b>
1994	135,762	57,227	48,856	43,448	285,293
1995	133,240	57,665	49,375	43,180	283,460
1996	127,103	57,667	49,428	45,174	279,372
1997	122,588	58,292	49,983	45,747	276,610
1998	121,114	58,314	51,030	46,932	277,390
1999	122,882	58,558	51,596	47,424	280,460
2000	124,585	59,283	51,966	48,933	284,767
2001	129,919	60,161	52,787	49,928	292,795
2002	138,924	61,989	54,106	50,227	305,246
2003	145,850	63,061	54,613	51,002	314,526

\* Includes Rutgers, The State University, New Jersey Institute of Technology, The University of Medicine and Dentistry's School of Allied Health Professions, and Thomas Edison State College.

**Source:**

New Jersey Commission on Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

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

<u>Year</u>	<u>Population*</u>	<u>Civilian Labor Force*</u>	<u>Resident Employment*</u>	<u>Resident Unemployment*</u>	<u>New Jersey Unemployment Rate</u>	<u>U.S. Unemployment Rate*</u>
1994	7,904	4,058	3,781	276	6.8 %	6.1 %
1995	7,945	4,122	3,858	264	6.4	5.6
1996	7,988	4,199	3,939	260	6.2	5.4
1997	8,053	4,268	4,049	219	5.1	4.9
1998	8,115	4,224	4,029	195	4.6	4.5
1999	8,143	4,296	4,099	197	4.6	4.2
2000	8,414	4,289	4,129	160	3.7	4.0
2001	8,504	4,305	4,125	180	4.2	4.8
2002	8,575	4,368	4,113	255	5.8	5.8
2003	8,638	4,375	4,118	257	5.9	6.0

\* Civilian Labor Force, Resident Employment, and Resident Unemployment data for 1994 through 1999 has been revised. Population for 2001 and 2002 has been revised. U.S. Unemployment rate for 2001 has been revised.

**Sources:**

New Jersey Department of Labor, "New Jersey Economic Indicators."  
New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY  
PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS**

<u>Year</u>	<u>Personal Income (\$ in Millions)*</u>	<u>Per Capita Income*</u>	<u>Value of New Dwelling Units Authorized (\$ in Thousands)</u>
1994	\$ 220,859	\$ 27,558	\$ 3,189,788
1995	233,937	28,941	2,825,560
1996	248,320	30,470	2,134,127
1997	263,420	32,051	2,533,451
1998	282,721	34,115	2,936,016
1999	294,385	35,215	3,162,436
2000	323,554	38,372	3,375,978
2001	332,316	39,077	3,013,190
2002	338,388	39,461	3,430,318
2003	349,224	40,427	3,781,902

\* Personal Income and Per Capita Income data for 1994 through 2002 has been revised.

**Sources:**

New Jersey Department of Labor.  
New Jersey Economic Policy Council.

**STATE OF NEW JERSEY**  
**VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME**  
**(Expressed in Thousands Except as Indicated)**

<b>Year</b>	<b>New Jersey Population*</b>	<b>Assessed Valuation of Property**</b>	<b>True Valuation of Property**</b>	<b>Personal Income (Millions)**</b>	<b>Per Capita Income**</b>
1994	7,904	\$ 416,075,191	\$ 495,392,987	\$ 220,859	\$ 27,558
1995	7,945	423,960,774	497,735,602	233,937	28,941
1996	7,988	429,753,224	501,577,931	248,320	30,470
1997	8,053	438,965,016	514,007,592	263,420	32,051
1998	8,115	455,710,137	539,354,740	282,721	34,115
1999	8,143	470,554,943	548,448,342	294,385	35,215
2000	8,414	493,863,234	645,145,129	323,554	38,372
2001	8,504	524,816,215	720,179,653	332,316	39,077
2002	8,575	567,908,706	820,922,044	338,388	39,461
2003	8,638	606,248,658	831,431,649	349,224	40,427

\* New Jersey Population for 2000 through 2002 has been revised.

\*\* Data for 1994 through 2002 has been revised.

**Sources:**

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of Labor, Office of Demographic & Economic Analysis.

