



**STATE OF NEW JERSEY  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2012**

**Chris Christie, Governor  
Kim Guadagno, Lieutenant Governor**



# STATE OF NEW JERSEY



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2012

**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lieutenant Governor*

**ANDREW P. SIDAMON-ERISTOFF**  
*State Treasurer*

**CHARLENE M. HOLZBAUR**  
*Director*  
*Office of Management and Budget*

**Robert L. Peden**  
*Deputy Director*  
*Office of Management and*  
*Budget*

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

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**STATE OF NEW JERSEY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2012  
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# INTRODUCTION







## State of New Jersey

**CHRIS CHRISTIE**  
*Governor*

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*State Treasurer*

**KIM GUADAGNO**  
*Lt. Governor*

**CHARLENE M. HOLZBAUR**  
*Director*

January 9, 2013

Governor Chris Christie  
Members of the State Legislature  
New Jersey Citizens

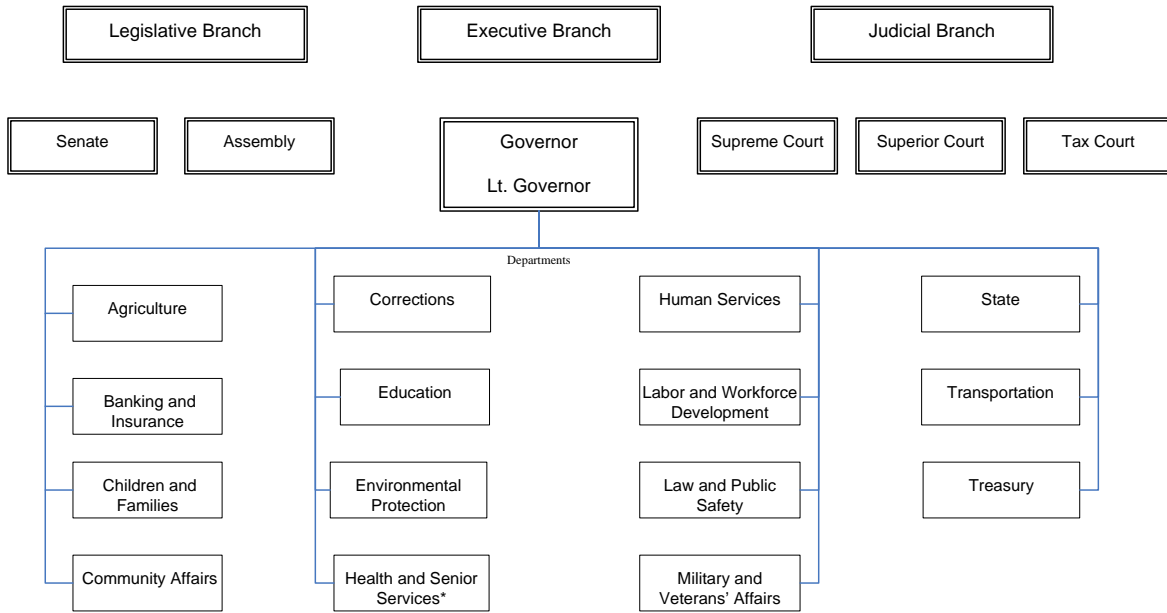
In accordance with the provisions of N.J.S.52:27B-46, it is our pleasure to transmit to you the State of New Jersey's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The Department of the Treasury's Office of Management and Budget prepared this report, and is responsible for the accuracy, completeness, and fairness of all data presented, including all disclosures.

This CAFR 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 (GFOA) of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting review program.

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. In addition to providing traditional fund financial statements, the objective of this reporting model is to provide a single, unified, transparent picture of the State's fiscal health; thus, this CAFR clearly displays all of the State's revenues, costs, assets, and liabilities. This report also includes a Management's Discussion and Analysis section, which provides users with an objective and easy-to-read analysis of New Jersey's financial performance for the fiscal year ended June 30, 2012. We are confident that the data is accurate in all material respects and presented in a manner designed to set forth fairly the financial position and results of the State's operations, as measured by the fiscal activity of its various funds, and includes all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs.

### **NEW JERSEY GOVERNMENT**

One of the original thirteen colonies, the State of New Jersey was the third state to ratify the United States Constitution in 1787. Adopted on July 2, 1776, New Jersey's original State Constitution subsequently was superseded by the State Constitution of 1844. During the summer of 1947, a constitutional convention met to prepare the current State Constitution, which State voters ratified in the general election held on November 4, 1947. New Jersey's State Constitution continues to be a living document, as State voters passed an amendment creating the position of Lieutenant Governor of New Jersey, effective with the 2009 election. Effective December 8, 2011, it became lawful for the Legislature to authorize wagering on sports events at New Jersey casinos and horse racetracks, excluding events that take place in New Jersey or in which any New Jersey college team participates regardless of where the event takes place. The State Constitution divides the powers of government between three co-equal independent branches: Legislative, Executive, and Judicial.



\* P.L. 2012 c.17 reorganized the Division of Aging from Health and Senior Services to Human Services and renamed the Department of Health and Senior Services to the Department of Health.

**Legislative:** The State’s bicameral Legislative Branch, which consists of a total of 120 members from 40 legislative districts with elections held in odd-numbered years, meets in annual sessions in Trenton, the State’s capital. The 40 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 80 members of the General Assembly are elected to terms of two years. Neither State Senators nor Assembly Members are subject to term limits. The Office of Legislative Services (OLS) is a nonpartisan agency that provides legislators with legal, fiscal, research, information, and administrative services. Key OLS positions include an executive director, a legislative counsel, the state auditor, a legislative budget and finance officer, a director of central staff, a director of data management, and a director of administration.

**Executive:** The Office of the Chief Executive, which oversees the entire Executive Branch, consists of the Governor, the Lieutenant Governor, Cabinet-level department heads, and staff who are responsible for carrying out the Governor’s constitutional powers and duties. Upon direct election by a plurality of the State’s voters, both the Governor and the Lieutenant Governor may serve two successive terms of four years. With the exception of the Secretary of Agriculture, who is chosen by the Board of Agriculture with the Governor’s approval, the New Jersey State Constitution grants the Governor the authority to appoint the entire cabinet as well as all Superior Court Judges and county prosecutors, subject to confirmation by the New Jersey Senate. Department heads remain in office until their successors are named and confirmed by the Senate; the only exceptions are the Attorney General and the Secretary of State, who are appointed to serve throughout the Governor’s entire term. Although the State Constitution permits a maximum of 20 departments, the State’s payroll consisted of approximately 60,500 employees in 15 departments as of January 2012. The Executive Branch also oversees the performance of 566 municipalities and 603 school districts, and the incarceration and rehabilitation of approximately 20,800 prisoners. In addition to reliable transportation and protection for the State’s citizenry and environment, the Executive Branch provides social services for one out of every seven New Jersey citizens.

**Judicial:** New Jersey’s Supreme Court consists of a Chief Justice, who is the administrative head of all courts under the State’s jurisdiction, as well as six Associate Justices. In addition to Municipal and Tax Courts located throughout the State, there are Superior Courts, with a minimum of two Judges, in each of New Jersey’s 21 counties. After nomination by the Governor and subsequent confirmation by the State Senate, all Supreme Court Justices and Superior Court Judges serve initial terms of seven years. Should they be deemed eligible by both the Governor and the State Senate, Supreme Court Justices and Superior Court Judges acquire tenure with retirement at age 70 as mandated by the State Constitution. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately seven million new cases are filed in New Jersey’s courts every year,

including six million in Municipal Court and one million in Superior Court. These cases address matters concerning civil, criminal, and family law.

With a total land area of 7,417.3 square miles, New Jersey ranks as the fifth smallest state within the United States of America. An estimated population of 8,821,000 as of July 2011 makes New Jersey the eleventh largest state in population, as well as the most densely populated of all the states with an average of 1,189 people per square mile.

The higher education system in New Jersey includes three public research universities, nine State colleges and universities, 19 community colleges, 14 independent four-year colleges and universities, seven proprietary institutions with degree-granting authority, 12 rabbinical schools and theological seminaries, and two independent two-year religious colleges. Effective July 1, 2013, the “New Jersey Medical and Health Sciences Education Restructuring Act” of 2012 abolishes the University of Medicine and Dentistry of New Jersey (UMDNJ), transfers UMDNJ’s various schools and institutes to Rutgers University and Rowan University, respectively, and establishes Rowan University as a public research university. Currently, UMDNJ is classified as a public research university and Rowan University is classified as a State university.

### **COMPONENT UNITS**

In accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, this CAFR for fiscal year ended June 30, 2012 includes the accounts of 21 public authorities and 12 State colleges and universities. Public authorities are legal, separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage. Each component unit is established for a specific purpose for the benefit of the State’s citizenry. GASB Statement No. 14 provides that the State’s financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, Management’s Discussion and Analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units.

Executive Order No. 122, signed on July 23, 2004, was established to direct the Board of Directors for each State Authority to create an Audit Committee whose members are to assist in the oversight of the financial reporting and audit processes of the Authority. Each member of the Audit Committee is independent of the Authority, with at least one member having a background in accounting or related financial expertise. The Audit Committee must assist the Board in retaining an independent auditor to conduct an audit. The auditor selection process must be based on public, competitive bidding principles and shall take place no less than once every five years. In order to ensure the independence of the auditor selection process, an evaluation committee shall be established by the Board to conduct the solicitation and evaluation of eligible auditors. The auditor selected shall report directly to the Audit Committee or the Board. At no time shall the auditor report to any staff member of the Authority. At least twice a year, the Audit Committee shall hold a private meeting with the auditor. In carrying out these duties, the Audit Committee shall proactively assist the Board in overseeing the integrity and quality of the Authority’s financial statements, the Authority’s compliance with legal, regulatory, and ethical requirements, the auditor’s performance and ability to perform, and the performance of the Authority’s own internal audit and internal control functions.

### **NEW JERSEY’S ECONOMIC CONDITION**

The State and nation have continued their recovery, but growth has been erratic. Job gains in the State were brisk in the first half of 2012 but employment was little-changed from the spring through October. Nonetheless, in each month through October, payroll employment in New Jersey has been higher than in the same month of 2011. However, the State still needs to gain approximately 200,000 jobs to regain the 2008 peak in employment. In an environment of moderate job growth, and some gains in the labor force, the State unemployment rate moved up to 9.9 percent in August before edging down to 9.7 percent in October, still well above the national rate of 7.9 percent. Personal income of state residents continued to show more marked strength than employment. In the first half of 2012 personal income grew at an annual rate of 7.2 percent in the first quarter and 3.1 percent in the second quarter. The level of personal income has set a new record high in each of the last six quarters.

The economic outlook for the nation remains uncertain, with continuing questions about the near-term and longer-term outlooks for federal tax and spending policy. The possibility of fiscal consolidation—a combination of tax reforms and/or increases and spending cuts—raises risks of some reduction in the near-term growth of demand, though such a policy may improve the longer-term prospects for the national economy and in so doing will improve the attractiveness of the United States as a place to invest and expand business. The implementation of the Affordable Care Act and the changes in financial regulation and supervision sanctioned by the Dodd-Frank Act adds to the near-term uncertainty, though it is now highly unlikely that either statute will be repealed or substantially modified. Limited revenue growth has continued to put downward pressure on public sector spending and employment by states and municipalities. Europe has slipped into recession, which will work to reduce foreign demand for U.S. products while increasing competition for U.S. producers. At the same time, consumer confidence appears to be higher, spending on big-ticket items such as automobiles has strengthened, and there are signs that homebuilding and sales are reviving and housing prices are stabilizing or moving up. The same national forces are apparent in New Jersey. In our case, the aftermath of Superstorm Sandy has raised some additional challenges for the State; some areas of the State, most notably shore communities and businesses, will continue to cope with losses of infrastructure, though there will also be some stimulus to activity as the rebuilding process goes forward. Looking forward, it is likely that the national expansion will continue at a pace comparable to that seen in recent years, with moderate gains in employment and some ongoing reduction in the unemployment rate. Recent actions and announcements by the Federal Reserve indicate further commitments to keep interest rates exceptionally low for a prolonged time; this policy will likely be retained even if there is a change in Federal Reserve leadership in early 2014.

The prospects are that New Jersey's housing sector will improve. Through September, housing permits were on a path to show a substantial increase from 2011, though the dislocations resulting from Superstorm Sandy creates a great deal of near-term uncertainty in this area. Home resales also showed considerable gains in the first half of 2012. It is likely that these trends will continue, with the possibility that the aftermath of the storm will provide some additional impetus to this sector. Motor vehicle sales continue to recover, with purchases of new vehicles through September more than 7.0 percent higher than in the same period of 2011.

For 2012 as a whole, New Jersey payroll employment is projected to average about 1.1 percent higher than in 2011 and grow around 1.3 percent in 2013. The unemployment rate is expected to average 9.5 percent in 2012 and 9.1 percent in 2013. Personal income is expected to grow around 3.2 percent in 2012 and 3.9 percent in 2013.

As unemployment stays high and capacity utilization remains low, underlying inflation is expected to be low and is not likely to be a serious concern until after spending and employment growth move higher. Enhanced availability of credit, continued improvement in financial market stability, and gains in consumer and business confidence continue to be critical factors necessary for a more pronounced economic turnaround in the nation and in New Jersey.

## **BUDGET AND ACCOUNTING**

### **Legal Level of Control**

The State's annual Appropriations Act includes the General Fund, as well as certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief). The departments maintain legal control at the appropriation line item level and exercise budgetary control by individual appropriations and allocations within annual 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. Revisions to the annual Appropriations Act, reflecting program changes or interdepartmental transfers of an administrative nature, may be effected during the budget year with certain Executive and Legislative Branch approvals. Language, located in the "General Provisions" section of the State's annual Appropriations Act, enables management to amend a department's budget with approval by 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**

The Office of Management and Budget directs and supervises a central accounting system, which maintains all accounting records for the various State departments. The State's annual budget provides individual appropriations to departments for specific programs and purposes, while component units maintain separate accounting systems.

To ensure expenditures do not exceed appropriations and allocations, the State employs encumbrance accounting. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at fiscal year's end.

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and guarantee 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 the evaluation of costs and benefits requires managerial estimates and judgments. All internal control evaluations occur within this framework.

## **RELEVANT FINANCIAL POLICIES**

The New Jersey State Constitution, which mandates an annual balanced budget, directs, 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. Accordingly, during the fiscal year, the State may have to make several revenue and expenditure adjustments to ensure a positive fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

Created as a "rainy day fund," the Surplus Revenue Fund is part of the General Fund's resources and fund balance, and accounts for excess revenues from prior fiscal years that are reserved legislatively and may be used to support current year's appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and to be expended during economic downturns and emergency situations. Such an example occurred during Fiscal Year 2009 when, in response to the national recession, the State drained its entire Surplus Revenue Fund to help balance its budget. As of June 30, 2012, this Fund continued to have a zero balance.

The State employs a budgetary basis of accounting for all of its annual fiscal transactions. The budgetary basis differs from the GAAP basis, which is used to present fund financial statements, in that the former: 1) recognizes encumbrances as expenditures, 2) recognizes all federal revenues related to such encumbrances, and 3) reflects only current fiscal year transactions. The GAAP basis also requires that certain grants and other financial assistance be recorded as revenues and/or expenditures.

## **FINANCIAL TRENDS**

### **Revenue History**

Although State-budgeted Fiscal Year 2012 revenue collections of \$29.1 billion were almost \$3.5 billion less than those collected in pre-recession Fiscal Year 2008, there was a measurable improvement of \$426.8 million when compared to Fiscal Year 2011 revenue collections. In comparison to Fiscal Year 2008, Gross Income Tax collections in Fiscal Year 2012 were almost \$1.5 billion less; however, they also showed a marked increase of \$511.4 million in comparison to Fiscal Year 2011. With the current Fiscal Year 2013 estimate projected to be \$31.7 billion, the State's economic recovery trend remains optimistic. The Statistical Section provides a ten-year history of State-budgeted revenue collections.

### **Pension and Other Postemployment Benefits (OPEB) Obligations**

Pursuant to P.L. 2010, c.1, the State resumed making contributions to the pension plans on a phased-in basis over a seven-year period beginning in Fiscal Year 2012. Previously, the State had not fully funded its various pension plans for several years, and its post-retirement medical program is funded on a pay-as-you-go basis. This continued underfunding, coupled with the ongoing investment decline and increased number of retirees receiving distributions, has led to the State's current net pension obligation of \$12.8 billion and a net OPEB obligation of \$16.8 billion as of June 30, 2012. The total unfunded actuarial accrued liability (UAAL) for State and local pension plans was \$41.7 billion as of June 30, 2011, or an increase of \$5.4 billion from June 30, 2010. The increase in the UAAL is mainly attributable to expected actuarial losses including the investment return of 2.52% being lower than the assumed rate of return of 7.95% and the state's pension contribution of 1/7<sup>th</sup> of the actuarially required amount being less than the full actuarially required amount. This increase would have been larger except for the impact of P.L. 2011, c. 78 which suspended additional cost of living adjustment (COLA) increases for current and future retirees. The total State and local OPEB unfunded actuarial accrued liability at June 30, 2011 was \$60.1 billion, or a decrease of \$11.3 billion from the prior year. For updated information, Fiscal Year 2011 actuarial reports can be accessed via: <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

### **AUDIT INFORMATION**

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

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

### **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 CAFR for the fiscal year ended June 30, 2011. In order to qualify for this certificate, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, of which the contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The State of New Jersey has received this award every year since 1993.

### **ACKNOWLEDGEMENTS**

Finally, we express our grateful appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor, whose work made possible the preparation of this report. We believe 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,



Andrew P. Sidamon-Eristoff  
State Treasurer



Charlene M. Holzbaur  
Director, Office of Management and Budget

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New Jersey

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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.



*Christopher P. Morille*

President

*Jeffrey R. Enen*

Executive Director

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LEGISLATIVE SERVICES COMMISSION

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The Honorable Chris Christie  
Governor of New Jersey

The Honorable Stephen M. Sweeney  
President of the Senate

The Honorable Sheila Y. Oliver  
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, 2012, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey which represent 100 percent of the assets and deferred outflows and revenues of the aggregate discretely presented component units, 91 percent of the assets and 38 percent of the revenues (including additions to fiduciary net assets) of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2-D of the basic financial statements, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the discretely presented component units, the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey, are based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

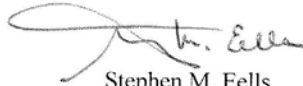
As discussed in Note 2-A, the State of New Jersey adopted the provisions of Governmental Accounting Standards Board Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* as of July 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2013 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds and health benefits program fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, combining financial statements 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining financial statements section and the other information section have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of the other auditors, the combining financial statements section and the other information section are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Stephen M. Eells  
State Auditor  
January 9, 2013

## 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, 2012. 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.

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

### FINANCIAL HIGHLIGHTS

#### Government-wide

- The primary government's assets and deferred outflows total \$36.0 billion, a decrease of \$935.4 million from the prior fiscal year. As of June 30, 2012, liabilities exceeded assets and deferred outflows by \$40.6 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 \$51.4 billion. The negative balance is primarily a result of under funding the annual pension costs to the State's retirement systems and the State's recognition of other postemployment benefits under GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (See Note 17 – Retirement Systems, Health Benefits, and Post-Retirement Medical Benefits). Financing activities that have contributed to the State's negative unrestricted net asset amount include liabilities from pension bonds, the funding of a portion of local elementary and high school construction, and the securitization of a major portion of annual tobacco master settlement agreement receipts with no corresponding assets.
- June 30, 2012 component unit assets and deferred outflows exceeded component unit liabilities and deferred inflows by \$17.3 billion. Total component unit assets and deferred outflows grew to \$46.3 billion, a \$0.5 billion increase from the prior fiscal year.

#### Fund Level

- The State's governmental funds reported June 30, 2012 combined ending fund balances of \$6.9 billion, which is a decrease of \$1.4 billion when compared to the prior fiscal year. Fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned. The nonspendable fund balance classification (\$20.4 million) includes amounts that are legally required to remain intact. The restricted fund balance classification (\$4.4 billion) is used when constraints have been placed upon the use of resources through enabling legislation initiated by voter referendum, constitutional provisions, debt covenants, or other external parties such as the federal government. The committed fund balance classification (\$2.0 billion) includes amounts that can only be used for purposes specified in enabling legislation with the consent of both the legislative and executive branches. In contrast to the restricted fund balance classification, amounts in this category may be redeployed for other purposes with appropriate due process. Finally, the unassigned fund balance (\$425.4 million) represents the fund balance amount that has not been restricted or committed to a specific purpose within the General Fund.
- During the fiscal year, the proprietary funds' net assets increased by \$543.0 million resulting in net assets of negative \$241.0 million as of June 30, 2012.

#### Long-term Debt

- The State's long-term debt obligations increased 9.3 percent to \$71.1 billion, which includes a net increase in bonded debt of \$0.7 billion. During the fiscal year, the State issued \$3.4 billion in bonds. New money issuances represented \$1.3 billion primarily for transportation system improvements, while \$2.1 billion represented five refunding transactions that provided the State with \$156.9 million in net present value savings. During Fiscal Year 2012, the State paid \$3.7 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's long-term debt total \$32.3 billion. This amount represents a \$5.3 billion increase from the prior fiscal year and is mainly attributable to increases in Net Pension Obligation (NPO) as well as the State's Net Other Postemployment Benefits (OPEB) Obligation.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This Comprehensive Annual Financial Report also contains required supplementary information (RSI) and other information, in addition to the basic financial statements.

### **Major Features of the Basic Financial Statements**

Features	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<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>	<input type="checkbox"/> Statement of Net Assets <input type="checkbox"/> Statement of Activities	<input type="checkbox"/> Balance Sheet <input type="checkbox"/> Statement of Revenues, Expenditures, and Changes in Fund Balance	<input type="checkbox"/> Statement of Net Assets <input type="checkbox"/> Statement of Revenues, Expenses, and Changes in Net Assets <input type="checkbox"/> Statement of Cash Flows	<input type="checkbox"/> Statement of Fiduciary Net Assets <input type="checkbox"/> 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 used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<b>Types of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	<input type="checkbox"/> Revenues for which cash is received during or soon after the end of the fiscal year <input type="checkbox"/> 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 in a manner similar to private sector business standards, as well as both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The government-wide financial statements include the following two statements:

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

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

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.
- **Business-type Activities** Certain State operations are legislatively able to charge fees to external users to recover all or a portion of the cost of the services provided and are, therefore, classified as business-type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.
- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. Operating as business-type activities, financial statements of component units are presented discretely in either the major or non-major categories in both the Statement of Net Assets and the Statement of Activities based upon the relative size of assets, liabilities, revenues, and expenses in relation to the total. The State's component units currently consist of twelve senior public institutions of higher education as well as 21 authorities; of the latter 21, five (the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Development Authority, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation) are blended into governmental activities. A complete list of the State's component units is shown in Note 1B – Summary of Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units. Audit reports of the individual component units can be obtained from their respective administrative offices.

### **Reconciliation of Government-wide and Governmental Funds Financial Statements**

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

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

For more detailed information, which is essential to a full understanding of the data provided in the government-wide financial statements and governmental funds financial statements, see “Notes to the Financial Statements.”

### **Fund Financial Statements**

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

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

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

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



### Notes to the Financial Statements

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

### Required Supplementary Information

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

### Combining Financial Statements

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

### Other Information

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Assets

The State ended Fiscal Year 2012 with combined net assets for the primary government totaling a negative \$40.6 billion. This amount represents a reduction of net assets of \$6.4 billion from the prior fiscal year. Restricted net assets include funds used to pay unemployment claims and open space preservation. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently, these assets are not available for future spending. Invested in capital assets, net of related debt, includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges, and other immovable assets), and construction in progress. The deficit in unrestricted governmental net assets arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities, including but not limited to the Net Pension Obligation and the Net OPEB Obligation, that are required to be included in the government-wide financial statements.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other noncurrent assets	\$ 10,889.0	\$ 12,574.9	\$ 1,518.7	\$ 1,534.2	\$ 12,407.7	\$ 14,109.1
Capital assets, net	23,567.0	22,799.8	-	-	23,567.0	22,799.8
<b>Total Assets</b>	<b>34,456.0</b>	<b>35,374.7</b>	<b>1,518.7</b>	<b>1,534.2</b>	<b>35,974.7</b>	<b>36,908.9</b>
Deferred outflows	23.7	24.9	-	-	23.7	24.9
<b>Total Assets and Deferred Outflows</b>	<b>34,479.7</b>	<b>35,399.6</b>	<b>1,518.7</b>	<b>1,534.2</b>	<b>35,998.4</b>	<b>36,933.8</b>
Current liabilities	5,898.4	5,255.5	400.7	434.7	6,299.1	5,690.2
Noncurrent liabilities	68,987.2	63,564.3	1,359.0	1,883.5	70,346.2	65,447.8
<b>Total Liabilities</b>	<b>74,885.6</b>	<b>68,819.8</b>	<b>1,759.7</b>	<b>2,318.2</b>	<b>76,645.3</b>	<b>71,138.0</b>
Net Assets:						
Invested in capital assets, net of related debt	7,192.2	6,999.7	-	-	7,192.2	6,999.7
Restricted	3,536.3	3,877.3	12.1	10.9	3,548.4	3,888.2
Unrestricted	(51,134.4)	(44,297.2)	(253.1)	(794.9)	(51,387.5)	(45,092.1)
<b>Total Net Assets</b>	<b>\$ (40,405.9)</b>	<b>\$ (33,420.2)</b>	<b>\$ (241.0)</b>	<b>\$ (784.0)</b>	<b>\$ (40,646.9)</b>	<b>\$ (34,204.2)</b>

### Changes in Net Assets

The State's Fiscal Year 2012 net assets decreased by \$6.4 billion. Approximately 48.7 percent of the State's total revenues came from general taxes, while 30.2 percent was derived from operating grants. Charges for services amounted to 19.4 percent of total revenues, while other items such as capital grants, interest earnings, and miscellaneous revenues accounted for the remainder. State expenses cover a range of services. The largest expense, 24.9 percent, was for educational, cultural, and intellectual development, which includes approximately \$186.8 million disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction. Physical and mental health amounted to 19.3 percent of total expenses, while government direction, management and control amounted to 18.8 percent. Other major expenditures focused on economic planning, development, and security; public safety and criminal justice; and unemployment compensation. During Fiscal Year 2012, governmental activity expenses exceeded program revenues; this imbalance was mainly funded through \$28.2 billion of general revenues (mostly taxes and transfers). The remaining \$7.0 billion resulted in a decrease in net assets. Offsetting the governmental net asset decrease, Business-type Activities reflected a net asset increase of \$543.0 million as the Unemployment Compensation Fund's available resources exceeded the need to pay claims.

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

	Governmental Activities		Business-type Activities		Primary Government Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 4,820.9	\$ 4,736.1	\$ 5,852.8	\$ 5,457.1	\$ 10,673.7	\$ 10,193.2
Operating grants	13,238.6	13,326.1	3,309.1	4,408.5	16,547.7	17,734.6
Capital grants	325.8	139.6	-	-	325.8	139.6
General revenues						
General taxes	26,666.3	26,569.4	-	-	26,666.3	26,569.4
Interest earnings	(274.9)	48.9	(0.9)	-	(275.8)	48.9
Miscellaneous	851.2	762.0	-	-	851.2	762.0
<b>Total Revenues</b>	<b>45,627.9</b>	<b>45,582.1</b>	<b>9,161.0</b>	<b>9,865.6</b>	<b>54,788.9</b>	<b>55,447.7</b>
<b>Expenses</b>						
Public safety and criminal justice	3,274.0	3,169.3	-	-	3,274.0	3,169.3
Physical and mental health	11,794.4	11,392.4	-	-	11,794.4	11,392.4
Educational, cultural, and intellectual development	15,249.5	14,091.6	-	-	15,249.5	14,091.6
Community development and environmental management	1,560.6	1,694.1	-	-	1,560.6	1,694.1
Economic planning, development, and security	6,861.9	6,729.5	-	-	6,861.9	6,729.5
Transportation programs	1,715.9	1,927.5	-	-	1,715.9	1,927.5
Government direction, management, and control	11,489.5	11,671.6	-	-	11,489.5	11,671.6
Special government services	342.1	348.9	-	-	342.1	348.9
Interest expense	1,275.8	1,227.7	-	-	1,275.8	1,227.7
State Lottery Fund	-	-	1,845.6	1,724.3	1,845.6	1,724.3
Unemployment Compensation Fund	-	-	5,822.3	7,206.6	5,822.3	7,206.6
<b>Total Expenses</b>	<b>53,563.7</b>	<b>52,252.6</b>	<b>7,667.9</b>	<b>8,930.9</b>	<b>61,231.6</b>	<b>61,183.5</b>
Excess (Deficiency) Before Transfers	(7,935.8)	(6,670.5)	1,493.1	934.7	(6,442.7)	(5,735.8)
Transfers	950.1	1,451.5	(950.1)	(952.3)	-	499.2
<b>Increase (Decrease) in Net Assets</b>	<b>(6,985.7)</b>	<b>(5,219.0)</b>	<b>543.0</b>	<b>(17.6)</b>	<b>(6,442.7)</b>	<b>(5,236.6)</b>
<b>Net Assets - July 1</b>	<b>(33,420.2)</b>	<b>(28,201.2)</b>	<b>(784.0)</b>	<b>(766.4)</b>	<b>(34,204.2)</b>	<b>(28,967.6)</b>
<b>Net Assets - June 30</b>	<b>\$ (40,405.9)</b>	<b>\$ (33,420.2)</b>	<b>\$ (241.0)</b>	<b>\$ (784.0)</b>	<b>\$ (40,646.9)</b>	<b>\$ (34,204.2)</b>

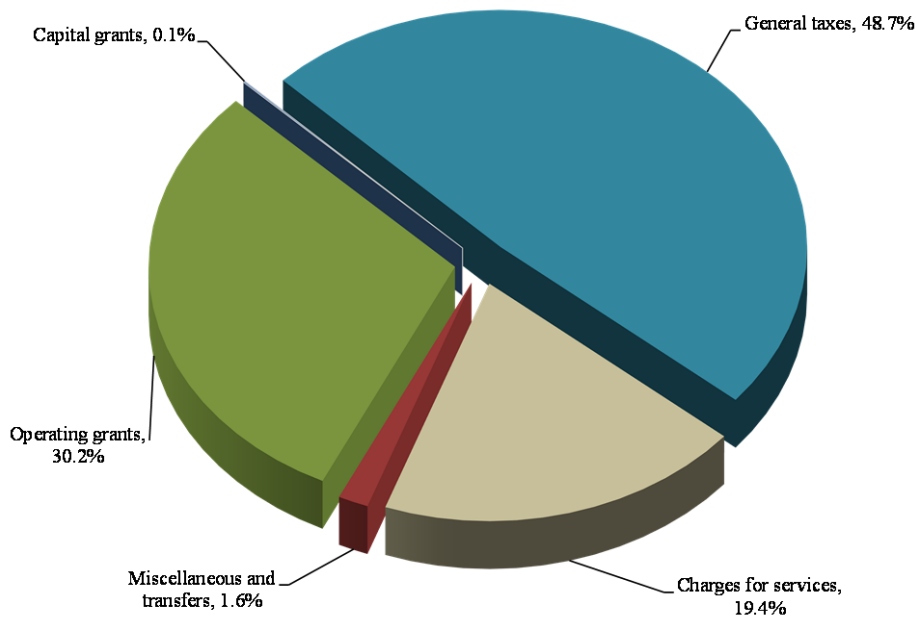
**Primary Government – Fiscal Year 2012 Revenues and Expenses**

During Fiscal Year 2012, State revenues, including transfers, totaled \$54.8 billion or a decrease of \$1.1 billion when compared to the prior fiscal year. This decrease in total revenues is primarily attributable to an overall decrease in operating grants and contributions. General taxes totaled \$26.7 billion and accounted for 48.7 percent of total State revenues for Fiscal Year 2012. The State’s Gross Income Tax totaled \$11.1 billion, the Sales and Use Tax totaled \$8.1 billion, and the Corporation Business Tax totaled \$2.0 billion. The State’s three major taxes comprised 79.7 percent of the total general taxes that were collected during Fiscal Year 2012. The State’s economy showed a slight improvement, as indicated by the \$96.9 million increase in general taxes when compared to Fiscal Year 2011.

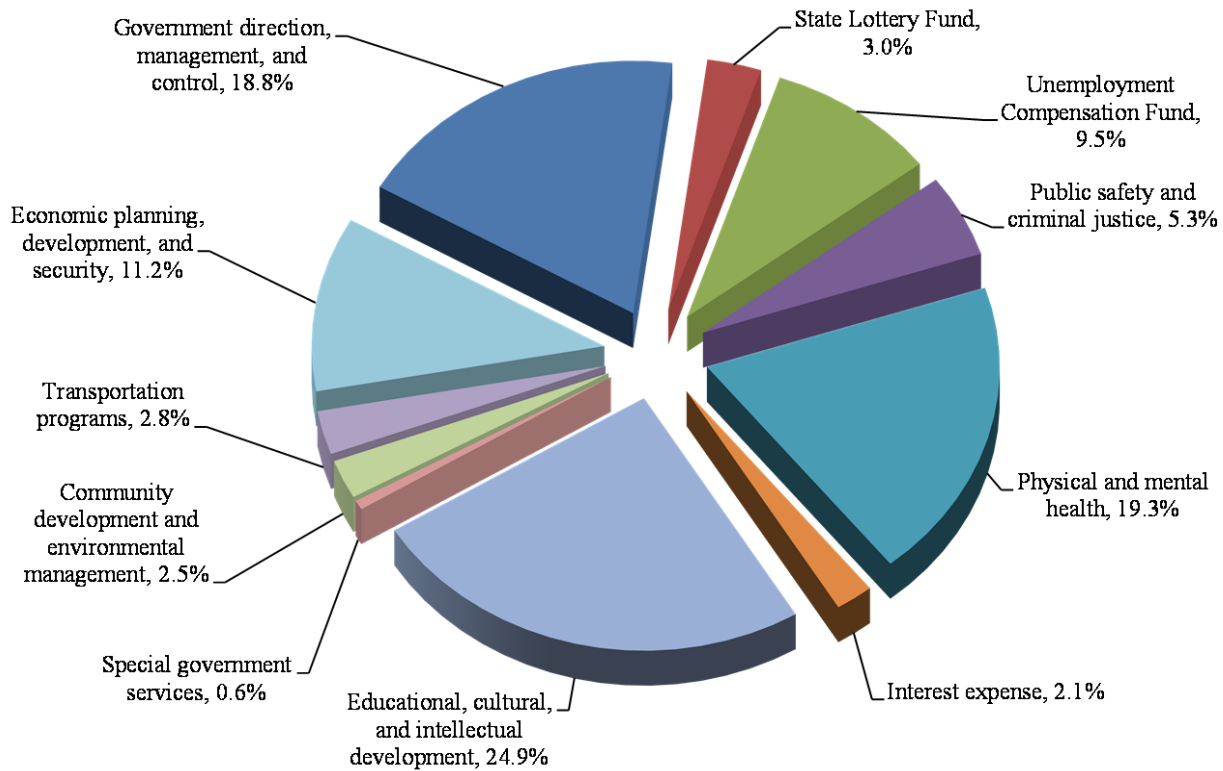
Fiscal Year 2012 expenses totaled \$61.2 billion, for an increase of \$48.1 million in comparison to the prior fiscal year. State spending increased by \$1.2 billion in educational, cultural, and intellectual development, \$402.0 million in physical and mental health, and \$132.4 million in economic planning, development, and security, which were offset by decreases of \$1.4 billion in unemployment compensation, \$211.6 million in transportation programs, and \$182.1 million in government direction, management, and control.

The following pie charts depict primary government activities for revenues and expenses for the fiscal year ended June 30, 2012:

**Revenues – Primary Government  
Fiscal Year Ended June 30, 2012**



**Expenses – Primary Government  
Fiscal Year Ended June 30, 2012**



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

**Component Units**

Combined operating revenues and expenses for the State’s component units for Fiscal Year 2012 amounted to \$10.5 billion and \$11.7 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net assets at fiscal year end of \$17.3 billion. The component units received \$1.1 billion in State appropriations during Fiscal Year 2012.

**MAJOR GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The focus of the State’s 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, 2012 fund balances of \$6.9 billion. The \$1.4 billion decrease in fund balance was primarily from lower Fiscal Year 2012 revenues.

**General Fund**

The General Fund is the State’s chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund’s ending fund balance totaled \$2.9 billion, of which \$425.4 million represented unassigned fund balance.

On a budgetary basis, general revenues of \$28.8 billion were \$3.8 billion lower than the final budget. The negative variance was primarily the result of unearned federal and other grant revenues of \$1.6 billion, declines of \$1.1 billion in other revenues, and \$990.7 million in taxes. Federal and other grant revenues are not earned unless there has been a grant award and eligible grant expenses incurred. To the extent that federal and grant appropriations are made in anticipation of grant awards and the incurrence of grant expenditures, grant revenues are budgeted.

Total expenditures were \$3.4 billion lower than original appropriations as set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under-spending resulted from the overestimate of federal funds; this practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2012, the State’s appropriation of federal funds and other grants exceeded expenditures by \$1.6 billion; these excess appropriations are available for use in future years. From a Fiscal Year 2012 program perspective, under-spending transpired in physical and mental health (\$874.9 million); public safety and

criminal justice (\$658.7 million); community development and environmental management (\$628.3 million); economic planning, development, and security (\$562.4 million); government direction, management, and control (\$264.9 million); educational, cultural, and intellectual development (\$176.4 million); special government services (\$110.1 million); and transportation programs (\$82.9 million).

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

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax and one-half percent of the Sales and Use Tax that is constitutionally dedicated for property tax relief. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2012, \$12.2 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2012 ending fund balance was \$6.0 million.

### **PROPRIETARY FUNDS FINANCIAL ANALYSIS**

#### **State Lottery Fund**

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

In Fiscal Year 2012, gross revenues totaled \$2.8 billion, of which \$1.6 billion was returned in prizes, \$950.1 million went to state education and institutions, \$227.9 million was paid to sales agents and ticket vendors, and \$36.8 million covered Lottery operational and promotional expenses. As of June 30, 2012, the State Lottery, since its inception, has generated over \$55.0 billion in gross revenues, \$29.5 billion in prizes, and contributed \$21.0 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.

The economic difficulties experienced by the State of New Jersey and the nation have impacted claims against, and the funding of, the State's Unemployment Compensation Fund. Under State law, the rates for employers are subject to automatic annual adjustment, as necessary, to maintain the Fund's sufficiency. The Fund operates independently and its obligations are not payable from the State's General Fund. To provide for sufficient cash flow to fund unemployment claims, commencing on March 2009, the State, under federal law, applied to the United States Department of Labor for cash advances. As of November 30, 2012, \$750.5 million of such advances are outstanding. Until the economic conditions in the State improve, the use of such advances is likely to continue.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

New Jersey's Office of Management and Budget, under the purview of the Department of the Treasury, is responsible for recording all capital assets in the State's capital asset system. In addition to New Jersey's Department of Transportation identifying significant requirements for bridge repair and maintenance, the New Jersey Commission on Capital Budgeting and Planning has identified a significant amount of capital investment requirements for State facilities. The State's annual budget and planning process prioritizes these requirements and recommends funding, as can be accommodated within available resources. Over the last few years, New Jersey has faced large budget deficits and resources have been scarce.

The Fiscal Year 2012 capital appropriation included \$2.9 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 \$435.0 million for State highway infrastructure, \$190.0 million for local highways, and \$622.0 million for mass transit. During Fiscal Year 2012, the New Jersey Economic Development Authority did not issue any School Facilities Construction Bonds to help fund the New Jersey Schools Development Authority's program; accordingly, as of June 30, 2012, a total of \$8.6 billion of the \$12.5 billion school facilities construction bond program has been issued. The constitutional dedication of 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital asset data is shown below. The State's investment in capital assets, net of accumulated depreciation, totaled \$23.6 billion as of June 30, 2012. Depreciation expense charges for Fiscal Year 2012 totaled \$814.3 million.

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

	Total Primary Government	
	2012	2011
Land and Easements	\$ 4,824.3	\$ 4,765.1
Land Improvements	82.2	85.9
Buildings and Improvements	1,566.9	1,591.1
Machinery, Equipment and Software	397.1	412.6
Infrastructure	14,102.2	12,057.4
Sub-Total	20,972.7	18,912.1
Construction-In-Progress	2,594.3	3,887.7
Total	<u>\$ 23,567.0</u>	<u>\$ 22,799.8</u>

**Notes:**

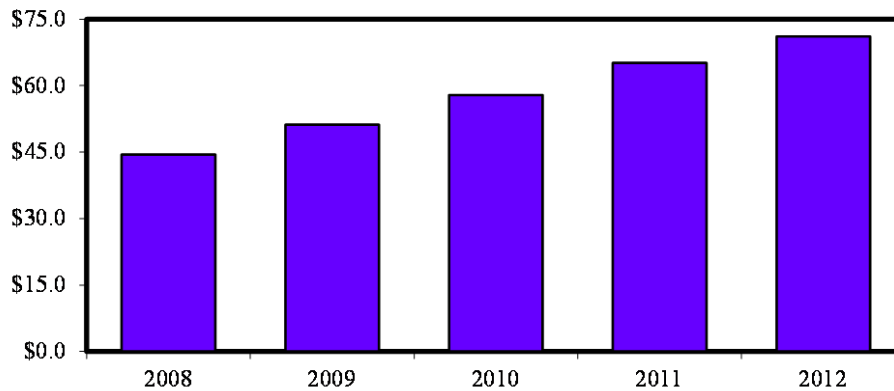
Funding for capital investment requirements is derived either from the State's operating budget or from legislative-approved or voter-approved bonded debt.

For more detailed information about the State's capital assets, see Note 7 – Capital Assets.

**Debt Administration**

As of June 30, 2012, New Jersey's outstanding long-term obligations for governmental activities totaled \$71.1 billion, a \$6.0 billion increase over the prior fiscal year. Of the \$6.0 billion increase, \$5.3 billion is attributable to increases in the Net Pension Obligation and Net OPEB Obligation. Long-term bonded debt obligations totaled \$38.8 billion, while other long-term obligations totaled \$32.3 billion. In addition, the State has \$9.5 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2012, the legislatively authorized but unissued debt increased by \$2.2 billion (See Statistical Section – Legislatively Authorized But Unissued Debt, 2012 and 2011). The State's long-term obligations for the past five fiscal years are shown below:

**Long-Term Obligations**  
**Fiscal Year 2008 to Fiscal Year 2012**  
**(Expressed in Billions)**



**Note:**

For more detailed information about the State's long-term debt activity, see Note 10 – Long-Term Obligations.

## **ECONOMIC CONDITION AND OUTLOOK**

New Jersey's economy has continued to recover. In each month through October 2012 payroll employment in New Jersey was higher than in the same month of 2011. In an environment of moderate job growth and some gains in the labor force, the State unemployment rate moved up to 9.9 percent in August before edging down to 9.7 percent in October, still well above the national rate of 7.9 percent. New Jersey economic forecasts as of November 2012 from the Treasury Department's Office of the Chief Economist, as well as from Global Insight, Moody's, and Rutgers University, all call for ongoing improvement in economic conditions through the end of 2013. However, it is likely that the after-effects of Superstorm Sandy will add substantial short-term volatility to New Jersey's economy, followed by some added impetus to growth as the rebuilding process takes hold.

New Jersey's economic outlook also hinges, critically, on the national economy. Resolution of current controversies about federal taxes and spending and the maintenance of supportive monetary policies are critical to sustaining consumer and business confidence and the recovery in national and state economies. Stability in both national and international financial markets are also key elements in providing an environment for growth in the state.

The State and the nation may experience some near-term deterioration in growth and the expected pace of economic expansion may decline if consumers, investors, and businesses are negatively affected by concerns regarding long term federal budget sustainability, the impact of federal health care reform on business costs, lack of credit availability, U.S. and international financial market stresses, any slowdown in the pace of global economic recovery, and geopolitical tensions, particularly those which lead to any substantial restrictions on energy supplies from the Middle East. To a large extent, the future direction of the economy, nationally and in the State, hinges on the assumptions regarding the strength of the current economic recovery, energy prices, and stability in the financial markets. Based on the information available as of the date hereof, economic conditions in the State should improve over the next year, but the recovery remains vulnerable.

## **REQUEST FOR INFORMATION**

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012 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, 2012, or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are accessible via: <http://www.state.nj.us/treasury/omb>.

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*Basic Financial  
Statements*

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 120,875,783	\$ 3,105,731	\$ 123,981,514	\$ 3,745,950,391
Investments	3,938,588,388	269,283,320	4,207,871,708	5,234,051,868
Receivables, net of allowances for uncollectibles				
Federal government	691,812,743	89,400,695	781,213,438	182,669,641
Departmental accounts	2,987,454,427	865,089,876	3,852,544,303	-
Loans	1,675,318,169	-	1,675,318,169	269,269,082
Mortgages	-	-	-	98,075,000
Other	805,917,205	81,291,854	887,209,059	744,554,407
Internal balances	109,711,045	(109,711,045)	-	-
Due from external parties	9,604,905	-	9,604,905	155,523,345
Inventories	-	-	-	153,076,425
Deferred charges	-	14,453,490	14,453,490	-
Other	323,805,084	-	323,805,084	221,476,077
<b>Total Current Assets</b>	<b>10,663,087,749</b>	<b>1,212,913,921</b>	<b>11,876,001,670</b>	<b>10,804,646,236</b>
<b>Noncurrent Assets</b>				
Investments	-	305,775,771	305,775,771	5,460,981,310
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	3,787,501,833
Mortgages	-	-	-	2,567,486,208
Other	-	-	-	120,578,131
Pension assets	5,935,136	-	5,935,136	-
Capital assets - nondepreciated	7,418,569,647	-	7,418,569,647	5,518,540,752
Capital assets - depreciated, net	16,148,480,937	-	16,148,480,937	17,391,503,917
Derivative instrument asset	-	-	-	16,574,020
Other	219,989,772	-	219,989,772	416,381,887
<b>Total Noncurrent Assets</b>	<b>23,792,975,492</b>	<b>305,775,771</b>	<b>24,098,751,263</b>	<b>35,279,548,058</b>
<b>Deferred Outflows</b>	<b>23,660,386</b>	<b>-</b>	<b>23,660,386</b>	<b>203,393,690</b>
<b>Total Assets and Deferred Outflows</b>	<b>34,479,723,627</b>	<b>1,518,689,692</b>	<b>35,998,413,319</b>	<b>46,287,587,984</b>

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

**STATE OF NEW JERSEY**  
**STATEMENT OF NET ASSETS (Continued)**  
**JUNE 30, 2012**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accruals	2,125,659,625	196,216,799	2,321,876,424	1,149,325,345
Due to external parties	48,178,274	-	48,178,274	241,918,983
Interest payable	283,343,259	-	283,343,259	312,436,572
Deferred revenue	276,448,981	-	276,448,981	298,313,817
Current portion of long-term liabilities	2,775,248,332	94,163,004	2,869,411,336	927,454,241
Other	389,533,196	110,346,244	499,879,440	546,173,188
<b>Total Current Liabilities</b>	<b>5,898,411,667</b>	<b>400,726,047</b>	<b>6,299,137,714</b>	<b>3,475,622,146</b>
<b>Noncurrent Liabilities</b>				
Advance from federal government	-	1,052,178,034	1,052,178,034	-
Net pension obligation	12,838,529,449	-	12,838,529,449	31,406,499
Net OPEB obligation	16,818,300,000	-	16,818,300,000	644,962,617
Pollution remediation obligation	92,174,562	-	92,174,562	51,087,150
Derivative instrument liability	672,613,876	-	672,613,876	262,589,013
Other	38,565,586,819	306,815,323	38,872,402,142	24,313,456,128
<b>Total Noncurrent Liabilities</b>	<b>68,987,204,706</b>	<b>1,358,993,357</b>	<b>70,346,198,063</b>	<b>25,303,501,407</b>
<b>Deferred Inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,646,563</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>74,885,616,373</b>	<b>1,759,719,404</b>	<b>76,645,335,777</b>	<b>29,006,770,116</b>
<b>NET ASSETS</b>				
<b>Invested in capital assets, net of related debt</b>	<b>7,192,227,532</b>	<b>-</b>	<b>7,192,227,532</b>	<b>9,092,326,604</b>
<b>Restricted for:</b>				
Capital projects	-	-	-	110,804,528
Public safety and criminal justice	152,570	-	152,570	-
Physical and mental health	2,297,637	-	2,297,637	-
Educational, cultural, and intellectual development	466,445,451	-	466,445,451	-
Community development and environmental management	2,689,857,245	-	2,689,857,245	-
Economic planning, development and security	375,198,981	-	375,198,981	-
Transportation programs	2,374,581	-	2,374,581	-
Debt service	-	-	-	1,051,510,615
Other	-	12,083,292	12,083,292	4,837,223,860
<b>Unrestricted</b>	<b>(51,134,446,743)</b>	<b>(253,113,004)</b>	<b>(51,387,559,747)</b>	<b>2,188,952,261</b>
<b>Total Net Assets</b>	<b>\$ (40,405,892,746)</b>	<b>\$ (241,029,712)</b>	<b>\$ (40,646,922,458)</b>	<b>\$ 17,280,817,868</b>

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions - Programs</b>				
<b>Primary Government</b>				
Governmental activities:				
Public safety and criminal justice	\$ 3,274,015,158	\$ 1,120,402,116	\$ 399,903,731	\$ 1,595,142
Physical and mental health	11,794,396,012	858,698,740	1,072,229,124	-
Educational, cultural, and intellectual development	15,249,457,993	111,727,701	1,231,002,163	-
Community development and environmental management	1,560,623,235	271,111,096	709,189,836	75,937,317
Economic planning, development, and security	6,861,920,730	1,313,185,629	898,845,974	-
Transportation programs	1,715,935,105	30,523,659	924,543,439	248,261,148
Government direction, management, and control	11,489,454,219	971,228,556	7,991,196,198	-
Special government services	342,084,534	143,961,034	11,715,587	-
Interest expense	1,275,826,916	-	-	-
Total governmental activities	<u>53,563,713,902</u>	<u>4,820,838,531</u>	<u>13,238,626,052</u>	<u>325,793,607</u>
Business-type activities:				
State Lottery Fund	1,845,655,927	2,797,638,855	204,726	-
Unemployment Compensation Fund	5,822,265,305	3,055,168,945	3,308,900,613	-
Total business-type activities	<u>7,667,921,232</u>	<u>5,852,807,800</u>	<u>3,309,105,339</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 61,231,635,134</u>	<u>\$ 10,673,646,331</u>	<u>\$ 16,547,731,391</u>	<u>\$ 325,793,607</u>
<b>Component Units</b>				
Authorities	\$ 5,843,791,283	\$ 2,540,591,984	\$ 1,427,039,267	\$ 1,324,064,034
Colleges and Universities	5,853,967,500	3,165,107,712	2,056,876,072	27,841,714
<b>Total Component Units</b>	<u>\$ 11,697,758,783</u>	<u>\$ 5,705,699,696</u>	<u>\$ 3,483,915,339</u>	<u>\$ 1,351,905,748</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 revenues and transfers				
<b>Change in Net Assets</b>				

**Net Assets - July 1, 2011 (Restated)**

**Net Assets - June 30, 2012**

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

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

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (1,752,114,169)	\$ -	\$ (1,752,114,169)	\$ -
(9,863,468,148)	-	(9,863,468,148)	-
(13,906,728,129)	-	(13,906,728,129)	-
(504,384,986)	-	(504,384,986)	-
(4,649,889,127)	-	(4,649,889,127)	-
(512,606,859)	-	(512,606,859)	-
(2,527,029,465)	-	(2,527,029,465)	-
(186,407,913)	-	(186,407,913)	-
<u>(1,275,826,916)</u>	<u>-</u>	<u>(1,275,826,916)</u>	<u>-</u>
<u>(35,178,455,712)</u>	<u>-</u>	<u>(35,178,455,712)</u>	<u>-</u>
-	952,187,654	952,187,654	-
-	541,804,253	541,804,253	-
-	1,493,991,907	1,493,991,907	-
<u>(35,178,455,712)</u>	<u>1,493,991,907</u>	<u>(33,684,463,805)</u>	<u>-</u>
-	-	-	(196,991,811)
-	-	-	155,149,057
-	-	-	<u>(41,842,754)</u>
11,128,418,349	-	11,128,418,349	-
8,080,130,928	-	8,080,130,928	-
2,037,103,743	-	2,037,103,743	-
5,420,657,071	-	5,420,657,071	-
(274,863,927)	(885,793)	(275,749,720)	-
-	-	-	1,114,395,246
851,208,367	-	851,208,367	-
<u>950,082,268</u>	<u>(950,082,268)</u>	<u>-</u>	<u>-</u>
<u>28,192,736,799</u>	<u>(950,968,061)</u>	<u>27,241,768,738</u>	<u>1,114,395,246</u>
(6,985,718,913)	543,023,846	(6,442,695,067)	(41,842,754)
<u>(33,420,173,833)</u>	<u>(784,053,558)</u>	<u>(34,204,227,391)</u>	<u>17,322,660,622</u>
<u>\$ (40,405,892,746)</u>	<u>\$ (241,029,712)</u>	<u>\$ (40,646,922,458)</u>	<u>\$ 17,280,817,868</u>

**STATE OF NEW JERSEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<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>	\$ 55,245,368	\$ -	\$ 65,630,415	\$ 120,875,783
<b>Investments</b>	1,204,543,259	-	2,734,045,129	3,938,588,388
<b>Receivables, net of allowances for uncollectibles</b>				
Federal government	458,583,519	-	100,183,528	558,767,047
Departmental accounts	1,985,912,853	535,627,253	465,914,321	2,987,454,427
Loans	380,033,966	-	1,295,284,203	1,675,318,169
Other	174,704,971	-	223,023,720	397,728,691
<b>Due from other funds</b>	841,097,664	11,197,067	364,583,816	1,216,878,547
<b>Other</b>	4,986,001	-	6,198,444	11,184,445
<b>Total Assets</b>	<u>\$ 5,105,107,601</u>	<u>\$ 546,824,320</u>	<u>\$ 5,254,863,576</u>	<u>\$ 10,906,795,497</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accruals	\$ 1,500,549,489	\$ 48,564,993	\$ 576,545,143	\$ 2,125,659,625
Deferred revenue	269,582,724	-	122,396,257	391,978,981
Due to other funds	233,759,535	349,301,368	562,679,968	1,145,740,871
Other	200,483,708	143,000,714	46,048,774	389,533,196
<b>Total Liabilities</b>	<u>2,204,375,456</u>	<u>540,867,075</u>	<u>1,307,670,142</u>	<u>4,052,912,673</u>
<b>Fund Balances</b>				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	884,257,776	-	3,494,595,906	4,378,853,682
Committed	1,570,702,994	5,957,245	452,597,528	2,029,257,767
Unassigned	425,355,302	-	-	425,355,302
<b>Total Fund Balances</b>	<u>2,900,732,145</u>	<u>5,957,245</u>	<u>3,947,193,434</u>	<u>6,853,882,824</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,105,107,601</u>	<u>\$ 546,824,320</u>	<u>\$ 5,254,863,576</u>	<u>\$ 10,906,795,497</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, 2012**

**Total fund balances - governmental funds** \$ 6,853,882,824

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

Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 541,234,210

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. 312,620,639

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	\$ 22,311,960,151	
Buildings and improvements	3,411,076,332	
Land and land improvements	5,046,986,894	
Other capital assets	3,567,743,645	
Accumulated depreciation	<u>(10,770,716,438)</u>	23,567,050,584

Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets. 115,530,000

Deferred outflows are not current resources and therefore are not reported in the fund perspective. 23,660,386

The pension and other assets are not current resources and therefore are not reported in the fund perspective. 225,924,908

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

Current Liabilities		
Accrued interest	(283,343,259)	
Current portion of long-term obligations	<u>(2,775,248,332)</u>	(3,058,591,591)

Noncurrent Liabilities		
Bonds and notes payable	(22,271,915,001)	
Installment obligations	(17,153,001,876)	
Loans payable	(1,279,358,087)	
Capital leases	(502,842,502)	
Compensated absences	(274,181,248)	
Unamortized deferral on refunding bonds	994,775,062	
Unamortized premium	(1,518,506,080)	
Tobacco Settlement Financing Corporation Bonds	(4,424,327,441)	
Unamortized discount on Capital Appreciation Bonds	7,863,770,354	
Net pension obligation	(12,838,529,449)	
Net OPEB obligation	(16,818,300,000)	
Pollution remediation obligation	(92,174,562)	
Derivative instrument liability	<u>(672,613,876)</u>	<u>(68,987,204,706)</u>

**Net assets of governmental activities** \$ (40,405,892,746)

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, 2012**

	<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	\$ 13,322,342,618	\$ 11,751,670,559	\$ 1,563,804,021	\$ 26,637,817,198
Federal and other grants	11,426,543,840	-	899,043,782	12,325,587,622
Licenses and fees	1,168,023,182	-	106,240,408	1,274,263,590
Services and assessments	1,617,823,551	-	1,242,959,897	2,860,783,448
Investment earnings	11,749,692	-	8,740,159	20,489,851
Contributions	1,140	-	79,135	80,275
Other	2,775,135,360	-	532,860,226	3,307,995,586
<b>Total Revenues</b>	<u>30,321,619,383</u>	<u>11,751,670,559</u>	<u>4,353,727,628</u>	<u>46,427,017,570</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety and criminal justice	3,253,200,559	-	107,539,960	3,360,740,519
Physical and mental health	11,394,035,518	130,584,126	283,139,982	11,807,759,626
Educational, cultural, and intellectual development	4,459,445,345	10,820,331,293	219,301,069	15,499,077,707
Community development and environmental management	1,301,588,529	248,077,470	137,445,697	1,687,111,696
Economic planning, development, and security	5,547,246,713	29,678,000	1,340,638,439	6,917,563,152
Transportation programs	516,392,408	-	1,949,837,796	2,466,230,204
Government direction, management, and control	5,453,092,689	948,011,001	221,834,014	6,622,937,704
Special government services	340,382,154	-	169,518	340,551,672
<b>Capital Outlay</b>	122,514,647	-	-	122,514,647
<b>Debt Service:</b>				
Principal	182,230,000	-	398,244,311	580,474,311
Interest	95,132,261	-	825,519,418	920,651,679
<b>Total Expenditures</b>	<u>32,665,260,823</u>	<u>12,176,681,890</u>	<u>5,483,670,204</u>	<u>50,325,612,917</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,343,641,440)</u>	<u>(425,011,331)</u>	<u>(1,129,942,576)</u>	<u>(3,898,595,347)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	1,315,000,000	1,315,000,000
Transfers from other funds	2,473,321,153	-	2,311,472,254	4,784,793,407
Transfers to other funds	(1,113,035,206)	-	(2,721,667,085)	(3,834,702,291)
Other sources	1,841,499,189	-	447,649,309	2,289,148,498
Other uses	(1,718,877,171)	-	(395,657,456)	(2,114,534,627)
<b>Total other financing sources (uses)</b>	<u>1,482,907,965</u>	<u>-</u>	<u>956,797,022</u>	<u>2,439,704,987</u>
<b>Net Change in Fund Balance</b>	<u>(860,733,475)</u>	<u>(425,011,331)</u>	<u>(173,145,554)</u>	<u>(1,458,890,360)</u>
<b>Fund Balances - July 1, 2011 (Restated)</b>	<u>3,761,465,620</u>	<u>430,968,576</u>	<u>4,120,338,988</u>	<u>8,312,773,184</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 2,900,732,145</u>	<u>\$ 5,957,245</u>	<u>\$ 3,947,193,434</u>	<u>\$ 6,853,882,824</u>

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



**STATE OF NEW JERSEY**  
**RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Net change in fund balance - total governmental funds** \$ (1,458,890,360)

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	\$ 1,507,885,311	
Depreciation expense	(740,617,901)	
Excess of capital outlay over depreciation expense		767,267,410

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term obligations in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds. (1,315,000,000)

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In the governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as an obligation. (122,514,647)

The changes in fair value related to nonqualifying swap agreements are not considered current resources and are only reported in the statement of activities. (287,363,282)

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

Bond principal retirement	570,595,000	
Capital lease payments	66,741,932	
Installment obligation retirement	417,418,779	
Certificates of participation retirement	23,508,771	
Tobacco Settlement Financing Corp. bond retirement	25,820,000	
Total long-term obligations repayment		1,104,084,482

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 2012 receivable balances increased by this amount. 62,609,582

Some revenues recorded in the statement of activities do not provide current financial resources and therefore are deferred in the fund perspective. (33,710,000)

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:

Decrease in unamortized premiums	93,767,032	
Decrease in deferral on refunding issues	(163,756,318)	
Increase in deferred issuance costs	(23,185,103)	
Decrease in bond discount	(879,685)	
Total capitalized and amortized items		(94,054,074)

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

Net increase in accrued interest	(337,235,308)	
Decrease in compensated absences, medicaid, and other	36,376,819	
Decrease in pension assets	(515,016)	
Increase in net pension and OPEB obligations	(5,298,110,079)	
Increase in pollution remediation obligation	(11,774,096)	
Increase in other assets	3,109,656	
Total additional expenditures and revenue reductions		(5,608,148,024)

**Change in net assets of governmental activities** \$ (6,985,718,913)

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

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,650,488	\$ 455,243	\$ 3,105,731
Investments	269,182,306	101,014	269,283,320
Receivables, net of allowances for uncollectibles			
Federal government	-	89,400,695	89,400,695
Departmental accounts	-	865,089,876	865,089,876
Other	11,526,442	69,765,412	81,291,854
Due from other funds	-	17,882,840	17,882,840
Deferred charges	13,912,288	541,202	14,453,490
<b>Total Current Assets</b>	<u>297,271,524</u>	<u>1,043,236,282</u>	<u>1,340,507,806</u>
<b>Noncurrent Assets</b>			
Investments	305,775,771	-	305,775,771
<b>Total Assets</b>	<u>603,047,295</u>	<u>1,043,236,282</u>	<u>1,646,283,577</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accruals	82,250,918	113,965,881	196,216,799
Due to other funds	107,734,758	19,859,127	127,593,885
Current portion of long-term obligations	94,163,004	-	94,163,004
Other	-	110,346,244	110,346,244
<b>Total Current Liabilities</b>	<u>284,148,680</u>	<u>244,171,252</u>	<u>528,319,932</u>
<b>Noncurrent Liabilities</b>			
Advance from federal government	-	1,052,178,034	1,052,178,034
Due in more than one year	306,815,323	-	306,815,323
<b>Total Noncurrent Liabilities</b>	<u>306,815,323</u>	<u>1,052,178,034</u>	<u>1,358,993,357</u>
<b>Total Liabilities</b>	<u>590,964,003</u>	<u>1,296,349,286</u>	<u>1,887,313,289</u>
<b>NET ASSETS</b>			
Restricted for:			
Other purposes	12,083,292	-	12,083,292
Unrestricted	-	(253,113,004)	(253,113,004)
<b>Total Net Assets</b>	<u>\$ 12,083,292</u>	<u>\$ (253,113,004)</u>	<u>\$ (241,029,712)</u>

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

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>			
Sales and charges for services	\$ 2,758,899,785	\$ -	\$ 2,758,899,785
Assessments	-	2,980,147,356	2,980,147,356
From federal agencies	-	3,308,900,613	3,308,900,613
Other	<u>38,739,070</u>	<u>440,254</u>	<u>39,179,324</u>
<b>Total Operating Revenues</b>	<u>2,797,638,855</u>	<u>6,289,488,223</u>	<u>9,087,127,078</u>
<b>OPERATING EXPENSES</b>			
Unemployment compensation	-	5,822,265,305	5,822,265,305
Lottery prize awards	1,617,771,751	-	1,617,771,751
Other	<u>227,884,176</u>	<u>-</u>	<u>227,884,176</u>
<b>Total Operating Expenses</b>	<u>1,845,655,927</u>	<u>5,822,265,305</u>	<u>7,667,921,232</u>
<b>Operating Income (Loss)</b>	<u>951,982,928</u>	<u>467,222,918</u>	<u>1,419,205,846</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	(681,067)	-	(681,067)
Other	<u>-</u>	<u>74,581,335</u>	<u>74,581,335</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(681,067)</u>	<u>74,581,335</u>	<u>73,900,268</u>
<b>Income (Loss) Before Transfers</b>	951,301,861	541,804,253	1,493,106,114
Transfers to other funds	<u>(950,082,268)</u>	<u>-</u>	<u>(950,082,268)</u>
<b>Change in Net Assets</b>	1,219,593	541,804,253	543,023,846
<b>Net Assets - July 1, 2011</b>	<u>10,863,699</u>	<u>(794,917,257)</u>	<u>(784,053,558)</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 12,083,292</u>	<u>\$ (253,113,004)</u>	<u>\$ (241,029,712)</u>

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, 2012**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts received from customers	\$ 1,385,166,786	\$ -	\$ 1,385,166,786
Receipts from federal and local agencies	-	3,534,998,725	3,534,998,725
Receipts from assessments	-	2,742,830,405	2,742,830,405
Payments to suppliers	(38,758,860)	-	(38,758,860)
Payments to prize winners	(412,972,456)	-	(412,972,456)
Claims paid	-	(5,781,986,902)	(5,781,986,902)
Other receipts (payments)	44,212,824	-	44,212,824
<b>Net cash provided (used) by operating activities</b>	<u>977,648,294</u>	<u>495,842,228</u>	<u>1,473,490,522</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Loan from (payment to) federal government	-	(494,878,435)	(494,878,435)
Transfers to other funds	(953,000,111)	-	(953,000,111)
Other	-	(747,865)	(747,865)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>(953,000,111)</u>	<u>(495,626,300)</u>	<u>(1,448,626,411)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	1,215,541,000	-	1,215,541,000
Purchase of investments	(1,238,140,000)	-	(1,238,140,000)
<b>Net cash provided (used) by investing activities</b>	<u>(22,599,000)</u>	<u>-</u>	<u>(22,599,000)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	2,049,183	215,928	2,265,111
<b>Cash and cash equivalents - July 1, 2011</b>	601,305	239,315	840,620
<b>Cash and cash equivalents - June 30, 2012</b>	<u>\$ 2,650,488</u>	<u>\$ 455,243</u>	<u>\$ 3,105,731</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 951,982,928	\$ 467,222,918	\$ 1,419,205,846
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Net changes in assets and liabilities:			
Current assets	31,122,650	20,965,284	52,087,934
Noncurrent assets	29,654,840	-	29,654,840
Current liabilities	10,667,182	7,654,026	18,321,208
Noncurrent liabilities	(45,779,306)	-	(45,779,306)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 977,648,294</u>	<u>\$ 495,842,228</u>	<u>\$ 1,473,490,522</u>

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

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**STATE OF NEW JERSEY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012**

	<b>Agency Funds</b>	<b>Investment Trust Fund</b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	\$ 9,054,786	\$ 515
<b>Securities lending collateral</b>	-	-
<b>Investments</b>	100,021,751	2,538,953,795
<b>Receivables, net of allowances for uncollectibles</b>		
Members	43,835	-
Employers	852,147	-
Interest and dividends	-	-
Other	-	118,039,530
<b>Due from other funds</b>	32,621,627	-
<b>Other</b>	-	-
<b>Total Assets</b>	142,594,146	2,656,993,840
<b>LIABILITIES</b>		
<b>Accounts payable</b>	141,921,370	-
<b>Benefits payable</b>	-	-
<b>Securities lending collateral and rebates payable</b>	-	-
<b>Due to other funds</b>	672,776	1,877,586
<b>Total Liabilities</b>	142,594,146	1,877,586
<b>NET ASSETS</b>		
<b>Held in Trust for Pension Benefits and Other Purposes</b>	\$ -	\$ 2,655,116,254

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

<b>Pension and Other Employee Benefits Trust Funds</b>	<b>Private Purpose Trust Funds</b>
\$ 721,882,694	\$ 2,574,620
1,209,086,214	-
74,028,878,813	12,448,072
176,414,212	-
3,034,973,673	-
5,406,223	-
-	-
1,304,988,771	-
16,074,243	-
<u>80,497,704,843</u>	<u>15,022,692</u>
132,747,277	4,282,917
1,267,168,212	-
1,207,235,246	-
7,256,705	315,434
<u>2,614,407,440</u>	<u>4,598,351</u>
<u>\$ 77,883,297,403</u>	<u>\$ 10,424,341</u>

**STATE OF NEW JERSEY  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ -	\$ 2,309,269,955	\$ -
Employers	-	6,907,585,164	-
Other	<u>13,491,167,281</u>	<u>4,251,107</u>	<u>-</u>
<b>Total Contributions</b>	<u>13,491,167,281</u>	<u>9,221,106,226</u>	<u>-</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	(222,910,462)	-
Interest and dividends	<u>3,507,537</u>	<u>1,958,041,278</u>	<u>19,277</u>
<b>Total Investment Income</b>	<u>3,507,537</u>	<u>1,735,130,816</u>	<u>19,277</u>
Less investment expense	<u>-</u>	<u>13,056,983</u>	<u>-</u>
<b>Net Investment Income</b>	<u>3,507,537</u>	<u>1,722,073,833</u>	<u>19,277</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,277,212</u>
<b>Total Additions</b>	<u>13,494,674,818</u>	<u>10,943,180,059</u>	<u>1,296,489</u>
<b>DEDUCTIONS</b>			
Benefit payments	-	13,923,434,132	-
Refunds of contributions	-	157,270,934	-
Refunds and transfers to other systems	-	-	8,848
Administrative expense	1,877,586	46,498,279	-
Payments in accordance with trust agreements	-	-	736,978
Distributions to shareholders	<u>14,183,849,500</u>	<u>-</u>	<u>-</u>
<b>Total Deductions</b>	<u>14,185,727,086</u>	<u>14,127,203,345</u>	<u>745,826</u>
Total Changes in Net Assets Held in Trust	(691,052,268)	(3,184,023,286)	550,663
<b>Net Assets - July 1, 2011</b>	<u>3,346,168,522</u>	<u>81,067,320,689</u>	<u>9,873,678</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 2,655,116,254</u>	<u>\$ 77,883,297,403</u>	<u>\$ 10,424,341</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, 2012**

	<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	\$ 114,809,772	\$ 203,513,456	\$ 413,579,000
Investments	30,477,409	577,821,037	330,738,000
Receivables, net of allowances for uncollectibles			
Federal government	124,257,603	-	-
Loans	-	-	-
Mortgages	-	-	-
Other	39,503,250	47,965,099	155,942,000
Due from external parties	93,742,559	3,638,603	-
Inventories	114,531,017	16,197,661	4,012,000
Other	10,496,351	24,864,867	14,143,000
<b>Total Current Assets</b>	<u>527,817,961</u>	<u>874,000,723</u>	<u>918,414,000</u>
<b>Noncurrent Assets</b>			
Investments	1,402,534,548	1,634,697,898	882,048,000
Receivables, net of allowances for uncollectibles			
Loans	-	-	-
Mortgages	-	-	-
Other	4,487,550	217,165	98,738,000
Capital assets - nondepreciated	1,370,085,640	2,701,790,032	487,380,000
Capital assets - depreciated, net	6,027,642,528	4,053,161,663	1,730,908,000
Derivative instrument asset	-	-	-
Other	17,008	137,081,122	16,229,000
<b>Total Noncurrent Assets</b>	<u>8,804,767,274</u>	<u>8,526,947,880</u>	<u>3,215,303,000</u>
<b>Deferred Outflows</b>	<u>10,750,452</u>	<u>88,029,208</u>	<u>44,689,000</u>
<b>Total Assets and Deferred Outflows</b>	<u>9,343,335,687</u>	<u>9,488,977,811</u>	<u>4,178,406,000</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	252,695,994	161,759,357	175,042,000
Due to external parties	26,890,815	189,101,524	-
Interest payable	-	208,887,966	7,333,000
Deferred revenue	-	3,967,650	61,991,000
Current portion of long-term obligations	282,911,483	135,666,660	40,818,000
Other	128,861,043	198,650	81,505,000
<b>Total Current Liabilities</b>	<u>691,359,335</u>	<u>699,581,807</u>	<u>366,689,000</u>
<b>Noncurrent Liabilities</b>			
Net pension obligation	-	-	-
Net OPEB obligation	294,739,481	208,258,200	-
Pollution remediation	17,647,150	31,090,000	-
Derivative instrument liability	-	141,400,963	44,689,000
Other	3,019,208,873	8,378,019,541	1,075,887,000
<b>Total Noncurrent Liabilities</b>	<u>3,331,595,504</u>	<u>8,758,768,704</u>	<u>1,120,576,000</u>
<b>Deferred Inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>4,022,954,839</u>	<u>9,458,350,511</u>	<u>1,487,265,000</u>
<b>NET ASSETS</b>			
<b>Invested in capital assets, net of related debt</b>	5,662,256,988	(119,761,434)	1,201,661,000
<b>Restricted for:</b>			
Capital projects	4,970,767	-	43,425,000
Debt service	-	133,839,244	-
Other purposes	-	-	777,512,000
<b>Unrestricted</b>	<u>(346,846,907)</u>	<u>16,549,490</u>	<u>668,543,000</u>
<b>Total Net Assets</b>	<u>\$ 5,320,380,848</u>	<u>\$ 30,627,300</u>	<u>\$ 2,691,141,000</u>

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

<u>University of Medicine and Dentistry of New Jersey</u>	<u>Non-Major Component Units</u>	<u>Total Component Units</u>
\$ 203,178,000	\$ 2,810,870,163	\$ 3,745,950,391
44,941,000	4,250,074,422	5,234,051,868
7,118,000	51,294,038	182,669,641
4,833,000	264,436,082	269,269,082
-	98,075,000	98,075,000
301,897,000	199,247,058	744,554,407
-	58,142,183	155,523,345
16,798,000	1,537,747	153,076,425
22,618,000	149,353,859	221,476,077
<u>601,383,000</u>	<u>7,883,030,552</u>	<u>10,804,646,236</u>
169,974,000	1,371,726,864	5,460,981,310
33,605,000	3,753,896,833	3,787,501,833
-	2,567,486,208	2,567,486,208
-	17,135,416	120,578,131
29,079,000	930,206,080	5,518,540,752
835,208,000	4,744,583,726	17,391,503,917
-	16,574,020	16,574,020
80,179,000	182,875,757	416,381,887
<u>1,148,045,000</u>	<u>13,584,484,904</u>	<u>35,279,548,058</u>
-	59,925,030	203,393,690
<u>1,749,428,000</u>	<u>21,527,440,486</u>	<u>46,287,587,984</u>
275,551,000	284,276,994	1,149,325,345
-	25,926,644	241,918,983
3,552,000	92,663,606	312,436,572
75,717,000	156,638,167	298,313,817
18,273,000	449,785,098	927,454,241
-	335,608,495	546,173,188
<u>373,093,000</u>	<u>1,344,899,004</u>	<u>3,475,622,146</u>
-	31,406,499	31,406,499
-	141,964,936	644,962,617
-	2,350,000	51,087,150
-	76,499,050	262,589,013
698,883,000	11,141,457,714	24,313,456,128
<u>698,883,000</u>	<u>11,393,678,199</u>	<u>25,303,501,407</u>
-	227,646,563	227,646,563
<u>1,071,976,000</u>	<u>12,966,223,766</u>	<u>29,006,770,116</u>
282,443,000	2,065,727,050	9,092,326,604
10,455,000	51,953,761	110,804,528
2,212,000	915,459,371	1,051,510,615
366,104,000	3,693,607,860	4,837,223,860
16,238,000	1,834,468,678	2,188,952,261
<u>\$ 677,452,000</u>	<u>\$ 8,561,216,720</u>	<u>\$ 17,280,817,868</u>

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>	<u>Rutgers, The State University of New Jersey</u>
<b>Expenses</b>	\$ 2,529,270,531	\$ 1,128,169,483	\$ 1,936,277,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	960,282,114	1,025,217,662	905,432,000
Operating grants and contributions	758,519,052	12,850,505	815,250,000
Capital grants and contributions	<u>468,187,818</u>	<u>-</u>	<u>7,607,000</u>
<b>Net (Expense) Revenue</b>	<u>(342,281,547)</u>	<u>(90,101,316)</u>	<u>(207,988,000)</u>
<b>General Revenue</b>			
Payments from State	<u>285,026,996</u>	<u>8,074,367</u>	<u>262,360,000</u>
<b>Total General Revenue</b>	<u>285,026,996</u>	<u>8,074,367</u>	<u>262,360,000</u>
<b>Change in Net Assets</b>	(57,254,551)	(82,026,949)	54,372,000
<b>Net Assets - Beginning of Year (Restated)</b>	<u>5,377,635,399</u>	<u>112,654,249</u>	<u>2,636,769,000</u>
<b>Net Assets - End of Year</b>	<u>\$ 5,320,380,848</u>	<u>\$ 30,627,300</u>	<u>\$ 2,691,141,000</u>

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

<u>University of Medicine and Dentistry of New Jersey</u>	<u>Non-Major Component Units</u>	<u>Total Component Units</u>
\$ 1,825,779,000	\$ 4,278,262,769	\$ 11,697,758,783
1,103,928,000	1,710,839,920	5,705,699,696
502,231,000	1,395,064,782	3,483,915,339
4,826,000	871,284,930	1,351,905,748
<u>(214,794,000)</u>	<u>(301,073,137)</u>	<u>(1,156,238,000)</u>
<u>205,938,000</u>	<u>352,995,883</u>	<u>1,114,395,246</u>
<u>205,938,000</u>	<u>352,995,883</u>	<u>1,114,395,246</u>
<u>(8,856,000)</u>	<u>51,922,746</u>	<u>(41,842,754)</u>
<u>686,308,000</u>	<u>8,509,293,974</u>	<u>17,322,660,622</u>
<u>\$ 677,452,000</u>	<u>\$ 8,561,216,720</u>	<u>\$ 17,280,817,868</u>

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

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

**A. Basis of Presentation**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements have been prepared primarily from accounts and records maintained by the Director of the Office of Management and Budget. The financial data for the various public benefit corporations, authorities, commissions, colleges, and universities has been derived from reports prepared by those organizations based on their independent accounting systems.

**B. Financial Reporting Entity**

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

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

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

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

**COLLEGES AND UNIVERSITIES**

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

## AUTHORITIES

Atlantic City Convention and Visitors Authority  
Casino Reinvestment Development Authority  
Garden State Preservation Trust  
Higher Education Student Assistance Authority  
New Jersey Building Authority  
New Jersey Economic Development Authority  
New Jersey Educational Facilities Authority  
New Jersey Environmental Infrastructure Trust  
New Jersey Health Care Facilities Financing Authority  
New Jersey Housing and Mortgage Finance Agency  
New Jersey Meadowlands Commission  
New Jersey Redevelopment Authority  
New Jersey Schools Development Authority  
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

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

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

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

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

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



other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

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

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

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

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

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

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

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

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

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

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

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

## **E. Fund Accounting**

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

### **1. Major Funds**

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

- a. General Fund - This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Annual Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.
- b. Property Tax Relief Fund - This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use Tax. Revenues realized are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. P.L. 2006, c.44 increased the Sales and Use Tax rate to seven percent from six percent. Of the additional one percent, one half of a percent was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the State Legislature, to counties, municipalities, and school districts.
- c. 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. Remaining balances are paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this fund.
- d. Unemployment Compensation Fund - This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the federal government, and amounts received herein from any other source. After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against

the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits. Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by federal statutes, which authorize advances from the federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

## **2. Governmental Fund Types**

- a. Special Revenue Funds – These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.
- b. Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

## **3. Fiduciary Fund Types**

- a. Pension and Other Employee Benefits 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 or 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 domestic and international equities and exchange traded funds; covered call and put options; equity futures contracts; obligations of the U.S. Treasury, government agencies, corporations, international corporations, governments and agencies; bank loans; interest rate swap transactions; credit default swaps; fixed income exchange traded funds; U.S. Treasury futures contracts; New Jersey State and Municipal general obligations; public authority revenue obligations; collateralized notes and mortgages; commercial paper; certificates of deposit; repurchase agreements; bankers acceptances; guaranteed income contracts; funding agreements; money market funds; private equity; real estate; other real assets; and absolute return strategy funds.

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

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

### **3. Securities Lending Collateral**

The Pension Trust Funds participate in securities lending programs with their custodian banks, whereby securities are loaned to brokers and, in return, the Pension Trust Funds have rights to the collateral received. All of the securities held in the Common Pension Trust Fund investment pool are eligible for the securities lending program. Collateral received may consist of cash, letters of credit, or government securities having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. The contracts with the Common Pension Trust Fund investment pool custodian banks require them to indemnify the investment pool if the brokers fail to return the securities or fail to pay the investment pool for income distributions by the securities' issuers while the securities are on loan. The securities loans can be terminated by notification by either the broker or the investment pool. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of cash collateral. As of June 30, 2012, the Pension Trust Funds have no aggregate credit risk exposure to brokers because the collateral amount held by the Pension Trust Funds exceeded the market value of the securities on loan. See Note 5 for additional details.

#### **4. Receivables**

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

#### **5. Capital Assets**

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

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

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

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

The State does not capitalize and depreciate works of art, historical treasures, and similar assets because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Capital assets utilized in the government funds are recorded as expenditures in the governmental fund financial statements. See Note 7 for additional details.

#### **6. Interfund/Intrafund Transactions**

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

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

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

## H. Liabilities

### 1. Deferred Revenue

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

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

### 2. Long-term Obligations

The State's long-term debt is divided into bonded and non-bonded categories. Bonded categories include general obligation bonds, revenue bonds, certain capital leases, installment obligations, certificates of participation, unamortized premium, Tobacco Settlement Financing Corporation Bonds (TSFC), unamortized deferral on refunding, and unamortized interest on capital appreciation bonds. Non-bonded categories include accumulated sick and vacation payable, certain capital leases, loans payable, net pension obligation, pollution remediation obligation, other postemployment benefits, other, advance from federal government, and deposit fund contracts. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year and as current liabilities-current portion of long-term obligations, if due within a year.

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

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

## I. Net Assets

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

## J. Fund Balances

1. **Nonspendable** - Fund balance includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (i.e., the principal of a permanent fund).
2. **Restricted** - Fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers or imposed by law through constitutional provisions, or through enabling legislation.
3. **Committed** - Fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
4. **Assigned** - Fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
5. **Unassigned** - Fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Based on the definitions of the restricted, committed, and assigned fund balance classifications, positive unassigned amounts can exist only in the General Fund. The State's General Fund reflects both committed and unassigned fund balances. Initially, expenditures are made from existing committed fund balances, and if necessary, additional expenditures are made from unassigned fund balances.

## K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2011:

### Component Units - Authorities

Atlantic City Convention and Visitors Authority  
Casino Reinvestment Development Authority  
New Jersey Economic Development Authority  
New Jersey Educational Facilities Authority  
New Jersey Health Care Facilities Financing Authority  
New Jersey Housing and Mortgage Finance Agency  
New Jersey Meadowlands Commission  
New Jersey Redevelopment Authority  
New Jersey Sports and Exposition Authority  
New Jersey Turnpike Authority  
South Jersey Port Corporation  
South Jersey Transportation Authority

### Special Revenue Funds

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

**NOTE 2 - OTHER ACCOUNTING DISCLOSURES**

**A. Change in Accounting Policy/Reclassifications**

The State has adopted GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*-an amendment of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the provisions of this statement are effective for financial statements for periods beginning after June 15, 2011.

As a result of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, the following fund has been reclassified.

<u>Fund Name</u>	<u>Fund Classification June 30, 2011</u>	<u>Fund Classification June 30, 2012</u>
Remediation Guarantee Fund	General Fund	Special Revenue Fund

**B. Deficit Net Asset Balance**

The Health Benefits Fund-State is on an actuarial basis of accounting, therefore, it has recorded a claims liability of \$178 million. There are sufficient cash balances to pay claims that are billed to the fund. In order to pay unemployment claims in excess of available resources, it was necessary for the Unemployment Compensation Fund to borrow from the federal government, resulting in a deficit net asset balance of \$253.1 million.

**C. Deficit Fund Balance**

It is anticipated that bond sales during Fiscal Year 2013 will relieve the current deficit fund balances of the 2009 Farmland Preservation Fund, the 2009 Green Acres Fund, and the 2009 Historic Preservation Fund.

**D. Joint Ventures**

**The Port Authority of New York and New Jersey  
225 Park Avenue South  
New York, NY 10003-1604  
[www.panynj.gov](http://www.panynj.gov)**

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

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

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



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

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2011 disclosed the following (expressed in millions):

<b>Financial Position</b>	
	<u>Combined Total</u>
Total Assets	\$ 33,917.7
Total Liabilities	<u>22,191.8</u>
<b>Net Assets</b>	<u>\$ 11,725.9</u>
<b>Operating Results</b>	
Operating Revenues	\$ 4,014.9
Operating Expenses	(2,564.9)
Depreciation and Amortization	<u>(930.3)</u>
Income from Operations	519.7
Non-operating Revenues (Expense), Net	<u>181.6</u>
<b>Net Income</b>	<u>\$ 701.3</u>
<b>Changes in Net Assets</b>	
Balance January 1, 2011	\$ 11,024.6
Net Income	<u>701.3</u>
<b>Balance December 31, 2011</b>	<u>\$ 11,725.9</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, 2011, Port Authority debt consisted of the following (expressed in millions):

<b>Bonds, Notes, and Other Obligations</b>	
Consolidated Bonds and Notes	\$ 15,550.0
Special Project Bonds	1,741.4
Operating Asset Financing	474.1
Capital Asset Financing	<u>1,783.1</u>
	19,548.6
Less: Unamortized Discount and Premium	<u>(1.2)</u>
<b>Total</b>	<u>\$ 19,547.4</u>

## **E. 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 \$640.1 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2011.

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$1.3 billion in federal grant revenues and economic planning, development, and security expenditures has been recorded.

## **NOTE 3 - CASH AND CASH EQUIVALENTS**

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds which are in the General Fund bank accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective due from or due to accounts on the balance sheet presented in the fund financial statements.

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

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

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the State disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2012 the State's bank balances amounted to \$281.1 million. Of these balances, \$2.2 million was exposed to custodial credit risk as uninsured and uncollateralized.

## NOTE 4 – INVESTMENTS

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in domestic and international equities and exchange traded funds; covered call and put options; equity futures contracts; obligations of the U.S. Treasury, government agencies, corporations, international governments and agencies; bank loans; interest rate swap transactions; credit default swaps; fixed income exchange traded funds; U.S. Treasury futures contracts; state and municipal general obligations; public authority revenue obligations; collateralized notes and mortgages; commercial paper; certificates of deposit; repurchase agreements; bankers acceptances; guaranteed income contracts; funding agreements; money market funds; private equity funds; real estate funds; other real assets; and absolute return strategy funds. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the investing funds through the State Treasurer and custodian banks as agents for the funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements, and other pertinent matters.

Federal securities, including those held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks, in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular State fund which establishes the State fund's unconditional right to the securities. The custodian banks, as agents for the State funds, maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the State funds.

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

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

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

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

Approximately \$399.9 million of investments represents deposit fund contracts for future installment payments of lottery prizes. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments.

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

	<b>Amount Reported</b>
	<b><u>As Investments</u></b>
Domestic fixed income securities	\$ 24,716.5
Domestic equities	19,733.2
International equities	13,943.8
Absolute return strategy funds	5,547.0
Private equities	5,489.0
Real estate funds	3,106.7
International fixed income securities	2,877.2
Real assets	1,448.2
Bank loan funds	1,365.0
Mortgages	963.9
Annuity contracts	399.9
Mutual funds	293.4
Put options	<u>0.7</u>
<b>Total investments</b>	79,884.5
Unallocated administrative expenses and transaction exchanges	<u>1,309.4</u>
<b>Net amount recorded as investments</b>	<b><u><u>\$ 81,193.9</u></u></b>

As Reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets (expressed in millions):

	<b>Current</b>	<b>Non-Current</b>	
	<b><u>Investments</u></b>	<b><u>Investments</u></b>	<b><u>Total</u></b>
Governmental activities	\$ 3,938.5	\$ -	\$ 3,938.5
Business-type activities	269.3	305.8	575.1
Fiduciary funds	<u>76,680.3</u>	<u>-</u>	<u>76,680.3</u>
<b>Total</b>	<b><u><u>\$ 80,888.1</u></u></b>	<b><u><u>\$ 305.8</u></u></b>	<b><u><u>\$ 81,193.9</u></u></b>

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), or Fitch Ratings (Fitch). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in United States Treasury and government agency securities. State regulations require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue. As of June 30, 2012 the following limits were in effect:

Category	Minimum Rating (1)			Limitation of Issuers' Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P	Fitch			
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
International corporate obligations	Baa3	BBB-	BBB-	10%	25%	Limited to not more than 5% of fund assets in any one issuer; not more than 10% of fund assets can be invested in this category
International government and agency obligations	Baa3	BBB-	BBB-	25%	Greater of 25% or \$10 million	-
Collateralized notes and mortgages	Baa3	BBB-	BBB-	-	25%	Not more than 5% of fund assets can be invested in one issuer; not more than 10% of fund assets (or 20% of the Common Pension Fund B account within the Common Pension Fund pool) can be invested in this category
Commercial paper	P-1	A-1	F1	-	-	-
Certificates of deposit and bankers acceptances:						Certificates of deposit and bankers acceptances cannot exceed 10% of issuer's primary capital
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Credit default swap transactions	A1	A+	A+	-	-	Nominal value of net exposure to any one counterparty shall not exceed 10% of fund assets
Guaranteed income contracts	A3	A-	A-	-	-	-
Money market funds	-	-	-	-	-	Limited to 10% of the assets of the of the fund; limited to 5% of the shares or units outstanding
Interest rate swap transactions	A1	A+	A+	-	-	Notional value of net exposure to any one counterparty shall not exceed 10% of fund assets
Repurchase agreements	Aa3	AA-	AA-	-	-	-
State and municipal obligations	A3	A-	A-	10%	10%	Limit of 2% of fund assets can be invested in debt of any one entity maturing more than 12 months from purchase
Public Authority revenue obligations	A3	A-	A-	-	10%	Limit of 2% of fund assets in any one authority
Mortgage backed pass through securities	A3	A-	A-	-	-	Limit of 5% of fund assets in any one issue
Mortgage backed senior debt securities	-	-	-	-	25%	Limit of 5% of fund assets in any one issue
Non-convertible preferred stocks of U.S. corporations	Baa3	BBB-	BBB-	10%	25%	Limit of 5% of fund assets in any one corporation
Bank loans	Baa3	BBB-	BBB-	10%	-	Limit of 10% of fund assets

(1) Short term ratings (e.g. P-1, A-1, F-1) are used for commercial paper and certificates of deposit.

Up to five percent of the market value of the combined assets of the pension and annuity funds may be invested in corporate obligations, international corporate obligations, collateralized notes and mortgages, bank loans, non-convertible preferred stocks, and mortgage backed pass through securities that do not meet the minimum credit rating requirements set forth above.

For securities exposed to credit risk in the fixed income portfolio, the following tables disclose aggregate fair value, by major credit quality rating category at June 30, 2012. The first table is for bonds rated by Moody's. The second table uses Standard and Poor's and Fitch's ratings for bonds not rated by Moody's (expressed in millions):

	Moody's Rating					
	Aaa	Aa	A	Baa	Ba	P-1
United States Treasury bills	\$ 1,515.9	\$ -	\$ -	\$ -	\$ -	\$ -
United States Treasury notes	3,816.4	-	-	-	-	-
United States Treasury TIPS	1,821.5	-	-	-	-	-
United States Treasury bonds	1,000.5	-	-	-	-	-
United States Treasury strips	583.7	-	-	-	-	-
United States Government Agency	289.1	5.4	4.8	-	-	-
Mortgages/FHLMC/FNMA/GNMA	363.5	-	-	-	-	-
Domestic corporate obligations	928.7	1,005.7	3,487.1	3,837.7	351.1	-
International corporate obligations	10.5	-	370.7	275.2	38.9	-
Foreign government obligations	618.2	1,431.4	54.1	-	-	-
SBA pass through certificates	158.8	-	-	-	-	-
Asset backed obligations	16.6	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	1,646.7
Commercial paper	-	-	-	-	-	1,096.0
Other	94.4	815.7	244.9	18.1	1.2	-
<b>Total</b>	<u>\$ 11,217.8</u>	<u>\$ 3,258.2</u>	<u>\$ 4,161.6</u>	<u>\$ 4,131.0</u>	<u>\$ 391.2</u>	<u>\$ 2,742.7</u>

	Standard & Poor's Rating					
	AAA	AA	A	BBB	B	A-1+
Domestic corporate obligations	\$ -	\$ 86.5	\$ 164.8	\$ 92.6	\$ 12.7	\$ -
International corporate obligations	-	18.1	-	-	0.3	-
Certificates of deposit	-	-	-	-	-	220.0
Other	56.6	53.8	17.7	-	-	-
<b>Total</b>	<u>\$ 56.6</u>	<u>\$ 158.4</u>	<u>\$ 182.5</u>	<u>\$ 92.6</u>	<u>\$ 13.0</u>	<u>\$ 220.0</u>

The tables do not include various domestic corporate obligations given a Moody's rating of B (\$487.0 million), Ca (\$0.8 million), Caa (\$171.3 million), and a Standard and Poor's rating of BB (\$0.2 million), CCC (\$5.2 million), international corporate obligations given a Moody's rating of B (\$36.1 million), and Caa (\$12.5 million).

In addition, the Police and Firemen's mortgages of \$963.9 million, domestic corporate obligations of \$46.2 million, foreign government obligations of \$18.1 million, asset backed obligations of \$51.4 million, and other various investment types of \$130.2 million, are unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Commercial paper must mature with 270 days. Certificates of deposits and bankers acceptance are limited to a term of one year or less. Repurchase agreements must mature with 30 days. The investment in guaranteed income contracts and funding agreements is limited to a term of ten years or less.

The following table summarizes the maturities (or, in the case of Remics, Police and Firemen's mortgages, and mortgage backed securities, the expected average life) of the fixed income portfolio at June 30, 2012 (expressed in millions):

	Maturities in Years				
	Total Fair Value	Less than 1	1-5	6-10	More than 10
United States Treasury bills	\$ 1,515.9	\$ 1,515.9	\$ -	\$ -	\$ -
United States Treasury notes	3,816.4	3,801.3	15.1	-	-
United States Treasury TIPS	1,821.5	-	56.1	249.1	1,516.3
United States Treasury bonds	1,000.5	10.3	175.8	93.5	720.9
United States Treasury strips	583.7	-	-	-	583.7
United States Government Agency	299.3	0.4	12.9	190.3	95.7
Mortgages/FHLMC/FNMA/GNMA	363.5	-	2.5	1.6	359.4
Domestic corporate obligations	10,677.7	269.7	937.9	3,889.7	5,580.4
International corporate obligations	755.4	-	44.7	265.4	445.3
Foreign government obligations	2,121.8	-	156.9	1,136.3	828.6
Police & Firemen's mortgages	963.9	-	2.0	6.6	955.3
SBA pass through certificates	158.8	-	5.4	153.4	-
Asset backed obligations	68.0	-	-	16.6	51.4
Certificates of deposit	1,866.7	1,866.7	-	-	-
Commercial paper	1,096.0	1,096.0	-	-	-
Other	1,298.8	3.0	20.1	26.4	1,249.3
<b>Total</b>	<u>\$ 28,407.9</u>	<u>\$ 8,563.3</u>	<u>\$ 1,429.4</u>	<u>\$ 6,028.9</u>	<u>\$ 12,386.3</u>

Due to unavailability, the table does not include terms for the category of other investment types totaling \$133.7 million.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As mentioned previously, the State's Pension Trust Funds participate in the Common Pension Trust Fund pool. The Common Pension Fund D account within this investment pool reflects the State's investments in global markets. The fair value of international preferred and common stocks and issues convertible into common stocks, when combined with the fair value of international government, agency, and corporate obligations, cannot exceed 30 percent of the fair value of the Common Pension Fund D account. The market value of emerging market securities cannot exceed more than 1.5 times the percentage derived by dividing the total market capitalization of the companies included in the Morgan Stanley Capital International (MSCI) Emerging Market Index by the total market capitalization of the companies included in the MSCI All-Country World Ex-United States Index of the total market value of the assets held by Common Pension Fund D account. Not more than ten percent of the market value of the emerging market securities can be invested in the common and preferred stock of any one corporation. The total amount of stock purchased in any one corporation cannot exceed five percent of its stock classes eligible to vote. State regulations permit entering into foreign exchange contracts for the purpose of hedging the international portfolio. The State held forward contract receivables at June 30, 2012 totaling \$423.3 million and payables totaling approximately \$420.9 million (with a \$2.4 million net gain). At June 30, 2012, the credit ratings of the counterparties to the forward currency contracts had credit ratings of no less than A3 using Moody's rating scale. At June 30, 2012, the State had the following foreign currency exposure based on exchange rates in effect for such day (expressed in millions of U.S. dollars):

Currency	Total Fair Value	Equities	Alternative Investments
Australian dollar	\$ 405.0	\$ 405.0	\$ -
Brazilian real	172.8	172.8	-
Canadian dollar	992.0	992.0	-
Czech koruna	2.6	2.6	-
Danish krone	99.0	99.0	-
Egyptian pound	20.4	20.4	-
Euro dollar	2,043.8	1,683.3	360.5
Hong Kong dollar	539.7	539.7	-
Hungarian forint	18.2	18.2	-
Indonesian rupiah	78.4	78.4	-
Israeli shekel	7.5	7.5	-
Japanese yen	1,987.3	1,987.3	-
Malaysian ringgit	38.0	38.0	-
Mexican peso	44.0	44.0	-
Norwegian krone	107.9	107.9	-
Pakistan rupee	7.4	7.4	-
Philippines peso	29.4	29.4	-
Polish zolty	19.9	19.9	-
Singapore dollar	219.2	219.2	-
South African rand	148.3	148.3	-
South Korean won	303.6	303.6	-
Swedish krona	358.1	358.1	-
Swiss franc	716.2	716.2	-
Taiwan new dollar	14.1	14.1	-
Thailand baht	66.0	66.0	-
Turkish lira	78.8	78.8	-
United Kingdom sterling	1,293.7	1,281.3	12.4
Total	\$ 9,811.3	\$ 9,438.4	\$ 372.9

The State's interests in alternative investments may contain elements of credit, currency, and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and non-marketable investments), and nondisclosure of portfolio composition. Effective April 18, 2011, State regulations require that not more than 38 percent of the market value of the Pension Fund can be invested in alternative investments, with limits on the individual categories of real estate (nine percent), real assets (seven percent), private equity (12 percent), and absolute return strategy (15 percent). Prior to that, the overall limitation was 28 percent with a seven percent limit on each of the individual categories. The Common Pension Fund E account within the Common Pension Trust Fund pool reflects the State's alternative investments. Not more than five percent of the market value of Common Pension Fund E, plus outstanding commitments, may be committed to any one partnership or investment, without the prior written approval of the State Investment Council. The investments in Common Pension Fund E cannot comprise more than 20 percent of any one investment manager's total assets.



## NOTE 5 - SECURITIES LENDING COLLATERAL

The State Investment Council policies permit Common Pension Funds A, B, D and E and several of the direct pension plan portfolios to participate in securities lending programs, whereby securities are loaned to brokers or other borrowers and, in return, the Funds have rights to the collateral received. All of the publicly traded securities held in Common Pension Funds A, B, D and E, and certain securities held directly by the pension plans, are eligible for the securities lending program. Collateral received may consist of cash, letters of credit, or government securities having a market value equal to or exceeding 102% (U.S. dollar denominated) or 105% (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level.

Effective December 2010, for loans of U.S government securities or sovereign debt issued by non-U.S governments, in the event that the market value of the collateral falls below 100% of the market value of the outstanding loaned securities to an individual borrower, or the market value of the collateral of all loans of such securities falls below the collateral requirement, additional collateral shall be transferred by the borrower to the respective funds no later than the close of the next business day so that the market value of such additional collateral together with collateral previously delivered meets the collateral requirements.

For securities exposed to credit risk in the collateral portfolio, the following table disclosures aggregate fair value, by major credit quality rating category at June 30, 2012 (expressed in millions):

	Rating		
	Aaa/AAA	Not Rated	Total
Repurchase Agreements	\$ 1,203.3	\$ -	\$ 1,203.3
Cash	-	3.9	3.9
Totals	<u>\$ 1,203.3</u>	<u>\$ 3.9</u>	<u>\$ 1,207.2</u>

Custodial credit risk for investments is the risk that the Pension Funds will not recover the value of the investments, which are in the possession of an outside party, if the counterparty to the transaction does not fulfill its obligations. The repurchase agreements' underlying securities are held in the Pension Fund's name.

As of June 30, 2012, the Pension Funds had outstanding loaned investment securities with an aggregate fair value of \$1,202.2 million. In accordance with GASB accounting standards, the non-cash collateral is not reflected in the financial statements. There were no borrowers or lending agent default losses, and no recoveries or prior-period losses during the year.

## NOTE 6 - RECEIVABLES

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

### A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 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 \$3.4 billion of Federal government awards consisting of encumbrances which are considered unearned and unrecorded as of June 30, 2012.

Federal receivable balances in the Unemployment Compensation Fund (\$89.4 million) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

## B. Departmental

Departmental accounts receivable of \$3.9 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, 2012 are deemed to be collectible, and are reflected net of allowances (\$549.1 million).

## C. Loans

Loans receivable of \$1.7 billion are reduced by allowances of \$65.9 million and include \$1.5 billion due from local units of government and other recipients for environmental projects, \$30.3 million loaned for economic development within local units of government, and \$15.1 million loaned for housing and mortgage assistance.

## D. Other

Other receivables totaling \$987.6 million are reduced by allowances of \$508.6 million and include tax receivables due of \$408.2 million, \$172.8 million due from the Port Authority of New York and New Jersey, \$115.5 million from the tobacco companies, and \$32.7 million due from proceeds of Motor Vehicle Commission bonds which are held by the trustee.

## NOTE 7 – CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2012 is as follows (expressed in millions):

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets, not being depreciated:					
Land and easements	\$ 4,765.1	\$ 56.7	\$ -	\$ 2.5	\$ 4,824.3
Construction in progress*	3,887.7	1,392.8	-	(2,686.2)	2,594.3
Capital assets, being depreciated:					
Land improvements	219.2	-	-	3.5	222.7
Buildings and improvements	3,380.8	37.6	90.9	83.5	3,411.0
Machinery, equipment, and software	878.9	39.5	6.6	61.6	973.4
Infrastructure	<u>19,698.2</u>	<u>-</u>	<u>-</u>	<u>2,613.8</u>	<u>22,312.0</u>
Total at historical cost	<u>32,829.9</u>	<u>1,526.6</u>	<u>97.5</u>	<u>78.7</u>	<u>34,337.7</u>
Less accumulated depreciation:					
Land improvements	133.3	7.3	-	(0.1)	140.5
Buildings and improvements	1,789.7	124.4	83.9	13.9	1,844.1
Machinery, equipment, and software	466.3	115.3	5.3	-	576.3
Infrastructure	<u>7,640.8</u>	<u>567.3</u>	<u>-</u>	<u>1.7</u>	<u>8,209.8</u>
Total accumulated depreciation	<u>10,030.1</u>	<u>814.3</u>	<u>89.2</u>	<u>15.5</u>	<u>10,770.7</u>
Governmental activities capital assets, net	<u>\$ 22,799.8</u>	<u>\$ 712.3</u>	<u>\$ 8.3</u>	<u>\$ 63.2</u>	<u>\$ 23,567.0</u>

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

## A. Items Not Capitalized and Depreciated

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

## B. Depreciation and Useful Lives

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

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

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

	<u>Amount</u>
Public safety and criminal justice	\$ 82.5
Physical and mental health	23.6
Educational, cultural, and intellectual development	22.1
Community development and environmental management	22.6
Economic planning, development, and security	24.3
Transportation programs	575.4
Government direction, management, and control	56.6
Special government services	7.2
	<u>\$ 814.3</u>

## NOTE 8 - INTERFUND TRANSACTIONS

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

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

The balances of current interfund receivables and payables at June 30, 2012 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	State Lottery Fund	Unemployment Compensation Fund	Fiduciary Funds	Total
<b>Due from:</b>							
General Fund	\$ -	\$ 1.5	\$ 183.0	\$ -	\$ 1.1	\$ 48.2	\$ 233.8
Property Tax Relief Fund	328.9	-	3.5	-	16.8	-	349.2
Non-Major Governmental Funds	402.1	1.3	159.3	-	-	-	562.7
State Lottery Fund	107.7	-	-	-	-	-	107.7
Unemployment Compensation Fund	-	1.2	18.7	-	-	-	19.9
Fiduciary Funds	2.4	7.2	-	-	-	0.5	10.1
<b>Total Due from</b>	<u>\$ 841.1</u>	<u>\$ 11.2</u>	<u>\$ 364.5</u>	<u>\$ -</u>	<u>\$ 17.9</u>	<u>\$ 48.7</u>	<u>\$ 1,283.4</u>
<b>Due to:</b>							
General Fund	\$ -	\$ 328.9	\$ 402.1	\$ 107.7	\$ -	\$ 2.4	\$ 841.1
Property Tax Relief Fund	1.5	-	1.3	-	1.2	7.2	11.2
Non-Major Governmental Funds	183.0	3.5	159.3	-	18.7	-	364.5
Unemployment Compensation Fund	1.1	16.8	-	-	-	-	17.9
Fiduciary Funds	48.2	-	-	-	-	0.5	48.7
<b>Total Due to</b>	<u>\$ 233.8</u>	<u>\$ 349.2</u>	<u>\$ 562.7</u>	<u>\$ 107.7</u>	<u>\$ 19.9</u>	<u>\$ 10.1</u>	<u>\$ 1,283.4</u>

### B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2012 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	State Lottery Fund	Unemployment Compensation Fund	Fiduciary Funds	Total
<b>Transfers (out) to:</b>							
General Fund	\$ -	\$ -	\$ (1,523.2)	\$ (950.1)	\$ -	\$ -	\$ (2,473.3)
Non-Major Governmental Funds	(1,113.0)	-	(1,198.5)	-	-	-	(2,311.5)
<b>Total Transfers (Out)</b>	<u>\$ (1,113.0)</u>	<u>\$ -</u>	<u>\$ (2,721.7)</u>	<u>\$ (950.1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,784.8)</u>
<b>Transfers in from:</b>							
General Fund	\$ -	\$ -	\$ 1,113.0	\$ -	\$ -	\$ -	\$ 1,113.0
Non-Major Governmental Funds	1,523.2	-	1,198.5	-	-	-	2,721.7
State Lottery Fund	950.1	-	-	-	-	-	950.1
<b>Total Transfers In</b>	<u>\$ 2,473.3</u>	<u>\$ -</u>	<u>\$ 2,311.5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,784.8</u>
<b>Net Transfers</b>	<u>\$ 1,360.3</u>	<u>\$ -</u>	<u>\$ (410.2)</u>	<u>\$ (950.1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTE 9 - SHORT-TERM DEBT

### Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. For Fiscal Year 2012, the State, under a resolution executed by the Treasurer on July 1, 2011, authorized the issuance of Tax and Revenue Anticipation Notes (TRAN). On September 1, 2011 the State issued \$600 million of TRAN which matured on June 21, 2012 through a private placement. The State issued an additional \$1.1 billion of TRAN on October 28, 2011, which also matured on June 21, 2012 through a private placement. These notes bear interest from their date of issuance through maturity or earlier redemption by the State at a fluctuating rate per annum equal to the adjusted Securities Industry and Financial Markets Association (SIFMA) rate plus a spread. On December 15, 2011, the State issued \$2.15 billion of TRAN that bear an interest rate of 2.0 percent per annum. These notes matured on June 21, 2012. Part of the proceeds from these notes were used to refund and retire the \$1.7 billion of TRAN issued under private placements on September 1, 2011 and October 28, 2011.

Short-term debt activity for the year ended June 30, 2012 was as follows (expressed in millions):

	<b>Outstanding July 1, 2011</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Outstanding June 30, 2012</b>
Tax and Revenue Anticipation Notes	\$ -	\$ 3,850.0	\$ (3,850.0)	\$ -

## NOTE 10 – LONG-TERM OBLIGATIONS

The State's long-term debt is divided into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds Payable, certain Capital Leases, Installment Obligations, Certificates of Participation, Tobacco Settlement Financing Corporation Bonds (TSFC), Unamortized Deferral on Refunding, Unamortized Interest on Capital Appreciation Bonds, and Unamortized Premium. Non-bonded categories include Accumulated Sick and Vacation Payable, certain Capital Leases, Loans Payable, Net OPEB Obligation, Net Pension Obligation, Pollution Remediation Obligation, Advance from Federal Government, and Deposit Fund Contracts.

### A. Changes in Long-term Debt

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

	<b>Outstanding</b>			<b>Amounts</b>	
	<b>July 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Outstanding June 30, 2012</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
<b><u>Bonded Debt</u></b>					
General Obligation Bonds	\$ 2,566.9	\$ -	\$ 182.2	\$ 2,384.7	\$ 333.8
Revenue Bonds Payable	19,770.6	1,650.6	722.2	20,699.0	477.9
Capital Leases	232.5	-	19.9	212.6	10.7
Installment Obligations	18,714.6	1,579.3	2,000.0	18,293.9	1,213.5
Certificates of Participation	85.4	38.4	23.5	100.3	27.7
Tobacco Settlement Financing Corp. Bonds (TSFC)	4,469.0	-	24.9	4,444.1	19.8
Unamortized Premium	1,404.0	260.4	145.8	1,518.6	-
Unamortized Deferral on Refunding	(970.5)	(188.1)	(163.8)	(994.8)	-
Unamortized Interest on Capital Appreciation Bonds	(8,216.2)	-	(352.4)	(7,863.8)	-
<b><u>Non-Bonded Debt</u></b>					
Accumulated Sick and Vacation Payable	623.2	331.9	349.0	606.1	331.9
Capital Leases	311.2	75.5	46.9	339.8	39.0
Loans Payable	1,279.4	-	-	1,279.4	-
Net OPEB Obligation	13,501.0	4,696.7	1,379.4	16,818.3	-
Net Pension Obligation	10,857.7	1,980.8	-	12,838.5	-
Pollution Remediation Obligation	80.4	11.8	-	92.2	-
Other	340.3	225.8	245.0	321.1	321.1
<b>Subtotal Governmental Activities</b>	<b>65,049.5</b>	<b>10,663.1</b>	<b>4,622.6</b>	<b>71,090.0</b>	<b>2,775.4</b>
<b>Business-type Activities</b>					
Accumulated Sick and Vacation Payable	\$ 1.0	\$ 0.6	\$ 0.6	\$ 1.0	\$ 0.6
Advance from Federal Government	1,547.1	2,581.0	3,075.9	1,052.2	-
Deposit Fund Contracts	445.7	43.6	89.4	399.9	94.2
Subtotal Business-type Activities	1,993.8	2,625.2	3,165.9	1,453.1	94.8
<b>Total Governmental and Business-type Activities</b>	<b>\$ 67,043.3</b>	<b>\$ 13,288.3</b>	<b>\$ 7,788.5</b>	<b>\$ 72,543.1</b>	<b>\$ 2,870.2</b>

## B. Debt Service Payments

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

Fiscal Year	Debt Service						
	General Obligation Bonds	Revenue Bonds	Capital Leases	Installment Obligations	Certificates of Participation	TSFC*	Total
2013	\$ 333.8	\$ 478.0	\$ 49.7	\$ 1,213.5	\$ 27.7	\$ 19.8	\$ 2,122.5
2014	232.7	505.5	45.6	774.4	23.7	21.8	1,603.7
2015	298.3	535.7	40.9	827.7	19.6	23.8	1,746.0
2016	351.0	564.0	40.9	1,095.5	11.4	41.1	2,103.9
2017	222.4	583.5	43.4	1,066.2	8.9	57.3	1,981.7
2018-2022	906.4	3,434.4	184.5	5,585.9	9.0	381.1	10,501.3
2023-2027	40.1	4,270.5	107.5	4,600.6	-	480.3	9,499.0
2028-2032	-	3,697.2	34.3	2,261.9	-	611.5	6,604.9
2033-2037	-	3,436.4	5.6	788.7	-	777.8	5,008.5
2038-2042	-	3,193.8	-	79.5	-	2,029.6	5,302.9
<b>Total Principal</b>	<u>2,384.7</u>	<u>20,699.0</u>	<u>552.4</u>	<u>18,293.9</u>	<u>100.3</u>	<u>4,444.1</u>	<u>46,474.4</u>
2013	115.3	673.0	47.7	677.3	1.4	154.5	1,669.2
2014	96.4	646.8	43.7	648.6	1.3	153.5	1,590.3
2015	84.1	619.9	40.5	626.4	0.6	152.4	1,523.9
2016	68.7	592.0	36.5	598.4	0.4	151.2	1,447.2
2017	53.8	562.7	32.3	562.1	0.3	149.2	1,360.4
2018-2022	112.8	2,349.5	97.8	2,257.1	0.1	698.6	5,515.9
2023-2027	1.4	1,440.9	33.1	1,538.9	-	603.0	3,617.3
2028-2032	-	909.8	3.5	450.3	-	475.2	1,838.8
2033-2037	-	608.8	0.8	107.5	-	313.0	1,030.1
2038-2042	-	249.1	-	2.9	-	99.0	351.0
<b>Total Interest</b>	<u>532.5</u>	<u>8,652.5</u>	<u>335.9</u>	<u>7,469.5</u>	<u>4.1</u>	<u>2,949.6</u>	<u>19,944.1</u>
2013	449.1	1,151.0	97.4	1,890.8	29.1	174.3	3,791.7
2014	329.1	1,152.3	89.3	1,423.0	25.0	175.3	3,194.0
2015	382.4	1,155.6	81.4	1,454.1	20.2	176.2	3,269.9
2016	419.7	1,156.0	77.4	1,693.9	11.8	192.3	3,551.1
2017	276.2	1,146.2	75.7	1,628.3	9.2	206.5	3,342.1
2018-2022	1,019.2	5,783.9	282.3	7,843.0	9.1	1,079.7	16,017.2
2023-2027	41.5	5,711.4	140.6	6,139.5	-	1,083.3	13,116.3
2028-2032	-	4,607.0	37.8	2,712.2	-	1,086.7	8,443.7
2033-2037	-	4,045.2	6.4	896.2	-	1,090.8	6,038.6
2038-2042	-	3,442.9	-	82.4	-	2,128.6	5,653.9
<b>Total Principal and Interest</b>	<u>\$ 2,917.2</u>	<u>\$ 29,351.5</u>	<u>\$ 888.3</u>	<u>\$ 25,763.4</u>	<u>\$ 104.4</u>	<u>\$ 7,393.7</u>	<u>\$ 66,418.5</u>

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

### **C. General Obligation Bonds**

The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. As of June 30, 2012, the State had \$2.4 billion of State general obligation bonds outstanding with another \$893.2 million of bonding authorization remaining from various State general obligation bond acts. During the fiscal year, no General Obligation debt was issued. The amount provided by the State's General Fund for debt service payments for Fiscal Year 2012 was \$316.0 million.

The State has refunded various outstanding general obligation bonds. Refunding bond proceeds are used to purchase and deposit United States Treasury Obligations – State and Local Government Series or open market U.S. Treasury Securities into a separate irrevocable trust fund held by a trustee. The investments and the fixed earnings that accrue are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the refunded debt is considered defeased at the time the refunding bonds have been issued. Therefore, the refunded debt is removed as a liability from the State's long-term obligations. As of June 30, 2012, the amount of defeased general obligation debt outstanding, but removed from the State's long-term obligations amounted to \$549.0 million.

### **D. Revenue Bonds Payable**

This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority (NJBA), the Garden State Preservation Trust (GSPT), and the New Jersey Transportation Trust Fund Authority (TTFA). During Fiscal Year 2012, the TTFA issued \$1.3 billion of bonds used to fund transportation system improvements. The NJBA issued \$54.4 million of refunding bonds in order to defease \$54.5 million of existing debt. As a result, the refunded bonds' liability has been removed from the State's long-term obligations. Total debt service payments over the next four years were decreased by \$1.0 million which resulted in \$0.9 million in present value savings. During Fiscal Year 2012, GSPT issued \$281.1 million of refunding bonds in order to defease \$279.3 million of existing debt. Total debt service payments over the next 17 years were decreased by \$30.1 million which resulted in \$29.4 million in present value savings. Total authorized but unissued revenue bonds equal \$3.8 billion as of June 30, 2012. Due to the nation's credit crisis, inefficiencies in the auction rate market resulted in TTFA having to remarket \$297.5 million of bonds during the fiscal year.

### **E. Capital Leases (Bonded)**

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

### **F. Installment Obligations**

Installment Obligations represent agreements between the State and several authorities which have issued bonds for the purpose of purchasing or constructing facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the corresponding authority's debt service, subject to and dependent upon appropriations being made from time to time by the State Legislature. At the conclusion of the term of the installment obligation agreement, title to the various facilities is transferred to the State, except in the case of the School Facilities Construction Program. During Fiscal Year 2012, these authorities issued \$1.6 billion of refunding bonds that were issued in order to defease \$1.6 billion of existing debt. The liability on these refunded bonds has been removed from the State's long-term obligations. Total debt service payments over the next 22 years were decreased by \$268.5 million and resulted in a net present value gain of \$126.6 million. The State's installment obligations outstanding as of June 30, 2012 total \$18.3 billion. Total authorized but unissued installment obligations equal \$4.8 billion as of June 30, 2012.

### **G. Certificates of Participation**

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



#### **H. Tobacco Settlement Financing Corporation (TSFC)**

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

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

#### **I. 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. During Fiscal Year 2012, the State issued \$1.9 billion of refunding bonds that are to be amortized over a time period of three years to nine years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds have a total loss of \$994.8 million.

#### **J. Unamortized Interest on Capital Appreciation Bonds**

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

#### **K. Unamortized Premium**

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

#### **L. Accumulated Sick and Vacation Payable**

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

#### **M. Capital Leases (Non-Bonded)**

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

#### **N. Loans Payable**

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

## **O. Net OPEB Obligation**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after December 15, 2006, requires the reporting of future Other Postemployment Benefits (OPEB) as a general long-term obligation of the State. Based upon an actuarial valuation, the OPEB obligation as of June 30, 2012 is estimated to be \$16.8 billion.

## **P. Net Pension Obligation**

Net Pension Obligation (NPO) represents a \$12.8 billion pension fund liability due to the Judicial Retirement System, the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension and Annuity Fund. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

## **Q. Pollution Remediation Obligation**

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective for periods beginning after December 15, 2007, requires the reporting of Pollution Remediation Obligations as a general long-term obligation of the State. The Pollution Remediation Obligation represents contractual commitments of the State of New Jersey with either vendors to clean up hazardous waste contaminated sites or the administrative authorization to proceed to clean up identified hazardous waste contaminated sites. Pollution remediation activities include the engagement of contractors to define the extent of the hazardous waste contamination through a remedial investigative contract, outline the method of clean up/remediation through a feasibility study contract, implement the required/recommended remediation action through construction contractors, and maintain and monitor the operations of the cleanup remedy at the site.

The Pollution Remediation Obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the State's obligation.

The estimated liability as of June 30, 2012 is \$92.2 million. The reported amount represents the unexpended balances of those cleanup actions in which the State has obligated itself to commence remediation. The reported amounts represent the prospective outlays for existing remediation activities and not anticipated remediation work that may be addressed by the site's responsible parties at some future time or date.

## **R. Other**

This obligation represents unamortized long-term claims which are required to be reported under National Council on Governmental Accounting Statement No. 1 as a general long-term liability of the State. This includes Medicaid benefit claims (\$223.2 million of which \$108.5 million is federally reimbursable) which have been incurred but not reported. This obligation also includes \$97.8 million of capitalized software liability which is required to be reported in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

## **S. Advance from Federal Government**

As of June 30, 2012, the Unemployment Compensation Fund owed the Federal Government \$1.1 billion. These funds were used in order to pay unemployment benefits. Until the economic conditions in the State improve, such borrowings are likely to continue.

## **T. Deposit Fund Contracts**

Large Lottery prizes are paid out to winners over a period of multiple years. Current Lottery proceeds are used to purchase deposit fund contracts which will provide sufficient amounts for future payment of installment prizes. Future payments of

installment prizes in the present value of \$399.9 million are recorded as liabilities in both the fund financial statements and the government-wide statements.

**U. Moral Obligation Bonds**

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

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation’s earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2011, 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 2012 in the amount of \$19.8 million.

**NOTE 11 - RISK MANAGEMENT AND INSURANCE COVERAGE**

The State is self-insured and self-administered for tort, workers’ compensation, and automobile liability claims. As of June 30, 2012 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 2012 and Fiscal Year 2011 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2011</u>
Tort	\$ 12.1	\$ 24.5
Workers' compensation	96.9	98.6
Automobile	2.6	3.2

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2012. 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. The State currently has two policies in place. The first of which is set to expire on December 1, 2012, and the second financial guaranty policy insurance commitment expires on July 1, 2016.

## **NOTE 12 – DERIVATIVES**

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

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The State pays debt service on these debt obligations pursuant to a State contract or a lease 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 and the New Jersey Economic Development 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, 2012 the State has 21 active swap agreements with 9 swap providers for a combined, notional amount of \$2.5 billion.

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

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.

During Fiscal Years 2008 and 2009, a number of actions were taken to reverse the economic terms of existing interest rate swaps for which there were either no longer variable rate bonds outstanding or for which new variable rate bonds were not able to be issued. These actions included entering into fixed receiver swaps in May 2008 and May 2009 to reverse a portion of the payments under existing swaps for a period of time. On June 8, 2010 the State terminated one of these swaps in the notional amount of \$250 million. The swap that remains outstanding leaves the State with a net fixed rate of interest on the related agreement through September 1, 2015.

On January 20, 2011 the State terminated various outstanding New Jersey Economic Development Authority swap agreements. The notional amount of the swap agreements was \$784.8 million and the termination payment amount paid to the swap providers was \$122.6 million.

On February 22, 2011 the State terminated additional outstanding New Jersey Economic Development Authority swap agreements. The notional amount of the swap agreements was \$488.4 million and the termination payment amount paid to the swap providers was \$63.2 million.

On December 22, 2011 the State terminated five outstanding New Jersey Transportation Trust Fund Authority swap agreements. The notional amount of the swap agreements was \$345.0 million, and there was no termination payment made to the swap providers.

<u>Issuer/Counterparty</u>	<u>Notional Amount (\$ Millions)</u>	<u>Effective Date</u>	<u>Fixed Rate</u>	<u>Floating Index</u>
<b><u>NJ Economic Development Authority(NJEDA)</u></b>				
<b>School Facilities Construction Program</b>				
Variable-to-Fixed Swaps				
Bank of America, N.A.	\$ 96.829	9/1/06	4.407	71.98% 1-month LIBOR
Bank of America, N.A.	312.751	5/1/10	4.251	62% 1-month LIBOR + 40 bps
Bank of Montreal*	244.200	11/1/09	3.153	No Floating Payment
		11/1/12	4.549	62% 1-month LIBOR + 40 bps
Goldman Sachs Mitsui Marine Derivative, Products L.P.	78.168	3/1/06	4.296	70.8% 1-month LIBOR
Goldman Sachs Mitsui Marine Derivative, Products L.P.	91.660	9/1/06	4.407	71.98% 1-month LIBOR
Goldman Sachs Mitsui Marine Derivative, Products L.P.	112.069	9/1/07	4.399	71.57% 1-month LIBOR
IXIS Financial Products, LLC.	214.948	11/1/08	4.489	62% 1-month LIBOR + 40 bps
Royal Bank of Canada	138.193	5/1/09	4.512	62% 1-month LIBOR + 40 bps
UBS AG, Stamford Branch	64.323	9/1/04	4.063	71.13% 1-month LIBOR
UBS AG, Stamford Branch	67.110	3/1/05	4.176	74.24% 1-month LIBOR
UBS AG, Stamford Branch	116.098	9/1/07	4.399	71.57% 1-month LIBOR
Wells Fargo Bank, N.A.	140.596	9/1/04	4.063	71.13% 1-month LIBOR
Wells Fargo Bank, N.A.	72.583	3/1/05	4.176	74.24% 1-month LIBOR
Wells Fargo Bank, N.A.	163.445	3/1/06	4.296	70.8% 1-month LIBOR
Fixed-to-Variable Swap				
UBS AG, Stamford Branch	380.515	5/1/08	3.036	75% 1-month LIBOR
<b>Total NJEDA</b>	<u>2,293.488</u>			
<b><u>NJ Building Authority(NJBA)</u></b>				
Citibank, N.A., New York	\$ 66.950	8/20/03	3.640	62% 1-month LIBOR + 20 bps
Citibank, N.A., New York	28.690	8/20/03	3.640	62% 1-month LIBOR + 20 bps
Goldman Sachs Mitsui Marine Derivative, Products L.P.	22.310	8/20/03	3.640	62% 1-month LIBOR + 20 bps
Goldman Sachs Mitsui Marine Derivative, Products L.P.	9.570	8/20/03	3.640	62% 1-month LIBOR + 20 bps
Morgan Stanley Capital Services, Inc.	22.310	8/20/03	3.640	62% 1-month LIBOR + 20 bps
Morgan Stanley Capital Services, Inc.	9.570	8/20/03	3.640	62% 1-month LIBOR + 20 bps
<b>Total NJBA</b>	<u>159.400</u>			
<b>Total</b>	<u>\$ 2,452.888</u>			

\* This swap pays at a fixed rate with no floating rate receipt through November 1, 2012. Beginning November 1, 2012, the swap has both fixed and floating payments as indicated.

The swap agreements listed above have final maturities ranging from November 1, 2012 through March 1, 2035. The swap agreements total current notional amount is \$2,452.9 million. Under the swap agreements, the State pays the counterparties a fixed payment ranging from 3.153 percent to 4.549 percent and receives a variable payment as computed for each associated variable rate transaction as shown above. In regards to the fixed rate transaction, the State pays a counterparty a variable rate payment equal to 75 percent of the 1-month LIBOR while receiving a fixed payment at a rate of 3.036 percent. The swap provider calculates the variable rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent determines the variable interest rate that is applied to the bonds. The State confirms all calculations to ensure accuracy.

### C. Interest Rate Swap Agreements - Fair Value

As of June 30, 2012, the State, acting through its public authorities, is party to 21 swap agreements. General interest rates have declined since the execution of the swap agreements which were executed between August 20, 2003 and May 1, 2010. As a result, the projected net present value of the State's entire portfolio as of June 30, 2012 is negative \$672.6 million. A breakdown of this amount is shown below (\$ millions):

<u>Governmental Activities</u>	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2012</u>	
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>
<b>Cash Flow Hedges:</b>				
Pay fixed interest rate swaps				
NJ Building Authority	Deferred Outflows	\$ (5.483)	Debt	\$ (23.660)
NJ Transportation Trust Fund Authority	Deferred Outflows	6.733	Debt	-
Total Cash Flow Hedges		<u>1.250</u>		<u>(23.660)</u>
<b>Investment Derivatives:</b>				
Pay fixed interest rate swaps				
NJ Economic Development Authority				
School Facilities Construction Program	Investment earnings	\$ (287.278)	Investment	\$ (648.954)
NJ Transportation Trust Fund Authority	Investment earnings	(0.086)	Investment	-
Total Investment Derivatives:		<u>(287.364)</u>		<u>(648.954)</u>
<b>Total</b>		<u>\$ (286.114)</u>		<u>\$ (672.614)</u>

The fair values of the swaps take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. The fair market values were calculated using the zero-coupon method. The zero-coupon method calculates the future net settlement payments required by each swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The amounts shown above are the amounts that the State would pay to swap counterparties in the event that all the State's swap agreements were terminated on June 30, 2012. 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.

### D. Interest Rate Swap Agreements - Credit Risk

The swap agreement contracts required 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 at the onset of the swap contract. 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 Annex. The collateral threshold levels are adjusted based on counterparty ratings as set forth in the Credit Support Annex. Even though some of the mark to market values of the swap agreements have in the past, and are currently positive, none of these positive mark to market values have resulted in collateral posting under the Credit Support Annex. No collateral posting is required as of June 30, 2012.

### E. 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 on the related bonds diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate.

## **F. 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, generally below “BBB-” or “Baa2”. 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. If at the time of a termination the swap agreement has a positive fair value, the State would incur a gain and would be able to settle with the swap counterparty at the swap agreement’s fair value.

## **NOTE 13 - OTHER LIABILITIES – CURRENT**

Other liabilities presented in the statement of net assets consist principally of revenue refunds payable to taxpayers of \$430.6 million.

In addition, the Unemployment Compensation Interest Repayment Fund reflects other liabilities of \$34.5 million to the federal government representing interest accrued on outstanding loans to the Unemployment Compensation Fund. The New Jersey Schools Development Authority reflects other liabilities of \$11.2 million which represent deposits received from local school districts to fund the local share portion of Regular Operating District school facility projects or to cover certain ineligible costs pertaining to projects in the New Jersey Schools Development Authority school districts.

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

### **A. Net Assets Restricted by Enabling Legislation**

As of June 30, 2012, \$3.5 billion of restricted net assets are reported in the Statement of Net Assets. Net assets are restricted when constraints have been placed upon the use of resources through enabling legislation initiated by voter referendum, constitutional provisions, debt covenants, or other external parties such as the federal government. Unexpended debt proceeds that are recorded as assets and restricted fund balance in the governmental funds (\$862.9 million) have been deducted from the restricted net asset balance.

### **B. Governmental Fund Balances**

In the governmental fund financial statements, fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned.

#### **Nonspendable**

The nonspendable fund balance classification includes amounts in the New Jersey Cultural Trust Fund (\$20.0 million) and the State of New Tischler Memorial Fund (\$0.4 million) that are legally required to remain intact.

#### **Restricted**

Similar to the net assets restricted by enabling legislation definition, the restricted fund balance classification is used when constraints have been placed upon the use of resources through enabling legislation initiated by voter referendum, constitutional provisions, debt covenants, or other external parties such as the federal government.

#### **Committed**

The committed fund balance classification is used for amounts that can only be used for purposes specified in enabling legislation, with the consent of both the legislative and executive branches. In contrast to the restricted fund balance classification, amounts in this category may be redeployed for other purposes with appropriate due process.

As mentioned above, both restricted and committed fund balances, respectively, may only be used for purposes specified in enabling legislation. Within these balances, however, money has been set aside (encumbered) pending vendor

performance. In addition, within these balances are long-term loans and other items such as legally mandated reserves and escrow balances that represent balances that are not currently available for expenditure in subsequent accounting periods.

The following table reflects restricted and committed fund balances in the aggregate that have been encumbered or are currently unavailable for current expenditure as of June 30, 2012 (expressed in millions):

<b>Major Components of:</b>	<b>General Fund</b>	<b>Property Tax Relief Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted Fund Balances</b>	<b>\$ 884.2</b>	<b>\$ -</b>	<b>\$ 3,494.5</b>	<b>\$ 4,378.7</b>
Encumbrances	299.2	-	384.3	683.5
Long-term loans	355.6	-	1,278.6	1,634.2
School Bond Reserve	-	-	82.9	82.9
<b>Committed Fund Balances</b>	<b>\$ 1,570.7</b>	<b>\$ 6.0</b>	<b>\$ 452.7</b>	<b>\$ 2,029.4</b>
Encumbrances	620.2	3.5	151.4	775.1
Long-term loans	24.5	-	11.6	36.1

Restricted Fund Balance – School Bond Reserve:

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

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least one 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, \$82.9 million has been reserved as of June 30, 2012.

#### **Unassigned**

Unassigned balance is \$425.4 million. This classification represents fund balance that has not been restricted or committed to specific purposes within the General Fund (\$441.4 million) and is offset by negative residual balances (\$16.0 million) whereby expenditures have exceeded available resources.



## NOTE 15 – OTHER FINANCING SOURCES/USES - OTHER

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

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Refunding debt issued	\$ 1,718.9	\$ 395.7	\$ 2,114.6
Capital lease acquisitions	75.5	-	75.5
Premium related to new debt issuances	0.1	51.9	52.0
Certificates of participation issued	38.4	-	38.4
Installment obligations issued	8.6	-	8.6
Payments to escrow agents on refunding bonds	(1,718.9)	(395.6)	(2,114.5)
<b>Other Financing Sources (Uses) - Other</b>	<u>\$ 122.6</u>	<u>\$ 52.0</u>	<u>\$ 174.6</u>

## NOTE 16 – OPERATING LEASES

The State of New Jersey has commitments to lease certain land, buildings, and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2012 are as follows (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2013	\$ 46.2
2014	33.8
2015	26.0
2016	21.5
2017	16.9
2018-2022	32.2
2023-2027	3.8
2028-2030	<u>0.8</u>
<b>Total Future Minimum Lease Payments</b>	<u>\$ 181.2</u>

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

### **A. RETIREMENT SYSTEMS**

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

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

**Judicial Retirement System (JRS)**--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after five years of successive service as a judge and ten 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 ten 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 eight to ten 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 ten 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 ten years of service for pension benefits and 25 years for post-retirement health care coverage.

#### **Other Pension Funds**

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

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems.

The State also administers the Pension Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, c.78, it provided 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. Cost-of-living increases provided under the State's Pension Adjustment Program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable. The State also administers the Defined Contribution Retirement Program, which is not presented in the Pension statements in the CAFR.

The cost of living increase for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trusts. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

### **Basis of Accounting**

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

### **Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF, PERS, PFRS, SPRS, and JRS operate and to the benefit provisions of those systems.

This legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: TPAF and PERS active member rates increased from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS and PERS Prosecutors Part active member rates increased from 8.5 percent to 10 percent; SPRS active member rates increased from 7.5 percent to 9 percent; and JRS active member rates increased from 3 percent to 12 percent phased-in over seven years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF, PERS and JRS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

### **Investment Valuation**

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

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

### **Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPE, JRS, and SPRS) is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, respectively, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

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

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

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

### **Actuarial Methods and Assumptions**

In the revised July 1, 2011 actuarial valuations, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent except for POPF (5 percent) and CPFPPF (2 percent), and (b) revised projected salary increases which vary by fund and are presented on the following pages.

### **Employer and Employee Pension Contributions**

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

### **Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for CPFPPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. The annual pension cost for the fiscal year ending June 30, 2012 and related information, including a summary of the significant actuarial methods and assumptions used by the retirement systems, are presented on the following pages.

The calculation of the employer contribution rates on the following pages, for State and Local, represents the APC divided by the covered payroll as reflected in the Schedule of Funding Progress per the actuarial valuations as of June 30, 2010. In Fiscal Year 2011, the State made a decision to reduce the PFRS lag period between the valuation year and the contribution year from three years to two years which brings the PFRS in line with the other pension trust funds.

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>
<b>Annual Pension Cost (APC)</b>			
<b>State:</b>			
<b>June 30, 2010</b>	\$ 1,110,290	\$ 33,693,313	\$ 7,326,383
<b>June 30, 2011</b>	(785,728)	40,312,651	7,629,519 *
<b>June 30, 2012</b>	712,146	41,418,589	61,707,967
<b>Local:</b>			
<b>June 30, 2010</b>	-	-	751,395,802
<b>June 30, 2011</b>	-	-	882,095,029
<b>June 30, 2012</b>	-	-	763,182,795
<b>Contributions Made</b>			
<b>State:</b>			
<b>June 30, 2010</b>	-	1,032,857	7,326,383
<b>June 30, 2011</b>	-	651,718 *	7,629,519 *
<b>June 30, 2012</b>	173,790	6,437,938	61,707,967
<b>Local:</b>			
<b>June 30, 2010</b>	-	-	751,395,802
<b>June 30, 2011</b>	-	-	882,095,029 *
<b>June 30, 2012</b>	-	-	763,182,795
<b>Percentage of APC Contributed</b>			
<b>State:</b>			
<b>June 30, 2010</b>	-	3.1%	100.0%
<b>June 30, 2011</b>	-	1.6%*	100.0%
<b>June 30, 2012</b>	24.4%	15.5%	100.0%
<b>Local:</b>			
<b>June 30, 2010</b>	-	-	100.0%
<b>June 30, 2011</b>	-	-	100.0%
<b>June 30, 2012</b>	-	-	100.0%
<b>Net Pension Obligation</b>			
<b>State:</b>			
<b>June 30, 2010</b>	1,314,442	85,719,478	-
<b>June 30, 2011</b>	528,714	125,380,411 *	-
<b>June 30, 2012</b>	1,067,070	160,361,062	-
<b>Local:</b>			
<b>June 30, 2010</b>	-	-	-
<b>June 30, 2011</b>	-	-	-
<b>June 30, 2012</b>	-	-	-
<b>Contribution rates</b>			
<b>State</b>	N/A	57.7%	11.6%
<b>State-related employers</b>	N/A	N/A	23.9%
<b>Employees</b>	N/A	4.3%	10.0%
<b>Significant Actuarial Assumptions and Methods</b>			
<b>Date of actuarial valuation</b>	6/30/11	6/30/11	6/30/11
<b>Actuarial cost method</b>	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
<b>Amortization method</b>	Level Dollar Closed	Level Dollar Open	Level Dollar Open
<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%	7.95%	7.95%
<b>Projected salary increases</b>	N/A	2.50%	6.32%
<b>Cost-of-Living adjustments</b>	N/A	0.00%	0.00%

\* Restated

		<u>POPF</u>		<u>PERS</u>		<u>SPRS</u>		<u>TPAF</u>	
<b>Annual Pension Cost (APC)</b>									
<b>State:</b>	<b>June 30, 2010</b>	\$	21,555	\$	27,910,317	\$	100,220,381	\$	1,896,879,039
	<b>June 30, 2011</b>		276,668		31,079,384 *		125,084,190		2,254,837,321
	<b>June 30, 2012</b>		515,016		157,964,207		93,578,396		2,184,639,605
<b>Local:</b>	<b>June 30, 2010</b>		-		612,372,679		-		-
	<b>June 30, 2011</b>		-		800,936,802 *		-		-
	<b>June 30, 2012</b>		-		825,980,958		-		-
<b>Contributions Made</b>									
<b>State:</b>	<b>June 30, 2010</b>		-		27,910,317		1,018,200		33,199,655
	<b>June 30, 2011</b>		-		31,079,384 *		2,201,604 *		30,655,332 *
	<b>June 30, 2012</b>		-		157,964,207		14,610,249		317,927,358
<b>Local:</b>	<b>June 30, 2010</b>		-		612,372,679		-		-
	<b>June 30, 2011</b>		-		800,936,802 *		-		-
	<b>June 30, 2012</b>		-		825,980,958		-		-
<b>Percentage of APC Contributed</b>									
<b>State:</b>	<b>June 30, 2010</b>		-		100.0%		1.0%		1.8%
	<b>June 30, 2011</b>		-		100.0%		1.8% *		1.4% *
	<b>June 30, 2012</b>		-		100.0%		15.6%		14.6%
<b>Local:</b>	<b>June 30, 2010</b>		-		100.0%		-		-
	<b>June 30, 2011</b>		-		100.0%		-		-
	<b>June 30, 2012</b>		-		100.0%		-		-
<b>Net Pension Obligation</b>									
<b>State:</b>	<b>June 30, 2010</b>		(6,726,820)		-		504,720,735		7,879,635,613
	<b>June 30, 2011</b>		(6,450,152)		-		627,603,321 *		10,103,817,602 *
	<b>June 30, 2012</b>		(5,935,136)		-		706,571,468		11,970,529,849
<b>Local:</b>	<b>June 30, 2010</b>		-		-		-		-
	<b>June 30, 2011</b>		-		-		-		-
	<b>June 30, 2012</b>		-		-		-		-
<b>Contribution rates</b>									
<b>State</b>			N/A		3.5%		32.3%		21.8%
<b>State-related employers</b>			N/A		11.1%		N/A		N/A
<b>Employees</b>			N/A		6.5%		9.0%		6.5%
					(10% for County Prosecutors)				
<b>Significant Actuarial Assumptions and Methods</b>									
<b>Date of actuarial valuation</b>			6/30/11		6/30/11		6/30/11		6/30/11
<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 Dollar Open		Level Dollar Open		Level Dollar Open
<b>Remaining amortization period</b>			1 year		30 years		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%		7.95%		7.95%		7.95%
<b>Projected salary increases</b>			N/A		4.52%		3.45%		3.90%
<b>Cost-of-Living adjustments</b>			N/A		0.00%		0.00%		0.00%

\* Restated

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2012 are presented below:

	<b>SINGLE EMPLOYER PLANS</b>		
	<u>JRS</u>	<u>POPF</u>	<u>SPRS</u>
Annual Required Contribution, June 30, 2012	\$ 42,475,660	\$ (5,935,136)	\$ 98,869,662
Interest adjustment on NPO	10,343,884	(322,508)	51,777,274
Adjustment to Annual Required Contribution	<u>(11,400,955)</u>	<u>6,772,660</u>	<u>(57,068,540)</u>
APC as of June 30, 2012	41,418,589	515,016	93,578,396
Total Fiscal Year 2012 Contributions	<u>6,437,938</u>	<u>-</u>	<u>14,610,249</u>
Increase (Decrease) in NPO	34,980,651	515,016	78,968,147
NPO as of June 30, 2011	125,380,411 *	(6,450,152)	627,603,321 *
NPO as of June 30, 2012	<u>\$ 160,361,062</u>	<u>\$ (5,935,136)</u>	<u>\$ 706,571,468</u>

	<b>COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS</b>		
	<u>CPFPE</u>	<u>TPAF</u>	<u>Total All Plans</u>
Annual Required Contribution, June 30, 2012	\$ 1,240,860	\$ 2,269,823,968	\$ 2,406,475,014
Interest adjustment on NPO	10,574	833,564,952	895,374,176
Adjustment to Annual Required Contribution	<u>(539,288)</u>	<u>(918,749,315)</u>	<u>(980,985,438)</u>
APC as of June 30, 2012	712,146	2,184,639,605	2,320,863,752
Total Fiscal Year 2012 Contributions	<u>173,790</u>	<u>317,927,358</u>	<u>339,149,335</u>
Increase (Decrease) in NPO	538,356	1,866,712,247	1,981,714,417
NPO as of June 30, 2011	528,714	10,103,817,602 *	10,850,879,896 *
NPO as of June 30, 2012	<u>\$ 1,067,070</u>	<u>\$ 11,970,529,849</u>	<u>\$ 12,832,594,313</u>

\* Restated

## **B. HEALTH BENEFITS AND POST-RETIREMENT MEDICAL BENEFITS**

As a result of implementing GASB Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other Employee Benefit Trust Funds. Specifically, the SHBP-State, the PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund-State classified as a single employer plan. The SHBP-Local, the PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund-Local Government classified as a cost-sharing multiple-employer plan. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

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

**Health Benefits Program Fund (HBPF)-Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

**Health Benefits Program Fund (HBPF)-Local Government** (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above funds. The financial reports may be accessed via the Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

### **Basis of Accounting**

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

### **Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a four-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

### **Investment Valuation**

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

### **Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the unfunded actuarial accrued liability for OPEB is \$48.9 billion which is made up of \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

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



## **Actuarial Methods and Assumptions**

In the July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

## **Post-Retirement Medical Benefits Contribution**

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits, and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the NJ Direct 10 Plan shall be subject to premium sharing based on the negotiated contracts.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. The State contributed \$112.6 million for 8,810 eligible retired members for Fiscal Year 2012. This benefit covers the Police and Firemen's Retirement System, the Prison Officers' Pension Fund, the Judicial Retirement System, the Central Pension Fund, the State Police Retirement System, and the Alternate Benefit Program.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

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 \$36.6 million in the current year to provide benefits under Chapter 330 to qualified retirees.

**Annual OPEB Cost (AOC)**

The annual OPEB cost for the fiscal year ending June 30, 2012 and related information, including a summary of the significant actuarial methods and assumptions used by OPEB, are presented below.

The calculation of the employer contributions rates listed below for OPEB represents the AOC divided by the covered payroll as reflected in the Schedule of Funding Progress per the actuarial valuations as of June 30, 2011.

			<u>OPEB - STATE</u>	
<b>Annual OPEB Cost (AOC)</b>			<b>Significant Actuarial Assumptions and Methods</b>	
<b>State:</b>	<b>June 30, 2010</b>	\$ 4,719,500,000	<b>Date of actuarial valuation</b>	6/30/11
	<b>June 30, 2011</b>	4,917,000,000	<b>Actuarial cost method</b>	Projected Unit Credit
	<b>June 30, 2012</b>	4,696,700,000	<b>Amortization method</b>	Level Percent Open
<b>Contributions Made</b>			<b>Remaining amortization period</b>	30 years
<b>State:</b>	<b>June 30, 2010</b>	\$ 1,327,000,000	<b>Actuarial assumptions</b>	
	<b>June 30, 2011</b>	1,444,900,000	<b>Investment rate of return</b>	4.50% (assuming no prefunding)
	<b>June 30, 2012</b>	1,379,400,000	<b>Projected salary increases</b>	N/A
<b>Percentage of AOC Contributed</b>			<b>Cost-of-Living adjustments</b>	N/A
<b>State:</b>	<b>June 30, 2010</b>	28.1%		
	<b>June 30, 2011</b>	29.4%		
	<b>June 30, 2012</b>	29.4%		
<b>Net OPEB Obligation (NOO)</b>				
<b>State:</b>	<b>June 30, 2010</b>	\$ 10,028,800,000		
	<b>June 30, 2011</b>	13,501,000,000		
	<b>June 30, 2012</b>	16,818,300,000		
<b>Contribution rates</b>				
<b>State</b>		22.5%		
<b>Employees</b>		N/A		

For medical benefits, the healthcare cost trend rate assumption initially is at 8.0 percent or 9.0 percent (depending on the medical plan) and decreases to a 5.0 percent long-term trend rate for all medical benefits after six or eight years. For prescription drug benefits, the initial healthcare cost trend rate assumption is 9.0 percent or 9.5 percent (depending on the retirement status), decreasing to a 5.0 percent long-term trend rate after eight or nine years. For Medicare Part B reimbursement, the healthcare cost trend rate assumption is 5.0 percent throughout 11 years.

The AOC and NOO for the State-funded post-retirement medical obligations for the fiscal year ending June 30, 2012 are presented below:

Annual Required Contribution, June 30, 2012	\$ 4,918,000,000
Interest Adjustment on NOO	607,500,000
Adjustment to Annual Required Contribution	(828,800,000)
AOC as of June 30, 2012	4,696,700,000
Total Fiscal Year 2012 Contributions	1,379,400,000
Increase in NOO	3,317,300,000
NOO as of June 30, 2011	13,501,000,000
NOO as of June 30, 2012	<u>\$ 16,818,300,000</u>

## NOTE 18 – COMPONENT UNITS

### A. Authorities

Managed independently of the appropriated budget process, the Authorities are legally separate entities with powers generally vested in a governing board. Established for the benefit of the State's citizenry, Authorities exist for a variety of purposes such as financing economic development, public transportation, low-cost housing, environmental protection, and capital development for health and education. Unlike the State itself, Authorities are not subject to State constitutional restrictions on the incurrence of debt; however, similar to the State, Authorities may issue bonds and notes within legislatively authorized amounts.

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

The activities of the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Development Authority, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation have been blended into the financial activities of the State as Special Revenue Funds.

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, all other Authorities have been presented discretely as major and non-major component units in the State's financial statements. These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Financial statements for the Authorities are derived from their most recently issued financial statements. Descriptions of the discretely presented Authorities, and addresses from which separately issued audited financial statements and accompanying notes may be obtained, are provided below:

**Atlantic City Convention & Visitors Authority (N.J.S.A. 52:27H-29 et seq.)**  
2314 Pacific Avenue  
Atlantic City, New Jersey 08401  
<http://www.atlanticcitynj.com>

The Atlantic City Convention & Visitors Authority was established to promote the tourist, resort, convention, and casino industries, as well as operate and maintain the Atlantic City Convention Center, the Historic Boardwalk Hall, and the West Hall. The Authority serves as the destination's principal marketing arm, stimulating economic growth through convention and leisure tourism development.

**Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)**  
15 S. Pennsylvania Avenue  
Atlantic City, New Jersey 08401  
<http://www.njcrda.com>

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

**Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)**  
4 Quakerbridge Plaza, P.O. Box 545  
Trenton, New Jersey 08625-0545  
<http://www.hesaa.org>

New Jersey's Higher Education Student Assistance Authority (HESAA) was established to provide a single statewide agency for the coordination and delivery of student financial assistance. HESAA 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. In addition to administering the delivery of a number of need- and merit-based State scholarship programs, to include Tuition Aid Grants (TAG), New Jersey Student Tuition Assistance Reward Scholarship (NJSTARS), and World Trade Center Scholarship Fund, HESAA oversees the State's 529 College Savings Program, known as the New Jersey Better Educational Savings Trust (NJBEST).

**New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)**  
**36 West State Street, P.O. Box 990**  
**Trenton, New Jersey 08625-0990**  
**<http://www.njeda.com>**

The New Jersey Economic Development Authority is authorized to arrange long-term, low-interest financing, as well as other forms of assistance to private firms and companies, for the purpose of maintaining and expanding employment opportunities and enlarging New Jersey's tax base for State and local governments.

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

The New Jersey Educational Facilities Authority (NJEFA) provides a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell their debt instruments (bonds, notes, and other obligations). NJEFA may finance academic and auxiliary facilities for the State's public and independent institutions of higher education.

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

The New Jersey Environmental Infrastructure Trust provides low-cost financing for the construction of environmental infrastructure projects that enhance and protect ground and surface water resources, ensure the safety of drinking water supplies, and make possible responsible and sustainable economic development.

Working in partnership with the New Jersey Department of Environmental Protection, the Trust has devised a system to leverage the funds available from the federal government to make money available at the lowest possible cost. The financing program has provided funds to local and county government units, as well as some private water companies, to finance wastewater systems, combined sewer overflow abatement, nonpoint source pollution control, safe drinking water supplies, and open space acquisition.

**New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)**  
**South Clinton and Yard Avenues, Station Plaza Bldg. #4**  
**P.O. Box 366**  
**Trenton, New Jersey 08625-0366**  
**<http://www.njhcffa.com>**

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

**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**  
**<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, HMFA monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. Its mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, HMFA 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)**  
**One DeKorte Park Plaza**  
**Lyndhurst, New Jersey 07071**  
**<http://www.njmeadowlands.gov>**

The New Jersey Meadowlands Commission is the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement (including open space acquisition) of the 19,730-acre Meadowlands District. The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of 14 municipalities and two counties (Bergen and Hudson). If needed, the Commission is able to raise funds through the issuance of tax-exempt bonds and notes.

**New Jersey Redevelopment Authority (P.L. 1996, c.62)**  
**150 West State Street, P.O. Box 790**  
**Trenton, New Jersey 08625**  
**<http://www.njra.us>**

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

**New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)**  
**50 State Route 120**  
**East Rutherford, New Jersey 07073**  
**<http://www.njsea.com>**

The New Jersey Sports and Exposition Authority (NJSEA) owns, operates, and manages a variety of sports, entertainment, wagering, and convention facilities throughout New Jersey; it also has been responsible for the financing, construction, and management of the Meadowlands Racetrack, the IZOD Center, and the MetLife stadium. In addition to being authorized to issue bonds and notes and provide the terms and security thereof, NJSEA is charged with the responsibility to own, operate, and build various facilities for athletic and entertainment events, trade shows, and other expositions located throughout the State.

**New Jersey Transit Corporation (N.J.S.A. 27:25-1)**  
**One Penn Plaza East**  
**Newark, New Jersey 07105**  
**<http://www.njtransit.com>**

New Jersey Transit Corporation (NJ TRANSIT) is empowered to acquire, own, operate, and contract for the operation of public transportation services. Both the State, by legislative appropriation, and the federal government, by defined formula grants under the Federal Transit Administration, provide NJ TRANSIT with operating subsidies. NJ TRANSIT uses these subsidies to operate public transportation services through 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 the cost of maintaining right-of-way as well as propulsion costs.

**New Jersey Turnpike Authority (N.J.S.A. 27:23-3)**  
**581 Main Street, P.O. Box 5042**  
**Woodbridge, New Jersey 07095-5042**  
**<http://www.state.nj.us/turnpike>**

The New Jersey Turnpike Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Subject to prior approval by the Governor and by either or both the State Treasurer and the Director, Division of Budget and Accounting, the Authority also may issue turnpike revenue bonds or notes that are payable solely from Authority tolls and other revenues. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority.

**New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)**  
**1851 State Route 31, P.O. Box 5196**  
**Clinton, New Jersey 08809**  
**<http://www.njwsa.org>**

The New Jersey Water Supply Authority is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal Transmission Center, the Spruce Run/Round Valley Reservoirs Complex, and the Manasquan Reservoir Water Supply System. Upon the request of a municipality, county, the State, or agencies thereof, the Authority may 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)**  
**101 Joseph A. Balzano Blvd.**  
**Camden, New Jersey 08103**  
**<http://www.southjerseyport.com>**

The South Jersey Port Corporation is empowered to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, to include Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of its Marine Terminal Bond Resolution, which mandates the distribution of funds to various Port Corporation funds.

**South Jersey Transportation Authority (P.L. 1991, c.252)**  
**Farley Service Plaza, P.O. Box 351**  
**Hammonton, New Jersey 08037**  
**<http://www.sjta.com>**

The South Jersey Transportation Authority is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects to include the Atlantic City Expressway, the Atlantic City International Airport terminal, and the parking facilities in Atlantic City. Subject to prior approval by the Governor and by either or both the State Treasurer and the Director, Division of Budget and Accounting, the Authority also may issue revenue bonds or notes, which are payable solely from Authority tolls and other revenues.

## **B. Colleges and Universities**

Enactment of P.L. 1986, c.42 and c.43, provided autonomous status for New Jersey's nine State colleges and universities. Prior to the July 1, 1987 effective date of this legislation, revenues and expenses for these public institutions of higher education were included in the General Fund of the State of New Jersey.

The financial statements of all twelve of the State's Senior Public institutions of higher education (three Public Research universities and the aforementioned nine State 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*. Due to the significance of their operational or financial relationships and fiscal dependency with the State, these component units are included in the State's reporting entity. State appropriations, tuition, federal grants, and private donations and grants provide funding for these institutions. Based upon the relative size of assets, liabilities, revenues, and expenses in relation to the total, the financial statements of these institutions have been presented discretely in either the major or non-major categories in both the Statement of Net Assets and the Statement of Activities. In addition, pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the financial statements of all twelve institutions include financial activities related to their foundations and other similar organizations.

Effective July 1, 2013, the "New Jersey Medical and Health Sciences Education Restructuring Act" of 2012 abolishes the University of Medicine and Dentistry of New Jersey (UMDNJ), transfers UMDNJ's various schools and institutes to Rutgers University and Rowan University, respectively, and establishes Rowan University as a public research university. Currently, UMDNJ is classified as a public research university and Rowan University is classified as a State university.

Separately issued independent audited financial statements and accompanying notes may be obtained directly from the State's Senior Public institutions of higher education at the following addresses and websites:

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

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

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

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

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

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

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

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

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

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

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

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

## **NOTE 19 - CONTINGENT LIABILITIES**

### **General Fund**

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The claims filed can represent significant amounts and include, but are not limited to, issues regarding pensions and education funding. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2012, the exact amount involved in these legal proceedings is not fully determinable.

Unapplied overpayments of Corporate Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2012 there was approximately \$366.0 million of overpayments.

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

Claims of approximately \$19.6 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules

and regulations of the Fund, the total maximum amount that may be awarded from this Fund is \$12.3 million. The ultimate disposition of these claims is not determinable at this time.

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

Various claims totaling approximately \$37.0 million have been filed against this Fund by third parties for damages caused by spills. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

### **Property Tax Relief Fund**

Unapplied overpayments of Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2012 there were approximately \$964.0 million of overpayments.

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

Various claims totaling approximately \$19.0 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

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

In 2006 through 2012 certain of the tobacco companies withheld a portion of their annual payment claiming that the settling states, of which the State is one, did not diligently enforce a statute (the "Model Statute") in 2003 through 2006 which requires tobacco companies that did not enter into the settlement to make certain payments for in-state tobacco product sales. In the event that the State is determined to not have diligently enforced the Model Statute in any year, the State faces a reduction in the amount of annual payments it receives in the subsequent years. In July 2010, the participating manufacturers filed a Statement of Claim before an arbitration panel regarding the 2003 non-participating manufacturers (NPM) adjustment. On November 3, 2011, the participating manufacturers released the State from the 2003 diligent enforcement action arbitration. As a result, when the multi-state arbitration is finally concluded, the Tobacco Settlement Financing Corporation will receive the \$30 million withheld in 2006 relating to 2003. On April 15, 2011, notice was given by the tobacco companies to the State that they are seeking arbitration of diligent enforcement disputes for the years 2004 through 2008. While New Jersey believes it has meritorious defenses to any claim by participating manufacturers for 2004 through 2008 NPM adjustments, it could stand to lose between \$27 million and \$49 million. For 2004 through 2012, New Jersey's Master Settlement Agreement (MSA) payments are at risk, with a potential liability of between \$162.0 million and \$1.6 billion if it is found to not have diligently enforced its Model Statute. Ultimately, New Jersey expects to be able to prove that it diligently enforced its Model Statute.

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

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

### **Capital Projects Funds**

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$25.7 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, 2012, audits of expenditures for Fiscal Year 2011 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2012, it is management's opinion that disallowances, if any, would not be material.



## **NOTE 20 – SUBSEQUENT EVENTS**

### **Short-term Debt**

For Fiscal Year 2013, the State authorized the issuance of short-term notes. The short-term note proceeds are to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On July 9, 2012, the State issued \$1.2 billion of Tax and Revenue Anticipation Notes, Series Fiscal 2013A and on August 31, 2012, the State issued \$900 million of Tax and Revenue Anticipation Notes, Series Fiscal 2013B. Both series were issued at a rate of LIBOR plus 0.25 percent per annum, adjusting monthly, with accrued interest payable at final maturity of June 27, 2013. On November 20, 2012, the State issued \$2.6 billion of Tax and Revenue Anticipation Notes, Series Fiscal 2013C, a portion of which refunded the Series Fiscal 2013A and 2013B notes in their entirety prior to their maturity. The Series Fiscal 2013C notes bear interest at a fixed rate of 2.5 percent per annum with interest payable at final maturity on June 27, 2013. The State may issue additional short-term notes in Fiscal Year 2013.

### **Long-term Obligations**

On August 30, 2012, the New Jersey Economic Development Authority issued \$24.2 million of School Facilities Construction Refunding Bonds, 2012 Series LL. The bonds were issued at a rate of 0.75 percent per annum, with a final maturity of October 31, 2012. On October 3, 2012, the New Jersey Economic Development Authority issued \$399.4 million of School Facilities Construction Bonds, consisting of \$136.9 million 2012 Series KK Bonds, \$24.3 million 2012 Series MM Refunding Bonds, \$119.1 million 2012 Series G Notes, and \$119.1 million 2012 Series H Notes. Interest on the 2012 Series KK bonds ranges from 3.0 to 5.0 percent per annum and is payable on March 1 and September 1, commencing on September 1, 2013. Final maturity is March 1, 2038. The Series MM bonds were issued to refund the 2012 Series LL in their entirety prior to their maturity. Interest on the Series MM bonds ranges from 1.047 to 1.651 percent per annum and is payable on March 1 and September 1, commencing on September 1, 2013. Final maturity is September 1, 2017. Interest on the 2012 Series G notes varies at a rate of SIFMA plus 0.58 percent per annum, and is payable on the first business day of each month, commencing on November 1, 2012. Final maturity is February 1, 2015. Interest on the 2012 Series H notes varies at a rate of SIFMA plus 0.90 percent per annum, and is payable on the first business day of each month, commencing on November 1, 2012. Final maturity is February 1, 2017.

On October 17, 2012, The South Jersey Port Corporation issued \$60.1 million of refunding bonds, Series 2012 Q. Interest on the bonds ranges from 3.0 to 3.25 percent per annum and is payable on January 1 and July 1, commencing on July 1, 2013. Final maturity of the bonds is January 1, 2033. Also on October 17, 2012, the South Jersey Port Corporation issued \$16.0 million of refunding bonds, Series 2012 R. Interest on the bonds is 4.0 percent per annum and payable on January 1 and July 1, commencing on July 1, 2013. Final maturity of the bonds is January 1, 2024.

On December 11, 2012, the New Jersey Transportation Trust Fund Authority issued \$326.3 million of its Transportation System Bonds, 2012 Series A and \$920.7 million of its Transportation Program Bonds, 2012 Series AA. Interest on the 2012 Series A bonds is at a fixed rate of 5.0 percent per annum and is payable on June 15 and December 15, commencing on June 15, 2013. Final maturity is June 15, 2042. Interest on the 2012 Series AA bonds ranges from 2.0 to 5.0 percent per annum and is payable on June 15 and December 15, commencing on June 15, 2013. Final maturity is June 15, 2038.

On December 18, 2012 the New Jersey Building Authority issued \$20.0 million of its State Building Revenue Bond Anticipation Notes, 2012 Series. Interest on the notes is at a fixed rate of 1.50 percent per annum and is payable at final maturity on December 18, 2013. The Building Authority expects to issue bonds or notes in Fiscal Year 2013 to refund the 2012 Series notes prior to their maturity.

### **Superstorm Sandy**

On October 29, 2012, Superstorm Sandy made landfall five miles south of Atlantic City. The storm caused widespread damage to State, county and municipal infrastructures. As in past events, including the recovery from the impact of Tropical Storm Irene in 2011, the State expects to secure substantial federal assistance, including reimbursement of certain associated costs from the Federal Emergency Management Agency (“FEMA”) to allow the State to recover a substantial portion of storm-related losses.

On November 1, 2012, President Barack Obama approved an adjustment of the federal cost share for the storm from 75% to 100% for 15 days (October 30 to November 14) for emergency power restoration and emergency public transportation assistance, including direct federal assistance, for those areas of New Jersey within counties designated as federal disaster areas. On November 5, 2012, FEMA Public Assistance was made available in all twenty-one (21) counties of the State.

Currently, the State, its counties and municipal governments are in the process of tabulating the associated costs and expenses as a result of the storm preparation, evacuation and shutdown as well as the costs for remediation, clean-up, mitigation and the restoration of services. These costs will be categorized by agency and expense type according to FEMA allowances. The State intends to maximize its recovery from all available FEMA sources, subject to any sublimits and retentions. The amount and timing for receipt of funds from FEMA cannot be predicted at this time.

It is not yet possible for the State to estimate the impact of Superstorm Sandy-related losses on revenue collections or expenditures.

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**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR JUNE 30, 2012**

	<b>General Fund</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 14,076,928,000	\$ 14,313,031,000	\$ 13,322,342,618	\$ (990,688,382)
Federal and other grants	11,304,781,954	11,682,410,084	10,103,525,582	(1,578,884,502)
Licenses and fees	1,282,378,600	1,195,150,336	1,167,970,915	(27,179,421)
Services and assessments	2,168,922,778	1,733,711,705	1,617,823,549	(115,888,156)
Investment earnings	11,000	729,723	1,352,304	622,581
Contributions	1,000	1,000	1,140	140
Other	3,283,585,031	3,709,871,888	2,577,759,261	(1,132,112,627)
Total Revenues	<u>32,116,608,363</u>	<u>32,634,905,736</u>	<u>28,790,775,369</u>	<u>(3,844,130,367)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	2,553,159,000	2,887,760,825	2,743,407,484	(144,353,341)
Total Other Financing Sources	<u>2,553,159,000</u>	<u>2,887,760,825</u>	<u>2,743,407,484</u>	<u>(144,353,341)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>34,669,767,363</u>	<u>35,522,666,561</u>	<u>31,534,182,853</u>	<u>(3,988,483,708)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,735,125,273	3,925,234,780	3,266,581,527	658,653,253
Physical and mental health	12,193,413,156	12,310,549,775	11,435,638,666	874,911,109
Educational, cultural, and intellectual development	4,562,138,371	4,273,242,976	4,096,867,086	176,375,890
Community development and environmental management	1,907,764,541	1,896,189,187	1,267,896,531	628,292,656
Economic planning, development, and security	4,753,534,812	4,771,876,900	4,209,450,450	562,426,450
Transportation programs	741,395,275	659,918,715	577,065,136	82,853,579
Government direction, management, and control	5,659,691,706	5,879,262,744	5,614,366,858	264,895,886
Special government services	445,383,560	451,079,181	340,948,281	110,130,900
Total Expenditures	<u>33,998,446,694</u>	<u>34,167,354,258</u>	<u>30,808,814,535</u>	<u>3,358,539,723</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,108,650,368	1,276,654,368	1,108,650,368	168,004,000
Total Other Financing Uses	<u>1,108,650,368</u>	<u>1,276,654,368</u>	<u>1,108,650,368</u>	<u>168,004,000</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>35,107,097,062</u>	<u>35,444,008,626</u>	<u>31,917,464,903</u>	<u>3,526,543,723</u>
<b>Net Change in Fund Balance</b>	(437,329,699)	78,657,935	(383,282,050)	(461,939,985)
<b>Fund Balances - July 1, 2011</b>	<u>692,950,000</u>	<u>864,124,867</u>	<u>864,124,867</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 255,620,301</u>	<u>\$ 942,782,802</u>	<u>\$ 480,842,817</u>	<u>\$ (461,939,985)</u>

**Property Tax Relief Fund**

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 11,935,088,935	\$ 11,687,488,935	\$ 11,751,670,559	\$ 64,181,624
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>11,935,088,935</u>	<u>11,687,488,935</u>	<u>11,751,670,559</u>	<u>64,181,624</u>
-	-	-	-
-	-	-	-
<u>11,935,088,935</u>	<u>11,687,488,935</u>	<u>11,751,670,559</u>	<u>64,181,624</u>
-	-	-	-
-	126,212,112	130,584,126	(4,372,014)
10,509,712,214	10,496,699,868	10,823,130,465	(326,430,597)
244,221,226	239,910,670	248,077,470	(8,166,800)
-	28,684,368	29,678,000	(993,632)
-	-	-	-
797,675,494	966,519,916	947,978,152	18,541,764
-	-	-	-
<u>11,551,608,934</u>	<u>11,858,026,934</u>	<u>12,179,448,213</u>	<u>(321,421,279)</u>
-	164,733,000	-	164,733,000
-	164,733,000	-	164,733,000
<u>11,551,608,934</u>	<u>12,022,759,934</u>	<u>12,179,448,213</u>	<u>(156,688,279)</u>
383,480,001	(335,270,999)	(427,777,654)	(92,506,655)
-	5,805,000	5,805,000	-
<u>\$ 383,480,001</u>	<u>\$ (329,465,999)</u>	<u>\$ (421,972,654)</u>	<u>\$ (92,506,655)</u>

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**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS (Continued)  
FOR THE FISCAL YEAR JUNE 30, 2012**

	<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	\$ 26,012,016,935	\$ 26,000,519,935	\$ 25,074,013,177	\$ (926,506,758)
Federal and other grants	11,304,781,954	11,682,410,084	10,103,525,582	(1,578,884,502)
Licenses and fees	1,282,378,600	1,195,150,336	1,167,970,915	(27,179,421)
Services and assessments	2,168,922,778	1,733,711,705	1,617,823,549	(115,888,156)
Investment earnings	11,000	729,723	1,352,304	622,581
Contributions	1,000	1,000	1,140	140
Other	3,283,585,031	3,709,871,888	2,577,759,261	(1,132,112,627)
<b>Total Revenues</b>	<b>44,051,697,298</b>	<b>44,322,394,671</b>	<b>40,542,445,928</b>	<b>(3,779,948,743)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	2,553,159,000	2,887,760,825	2,743,407,484	(144,353,341)
<b>Total Other Financing Sources</b>	<b>2,553,159,000</b>	<b>2,887,760,825</b>	<b>2,743,407,484</b>	<b>(144,353,341)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>46,604,856,298</b>	<b>47,210,155,496</b>	<b>43,285,853,412</b>	<b>(3,924,302,084)</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,735,125,273	3,925,234,780	3,266,581,527	658,653,253
Physical and mental health	12,193,413,156	12,436,761,887	11,566,222,792	870,539,095
Educational, cultural, and intellectual development	15,071,850,585	14,769,942,844	14,919,997,551	(150,054,707)
Community development and environmental management	2,151,985,767	2,136,099,857	1,515,974,001	620,125,856
Economic planning, development, and security	4,753,534,812	4,800,561,268	4,239,128,450	561,432,818
Transportation programs	741,395,275	659,918,715	577,065,136	82,853,579
Government direction, management, and control	6,457,367,200	6,845,782,660	6,562,345,010	283,437,650
Special government services	445,383,560	451,079,181	340,948,281	110,130,900
<b>Total Expenditures</b>	<b>45,550,055,628</b>	<b>46,025,381,192</b>	<b>42,988,262,748</b>	<b>3,037,118,444</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,108,650,368	1,441,387,368	1,108,650,368	332,737,000
<b>Total Other Financing Uses</b>	<b>1,108,650,368</b>	<b>1,441,387,368</b>	<b>1,108,650,368</b>	<b>332,737,000</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>46,658,705,996</b>	<b>47,466,768,560</b>	<b>44,096,913,116</b>	<b>3,369,855,444</b>
<b>Net Change in Fund Balance</b>	<b>(53,849,698)</b>	<b>(256,613,064)</b>	<b>(811,059,704)</b>	<b>(554,446,640)</b>
<b>Fund Balances - July 1, 2011</b>	<b>692,950,000</b>	<b>869,929,867</b>	<b>869,929,867</b>	<b>-</b>
<b>Fund Balances - June 30, 2012</b>	<b>\$ 639,100,302</b>	<b>\$ 613,316,803</b>	<b>\$ 58,870,163</b>	<b>\$ (554,446,640)</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>
<b>Sources/inflows of resources:</b>		
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 31,534,182,853	\$ 11,751,670,559
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	1,323,018,257	-
Proceeds and premiums 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.	504,827,941	-
Proceeds and premiums from the sale of installment obligation bonds including refundings are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	<u>1,336,671,250</u>	<u>-</u>
<b>Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u>\$ 34,698,700,301</u>	<u>\$ 11,751,670,559</u>
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 30,113,793,654	
Transfers from other funds	2,743,407,458	
Other sources	<u>1,841,499,189</u>	
<b>Total revenues and other financing sources</b>	<u>\$ 34,698,700,301</u>	

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	<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	\$ 31,917,464,903	\$ 12,179,448,213
<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.	(1,194,128,431)	(2,799,172)
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.	1,473,692,854	32,849
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	8,669,114	-
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	1,323,018,257	-
School construction bonds proceeds distributed to the New Jersey Schools Development Authority are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	504,827,941	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	1,336,671,250	-
<b>Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>\$ 35,370,215,888</b>	<b>\$ 12,176,681,890</b>
 GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 32,537,637,428	
Transfers to other funds	1,113,701,289	
Other uses	1,718,877,171	
<b>Total expenditures and other financing uses</b>	<b>\$ 35,370,215,888</b>	

**STATE OF NEW JERSEY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Budgetary Process**

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

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

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

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

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



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

<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>OPEB - State</b>						
June 30, 2009	-	56,782,500,000	56,782,500,000	-	20,794,400,000	273.1%
June 30, 2010	-	59,281,900,000	59,281,900,000	-	20,870,000,000	284.1%
June 30, 2011	-	48,949,700,000	48,949,700,000	-	20,286,700,000	241.3%
<b>PERS - State</b>						
June 30, 2009	10,692,585,100	18,947,194,579	8,254,609,479	56.4%	4,627,092,235	178.4%
June 30, 2010	10,252,640,127	17,429,178,021	7,176,537,894	58.8%	4,564,850,886	157.2%
June 30, 2011	9,938,069,705	18,290,829,021	8,352,759,316	54.3%	4,608,926,826	181.2%
<b>PERS - Local</b>						
June 30, 2009	18,165,648,669	25,523,208,576	7,357,559,907	71.2%	7,368,354,906	99.9%
June 30, 2010	18,481,952,370	23,918,658,044	5,436,705,674	77.3%	7,416,503,897	73.3%
June 30, 2011	18,996,299,489	24,679,095,575	5,682,796,086	77.0%	7,000,115,900	81.2%
<b>TPAF</b>						
June 30, 2009	34,838,211,259	54,576,061,024	19,737,849,765	63.8%	9,747,020,060	202.5%
June 30, 2010	33,265,326,627	49,543,347,849	16,278,021,222	67.1%	10,025,401,658	162.4%
June 30, 2011	32,289,888,420	51,406,540,290	19,116,651,870	62.8%	9,682,318,739	197.4%
<b>PFRS - State</b>						
June 30, 2009	2,254,766,935	3,993,259,480	1,738,492,545	56.5%	525,862,047	330.6%
June 30, 2010	2,190,654,958	3,672,361,258	1,481,706,300	59.7%	530,747,536	279.2%
June 30, 2011	2,143,492,414	3,926,525,679	1,783,033,265	54.6%	526,058,270	338.9%
<b>PFRS - Local</b>						
June 30, 2009	20,724,453,343	28,448,841,765	7,724,388,422	72.8%	3,147,812,476	245.4%
June 30, 2010	20,367,865,987	25,601,998,126	5,234,132,139	79.6%	3,189,786,833	164.1%
June 30, 2011	21,027,839,958	26,978,632,188	5,950,792,230	77.9%	3,123,358,027	190.5%
<b>SPRS</b>						
June 30, 2009	2,063,962,877	2,825,455,568	761,492,691	73.0%	287,267,502	265.1%
June 30, 2010	2,019,350,048	2,497,094,137	477,744,089	80.9%	289,980,657	164.8%
June 30, 2011	2,002,813,881	2,581,950,846	579,136,965	77.6%	275,219,752	210.4%
<b>JRS</b>						
June 30, 2009	354,399,646	594,043,375	239,643,729	59.7%	70,133,372	341.7%
June 30, 2010	329,030,387	554,540,403	225,510,016	59.3%	71,746,413	314.3%
June 30, 2011	305,245,844	585,700,787	280,454,943	52.1%	67,437,125	415.9%
<b>CPFPPF</b>						
June 30, 2009	13,515,949	14,024,132	508,183	96.4%	-	N/A
June 30, 2010	10,632,228	11,824,904	1,192,676	89.9%	-	N/A
June 30, 2011	8,126,894	9,179,981	1,053,087	88.5%	-	N/A
<b>POPF</b>						
June 30, 2009	11,986,919	6,136,441	(5,850,478)	195.3%	-	N/A
June 30, 2010	11,018,367	5,635,024	(5,383,343)	195.5%	-	N/A
June 30, 2011	9,997,650	5,096,792	(4,900,858)	196.2%	-	N/A

Note: Fiscal Year Pension Actuarial Reports, prepared as of July 1, are available at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.htm>.

*Combining  
Financial Statements*

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2012**

	<u>General Fund</u>	<u>Beaches and Harbor Fund</u>	<u>2007 Blue Acres Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 30,861,411	\$ 257,240	\$ 347,229
<b>Investments</b>	594,553,915	656,393	1,343,496
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	458,583,519	-	-
Departmental accounts	1,985,912,853	-	-
Loans	24,461,703	-	-
Other	172,823,084	-	-
<b>Due from other funds</b>	867,840,869	-	-
<b>Other</b>	4,986,001	-	-
<b>Total Assets</b>	<u>\$ 4,140,023,355</u>	<u>\$ 913,633</u>	<u>\$ 1,690,725</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 1,371,923,310	\$ -	\$ 89,985
Deferred revenue	269,582,724	-	-
Due to other funds	237,539,106	1,280	-
Other	200,483,708	-	-
Total Liabilities	<u>2,079,528,848</u>	<u>1,280</u>	<u>89,985</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	90,024,387	912,353	1,600,740
Committed	1,529,098,445	-	-
Unassigned	441,371,675	-	-
Total Fund Balances	<u>2,060,494,507</u>	<u>912,353</u>	<u>1,600,740</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,140,023,355</u>	<u>\$ 913,633</u>	<u>\$ 1,690,725</u>

<u>Clean Waters Fund</u>	<u>Cultural Centers and Historic Preservation Fund</u>	<u>2003 Dam, Lake, and Stream Project Revolving Loan Fund</u>	<u>2003 Dam, Lake, Stream and Flood Control Project Fund</u>
\$ 52,829	\$ 15,250	\$ 1,053,623	\$ 542,940
20,121	71,996	34,995,066	13,437,070
-	-	-	-
-	-	-	-
-	-	45,585,161	-
-	24,000	228,617	-
-	-	-	12,241
-	-	-	-
<u>\$ 72,950</u>	<u>\$ 111,246</u>	<u>\$ 81,862,467</u>	<u>\$ 13,992,251</u>
\$ -	\$ 10,000	\$ -	\$ -
-	-	-	-
43	100,112	-	22,770
-	-	-	-
<u>43</u>	<u>110,112</u>	<u>-</u>	<u>22,770</u>
-	-	-	-
72,907	1,134	81,862,467	13,969,481
-	-	-	-
-	-	-	-
<u>72,907</u>	<u>1,134</u>	<u>81,862,467</u>	<u>13,969,481</u>
<u>\$ 72,950</u>	<u>\$ 111,246</u>	<u>\$ 81,862,467</u>	<u>\$ 13,992,251</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>	<u>1989 Development Potential Bank Transfer Fund</u>	<u>Developmental Disabilities Waiting List Reduction Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,374,166	\$ 33,654	\$ 425,063
Investments	8,847,730	2,035,096	3,185,433
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	5,397,761	-	-
Other	38,074	-	-
Due from other funds	-	-	-
Other	-	-	-
<b>Total Assets</b>	<u>\$ 17,657,731</u>	<u>\$ 2,068,750</u>	<u>\$ 3,610,496</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ 135,000
Deferred revenue	-	-	-
Due to other funds	-	29,258	6,041
Other	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>29,258</u>	<u>141,041</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	17,657,731	2,039,492	3,469,455
Committed	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>17,657,731</u>	<u>2,039,492</u>	<u>3,469,455</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,657,731</u>	<u>\$ 2,068,750</u>	<u>\$ 3,610,496</u>

<u>Dredging and Containment Facility Fund</u>	<u>1996 Economic Development Site Fund</u>	<u>Emergency Flood Control Fund</u>	<u>Emergency Services Fund</u>
\$ 219,581	\$ 55,578	\$ 127,787	\$ 114,248
710,378	7,823	225,807	2,103,350
-	-	-	-
-	-	-	-
-	423,892	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 929,959</u>	<u>\$ 487,293</u>	<u>\$ 353,594</u>	<u>\$ 2,217,598</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
711,000	-	350	-
-	-	-	-
<u>711,000</u>	<u>-</u>	<u>350</u>	<u>-</u>
-	-	-	-
218,959	487,293	353,244	-
-	-	-	2,217,598
-	-	-	-
<u>218,959</u>	<u>487,293</u>	<u>353,244</u>	<u>2,217,598</u>
<u>\$ 929,959</u>	<u>\$ 487,293</u>	<u>\$ 353,594</u>	<u>\$ 2,217,598</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>1996 Environmental Cleanup Fund</u>	<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,990	\$ 8,998	\$ 47,757
Investments	1,440,640	32,935	452,793
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
<b>Total Assets</b>	<u>\$ 1,459,630</u>	<u>\$ 41,933</u>	<u>\$ 500,550</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	-	-	451,778
Other	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>451,778</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	1,459,630	41,933	48,772
Committed	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>1,459,630</u>	<u>41,933</u>	<u>48,772</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,459,630</u>	<u>\$ 41,933</u>	<u>\$ 500,550</u>

<u>1995 Farmland Preservation Fund</u>	<u>2007 Farmland Preservation Fund</u>	<u>2009 Farmland Preservation Fund</u>	<u>2007 Green Acres Fund</u>
\$ 2,253	\$ -	\$ 133,600	\$ 692,047
2,551,014	29,387,954	195,260	27,203,612
-	-	-	-
-	-	-	-
-	-	-	222,500
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 2,553,267</u>	<u>\$ 29,387,954</u>	<u>\$ 328,860</u>	<u>\$ 28,118,159</u>
\$ 11,245	\$ 1,459,315	\$ 658,053	\$ 59,127
-	-	-	-
1,332,815	-	6,100,000	250,000
-	-	-	-
<u>1,344,060</u>	<u>1,459,315</u>	<u>6,758,053</u>	<u>309,127</u>
-	-	-	-
1,209,207	27,928,639	-	27,809,032
-	-	-	-
-	-	(6,429,193)	-
<u>1,209,207</u>	<u>27,928,639</u>	<u>(6,429,193)</u>	<u>27,809,032</u>
<u>\$ 2,553,267</u>	<u>\$ 29,387,954</u>	<u>\$ 328,860</u>	<u>\$ 28,118,159</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>2009 Green Acres Fund</u>	<u>Green Trust Fund</u>	<u>Hazardous Discharge Fund of 1981</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 47,468	\$ 1,201,440	\$ 711
Investments	325,161	32,174,235	180,518
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	32,163,034	-
Other	-	147,215	-
<b>Due from other funds</b>	-	-	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 372,629</u>	<u>\$ 65,685,924</u>	<u>\$ 181,229</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	8,500,000	-	280
Other	-	-	-
<b>Total Liabilities</b>	<u>8,500,000</u>	<u>-</u>	<u>280</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	-	65,685,924	180,949
Committed	-	-	-
Unassigned	(8,127,371)	-	-
<b>Total Fund Balances</b>	<u>(8,127,371)</u>	<u>65,685,924</u>	<u>180,949</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 372,629</u>	<u>\$ 65,685,924</u>	<u>\$ 181,229</u>

<u>Hazardous Discharge Fund of 1986</u>	<u>Higher Education Facility Renovation and Rehabilitation Fund</u>	<u>1992 Historic Preservation Fund</u>	<u>1995 Historic Preservation Fund</u>
\$ 1,089,335	\$ 16,354	\$ 192,209	\$ 29,783
18,901,528	121,247	145,728	91,904
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 19,990,863</u>	<u>\$ 137,601</u>	<u>\$ 337,937</u>	<u>\$ 121,687</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	274,805	62,233
-	-	-	-
<u>-</u>	<u>-</u>	<u>274,805</u>	<u>62,233</u>
-	-	-	-
19,990,863	137,601	63,132	59,454
-	-	-	-
-	-	-	-
<u>19,990,863</u>	<u>137,601</u>	<u>63,132</u>	<u>59,454</u>
<u>\$ 19,990,863</u>	<u>\$ 137,601</u>	<u>\$ 337,937</u>	<u>\$ 121,687</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>2007 Historic Preservation fund</u>	<u>2009 Historic Preservation Fund</u>	<u>Historic Preservation Revolving Loan Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 48,873	\$ -	\$ 471,320
Investments	680,615	210,033	4,059,674
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	34,072
Other	-	-	-
<b>Due from other funds</b>	-	-	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 729,488</u>	<u>\$ 210,033</u>	<u>\$ 4,565,066</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ 319,842	\$ -
Deferred revenue	-	-	-
Due to other funds	-	1,350,000	-
Other	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>1,669,842</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	729,488	-	4,565,066
Committed	-	-	-
Unassigned	-	(1,459,809)	-
<b>Total Fund Balances</b>	<u>729,488</u>	<u>(1,459,809)</u>	<u>4,565,066</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 729,488</u>	<u>\$ 210,033</u>	<u>\$ 4,565,066</u>

<u>Housing Assistance Fund</u>	<u>Jobs, Education and Competitiveness Fund</u>	<u>Judiciary Superior Court - Miscellaneous Fund</u>	<u>1996 Lake Restoration Fund</u>	<u>Long Term Obligation and Capital Expenditure Fund</u>
\$ 638,856	\$ 138,037	\$ 297,822	\$ 432,236	\$ -
4,115,726	472,105	646,179	541,894	-
-	-	-	-	-
-	-	-	-	-
1,284,776	-	-	650,191	-
1,051	-	-	1,337	-
-	-	-	-	5,244,970
-	-	-	-	-
<u>\$ 6,040,409</u>	<u>\$ 610,142</u>	<u>\$ 944,001</u>	<u>\$ 1,625,658</u>	<u>\$ 5,244,970</u>
\$ -	\$ -	\$ 940,584	\$ -	\$ 2,773
-	-	-	-	-
7,425	472,835	3,417	-	-
-	-	-	-	-
<u>7,425</u>	<u>472,835</u>	<u>944,001</u>	<u>-</u>	<u>2,773</u>
-	-	-	-	-
6,032,984	137,307	-	1,625,658	-
-	-	-	-	5,242,197
-	-	-	-	-
<u>6,032,984</u>	<u>137,307</u>	<u>-</u>	<u>1,625,658</u>	<u>5,242,197</u>
<u>\$ 6,040,409</u>	<u>\$ 610,142</u>	<u>\$ 944,001</u>	<u>\$ 1,625,658</u>	<u>\$ 5,244,970</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>Mortgage Assistance Fund</u>	<u>Natural Resources Fund</u>	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 67,624	\$ 4,705	\$ 541,202
Investments	2,302,238	1,386,373	1,894,728
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	13,809,839	-	592,362
Other	887,339	-	3,728
<b>Due from other funds</b>	-	-	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 17,067,040</u>	<u>\$ 1,391,078</u>	<u>\$ 3,032,020</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	891,163	2,214	-
Other	-	-	-
<b>Total Liabilities</b>	<u>891,163</u>	<u>2,214</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	16,175,877	1,388,864	3,032,020
Committed	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>16,175,877</u>	<u>1,388,864</u>	<u>3,032,020</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,067,040</u>	<u>\$ 1,391,078</u>	<u>\$ 3,032,020</u>

<u>New Jersey Cultural Trust Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation 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>
\$ 1,187,906	\$ 362	\$ 113	\$ 467,706	\$ 10,964
20,038,181	699,016	1,848,452	167	938,454
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,419	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 21,261,506</u>	<u>\$ 699,378</u>	<u>\$ 1,848,565</u>	<u>\$ 467,873</u>	<u>\$ 949,418</u>
\$ 79,767	\$ -	\$ -	\$ -	\$ 89
-	-	-	-	-
-	-	-	-	841,138
-	-	-	-	-
<u>79,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>841,227</u>
20,000,000	-	-	-	-
-	-	1,848,565	467,873	108,191
1,181,739	699,378	-	-	-
-	-	-	-	-
<u>21,181,739</u>	<u>699,378</u>	<u>1,848,565</u>	<u>467,873</u>	<u>108,191</u>
<u>\$ 21,261,506</u>	<u>\$ 699,378</u>	<u>\$ 1,848,565</u>	<u>\$ 467,873</u>	<u>\$ 949,418</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<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>			
Cash and cash equivalents	\$ 2,327,079	\$ 2,106,122	\$ 1,750,932
Investments	36,164,125	12,316,357	7,141,507
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	22,998,221	19,914,231	33,328,015
Other	142,019	102,785	199,351
<b>Due from other funds</b>	-	-	17,334
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 61,631,444</u>	<u>\$ 34,439,495</u>	<u>\$ 42,437,139</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 60,229	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	-	17,334	-
Other	-	-	-
<b>Total Liabilities</b>	<u>60,229</u>	<u>17,334</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	61,571,215	34,422,161	42,437,139
Committed	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>61,571,215</u>	<u>34,422,161</u>	<u>42,437,139</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 61,631,444</u>	<u>\$ 34,439,495</u>	<u>\$ 42,437,139</u>

<b>1995 New Jersey Inland Blue Acres Fund</b>	<b>New Jersey Local Development Financing Fund</b>	<b>Pinelands Infrastructure Trust Fund</b>	<b>Resource Recovery and Solid Waste Disposal Facility Fund</b>	<b>Shore Protection Fund</b>
\$ 1,147	\$ -	\$ 125,115	\$ 33,533	\$ 253,157
2,992	29,439,559	10,383,037	461,010	8,061,893
-	-	-	-	-
-	-	-	-	-
-	21,386,752	903,285	-	246,843
-	42,325	10,828	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,139</u>	<u>\$ 50,868,636</u>	<u>\$ 11,422,265</u>	<u>\$ 494,543</u>	<u>\$ 8,561,893</u>
\$ -	\$ 37,560	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	12,984
-	-	-	-	-
<u>-</u>	<u>37,560</u>	<u>-</u>	<u>-</u>	<u>12,984</u>
-	-	-	-	-
4,139	50,831,076	11,422,265	494,543	8,548,909
-	-	-	-	-
-	-	-	-	-
<u>4,139</u>	<u>50,831,076</u>	<u>11,422,265</u>	<u>494,543</u>	<u>8,548,909</u>
<u>\$ 4,139</u>	<u>\$ 50,868,636</u>	<u>\$ 11,422,265</u>	<u>\$ 494,543</u>	<u>\$ 8,561,893</u>

(Continued on next page)



**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>State Land Acquisition and Development Fund</u>	<u>State of New Jersey Tischler Memorial Fund</u>	<u>Stormwater Management and Combined Sewer Overflow Abatement Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 124,161	\$ -	\$ 65,955
Investments	240,512	806,448	2,651,888
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
<b>Total Assets</b>	<u>\$ 364,673</u>	<u>\$ 806,448</u>	<u>\$ 2,717,843</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	567	-	-
Other	-	-	-
<b>Total Liabilities</b>	<u>567</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	416,073	-
Restricted	364,106	-	2,717,843
Committed	-	390,375	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<u>364,106</u>	<u>806,448</u>	<u>2,717,843</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 364,673</u>	<u>\$ 806,448</u>	<u>\$ 2,717,843</u>

<b>Unclaimed Personal Property Trust Fund</b>	<b>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</b>	<b>1992 Wastewater Treatment Fund</b>	<b>Water Conservation Fund</b>	<b>2003 Water Resources and Wastewater Treatment Fund</b>
\$ -	\$ 599,540	\$ 2,010,654	\$ 87,938	\$ 118,235
159,324,538	12,900,444	20,145,660	704,726	12,943,756
-	-	-	-	-
-	-	-	-	-
-	8,516,703	20,958,350	-	25,995,616
-	-	-	-	-
306,586	-	-	-	-
-	-	-	-	-
<u>\$ 159,631,124</u>	<u>\$ 22,016,687</u>	<u>\$ 43,114,664</u>	<u>\$ 792,664</u>	<u>\$ 39,057,607</u>
\$ 124,762,610	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,995,252	-	-	1,091	-
-	-	-	-	-
<u>127,757,862</u>	<u>-</u>	<u>-</u>	<u>1,091</u>	<u>-</u>
-	-	-	-	-
-	22,016,687	43,114,664	791,573	39,057,607
31,873,262	-	-	-	-
-	-	-	-	-
<u>31,873,262</u>	<u>22,016,687</u>	<u>43,114,664</u>	<u>791,573</u>	<u>39,057,607</u>
<u>\$ 159,631,124</u>	<u>\$ 22,016,687</u>	<u>\$ 43,114,664</u>	<u>\$ 792,664</u>	<u>\$ 39,057,607</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
GENERAL FUND (Continued)  
JUNE 30, 2012**

	<u>Water Supply Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 372,530	\$ -	\$ 55,245,368
<b>Investments</b>	75,622,769	-	1,204,543,259
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	458,583,519
Departmental accounts	-	-	1,985,912,853
Loans	101,160,659	-	380,033,966
Other	17,799	-	174,704,971
<b>Due from other funds</b>	-	(32,324,336)	841,097,664
<b>Other</b>	-	-	4,986,001
<b>Total Assets</b>	<u>\$ 177,173,757</u>	<u>\$ (32,324,336)</u>	<u>\$ 5,105,107,601</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ 1,500,549,489
Deferred revenue	-	-	269,582,724
Due to other funds	4,106,580	(32,324,336)	233,759,535
Other	-	-	200,483,708
Total Liabilities	<u>4,106,580</u>	<u>(32,324,336)</u>	<u>2,204,375,456</u>
<b>Fund Balances</b>			
Nonspendable	-	-	20,416,073
Restricted	173,067,177	-	884,257,776
Committed	-	-	1,570,702,994
Unassigned	-	-	425,355,302
Total Fund Balances	<u>173,067,177</u>	<u>-</u>	<u>2,900,732,145</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 177,173,757</u>	<u>\$ (32,324,336)</u>	<u>\$ 5,105,107,601</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Beaches and Harbor Fund</u>	<u>2007 Blue Acres Fund</u>
<b>REVENUES</b>			
Taxes	\$ 13,322,342,618	\$ -	\$ -
Federal and other grants	11,426,543,840	-	-
Licenses and fees	1,167,970,915	-	-
Services and assessments	1,617,823,551	-	-
Investment earnings	1,352,304	1,280	7,236
Contributions	1,140	-	-
Other	<u>2,577,759,286</u>	-	-
<b>Total Revenues</b>	<u>30,113,793,654</u>	<u>1,280</u>	<u>7,236</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	3,249,627,443	-	-
Physical and mental health	11,394,035,518	-	-
Educational, cultural, and intellectual development	4,457,738,611	-	-
Community development and environmental management	1,221,350,885	440,000	6,222,819
Economic planning, development, and security	5,544,842,231	-	-
Transportation programs	516,302,027	-	-
Government direction, management, and control	5,413,481,651	-	247,149
Special government services	340,382,154	-	-
<b>Capital Outlay</b>	122,514,647	-	-
<b>Debt Service:</b>			
Principal	182,230,000	-	-
Interest	<u>95,132,261</u>	-	-
<b>Total Expenditures</b>	<u>32,537,637,428</u>	<u>440,000</u>	<u>6,469,968</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,423,843,774)</u>	<u>(438,720)</u>	<u>(6,462,732)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	2,743,407,458	-	-
Transfers to other funds	(1,113,701,289)	(1,280)	-
Other sources	1,841,499,189	-	-
Other uses	<u>(1,718,877,171)</u>	-	-
<b>Total other financing sources (uses)</b>	<u>1,752,328,187</u>	<u>(1,280)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(671,515,587)</u>	<u>(440,000)</u>	<u>(6,462,732)</u>
<b>Fund Balances - July 1, 2011</b>	<u>2,732,010,094</u>	<u>1,352,353</u>	<u>8,063,472</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 2,060,494,507</u>	<u>\$ 912,353</u>	<u>\$ 1,600,740</u>

<u>Clean Waters Fund</u>	<u>Cultural Centers and Historic Preservation Fund</u>	<u>2003 Dam, Lake, and Stream Project Revolving Loan Fund</u>	<u>2003 Dam, Lake, Stream and Flood Control Project Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
43	112	57,688	22,770
-	-	-	-
-	-	797,949	-
<u>43</u>	<u>112</u>	<u>855,637</u>	<u>22,770</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	255,000	2,272,538
-	10,000	-	-
-	-	-	-
80,308	-	20,601	195,700
-	-	-	-
-	-	-	-
-	-	-	-
<u>80,308</u>	<u>10,000</u>	<u>275,601</u>	<u>2,468,238</u>
<u>(80,265)</u>	<u>(9,888)</u>	<u>580,036</u>	<u>(2,445,468)</u>
-	-	-	-
(43)	(112)	-	(22,770)
-	-	-	-
-	-	-	-
<u>(43)</u>	<u>(112)</u>	<u>-</u>	<u>(22,770)</u>
<u>(80,308)</u>	<u>(10,000)</u>	<u>580,036</u>	<u>(2,468,238)</u>
153,215	11,134	81,282,431	16,437,719
<u>\$ 72,907</u>	<u>\$ 1,134</u>	<u>\$ 81,862,467</u>	<u>\$ 13,969,481</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>	<u>1989 Development Potential Bank Transfer Fund</u>	<u>Developmental Disabilities Waiting List Reduction Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	13,762	8,354	6,041
Contributions	-	-	-
Other	112,691	-	-
<b>Total Revenues</b>	<u>126,453</u>	<u>8,354</u>	<u>6,041</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	1,091,846
Community development and environmental management	-	5,150,500	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	388,085	448,494	-
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>388,085</u>	<u>5,598,994</u>	<u>1,091,846</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(261,632)</u>	<u>(5,590,640)</u>	<u>(1,085,805)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	(29,258)	(6,041)
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(29,258)</u>	<u>(6,041)</u>
<b>Net Change in Fund Balance</b>	<u>(261,632)</u>	<u>(5,619,898)</u>	<u>(1,091,846)</u>
<b>Fund Balances - July 1, 2011</b>	<u>17,919,363</u>	<u>7,659,390</u>	<u>4,561,301</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 17,657,731</u>	<u>\$ 2,039,492</u>	<u>\$ 3,469,455</u>

<u>Dredging and Containment Facility Fund</u>	<u>1996 Economic Development Site Fund</u>	<u>Emergency Flood Control Fund</u>	<u>Emergency Services Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
1,636	12	350	6,408
-	-	-	-
-	-	-	-
<u>1,636</u>	<u>12</u>	<u>350</u>	<u>6,408</u>
-	-	-	3,499,675
-	-	-	-
-	-	-	-
215,000	-	-	4,410
-	-	-	-
90,381	-	-	-
51,350	1,250,000	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>356,731</u>	<u>1,250,000</u>	<u>-</u>	<u>3,504,085</u>
<u>(355,095)</u>	<u>(1,249,988)</u>	<u>350</u>	<u>(3,497,677)</u>
-	-	-	-
(711,000)	-	(350)	-
-	-	-	-
-	-	-	-
<u>(711,000)</u>	<u>-</u>	<u>(350)</u>	<u>-</u>
<u>(1,066,095)</u>	<u>(1,249,988)</u>	<u>-</u>	<u>(3,497,677)</u>
1,285,054	1,737,281	353,244	5,715,275
<u>\$ 218,959</u>	<u>\$ 487,293</u>	<u>\$ 353,244</u>	<u>\$ 2,217,598</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>1996 Environmental Cleanup Fund</u>	<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	2,577	59	700
Contributions	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>2,577</u>	<u>59</u>	<u>700</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	164,175	-	9,600
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	22,699	451,778
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>164,175</u>	<u>22,699</u>	<u>461,378</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(161,598)</u>	<u>(22,640)</u>	<u>(460,678)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(161,598)</u>	<u>(22,640)</u>	<u>(460,678)</u>
<b>Fund Balances - July 1, 2011</b>	<u>1,621,228</u>	<u>64,573</u>	<u>509,450</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 1,459,630</u>	<u>\$ 41,933</u>	<u>\$ 48,772</u>

<u>1995 Farmland Preservation Fund</u>	<u>2007 Farmland Preservation Fund</u>	<u>2009 Farmland Preservation Fund</u>	<u>2007 Green Acres Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
4,160	53,325	260	60,612
-	-	-	-
-	-	-	1,137
<u>4,160</u>	<u>53,325</u>	<u>260</u>	<u>61,749</u>
-	-	-	-
-	-	-	-
-	-	-	-
322,838	9,516,414	6,429,453	19,893,597
-	-	-	-
-	-	-	-
1,500,797	1,503,489	-	1,112,170
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,823,635</u>	<u>11,019,903</u>	<u>6,429,453</u>	<u>21,005,767</u>
<u>(1,819,475)</u>	<u>(10,966,578)</u>	<u>(6,429,193)</u>	<u>(20,944,018)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>(1,819,475)</u>	<u>(10,966,578)</u>	<u>(6,429,193)</u>	<u>(20,944,018)</u>
3,028,682	38,895,217	-	48,753,050
<u>\$ 1,209,207</u>	<u>\$ 27,928,639</u>	<u>\$ (6,429,193)</u>	<u>\$ 27,809,032</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>2009 Green Acres Fund</u>	<u>Green Trust Fund</u>	<u>Hazardous Discharge Fund of 1981</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	161	53,802	280
Contributions	-	-	-
Other	-	744,717	-
<b>Total Revenues</b>	<u>161</u>	<u>798,519</u>	<u>280</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	8,127,532	7,759,541	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	1,181,082	-
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>8,127,532</u>	<u>8,940,623</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(8,127,371)</u>	<u>(8,142,104)</u>	<u>280</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	(280)
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(280)</u>
<b>Net Change in Fund Balance</b>	<u>(8,127,371)</u>	<u>(8,142,104)</u>	<u>-</u>
<b>Fund Balances - July 1, 2011</b>	<u>-</u>	<u>73,828,028</u>	<u>180,949</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ (8,127,371)</u>	<u>\$ 65,685,924</u>	<u>\$ 180,949</u>

<u>Hazardous Discharge Fund of 1986</u>	<u>Higher Education Facility Renovation and Rehabilitation Fund</u>	<u>1992 Historic Preservation Fund</u>	<u>1995 Historic Preservation Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
29,230	188	226	143
-	-	-	-
-	-	-	-
<u>29,230</u>	<u>188</u>	<u>226</u>	<u>143</u>
-	-	-	-
-	-	-	-
-	-	-	-
226,555	-	-	-
-	-	21,342	-
-	-	-	-
-	-	-	64,293
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>226,555</u>	<u>-</u>	<u>21,342</u>	<u>64,293</u>
<u>(197,325)</u>	<u>188</u>	<u>(21,116)</u>	<u>(64,150)</u>
166,083	-	-	-
-	-	(274,805)	-
-	-	-	-
-	-	-	-
<u>166,083</u>	<u>-</u>	<u>(274,805)</u>	<u>-</u>
<u>(31,242)</u>	<u>188</u>	<u>(295,921)</u>	<u>(64,150)</u>
20,022,105	137,413	359,053	123,604
<u>\$ 19,990,863</u>	<u>\$ 137,601</u>	<u>\$ 63,132</u>	<u>\$ 59,454</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>2007 Historic Preservation Fund</u>	<u>2009 Historic Preservation Fund</u>	<u>Historic Preservation Revolving Loan Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	1,205	33	6,288
Contributions	-	-	-
Other	-	-	1,624
<b>Total Revenues</b>	<u>1,205</u>	<u>33</u>	<u>7,912</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	239,527	1,459,842	-
Transportation programs	-	-	-
Government direction, management, and control	41,191	-	50,582
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>280,718</u>	<u>1,459,842</u>	<u>50,582</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(279,513)</u>	<u>(1,459,809)</u>	<u>(42,670)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(279,513)</u>	<u>(1,459,809)</u>	<u>(42,670)</u>
<b>Fund Balances - July 1, 2011</b>	<u>1,009,001</u>	<u>-</u>	<u>4,607,736</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 729,488</u>	<u>\$ (1,459,809)</u>	<u>\$ 4,565,066</u>

<u>Housing Assistance Fund</u>	<u>Jobs, Education and Competitiveness Fund</u>	<u>1996 Lake Restoration Fund</u>	<u>Long Term Obligation and Capital Expenditure Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
6,374	731	942	-
-	-	-	-
1,051	-	13,907	-
<u>7,425</u>	<u>731</u>	<u>14,849</u>	<u>-</u>
-	-	-	73,441
-	-	-	-
-	-	-	614,888
-	-	-	-
-	-	-	-
-	-	-	-
-	472,104	511,242	93,902
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	472,104	511,242	782,231
<u>7,425</u>	<u>(471,373)</u>	<u>(496,393)</u>	<u>(782,231)</u>
-	-	-	-
(7,425)	(731)	-	-
-	-	-	-
-	-	-	-
<u>(7,425)</u>	<u>(731)</u>	<u>-</u>	<u>-</u>
-	(472,104)	(496,393)	(782,231)
6,032,984	609,411	2,122,051	6,024,428
<u>\$ 6,032,984</u>	<u>\$ 137,307</u>	<u>\$ 1,625,658</u>	<u>\$ 5,242,197</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Mortgage Assistance Fund</u>	<u>Natural Resources Fund</u>	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	3,824	2,214	3,004
Contributions	-	-	-
Other	1,698,339	-	12,399
<b>Total Revenues</b>	<u>1,702,163</u>	<u>2,214</u>	<u>15,403</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	-	33,586	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	177,841	359,707
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>211,427</u>	<u>359,707</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,702,163</u>	<u>(209,213)</u>	<u>(344,304)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	(891,163)	(2,214)	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(891,163)</u>	<u>(2,214)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	811,000	(211,427)	(344,304)
<b>Fund Balances - July 1, 2011</b>	15,364,877	1,600,291	3,376,324
<b>Fund Balances - June 30, 2012</b>	<u>\$ 16,175,877</u>	<u>\$ 1,388,864</u>	<u>\$ 3,032,020</u>

<u>New Jersey Cultural Trust Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation 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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
269,674	1,081	3,191	168	2,695
-	-	-	-	-
-	-	-	-	-
<u>269,674</u>	<u>1,081</u>	<u>3,191</u>	<u>168</u>	<u>2,695</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	9,333	-	249,765
-	-	-	-	-
-	-	-	-	-
608,937	-	1,629,831	820,642	3,882,797
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>608,937</u>	<u>-</u>	<u>1,639,164</u>	<u>820,642</u>	<u>4,132,562</u>
<u>(339,263)</u>	<u>1,081</u>	<u>(1,635,973)</u>	<u>(820,474)</u>	<u>(4,129,867)</u>
500,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
160,737	1,081	(1,635,973)	(820,474)	(4,129,867)
21,021,002	698,297	3,484,538	1,288,347	4,238,058
<u>\$ 21,181,739</u>	<u>\$ 699,378</u>	<u>\$ 1,848,565</u>	<u>\$ 467,873</u>	<u>\$ 108,191</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	54,654	22,477	16,216
Contributions	-	-	-
Other	510,717	405,397	782,388
<b>Total Revenues</b>	<u>565,371</u>	<u>427,874</u>	<u>798,604</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	3,443,379	3,565,412	2,224,322
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	3,008,537	3,951,732	7,548,391
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>6,451,916</u>	<u>7,517,144</u>	<u>9,772,713</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,886,545)</u>	<u>(7,089,270)</u>	<u>(8,974,109)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(5,886,545)</u>	<u>(7,089,270)</u>	<u>(8,974,109)</u>
<b>Fund Balances - July 1, 2011</b>	<u>67,457,760</u>	<u>41,511,431</u>	<u>51,411,248</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 61,571,215</u>	<u>\$ 34,422,161</u>	<u>\$ 42,437,139</u>

<b>1995 New Jersey Inland Blue Acres Fund</b>	<b>New Jersey Local Development Financing Fund</b>	<b>Pinelands Infrastructure Trust Fund</b>	<b>Resource Recovery and Solid Waste Disposal Facility Fund</b>	<b>Shore Protection Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	52,267	-	-	-
-	-	-	-	-
5	12,061	15,575	748	12,984
-	-	-	-	-
-	668,341	35,869	-	-
<u>5</u>	<u>732,669</u>	<u>51,444</u>	<u>748</u>	<u>12,984</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	673,771	-	-	-
-	-	-	-	-
-	-	826,466	173,299	1,893,875
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>673,771</u>	<u>826,466</u>	<u>173,299</u>	<u>1,893,875</u>
<u>5</u>	<u>58,898</u>	<u>(775,022)</u>	<u>(172,551)</u>	<u>(1,880,891)</u>
-	-	-	-	-
-	-	-	-	(12,984)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,984)</u>
<u>5</u>	<u>58,898</u>	<u>(775,022)</u>	<u>(172,551)</u>	<u>(1,893,875)</u>
4,134	50,772,178	12,197,287	667,094	10,442,784
<u>\$ 4,139</u>	<u>\$ 50,831,076</u>	<u>\$ 11,422,265</u>	<u>\$ 494,543</u>	<u>\$ 8,548,909</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>State Land Acquisition and Development Fund</u>	<u>State of New Jersey Tischler Memorial Fund</u>	<u>Stormwater Management and Combined Sewer Overflow Abatement Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	567	1,233	4,107
Contributions	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>567</u>	<u>1,233</u>	<u>4,107</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	237,116	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	62,050
Special government services	-	-	-
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>237,116</u>	<u>-</u>	<u>62,050</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(236,549)</u>	<u>1,233</u>	<u>(57,943)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	(567)	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(567)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(237,116)</u>	<u>1,233</u>	<u>(57,943)</u>
<b>Fund Balances - July 1, 2011</b>	<u>601,222</u>	<u>805,215</u>	<u>2,775,786</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 364,106</u>	<u>\$ 806,448</u>	<u>\$ 2,717,843</u>

<u>Unclaimed Personal Property Trust fund</u>	<u>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</u>	<u>1992 Wastewater Treatment Fund</u>	<u>Water Conservation Fund</u>	<u>2003 Water Resources and Wastewater Treatment Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,418,444	18,239	32,613	1,091	33,900
-	-	-	-	-
191,394,536	19,488	-	-	-
<u>200,812,980</u>	<u>37,727</u>	<u>32,613</u>	<u>1,091</u>	<u>33,900</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,091,118	-	224,350	-	247,199
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,091,118	-	224,350	-	247,199
<u>196,721,862</u>	<u>37,727</u>	<u>(191,737)</u>	<u>1,091</u>	<u>(213,299)</u>
-	-	-	-	-
(264,017,612)	-	-	(1,091)	-
-	-	-	-	-
-	-	-	-	-
(264,017,612)	-	-	(1,091)	-
<u>(67,295,750)</u>	<u>37,727</u>	<u>(191,737)</u>	<u>-</u>	<u>(213,299)</u>
99,169,012	21,978,960	43,306,401	791,573	39,270,906
<u>\$ 31,873,262</u>	<u>\$ 22,016,687</u>	<u>\$ 43,114,664</u>	<u>\$ 791,573</u>	<u>\$ 39,057,607</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Water Supply Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 13,322,342,618
Federal and other grants	-	-	11,426,543,840
Licenses and fees	-	-	1,168,023,182
Services and assessments	-	-	1,617,823,551
Investment earnings	119,635	-	11,749,692
Contributions	-	-	1,140
Other	175,524	-	2,775,135,360
<b>Total Revenues</b>	<u>295,159</u>	<u>-</u>	<u>30,321,619,383</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	-	3,253,200,559
Physical and mental health	-	-	11,394,035,518
Educational, cultural, and intellectual development	-	-	4,459,445,345
Community development and environmental management	3,464,759	-	1,301,588,529
Economic planning, development, and security	-	-	5,547,246,713
Transportation programs	-	-	516,392,408
Government direction, management, and control	417,250	-	5,453,092,689
Special government services	-	-	340,382,154
<b>Capital Outlay</b>	-	-	122,514,647
<b>Debt Service:</b>			
Principal	-	-	182,230,000
Interest	-	-	95,132,261
<b>Total Expenditures</b>	<u>3,882,009</u>	<u>-</u>	<u>32,665,260,823</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,586,850)</u>	<u>-</u>	<u>(2,343,641,440)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	(270,752,388)	2,473,321,153
Transfers to other funds	(4,106,579)	270,752,388	(1,113,035,206)
Other sources	-	-	1,841,499,189
Other uses	-	-	(1,718,877,171)
<b>Total other financing sources (uses)</b>	<u>(4,106,579)</u>	<u>-</u>	<u>1,482,907,965</u>
<b>Net Change in Fund Balance</b>	<u>(7,693,429)</u>	<u>-</u>	<u>(860,733,475)</u>
<b>Fund Balances - July 1, 2011</b>	<u>180,760,606</u>	<u>-</u>	<u>3,761,465,620</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 173,067,177</u>	<u>\$ -</u>	<u>\$ 2,900,732,145</u>

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**STATE OF NEW JERSEY  
BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
JUNE 30, 2012**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 63,192,388	\$ 2,438,027	\$ 65,630,415
<b>Investments</b>	2,704,989,113	29,056,016	2,734,045,129
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	537,926	99,645,602	100,183,528
Departmental accounts	431,012,903	34,901,418	465,914,321
Loans	1,290,284,203	5,000,000	1,295,284,203
Other	190,304,472	32,719,248	223,023,720
<b>Due from other funds</b>	257,599,368	106,984,448	364,583,816
<b>Other</b>	6,198,444	-	6,198,444
<b>Total Assets</b>	<u>\$ 4,944,118,817</u>	<u>\$ 310,744,759</u>	<u>\$ 5,254,863,576</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 447,844,371	\$ 128,700,772	\$ 576,545,143
Deferred revenue	122,396,257	-	122,396,257
Due to other funds	428,011,664	134,668,304	562,679,968
Other	46,048,774	-	46,048,774
<b>Total Liabilities</b>	<u>1,044,301,066</u>	<u>263,369,076</u>	<u>1,307,670,142</u>
<b>Fund Balances</b>			
Restricted	3,478,942,716	15,653,190	3,494,595,906
Committed	420,875,035	31,722,493	452,597,528
<b>Total Fund Balances</b>	<u>3,899,817,751</u>	<u>47,375,683</u>	<u>3,947,193,434</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,944,118,817</u>	<u>\$ 310,744,759</u>	<u>\$ 5,254,863,576</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, 2012**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 1,563,804,021	\$ -	\$ 1,563,804,021
Federal and other grants	159,778,386	739,265,396	899,043,782
Licenses and fees	106,240,408	-	106,240,408
Services and assessments	1,242,523,086	436,811	1,242,959,897
Investment earnings	8,675,287	64,872	8,740,159
Contributions	79,135	-	79,135
Other	521,701,044	11,159,182	532,860,226
<b>Total Revenues</b>	<u>3,602,801,367</u>	<u>750,926,261</u>	<u>4,353,727,628</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	93,298,296	14,241,664	107,539,960
Physical and mental health	283,139,982	-	283,139,982
Educational, cultural, and intellectual development	219,293,973	7,096	219,301,069
Community development and environmental management	137,445,697	-	137,445,697
Economic planning, development, and security	1,340,581,807	56,632	1,340,638,439
Transportation programs	28,325,202	1,921,512,594	1,949,837,796
Government direction, management, and control	216,704,008	5,130,006	221,834,014
Special government services	169,518	-	169,518
<b>Debt Service:</b>			
Principal	398,244,311	-	398,244,311
Interest	825,519,418	-	825,519,418
<b>Total Expenditures</b>	<u>3,542,722,212</u>	<u>1,940,947,992</u>	<u>5,483,670,204</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>60,079,155</u>	<u>(1,190,021,731)</u>	<u>(1,129,942,576)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	1,315,000,000	-	1,315,000,000
Transfers from other funds	1,141,973,637	1,169,498,617	2,311,472,254
Transfers to other funds	(2,721,634,077)	(33,008)	(2,721,667,085)
Other sources	447,649,309	-	447,649,309
Other uses	(395,657,456)	-	(395,657,456)
<b>Total other financing sources (uses)</b>	<u>(212,668,587)</u>	<u>1,169,465,609</u>	<u>956,797,022</u>
<b>Net Change in Fund Balance</b>	<u>(152,589,432)</u>	<u>(20,556,122)</u>	<u>(173,145,554)</u>
<b>Fund Balances - July 1, 2011</b>	<u>4,052,407,183</u>	<u>67,931,805</u>	<u>4,120,338,988</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 3,899,817,751</u>	<u>\$ 47,375,683</u>	<u>\$ 3,947,193,434</u>



**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012**

	<u>Alcohol Education, Rehabilitation and Enforcement Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Projects-Room Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 154,064	\$ 42,864	\$ 353,382
<b>Investments</b>	6,782,350	59,978	4,331,452
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	2,704,317	858,301
Loans	-	-	-
Other	-	-	-
<b>Due from other funds</b>	1,833,333	-	1,049,568
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 8,769,747</u>	<u>\$ 2,807,159</u>	<u>\$ 6,592,703</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 939,111	\$ 2,356,439	\$ 6,592,703
Deferred revenue	-	-	-
Due to other funds	2,040,388	450,720	-
Other	-	-	-
<b>Total Liabilities</b>	<u>2,979,499</u>	<u>2,807,159</u>	<u>6,592,703</u>
<b>Fund Balances</b>			
Restricted	-	-	-
Committed	5,790,248	-	-
<b>Total Fund Balances</b>	<u>5,790,248</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,769,747</u>	<u>\$ 2,807,159</u>	<u>\$ 6,592,703</u>

<u>Atlantic City Tourism Promotion Fund</u>	<u>Board of Bar Examiners</u>	<u>Boarding House Rental Assistance Fund</u>	<u>Body Armor Replacement Fund</u>
\$ 2,911,162	\$ 11,280	\$ 749,548	\$ 1,612,015
847,347	6,664,218	168,456	4,530,485
-	-	-	-
1,988,869	-	-	-
-	-	349,605	-
-	-	2,947	-
-	-	-	10,535
-	-	-	-
<u>\$ 5,747,378</u>	<u>\$ 6,675,498</u>	<u>\$ 1,270,556</u>	<u>\$ 6,153,035</u>
\$ 4,697,810	\$ 1,675,315	\$ -	\$ -
-	-	-	-
1,049,568	-	-	-
-	-	-	-
<u>5,747,378</u>	<u>1,675,315</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	5,000,183	1,270,556	6,153,035
-	5,000,183	1,270,556	6,153,035
<u>\$ 5,747,378</u>	<u>\$ 6,675,498</u>	<u>\$ 1,270,556</u>	<u>\$ 6,153,035</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)  
JUNE 30, 2012**

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 50,350	\$ -	\$ 291,369
<b>Investments</b>	-	-	18,252
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	8,866,439	44,824,396	28,286
Loans	-	-	-
Other	-	-	-
<b>Due from other funds</b>	2,049,222	1,241,324	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 10,966,011</u>	<u>\$ 46,065,720</u>	<u>\$ 337,907</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 4,062,144	\$ 13,392,439	\$ -
Deferred revenue	3,287,568	27,000	-
Due to other funds	-	-	337,907
Other	-	-	-
<b>Total Liabilities</b>	<u>7,349,712</u>	<u>13,419,439</u>	<u>337,907</u>
<b>Fund Balances</b>			
Restricted	-	-	-
Committed	<u>3,616,299</u>	<u>32,646,281</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>3,616,299</u>	<u>32,646,281</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,966,011</u>	<u>\$ 46,065,720</u>	<u>\$ 337,907</u>

<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>	<u>Clean Energy Fund</u>
\$ 405,582	\$ 1,101,640	\$ 878,008	\$ 6,560,293
2,101,034	551,096	3,012,944	140,661,221
-	-	-	-
216,974	7,673,304	500,178	27,426,581
-	-	-	-
-	-	-	24,027,336
-	443,555	-	-
-	-	-	-
<u>\$ 2,723,590</u>	<u>\$ 9,769,595</u>	<u>\$ 4,391,130</u>	<u>\$ 198,675,431</u>
\$ -	\$ 16,468	\$ 12,000	\$ 56,026,395
-	-	-	-
-	7,677,647	-	30,096,555
-	-	-	-
<u>-</u>	<u>7,694,115</u>	<u>12,000</u>	<u>86,122,950</u>
-	2,075,480	-	-
<u>2,723,590</u>	<u>-</u>	<u>4,379,130</u>	<u>112,552,481</u>
<u>2,723,590</u>	<u>2,075,480</u>	<u>4,379,130</u>	<u>112,552,481</u>
<u>\$ 2,723,590</u>	<u>\$ 9,769,595</u>	<u>\$ 4,391,130</u>	<u>\$ 198,675,431</u>

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>Clean Water State Revolving Fund</u>	<u>Disciplinary Oversight Committee</u>	<u>Division of Motor Vehicles Surcharge Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 6,354,547	\$ 313,693	\$ 1,803,058
<b>Investments</b>	-	7,076,831	9,721
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	3,899,840
Loans	73,040,398	-	-
Other	-	-	-
<b>Due from other funds</b>	3,581,688	-	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 82,976,633</u>	<u>\$ 7,390,524</u>	<u>\$ 5,712,619</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ 3,007,046	\$ 5,712,619
Deferred revenue	3,581,689	-	-
Due to other funds	-	-	-
Other	-	-	-
<b>Total Liabilities</b>	<u>3,581,689</u>	<u>3,007,046</u>	<u>5,712,619</u>
<b>Fund Balances</b>			
Restricted	79,394,944	-	-
Committed	-	4,383,478	-
<b>Total Fund Balances</b>	<u>79,394,944</u>	<u>4,383,478</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 82,976,633</u>	<u>\$ 7,390,524</u>	<u>\$ 5,712,619</u>

<u>Drinking Water State Revolving Fund</u>	<u>Emergency Medical Technician Training Fund</u>	<u>Enterprise Zone Assistance Fund</u>	<u>Fund for Support of Free Public Schools</u>
\$ 1,139,019	\$ 754,129	\$ 1,826,478	\$ 124,149
99,036,003	42,886	1,157,290	133,516,910
537,926	-	-	-
-	-	21,483,247	-
236,404,301	-	-	-
-	-	-	257,449
-	-	-	5,677,024
-	-	-	-
<u>\$ 337,117,249</u>	<u>\$ 797,015</u>	<u>\$ 24,467,015</u>	<u>\$ 139,575,532</u>
\$ 166,895	\$ 1,571	\$ -	\$ -
-	-	-	-
537,926	59,672	18,761,264	201,218
-	-	-	-
<u>704,821</u>	<u>61,243</u>	<u>18,761,264</u>	<u>201,218</u>
336,412,428	-	-	139,374,314
-	<u>735,772</u>	<u>5,705,751</u>	-
<u>336,412,428</u>	<u>735,772</u>	<u>5,705,751</u>	<u>139,374,314</u>
<u>\$ 337,117,249</u>	<u>\$ 797,015</u>	<u>\$ 24,467,015</u>	<u>\$ 139,575,532</u>

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>Garden State Farmland Preservation Trust Fund</u>	<u>Garden State Green Acres Preservation Trust Fund</u>	<u>Garden State Historic Preservation Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 841,678	\$ 1,165,034	\$ 557,408
<b>Investments</b>	66,710,350	87,530,950	13,241,788
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	53,217,422	-
Other	-	287,145	-
<b>Due from other funds</b>	-	-	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 67,552,028</u>	<u>\$ 142,200,551</u>	<u>\$ 13,799,196</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 637,969	\$ 532,985	\$ 99,734
Deferred revenue	-	-	-
Due to other funds	946,125	1,165,576	241,049
Other	-	-	-
<b>Total Liabilities</b>	<u>1,584,094</u>	<u>1,698,561</u>	<u>340,783</u>
<b>Fund Balances</b>			
Restricted	65,967,934	140,501,990	13,458,413
Committed	-	-	-
<b>Total Fund Balances</b>	<u>65,967,934</u>	<u>140,501,990</u>	<u>13,458,413</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 67,552,028</u>	<u>\$ 142,200,551</u>	<u>\$ 13,799,196</u>

<u>Global Warming Solutions Fund</u>	<u>Gubernatorial Elections Fund</u>	<u>Hazardous Discharge Site Cleanup Fund</u>	<u>Health Care Subsidy Fund</u>
\$ -	\$ -	\$ 2,878,391	\$ 3,243,131
11,280,191	-	160,245,163	34,314,292
-	-	-	-
-	420,480	3,892,159	31,735,243
-	-	-	-
-	-	8,000,000	-
-	621,926	-	14,682,347
-	-	-	-
<u>\$ 11,280,191</u>	<u>\$ 1,042,406</u>	<u>\$ 175,015,713</u>	<u>\$ 83,975,013</u>
\$ 2,191,267	\$ -	\$ 94,701	\$ -
-	-	-	-
1,830,000	-	15,248,324	83,287,669
-	-	-	-
<u>4,021,267</u>	<u>-</u>	<u>15,343,025</u>	<u>83,287,669</u>
-	-	159,672,688	-
<u>7,258,924</u>	<u>1,042,406</u>	<u>-</u>	<u>687,344</u>
<u>7,258,924</u>	<u>1,042,406</u>	<u>159,672,688</u>	<u>687,344</u>
<u>\$ 11,280,191</u>	<u>\$ 1,042,406</u>	<u>\$ 175,015,713</u>	<u>\$ 83,975,013</u>

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>Horse Racing Injury Compensation Fund</u>	<u>Lead Hazard Control Assistance Fund</u>	<u>Luxury Tax Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 147,847	\$ -	\$ 5,346
<b>Investments</b>	131,467	882,866	230,128
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	7,601,715
Loans	-	10,634,287	-
Other	-	215,840	-
<b>Due from other funds</b>	-	-	-
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 279,314</u>	<u>\$ 11,732,993</u>	<u>\$ 7,837,189</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ 113,005	\$ 7,837,189
Deferred revenue	-	-	-
Due to other funds	-	521,056	-
Other	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>634,061</u>	<u>7,837,189</u>
<b>Fund Balances</b>			
Restricted	-	-	-
Committed	<u>279,314</u>	<u>11,098,932</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>279,314</u>	<u>11,098,932</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 279,314</u>	<u>\$ 11,732,993</u>	<u>\$ 7,837,189</u>

<u>Mandatory Continuing Legal Education Fund</u>	<u>Mortgage Servicing Settlement Fund</u>	<u>Municipal Landfill Closure and Remediation Fund</u>	<u>New Home Warranty Security Fund</u>	<u>New Jersey Building Authority</u>
\$ 4,791	\$ -	\$ 68,135	\$ 1,612,431	\$ 66,562
630,280	-	-	5,347,435	24,807,091
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	72,110,727	-	-	-
-	-	-	-	-
<u>\$ 635,071</u>	<u>\$ 72,110,727</u>	<u>\$ 68,135</u>	<u>\$ 6,959,866</u>	<u>\$ 24,873,653</u>
\$ 322,924	\$ -	\$ -	\$ -	\$ 22,705,464
-	-	-	-	-
-	-	-	626,241	-
-	-	-	-	200,807
<u>322,924</u>	<u>-</u>	<u>-</u>	<u>626,241</u>	<u>22,906,271</u>
-	-	-	-	1,967,382
<u>312,147</u>	<u>72,110,727</u>	<u>68,135</u>	<u>6,333,625</u>	<u>-</u>
<u>312,147</u>	<u>72,110,727</u>	<u>68,135</u>	<u>6,333,625</u>	<u>1,967,382</u>
<u>\$ 635,071</u>	<u>\$ 72,110,727</u>	<u>\$ 68,135</u>	<u>\$ 6,959,866</u>	<u>\$ 24,873,653</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>New Jersey Lawyers' Assistance Program</u>	<u>New Jersey Lawyer's Fund for Client Protection</u>	<u>New Jersey Racing Industry Special Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 5,911	\$ 3,128,416	\$ 1,989,433
<b>Investments</b>	1,729,644	19,856,706	2,878,344
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	1,597,372
Loans	-	-	-
Other	-	66,593	-
<b>Due from other funds</b>	-	-	-
<b>Other</b>	-	32,867	-
<b>Total Assets</b>	<u>\$ 1,735,555</u>	<u>\$ 23,084,582</u>	<u>\$ 6,465,149</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 191,211	\$ 315,960	\$ 1,769,142
Deferred revenue	-	-	-
Due to other funds	-	-	-
Other	-	-	-
<b>Total Liabilities</b>	<u>191,211</u>	<u>315,960</u>	<u>1,769,142</u>
<b>Fund Balances</b>			
Restricted	-	-	-
Committed	<u>1,544,344</u>	<u>22,768,622</u>	<u>4,696,007</u>
<b>Total Fund Balances</b>	<u>1,544,344</u>	<u>22,768,622</u>	<u>4,696,007</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,735,555</u>	<u>\$ 23,084,582</u>	<u>\$ 6,465,149</u>

<u>New Jersey Schools Development Authority</u>	<u>New Jersey Spill Compensation Fund</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>
\$ 2,044,610	\$ 1,989,279	\$ 777,562	\$ 97,254	\$ 291,538
360,427,072	6,105,465	10,671,604	428,835,505	24,696,830
-	-	-	-	-
-	-	745	-	29,778,567
-	-	-	-	-
2,824,890	11,100,039	-	-	-
-	-	3,996,481	94,904,008	2,740,064
-	-	-	6,165,577	-
<u>\$ 365,296,572</u>	<u>\$ 19,194,783</u>	<u>\$ 15,446,392</u>	<u>\$ 530,002,344</u>	<u>\$ 57,506,999</u>
\$ 67,116,982	\$ 14,284	\$ 466,070	\$ -	\$ 3,633,489
-	-	-	-	-
-	9,056,676	133,826	106,984,448	10,484,077
11,153,524	-	-	147,000	14,327
<u>78,270,506</u>	<u>9,070,960</u>	<u>599,896</u>	<u>107,131,448</u>	<u>14,131,893</u>
287,026,066	-	-	422,870,896	43,375,106
-	10,123,823	14,846,496	-	-
<u>287,026,066</u>	<u>10,123,823</u>	<u>14,846,496</u>	<u>422,870,896</u>	<u>43,375,106</u>
<u>\$ 365,296,572</u>	<u>\$ 19,194,783</u>	<u>\$ 15,446,392</u>	<u>\$ 530,002,344</u>	<u>\$ 57,506,999</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)  
JUNE 30, 2012**

	<u>Petroleum Overcharge Reimbursement Fund</u>	<u>Pollution Prevention Fund</u>	<u>Real Estate Guaranty Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 340,065	\$ 474,875	\$ 337,206
<b>Investments</b>	3,715,634	139,508	1,699,122
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	1,195,256	-
Loans	-	-	-
Other	-	-	-
<b>Due from other funds</b>	-	61,220	48,455
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 4,055,699</u>	<u>\$ 1,870,859</u>	<u>\$ 2,084,783</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	412,327	1,423,415	-
Other	-	-	-
<b>Total Liabilities</b>	<u>412,327</u>	<u>1,423,415</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted	-	-	-
Committed	<u>3,643,372</u>	<u>447,444</u>	<u>2,084,783</u>
<b>Total Fund Balances</b>	<u>3,643,372</u>	<u>447,444</u>	<u>2,084,783</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,055,699</u>	<u>\$ 1,870,859</u>	<u>\$ 2,084,783</u>

<u>Remediation Guarantee Fund</u>	<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>State Disability Benefit Fund</u>	<u>State-Owned Real Property Fund</u>
\$ 698,367	\$ 1,224,236	\$ 1,036,576	\$ 26,323	\$ 1,622,820
9,110,957	2,914,669	17,765,415	117,179,509	2,124,691
-	-	-	-	-
-	79,787	55,544	165,164,029	-
-	-	-	-	-
-	-	-	1,224,179	-
-	-	-	17,879,553	-
-	-	-	-	-
<u>\$ 9,809,324</u>	<u>\$ 4,218,692</u>	<u>\$ 18,857,535</u>	<u>\$ 301,473,593</u>	<u>\$ 3,747,511</u>
\$ -	\$ -	\$ -	\$ 36,222,786	\$ -
-	-	-	-	-
-	2,718,713	-	7,848,311	-
-	-	-	63,443	-
<u>-</u>	<u>2,718,713</u>	<u>-</u>	<u>44,134,540</u>	<u>-</u>
9,809,324	-	-	257,339,053	-
-	1,499,979	18,857,535	-	3,747,511
<u>9,809,324</u>	<u>1,499,979</u>	<u>18,857,535</u>	<u>257,339,053</u>	<u>3,747,511</u>
<u>\$ 9,809,324</u>	<u>\$ 4,218,692</u>	<u>\$ 18,857,535</u>	<u>\$ 301,473,593</u>	<u>\$ 3,747,511</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)  
JUNE 30, 2012**

	<u>State Recycling Fund</u>	<u>Superior Court of New Jersey Trust Fund</u>	<u>Supplemental Workforce Fund for Basic Skills</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 717,669	\$ 347,733	\$ 594,185
<b>Investments</b>	16,464,116	185,861,899	7,363,587
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	11,258	-	8,504,406
Loans	-	-	-
Other	-	-	-
<b>Due from other funds</b>	5,673,103	-	343,708
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 22,866,146</u>	<u>\$ 186,209,632</u>	<u>\$ 16,805,886</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 2,121	\$ 185,910,281	\$ 682,432
Deferred revenue	-	-	-
Due to other funds	1,357,930	-	1,083,812
Other	-	-	-
<b>Total Liabilities</b>	<u>1,360,051</u>	<u>185,910,281</u>	<u>1,766,244</u>
<b>Fund Balances</b>			
Restricted	-	-	15,039,642
Committed	21,506,095	299,351	-
<b>Total Fund Balances</b>	<u>21,506,095</u>	<u>299,351</u>	<u>15,039,642</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 22,866,146</u>	<u>\$ 186,209,632</u>	<u>\$ 16,805,886</u>

<b>Tobacco Settlement Financing Corporation</b>	<b>Tobacco Settlement Fund</b>	<b>Tourism Improvement and Development Act</b>	<b>Trial Attorney Certification Program</b>	<b>Unclaimed Child Support Trust Fund</b>
\$ -	\$ 72	\$ 52,760	\$ 3,192	\$ 320,177
293,170,000	3,469	907	187,069	2,721,435
-	-	-	-	-
-	-	1,309,451	-	-
-	-	-	-	-
115,500,000	-	-	2,036	-
-	27,419,700	-	-	-
-	-	-	-	-
<u>\$ 408,670,000</u>	<u>\$ 27,423,241</u>	<u>\$ 1,363,118</u>	<u>\$ 192,297</u>	<u>\$ 3,041,612</u>
\$ 23,300	\$ -	\$ 1,238,118	\$ 80,788	\$ -
115,500,000	-	-	-	-
27,419,700	27,419,700	125,000	-	-
-	-	-	-	-
<u>142,943,000</u>	<u>27,419,700</u>	<u>1,363,118</u>	<u>80,788</u>	<u>-</u>
265,727,000	-	-	-	-
-	3,541	-	111,509	3,041,612
<u>265,727,000</u>	<u>3,541</u>	<u>-</u>	<u>111,509</u>	<u>3,041,612</u>
<u>\$ 408,670,000</u>	<u>\$ 27,423,241</u>	<u>\$ 1,363,118</u>	<u>\$ 192,297</u>	<u>\$ 3,041,612</u>

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**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>Unclaimed Utility Deposits Trust Fund</u>	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Unemployment Compensation Interest Repayment Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 74,301	\$ 154	\$ -
<b>Investments</b>	7,428,230	3,448,501	7,806,458
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	32,990,421
Loans	-	-	-
Other	-	4,400,000	-
<b>Due from other funds</b>	-	-	1,141,047
<b>Other</b>	-	-	-
<b>Total Assets</b>	<u>\$ 7,502,531</u>	<u>\$ 7,848,655</u>	<u>\$ 41,937,926</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
Due to other funds	8,997	3,623,050	-
Other	-	-	34,469,673
<b>Total Liabilities</b>	<u>8,997</u>	<u>3,623,050</u>	<u>34,469,673</u>
<b>Fund Balances</b>			
Restricted	-	-	-
Committed	7,493,534	4,225,605	7,468,253
<b>Total Fund Balances</b>	<u>7,493,534</u>	<u>4,225,605</u>	<u>7,468,253</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,502,531</u>	<u>\$ 7,848,655</u>	<u>\$ 41,937,926</u>

<b>Universal Services Fund</b>	<b>University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund</b>	<b>Vietnam Veterans' Memorial Fund</b>	<b>Volunteer Emergency Service Organizations Loan Fund</b>	<b>Wastewater Treatment Fund</b>
\$ 2,984,934	\$ 1,282,880	\$ 7,376	\$ 708,485	\$ 1,304,306
30,523,078	355,517	318	2,112,508	321,617,733
-	-	-	-	-
20,772,928	2,161,000	-	-	-
-	-	-	630,173	916,008,017
22,396,018	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 76,676,958</u>	<u>\$ 3,799,397</u>	<u>\$ 7,694</u>	<u>\$ 3,451,166</u>	<u>\$ 1,238,930,056</u>
\$ 16,302,117	\$ 681,097	\$ -	\$ -	\$ -
-	-	-	-	-
59,346,159	-	-	-	-
-	-	-	-	-
<u>75,648,276</u>	<u>681,097</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	1,238,930,056
<u>1,028,682</u>	<u>3,118,300</u>	<u>7,694</u>	<u>3,451,166</u>	<u>-</u>
<u>1,028,682</u>	<u>3,118,300</u>	<u>7,694</u>	<u>3,451,166</u>	<u>1,238,930,056</u>
<u>\$ 76,676,958</u>	<u>\$ 3,799,397</u>	<u>\$ 7,694</u>	<u>\$ 3,451,166</u>	<u>\$ 1,238,930,056</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>Water Supply Replacement Trust Fund</u>	<u>Worker and Community Right to Know Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 951	\$ 681,358	\$ 63,192,388
<b>Investments</b>	74,697	78,441	2,704,989,113
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	537,926
Departmental accounts	-	3,271,810	431,012,903
Loans	-	-	1,290,284,203
Other	-	-	190,304,472
<b>Due from other funds</b>	-	90,780	257,599,368
<b>Other</b>	-	-	6,198,444
<b>Total Assets</b>	<u>\$ 75,648</u>	<u>\$ 4,122,389</u>	<u>\$ 4,944,118,817</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ 447,844,371
Deferred revenue	-	-	122,396,257
Due to other funds	-	3,486,618	428,011,664
Other	-	-	46,048,774
<b>Total Liabilities</b>	<u>-</u>	<u>3,486,618</u>	<u>1,044,301,066</u>
<b>Fund Balances</b>			
Restricted	-	-	3,478,942,716
Committed	75,648	635,771	420,875,035
<b>Total Fund Balances</b>	<u>75,648</u>	<u>635,771</u>	<u>3,899,817,751</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 75,648</u>	<u>\$ 4,122,389</u>	<u>\$ 4,944,118,817</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Alcohol Education, Rehabilitation and Enforcement Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Projects-Room Fund</u>
<b>REVENUES</b>			
Taxes	\$ 11,000,000	\$ 25,284,350	\$ 31,928,908
Federal and other grants	-	-	-
Licenses and fees	2,078,400	-	-
Services and assessments	-	-	-
Investment earnings	9,328	338	4,097
Contributions	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>13,087,728</u>	<u>25,284,688</u>	<u>31,933,005</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	1,652,807	-	-
Physical and mental health	9,830,812	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	25,387,191	36,317,963
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>11,483,619</u>	<u>25,387,191</u>	<u>36,317,963</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,604,109</u>	<u>(102,503)</u>	<u>(4,384,958)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,488,516)	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(1,488,516)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>115,593</u>	<u>(102,503)</u>	<u>(4,384,958)</u>
<b>Fund Balances - July 1, 2011</b>	<u>5,674,655</u>	<u>102,503</u>	<u>4,384,958</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 5,790,248</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Atlantic City Tourism Promotion Fund</u>	<u>Board of Bar Examiners</u>	<u>Boarding House Rental Assistance Fund</u>	<u>Body Armor Replacement Fund</u>
\$ 4,234,369	\$ -	\$ -	\$ -
-	-	-	-
-	3,025,668	-	-
-	-	-	-
1,373	9,112	261	7,574
-	-	-	-
-	80,660	8,027	4,073,443
<u>4,235,742</u>	<u>3,115,440</u>	<u>8,288</u>	<u>4,081,017</u>
-	3,139,926	-	4,259,200
-	-	-	-
-	-	-	-
-	-	-	-
5,007,202	-	-	-
-	-	-	-
84,493	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>5,091,695</u>	<u>3,139,926</u>	<u>-</u>	<u>4,259,200</u>
<u>(855,953)</u>	<u>(24,486)</u>	<u>8,288</u>	<u>(178,183)</u>
-	-	-	-
-	-	-	29,968
-	-	-	(19,432)
-	-	-	-
-	-	-	-
-	-	-	10,536
<u>(855,953)</u>	<u>(24,486)</u>	<u>8,288</u>	<u>(167,647)</u>
855,953	5,024,669	1,262,268	6,320,682
<u>\$ -</u>	<u>\$ 5,000,183</u>	<u>\$ 1,270,556</u>	<u>\$ 6,153,035</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ 238,876,603	\$ -
Federal and other grants	-	-	-
Licenses and fees	51,397,177	-	-
Services and assessments	-	-	-
Investment earnings	10,837	-	28
Contributions	-	-	-
Other	-	83,364,264	337,879
<b>Total Revenues</b>	<u>51,408,014</u>	<u>322,240,867</u>	<u>337,907</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	44,472,333	-	-
Physical and mental health	-	268,782,078	-
Educational, cultural, and intellectual development	-	32,516,000	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	2,196,000	-
Transportation programs	-	20,885,266	-
Government direction, management, and control	7,781,953	-	-
Special government services	-	92,000	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>52,254,286</u>	<u>324,471,344</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(846,272)</u>	<u>(2,230,477)</u>	<u>337,907</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	5,388,828	-
Transfers to other funds	-	-	(337,907)
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>5,388,828</u>	<u>(337,907)</u>
<b>Net Change in Fund Balance</b>	<u>(846,272)</u>	<u>3,158,351</u>	<u>-</u>
<b>Fund Balances - July 1, 2011</b>	<u>4,462,571</u>	<u>29,487,930</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 3,616,299</u>	<u>\$ 32,646,281</u>	<u>\$ -</u>

<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>	<u>Clean Energy Fund</u>
\$ -	\$ -	\$ 18,616,945	\$ -
-	-	-	44,857,341
-	-	-	-
-	8,047,847	-	370,588,825
3,870	2,172	7,536	781,129
-	100	-	-
<u>3,635,487</u>	<u>-</u>	<u>-</u>	<u>40,769</u>
<u>3,639,357</u>	<u>8,050,119</u>	<u>18,624,481</u>	<u>416,268,064</u>
3,687,861	-	-	-
-	81,355	-	-
-	-	-	-
-	-	18,200,601	-
-	-	-	266,085,946
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,687,861</u>	<u>81,355</u>	<u>18,200,601</u>	<u>266,085,946</u>
<u>(48,504)</u>	<u>7,968,764</u>	<u>423,880</u>	<u>150,182,118</u>
-	-	-	-
-	-	-	-
-	(7,677,647)	-	(255,096,555)
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(48,504)</u>	<u>(7,677,647)</u>	<u>-</u>	<u>(255,096,555)</u>
2,772,094	291,117	423,880	(104,914,437)
<u>2,772,094</u>	<u>1,784,363</u>	<u>3,955,250</u>	<u>217,466,918</u>
<u>\$ 2,723,590</u>	<u>\$ 2,075,480</u>	<u>\$ 4,379,130</u>	<u>\$ 112,552,481</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Clean Water State Revolving Fund</u>	<u>Disciplinary Oversight Committee</u>	<u>Division of Motor Vehicles Surcharge Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	33,053,693	-	-
Licenses and fees	-	10,848,538	-
Services and assessments	-	-	146,960,331
Investment earnings	25	19,613	2,110
Contributions	-	-	-
Other	-	432,699	-
<b>Total Revenues</b>	<u>33,053,718</u>	<u>11,300,850</u>	<u>146,962,441</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	10,873,691	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	8,944,175	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	146,962,441
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>8,944,175</u>	<u>10,873,691</u>	<u>146,962,441</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>24,109,543</u>	<u>427,159</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,370,605)	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(1,370,605)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>22,738,938</u>	<u>427,159</u>	<u>-</u>
<b>Fund Balances - July 1, 2011</b>	<u>56,656,006</u>	<u>3,956,319</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 79,394,944</u>	<u>\$ 4,383,478</u>	<u>\$ -</u>

<u>Drinking Water State Revolving Fund</u>	<u>Emergency Medical Technician Training Fund</u>	<u>Enterprise Zone Assistance Fund</u>	<u>Fund for Support of Free Public Schools</u>	<u>Garden State Farmland Preservation Trust Fund</u>
\$ -	\$ -	\$ 101,322,267	\$ -	\$ -
21,598,229	-	-	-	-
-	-	-	11,391,764	-
-	2,074,333	-	-	-
108,382	174	112,012	166,585	120,206
-	-	-	-	-
-	-	-	-	156,335
<u>21,706,611</u>	<u>2,074,507</u>	<u>101,434,279</u>	<u>11,558,349</u>	<u>276,541</u>
-	-	-	-	-
-	1,539,709	-	-	-
-	-	-	-	-
4,110,964	-	16,013,341	-	16,254,776
-	-	146,559,800	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,110,964</u>	<u>1,539,709</u>	<u>162,573,141</u>	<u>-</u>	<u>16,254,776</u>
<u>17,595,647</u>	<u>534,798</u>	<u>(61,138,862)</u>	<u>11,558,349</u>	<u>(15,978,235)</u>
-	-	-	-	-
28,105,770	-	-	-	-
(3,010,780)	(59,673)	(100,426,242)	(5,915,958)	(2,824,125)
-	-	-	-	-
-	-	-	-	-
<u>25,094,990</u>	<u>(59,673)</u>	<u>(100,426,242)</u>	<u>(5,915,958)</u>	<u>(2,824,125)</u>
<u>42,690,637</u>	<u>475,125</u>	<u>(161,565,104)</u>	<u>5,642,391</u>	<u>(18,802,360)</u>
<u>293,721,791</u>	<u>260,647</u>	<u>167,270,855</u>	<u>133,731,923</u>	<u>84,770,294</u>
<u>\$ 336,412,428</u>	<u>\$ 735,772</u>	<u>\$ 5,705,751</u>	<u>\$ 139,374,314</u>	<u>\$ 65,967,934</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<b>Garden State Green Acres Preservation Trust Fund</b>	<b>Garden State Historic Preservation Trust Fund</b>	<b>Garden State Preservation Trust</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	1,588,166	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	152,380	22,311	-
Contributions	-	-	-
Other	1,844,381	641	-
<b>Total Revenues</b>	<u>3,584,927</u>	<u>22,952</u>	<u>-</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	32,839,365	-	-
Economic planning, development, and security	-	2,278,977	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	44,650,000
Interest	-	-	45,333,245
<b>Total Expenditures</b>	<u>32,839,365</u>	<u>2,278,977</u>	<u>89,983,245</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(29,254,438)</u>	<u>(2,256,025)</u>	<u>(89,983,245)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	89,983,245
Transfers to other funds	(5,665,576)	(241,049)	-
Other sources	-	-	335,742,746
Other uses	-	-	(335,742,746)
<b>Total other financing sources (uses)</b>	<u>(5,665,576)</u>	<u>(241,049)</u>	<u>89,983,245</u>
<b>Net Change in Fund Balance</b>	<u>(34,920,014)</u>	<u>(2,497,074)</u>	<u>-</u>
<b>Fund Balances - July 1, 2011</b>	<u>175,422,004</u>	<u>15,955,487</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 140,501,990</u>	<u>\$ 13,458,413</u>	<u>\$ -</u>

<u>Global Warming Solutions Fund</u>	<u>Gubernatorial Elections Fund</u>	<u>Hazardous Discharge Site Cleanup Fund</u>	<u>Health Care Subsidy Fund</u>	<u>Horse Racing Injury Compensation Fund</u>
\$ -	\$ -	\$ -	\$ 429,515,680	\$ -
-	-	-	-	-
-	-	6,678,038	-	-
-	-	48,015,722	286,483,205	1,760,360
12,180	-	235,214	55,387	472
-	-	-	-	-
8,213,358	561,095	-	-	-
<u>8,225,538</u>	<u>561,095</u>	<u>54,928,974</u>	<u>716,054,272</u>	<u>1,760,832</u>
-	-	-	-	2,400,909
-	-	-	-	-
-	-	-	-	-
2,469,014	-	5,781,543	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,469,014</u>	<u>-</u>	<u>5,781,543</u>	<u>-</u>	<u>2,400,909</u>
<u>5,756,524</u>	<u>561,095</u>	<u>49,147,431</u>	<u>716,054,272</u>	<u>(640,077)</u>
-	-	-	-	-
-	-	638,359	-	-
(1,830,000)	-	(36,813,487)	(728,816,907)	-
-	-	-	-	-
-	-	-	-	-
<u>(1,830,000)</u>	<u>-</u>	<u>(36,175,128)</u>	<u>(728,816,907)</u>	<u>-</u>
3,926,524	561,095	12,972,303	(12,762,635)	(640,077)
3,332,400	481,311	146,700,385	13,449,979	919,391
<u>\$ 7,258,924</u>	<u>\$ 1,042,406</u>	<u>\$ 159,672,688</u>	<u>\$ 687,344</u>	<u>\$ 279,314</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Lead Hazard Control Assistance Fund</u>	<u>Legal Services Fund</u>	<u>Luxury Tax Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 33,336,623
Federal and other grants	-	-	-
Licenses and fees	1,610,997	9,557,048	-
Services and assessments	-	-	-
Investment earnings	3,104	-	356
Contributions	-	-	-
Other	1,933	-	-
<b>Total Revenues</b>	<u>1,616,034</u>	<u>9,557,048</u>	<u>33,336,979</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	1,090,672	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	33,572,097
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>1,090,672</u>	<u>-</u>	<u>33,572,097</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>525,362</u>	<u>9,557,048</u>	<u>(235,118)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(521,056)	(9,557,048)	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(521,056)</u>	<u>(9,557,048)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	4,306	-	(235,118)
<b>Fund Balances - July 1, 2011</b>	11,094,626	-	235,118
<b>Fund Balances - June 30, 2012</b>	<u>\$ 11,098,932</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Mandatory Continuing Legal Education Fund</b>	<b>Mortgage Servicing Settlement Fund</b>	<b>Municipal Landfill Closure and Remediation Fund</b>	<b>New Home Warranty Security Fund</b>	<b>New Jersey Building Authority</b>
\$ -	\$ -	\$ 6,945,112	\$ -	\$ -
-	-	-	-	-
807,965	-	-	533,442	-
-	-	-	2,183,958	-
1,580	-	-	14,647	27,819
-	-	-	-	-
-	<u>72,110,727</u>	-	<u>32,766</u>	-
<u>809,545</u>	<u>72,110,727</u>	<u>6,945,112</u>	<u>2,764,813</u>	<u>27,819</u>
497,398	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	6,945,112	934,326	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	23,673,184
-	-	-	-	-
-	-	-	-	21,680,263
-	-	-	-	<u>26,876,848</u>
<u>497,398</u>	<u>-</u>	<u>6,945,112</u>	<u>934,326</u>	<u>72,230,295</u>
<u>312,147</u>	<u>72,110,727</u>	<u>-</u>	<u>1,830,487</u>	<u>(72,202,476)</u>
-	-	-	-	-
-	-	-	-	49,960,467
-	-	-	(3,626,241)	-
-	-	-	-	59,964,577
-	-	-	-	<u>(59,914,710)</u>
-	-	-	<u>(3,626,241)</u>	<u>50,010,334</u>
<u>312,147</u>	<u>72,110,727</u>	<u>-</u>	<u>(1,795,754)</u>	<u>(22,192,142)</u>
-	-	68,135	8,129,379	24,159,524
<u>\$ 312,147</u>	<u>\$ 72,110,727</u>	<u>\$ 68,135</u>	<u>\$ 6,333,625</u>	<u>\$ 1,967,382</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>New Jersey Lawyers' Assistance Program</u>	<u>New Jersey Lawyers' Fund for Client Protection</u>	<u>New Jersey Racing Industry Special Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	806,097	4,014,124	-
Services and assessments	-	-	481,299
Investment earnings	2,549	211,731	4,208
Contributions	-	-	-
Other	-	769,219	15,403,570
<b>Total Revenues</b>	<u>808,646</u>	<u>4,995,074</u>	<u>15,889,077</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	701,165	4,086,010	16,887,724
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>701,165</u>	<u>4,086,010</u>	<u>16,887,724</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>107,481</u>	<u>909,064</u>	<u>(998,647)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>107,481</u>	<u>909,064</u>	<u>(998,647)</u>
<b>Fund Balances - July 1, 2011</b>	<u>1,436,863</u>	<u>21,859,558</u>	<u>5,694,654</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 1,544,344</u>	<u>\$ 22,768,622</u>	<u>\$ 4,696,007</u>

<u>New Jersey Schools Development Authority</u>	<u>New Jersey Spill Compensation Fund</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>
\$ -	\$ 28,043,560	\$ -	\$ -	\$ 101,065,430
-	-	-	38,722,469	-
4,579	3,182,066	-	-	-
-	-	-	-	-
546,039	13,848	15,780	454,024	65,710
-	-	-	-	-
312,182	342,360	3,996,481	66,000,000	-
<u>862,800</u>	<u>31,581,834</u>	<u>4,012,261</u>	<u>105,176,493</u>	<u>101,131,140</u>
-	-	-	-	-
-	-	2,906,028	-	-
186,777,973	-	-	-	-
-	4,043,224	-	-	-
-	-	-	-	28,465,186
-	-	-	7,439,936	-
-	-	-	-	-
-	-	-	-	-
-	-	-	306,094,048	-
-	-	-	597,726,325	-
<u>186,777,973</u>	<u>4,043,224</u>	<u>2,906,028</u>	<u>911,260,309</u>	<u>28,465,186</u>
<u>(185,915,173)</u>	<u>27,538,610</u>	<u>1,106,233</u>	<u>(806,083,816)</u>	<u>72,665,954</u>
-	-	-	1,315,000,000	-
-	-	-	956,667,000	-
-	(24,207,129)	(133,826)	(1,169,498,617)	(79,881,962)
-	-	-	51,941,986	-
-	-	-	-	-
-	(24,207,129)	(133,826)	1,154,110,369	(79,881,962)
<u>(185,915,173)</u>	<u>3,331,481</u>	<u>972,407</u>	<u>348,026,553</u>	<u>(7,216,008)</u>
472,941,239	6,792,342	13,874,089	74,844,343	50,591,114
<u>\$ 287,026,066</u>	<u>\$ 10,123,823</u>	<u>\$ 14,846,496</u>	<u>\$ 422,870,896</u>	<u>\$ 43,375,106</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Petroleum Overcharge Reimbursement Fund</u>	<u>Pollution Prevention Fund</u>	<u>Real Estate Guaranty Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	48,455
Services and assessments	-	1,286,526	-
Investment earnings	6,174	714	2,628
Contributions	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>6,174</u>	<u>1,287,240</u>	<u>51,083</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	1,500,000	-	-
Economic planning, development, and security	-	-	12,798
Transportation programs	-	-	-
Government direction, management, and control	300,295	-	-
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>1,800,295</u>	<u>-</u>	<u>12,798</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,794,121)</u>	<u>1,287,240</u>	<u>38,285</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(412,326)	(1,423,415)	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(412,326)</u>	<u>(1,423,415)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(2,206,447)</u>	<u>(136,175)</u>	<u>38,285</u>
<b>Fund Balances - July 1, 2011</b>	<u>5,849,819</u>	<u>583,619</u>	<u>2,046,498</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 3,643,372</u>	<u>\$ 447,444</u>	<u>\$ 2,084,783</u>

<u>Remediation Guarantee Fund</u>	<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>State Disability Benefit Fund</u>	<u>State-Owned Real Property Fund</u>
\$ 3,952,580	\$ 2,822,735	\$ -	\$ 468,653,872	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	1,718,714	30,077,088	-
9,353	4,315	24,800	259,518	2,574
-	-	-	-	-
-	-	695	2,208,293	661,400
<u>3,961,933</u>	<u>2,827,050</u>	<u>1,744,209</u>	<u>501,198,771</u>	<u>663,974</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	120,715	-	-
-	-	-	516,567,225	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>120,715</u>	<u>516,567,225</u>	<u>-</u>
<u>3,961,933</u>	<u>2,827,050</u>	<u>1,623,494</u>	<u>(15,368,454)</u>	<u>663,974</u>
-	-	-	-	-
-	-	-	-	1,200,000
-	(2,718,713)	-	(39,652,427)	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>(2,718,713)</u>	<u>-</u>	<u>(39,652,427)</u>	<u>1,200,000</u>
<u>3,961,933</u>	<u>108,337</u>	<u>1,623,494</u>	<u>(55,020,881)</u>	<u>1,863,974</u>
<u>5,847,391</u>	<u>1,391,642</u>	<u>17,234,041</u>	<u>312,359,934</u>	<u>1,883,537</u>
<u>\$ 9,809,324</u>	<u>\$ 1,499,979</u>	<u>\$ 18,857,535</u>	<u>\$ 257,339,053</u>	<u>\$ 3,747,511</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>State Recycling Fund</u>	<u>Superior Court of New Jersey Trust Fund</u>	<u>Supplemental Workforce Fund for Basic Skills</u>
<b>REVENUES</b>			
Taxes	\$ 24,312,987	\$ -	\$ 28,341,819
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	31,388	317,906	17,690
Contributions	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>24,344,375</u>	<u>317,906</u>	<u>28,359,509</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	466,412	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	19,031,532	-	-
Economic planning, development, and security	-	-	26,283,281
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>19,031,532</u>	<u>466,412</u>	<u>26,283,281</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>5,312,843</u>	<u>(148,506)</u>	<u>2,076,228</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(21,357,930)	-	(1,055,220)
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(21,357,930)</u>	<u>-</u>	<u>(1,055,220)</u>
<b>Net Change in Fund Balance</b>	<u>(16,045,087)</u>	<u>(148,506)</u>	<u>1,021,008</u>
<b>Fund Balances - July 1, 2011</b>	<u>37,551,182</u>	<u>447,857</u>	<u>14,018,634</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 21,506,095</u>	<u>\$ 299,351</u>	<u>\$ 15,039,642</u>

<u>Tobacco Settlement Financing Corporation</u>	<u>Tobacco Settlement Fund</u>	<u>Tourism Improvement and Development Act</u>	<u>Trial Attorney Certification Program</u>	<u>Unclaimed Child Support Trust Fund</u>
\$ -	\$ -	\$ 5,550,181	\$ -	\$ -
-	-	-	-	-
-	-	-	256,050	-
-	-	-	-	-
4,133,000	3,562	49	1,800	4,209
-	-	-	-	-
<u>184,393,000</u>	<u>46,907,859</u>	<u>-</u>	<u>5,000</u>	<u>157,921</u>
<u>188,526,000</u>	<u>46,911,421</u>	<u>5,550,230</u>	<u>262,850</u>	<u>162,130</u>
-	-	-	172,860	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,425,190	-	-
-	-	-	-	-
94,000	-	53,667	-	16,457
-	-	-	-	-
25,820,000	-	-	-	-
<u>155,583,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>181,497,000</u>	<u>-</u>	<u>5,478,857</u>	<u>172,860</u>	<u>16,457</u>
<u>7,029,000</u>	<u>46,911,421</u>	<u>71,373</u>	<u>89,990</u>	<u>145,673</u>
-	-	-	-	-
-	-	-	-	-
-	(82,461,651)	(125,000)	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>(82,461,651)</u>	<u>(125,000)</u>	<u>-</u>	<u>-</u>
<u>7,029,000</u>	<u>(35,550,230)</u>	<u>(53,627)</u>	<u>89,990</u>	<u>145,673</u>
258,698,000	35,553,771	53,627	21,519	2,895,939
<u>\$ 265,727,000</u>	<u>\$ 3,541</u>	<u>\$ -</u>	<u>\$ 111,509</u>	<u>\$ 3,041,612</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Unclaimed Utility Deposits Trust Fund</u>	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Unemployment Compensation Interest Repayment Fund</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	40,971,051
Investment earnings	63,451	8,426	9,321
Contributions	-	-	-
Other	4,937,961	20,288,531	-
<b>Total Revenues</b>	<u>5,001,412</u>	<u>20,296,957</u>	<u>40,980,372</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	-	-	48,372,150
Transportation programs	-	-	-
Government direction, management, and control	4,165,421	-	-
Special government services	-	-	-
<b>Debt Service:</b>			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>4,165,421</u>	<u>-</u>	<u>48,372,150</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>835,991</u>	<u>20,296,957</u>	<u>(7,391,778)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(8,997)	(18,115,896)	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total other financing sources (uses)</b>	<u>(8,997)</u>	<u>(18,115,896)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	826,994	2,181,061	(7,391,778)
<b>Fund Balances - July 1, 2011</b>	<u>6,666,540</u>	<u>2,044,544</u>	<u>14,860,031</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 7,493,534</u>	<u>\$ 4,225,605</u>	<u>\$ 7,468,253</u>

<u>Universal Services Fund</u>	<u>University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund</u>	<u>Vietnam Veterans' Memorial Fund</u>	<u>Volunteer Emergency Service Organizations Loan Fund</u>	<u>Wastewater Treatment Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	19,958,488
-	-	-	-	-
289,715,863	8,694,000	-	-	-
33,428	2,055	-	3,267	527,400
-	-	79,035	-	-
-	-	-	18,041	404,067
<u>289,749,291</u>	<u>8,696,055</u>	<u>79,035</u>	<u>21,308</u>	<u>20,889,955</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	257,009
210,948,400	19,583,826	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	77,518	-	-
-	-	-	-	-
-	-	-	-	-
<u>210,948,400</u>	<u>19,583,826</u>	<u>77,518</u>	<u>-</u>	<u>257,009</u>
<u>78,800,891</u>	<u>(10,887,771)</u>	<u>1,517</u>	<u>21,308</u>	<u>20,632,946</u>
-	-	-	-	-
-	10,000,000	-	-	-
(84,346,159)	-	-	-	(28,105,770)
-	-	-	-	-
-	-	-	-	-
<u>(84,346,159)</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>(28,105,770)</u>
<u>(5,545,268)</u>	<u>(887,771)</u>	<u>1,517</u>	<u>21,308</u>	<u>(7,472,824)</u>
6,573,950	4,006,071	6,177	3,429,858	1,246,402,880
<u>\$ 1,028,682</u>	<u>\$ 3,118,300</u>	<u>\$ 7,694</u>	<u>\$ 3,451,166</u>	<u>\$ 1,238,930,056</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	<u>Water Supply Replacement Trust Fund</u>	<u>Worker and Community Right to Know Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 1,563,804,021
Federal and other grants	-	-	159,778,386
Licenses and fees	-	-	106,240,408
Services and assessments	-	3,463,964	1,242,523,086
Investment earnings	116	2,042	8,675,287
Contributions	-	-	79,135
Other	-	-	521,701,044
<b>Total Revenues</b>	<u>116</u>	<u>3,466,006</u>	<u>3,602,801,367</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	-	93,298,296
Physical and mental health	-	-	283,139,982
Educational, cultural, and intellectual development	-	-	219,293,973
Community development and environmental management	-	-	137,445,697
Economic planning, development, and security	-	-	1,340,581,807
Transportation programs	-	-	28,325,202
Government direction, management, and control	-	-	216,704,008
Special government services	-	-	169,518
<b>Debt Service:</b>			
Principal	-	-	398,244,311
Interest	-	-	825,519,418
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>3,542,722,212</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>116</u>	<u>3,466,006</u>	<u>60,079,155</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	1,315,000,000
Transfers from other funds	-	-	1,141,973,637
Transfers to other funds	-	(2,830,235)	(2,721,634,077)
Other sources	-	-	447,649,309
Other uses	-	-	(395,657,456)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(2,830,235)</u>	<u>(212,668,587)</u>
<b>Net Change in Fund Balance</b>	<u>116</u>	<u>635,771</u>	<u>(152,589,432)</u>
<b>Fund Balances - July 1, 2011</b>	<u>75,532</u>	<u>-</u>	<u>4,052,407,183</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 75,648</u>	<u>\$ 635,771</u>	<u>\$ 3,899,817,751</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2012**

	<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>	\$ 14,097	\$ 15,733	\$ 6,202
<b>Investments</b>	575,868	396,991	273,916
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	-
Other	-	-	-
<b>Due from other funds</b>	-	-	-
<b>Total Assets</b>	<u>\$ 589,965</u>	<u>\$ 412,724</u>	<u>\$ 280,118</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ 15,976	\$ -
Due to other funds	<u>575,939</u>	<u>258,204</u>	<u>424</u>
<b>Total Liabilities</b>	<u>575,939</u>	<u>274,180</u>	<u>424</u>
<b>Fund Balances</b>			
Restricted	14,026	138,544	279,694
Committed	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>14,026</u>	<u>138,544</u>	<u>279,694</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 589,965</u>	<u>\$ 412,724</u>	<u>\$ 280,118</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>
\$ 119,951	\$ 1,820,452	\$ 6,452
5,670	8,829,188	6,167,798
-	-	-
-	-	-
-	-	-
-	32,716,846	-
-	-	-
<u>\$ 125,621</u>	<u>\$ 43,366,486</u>	<u>\$ 6,174,250</u>
\$ 15,573	\$ 1,643,993	\$ -
<u>23</u>	<u>10,000,000</u>	<u>3,799,669</u>
<u>15,596</u>	<u>11,643,993</u>	<u>3,799,669</u>
110,025	-	2,374,581
-	31,722,493	-
<u>110,025</u>	<u>31,722,493</u>	<u>2,374,581</u>
<u>\$ 125,621</u>	<u>\$ 43,366,486</u>	<u>\$ 6,174,250</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS (Continued)  
JUNE 30, 2012**

	<u>Public Purpose Buildings and Community-Based Facilities Construction Fund</u>	<u>Public Purpose Buildings Construction Fund</u>	<u>Special Transportation Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 144,955	\$ 105,174	\$ -
<b>Investments</b>	750,497	2,545	-
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	-	-	99,645,602
Departmental accounts	-	-	34,901,418
Loans	-	-	5,000,000
Other	-	-	2,402
<b>Due from other funds</b>	-	-	106,984,448
<b>Total Assets</b>	<u>\$ 895,452</u>	<u>\$ 107,719</u>	<u>\$ 246,533,870</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ -	\$ -	\$ 127,025,230
Due to other funds	<u>505,125</u>	<u>120</u>	<u>119,508,640</u>
Total Liabilities	<u>505,125</u>	<u>120</u>	<u>246,533,870</u>
<b>Fund Balances</b>			
Restricted	390,327	107,599	-
Committed	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>390,327</u>	<u>107,599</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 895,452</u>	<u>\$ 107,719</u>	<u>\$ 246,533,870</u>

<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ 904	\$ 204,107	\$ 2,438,027
3,629	12,049,914	29,056,016
-	-	99,645,602
-	-	34,901,418
-	-	5,000,000
-	-	32,719,248
-	-	106,984,448
<u>\$ 4,533</u>	<u>\$ 12,254,021</u>	<u>\$ 310,744,759</u>
\$ -	\$ -	\$ 128,700,772
-	20,160	134,668,304
-	20,160	263,369,076
4,533	12,233,861	15,653,190
-	-	31,722,493
<u>4,533</u>	<u>12,233,861</u>	<u>47,375,683</u>
<u>\$ 4,533</u>	<u>\$ 12,254,021</u>	<u>\$ 310,744,759</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, 2012**

	<u>Correctional Facilities Construction Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>	<u>Energy Conservation Fund</u>
<b>REVENUES</b>			
Federal and other grants	\$ -	\$ -	\$ -
Services and assessments	-	-	-
Investment earnings	892	654	424
Other	-	-	-
<b>Total Revenues</b>	<u>892</u>	<u>654</u>	<u>424</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	-	61,809	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	<u>575,047</u>	<u>257,550</u>	<u>-</u>
<b>Total Expenditures</b>	<u>575,047</u>	<u>319,359</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(574,155)</u>	<u>(318,705)</u>	<u>424</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	<u>(892)</u>	<u>(654)</u>	<u>(424)</u>
<b>Total other financing sources (uses)</b>	<u>(892)</u>	<u>(654)</u>	<u>(424)</u>
<b>Net Change in Fund Balance</b>	<u>(575,047)</u>	<u>(319,359)</u>	<u>-</u>
<b>Fund Balances - July 1, 2011</b>	<u>589,073</u>	<u>457,903</u>	<u>279,694</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 14,026</u>	<u>\$ 138,544</u>	<u>\$ 279,694</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>
\$ -	\$ -	\$ -
-	-	-
23	31,847	9,551
-	-	-
<u>23</u>	<u>31,847</u>	<u>9,551</u>
-	13,991,244	-
-	-	-
-	-	-
-	-	-
-	-	-
-	3,350	3,790,118
-	13,994,594	3,790,118
23	(13,962,747)	(3,780,567)
-	-	-
(23)	-	(9,551)
(23)	-	(9,551)
-	(13,962,747)	(3,790,118)
<u>110,025</u>	<u>45,685,240</u>	<u>6,164,699</u>
<u>\$ 110,025</u>	<u>\$ 31,722,493</u>	<u>\$ 2,374,581</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Public Purpose Buildings and Community-Based Facilities Construction Fund</b>	<b>Public Purpose Buildings Construction Fund</b>	<b>Special Transportation Fund</b>
<b>REVENUES</b>			
Federal and other grants	\$ -	\$ -	\$ 739,265,396
Services and assessments	-	-	436,811
Investment earnings	1,184	120	-
Other	133,538	-	11,025,644
<b>Total Revenues</b>	<u>134,722</u>	<u>120</u>	<u>750,727,851</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	63,113	125,498	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Economic planning, development, and security	56,632	-	-
Transportation programs	-	-	1,920,226,468
Government direction, management, and control	503,941	-	-
<b>Total Expenditures</b>	<u>623,686</u>	<u>125,498</u>	<u>1,920,226,468</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(488,964)</u>	<u>(125,378)</u>	<u>(1,169,498,617)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	-	1,169,498,617
Transfers to other funds	(1,184)	(120)	-
<b>Total other financing sources (uses)</b>	<u>(1,184)</u>	<u>(120)</u>	<u>1,169,498,617</u>
<b>Net Change in Fund Balance</b>	(490,148)	(125,498)	-
<b>Fund Balances - July 1, 2011</b>	<u>880,475</u>	<u>233,097</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 390,327</u>	<u>\$ 107,599</u>	<u>\$ -</u>

<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ -	\$ -	\$ 739,265,396
-	-	436,811
17	20,160	64,872
-	-	11,159,182
<u>17</u>	<u>20,160</u>	<u>750,926,261</u>
-	-	14,241,664
-	-	-
7,096	-	7,096
-	-	56,632
-	1,286,126	1,921,512,594
-	-	5,130,006
<u>7,096</u>	<u>1,286,126</u>	<u>1,940,947,992</u>
<u>(7,079)</u>	<u>(1,265,966)</u>	<u>(1,190,021,731)</u>
-	-	1,169,498,617
-	(20,160)	(33,008)
-	(20,160)	1,169,465,609
(7,079)	(1,286,126)	(20,556,122)
<u>11,612</u>	<u>13,519,987</u>	<u>67,931,805</u>
<u>\$ 4,533</u>	<u>\$ 12,233,861</u>	<u>\$ 47,375,683</u>



**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2012**

	<u>Alternate Benefit Program Fund</u>	<u>Dental Expense Program</u>	<u>Judiciary Bail Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 752,115	\$ 1,048,014	\$ 444,044
Investments	558,756	26,256,866	26,183,965
Receivables, net of allowances for uncollectibles			
Members	43,835	-	-
Employers	-	-	-
Due from other funds	<u>30,773,050</u>	<u>1,839,142</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 32,127,756</u></u>	<u><u>\$ 29,144,022</u></u>	<u><u>\$ 26,628,009</u></u>
<b>LIABILITIES</b>			
Accounts payable and accruals	\$ 32,028,529	\$ 29,050,956	\$ 26,628,009
Due to other funds	<u>99,227</u>	<u>93,066</u>	<u>-</u>
<b>Total Liabilities</b>	<u><u>\$ 32,127,756</u></u>	<u><u>\$ 29,144,022</u></u>	<u><u>\$ 26,628,009</u></u>

<u>Judiciary Child Support and Paternity Fund</u>	<u>Judiciary Probation Fund</u>	<u>Judiciary Special Civil Fund</u>
\$ 3,186,153	\$ 205,075	\$ 54,662
23,956,768	7,949,518	2,408,967
-	-	-
-	-	-
-	-	-
<u>\$ 27,142,921</u>	<u>\$ 8,154,593</u>	<u>\$ 2,463,629</u>
\$ 27,142,921	\$ 8,154,593	\$ 2,463,629
-	-	-
<u>\$ 27,142,921</u>	<u>\$ 8,154,593</u>	<u>\$ 2,463,629</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>Luxury Tax Development Fund</u>	<u>Pension Adjustment Fund</u>	<u>Resource Recovery Investment Tax Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 305,079	\$ 610,514	\$ 99,784
Investments	7,088,480	1,420,116	471,464
Receivables, net of allowances for uncollectibles			
Members	-	-	-
Employers	-	852,147	-
Due from other funds	-	9,435	-
<b>Total Assets</b>	<u>\$ 7,393,559</u>	<u>\$ 2,892,212</u>	<u>\$ 571,248</u>
<b>LIABILITIES</b>			
Accounts payable and accruals	\$ 7,393,559	\$ 2,412,989	\$ 571,248
Due to other funds	-	479,223	-
<b>Total Liabilities</b>	<u>\$ 7,393,559</u>	<u>\$ 2,892,212</u>	<u>\$ 571,248</u>

<u>Solid Waste Service Tax Fund</u>	<u>Wage and Hour Trust Fund</u>	<u>Total Agency Funds</u>
\$ 81,347	\$ 2,267,999	\$ 9,054,786
927,371	2,799,480	100,021,751
-	-	43,835
-	-	852,147
-	-	32,621,627
<u>\$ 1,008,718</u>	<u>\$ 5,067,479</u>	<u>\$ 142,594,146</u>
\$ 1,008,718	\$ 5,066,219	\$ 141,921,370
-	1,260	672,776
<u>\$ 1,008,718</u>	<u>\$ 5,067,479</u>	<u>\$ 142,594,146</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b>
	<b>July 1, 2011</b>			<b>June 30, 2012</b>
<b>ALTERNATE BENEFIT PROGRAM FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 63,944	\$ 153,994,782	\$ 153,306,611	\$ 752,115
Investments	385,247	175,007,751	174,834,242	558,756
Receivables, net - members	43,667	43,835	43,667	43,835
Due from other funds	25,413,496	30,773,050	25,413,496	30,773,050
<b>Total Assets</b>	<b>\$ 25,906,354</b>	<b>\$ 359,819,418</b>	<b>\$ 353,598,016</b>	<b>\$ 32,127,756</b>
<b>Liabilities</b>				
Accounts payable	\$ 25,715,563	\$ 32,797,605	\$ 26,484,639	\$ 32,028,529
Due to other funds	190,791	99,227	190,791	99,227
<b>Total Liabilities</b>	<b>\$ 25,906,354</b>	<b>\$ 32,896,832</b>	<b>\$ 26,675,430</b>	<b>\$ 32,127,756</b>
<b>DENTAL EXPENSE PROGRAM</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 458,316	\$ 36,897,970	\$ 36,308,272	\$ 1,048,014
Investments	18,275,013	197,598,272	189,616,419	26,256,866
Due from other funds	-	1,839,142	-	1,839,142
<b>Total Assets</b>	<b>\$ 18,733,329</b>	<b>\$ 236,335,384</b>	<b>\$ 225,924,691</b>	<b>\$ 29,144,022</b>
<b>Liabilities</b>				
Accounts payable	\$ 18,596,234	\$ 63,563,843	\$ 53,109,121	\$ 29,050,956
Due to other funds	137,095	39,036	83,065	93,066
<b>Total Liabilities</b>	<b>\$ 18,733,329</b>	<b>\$ 63,602,879</b>	<b>\$ 53,192,186</b>	<b>\$ 29,144,022</b>
<b>JUDICIARY BAIL FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 255,408	\$ 94,379,842	\$ 94,191,206	\$ 444,044
Investments	25,982,965	14,090,753	13,889,753	26,183,965
<b>Total Assets</b>	<b>\$ 26,238,373</b>	<b>\$ 108,470,595</b>	<b>\$ 108,080,959</b>	<b>\$ 26,628,009</b>
<b>Liabilities</b>				
Accounts payable	\$ 26,238,373	\$ 79,047,563	\$ 78,657,927	\$ 26,628,009
Due to other funds	-	80,753	80,753	-
<b>Total Liabilities</b>	<b>\$ 26,238,373</b>	<b>\$ 79,128,316</b>	<b>\$ 78,738,680</b>	<b>\$ 26,628,009</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>JUDICIARY CHILD SUPPORT AND PATERNITY FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 4,409,541	\$ 2,931,218,274	\$ 2,932,441,662	\$ 3,186,153
Investments	22,837,709	154,608,719	153,489,660	23,956,768
<b>Total Assets</b>	<u>\$ 27,247,250</u>	<u>\$ 3,085,826,993</u>	<u>\$ 3,085,931,322</u>	<u>\$ 27,142,921</u>
<b>Liabilities</b>				
Accounts payable	\$ 27,247,250	\$ 1,428,802,305	\$ 1,428,906,634	\$ 27,142,921
<b>Total Liabilities</b>	<u>\$ 27,247,250</u>	<u>\$ 1,428,802,305</u>	<u>\$ 1,428,906,634</u>	<u>\$ 27,142,921</u>
<b>JUDICIARY PROBATION FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 84,720	\$ 65,270,829	\$ 65,150,474	\$ 205,075
Investments	8,995,519	16,022,741	17,068,742	7,949,518
<b>Total Assets</b>	<u>\$ 9,080,239</u>	<u>\$ 81,293,570</u>	<u>\$ 82,219,216</u>	<u>\$ 8,154,593</u>
<b>Liabilities</b>				
Accounts payable	\$ 9,080,239	\$ 48,783,004	\$ 49,708,650	\$ 8,154,593
Due to other funds	-	25,742	25,742	-
<b>Total Liabilities</b>	<u>\$ 9,080,239</u>	<u>\$ 48,808,746</u>	<u>\$ 49,734,392</u>	<u>\$ 8,154,593</u>
<b>JUDICIARY SPECIAL CIVIL FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 52,206	\$ 55,058,546	\$ 55,056,090	\$ 54,662
Investments	1,911,967	20,275,910	19,778,910	2,408,967
<b>Total Assets</b>	<u>\$ 1,964,173</u>	<u>\$ 75,334,456</u>	<u>\$ 74,835,000</u>	<u>\$ 2,463,629</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,964,173	\$ 35,252,212	\$ 34,752,756	\$ 2,463,629
Due to other funds	-	2,910	2,910	-
<b>Total Liabilities</b>	<u>\$ 1,964,173</u>	<u>\$ 35,255,122</u>	<u>\$ 34,755,666</u>	<u>\$ 2,463,629</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>LUXURY TAX DEVELOPMENT FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 235,062	\$ 1,570,017	\$ 1,500,000	\$ 305,079
Investments	8,575,813	12,667	1,500,000	7,088,480
<b>Total Assets</b>	<u>\$ 8,810,875</u>	<u>\$ 1,582,684</u>	<u>\$ 3,000,000</u>	<u>\$ 7,393,559</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,810,875	\$ 1,582,684	\$ 3,000,000	\$ 7,393,559
<b>Total Liabilities</b>	<u>\$ 8,810,875</u>	<u>\$ 1,582,684</u>	<u>\$ 3,000,000</u>	<u>\$ 7,393,559</u>
<b>PENSION ADJUSTMENT FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,878,696	\$ 3,105,846	\$ 4,374,028	\$ 610,514
Investments	476,192	5,552,470	4,608,546	1,420,116
Receivables, net - employers	1,274,762	3,861,184	4,283,799	852,147
Due from other funds	68,491	22,394	81,450	9,435
<b>Total Assets</b>	<u>\$ 3,698,141</u>	<u>\$ 12,541,894</u>	<u>\$ 13,347,823</u>	<u>\$ 2,892,212</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,946,107	\$ -	\$ 533,118	\$ 2,412,989
Due to other funds	752,034	7,669,221	7,942,032	479,223
<b>Total Liabilities</b>	<u>\$ 3,698,141</u>	<u>\$ 7,669,221</u>	<u>\$ 8,475,150</u>	<u>\$ 2,892,212</u>
<b>RESOURCE RECOVERY INVESTMENT TAX FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 99,784	\$ -	\$ -	\$ 99,784
Investments	470,735	729	-	471,464
<b>Total Assets</b>	<u>\$ 570,519</u>	<u>\$ 729</u>	<u>\$ -</u>	<u>\$ 571,248</u>
<b>Liabilities</b>				
Accounts payable	\$ 570,519	\$ 729	\$ -	\$ 571,248
<b>Total Liabilities</b>	<u>\$ 570,519</u>	<u>\$ 729</u>	<u>\$ -</u>	<u>\$ 571,248</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>SOLID WASTE SERVICE TAX FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 81,347	\$ -	\$ -	\$ 81,347
Investments	925,937	1,434	-	927,371
<b>Total Assets</b>	<u>\$ 1,007,284</u>	<u>\$ 1,434</u>	<u>\$ -</u>	<u>\$ 1,008,718</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,007,284	\$ 1,434	\$ -	\$ 1,008,718
<b>Total Liabilities</b>	<u>\$ 1,007,284</u>	<u>\$ 1,434</u>	<u>\$ -</u>	<u>\$ 1,008,718</u>
 <b>WAGE AND HOUR TRUST FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,896,756	\$ 2,007,946	\$ 1,636,703	\$ 2,267,999
Investments	2,798,219	1,261	-	2,799,480
<b>Total Assets</b>	<u>\$ 4,694,975</u>	<u>\$ 2,009,207</u>	<u>\$ 1,636,703</u>	<u>\$ 5,067,479</u>
<b>Liabilities</b>				
Accounts payable	\$ 4,694,025	\$ 2,007,946	\$ 1,635,752	\$ 5,066,219
Due to other funds	950	1,261	951	1,260
<b>Total Liabilities</b>	<u>\$ 4,694,975</u>	<u>\$ 2,009,207</u>	<u>\$ 1,636,703</u>	<u>\$ 5,067,479</u>
 <b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 9,515,780	\$ 3,343,504,052	\$ 3,343,965,046	\$ 9,054,786
Investments	91,635,316	583,172,707	574,786,272	100,021,751
Receivables, net - members	43,667	43,835	43,667	43,835
Receivables, net - employers	1,274,762	3,861,184	4,283,799	852,147
Due from other funds	25,481,987	32,634,586	25,494,946	32,621,627
<b>Total Assets</b>	<u>\$ 127,951,512</u>	<u>\$ 3,963,216,364</u>	<u>\$ 3,948,573,730</u>	<u>\$ 142,594,146</u>
<b>Liabilities</b>				
Accounts payable	\$ 126,870,642	\$ 1,691,839,325	\$ 1,676,788,597	\$ 141,921,370
Due to other funds	1,080,870	7,918,150	8,326,244	672,776
<b>Total Liabilities</b>	<u>\$ 127,951,512</u>	<u>\$ 1,699,757,475</u>	<u>\$ 1,685,114,841</u>	<u>\$ 142,594,146</u>



**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
 JUNE 30, 2012**

	<u>Alternate Benefit Long-Term Disability Fund</u>	<u>Central Pension Fund</u>	<u>Consolidated Police and Firemen's Pension Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 39,061	\$ 425,590
Securities lending collateral	-	-	-
Investments	1,232,900	1,837	4,394,113
<b>Receivables, net of allowances for uncollectibles</b>			
Members	-	-	-
Employers	-	-	-
Interest and dividends	-	1	22
<b>Due from other funds</b>	323,165	-	24,724
<b>Other</b>	-	-	415,095
<b>Total Assets</b>	<u>1,556,065</u>	<u>40,899</u>	<u>5,259,544</u>
<b>LIABILITIES</b>			
Accounts payable	-	19,048	-
Benefits payable	-	20,954	390,754
Securities lending collateral and rebates payable	-	-	-
<b>Due to other funds</b>	-	897	9,930
<b>Total Liabilities</b>	<u>-</u>	<u>40,899</u>	<u>400,684</u>
<b>NET ASSETS</b>			
<b>Held in Trust for Pension Benefits and Other Purposes</b>	<u>\$ 1,556,065</u>	<u>\$ -</u>	<u>\$ 4,858,860</u>

<u>Health Benefits Program Fund - Local Education</u>	<u>Health Benefits Program Fund - Local Government</u>	<u>Health Benefits Program Fund - State</u>	<u>Judicial Retirement System</u>
\$ 7,634,917	\$ 3,170,749	\$ 382,903	\$ 3,708,778
-	-	-	3,840,518
384,879,343	191,706,595	94,067,107	230,909,713
-	-	-	71,376
-	-	-	-
-	-	-	38
38,176,040	64,351,220	-	1,049,063
28,313	45,087	8,069,109	-
<u>430,718,613</u>	<u>259,273,651</u>	<u>102,519,119</u>	<u>239,579,486</u>
1,421,638	1,084,568	4,245,989	227
245,404,980	110,261,915	198,416,605	3,628,461
-	-	-	3,834,649
-	-	-	80,484
<u>246,826,618</u>	<u>111,346,483</u>	<u>202,662,594</u>	<u>7,543,821</u>
<u>\$ 183,891,995</u>	<u>\$ 147,927,168</u>	<u>\$ (100,143,475)</u>	<u>\$ 232,035,665</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS (Continued)**  
**JUNE 30, 2012**

	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Police and Firemen's Retirement System</u>	<u>Prison Officers' Pension Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 12,231	\$ 156,279,415	\$ 367,693
<b>Securities lending collateral</b>	-	329,622,358	-
<b>Investments</b>	2,585,539,841	19,584,640,095	8,823,537
<b>Receivables, net of allowances for uncollectibles</b>			
Members	-	47,526,660	-
Employers	-	984,286,033	-
Interest and dividends	1,178,243	3,942,398	8
<b>Due from other funds</b>	160,230	387,801,289	-
<b>Other</b>	-	111,108	-
<b>Total Assets</b>	<u>2,586,890,545</u>	<u>21,494,209,356</u>	<u>9,191,238</u>
<b>LIABILITIES</b>			
<b>Accounts payable</b>	846,662	4,142,032	67
<b>Benefits payable</b>	-	152,048,749	145,507
<b>Securities lending collateral and rebates payable</b>	-	329,113,056	-
<b>Due to other funds</b>	-	1,820,954	1,428
<b>Total Liabilities</b>	<u>846,662</u>	<u>487,124,791</u>	<u>147,002</u>
<b>NET ASSETS</b>			
<b>Held in Trust for Pension Benefits and Other Purposes</b>	<u>\$ 2,586,043,883</u>	<u>\$ 21,007,084,565</u>	<u>\$ 9,044,236</u>

<u>Public Employees' Retirement System</u>	<u>State Police Retirement System</u>	<u>Supplemental Annuity Collective Trust</u>	<u>Teachers' Pension and Annuity Fund</u>	<u>Total Pension and Other Employee Benefits Trust Funds</u>
\$ 237,096,071	\$ 14,482,638	\$ 721,528	\$ 297,561,120	\$ 721,882,694
407,441,067	29,163,423	-	439,018,848	1,209,086,214
23,867,346,297	1,709,074,059	154,376,675	25,211,886,701	74,028,878,813
53,075,058	-	247,652	75,493,466	176,414,212
1,981,309,247	-	-	69,378,393	3,034,973,673
2,633	148	279,536	3,196	5,406,223
556,128,548	20,140,530	-	236,833,962	1,304,988,771
3,636,813	76,940	21,931	3,669,847	16,074,243
<u>27,106,035,734</u>	<u>1,772,937,738</u>	<u>155,647,322</u>	<u>26,333,845,533</u>	<u>80,497,704,843</u>
68,258,739	54,074	239,130	52,435,103	132,747,277
245,496,314	13,697,535	2,528,816	295,127,622	1,267,168,212
406,820,294	29,118,498	-	438,348,749	1,207,235,246
2,022,389	219,806	3,008	3,097,809	7,256,705
<u>722,597,736</u>	<u>43,089,913</u>	<u>2,770,954</u>	<u>789,009,283</u>	<u>2,614,407,440</u>
<u>\$ 26,383,437,998</u>	<u>\$ 1,729,847,825</u>	<u>\$ 152,876,368</u>	<u>\$ 25,544,836,250</u>	<u>\$ 77,883,297,403</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, 2012**

	<u>Alternate Benefit Long-Term Disability Fund</u>	<u>Central Pension Fund</u>	<u>Consolidated Police and Firemen's Pension Fund</u>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ -	\$ -	\$ -
Employers	3,323,165	168,000	193,183
Other	-	22,155	3,234,585
<b>Total Contributions</b>	<u>3,323,165</u>	<u>190,155</u>	<u>3,427,768</u>
Investment Income:			
Net increase (decrease) in fair value of investments	(156)	-	(7,849)
Interest and dividends	4,288	119	12,882
<b>Total Investment Income</b>	4,132	119	5,033
Less investment expense	-	-	4,823
<b>Net Investment Income</b>	<u>4,132</u>	<u>119</u>	<u>210</u>
<b>Total Additions</b>	<u>3,327,297</u>	<u>190,274</u>	<u>3,427,978</u>
<b>DEDUCTIONS</b>			
Benefit payments	3,323,165	189,481	5,046,645
Refunds of contributions	-	793	-
Administrative expense	-	-	14,152
<b>Total Deductions</b>	<u>3,323,165</u>	<u>190,274</u>	<u>5,060,797</u>
<b>Total Changes in Net Assets Held in Trust</b>	4,132	-	(1,632,819)
<b>Net Assets - July 1, 2011</b>	<u>1,551,933</u>	<u>-</u>	<u>6,491,679</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 1,556,065</u>	<u>\$ -</u>	<u>\$ 4,858,860</u>

<u>Health Benefits Program Fund - Local Education</u>	<u>Health Benefits Program Fund - Local Government</u>	<u>Health Benefits Program Fund - State</u>	<u>Judicial Retirement System</u>
\$ 49,519,373	\$ 43,109,391	\$ 152,051,630	\$ 2,476,205
2,096,978,330	932,727,716	1,691,931,065	6,061,953
-	-	-	-
<u>2,146,497,703</u>	<u>975,837,107</u>	<u>1,843,982,695</u>	<u>8,538,158</u>
(67,295)	(20,975)	(23,086)	(690,294)
<u>872,151</u>	<u>391,077</u>	<u>209,428</u>	<u>5,660,584</u>
804,856	370,102	186,342	4,970,290
-	-	-	16,076
<u>804,856</u>	<u>370,102</u>	<u>186,342</u>	<u>4,954,214</u>
<u>2,147,302,559</u>	<u>976,207,209</u>	<u>1,844,169,037</u>	<u>13,492,372</u>
2,328,944,099	979,913,607	1,957,384,329	45,955,546
-	-	-	45,641
<u>3,654,752</u>	<u>1,513,167</u>	<u>3,100,752</u>	<u>159,888</u>
<u>2,332,598,851</u>	<u>981,426,774</u>	<u>1,960,485,081</u>	<u>46,161,075</u>
(185,296,292)	(5,219,565)	(116,316,044)	(32,668,703)
<u>369,188,287</u>	<u>153,146,733</u>	<u>16,172,569</u>	<u>264,704,368</u>
<u>\$ 183,891,995</u>	<u>\$ 147,927,168</u>	<u>\$ (100,143,475)</u>	<u>\$ 232,035,665</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Police and Firemen's Retirement System</u>	<u>Prison Officers' Pension Fund</u>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ 178,243,724	\$ 374,688,168	\$ -
Employers	-	842,084,854	-
Other	-	-	994,367
<b>Total Contributions</b>	<u>178,243,724</u>	<u>1,216,773,022</u>	<u>994,367</u>
Investment Income:			
Net increase (decrease) in fair value of investments	9,688,428	(167,607,023)	(3,095)
Interest and dividends	10,342,361	540,454,848	15,406
<b>Total Investment Income</b>	<u>20,030,789</u>	<u>372,847,825</u>	<u>12,311</u>
Less investment expense	196,104	1,351,653	2,366
<b>Net Investment Income</b>	<u>19,834,685</u>	<u>371,496,172</u>	<u>9,945</u>
<b>Total Additions</b>	<u>198,078,409</u>	<u>1,588,269,194</u>	<u>1,004,312</u>
<b>DEDUCTIONS</b>			
Benefit payments	118,211,742	1,862,401,613	1,950,804
Refunds of contributions	-	7,551,462	-
Administrative expense	465,127	3,919,438	6,922
<b>Total Deductions</b>	<u>118,676,869</u>	<u>1,873,872,513</u>	<u>1,957,726</u>
<b>Total Changes in Net Assets Held in Trust</b>	79,401,540	(285,603,319)	(953,414)
<b>Net Assets - July 1, 2011</b>	<u>2,506,642,343</u>	<u>21,292,687,884</u>	<u>9,997,650</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 2,586,043,883</u>	<u>\$ 21,007,084,565</u>	<u>\$ 9,044,236</u>

<u>Public Employees' Retirement System</u>	<u>State Police Retirement System</u>	<u>Supplemental Annuity Collective Trust</u>	<u>Teachers' Pension and Annuity Fund</u>	<u>Total Pension and Other Employee Benefits Trust Funds</u>
\$ 793,993,077	\$ 23,233,207	\$ 6,346,823	\$ 685,608,357	\$ 2,309,269,955
997,437,885	13,578,328	-	323,100,685	6,907,585,164
-	-	-	-	4,251,107
<u>1,791,430,962</u>	<u>36,811,535</u>	<u>6,346,823</u>	<u>1,008,709,042</u>	<u>9,221,106,226</u>
(37,727,048)	3,328,478	2,432,656	(32,213,203)	(222,910,462)
<u>673,708,165</u>	<u>45,682,579</u>	<u>3,508,768</u>	<u>677,178,622</u>	<u>1,958,041,278</u>
635,981,117	49,011,057	5,941,424	644,965,419	1,735,130,816
<u>7,407,519</u>	<u>95,312</u>	<u>-</u>	<u>3,983,130</u>	<u>13,056,983</u>
<u>628,573,598</u>	<u>48,915,745</u>	<u>5,941,424</u>	<u>640,982,289</u>	<u>1,722,073,833</u>
<u>2,420,004,560</u>	<u>85,727,280</u>	<u>12,288,247</u>	<u>1,649,691,331</u>	<u>10,943,180,059</u>
2,900,539,904	163,065,369	17,890,338	3,538,617,490	13,923,434,132
108,618,263	143,320	-	40,911,455	157,270,934
<u>21,841,723</u>	<u>298,961</u>	<u>-</u>	<u>11,523,397</u>	<u>46,498,279</u>
<u>3,030,999,890</u>	<u>163,507,650</u>	<u>17,890,338</u>	<u>3,591,052,342</u>	<u>14,127,203,345</u>
(610,995,330)	(77,780,370)	(5,602,091)	(1,941,361,011)	(3,184,023,286)
<u>26,994,433,328</u>	<u>1,807,628,195</u>	<u>158,478,459</u>	<u>27,486,197,261</u>	<u>81,067,320,689</u>
<u>\$ 26,383,437,998</u>	<u>\$ 1,729,847,825</u>	<u>\$ 152,876,368</u>	<u>\$ 25,544,836,250</u>	<u>\$ 77,883,297,403</u>



**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2012**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 100	\$ 27,993
Investments	162,339	234,921
<b>Total Assets</b>	<u>162,439</u>	<u>262,914</u>
<b>LIABILITIES</b>		
Accounts payable	-	262,451
Due to other funds	-	364
<b>Total Liabilities</b>	<u>-</u>	<u>262,815</u>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 162,439</u>	<u>\$ 99</u>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 1,433,776	\$ 1,112,751	\$ 2,574,620
5,237,352	6,813,460	12,448,072
<u>6,671,128</u>	<u>7,926,211</u>	<u>15,022,692</u>
4,020,466	-	4,282,917
283,989	31,081	315,434
<u>4,304,455</u>	<u>31,081</u>	<u>4,598,351</u>
<u>\$ 2,366,673</u>	<u>\$ 7,895,130</u>	<u>\$ 10,424,341</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
<b>ADDITIONS</b>		
Investment income:		
Interest and dividends	\$ 242	\$ 364
Total Investment Income	242	364
Miscellaneous	6,000	-
<b>Total Additions</b>	<u>6,242</u>	<u>364</u>
<b>DEDUCTIONS</b>		
Refunds and transfers to other systems	-	364
Payments in accordance with trust agreements	-	-
<b>Total Deductions</b>	<u>-</u>	<u>364</u>
<b>Total Changes in Net Assets Held in Trust</b>	6,242	-
<b>Net Assets - July 1, 2011</b>	<u>156,197</u>	<u>99</u>
<b>Net Assets - June 30, 2012</b>	<u>\$ 162,439</u>	<u>\$ 99</u>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 8,127	\$ 10,544	\$ 19,277
8,127	10,544	19,277
<u>31,204</u>	<u>1,240,008</u>	<u>1,277,212</u>
<u>39,331</u>	<u>1,250,552</u>	<u>1,296,489</u>
-	8,484	8,848
<u>144,741</u>	<u>592,237</u>	<u>736,978</u>
<u>144,741</u>	<u>600,721</u>	<u>745,826</u>
(105,410)	649,831	550,663
<u>2,472,083</u>	<u>7,245,299</u>	<u>9,873,678</u>
<u>\$ 2,366,673</u>	<u>\$ 7,895,130</u>	<u>\$ 10,424,341</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS**  
**JUNE 30, 2012**

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,222,076,853	\$ 588,793,310	\$ 2,810,870,163
Investments	3,791,099,525	458,974,897	4,250,074,422
Receivables, net of allowances for uncollectibles			
Federal government	11,232,681	40,061,357	51,294,038
Loans	261,180,008	3,256,074	264,436,082
Mortgages	98,075,000	-	98,075,000
Other	137,504,891	61,742,167	199,247,058
Due from external parties	39,485,868	18,656,315	58,142,183
Inventories	1,537,747	-	1,537,747
Other	14,322,395	135,031,464	149,353,859
<b>Total Current Assets</b>	<u>6,576,514,968</u>	<u>1,306,515,584</u>	<u>7,883,030,552</u>
<b>Noncurrent Assets</b>			
Investments	828,238,844	543,488,020	1,371,726,864
Receivables, net of allowances for uncollectibles			
Loans	3,741,209,146	12,687,687	3,753,896,833
Mortgages	2,567,486,208	-	2,567,486,208
Other	1,675,000	15,460,416	17,135,416
Capital assets - nondepreciated	470,121,664	460,084,416	930,206,080
Capital assets - depreciated, net	1,519,674,755	3,224,908,971	4,744,583,726
Derivative instrument asset	16,574,020	-	16,574,020
Other	72,215,312	110,660,445	182,875,757
<b>Total Noncurrent Assets</b>	<u>9,217,194,949</u>	<u>4,367,289,955</u>	<u>13,584,484,904</u>
Deferred Outflows	59,925,030	-	59,925,030
<b>Total Assets and Deferred Outflows</b>	<u>15,853,634,947</u>	<u>5,673,805,539</u>	<u>21,527,440,486</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	119,518,289	164,758,705	284,276,994
Due to external parties	24,844,625	1,082,019	25,926,644
Interest payable	61,068,408	31,595,198	92,663,606
Deferred revenue	87,119,377	69,518,790	156,638,167
Current portion of long-term obligations	376,395,107	73,389,991	449,785,098
Other	296,081,978	39,526,517	335,608,495
<b>Total Current Liabilities</b>	<u>965,027,784</u>	<u>379,871,220</u>	<u>1,344,899,004</u>
<b>Noncurrent liabilities</b>			
Net pension obligation	31,406,499	-	31,406,499
Net OPEB obligation	141,964,936	-	141,964,936
Pollution remediation	2,350,000	-	2,350,000
Derivative instrument liability	76,499,050	-	76,499,050
Other	8,426,653,270	2,714,804,444	11,141,457,714
<b>Total Noncurrent Liabilities</b>	<u>8,678,873,755</u>	<u>2,714,804,444</u>	<u>11,393,678,199</u>
Deferred Inflows	-	227,646,563	227,646,563
<b>Total Liabilities and Deferred Inflows</b>	<u>9,643,901,539</u>	<u>3,322,322,227</u>	<u>12,966,223,766</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,076,084,864	989,642,186	2,065,727,050
<b>Restricted for:</b>			
Capital projects	23,556,875	28,396,886	51,953,761
Debt service	844,716,785	70,742,586	915,459,371
Other purposes	3,309,013,816	384,594,044	3,693,607,860
Unrestricted	956,361,068	878,107,610	1,834,468,678
<b>Total Net Assets</b>	<u>\$ 6,209,733,408</u>	<u>\$ 2,351,483,312</u>	<u>\$ 8,561,216,720</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES  
NON-MAJOR COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
<b>Expenses</b>	\$ 2,186,351,269	\$ 2,091,911,500	\$ 4,278,262,769
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	555,092,208	1,155,747,712	1,710,839,920
Operating grants and contributions	655,669,710	739,395,072	1,395,064,782
Capital grants and contributions	<u>855,876,216</u>	<u>15,408,714</u>	<u>871,284,930</u>
<b>Net (Expense) Revenue</b>	<u>(119,713,135)</u>	<u>(181,360,002)</u>	<u>(301,073,137)</u>
<b>General Revenue</b>			
Payments from State	<u>62,002,824</u>	<u>290,993,059</u>	<u>352,995,883</u>
<b>Total General Revenue</b>	<u>62,002,824</u>	<u>290,993,059</u>	<u>352,995,883</u>
<b>Change in Net Assets</b>	(57,710,311)	109,633,057	51,922,746
<b>Net Assets - Beginning of Year (Restated)</b>	<u>6,267,443,719</u>	<u>2,241,850,255</u>	<u>8,509,293,974</u>
<b>Net Assets - End of Year</b>	<u>\$ 6,209,733,408</u>	<u>\$ 2,351,483,312</u>	<u>\$ 8,561,216,720</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2012**

	<u>Atlantic City Convention and Visitors Authority</u>	<u>Casino Reinvestment Development Authority</u>	<u>Higher Education Student Assistance Authority</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 4,483,088	\$ 132,343,552	\$ 523,025,204
Investments	34,349,383	42,733,856	3,190,329,354
Receivables, net of allowances for uncollectibles			
Federal government	-	-	11,232,681
Loans	-	-	85,760,233
Mortgages	-	-	-
Other	658,554	11,488,355	53,747,299
Due from external parties	13,228,684	-	1,959,184
Inventories	13,853	-	-
Other	1,125,564	-	-
<b>Total Current Assets</b>	<u>53,859,126</u>	<u>186,565,763</u>	<u>3,866,053,955</u>
<b>Noncurrent Assets</b>			
Investments	-	-	-
Receivables, net of allowances for uncollectibles			
Loans	-	-	2,019,614,791
Mortgages	-	97,634,208	-
Other	-	-	-
Capital assets - nondepreciated	81,311,000	99,199,473	-
Capital assets - depreciated, net	312,228,360	26,163,276	579,538
Derivative instrument asset	-	-	16,574,020
Other	1,044,241	19,254,909	10,537,488
<b>Total Noncurrent Assets</b>	<u>394,583,601</u>	<u>242,251,866</u>	<u>2,047,305,837</u>
<b>Deferred Outflows</b>	-	-	-
<b>Total Assets and Deferred Outflows</b>	<u>448,442,727</u>	<u>428,817,629</u>	<u>5,913,359,792</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	4,142,746	17,223,738	12,972,613
Due to external parties	-	-	217,918
Interest payable	9,197,491	3,508,073	9,241,850
Deferred revenue	2,413,333	-	-
Current portion of long-term obligations	7,225,000	21,889,080	117,855,000
Other	-	-	35,473,379
<b>Total Current Liabilities</b>	<u>22,978,570</u>	<u>42,620,891</u>	<u>175,760,760</u>
<b>Noncurrent Liabilities</b>			
Net pension obligation	-	-	-
Net OPEB obligation	-	-	-
Pollution remediation	-	-	-
Derivative instrument liability	-	-	16,574,020
Other	103,088,297	436,166,939	2,404,520,716
<b>Total Noncurrent Liabilities</b>	<u>103,088,297</u>	<u>436,166,939</u>	<u>2,421,094,736</u>
<b>Deferred Inflows</b>	-	-	-
<b>Total Liabilities and Deferred Inflows</b>	<u>126,066,867</u>	<u>478,787,830</u>	<u>2,596,855,496</u>
<b>NET ASSETS</b>			
<b>Invested in capital assets, net of related debt</b>	284,589,360	17,628,283	-
<b>Restricted for:</b>			
Capital projects	-	-	-
Debt service	-	34,730,406	150,252,419
Other purposes	5,519,884	-	3,166,251,877
<b>Unrestricted</b>	32,266,616	(102,328,890)	-
<b>Total Net Assets</b>	<u>\$ 322,375,860</u>	<u>\$ (49,970,201)</u>	<u>\$ 3,316,504,296</u>

<u>New Jersey Economic Development Authority</u>	<u>New Jersey Educational Facilities Authority</u>	<u>New Jersey Environmental Infrastructure Trust</u>	<u>New Jersey Health Care Facilities Financing Authority</u>
\$ 91,447,880	\$ 94,026	\$ 267,753,247	\$ 26,000
89,073,954	4,413,444	232,322,593	5,371,000
-	-	-	-
40,923,554	-	96,866,196	286,000
-	-	-	-
-	-	26,696,405	2,083,000
-	27,147	-	-
-	-	-	-
1,107,788	15,426	64,234	3,288,000
<u>222,553,176</u>	<u>4,550,043</u>	<u>623,702,675</u>	<u>11,054,000</u>
237,456,108	-	79,057,046	-
162,197,763	-	1,228,740,528	1,190,000
-	-	-	-
-	-	-	-
23,397,313	-	-	-
78,152,493	110,140	87,741	50,000
-	-	-	-
138,970	-	9,422,406	-
<u>501,342,647</u>	<u>110,140</u>	<u>1,317,307,721</u>	<u>1,240,000</u>
2,171,742	-	-	-
<u>726,067,565</u>	<u>4,660,183</u>	<u>1,941,010,396</u>	<u>12,294,000</u>
7,110,816	254,185	21,595,615	485,000
-	-	-	-
505,384	-	-	-
1,228,423	-	-	1,605,000
8,638,685	-	95,776,484	-
4,267,100	-	-	-
<u>21,750,408</u>	<u>254,185</u>	<u>117,372,099</u>	<u>2,090,000</u>
-	-	-	-
-	780,480	-	-
-	-	-	-
2,171,742	-	-	-
<u>72,035,474</u>	<u>30,361</u>	<u>1,517,616,137</u>	<u>-</u>
74,207,216	810,841	1,517,616,137	-
-	-	-	-
<u>95,957,624</u>	<u>1,065,026</u>	<u>1,634,988,236</u>	<u>2,090,000</u>
55,803,672	110,140	-	50,000
-	-	-	-
-	-	256,595,153	-
24,609,225	-	11,808,408	-
549,697,044	3,485,017	37,618,599	10,154,000
<u>\$ 630,109,941</u>	<u>\$ 3,595,157</u>	<u>\$ 306,022,160</u>	<u>\$ 10,204,000</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES (Continued)**  
**JUNE 30, 2012**

	New Jersey Housing and Mortgage Finance Agency	New Jersey Meadowlands Commission	New Jersey Redevelopment Authority
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 916,439,000	\$ 21,906,883	\$ 1,868,350
Investments	32,995,000	16,204,212	-
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Loans	-	-	21,779,025
Mortgages	98,075,000	-	-
Other	6,420,000	4,720,873	7,923,483
Due from external parties	1,725,000	-	-
Inventories	-	-	-
Other	773,000	-	16,815
<b>Total Current Assets</b>	<u>1,056,427,000</u>	<u>42,831,968</u>	<u>31,587,673</u>
<b>Noncurrent Assets</b>			
Investments	471,609,000	1,770,208	20,069,209
Receivables, net of allowances for uncollectibles			
Loans	318,002,000	-	7,164,424
Mortgages	2,469,852,000	-	-
Other	1,675,000	-	-
Capital assets - nondepreciated	1,225,000	31,439,401	-
Capital assets - depreciated, net	9,625,000	10,912,799	53,942
Derivative instrument asset	-	-	-
Other	18,551,000	25,000	-
<b>Total Noncurrent Assets</b>	<u>3,290,539,000</u>	<u>44,147,408</u>	<u>27,287,575</u>
<b>Deferred Outflows</b>	<u>23,384,000</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows</b>	<u>4,370,350,000</u>	<u>86,979,376</u>	<u>58,875,248</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	4,850,000	4,843,455	87,326
Due to external parties	23,970,000	-	448,374
Interest payable	25,804,000	-	-
Deferred revenue	-	1,897,180	-
Current portion of long-term obligations	101,605,000	-	-
Other	221,312,000	1,023,881	-
<b>Total Current Liabilities</b>	<u>377,541,000</u>	<u>7,764,516</u>	<u>535,700</u>
<b>Noncurrent Liabilities</b>			
Net pension obligation	-	1,071,168	-
Net OPEB obligation	48,026,000	5,726,263	-
Pollution remediation	-	-	-
Derivative instrument liability	23,384,000	-	-
Other	3,024,115,000	5,580,173	-
<b>Total Noncurrent Liabilities</b>	<u>3,095,525,000</u>	<u>12,377,604</u>	<u>-</u>
<b>Deferred Inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>3,473,066,000</u>	<u>20,142,120</u>	<u>535,700</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	10,850,000	42,352,200	53,942
<b>Restricted for:</b>			
Capital projects	-	-	18,795,004
Debt service	315,257,000	-	-
Other purposes	65,849,000	19,366,614	-
<b>Unrestricted</b>	<u>505,328,000</u>	<u>5,118,442</u>	<u>39,490,602</u>
<b>Total Net Assets</b>	<u>\$ 897,284,000</u>	<u>\$ 66,837,256</u>	<u>\$ 58,339,548</u>

<b>New Jersey Sports and Exposition Authority</b>	<b>New Jersey Water Supply Authority</b>	<b>South Jersey Port Corporation</b>	<b>South Jersey Transportation Authority</b>	<b>Total Non-Major Authorities</b>
\$ 9,304,000	\$ 35,066,623	\$ 108,547,872	\$ 109,771,128	\$ 2,222,076,853
25,420,000	-	9,753,948	108,132,781	3,791,099,525
-	-	-	-	11,232,681
-	-	-	15,565,000	261,180,008
-	-	-	-	98,075,000
6,208,000	4,765,659	5,227,633	7,565,630	137,504,891
2,698,800	-	19,847,053	-	39,485,868
-	-	1,401,433	122,461	1,537,747
-	4,680,612	930,237	2,320,719	14,322,395
<u>43,630,800</u>	<u>44,512,894</u>	<u>145,708,176</u>	<u>243,477,719</u>	<u>6,576,514,968</u>
-	18,277,273	-	-	828,238,844
4,299,640	-	-	-	3,741,209,146
-	-	-	-	2,567,486,208
-	-	-	-	1,675,000
-	33,906,234	18,235,317	181,407,926	470,121,664
322,218,000	110,082,452	198,479,633	450,931,381	1,519,674,755
-	-	-	-	16,574,020
2,302,360	2,863,810	-	8,075,128	72,215,312
<u>328,820,000</u>	<u>165,129,769</u>	<u>216,714,950</u>	<u>640,414,435</u>	<u>9,217,194,949</u>
-	-	-	34,369,288	59,925,030
<u>372,450,800</u>	<u>209,642,663</u>	<u>362,423,126</u>	<u>918,261,442</u>	<u>15,853,634,947</u>
18,030,300	2,419,651	11,435,482	14,067,362	119,518,289
-	-	-	208,333	24,844,625
458,500	-	8,561,191	3,791,919	61,068,408
77,476,000	1,512,896	537,751	448,794	87,119,377
-	5,884,725	9,780,000	7,741,133	376,395,107
13,991,000	-	207,042	19,807,576	296,081,978
<u>109,955,800</u>	<u>9,817,272</u>	<u>30,521,466</u>	<u>46,065,117</u>	<u>965,027,784</u>
29,189,400	-	1,145,931	-	31,406,499
8,453,000	-	2,920,762	76,058,431	141,964,936
2,350,000	-	-	-	2,350,000
-	-	-	34,369,288	76,499,050
<u>17,906,600</u>	<u>85,576,278</u>	<u>284,311,286</u>	<u>475,706,009</u>	<u>8,426,653,270</u>
57,899,000	85,576,278	288,377,979	586,133,728	8,678,873,755
-	-	-	-	-
<u>167,854,800</u>	<u>95,393,550</u>	<u>318,899,445</u>	<u>632,198,845</u>	<u>9,643,901,539</u>
326,216,000	78,090,867	1,247,406	259,092,994	1,076,084,864
-	-	-	4,761,871	23,556,875
-	11,924,238	25,728,619	50,228,950	844,716,785
4,802,000	-	1,401,433	9,405,375	3,309,013,816
(126,422,000)	24,234,008	15,146,223	(37,426,593)	956,361,068
<u>\$ 204,596,000</u>	<u>\$ 114,249,113</u>	<u>\$ 43,523,681</u>	<u>\$ 286,062,597</u>	<u>\$ 6,209,733,408</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES  
NON-MAJOR COMPONENT UNITS - AUTHORITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Atlantic City Convention and Visitors Authority</u>	<u>Casino Reinvestment Development Authority</u>	<u>Higher Education Student Assistance Authority</u>
<b>Expenses</b>	\$ 48,966,466	\$ 93,231,865	\$ 1,076,544,313
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	56,341,963	45,055,839	36,416,435
Operating grants and contributions	37,367	10,772,387	278,419,163
Capital grants and contributions	<u>100,000</u>	<u>326,103</u>	<u>849,715,850</u>
<b>Net (Expense) Revenue</b>	<u>7,512,864</u>	<u>(37,077,536)</u>	<u>88,007,135</u>
<b>General Revenue</b>			
Payments from State	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	7,512,864	(37,077,536)	88,007,135
<b>Net Assets - Beginning of Year (Restated)</b>	<u>314,862,996</u>	<u>(12,892,665)</u>	<u>3,228,497,161</u>
<b>Net Assets - End of Year</b>	<u>\$ 322,375,860</u>	<u>\$ (49,970,201)</u>	<u>\$ 3,316,504,296</u>

<u>New Jersey Economic Development Authority</u>	<u>New Jersey Educational Facilities Authority</u>	<u>New Jersey Environmental Infrastructure Trust</u>	<u>New Jersey Health Care Facilities Financing Authority</u>
\$ 114,208,196	\$ 10,841,726	\$ 60,241,003	\$ 3,197,000
35,323,196	3,355,088	5,974,230	4,045,000
11,425,117	9,425	60,665,237	57,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(67,459,883)</u>	<u>(7,477,213)</u>	<u>6,398,464</u>	<u>905,000</u>
<u>38,105,322</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>38,105,322</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(29,354,561)</u>	<u>(7,477,213)</u>	<u>6,398,464</u>	<u>905,000</u>
<u>659,464,502</u>	<u>11,072,370</u>	<u>299,623,696</u>	<u>9,299,000</u>
<u>\$ 630,109,941</u>	<u>\$ 3,595,157</u>	<u>\$ 306,022,160</u>	<u>\$ 10,204,000</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>New Jersey Housing and Mortgage Finance Agency</u>	<u>New Jersey Meadowlands Commission</u>	<u>New Jersey Redevelopment Authority</u>
<b>Expenses</b>	\$ 336,084,000	\$ 43,810,284	\$ 2,882,216
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	31,196,000	28,366,812	477,017
Operating grants and contributions	248,642,000	11,444,379	2,060,286
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net (Expense) Revenue</b>	<u>(56,246,000)</u>	<u>(3,999,093)</u>	<u>(344,913)</u>
<b>General Revenue</b>			
Payments from State	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	(56,246,000)	(3,999,093)	(344,913)
<b>Net Assets - Beginning of Year (Restated)</b>	<u>953,530,000</u>	<u>70,836,349</u>	<u>58,684,461</u>
<b>Net Assets - End of Year</b>	<u>\$ 897,284,000</u>	<u>\$ 66,837,256</u>	<u>\$ 58,339,548</u>

<u>New Jersey Sports and Exposition Authority</u>	<u>New Jersey Water Supply Authority</u>	<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>Total Non-Major Authorities</u>
\$ 204,398,947	\$ 28,616,001	\$ 41,435,328	\$ 121,893,924	\$ 2,186,351,269
155,098,000	28,188,326	19,208,160	106,046,142	555,092,208
22,346,947	644,447	3,976,635	5,169,320	655,669,710
-	-	683,008	5,051,255	855,876,216
<u>(26,954,000)</u>	<u>216,772</u>	<u>(17,567,525)</u>	<u>(5,627,207)</u>	<u>(119,713,135)</u>
-	-	23,897,502	-	62,002,824
-	-	23,897,502	-	62,002,824
(26,954,000)	216,772	6,329,977	(5,627,207)	(57,710,311)
<u>231,550,000</u>	<u>114,032,341</u>	<u>37,193,704</u>	<u>291,689,804</u>	<u>6,267,443,719</u>
<u>\$ 204,596,000</u>	<u>\$ 114,249,113</u>	<u>\$ 43,523,681</u>	<u>\$ 286,062,597</u>	<u>\$ 6,209,733,408</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**JUNE 30, 2012**

	<u>The College of New Jersey</u>	<u>Kean University</u>	<u>Montclair State University</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 4,223,000	\$ 170,513,521	\$ 16,780,412
Investments	72,313,000	23,524,065	135,902,938
Receivables, net of allowances for uncollectibles			
Federal government	4,050,000	1,267,671	3,506,750
Loans	833,000	219,224	454,326
Other	2,991,000	6,988,853	8,796,426
Due from external parties	2,606,000	3,476,434	2,283,006
Inventories	-	-	-
Other	13,138,000	237,544	1,798,206
<b>Total Current Assets</b>	<u>100,154,000</u>	<u>206,227,312</u>	<u>169,522,064</u>
<b>Noncurrent Assets</b>			
Investments	43,518,000	7,487,790	94,771,059
Receivables, net of allowances for uncollectibles			
Loans	2,718,000	1,482,611	2,993,445
Other	-	270,659	2,537,203
Capital assets - nondepreciated	95,443,000	39,742,505	81,945,485
Capital assets - depreciated, net	487,184,000	360,937,830	699,096,255
Other	51,009,000	4,859,306	4,767,429
<b>Total Noncurrent Assets</b>	<u>679,872,000</u>	<u>414,780,701</u>	<u>886,110,876</u>
<b>Total Assets and Deferred Outflows</b>	<u>780,026,000</u>	<u>621,008,013</u>	<u>1,055,632,940</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	11,425,000	14,168,716	23,947,372
Due to external parties	-	-	-
Interest payable	8,612,000	7,049,546	7,932,608
Deferred revenue	2,928,000	8,993,307	13,721,537
Current portion of long-term obligations	3,630,000	9,509,601	12,296,896
Other	3,090,000	3,692,112	5,957,939
<b>Total Current Liabilities</b>	<u>29,685,000</u>	<u>43,413,282</u>	<u>63,856,352</u>
<b>Noncurrent liabilities</b>			
Other	377,787,000	359,143,049	355,152,567
<b>Total Noncurrent Liabilities</b>	<u>377,787,000</u>	<u>359,143,049</u>	<u>355,152,567</u>
<b>Deferred Inflows</b>			
	-	-	227,646,563
<b>Total Liabilities and Deferred Inflows</b>	<u>407,472,000</u>	<u>402,556,331</u>	<u>646,655,482</u>
<b>NET ASSETS</b>			
<b>Invested in capital assets, net of related debt</b>	224,346,000	78,714,374	182,801,298
<b>Restricted for:</b>			
Capital projects	-	28,396,886	-
Debt service	-	6,605,194	17,879,138
Other purposes	20,660,000	23,434,676	60,782,321
<b>Unrestricted</b>	127,548,000	81,300,552	147,514,701
<b>Total Net Assets</b>	<u>\$ 372,554,000</u>	<u>\$ 218,451,682</u>	<u>\$ 408,977,458</u>

<u>New Jersey City University</u>	<u>New Jersey Institute of Technology</u>	<u>Ramapo College of New Jersey</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Rowan University</u>
\$ 7,846,204	\$ 37,474,000	\$ 67,227,000	\$ 7,480,834	\$ 139,983,636
47,005,645	19,530,000	1,136,000	97,938,437	5,607,208
1,774,232	21,590,000	-	871,719	4,023,908
-	321,000	189,000	316,237	-
7,556,445	6,983,000	6,354,000	8,311,138	5,091,002
-	3,125,000	-	578,118	2,844,552
-	-	-	-	-
280,069	2,014,000	62,718,000	28,269,379	26,267,334
<u>64,462,595</u>	<u>91,037,000</u>	<u>137,624,000</u>	<u>143,765,862</u>	<u>183,817,640</u>
30,382,981	175,114,000	12,389,000	20,230,855	142,233,917
702,933	1,555,000	761,000	1,997,343	-
1,148,851	-	3,880,000	1,464,683	4,728,768
19,573,363	-	9,767,000	43,071,052	157,575,798
157,910,471	234,926,000	256,308,000	264,345,342	413,380,254
3,077,050	7,284,000	-	2,575,376	32,718,792
<u>212,795,649</u>	<u>418,879,000</u>	<u>283,105,000</u>	<u>333,684,651</u>	<u>750,637,529</u>
<u>277,258,244</u>	<u>509,916,000</u>	<u>420,729,000</u>	<u>477,450,513</u>	<u>934,455,169</u>
9,794,228	13,079,000	12,782,000	28,591,025	27,957,613
-	1,076,000	-	-	-
3,313,044	4,688,000	-	-	-
1,489,019	11,433,000	3,802,000	4,120,601	9,574,489
3,132,459	9,621,000	5,999,000	6,279,333	16,003,788
8,232,215	8,086,000	3,124,000	2,446,893	71,783
<u>25,960,965</u>	<u>47,983,000</u>	<u>25,707,000</u>	<u>41,437,852</u>	<u>53,607,673</u>
142,749,551	250,056,000	277,132,000	251,814,601	525,629,468
142,749,551	250,056,000	277,132,000	251,814,601	525,629,468
-	-	-	-	-
<u>168,710,516</u>	<u>298,039,000</u>	<u>302,839,000</u>	<u>293,252,453</u>	<u>579,237,141</u>
56,247,595	76,643,000	33,487,000	66,979,103	74,679,670
-	-	-	-	-
3,023,040	4,430,000	-	6,188,684	22,496,225
9,193,231	66,992,000	22,252,000	20,452,034	140,490,852
40,083,862	63,812,000	62,151,000	90,578,239	117,551,281
<u>\$ 108,547,728</u>	<u>\$ 211,877,000</u>	<u>\$ 117,890,000</u>	<u>\$ 184,198,060</u>	<u>\$ 355,218,028</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES (Continued)**  
**JUNE 30, 2012**

	<b>Thomas Edison State College</b>	<b>The William Paterson University of New Jersey</b>	<b>Total Non-Major Colleges and Universities</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 7,511,821	\$ 129,752,882	\$ 588,793,310
Investments	43,869,507	12,148,097	458,974,897
Receivables, net of allowances for uncollectibles			
Federal government	2,100,979	876,098	40,061,357
Loans	-	923,287	3,256,074
Other	4,409,806	4,260,497	61,742,167
Due from external parties	596,546	3,146,659	18,656,315
Other	308,932	-	135,031,464
<b>Total Current Assets</b>	<b>58,797,591</b>	<b>151,107,520</b>	<b>1,306,515,584</b>
<b>Noncurrent Assets</b>			
Investments	9,884,580	7,475,838	543,488,020
Receivables, net of allowances for uncollectibles			
Loans	-	477,355	12,687,687
Other	-	1,430,252	15,460,416
Capital assets - nondepreciated	5,355,944	7,610,269	460,084,416
Capital assets - depreciated, net	29,320,617	321,500,202	3,224,908,971
Other	-	4,369,492	110,660,445
<b>Total Noncurrent Assets</b>	<b>44,561,141</b>	<b>342,863,408</b>	<b>4,367,289,955</b>
<b>Total Assets and Deferred Outflows</b>	<b>103,358,732</b>	<b>493,970,928</b>	<b>5,673,805,539</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	5,947,507	17,066,244	164,758,705
Due to external parties	6,019	-	1,082,019
Interest payable	-	-	31,595,198
Deferred revenue	9,896,011	3,560,826	69,518,790
Current portion of long-term obligations	676,925	6,240,989	73,389,991
Other	1,576,809	3,248,766	39,526,517
<b>Total Current Liabilities</b>	<b>18,103,271</b>	<b>30,116,825</b>	<b>379,871,220</b>
<b>Noncurrent liabilities</b>			
Net pension obligation	-	-	-
Other	10,022,400	165,317,808	2,714,804,444
<b>Total Noncurrent Liabilities</b>	<b>10,022,400</b>	<b>165,317,808</b>	<b>2,714,804,444</b>
<b>Deferred Inflows</b>			
	-	-	227,646,563
<b>Total Liabilities and Deferred Inflows</b>	<b>28,125,671</b>	<b>195,434,633</b>	<b>3,322,322,227</b>
<b>NET ASSETS</b>			
<b>Invested in capital assets, net of related debt</b>	<b>30,840,127</b>	<b>164,904,019</b>	<b>989,642,186</b>
<b>Restricted for:</b>			
Capital projects	-	-	28,396,886
Debt service	-	10,120,305	70,742,586
Other purposes	6,489,569	13,847,361	384,594,044
<b>Unrestricted</b>	<b>37,903,365</b>	<b>109,664,610</b>	<b>878,107,610</b>
<b>Total Net Assets</b>	<b>\$ 75,233,061</b>	<b>\$ 298,536,295</b>	<b>\$ 2,351,483,312</b>

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES  
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>The College of New Jersey</u>	<u>Kean University</u>	<u>Montclair State University</u>
<b>Expenses</b>	\$ 196,828,000	\$ 231,150,544	\$ 322,347,780
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	131,106,000	131,294,290	212,736,383
Operating grants and contributions	46,395,000	81,756,567	98,312,730
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>4,081,819</u>
<b>Net (Expense) Revenue</b>	<u>(19,327,000)</u>	<u>(18,099,687)</u>	<u>(7,216,848)</u>
<b>General Revenue</b>			
Payments from State	<u>29,317,000</u>	<u>32,837,000</u>	<u>38,613,000</u>
<b>Total General Revenue</b>	<u>29,317,000</u>	<u>32,837,000</u>	<u>38,613,000</u>
<b>Change in Net Assets</b>	9,990,000	14,737,313	31,396,152
<b>Net Assets - Beginning of Year (Restated)</b>	<u>362,564,000</u>	<u>203,714,369</u>	<u>377,581,306</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 372,554,000</u></u>	<u><u>\$ 218,451,682</u></u>	<u><u>\$ 408,977,458</u></u>

<u>New Jersey City University</u>	<u>New Jersey Institute of Technology</u>	<u>Ramapo College of New Jersey</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Rowan University</u>
\$ 175,107,038	\$ 270,812,000	\$ 131,235,000	\$ 197,127,249	\$ 272,465,019
87,558,590	109,470,000	89,577,000	89,160,888	140,844,597
64,918,566	124,159,000	39,543,000	97,132,620	85,413,484
436,010	159,000	618,000	-	9,399,105
<u>(22,193,872)</u>	<u>(37,024,000)</u>	<u>(1,497,000)</u>	<u>(10,833,741)</u>	<u>(36,807,833)</u>
<u>26,056,000</u>	<u>37,697,000</u>	<u>16,130,000</u>	<u>19,839,000</u>	<u>49,123,000</u>
<u>26,056,000</u>	<u>37,697,000</u>	<u>16,130,000</u>	<u>19,839,000</u>	<u>49,123,000</u>
3,862,128	673,000	14,633,000	9,005,259	12,315,167
<u>104,685,600</u>	<u>211,204,000</u>	<u>103,257,000</u>	<u>175,192,801</u>	<u>342,902,861</u>
<u>\$ 108,547,728</u>	<u>\$ 211,877,000</u>	<u>\$ 117,890,000</u>	<u>\$ 184,198,060</u>	<u>\$ 355,218,028</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Thomas Edison State College</u>	<u>The William Paterson University of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
<b>Expenses</b>	\$ 82,890,266	\$ 211,948,604	\$ 2,091,911,500
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	43,107,851	120,892,113	1,155,747,712
Operating grants and contributions	33,623,321	68,140,784	739,395,072
Capital grants and contributions	<u>-</u>	<u>714,780</u>	<u>15,408,714</u>
<b>Net (Expense) Revenue</b>	<u>(6,159,094)</u>	<u>(22,200,927)</u>	<u>(181,360,002)</u>
<b>General Revenue</b>			
Payments from State	<u>8,633,059</u>	<u>32,748,000</u>	<u>290,993,059</u>
<b>Total General Revenue</b>	<u>8,633,059</u>	<u>32,748,000</u>	<u>290,993,059</u>
<b>Change in Net Assets</b>	2,473,965	10,547,073	109,633,057
<b>Net Assets - Beginning of Year (Restated)</b>	<u>72,759,096</u>	<u>287,989,222</u>	<u>2,241,850,255</u>
<b>Net Assets - End of Year</b>	<u>\$ 75,233,061</u>	<u>\$ 298,536,295</u>	<u>\$ 2,351,483,312</u>

**STATE OF NEW JERSEY  
DESCRIPTION OF FUNDS**

**Alcohol Education, Rehabilitation and Enforcement Fund (P.L. 1983, c.531)**

**Special Revenue Fund**

Annual deposits of \$11 million are made to this fund from annual Alcohol Beverage Excise Tax collections. The enabling legislation dedicates 75.0 percent toward alcohol rehabilitation, 15.0 percent toward enforcement, and 10.0 percent toward education. Additionally, a \$100 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs is deposited into this fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of driving while intoxicated.

**Alternate Benefit Long-Term Disability Fund**

**Pension Trust Fund**

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

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

**Agency Fund**

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

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

**Special Revenue Fund**

A \$3 fee per diem is imposed for each vehicle parked, garaged, or stored in any casino hotel parking space. As per P.L. 2003, c.116 effective July 1, 2007, of the \$3 fee collected the first \$2.50 shall be remitted to the Casino Reinvestment Development Authority (CRDA). The remaining \$.50 shall be deposited into the Casino Revenue Fund.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

This fund accounts for revenues collected for a \$2 fee per diem for each occupied room in any hotel providing casino gaming and \$1 fee per diem 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 and a portion to the Atlantic City Projects-Room Fund. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

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

**General Fund**

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

**2007 Blue Acres Fund (P.L. 2007, c.119)**

**General Fund**

An amount of \$12 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 for the purpose of acquiring land by the State for recreation and conservation purposes in the floodways of the Delaware River, Passaic River, or Raritan River, and their respective tributaries.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

This fund accounts for the tax on gross revenue generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations less the total sums paid out as winnings to patrons. Other taxes and fees deposited into this fund are the Casino Room Fee, Progressive Slot Tax, and a portion of the Casino Parking Fee. Appropriations from this fund must be used to provide for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

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

**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. One half of a percent of the pari-mutuel pool generated at the casino is deposited into this fund and is used for services to benefit senior citizens.

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

**Special Revenue Fund**

After multiple formula distributions, a portion of the remaining balance and all breakage moneys and outstanding pari-mutuel ticket monies resulting from casino wagering on out-of-state race tracks are deposited into this fund. The funds are disbursed as operating subsidies to the Atlantic City racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

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

**Special Revenue Fund**

This fund provides assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1.50 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

**Central Pension Fund**

**Pension Trust Fund**

This fund administers a series of noncontributory pension acts. Benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

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

**Special Revenue Fund**

A user fee on sales of litter-generating products is credited to this fund. Fund resources are primarily used to provide State aid to eligible municipalities for programs of litter pickup and removal, including the establishment of an "Adopt-A-Highway" program. A small portion of the available balance is to be used for a State program of litter pickup and removal, as well as enforcement of litter-related laws.

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

**Special Revenue Fund**

This fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives. Additional collections from solar alternative compliance payments (SACP) are due to be refunded directly to the rate payers by the electric public utilities.

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

**General 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.

**Clean Water State Revolving Fund (P.L. 2009, c.77)**

**Special Revenue Fund**

This fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for clean water projects and set-asides pursuant to the "Water Quality Act of 1987" and any amendatory and supplementary acts thereto.

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

**Pension Trust Fund**

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



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

**Capital Projects Fund**

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

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

**Capital Projects Fund**

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

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

**General Fund**

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

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

**General Fund**

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

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

**General Fund**

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

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

**General Fund**

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

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

**Agency Fund**

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

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

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

**General Fund**

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

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

**General 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. Each nonexempt member of the Bar is required to pay \$25 annually in their second year of practice and \$140 for attorneys in their third to forty-ninth year.

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

**Special Revenue Fund**

This fund consists of surcharge and Unsafe Driver collections for the payment of principal and interest applicable to New Jersey Economic Development Authority bonds for the Market Transition Facility, Motor Vehicle Commission, Special Needs Housing Program, and Motor Vehicle Surcharge bonds. Excess funds are available for transfer to the State's General Fund.

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

**General Fund**

An amount of \$185 million of General Obligation bonds was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million of General Obligation bonds 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)**

**General 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)**

**General Fund**

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

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

**Special Revenue Fund**

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

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

**General Fund**

General Fund appropriations are credited to the fund and, on an as needed basis, reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

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

**Capital Projects Fund**

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

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

**Special Revenue Fund**

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

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

**General Fund**

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

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

**General Fund**

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

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

**General Fund**

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

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

**General Fund**

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

**2007 Farmland Preservation Fund (P.L. 2007, c.119)**

**General Fund**

An amount of \$73 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 for the purpose of farmland preservation. Of the amount authorized pursuant to this act, not more than 5 percent shall be utilized for administrative costs of the fund.

**2009 Farmland Preservation Fund (P.L. 2009, c.117)**

**General Fund**

An amount of \$146 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 for the purpose of farmland preservation. Of the amount authorized pursuant to this act, not more than 5 percent shall be utilized for administrative costs of the fund.

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

**Special Revenue Fund**

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

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

### **General Fund**

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

### **Global Warming Solutions Fund (P.L. 2007, c.340)**

#### **Special Revenue Fund**

Revenue in this fund is generated quarterly from the sale of emission allowances. Disbursements are made to provide grants and financial assistance for efficiency projects and efforts to reduce greenhouse gases.

### **2007 Green Acres Fund (P.L. 2007, c.119)**

#### **General Fund**

An amount of \$109 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 to provide monies for public acquisition and development of land for recreation and conservation purposes.

### **2009 Green Acres Fund (P.L. 2009, c.117)**

#### **General Fund**

An amount of \$218 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 to provide monies for public acquisition and development of land for recreation and conservation purposes.

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

#### **General Fund**

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

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

#### **Special Revenue Fund**

This fund accounts for receipts from the one dollar designation on New Jersey Gross Income Tax returns. When indicated by a 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)**

#### **General 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)**

#### **General Fund**

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

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

#### **Special Revenue Fund**

This fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary for the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981. Sources of revenue are comprised of collections for Natural Resources Damages (NRDs, or past costs in site cleanups) and Responsible Party (RP, or future site cleanup costs). Collections also include oversight bills for cleanup as well as legal settlements for past costs of cleanup.

### **Health Benefits Program Fund - Local Education (P.L. 2007, c.103)**

#### **Pension Trust Fund**

The State of New Jersey provides medical and prescription drug coverage to members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund, and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the Prescription Drug Program coverage after 60 days of employment.

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

#### **Pension Trust Fund**

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

### **Health Benefits Program Fund – State (N.J.S.A. 52:14-14.25 et seq.)**

#### **Pension Trust Fund**

The Health Benefits Program Fund, which includes the Prescription Drug Program Fund (N.J.S.A. 52:14-17.29), provides medical and prescription drug coverage to qualified active and retired State employees, including employees of certain independent agencies, such as colleges and universities. Active employees may enroll in NJ DIRECT15 or a health maintenance organization (HMO) plan. Most active employees pay 1.5 percent of salary for State Health Benefits Plan medical coverage regardless of the chosen plan or selected level of coverage. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ DIRECT15 is a preferred provider organization that combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An active State employee or a dependent is required to pay a co-payment when visiting an HMO or NJ DIRECT15 affiliated physician. The prescription drug program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs which, as required by federal law, can be dispensed only upon a written prescription ordered by a physician. This program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment for eligible prescription and prescription refill.

Under P.L. 1977, c.136, the State pays for the health insurance coverage including prescription drug coverage of all enrolled retired State employees whose pensions are based upon 25 years or more of credited service or a disability retirement regardless of years of service, if earned prior to July 1, 2007. State retirees who earn their 25 years after July 1, 2007 or go out on a disability retirement after July 1, 2007 are subject to a 1.5 percent of their pension allowance if they do not participate in the retiree wellness program. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

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

**Special Revenue Fund**

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

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

**General Fund**

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

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

**General 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, non-profit 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)**

**General Fund**

An amount of \$10 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995. This fund provides matching grants to assist State agencies or entities, local government units, and qualified tax-exempt, non-profit organizations to meet historic preservation project costs.

**2007 Historic Preservation Fund (P.L. 2007, c.119)**

**General Fund**

An amount of \$6 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax-exempt, non-profit organizations to meet the cost of preservation of historic properties.

**2009 Historic Preservation Fund (P.L. 2009, c.117)**

**General Fund**

An amount of \$12 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 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 cost of preservation of historic properties.

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

**General Fund**

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

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

**Special Revenue Fund**

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

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

**General Fund**

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

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

**Capital Projects Fund**

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

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

**Private Purpose Trust Fund**

This fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State. Monies are held in trust on behalf of the claimant until such time the claimant is released from State care.

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

**General 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.

**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.

**Judiciary Superior Court - Miscellaneous Fund (N.J. Court Rules, Parts II, IV, V, VI, VIII)**

**General Fund**

The purpose of this fund is to serve as a repository for the collection and disbursement of various fees, fines, and costs collected by court divisions of the Superior Court of New Jersey. These monies are separate and distinct from those included under the Superior Court of New Jersey Trust Fund.

**1996 Lake Restoration Fund (P.L. 1996, c.70)**

**General Fund**

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

**Lead Hazard Control Assistance Fund (P.L. 2003, c.311)**

**Special Revenue Fund**

This fund was established for the purpose of providing grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units and a portion of the Sales and Use Tax generated on the sale of paint.

**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.

**Long Term Obligation and Capital Expenditure Fund (P.L. 2008, c.22)**

**General Fund**

Monies remaining in the fund have been appropriated for various capital construction projects throughout the State.

**Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))**

**Agency Fund**

This fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

**Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)**

**Special Revenue Fund**

This fund accounts for tax revenues collected on rooms, beverages, and amusements. These tax revenues are dedicated to the payment of debt service on bonds issued for the construction of the Convention Hall facilities, then to subsidize the Convention Center operating budget deficits. The remaining balances are available to provide housing opportunities for low and moderate income families.

**Mandatory Continuing Legal Education Fund (R: 1:42)**

**Special Revenue Fund**

This fund was established to assist the Supreme Court of New Jersey in the administration of the continuing legal education of attorneys holding license to practice in the State of New Jersey. Revenues are generated by payments made by continuing legal education providers and attorneys.

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

**General 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.

**Mortgage Servicing Settlement Fund**

**Special Revenue Fund**

This fund was established for proceeds from the country's five largest mortgage loan servicers resulting from an agreement between these loan servicers, 49 state attorney generals, and the federal government. Payments to the states are to be used to help fund consumer protection and state foreclosure protection efforts. The State will spend its share of the settlement proceeds on one or more of the following programs; Affordable Housing, Local Planning Services, Developmental Disabilities Residential Services, State Rental Assistance Program, Homelessness Prevention, Shelter Assistance, Community Based Senior Programs, Mental Health Residential Programs, Social Services for the Homeless, and/or Temporary Assistance for Needy Families.

**Motor Vehicle Commission Fund (P.L. 2003, c.13)**

**Capital Projects Fund**

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million was transferred to the Administrative Office of the Courts for improvements to the automated traffic system. The remainder was used to make capital improvements to Motor Vehicle Commission facilities.

**Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)**

**Private Purpose Trust Fund**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

**Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)**

**Special Revenue Fund**

This fund is dedicated for the purpose of reimbursing a developer who enters into a certified redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for a 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

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

**General Fund**

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

**New Home Warranty Security Fund (N.J.S.A. 46:3B-7)**

**Special Revenue Fund**

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited into this fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

**New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)**

**Capital Projects Fund**

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

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

**Special Revenue Fund**

The New Jersey Building Authority is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the projects. Debt service on outstanding bonds is paid through lease agreements with the State.

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

**General Fund**

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

**New Jersey Cultural Trust Fund (P.L. 2000, c.76)**

**General Fund**

This fund annually receives a General Fund appropriation. The appropriation, as well as accumulated investment earnings, shall be used for capital facilities projects that improve cultural or historical properties and facilities; endowment development; and payments to ensure the institutional and financial stability of qualified organizations in New Jersey. A qualified organization is defined as a tax-exempt, non-profit organization whose primary mission is to promote the performing, visual, and creative arts in New Jersey, or to promote or preserves history and humanities in New Jersey.

**New Jersey Federal-State Rural Rehabilitation Fund (N.J.S.A. 52:18A-1 et seq.)**

**General Fund**

This fund was established to receive monies from the federal government which are available for loans to farmers in New Jersey.

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

**General Fund**

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

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

**General 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)**

**General Fund**

An amount of \$115 million of General Obligation bonds was authorized from the 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)**

**General 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)**

**General Fund**

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

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

**General Fund**

An amount of \$135 million of General Obligation bonds was authorized from the 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.

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

**General Fund**

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 for the purpose of acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

**New Jersey 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 \$10 annually.

**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. The annual payment required is \$25 for attorneys in their third or fourth year of admission to the Bar, and \$50 for attorneys in their fifth through forty-ninth years.

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

**General Fund**

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

**New Jersey Racing Industry Special Fund (P.L. 2001, c.199)**

**Special Revenue Fund**

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding pari-mutuel money exceeding required racing costs and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing.

**New Jersey Schools Development Authority**

**Special Revenue Fund**

The New Jersey Schools Development Authority, as successor to the New Jersey Schools Construction Corporation, functions solely for the construction of schools in areas formerly known as "Abbott Districts." The New Jersey Schools Development Authority is an independent authority that is in, but not of, the Department of the Treasury. Legislation that established the New Jersey Schools Development Authority encompassed a package of statutory amendments on program and governance reform. The New Jersey Economic Development Authority is responsible for financing New Jersey Schools Development Authority projects. The New Jersey Economic Development Authority has been legislatively authorized to issue \$12.5 billion of bonds on behalf of the New Jersey Schools Development Authority.

In 1998, the New Jersey Supreme Court ruled in the Abbott v. Burke case that the State must provide 100 percent funding for all school renovation and construction projects in special-needs school districts. According to the Court, aging, unsafe and overcrowded buildings prevented children from receiving the "thorough and efficient" education required under the New Jersey Constitution. In response, the New Jersey Educational Facilities Construction and Financing Act was enacted on July 18, 2000, in order to create the New Jersey Schools Construction Corporation to effectively launch the School Construction Program. Full funding for approved projects was authorized for the 31 special-needs districts, known as Abbotts. Grants totaling 40 percent of eligible costs were made available to the remaining districts, now known as Regular Operating Districts. Overall, the act authorized \$9.9 billion in funding for the Abbotts districts, \$2.5 billion for Regular Operating Districts, and \$100 million for vocational districts.

**New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23,11i)**

**Special Revenue Fund**

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

**New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)**

**Special Revenue Fund**

A \$1 surcharge on motor vehicle fines and penalties are credited to this fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

**New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)**

**Pension Trust Fund**

This fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

**Pension Adjustment Fund (N.J.S.A. 43:3B)**

**Agency Fund**

The Pension Adjustment Fund (PAF) is a pay-as-you-go multiple-employer defined benefit plan which was established in 1958 under the provisions of N.J.S.A. 43:3B. The PAF provides a cost-of-living increase through a yearly State appropriation which is disbursed monthly to the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and the Central Pension Fund.

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

**Special Revenue Fund**

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

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

**General Fund**

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

**Police and Firemen's Retirement System (N.J.S.A. 43:16A)**

**Pension Trust Fund**

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This fund is maintained on an actuarial reserve basis.

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

**Special Revenue Fund**

This fund was established to fund the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The fund is credited with a \$2 per employee fee imposed upon employers and collected by the New Jersey Department of Labor.

**Prison Officers' Pension Fund (N.J.S.A. 43:7)**

**Pension Trust Fund**

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

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

**Special Revenue Fund**

This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use Tax. Revenues realized are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. P.L. 2006, c.44 increased the Sales and Use Tax rate to seven percent from six percent. Of the additional one percent, one half of a percent was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the State Legislature, to counties, municipalities, and school districts.

**Public Employees' Retirement System (N.J.S.A. 43:15A)**

**Pension Trust Fund**

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with Social Security. This fund is maintained on an actuarial reserve basis.

**Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**

**Capital Projects Fund**

An amount of \$125 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping the 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 developmentally disabled, \$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 intellectually disabled. The fund also provided \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities that provide Medicaid funded beds.

**Real Estate Guaranty Fund (N.J.S.A. 45:15-34)**

**Special Revenue Fund**

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

**Remediation Guarantee Fund (P.L. 1993, c. 139)**

**Special Revenue Fund**

The fund was established in order to remediate, or contract for the remediation of, any real property for which a person was required to establish a remediation funding source pursuant to section 25 of P.L. 1993, c.139, and where that person fails to conduct or properly conduct that remediation. An amount of \$5 million was appropriated from the Hazardous Discharge Fund of 1986.

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

**General 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)**

**General Fund**

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

**Solid Waste Service Tax Fund (P.L. 1985, c.38)**

**Agency Fund**

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this fund. The revenues are then allocated to provide state aid to counties.

**Special Transportation Fund (N.J.S.A. 27:1B-21)**

**Capital Projects Fund**

This fund was established in accordance with the enactment provisions of the New Jersey Transportation Trust Fund Authority. The fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the State Legislature.

**State Disability Benefit Fund (N.J.S.A. 43:21-46a)**

**Special Revenue Fund**

Worker and employer deposits that are subject to the contribution section on taxable wages under the State's unemployment compensation law are recorded in this 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, family leave 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)**

**General Fund**

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

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

**Proprietary Fund**

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

**State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)**

**Investment Trust Fund**

This fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

**State of New Jersey Tischler Memorial Fund (N.J.S.A. 52:18A-1 et seq.)**

**General Fund**

This fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey. The principal amount of the bequest is to be invested in a prudent manner and the income from such investment is to be used for library materials.

**State-Owned Real Property Fund (P.L. 2007, c.108)**

**Special Revenue Fund**

Proceeds from the sale of surplus, State-owned real property are deposited into this fund. The monies in the fund are dedicated only for the relief of State debt or to assist in funding capital improvement projects.

**State Police Retirement System (N.J.S.A. 53:5A)**

**Pension Trust Fund**

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

**State Recycling Fund (N.J.S.A. 12:1E-92)**

**Special Revenue Fund**

Beginning on April 1, 2008, a \$3.00 per ton tax is levied on the owner or operator of every solid waste facility as well as on solid waste collectors that transport solid waste for out-of-state disposal. Monies in the fund are used for: direct recycling grants to counties and municipalities; aid to counties for preparing, revising, and implementing solid waste management plans; State recycling program planning and program funding; aid to counties for public information and education programs concerning recycling programs; and for State grants to institutions of higher education to conduct research in recycling.

**1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)**

**Capital Projects Fund**

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

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

**General Fund**

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

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

**Special Revenue Fund**

This fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders. Disbursements from the fund are authorized by court order.

**Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)**

**Pension Trust Fund**

Any active, contributing member of 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 (P.L. 2002, c.152)**

**Special Revenue Fund**

The monies in this fund are used for basic skills training, reemployment services, and training programs for displaced and disadvantaged workers. Each worker shall contribute 0.0175 percent of their wages based on an annual wage limit to the Fund as determined by paragraph (3) of subsection (b) of R.S. 43:21-7.

**Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)**

**Pension Trust Fund**

This fund's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the fund is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional, and certified. This fund is maintained on an actuarial reserve basis.

**Tobacco Settlement Financing Corporation (P.L. 2002, c.32)**

**Special Revenue Fund**

The Tobacco Settlement Financing Corporation has been established in, but not of, the Department of the Treasury. The State sold to the corporation rights, title, and interest in, and the right to receive 76.26 percent of the amounts payable under the 1998 Master Settlement Agreement (MSA) reached between 46 states and the major tobacco companies. Receipts (76.26 percent) under the MSA are pledged to the bondholders, with the remaining 23.74 percent as well as any unpledged revenue available to the State.

**Tobacco Settlement Fund (General Provisions of Annual Appropriations Act)**

**Special Revenue Fund**

Receipts equaling 23.74 percent as well as any unpledged revenues from the Master Settlement Agreement (MSA) reached between 46 states and the major tobacco companies are deposited into this fund and made available to the General Fund.

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

**Special Revenue Fund**

This fund accounts for a tax of up to 2 percent on predominantly tourism related retail receipts and an assessment of 1.85 percent. Amounts are expended to promote economic growth and employment related to a tourism economy, and to encourage tourism improvement and development districts to finance the acquisition, maintenance, operation, and support of convention center facilities.

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

**Special Revenue Fund**

This fund was established to assist the New Jersey Supreme Court in the administration of the certification function for civil or criminal trial attorneys. Revenues are generated by payments made by members of the Bar of the State of New Jersey and sponsors of Continuing Legal Education (CLE) programs.

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

**Special Revenue Fund**

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

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

**Private Purpose Trust Fund**

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

**Unclaimed Insurance Payments on Deposit Accounts Fund**

**Private Purpose Trust Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation.

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

**General Fund**

The funds received by the State from holders reporting unclaimed property to the State Treasurer, and monies remitted to the Unclaimed Property administrator as a result of audit findings, are deposited into the Unclaimed Personal Property Trust Fund (UPPTF). The Unclaimed Property program established by the State Legislature essentially provides that after certain periods of time have expired during which monies have remained inactive or unclaimed or instruments have remained outstanding or unnegotiated, a presumption arises that the property has been abandoned. The abandonment period for bank accounts (savings, checking, and certificates of deposit), bank checks, money orders, travelers checks, credits, accounts payable, and dividend checks is three years. Payroll checks, utility deposits, and funds held by governmental agencies are deemed abandoned after one year. Insurance funds relating to annuities and matured life insurance policies are considered abandoned after three years. Life insurance proceeds payable as a result of an insured attaining limiting age are abandoned after two years.

Once unclaimed property is received by the State, the State Treasurer serves as the custodian, conservator, and trustee of the unclaimed property for the benefit of the original or apparent owner. Unless the administrator deems it prudent and advisable to do otherwise, 75 percent of all funds received shall be transferred to the General State Fund. The remaining portion shall be retained in the trust fund, administered and invested by the State Treasurer, and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

**Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)**

**Special Revenue Fund**

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion is retained in the fund and used to pay claims duly presented and allowed.

**Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)**

**Special Revenue Fund**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this fund. Payments from the fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program, authorized training programs, and economic development activities.

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

**Proprietary Fund**

This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by federal statutes, which authorize advances from the federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

**Unemployment Compensation Interest Repayment Fund (N.J.S.A. 21-14.3)**

**Special Revenue Fund**

This fund shall be used solely for the purpose of paying interest due on advances made by the federal government to the State of New Jersey Unemployment Trust Fund. A special assessment on applicable employers shall be deposited into this fund and used to pay interest expenses. Any residual balances may be transferred to the Unemployment Compensation Auxiliary Fund.

**Universal Services Fund (P.L. 1999, c.23)**

**Special Revenue Fund**

Monies deposited into this fund are generated from a “societal benefit charge” on monthly utility bills. The funds generated from the charge support the Lifeline program, clean energy initiatives, and provide financial assistance to low income utility customers.

**University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)**

**Special Revenue Fund**

This fund was established by a trust agreement between the State and the University of Medicine and Dentistry of New Jersey to cover malpractice claims against the hospitals and the University. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders. Revenues are derived from General Fund appropriations, as well as contributions from University affiliated hospitals and from University faculty members.

**Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)**

**General Fund**

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

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

**Special Revenue Fund**

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

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

**Special Revenue Fund**

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

**Wage and Hour Trust Fund (N.J.S.A. 34:11-57)**

**Agency Fund**

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

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

**Special Revenue Fund**

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$145 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

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

**General Fund**

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

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

**General Fund**

An amount of \$271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

**2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)**

**General Fund**

An amount of \$45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

**Water Supply Fund (P.L. 1981, c.261)**

**General Fund**

An amount of \$350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

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

**Special Revenue Fund**

P.L. 1986, c.144 created a surtax on the corporate business tax to be deposited into the Hazardous Discharge Site Cleanup Fund. Of the amount deposited, \$60 million was transferred to this fund to provide loans to municipalities or municipally-owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

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

**Special Revenue Fund**

This fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the fund are allocated for expenses incurred by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

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*Other  
Information*



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**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments*</u>	<u>Balance June 30, 2012</u>
<b>FUNCTION:</b>					
Public safety and criminal justice	\$ 2,066,915,718	\$ 118,293,976	\$ 86,387,331	\$ 19,864,396	\$ 2,118,686,759
Physical and mental health	345,094,492	12,160,653	754,874	(924,640)	355,575,631
Educational, cultural, and intellectual development	480,345,750	16,932,666	261,489	10,093,301	507,110,228
Community development and environmental management	2,973,203,403	58,160,723	2,784,234	49,555,075	3,078,134,967
Economic planning, development, and security	283,586,277	7,330,874	4,137,061	1,791,241	288,571,331
Transportation programs	25,549,118,365	1,282,159,004	352,233	(2,058,326)	26,828,866,810
Government direction, management, and control	893,566,626	29,191,871	2,073,640	1,071,693	921,756,550
Special government services	<u>238,051,080</u>	<u>2,381,178</u>	<u>724,633</u>	<u>(642,879)</u>	<u>239,064,746</u>
<b>Total Gross Capital Assets By Function</b>	<u>\$ 32,829,881,711</u>	<u>\$ 1,526,610,945</u>	<u>\$ 97,475,495</u>	<u>\$ 78,749,861</u>	<u>\$ 34,337,767,022</u>

\* Transfers/Adjustments represent a revaluation and reclassification of assets among statewide functions.

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2012**

	<u>Land and Easements</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
<b>FUNCTION:</b>			
Public safety and criminal justice	\$ 23,220,324	\$ 66,917,967	\$ 1,360,803,602
Physical and mental health	321,653	7,351,281	232,637,318
Educational, cultural, and intellectual development	7,733,148	14,997,359	358,396,741
Community development and environmental management	2,425,681,646	80,326,890	337,994,838
Economic planning, development, and security	1,262,279	221,819	192,127,719
Transportation programs	2,349,518,303	9,383,769	203,628,415
Government direction, management, and control	14,144,231	42,920,023	502,791,955
Special government services	<u>2,408,922</u>	<u>577,280</u>	<u>222,695,744</u>
<b>Total Gross Capital Assets By Function</b>	<u>\$ 4,824,290,506</u>	<u>\$ 222,696,388</u>	<u>\$ 3,411,076,332</u>

<u>Machinery, Equipment, and Software</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 248,625,678	\$ 61,243,021	\$ 357,876,167	\$ 2,118,686,759
74,132,389	6,707,036	34,425,954	355,575,631
80,021,302	13,154,048	32,807,630	507,110,228
28,118,812	151,488,929	54,523,852	3,078,134,967
88,851,496	1,276,527	4,831,491	288,571,331
132,915,575	22,071,532,036	2,061,888,712	26,828,866,810
316,599,857	6,558,554	38,741,930	921,756,550
4,199,395	-	9,183,405	239,064,746
\$ 973,464,504	\$ 22,311,960,151	\$ 2,594,279,141	\$ 34,337,767,022

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**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>FUNCTION:</b>	<u>Balance July 1, 2011</u>	<u>Depreciation Expense</u>	<u>Deductions</u>	<u>Transfers/ Adjustments*</u>	<u>Balance June 30, 2012</u>
Public safety and criminal justice	\$ 958,273,609	\$ 82,476,196	\$ 84,113,819	\$ 76,617,203	\$ 1,033,253,189
Physical and mental health	143,906,935	23,632,187	470,633	(672,317)	166,396,172
Educational, cultural, and intellectual development	264,885,522	22,149,444	92,654	5,164,403	292,106,715
Community development and environmental management	307,565,368	22,554,462	1,648,250	9,306,521	337,778,101
Economic planning, development, and security	156,990,971	24,323,011	-	(1,366,207)	179,947,775
Transportation programs	7,755,152,610	575,358,044	328,593	449,753	8,330,631,814
Government direction, management, and control	369,258,040	56,600,176	1,803,685	(74,300,867)	349,753,664
Special government services	74,065,482	7,235,155	724,633	273,004	80,849,008
<b>Total Accumulated Depreciation By Function</b>	<u>\$ 10,030,098,537</u>	<u>\$ 814,328,675</u>	<u>\$ 89,182,267</u>	<u>\$ 15,471,493</u>	<u>\$ 10,770,716,438</u>

\* Transfers/Adjustments represent a revaluation and reclassification of accumulated depreciation among statewide functions.

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF ACCUMULATED DEPRECIATION BY FUNCTION  
JUNE 30, 2012**

<b>FUNCTION:</b>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
Public safety and criminal justice	\$ 50,361,380	\$ 806,167,002
Physical and mental health	1,137,452	122,605,743
Educational, cultural, and intellectual development	8,102,349	228,035,890
Community development and environmental management	59,470,873	212,192,155
Economic planning, development, and security	220,582	99,769,351
Transportation programs	6,802,726	92,168,345
Government direction, management, and control	14,005,577	205,208,596
Special government services	<u>410,987</u>	<u>77,977,262</u>
<b>Total Gross Capital Assets By Function</b>	<u>\$ 140,511,926</u>	<u>\$ 1,844,124,344</u>

<u>Machinery, Equipment, and Software</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 160,647,594	\$ 16,077,213	\$ 1,033,253,189
40,876,494	1,776,483	166,396,172
49,399,994	6,568,482	292,106,715
20,854,313	45,260,760	337,778,101
79,142,708	815,134	179,947,775
95,275,133	8,136,385,610	8,330,631,814
127,638,054	2,901,437	349,753,664
2,460,759	-	80,849,008
<u>\$ 576,295,049</u>	<u>\$ 8,209,785,119</u>	<u>\$ 10,770,716,438</u>



**STATE OF NEW JERSEY**  
**ACCUMULATED DEPRECIATION AS A PERCENTAGE OF CAPITAL ASSETS\***  
**FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Capital Asset Category</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Land Improvements	63.1 %	60.8 %	58.9 %	57.4 %	55.8 %
Buildings and Improvements	54.1	52.9	50.8	48.4	54.5
Equipment	72.7	71.6	66.2	62.2	59.5
Software	45.6	32.9	36.2	45.2	28.2
Infrastructure	36.8	38.8	38.5	38.2	38.1

\* Calculated by dividing the Capital Asset by Accumulated Depreciation for that category.

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**STATE OF NEW JERSEY  
SCHEDULE OF LONG-TERM DEBT  
FOR THE FISCAL YEAR JUNE 30, 2012**

	<b>General Obligation Bonds</b>		
	<b>Amount Authorized</b>	<b>Amount Unissued</b>	<b>Year Authorized</b>
<b>Bonded Debt</b>			
<b>General Obligation Bond Act</b>			
Clean Waters	\$ 120,000,000	\$ 3,400,000	1976
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	200,000,000	42,250,000	2003
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction	160,000,000	-	1994
Energy Conservation	50,000,000	1,600,000	1980
Green Acres, Cultural Centers, and Historic Preservation	100,000,000	1,000,000	1987
Green Acres, Farmland, Blue Acres, and Historic Preservation	200,000,000	59,000,000	2007
Green Acres, Farmland and Historic Preservation, and Blue Acres	340,000,000	21,000,000	1995
Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation	400,000,000	400,000,000	2009
Hazardous Discharge	100,000,000	43,000,000	1981
Hazardous Discharge	200,000,000	48,000,000	1986
Jobs, Education, and Competitiveness	350,000,000	-	1988
Natural Resources	145,000,000	9,600,000	1980
New Jersey Green Acres	135,000,000	14,500,000	1983
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	345,000,000	12,880,000	1992
New Jersey Open Space Preservation	300,000,000	22,600,000	1989
Pinelands Infrastructure Trust	30,000,000	6,750,000	1985
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	300,000,000	116,500,000	1996
Public Purpose Buildings and Community-Based Facilities Construction	125,000,000	5,000,000	1989
Refunding Bonds	6,134,329,598	-	1985
State Land Acquisition and Development	200,000,000	-	1978
Statewide Transportation and Local Bridge	500,000,000	-	1999
Stormwater Management and Combined Sewer Overflow Abatement	50,000,000	13,000,000	1989
Water Supply	350,000,000	73,150,000	1981
<b>Subtotal General Obligation Bond Acts</b>	<b>\$ 10,834,329,598</b>	<b>\$ 893,230,000</b>	
Revenue Bonds Payable			
Capital Leases			
Installment Obligations			
Certificates of Participation			
Tobacco Settlement Financing Corporation			
Unamortized Deferral on Refunding			
Unamortized Interest on Capital Appreciation Bonds			
Unamortized Premium			
<b>Subtotal Bonded Debt</b>			
<b>Non-Bonded Debt</b>			
Accumulated Sick and Vacation Payable			
Capital Leases			
Loans Payable			
Net OPEB Obligation			
Net Pension Obligation			
Pollution Remediation Obligation			
Other			
<b>Subtotal Non-Bonded Debt</b>			
<b>Total Debt</b>			

<u>Outstanding July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding June 30, 2012</u>
\$ 750,000	\$ -	\$ -	\$ 750,000
73,255,000	-	-	73,255,000
6,005,000	-	-	6,005,000
60,000	-	-	60,000
3,955,000	-	-	3,955,000
59,680,000	-	-	59,680,000
11,315,000	-	-	11,315,000
-	-	-	-
-	-	-	-
-	-	-	-
780,000	-	-	780,000
4,600,000	-	-	4,600,000
-	-	-	-
11,335,000	-	-	11,335,000
1,925,000	-	-	1,925,000
535,000	-	-	535,000
47,020,000	-	-	47,020,000
890,000	-	-	890,000
2,295,295,000	-	182,230,000	2,113,065,000
925,000	-	-	925,000
35,460,000	-	-	35,460,000
4,535,000	-	-	4,535,000
8,575,000	-	-	8,575,000
<u>2,566,895,000</u>	<u>-</u>	<u>182,230,000</u>	<u>2,384,665,000</u>
19,770,565,000	1,650,575,000	722,190,000	20,698,950,000
232,565,000	-	19,865,000	212,700,000
18,714,603,378	1,579,315,000	2,000,003,779	18,293,914,599
85,412,914	38,409,919	23,508,771	100,314,062
4,469,032,756	-	24,940,315	4,444,092,441
(970,473,476)	(188,057,905)	(163,756,319)	(994,775,062)
(8,216,198,571)	-	(352,428,217)	(7,863,770,354)
1,403,948,619	260,373,850	145,816,389	1,518,506,080
<u>38,056,350,620</u>	<u>3,340,615,864</u>	<u>2,602,369,718</u>	<u>38,794,596,766</u>
623,185,039	331,865,567	349,003,791	606,046,815
311,219,461	75,474,728	46,876,932	339,817,257
1,279,358,087	-	-	1,279,358,087
13,501,000,000	4,696,700,000	1,379,400,000	16,818,300,000
10,857,719,370	1,980,810,079	-	12,838,529,449
80,400,466	11,774,096	-	92,174,562
340,254,820	225,789,814	245,028,409	321,016,225
<u>26,993,137,243</u>	<u>7,322,414,284</u>	<u>2,020,309,132</u>	<u>32,295,242,395</u>
<u>\$ 65,049,487,863</u>	<u>\$ 10,663,030,148</u>	<u>\$ 4,622,678,850</u>	<u>\$ 71,089,839,161</u>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	54,548,964	54,507,964	51,397,177	(3,110,787)
Investment earnings	20,000	18,000	10,837	(7,163)
Other	-	-	-	-
<b>Total Revenues</b>	<u>54,568,964</u>	<u>54,525,964</u>	<u>51,408,014</u>	<u>(3,117,950)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Financing Sources</b>	<u>54,568,964</u>	<u>54,525,964</u>	<u>51,408,014</u>	<u>(3,117,950)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	47,320,203	47,113,691	44,810,582	2,303,109
Physical and mental health	-	-	-	-
Educational, cultural, and intellectual development	-	-	-	-
Economic planning, development, and security	-	-	-	-
Transportation programs	-	-	-	-
Government direction, management, and control	9,964,839	9,921,351	7,595,166	2,326,185
Special government services	-	-	-	-
<b>Total Expenditures</b>	<u>57,285,042</u>	<u>57,035,042</u>	<u>52,405,748</u>	<u>4,629,294</u>
<b>Net Change in Fund Balance</b>	(2,716,078)	(2,509,078)	(997,734)	1,511,344
<b>Fund Balances - July 1, 2011</b>	<u>2,716,078</u>	<u>2,759,000</u>	<u>2,759,000</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ -</u>	<u>\$ 249,922</u>	<u>\$ 1,761,266</u>	<u>\$ 1,511,344</u>

**Casino Revenue Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$ 247,749,000	\$ 243,774,000	\$ 238,876,603	\$ (4,897,397)
-	-	-	-
-	-	-	-
<u>83,327,236</u>	<u>83,327,236</u>	<u>83,364,264</u>	<u>37,028</u>
<u>331,076,236</u>	<u>327,101,236</u>	<u>322,240,867</u>	<u>(4,860,369)</u>
400,000	400,000	5,388,828	4,988,828
<u>400,000</u>	<u>400,000</u>	<u>5,388,828</u>	<u>4,988,828</u>
331,476,236	327,501,236	327,629,695	128,459
-	-	-	-
271,551,236	270,983,527	268,359,656	2,623,871
32,516,000	32,448,022	32,516,000	(67,978)
2,196,000	2,191,409	2,196,000	(4,591)
25,121,000	25,068,482	25,121,000	(52,518)
-	-	-	-
<u>92,000</u>	<u>91,808</u>	<u>92,000</u>	<u>(192)</u>
<u>331,476,236</u>	<u>330,783,248</u>	<u>328,284,656</u>	<u>2,498,592</u>
-	(3,282,012)	(654,961)	2,627,051
-	-	-	-
<u>\$ -</u>	<u>\$ (3,282,012)</u>	<u>\$ (654,961)</u>	<u>\$ 2,627,051</u>

(Continued on next page)

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR GOVERNMENTAL FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Gubernatorial 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	863,761	863,761	457,542	(406,219)
<b>Total Revenues</b>	<u>863,761</u>	<u>863,761</u>	<u>457,542</u>	<u>(406,219)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Financing Sources</b>	<u>863,761</u>	<u>863,761</u>	<u>457,542</u>	<u>(406,219)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	163,761	163,701	-	163,701
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>	<u>163,761</u>	<u>163,701</u>	<u>-</u>	<u>163,701</u>
<b>Net Change in Fund Balance</b>	700,000	700,060	457,542	(242,518)
<b>Fund Balances - July 1, 2011</b>	<u>700,000</u>	<u>481,000</u>	<u>481,000</u>	<u>-</u>
<b>Fund Balances - June 30, 2012</b>	<u>\$ 1,400,000</u>	<u>\$ 1,181,060</u>	<u>\$ 938,542</u>	<u>\$ (242,518)</u>

**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>
\$ 247,749,000	\$ 243,774,000	\$ 238,876,603	\$ (4,897,397)
54,548,964	54,507,964	51,397,177	(3,110,787)
20,000	18,000	10,837	(7,163)
84,190,997	84,190,997	83,821,806	(369,191)
<u>386,508,961</u>	<u>382,490,961</u>	<u>374,106,423</u>	<u>(8,384,538)</u>
400,000	400,000	5,388,828	4,988,828
<u>400,000</u>	<u>400,000</u>	<u>5,388,828</u>	<u>4,988,828</u>
386,908,961	382,890,961	379,495,251	(3,395,710)
47,483,964	47,277,392	44,810,582	2,466,810
271,551,236	270,983,527	268,359,656	2,623,871
32,516,000	32,448,022	32,516,000	(67,978)
2,196,000	2,191,409	2,196,000	(4,591)
25,121,000	25,068,482	25,121,000	(52,518)
9,964,839	9,921,351	7,595,166	2,326,185
92,000	91,808	92,000	(192)
<u>388,925,039</u>	<u>387,981,991</u>	<u>380,690,404</u>	<u>7,291,587</u>
(2,016,078)	(5,091,030)	(1,195,153)	3,895,877
3,416,078	3,240,000	3,240,000	-
<u>\$ 1,400,000</u>	<u>\$ (1,851,030)</u>	<u>\$ 2,044,847</u>	<u>\$ 3,895,877</u>



**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - NON-MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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	\$ 51,408,014	\$ 327,629,695	\$ 457,542
Differences - budget to GAAP:			
Revenue Refund	-	-	103,553
	<hr/>	<hr/>	<hr/>
<b>Total revenues and other financing sources as reported on the GAAP - basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u>\$ 51,408,014</u>	<u>\$ 327,629,695</u>	<u>\$ 561,095</u>
<b>Uses/outflows of resources:</b>			
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 52,405,748	\$ 328,284,656	\$ 163,701
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.	(395,111)	(23,499,797)	-
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.	243,649	19,686,485	(163,701)
	<hr/>	<hr/>	<hr/>
<b>Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u>\$ 52,254,286</u>	<u>\$ 324,471,344</u>	<u>\$ -</u>

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**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>ANTICIPATED TO JUNE 30, 2012</b>	<b>REALIZED TO JUNE 30, 2012 AMOUNT</b>	<b>PERCENT</b>	<b>REALIZATION OVER (UNDER) ANTICIPATED</b>
<b>MAJOR TAXES</b>				
Sales	\$ 8,153,000,000	\$ 7,935,769,970	97	\$ (217,230,030)
Sales Tax Dedication	(628,000,000)	(603,834,272)	96	24,165,728
Sales Tax Energy	368,400,000	144,360,958	39	(224,039,042)
Corporation Business	2,261,000,000	2,032,349,675	90	(228,650,325)
Corporate Business Energy	79,700,000	4,754,068	6	(74,945,932)
Transfer Inheritance	666,900,000	641,867,808	96	(25,032,192)
Motor Fuels	535,000,000	539,714,372	101	4,714,372
Insurance Premium	499,197,000	528,326,684	106	29,129,684
Motor Vehicles Fees	492,731,000	463,890,981	94	(28,840,019)
Petroleum Products Gross Receipts	222,800,000	223,252,752	100	452,752
Cigarette	205,500,000	288,388,494	140	82,888,494
Corporation Banks and Financial Institutions	201,900,000	106,378,294	53	(95,521,706)
Realty Transfer	191,050,000	187,824,891	98	(3,225,109)
Alcoholic Beverage Excise	93,357,000	102,304,726	110	8,947,726
Tobacco Products Wholesale Sales	20,427,000	20,941,068	103	514,068
Public Utility Excise (Reform)	13,500,000	14,372,712	106	872,712
<b>TOTAL MAJOR TAXES</b>	<u>13,376,462,000</u>	<u>12,630,663,181</u>	94	<u>(745,798,819)</u>
<b>MISCELLANEOUS TAXES, FEES, REVENUES</b>				
<b>Executive Branch:</b>				
<b>Department of Agriculture:</b>				
Fertilizer Inspection Fees	366,000	366,000	100	-
Miscellaneous Revenue	3,000	2,830	94	(170)
<b>Total Department of Agriculture</b>	<u>369,000</u>	<u>368,830</u>	100	<u>(170)</u>
<b>Department of Banking and Insurance:</b>				
Actuarial Services	55,000	103,169	188	48,169
Banking - Assessments	10,000,000	10,683,708	107	683,708
Banking - Licenses and Other Fees	2,950,000	2,093,891	71	(856,109)
Fraud Fines	2,500,000	1,161,299	46	(1,338,701)
HMO Covered Lives	1,600,000	1,030,208	64	(569,792)
Insurance - Examination Billings	2,500,000	2,195,555	88	(304,445)
Insurance - Special Purpose Assessment	31,000,000	35,325,272	114	4,325,272
Insurance Fraud Prevention	24,150,000	25,540,987	106	1,390,987
Insurance Licenses and Other Fees	39,814,000	43,637,244	110	3,823,244
Real Estate Commission	4,355,000	3,511,177	81	(843,823)
<b>Total Department of Banking and Insurance</b>	<u>118,924,000</u>	<u>125,282,510</u>	105	<u>6,358,510</u>
<b>Department of Children and Families:</b>				
Child Care Licensing/Adoption Law	340,000	328,790	97	(11,210)
Marriage License Fees	1,260,000	1,179,800	94	(80,200)
<b>Total Department of Children and Families</b>	<u>1,600,000</u>	<u>1,508,590</u>	94	<u>(91,410)</u>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ANTICIPATED TO JUNE 30, 2012</u>	<u>REALIZED TO JUNE 30, 2012 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER (UNDER) ANTICIPATION</u>
<b>Department of Community Affairs:</b>				
Affordable Housing and Neighborhood Preservation - Fair Housing	28,118,000	28,118,000	100	-
Construction Fees	15,366,000	15,366,000	100	-
Divorce Filing Fees	1,350,000	1,432,550	106	82,550
Fire Safety	16,728,000	16,728,000	100	-
Housing Inspection Fees	9,824,000	9,824,000	100	-
Miscellaneous Revenue	-	330	-	330
Planned Real Estate Development Fees	828,000	721,558	87	(106,442)
<b>Total Department of Community Affairs</b>	<u>72,214,000</u>	<u>72,190,438</u>	100	<u>(23,562)</u>
<b>Department of Corrections:</b>				
Miscellaneous Revenue	-	56,240	-	56,240
<b>Total Department of Corrections</b>	<u>-</u>	<u>56,240</u>	-	<u>56,240</u>
<b>Department of Education:</b>				
Audit of Recoveries	650,000	503,034	77	(146,966)
Audit of Enrollments	420,000	1,220,370	291	800,370
Local School District Loan Recoveries - NJEDA	5,813,000	5,773,801	99	(39,199)
Nonpublic Schools Handicapped and Auxiliary Recoveries	3,000,000	12,732,437	424	9,732,437
Nonpublic Schools Textbook Recoveries	1,000,000	1,008,955	101	8,955
School Construction Inspection Fees	100,000	411,468	411	311,468
State Board of Examiners	4,500,000	4,765,453	106	265,453
<b>Total Department of Education</b>	<u>15,483,000</u>	<u>26,415,518</u>	171	<u>10,932,518</u>
<b>Department of Environmental Protection:</b>				
Air Pollution Fees - Minor Sources	6,300,000	6,290,517	100	(9,483)
Air Pollution Fees - Title V Operating Permits	7,400,000	6,468,974	87	(931,026)
Air Pollution Fines	2,500,000	1,619,873	65	(880,127)
Clean Water Enforcement Act	2,300,000	1,780,150	77	(519,850)
Coastal Area Facility Review Act	1,570,000	1,253,211	80	(316,789)
Endangered Species Tax Checkoff	158,000	158,000	100	-
Environmental Infrastructure Financing Program Administrative Fee	5,000,000	5,000,000	100	-
Excess Diversion	170,000	267,142	157	97,142
Freshwater Wetlands Fees	2,797,000	2,143,041	77	(653,959)
Freshwater Wetlands Fines	300,000	472,351	157	172,351
Hazardous Waste Fees	3,260,000	3,039,462	93	(220,538)
Hazardous Waste Fines	450,000	1,125,784	250	675,784
Highlands Permitting	-	205	-	205
Hunters' and Anglers' Licenses	11,500,000	11,500,000	100	-
Industrial Site Recovery Act	25,000	42,675	171	17,675
Laboratory Certification Fees	900,000	810,094	90	(89,906)
Laboratory Certification Fines	35,000	48,123	137	13,123

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>ANTICIPATED TO JUNE 30, 2012</b>	<b>REALIZED TO JUNE 30, 2012</b>		<b>REALIZATION OVER (UNDER) ANTICIPATION</b>
		<b>AMOUNT</b>	<b>PERCENT</b>	
Marina Rentals	885,000	885,000	100	-
Marine Lands - Preparation and Filing Fees	159,000	116,686	73	(42,314)
Medical Waste	4,600,000	4,551,823	99	(48,177)
Miscellaneous Revenue	-		-	-
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	16,700,000	16,700,000	100	-
Parks Management Fees and Permits	4,300,000	4,300,000	100	-
Parks Management Fines	90,000	98,763	110	8,763
Pesticide Control Fees	4,400,000	4,400,000	100	-
Pesticide Control Fines	80,000	61,010	76	(18,990)
Radiation Protection Fees	3,100,000	3,051,507	98	(48,493)
Radiation Protection Fines	150,000	125,575	84	(24,425)
Radon Testers Certification	230,000	219,862	96	(10,138)
Shellfish and Marine Fisheries	1,000	6,114	611	5,114
Solid and Hazardous Waste Disclosure	-	173,550	-	173,550
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	-
Solid Waste Fines	600,000	951,797	159	351,797
Solid Waste Management Fees	6,730,000	6,082,606	90	(647,394)
Spring Meadow Golf Course	-	(15,263)	-	(15,263)
Stream Encroachment	2,970,000	2,696,270	91	(273,730)
Toxic Catastrophe Prevention Fees	1,560,000	1,630,267	105	70,267
Toxic Catastrophe Prevention Fines	150,000	70,355	47	(79,645)
Treatment Works Approval	1,890,000	1,026,611	54	(863,389)
Underground Storage Tanks Fees	525,000	701,155	134	176,155
Water Allocation	2,423,000	2,423,000	100	-
Water Supply Management Regulations	1,500,000	1,244,140	83	(255,860)
Water/Wastewater Operators Licenses	210,000	210,000	100	-
Waterfront Development Fees	3,000,000	2,421,282	81	(578,718)
Waterfront Development Fines	20,000	33,838	169	13,838
Well Permits/Well Drillers/Pump Installers Licenses	1,100,000	1,100,000	100	-
Wetlands	44,000	44,000	100	-
Worker Community Right to Know - Fines	50,000	22,758	46	(27,242)
<b>Total Department of Environmental Protection</b>	<b>105,232,000</b>	<b>100,452,308</b>	<b>95</b>	<b>(4,779,692)</b>
<b>Department of Health and Senior Services:</b>				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	-
Health Care Reform	1,200,000	1,200,000	100	-
Licenses, Fines, Permits, Penalties, and Fees	790,000	790,000	100	-
Miscellaneous Revenue	400,000	173,928	43	(226,072)
<b>Total Department of Health and Senior Services</b>	<b>8,390,000</b>	<b>8,163,928</b>	<b>97</b>	<b>(226,072)</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>ANTICIPATED TO JUNE 30, 2012</b>	<b>REALIZED TO JUNE 30, 2012 AMOUNT</b>	<b>PERCENT</b>	<b>REALIZATION OVER (UNDER) ANTICIPATED</b>
<b>Department of Human Services:</b>				
Early Periodic Screening, Diagnosis, and Treatment	1,420,000	758,133	53	(661,867)
Medicaid Uncompensated Care - Acute	222,564,000	219,280,159	99	(3,283,841)
Medicaid Uncompensated Care - Mental Health	40,275,000	30,844,038	77	(9,430,962)
Medicaid Uncompensated Care - Psychiatric	178,685,000	180,123,955	101	1,438,955
Medicaid Assistance - Federal Match on PAAD	-	53,466	-	53,466
Miscellaneous Revenue	4,582,000	20,314,043	443	15,732,043
Patients' and Residents' Cost Recovery - Developmental Disabilities	19,914,000	19,434,000	98	(480,000)
Patients' and Residents' Cost Recovery - Psychiatric Hospitals	95,691,000	78,170,216	82	(17,520,784)
School Based Medicaid	14,199,000	39,689,718	280	25,490,718
<b>Total Department of Human Services</b>	<b>577,330,000</b>	<b>588,667,728</b>	<b>102</b>	<b>11,337,728</b>
<b>Department of Labor and Workforce Development:</b>				
Miscellaneous Revenue	155,000	154,850	100	(150)
Special Compensation Fund	1,862,000	1,862,000	100	-
Workers' Compensation Assessment	13,183,000	13,183,000	100	-
Workplace Standards - Licenses, Permits, and Fines	6,351,000	6,351,000	100	-
<b>Total Department of Labor and Workforce Development</b>	<b>21,551,000</b>	<b>21,550,850</b>	<b>100</b>	<b>(150)</b>
<b>Department of Law and Public Safety:</b>				
Beverage Licenses	3,960,000	3,960,000	100	-
Casino Fines	-	495,476	-	495,476
Charities Registration Section	695,000	695,000	100	-
Consumer Affairs	-	900	-	900
Controlled Dangerous Substances	100,000	100,000	100	-
Forfeiture Funds	250,000	250,000	100	-
Legalized Games of Chance Control	1,200,000	1,200,000	100	-
Miscellaneous Revenue	20,000	553,695	2,768	533,695
New Jersey Cemetery Board	55,000	55,000	100	-
Pleasure Boat Licenses	2,280,000	2,185,446	96	(94,554)
Private Employment Agencies	258,000	258,000	100	-
Securities Enforcement	13,394,000	13,394,000	100	-
State Board of Architects	125,000	125,000	100	-
State Board of Audiology and Speech- Language Pathology Advisory	123,000	123,000	100	-
State Board of Certified Public Accountants	1,111,000	1,111,000	100	-
State Board of Chiropractors	113,000	113,000	100	-
State Board of Court Reporting	124,000	124,000	100	-
State Board of Dentistry	2,464,000	2,464,000	100	-
State Board of Electrical Contractors	839,000	839,000	100	-
State Board of HVAC Contractors	5,000	-	-	(5,000)
State Board of Marriage Counselor Examiners	176,000	176,000	100	-
State Board of Medical Examiners	3,161,000	3,161,000	100	-
State Board of Mortuary Science	162,000	162,000	100	-
State Board of Nursing	3,707,000	3,707,000	100	-
State Board of Occupational Therapists and Assistants	56,000	56,000	100	-

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ANTICIPATED TO JUNE 30, 2012</u>	<u>REALIZED TO JUNE 30, 2012 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	347,000	347,000	100	-
State Board of Pharmacy	578,000	578,000	100	-
State Board of Physical Therapy	115,000	115,000	100	-
State Board of Professional Engineers and Land Surveyors	878,000	878,000	100	-
State Board of Professional Planners	193,000	193,000	100	-
State Board of Psychological Examiners	4,000	4,000	100	-
State Board of Real Estate Appraisers	270,000	270,000	100	-
State Board of Respiratory Care	288,000	288,000	100	-
State Police - Fingerprint Fees	3,694,000	3,694,000	100	-
State Police - Other Licenses	227,000	351,950	155	124,950
State Police - Private Detective Licenses	200,000	177,135	89	(22,865)
Victims of Violent Crime Compensation	3,372,000	3,372,000	100	-
Weights and Measures - General	2,612,000	2,612,000	100	-
<b>Total Department of Public Law and Safety</b>	<u>47,156,000</u>	<u>48,188,602</u>	102	<u>1,032,602</u>
<b>Department of Military and Veterans' Affairs:</b>				
Soldiers' Homes	49,050,000	45,506,861	93	(3,543,139)
<b>Total Department of Military and Veterans' Affairs</b>	<u>49,050,000</u>	<u>45,506,861</u>	93	<u>(3,543,139)</u>
<b>Department of State:</b>				
Governor's Teaching Scholars Program Loan Repayment	13,000	11,757	90	(1,243)
Miscellaneous Revenue	5,000	(8,051)	(161)	(13,051)
<b>Total Department of State</b>	<u>18,000</u>	<u>3,706</u>	21	<u>(14,294)</u>
<b>Department of Transportation:</b>				
Air Safety Fund	680,000	306,938	45	(373,062)
Applications and Highway Permits	1,300,000	1,300,000	100	-
Autonomous Transportation Authorities	77,500,000	77,708,333	100	208,333
Drunk Driving Fines	350,000	400,000	114	50,000
Good Driver	71,800,000	73,938,163	103	2,138,163
Interest on Purchase of Right of Way	5,000	-	-	(5,000)
Logo Sign Program Fees	300,000	300,000	100	-
Maritime Program Receipts	2,200,000	2,143,835	97	(56,165)
Miscellaneous Revenue	10,000	47,815	-	37,815
Outdoor Advertising	740,000	740,000	100	-
<b>Total Department of Transportation</b>	<u>154,885,000</u>	<u>156,885,084</u>	101	<u>2,000,084</u>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	ANTICIPATED TO JUNE 30, 2012	<u>REALIZED TO JUNE 30, 2012</u>		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
<b>Department of the Treasury:</b>				
Assessment on Real Property Greater Than \$1 Million	64,250,000	84,958,956	132	20,708,956
Assessments - Cable TV	4,770,000	5,129,000	108	359,000
Assessments - Public Utility	26,222,000	30,625,030	117	4,403,030
Casino Fines	-	163,051	-	163,051
CATV Universal Access	5,000,000	6,423,399	128	1,423,399
Coin Operated Telephones	3,400,000	3,877,997	114	477,997
Commercial Recording - Expedited	1,000,000	1,000,000	100	-
Commissions (Notary)	1,200,000	1,210,977	101	10,977
Dispute Settlement Mediation	-	50,000	-	50,000
Domestic Security	30,000,000	32,191,180	107	2,191,180
Dormitory Safety Trust Fund - Debt Service Recovery	5,662,000	-	-	(5,662,000)
Equipment Leasing Fund - Debt Service Recovery	114,000	114,300	100	300
Escrow Interest - Construction Accounts	6,000	(2,321)	(39)	(8,321)
General Revenue - Fees (Commercial Recording and UCC)	53,000,000	53,707,237	101	707,237
Higher Education Capital Improvement Fund - Debt Service Recovery	15,297,000	-	-	(15,297,000)
Hotel/Motel Occupancy Tax	75,000,000	85,182,162	114	10,182,162
Investment Earnings	-	654,134	-	654,134
Licenses, Fines, Permits, Penalties and Fees	50,000	-	-	(50,000)
Miscellaneous Revenue	867,000	963,580	111	96,580
New Jersey Public Records Preservation	32,200,000	31,568,534	98	(631,466)
Nuclear Emergency Response Assessment	4,387,000	5,161,000	118	774,000
Public Defender Client Receipts	3,400,000	3,203,537	94	(196,463)
Public Utility Fines	1,000,000	267,465	27	(732,535)
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	105,000,000	114,645,841	109	9,645,841
Railroad Tax - Class II	4,200,000	5,650,975	135	1,450,975
Railroad Tax - Franchise	3,300,000	7,093,932	215	3,793,932
Rate Counsel - Assessments	7,000,000	7,000,000	100	-
Surplus Property	1,900,000	1,886,250	99	(13,750)
Tax Referral Cost Recovery Fee	5,400,000	5,279,911	98	(120,089)
Telephone Assessment	126,000,000	124,939,069	99	(1,060,931)
Tire Clean-Up Surcharge	9,000,000	8,730,627	97	(269,373)
Transitional Energy Facilities Assessment	178,700,000	111,499,951	62	(67,200,049)
<b>Total Department of Treasury</b>	<u>767,325,000</u>	<u>733,175,774</u>	96	<u>(34,149,226)</u>
<b>Other Sources:</b>				
Miscellaneous Revenue	11,500,000	10,511,384	91	(988,616)
<b>Total Other Sources</b>	<u>11,500,000</u>	<u>10,511,384</u>	91	<u>(988,616)</u>
<b>Interdepartmental Accounts:</b>				
Administration and Investment of Pension and Health Benefit Funds - Recoveries	2,754,000	2,820,840	102	66,840
Employee Maintenance Deductions	300,000	195,357	65	(104,643)
Fringe Benefit Recoveries from Colleges and Universities	145,616,000	156,550,153	108	10,934,153
Fringe Benefit Recoveries from Federal and Other Funds	240,739,000	256,748,236	107	16,009,236



**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	ANTICIPATED TO JUNE 30, 2012	<u>REALIZED TO JUNE 30, 2012</u>		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Fringe Benefit Recoveries from School Districts	34,500,000	45,645,406	132	11,145,406
Indirect Cost Recoveries - DEP Other Funds	8,860,000	10,494,525	118	1,634,525
Market Transition Facility Revenue Fund	23,500,000	21,609,985	92	(1,890,015)
Rent of State Building Space	3,050,000	3,468,289	114	418,289
Social Security Recoveries from Federal and Other Funds	64,941,000	63,066,380	97	(1,874,620)
<b>Total Interdepartmental Accounts</b>	<u>524,260,000</u>	<u>560,599,171</u>	107	<u>36,339,171</u>
<b>Judicial Branch:</b>				
Court Fees	69,272,000	56,593,540	82	(12,678,460)
<b>Total Judicial Branch</b>	<u>69,272,000</u>	<u>56,593,540</u>	82	<u>(12,678,460)</u>
<b>TOTAL MISCELLANEOUS TAXES, FEES, REVENUES</b>	<u>2,544,559,000</u>	<u>2,556,121,062</u>	100	<u>11,562,062</u>
<b>INTERFUND TRANSFERS</b>				
Beaches and Harbor Fund	4,000	1,280	-	(2,720)
Clean Energy Fund	10,000,000	210,000,000	-	200,000,000
Clean Waters Fund	10,000	43	-	(9,957)
Correctional Facilities Construction Fund	1,000	892	-	(108)
Correctional Facilities Construction Fund of 1987	2,000	654	-	(1,346)
Cultural Center and Historical Preservation Fund	-	112	-	112
Dam, Lake, Stream and Flood Control Project Fund - 2003	61,000	22,770	-	(38,230)
Developmental Disabilities Waiting List Reduction Fund	13,000	6,041	-	(6,959)
Dredging and Containment Facility Fund	424,000	424,000	-	-
Emergency Flood Control	-	350	-	350
Energy Conservation Fund	1,000	424	-	(576)
Enterprise Zone Assistance Fund	88,597,000	97,788,461	-	9,191,461
Fund for the Support of Free Public Schools	4,662,000	4,449,854	-	(212,146)
Garden State Farmland Preservation Trust Fund	1,992,000	1,917,005	-	(74,995)
Garden State Green Acres Preservation Trust Fund	5,552,000	5,329,641	-	(222,359)
Garden State Historic Preservation Trust Fund	654,000	515,854	-	(138,146)
Hazardous Discharge Fund	1,000	280	-	(720)
Hazardous Discharge Site Cleanup Fund	18,000,000	17,944,441	-	(55,559)
Housing Assistance Fund	16,000	7,425	-	(8,575)
Human Services Facilities Construction Fund	-	23	-	23
Jobs, Education and Competitiveness Fund	-	731	-	731
Judiciary Bail Fund	150,000	41,005	-	(108,995)
Judiciary Child Support and Paternity Fund	60,000	-	-	(60,000)
Judiciary Probation Fund	50,000	11,522	-	(38,478)
Judiciary Special Civil Fund	20,000	1,831	-	(18,169)
Judiciary Superior Court Miscellaneous Fund	20,000	3,417	-	(16,583)
Legal Services Fund	11,000,000	9,557,048	-	(1,442,952)
Mortgage Assistance Fund	707,000	891,163	-	184,163
Motor Vehicle Security Responsibility Fund	1,000	364	-	(636)

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	ANTICIPATED TO June 30, 2012	<u>REALIZED TO JUNE 30, 2012</u>		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
NJ Bridge Rehabilitation and Improvement and R.R. Right-of-Way Preservation Fund	21,000	9,551	45	(11,449)
Natural Resources Fund	4,000	2,214	55	(1,786)
New Jersey Spill Compensation Fund	16,316,000	16,120,295	99	(195,705)
New Jersey Workforce Development Partnership Fund	17,867,000	24,761,023	139	6,894,023
Pollution Prevention Fund	1,579,000	1,423,415	90	(155,585)
Public Purpose Building Construction	-	120	-	120
Public Purpose Buildings and Community-Based Facilities Construction Fund	3,000	1,184	39	(1,816)
Safe Drinking Water Fund	2,503,000	2,296,017	92	(206,983)
Shore Protection Fund	35,000	12,984	37	(22,016)
Solid Waste Service Tax Fund	1,000	-	-	(1,000)
State Disability Benefit Fund	37,888,000	31,521,329	83	(6,366,671)
State Land Acquisition and Development Fund	1,000	567	57	(433)
State Lottery Fund	1,030,000,000	950,082,267	92	(79,917,733)
State Lottery Fund - Administration	22,212,000	21,652,491	97	(559,509)
State Recycling Fund	20,000,000	20,000,000	100	-
State of New Jersey Cash Management Fund	2,300,000	1,877,586	82	(422,414)
Statewide Transportation and Local Bridge Fund	50,000	20,160	40	(29,840)
Supplemental Workforce Fund for Basic Skills	2,000,000	1,055,220	53	(944,780)
Tobacco Settlement Fund	54,564,000	82,461,651	151	27,897,651
Unclaimed Insurance Payments	-	8,484	-	8,484
Unclaimed Personal Property Trust Fund	192,000,000	257,000,000	134	65,000,000
Unclaimed Utility Deposits Trust Fund	21,000	8,997	43	(12,003)
Unemployment Compensation Auxiliary Fund	18,057,000	18,056,522	100	(478)
Universal Services Fund	72,652,000	72,652,000	100	-
Wage and Hour Trust Fund	40,000	1,261	3	(38,739)
Water Conservation Fund	3,000	1,091	36	(1,909)
Water Supply Fund	4,157,000	4,079,630	98	(77,370)
Worker and Community Right to Know Fund	3,909,000	2,830,235	72	(1,078,765)
<b>TOTAL INTERFUND TRANSFERS</b>	<u>1,640,181,000</u>	<u>1,856,852,925</u>	113	<u>216,671,925</u>
 <b>TOTAL REVENUES, GENERAL FUND</b>	 <u><b>\$ 17,561,202,000</b></u>	 <u><b>\$ 17,043,637,168</b></u>	 <b>97</b>	 <u><b>\$ (517,564,832)</b></u>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ANTICIPATED TO JUNE 30, 2012</u>	<u>REALIZED TO JUNE 30, 2012 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER/(UNDER) ANTICIPATED</u>
Licenses and Fees	\$ 53,126,000	\$ 51,397,177	97	\$ (1,728,823)
Investment Earnings	20,000	10,837	54	(9,163)
<b>TOTAL CASINO CONTROL FUND</b>	<b><u>\$ 53,146,000</u></b>	<b><u>\$ 51,408,014</u></b>	<b>97</b>	<b><u>\$ (1,737,986)</u></b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ANTICIPATED TO JUNE 30, 2012</u>	<u>REALIZED TO JUNE 30, 2012 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER/(UNDER) ANTICIPATED</u>
Gross Revenue Tax	\$ 234,822,000	\$ 227,193,971	97	\$ (7,628,029)
Other Casino Taxes and Fees	12,927,000	11,792,345	91	(1,134,655)
Casino Simulcasting Fund	400,000	337,907	84	(62,093)
<b>TOTAL CASINO REVENUE FUND</b>	<b><u>\$ 248,149,000</u></b>	<b><u>\$ 239,324,223</u></b>	<b>96</b>	<b><u>\$ (8,824,777)</u></b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GUBERNATORIAL ELECTIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ANTICIPATED TO June 30, 2012</u>	<u>REALIZED TO JUNE 30, 2012 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER/(UNDER) ANTICIPATED</u>
Taxpayers' Designations	\$ 700,000	\$ 457,541	65	\$ (242,459)
<b>TOTAL GUBERNATORIAL ELECTIONS FUND</b>	<b><u>\$ 700,000</u></b>	<b><u>\$ 457,541</u></b>	<b>65</b>	<b><u>\$ (242,459)</u></b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ANTICIPATED TO June 30, 2012</u>	<u>REALIZED TO JUNE 30, 2012 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER/(UNDER) ANTICIPATED</u>
Gross Income Tax	\$ 11,132,000,000	\$ 11,128,418,349	100	\$ (3,581,651)
Sales Tax Dedication	645,500,000	623,252,210	97	(22,247,790)
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<b><u>\$ 11,777,500,000</u></b>	<b><u>\$ 11,751,670,559</u></b>	<b>100</b>	<b><u>\$ (25,829,441)</u></b>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
<b>LEGISLATIVE BRANCH</b>	\$ -	\$ -	\$ 1,962	\$ 1,962
<b>EXECUTIVE BRANCH</b>				
Chief Executive	-	-	702,944	702,944
Agriculture	2,555,854	364,091,794	6,473,632	373,121,280
Banking and Insurance	45,600	1,827,708	1,252,154	3,125,462
Children and Families	-	171,492,007	51,678,408	223,170,415
Community Affairs	17,312,775	461,595,221	63,104,439	542,012,435
Corrections	-	1,563,857	57,821,215	59,385,072
Education	1,200,000	1,222,572,874	16,050,014	1,239,822,888
Environmental Protection	35,741,749	58,853,799	46,378,613	140,974,161
Health and Senior Services	13,577,231	366,033,248	339,168,446	718,778,925
Human Services	474,331,046	7,845,522,815	797,959,087	9,117,812,948
Labor and Workforce Development	50,861,041	385,978,289	176,499,240	613,338,570
Law and Public Safety	131,113,452	264,445,976	175,954,219	571,513,647
Military and Veterans' Affairs	2,960,805	38,664,638	213,075	41,838,518
State	6,919	24,702,641	14,989,725	39,699,285
Transportation	2,468,097	9,073,620	647,873,087	659,414,804
Treasury	88,670,355	28,645,786	1,237,303,277	1,354,619,418
Interdepartmental	173,992	-	43,270,256	43,444,248
<b>TOTAL EXECUTIVE BRANCH</b>	<u>821,018,916</u>	<u>11,245,064,273</u>	<u>3,676,691,831</u>	<u>15,742,775,020</u>
<b>JUDICIAL BRANCH</b>	<u>2,837,471</u>	<u>3,727,341</u>	<u>64,298,778</u>	<u>70,863,590</u>
<b>TOTAL APPROPRIATED REVENUE</b>	<u>\$ 823,856,387</u>	<u>\$ 11,248,791,614</u>	<u>\$ 3,740,992,571</u>	<u>\$ 15,813,640,572</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
<b>EXECUTIVE BRANCH</b>				
Health and Senior Services	\$ 83,304,914	\$ -	\$ -	\$ 83,304,914
<b>TOTAL APPROPRIATED REVENUE</b>	<u>\$ 83,304,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,304,914</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
<b>Legislative Branch</b>	\$ 73,653,780	\$ 18,741,578	\$ 77,729,558
<b>Executive Branch</b>			
Chief Executive's Office	5,681,000	857,884	6,440,919
Agriculture	7,156,000	3,372,160	9,880,717
Banking and Insurance	62,970,000	1,135,521	56,232,482
Children and Families	315,151,000	13,280,394	310,235,406
Community Affairs	38,694,000	12,734,923	45,235,546
Corrections	963,606,000	29,237,639	936,701,103
Education	76,404,240	4,509,838	76,106,430
Environmental Protection	209,711,604	65,329,082	241,418,957
Health and Senior Services	52,216,000	29,357,636	68,116,716
Human Services	662,281,000	90,769,935	660,595,360
Labor and Workforce Development	89,778,000	57,903,077	125,857,307
Law and Public Safety	492,566,000	263,730,197	647,694,919
Military and Veterans' Affairs	90,953,642	7,076,120	88,653,891
State	29,004,000	2,996,446	26,526,426
Transportation	45,385,000	16,844,232	47,707,097
Treasury	440,765,729	112,294,491	512,882,633
Miscellaneous Executive Commissions	976,000	30,115	1,003,011
Interdepartmental Accounts	2,383,613,937	(39,442,428)	2,239,646,426
<b>Total Executive Branch</b>	<u>5,966,913,152</u>	<u>672,017,262</u>	<u>6,100,935,346</u>
<b>Judicial Branch</b>	<u>663,535,000</u>	<u>13,348,307</u>	<u>626,448,605</u>
<b>TOTAL DIRECT STATE SERVICES</b>	<u>\$ 6,704,101,932</u>	<u>\$ 704,107,147</u>	<u>\$ 6,805,113,509</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 623,751	\$ -	\$ 14,042,049
-	91,943	6,022
193,447	1,900	452,096
1,742,908	5,402,607	727,524
2,231,385	15,964,603	-
1,997,684	447,352	3,748,341
7,936,926	43,730,485	4,475,125
1,279,463	1,391,430	2,136,755
8,050,397	3,919,908	21,651,424
7,864,244	4,582,743	1,009,933
27,033,469	47,305,481	18,116,625
6,824,485	13,552,936	1,446,349
7,511,979	4,285,146	96,804,153
3,411,824	4,126,459	1,837,588
1,834,128	1,312,620	2,327,272
3,022,204	4,043,197	7,456,734
21,377,938	9,650,061	9,149,588
4	-	3,100
6,421,436	65,249,859	32,853,788
<u>108,733,921</u>	<u>225,058,730</u>	<u>204,202,417</u>
<u>24,019,051</u>	<u>(8,900)</u>	<u>26,424,551</u>
<u>\$ 133,376,723</u>	<u>\$ 225,049,830</u>	<u>\$ 244,669,017</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 6,818,000	\$ 588,176	\$ 6,894,558
Children and Families	743,295,000	(12,293,092)	694,917,588
Community Affairs	19,220,000	8,022,925	21,163,833
Corrections	106,298,000	(75,000)	103,062,977
Education	1,665,000	-	1,620,000
Environmental Protection	17,332,000	75,872,993	14,352,571
Health and Senior Services	1,162,933,000	41,509,079	1,105,464,898
Human Services	4,186,928,379	507,853,969	4,548,076,270
Labor and Workforce Development	64,756,000	600,678	56,968,432
Law and Public Safety	17,248,000	(4,273)	8,971,198
Military and Veterans' Affairs	3,074,000	55,945	2,025,383
State	1,104,829,000	28,380,805	1,099,107,300
Transportation	309,400,000	15,070	285,027,000
Treasury	313,476,000	997,312	284,151,202
Interdepartmental Accounts	885,805,000	(866,492)	880,156,211
<b>Total Executive Branch</b>	<u>8,943,077,379</u>	<u>650,658,095</u>	<u>9,111,959,421</u>
<b>TOTAL GRANTS-IN-AID</b>	<u>\$ 8,943,077,379</u>	<u>\$ 650,658,095</u>	<u>\$ 9,111,959,421</u>
<b>STATE AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 5,623,000	\$ 66	\$ 5,615,088
Community Affairs	1,600,000	309,903	1,477,095
Corrections	20,500,000	-	20,500,000
Education	145,101,824	81,683,001	225,637,782
Environmental Protection	8,680,000	1,007,979	5,942,882
Health and Senior Services	7,152,000	-	5,984,058
Human Services	365,770,874	1,850,374	344,460,154
Labor and Workforce Development	-	-	(1,099)
Law and Public Safety	-	9,321,872	2,267,407
State	15,005,000	309,233	14,932,278
Treasury	199,229,575	6,933,277	199,404,212
<b>Total Executive Branch</b>	<u>768,662,273</u>	<u>101,415,705</u>	<u>826,219,857</u>
<b>TOTAL STATE AID</b>	<u>\$ 768,662,273</u>	<u>\$ 101,415,705</u>	<u>\$ 826,219,857</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 1,768	\$ 509,850
1,500,441	34,313,680	270,199
2,839,910	922,500	2,316,682
3,074,221	(45,878)	131,680
-	45,000	-
330,084	-	78,522,338
20,819,902	71,851,426	6,305,853
57,396,698	30,391,372	58,918,008
8,224,163	163,405	678
8,108,682	163,847	-
88,986	188,254	827,322
5,379,612	20,916,158	7,806,735
-	24,373,000	15,070
155,550	26,704,746	3,461,814
2,200	4,778,618	1,479
<u>107,920,449</u>	<u>214,767,896</u>	<u>159,087,708</u>
<u>\$ 107,920,449</u>	<u>\$ 214,767,896</u>	<u>\$ 159,087,708</u>
\$ -	\$ 7,901	\$ 77
-	182,808	250,000
-	-	-
1,049,463	97,580	-
3,646,282	42,773	56,042
1,167,942	-	-
-	22,683,430	477,664
838	261	-
757,888	-	6,296,577
625	72,097	309,233
3,713,935	1,807,523	1,237,182
<u>10,336,973</u>	<u>24,894,373</u>	<u>8,626,775</u>
<u>\$ 10,336,973</u>	<u>\$ 24,894,373</u>	<u>\$ 8,626,775</u>



**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>CAPITAL CONSTRUCTION</b>			
<b>Legislative Branch</b>	\$ -	\$ 2,336,089	\$ -
<b>Executive Branch</b>			
Agriculture	-	8,382	-
Corrections	-	19,092,703	3,310,247
Education	-	2,951,940	64,888
Environmental Protection	91,653,000	97,634,093	39,022,426
Human Services	-	5,534,369	170,136
Law and Public Safety	-	7,023,579	2,285,605
Military and Veterans' Affairs	-	24,138	(290,672)
Transportation	956,667,000	-	956,667,000
Treasury	-	5,995,628	2,039,037
Interdepartmental Accounts	176,294,000	19,040,254	163,366,459
<b>Total Executive Branch</b>	<u>1,224,614,000</u>	<u>157,305,086</u>	<u>1,166,635,126</u>
<b>TOTAL CAPITAL CONSTRUCTION</b>	<u>\$ 1,224,614,000</u>	<u>\$ 159,641,175</u>	<u>\$ 1,166,635,126</u>
<b>DEBT SERVICE</b>			
<b>Executive Branch</b>			
Environmental Protection	\$ 6,819,000	\$ 934,333	\$ 6,031,761
Treasury	270,115,000	10,599,959	271,330,500
<b>Total Executive Branch</b>	<u>276,934,000</u>	<u>11,534,292</u>	<u>277,362,261</u>
<b>TOTAL DEBT SERVICE</b>	<u>\$ 276,934,000</u>	<u>\$ 11,534,292</u>	<u>\$ 277,362,261</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 420	\$ 2,335,669
-	8,382	-
1,048,805	2,257,965	12,475,686
25,275	261,797	2,599,980
67,800,969	-	82,463,698
494,228	306,119	4,563,886
2,164,165	472,676	2,101,133
304,882	9,928	-
-	-	-
49,972	37,451	3,869,168
2,965,056	2,404,209	26,598,530
<u>74,853,352</u>	<u>5,758,527</u>	<u>134,672,081</u>
<u>\$ 74,853,352</u>	<u>\$ 5,758,947</u>	<u>\$ 137,007,750</u>
-	1,721,572	-
-	9,384,459	-
-	11,106,031	-
<u>\$ -</u>	<u>\$ 11,106,031</u>	<u>\$ -</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>FEDERAL</b>			
<b>Legislative Branch</b>	\$ -	\$ 2,707	\$ 1,950
<b>Executive Branch</b>			
Agriculture	418,669,663	(16,891,423)	323,694,072
Banking and Insurance	9,236,000	86,557	1,576,874
Children and Families	447,015,312	40,451,002	442,004,258
Community Affairs	450,615,000	144,067,790	383,261,068
Corrections	12,200,950	8,285,166	4,120,956
Education	878,537,648	72,554,751	585,381,630
Environmental Protection	258,178,120	30,201,712	47,643,372
Health and Senior Services	1,943,653,478	84,946,446	1,634,319,010
Human Services	5,223,260,019	72,214,889	4,709,464,753
Labor and Workforce Development	511,627,866	89,079,274	349,616,951
Law and Public Safety	429,426,804	139,125,843	200,859,476
Military and Veterans' Affairs	98,149,732	10,332,526	36,164,062
State	37,792,213	2,641,172	23,006,781
Transportation	22,625,000	9,971,960	11,008,061
Treasury	43,166,745	17,273,194	26,787,904
<b>Total Executive Branch</b>	<u>10,784,154,550</u>	<u>704,340,859</u>	<u>8,778,909,228</u>
<b>Judicial Branch</b>	<u>111,038,000</u>	<u>4,760,388</u>	<u>106,501,725</u>
<b>TOTAL FEDERAL</b>	<u>\$ 10,895,192,550</u>	<u>\$ 709,103,954</u>	<u>\$ 8,885,412,903</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ 757
48,760,958	-	29,323,210
11,277	-	7,734,406
8,621,171	-	36,840,885
26,766,101	-	184,655,621
6,752,643	-	9,612,517
282,098,690	-	83,612,079
12,925,964	-	227,810,496
84,523,860	-	309,757,054
51,600,683	-	534,409,472
64,107,476	-	186,982,713
37,769,160	-	329,924,011
4,454,587	-	67,863,609
3,839,770	-	13,586,834
10,434	-	21,578,465
29,701,894	-	3,950,141
<u>661,944,668</u>	<u>-</u>	<u>2,047,641,513</u>
<u>(450,495)</u>	<u>-</u>	<u>9,747,158</u>
<u>\$ 661,494,173</u>	<u>\$ -</u>	<u>\$ 2,057,389,428</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>REVOLVING FUNDS</b>			
<b>Legislative Branch</b>	\$ -	\$ 3,202	\$ 3,202
<b>Executive Branch</b>			
Community Affairs	-	14,713,873	10,875,906
Corrections	-	29,134,382	28,766,564
Education	-	3,219,492	2,397,000
Environmental Protection	-	946,076	603,885
Health and Senior Services	-	24,204,898	14,930,523
Human Services	-	12,122,068	9,652,734
Labor and Workforce Development	-	1,399,464	(1,419,889)
Law and Public Safety	-	632,565	12,160
State	-	1,174,725	717,714
Transportation	-	19,249,365	18,327,620
Treasury	-	99,708,558	77,474,622
<b>Total Executive Branch</b>	-	206,505,466	162,338,839
<b>TOTAL REVOLVING FUNDS</b>	\$ -	\$ 206,508,668	\$ 162,342,041

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ -
1,436,862	-	2,401,105
570,502	-	(202,684)
134,770	-	687,722
5,881	-	336,310
1,633,942	-	7,640,433
146,403	-	2,322,931
2,193,376	-	625,977
236,915	-	383,490
22,038	-	434,973
639,199	-	282,546
<u>11,749,474</u>	<u>168,020</u>	<u>10,316,442</u>
<u>18,769,362</u>	<u>168,020</u>	<u>25,229,245</u>
<u>\$ 18,769,362</u>	<u>\$ 168,020</u>	<u>\$ 25,229,245</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>ALL OTHER</b>			
<b>Legislative Branch</b>	\$ -	\$ 24,823	\$ 17,277
<b>Executive Branch</b>			
Chief Executive's Office	-	1,631,719	830,571
Agriculture	-	11,068,592	6,819,219
Banking and Insurance	-	1,803,711	1,160,989
Children and Families	-	62,079,747	60,049,142
Community Affairs	-	90,051,903	49,971,424
Corrections	-	35,408,459	26,699,412
Education	-	21,691,328	14,782,348
Environmental Protection	-	95,000,300	48,594,823
Health and Senior Services	-	382,861,319	301,058,912
Human Services	-	795,973,411	770,122,004
Labor and Workforce Development	-	194,839,674	185,839,326
Law and Public Safety	-	246,804,579	201,175,517
Military and Veterans' Affairs	-	1,704,939	600,815
State	-	20,531,306	14,081,947
Transportation	-	628,488,910	416,874,294
Treasury	-	1,407,078,796	1,303,269,710
Interdepartmental Accounts	-	31,654,701	31,529,533
<b>Total Executive Branch</b>	-	4,028,673,394	3,433,459,986
<b>Judicial Branch</b>	-	106,156,810	51,930,801
<b>TOTAL ALL OTHER</b>	\$ -	\$ 4,134,855,027	\$ 3,485,408,064

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ 7,546
-	-	801,148
94,383	-	4,154,990
-	-	642,722
96,575	-	1,934,030
9,605,705	44,411	30,430,363
775,250	850,340	7,083,457
659,812	-	6,249,168
12,574,111	1,900,079	31,931,287
20,766,173	19,556,858	41,479,376
5,515,930	44,769	20,290,708
471,334	6,000,000	2,529,014
16,138,172	4,133,172	25,357,718
112,684	-	991,440
296,577	-	6,152,782
94,903,192	25,612,749	91,098,675
16,594,923	37,060,942	50,153,221
45,365	-	79,803
<u>178,650,186</u>	<u>95,203,320</u>	<u>321,359,902</u>
<u>8,727,214</u>	<u>-</u>	<u>45,498,795</u>
<u>\$ 187,377,400</u>	<u>\$ 95,203,320</u>	<u>\$ 366,866,243</u>



**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GENERAL FUND SUMMARY</b>			
<b>Legislative Branch</b>	\$ 73,653,780	\$ 21,108,399	\$ 77,751,987
<b>Executive Branch</b>			
Chief Executive's Office	5,681,000	2,489,603	7,271,490
Agriculture	438,266,663	(1,854,047)	352,903,654
Banking and Insurance	72,206,000	3,025,789	58,970,345
Children and Families	1,505,461,312	103,518,051	1,507,206,394
Community Affairs	510,129,000	269,901,317	511,984,872
Corrections	1,102,604,950	121,083,349	1,123,161,259
Education	1,101,708,712	186,610,350	905,990,078
Environmental Protection	592,373,724	366,926,568	403,610,677
Health and Senior Services	3,165,954,478	562,879,378	3,129,874,117
Human Services	10,438,240,272	1,486,319,015	11,042,541,411
Labor and Workforce Development	666,161,866	343,822,167	716,861,028
Law and Public Safety	939,240,804	666,634,362	1,063,266,282
Military and Veterans' Affairs	192,177,374	19,193,668	127,153,479
State	1,186,630,213	56,033,687	1,178,372,446
Transportation	1,334,077,000	674,569,537	1,735,611,072
Treasury	1,266,753,049	1,660,881,215	2,677,339,820
Miscellaneous Executive Commissions	976,000	30,115	1,003,011
Interdepartmental Accounts	3,445,712,937	10,386,035	3,314,698,629
<b>Total Executive Branch</b>	<u>27,964,355,354</u>	<u>6,532,450,159</u>	<u>29,857,820,064</u>
<b>Judicial Branch</b>	<u>774,573,000</u>	<u>124,265,505</u>	<u>784,881,131</u>
<b>TOTAL GENERAL FUND SUMMARY</b>	<u>\$ 28,812,582,134</u>	<u>\$ 6,677,824,063</u>	<u>\$ 30,720,453,182</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 623,751	\$ 420	\$ 16,386,021
-	91,943	807,170
49,048,788	19,951	34,440,223
1,754,185	5,402,607	9,104,652
12,449,572	50,278,283	39,045,114
42,646,262	1,597,071	223,802,112
20,158,347	46,792,912	33,575,781
285,247,473	1,795,807	95,285,704
105,333,688	7,584,332	442,771,595
136,776,063	95,991,027	366,192,649
142,187,411	100,731,171	639,099,294
81,821,672	19,716,602	191,584,731
72,686,961	9,054,841	460,867,082
8,372,962	4,324,641	71,519,960
11,372,750	22,300,875	30,617,829
98,575,029	54,028,946	120,431,490
83,343,686	84,813,202	82,137,556
4	-	3,100
9,434,057	72,432,686	59,533,600
<u>1,161,208,910</u>	<u>576,956,897</u>	<u>2,900,819,642</u>
<u>32,295,770</u>	<u>(8,900)</u>	<u>81,670,504</u>
<u>\$ 1,194,128,431</u>	<u>\$ 576,948,417</u>	<u>\$ 2,998,876,167</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 46,754,000	\$ 566,203	\$ 44,442,486
Treasury	9,108,000	856,838	7,568,150
<b>TOTAL CASINO CONTROL FUND</b>	<u>\$ 55,862,000</u>	<u>\$ 1,423,041</u>	<u>\$ 52,010,636</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
<b>Executive Branch</b>			
Health and Senior Services	\$ 871,000	\$ 22,322	\$ 650,855
Law and Public Safety	92,000	-	92,000
<b>GRANTS-IN-AID</b>			
<b>Executive Branch</b>			
Health and Senior Services	89,412,000	83,304,914	168,787,524
Human Services	130,457,000	-	130,457,000
Labor and Workforce Development	2,196,000	-	2,196,000
<b>STATE AID</b>			
<b>Executive Branch</b>			
Transportation	25,121,000	-	2,601,480
<b>TOTAL CASINO REVENUE FUND</b>	<u>\$ 248,149,000</u>	<u>\$ 83,327,236</u>	<u>\$ 304,784,859</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 368,095	\$ 2,101,486	\$ 408,136
27,016	1,361,883	1,007,789
\$ 395,111	\$ 3,463,369	\$ 1,415,925

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 73,194	\$ 144,821	\$ 24,452
-	-	-
907,083	3,022,307	-
-	-	-
-	-	-
22,519,520	-	-
\$ 23,499,797	\$ 3,167,128	\$ 24,452

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
GUBERNATORIAL ELECTIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ -	\$ 163,761	\$ -
<b>TOTAL GUBERNATORIAL ELECTIONS FUND</b>	<u>\$ -</u>	<u>\$ 163,761</u>	<u>\$ -</u>

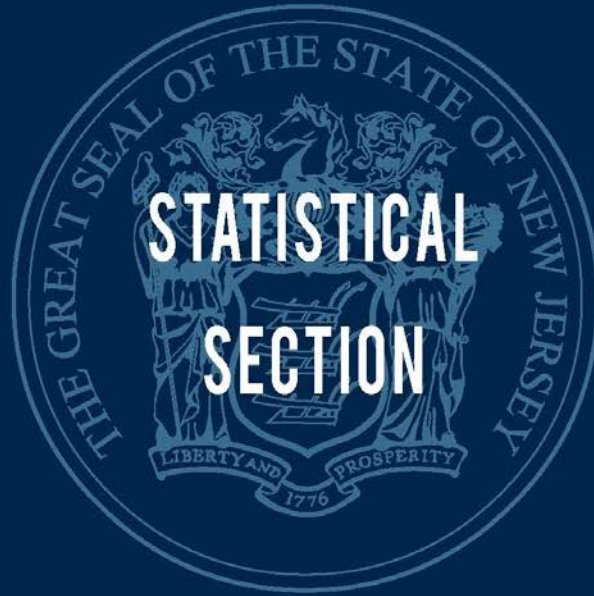
**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
<b>Executive Branch</b>			
Treasury	\$ 671,100,000	\$ -	\$ 620,339,771
<b>STATE AID</b>			
<b>Executive Branch</b>			
Community Affairs	685,979,000	(260,983,926)	424,678,147
Education	10,407,526,535	420,601,215	10,788,255,309
Human Services	160,262,126	-	160,262,126
Treasury	186,334,874	(2,028,354)	183,113,687
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<u>\$ 12,111,202,535</u>	<u>\$ 157,588,935</u>	<u>\$ 12,176,649,040</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 60,210	\$ 103,551
<u>\$ -</u>	<u>\$ 60,210</u>	<u>\$ 103,551</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 50,760,229	\$ -
-	316,927	-
2,799,172	37,073,269	-
-	-	-
<u>-</u>	<u>1,192,833</u>	<u>-</u>
<u>\$ 2,799,172</u>	<u>\$ 89,343,258</u>	<u>\$ -</u>

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**STATE OF NEW JERSEY  
STATISTICAL SECTION  
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**STATE OF NEW JERSEY  
NET ASSETS BY COMPONENT  
FOR THE FISCAL YEAR ENDED JUNE 30  
(Expressed in Millions)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009*</u>
<b><u>Governmental Activities</u></b>				
Invested in capital assets, net of related debt	\$ 7,192.2	\$ 6,999.7	\$ 6,439.8	\$ 7,362.1
Restricted	3,536.3	3,877.3	4,364.6	4,298.6
Unrestricted	<u>(51,134.4)</u>	<u>(44,297.2)</u>	<u>(39,005.6)</u>	<u>(33,419.6)</u>
<b>Total</b>	<u>(40,405.9)</u>	<u>(33,420.2)</u>	<u>(28,201.2)</u>	<u>(21,758.9)</u>
<b><u>Business-type Activities</u></b>				
Restricted	12.1	10.9	10.2	321.0
Unrestricted	<u>(253.1)</u>	<u>(794.9)</u>	<u>(776.6)</u>	<u>-</u>
<b>Total</b>	<u>(241.0)</u>	<u>(784.0)</u>	<u>(766.4)</u>	<u>321.0</u>
<b><u>Total Primary Government</u></b>				
Invested in capital assets, net of related debt	7,192.2	6,999.7	6,439.8	7,362.1
Restricted	3,548.4	3,888.2	4,374.8	4,619.6
Unrestricted	<u>(51,387.5)</u>	<u>(45,092.1)</u>	<u>(39,782.2)</u>	<u>(33,419.6)</u>
<b>Total</b>	<u>\$ (40,646.9)</u>	<u>\$ (34,204.2)</u>	<u>\$ (28,967.6)</u>	<u>\$ (21,437.9)</u>

**Notes:**

- \* Net Assets was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- \*\* Net Assets was restated by \$267.1 million to reflect revised land improvements, building improvements and infrastructure balances, net of depreciation, offset by \$7.0 million as the result of implementing GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

Information presented is based on the accrual basis of accounting.

<u>2008**</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 7,135.6	\$ 6,452.0	\$ 5,981.9	\$ 6,575.3	\$ 6,167.1	\$ 4,907.4
5,492.5	5,796.5	5,625.8	4,795.3	3,715.3	4,175.0
<u>(26,403.0)</u>	<u>(20,753.5)</u>	<u>(19,723.0)</u>	<u>(18,987.8)</u>	<u>(14,270.9)</u>	<u>(10,881.7)</u>
<u>(13,774.9)</u>	<u>(8,505.0)</u>	<u>(8,115.3)</u>	<u>(7,617.2)</u>	<u>(4,388.5)</u>	<u>(1,799.3)</u>
1,316.7	1,143.2	1,500.6	1,682.9	1,697.7	2,219.8
-	-	(2.8)	(1.3)	-	-
<u>1,316.7</u>	<u>1,143.2</u>	<u>1,497.8</u>	<u>1,681.6</u>	<u>1,697.7</u>	<u>2,219.8</u>
7,135.6	6,452.0	5,981.9	6,575.3	6,167.1	4,907.4
6,809.2	6,939.7	7,126.4	6,478.2	5,413.0	6,394.8
<u>(26,403.0)</u>	<u>(20,753.5)</u>	<u>(19,725.8)</u>	<u>(18,989.1)</u>	<u>(14,270.9)</u>	<u>(10,881.7)</u>
<u>\$ (12,458.2)</u>	<u>\$ (7,361.8)</u>	<u>\$ (6,617.5)</u>	<u>\$ (5,935.6)</u>	<u>\$ (2,690.8)</u>	<u>\$ 420.5</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities</b>			
<b>Expenses</b>			
Public safety and criminal justice	\$ 3,274.0	\$ 3,169.2	\$ 3,133.2
Physical and mental health	11,794.4	11,392.4	10,989.6
Educational, cultural, and intellectual development	15,249.5	14,091.6	15,013.1
Community development and environmental management	1,560.6	1,694.1	2,166.9
Economic planning, development, and security	6,861.9	6,729.5	6,663.1
Transportation programs	1,715.9	1,927.5	2,017.7
Government direction, management, and control	11,489.5	11,671.6	11,627.1
Special government services	342.1	348.9	337.9
Interest expense	1,275.8	1,227.7	1,125.9
<b>Total Expenses</b>	<u>53,563.7</u>	<u>52,252.5</u>	<u>53,074.5</u>
<b>Program Revenues</b>			
Charges for services			
Public safety and criminal justice	1,120.4	1,033.6	1,038.8
Physical and mental health	858.7	912.3	875.7
Educational, cultural, and intellectual development	111.7	119.8	118.8
Community development and environmental management	271.1	302.5	381.5
Economic planning, development, and security	1,313.2	1,190.5	1,207.8
Transportation programs	30.5	27.5	24.0
Government direction, management, and control	971.3	995.3	846.8
Special government services	144.0	154.5	128.2
Operating grants and contributions	13,238.6	13,326.1	14,240.8
Capital grants and contributions	325.8	139.6	212.5
<b>Total Program Revenues</b>	<u>18,385.3</u>	<u>18,201.7</u>	<u>19,074.9</u>
<b>Net (Expense) Revenue</b>	(35,178.4)	(34,050.8)	(33,999.6)
<b>General Revenues and Transfers</b>			
Taxes	26,666.3	26,569.4	25,745.0
Investment earnings	(274.9)	48.9	(63.1)
Miscellaneous	851.2	762.0	818.9
Transfers	950.1	1,451.5	1,056.5
Special Item - gain on sale of tobacco rights	-	-	-
<b>Total General Revenue and Transfers</b>	<u>28,192.7</u>	<u>28,831.8</u>	<u>27,557.3</u>
<b>Change in Net Assets</b>	(6,985.7)	(5,219.0)	(6,442.3)
<b>Net Assets - July 1</b>	<u>(33,420.2)</u>	<u>(28,201.2)</u>	<u>(21,758.9)</u>
<b>Net Assets - June 30</b>	<u>\$ (40,405.9)</u>	<u>\$ (33,420.2)</u>	<u>\$ (28,201.2)</u>

**Notes:**

\* Net Assets was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

\*\* Net Assets was restated by \$267.1 million to reflect revised land improvements, building improvements and infrastructure balances, net of depreciation, offset by \$7.0 million as the result of implementing GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

Information presented is based on the accrual basis of accounting.

<u>2009*</u>	<u>2008**</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 3,087.7	\$ 3,211.8	\$ 3,189.7	\$ 2,827.9	\$ 2,916.8	\$ 2,652.5	\$ 2,504.5
10,589.0	10,177.4	9,682.1	9,729.9	9,565.4	8,809.3	9,305.6
14,681.3	15,552.6	14,968.4	14,200.5	13,609.3	12,562.2	10,686.3
2,271.8	2,502.0	2,484.5	2,205.4	1,997.6	1,228.7	1,959.0
6,126.8	5,487.7	5,300.7	4,914.9	4,123.7	3,714.1	4,046.6
1,859.2	1,717.9	2,913.0	2,435.1	1,724.2	1,774.0	1,561.1
11,846.1	11,598.7	5,835.8	8,251.4	8,086.4	6,027.8	5,763.2
364.5	344.1	327.5	239.6	291.6	264.9	236.3
1,092.4	1,048.3	975.0	537.0	791.6	750.4	574.7
<u>51,918.8</u>	<u>51,640.5</u>	<u>45,676.7</u>	<u>45,341.7</u>	<u>43,106.6</u>	<u>37,783.9</u>	<u>36,637.3</u>
1,027.1	1,046.9	1,080.3	1,036.6	1,003.4	968.7	1,136.0
851.7	853.2	714.0	834.6	782.5	703.6	626.2
119.9	117.1	111.1	115.8	112.6	97.3	319.4
283.2	282.7	271.5	267.6	258.4	244.6	270.8
1,185.2	1,055.9	1,044.9	928.3	699.2	517.7	569.4
27.3	11.7	15.5	19.6	15.3	15.1	5.8
910.0	941.0	1,081.7	1,652.3	1,595.1	693.5	876.4
148.3	118.0	131.7	145.8	135.0	100.5	96.7
11,375.9	10,231.0	10,032.7	9,708.5	9,156.4	8,985.0	9,151.1
204.1	116.6	108.5	174.3	125.8	140.9	30.6
<u>16,132.7</u>	<u>14,774.1</u>	<u>14,591.9</u>	<u>14,883.4</u>	<u>13,883.7</u>	<u>12,466.9</u>	<u>13,082.4</u>
(35,786.1)	(36,866.4)	(31,084.8)	(30,458.3)	(29,222.9)	(25,317.0)	(23,554.9)
26,910.6	30,441.3	28,983.4	26,714.1	23,308.2	20,940.6	19,347.3
(263.5)	181.3	271.7	183.0	84.3	59.8	61.1
890.5	753.6	752.9	1,627.3	1,569.1	1,939.1	1,647.5
264.5	220.3	883.2	1,435.8	1,032.6	(211.7)	716.9
-	-	-	-	-	-	5.5
<u>27,802.1</u>	<u>31,596.5</u>	<u>30,891.2</u>	<u>29,960.2</u>	<u>25,994.2</u>	<u>22,727.8</u>	<u>21,778.3</u>
(7,984.0)	(5,269.9)	(193.6)	(498.1)	(3,228.7)	(2,589.2)	(1,776.6)
<u>(13,774.9)</u>	<u>(8,505.0)</u>	<u>(8,311.4)</u>	<u>(7,617.2)</u>	<u>(4,388.5)</u>	<u>(1,799.3)</u>	<u>(22.7)</u>
<u>\$ (21,758.9)</u>	<u>\$ (13,774.9)</u>	<u>\$ (8,505.0)</u>	<u>\$ (8,115.3)</u>	<u>\$ (7,617.2)</u>	<u>\$ (4,388.5)</u>	<u>\$ (1,799.3)</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Business-type Activities</u></b>			
<b>Expenses</b>			
State Lottery Fund	\$ 1,845.6	\$ 1,724.3	\$ 1,705.0
Unemployment Compensation Fund	5,822.3	7,206.7	8,214.4
Other	-	-	-
<b>Total Expenses</b>	<u>7,667.9</u>	<u>8,931.0</u>	<u>9,919.4</u>
<b>Program Revenues</b>			
Charges for services			
State Lottery Fund	2,797.6	2,676.9	2,648.3
Unemployment Compensation Fund	3,055.2	2,780.3	2,172.5
Other	-	-	-
Operating grants	3,309.1	4,408.5	4,953.4
<b>Total Program Revenues</b>	<u>9,161.9</u>	<u>9,865.7</u>	<u>9,774.2</u>
<b>Net (Expense) Revenue</b>	1,494.0	934.7	(145.2)
<b>General Revenues and Transfers</b>			
Investment earnings	(0.9)	-	-
Transfers	(950.1)	(952.3)	(942.2)
<b>Total General Revenue and Transfers</b>	<u>(951.0)</u>	<u>(952.3)</u>	<u>(942.2)</u>
<b>Change in Net Assets</b>	543.0	(17.6)	(1,087.4)
<b>Net Assets - July 1</b>	<u>(784.0)</u>	<u>(766.4)</u>	<u>321.0</u>
<b>Net Assets - June 30</b>	<u>\$ (241.0)</u>	<u>\$ (784.0)</u>	<u>\$ (766.4)</u>
 <b><u>Total Primary Government</u></b>			
Expenses	\$ 61,231.6	\$ 61,183.5	\$ 62,993.9
Program revenues	27,547.2	28,067.4	28,849.1
<b>Net (Expense) Revenue</b>	<u>(33,684.4)</u>	<u>(33,116.1)</u>	<u