**STATE OF NEW JERSEY**  
**GOODS PRODUCING AND SERVICE PRODUCING EMPLOYMENT\***  
(Expressed in Thousands)

	<u>2003</u>	<u>1998</u>	<u>1993</u>	<b>Percentage Change from 1993-2003</b>	<b>Percentage of Total Employment 2003</b>
<b><u>Goods Producing</u></b>					
National Resources and Mining	1.6	2.3	2.3	(30.4) %	-- %
Construction	159.3	136.1	116.3	37.0	4.0
Manufacturing					
Durable Goods	156.5	190.0	195.6	(20.0)	3.9
Non-Durable Goods	195.2	239.4	267.4	(27.0)	4.9
<b>Total</b>	<u>512.6</u>	<u>567.8</u>	<u>581.6</u>	(11.9)	<u>12.8</u>
<b><u>Service Producing</u></b>					
Trade, Transportation and Utilities					
Wholesale Trade	232.2	227.2	208.6	11.3	5.8
Retail Trade	468.8	435.6	409.4	14.5	11.8
Transportation, Warehousing and Utilities	177.3	184.8	164.0	8.1	4.5
Information	102.3	118.9	111.9	(8.6)	2.6
Financial Activities	277.1	248.7	224.8	23.3	7.0
Professional and Business Services	573.6	554.0	441.2	30.0	14.4
Educational and Health Services	539.2	466.1	399.4	35.0	13.5
Leisure and Hospitality	320.5	294.2	262.9	21.9	8.1
Other Services	152.4	132.4	118.6	28.5	3.8
Government	624.3	571.7	570.7	9.4	15.7
<b>Total</b>	<u>3,467.7</u>	<u>3,233.6</u>	<u>2,911.5</u>	19.1	<u>87.2</u>
<b>Grand Total</b>	<u>3,980.3</u>	<u>3,801.4</u>	<u>3,493.1</u>	13.9 %	<u>100.0 %</u>

\* Based on North American Industry Classification System (NAICS).

**Source:**

New Jersey Department of Labor "New Jersey Economic Indicators" April 2004.

**STATE OF NEW JERSEY**  
**WAGE AND SALARY WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS,\***  
**ANNUAL AVERAGES BY NAICS INDUSTRY DIVISIONS\*\***  
**1994-2003\*\*\***  
**(Expressed in Thousands)**

Year	Total	Manufacturing	Natural	Construction	Trade	Information	Financial	Services	Government
	Non-Farm		Resources		Transportation		Activities	and	
	Employment		and Mining		and Utilities		Misc.		
1994	3,552.8	456.0	2.3	121.7	802.8	115.0	229.9	1,251.7	573.4
1995	3,600.6	448.6	2.3	123.3	816.6	119.6	229.1	1,287.7	573.4
1996	3,638.9	437.4	2.1	125.0	823.5	117.5	231.2	1,331.6	570.6
1997	3,724.5	435.4	2.2	131.8	834.6	122.5	238.2	1,389.5	570.3
1998	3,801.4	429.4	2.3	136.1	847.6	118.9	248.7	1,446.7	571.7
1999	3,901.3	422.5	2.2	143.6	873.7	123.0	260.8	1,497.9	577.6
2000	3,994.7	421.6	2.0	149.6	899.0	126.9	266.9	1,539.8	588.9
2001	3,997.4	401.2	1.8	158.8	890.7	126.4	269.8	1,546.1	602.6
2002	3,984.0	367.5	1.6	162.6	881.4	113.2	276.7	1,567.5	613.5
2003	3,980.3	351.7	1.6	159.3	878.3	102.3	277.1	1,585.7	624.3

\* Seasonally Adjusted.

\*\* North American Industry Classification System.

\*\*\* Data for 2002 has been revised. Government data for 1994 through 2002 has been revised.

**Source:**

New Jersey Department of Labor, Division of Labor Market and Demographic Research, Economic Indicators, March 2004.

**STATE OF NEW JERSEY**  
**COMPOSITION OF NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT**  
**NEW JERSEY AND THE UNITED STATES - 2003**  
**(Expressed in Thousands)**

NAICS Industry* Non-Agricultural Composition	New Jersey		United States
	No. of Jobs	% of Total	% of Total
Manufacturing	351.7	8.8	11.2
Mining	1.6	--	0.4
Construction	159.3	4.0	5.2
Transportation and Utilities	878.3	22.1	19.5
Trade	102.3	2.6	2.5
Finance, Insurance, and Real Estate	277.1	7.0	6.1
Services	1,585.7	39.8	38.5
Government	624.3	15.7	16.6
<b>Total</b>	<b>3,980.3</b>	<b>100.0</b>	<b>100.0</b>

\* North American Industry Classification System.

**Sources:**

U.S. Department of Labor, Bureau of Labor Statistics.

New Jersey Department of Labor, Division of Labor Market and Demographic Research.

**STATE OF NEW JERSEY  
NEW VEHICLE REGISTRATIONS  
1994 - 2003**

Calendar Year*	Cars	Light Trucks, Vans	Total Vehicles	
			Annual	Monthly Average
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	344,977	192,582	537,559	44,796
1998	348,559	202,044	550,603	45,884
1999	374,408	237,477	611,885	50,990
2000	397,435	266,178	663,613	55,301
2001	380,003	275,488	655,491	54,624
2002	362,190	284,191	646,381	53,865
2003	343,534	313,770	657,304	54,775

\* Calendar Year 2002 has been revised.

**Sources:**

New Jersey Department of Labor, Division of Labor Market and Demographic Research.  
R.L. Polk and Company.

**STATE OF NEW JERSEY  
CONSTRUCTION CONTRACTS AWARDED  
1995-2003\*  
(Expressed in Millions)**

Year***	Construction Type			Total Construction
	Nonresidential	Residential	Nonbuilding**	
1995	\$ 2,770	\$ 2,256	\$ 1,437	\$ 6,463
1996	2,962	2,325	1,841	7,128
1997	3,618	2,626	2,128	8,372
1998	4,229	3,409	1,314	8,952
1999	4,589	3,713	1,306	9,608
2000	5,274	3,806	1,860	10,940
2001	5,006	3,841	2,548	11,395
2002	4,919	3,922	2,577	11,418
2003	5,132	4,344	2,279	11,755

**Notes:**

\* Data for 1995 and forward include monthly revisions published by contract with F.W. Dodge; reprinting is not permitted.

\*\* Nonbuilding includes public construction such as streets and highways, bridges as well as utilities and communications systems.

\*\*\* 2000 through 2002 has been revised.

**Sources:**

F.W. Dodge Division, McGraw-Hill Information Systems Company.  
New Jersey Department of Labor, Office of Demographic & Economic Analysis.

**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>
1994	\$ 181.0	\$ 599.5	\$ 780.5
1995	196.7	580.7	777.4
1996	201.5	611.2	812.7
1997	178.6	620.0	798.6
1998	185.5	623.4	808.9
1999	193.2	547.2	740.4
2000	191.8	652.3	844.1
2001	199.5	635.8	835.3
2002	189.4	680.0	869.4
2003	187.9	658.0	845.9

\* Information for 1994 through 2002 has been revised.

**Source:**

United States Department of Agriculture.

**NEW JERSEY HISTORICAL  
FACTS AND FIGURES**

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held on November 4, 1947.

The State Constitution establishes a bicameral legislature, which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2002 was 8,590,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,158 people per square mile.

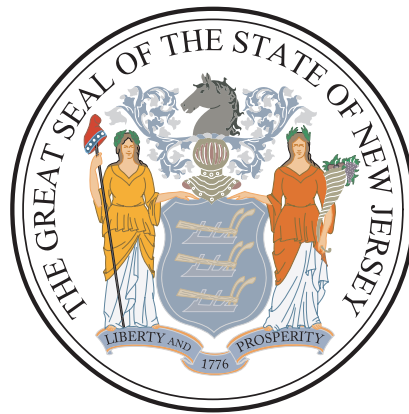
There are 15 departments of the Executive Branch of State Government. The maximum number permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

**The State Seal**

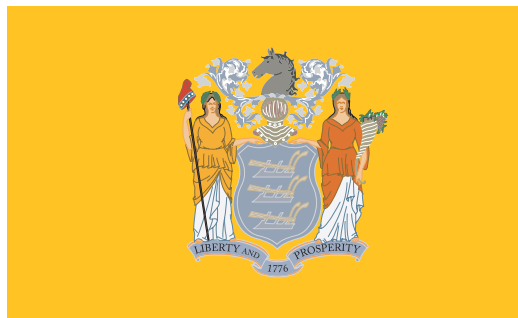
Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed

at securing exclusive access to New Jersey’s farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse’s head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer’s left, carries a staff with the same kind of “Liberty cap” worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state’s fields, forests, and waters. Below them is a scroll bearing the motto “Liberty and Prosperity,” and the year of statehood, 1776.



### The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.



### Other Legislative Designations

On January 12, 2004 Governor James E. McGreevey signed legislation making the blueberry, New Jersey’s official state fruit. The Governor signed the legislation at Veterans Memorial Elementary School in Brick, where fifth graders were actively involved in the legislative process. The blueberry was first cultivated in the Garden State in Whitesbog, by Elizabeth C. White, whose father, J.J. White owned a cranberry plantation. Wild blueberries grew in their cranberry bogs, but it was generally accepted that it was not possible to cultivate blueberries. In 1911, Ms. White read about Dr. Frederick V. Coville’s research in blueberry culti-



vation and began working with him to cultivate blueberries for sale. In 1916, their first blueberry was produced. The result of Ms. White's efforts was the production of a new crop, as well as the entirely new business of propagating and selling blueberry bushes. As plants were sold across the country, New Jersey bushes became established in many states. The blueberry, or *Vaccinium Corymbosum* (the high bush variety) and *Vaccinium Pennsylvanicum* (the low bush variety), grows throughout the Pinelands, in the same general environment that nurtures its cousin, the cranberry. Like the cranberry, the blueberry thrives on the acid soil of the region. Blueberries ripen earlier than do cranberries. Their harvesting in July thus complements the cranberry's fall harvest.

The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the *Hadrosaurus Foulki*, a 25-foot-long, duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the *A.J. Meerwald*, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long, has a beam of 22 feet, 3 inches, and weighs 57 tons. In 1942, the tall ship was commandeered by the Maritime Commission under the War Powers Act for use by the Coast Guard as a fireboat. Five years later, it was returned to its owners and used as an oyster dredge, under power, without sails, until the industry vanished in 1957. The *A.J. Meerwald* was used as a clam dredge from 1959 until 1989, when it was turned over to The Delaware Bay Schooner Project. Today, the *A.J. Meerwald* serves as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey.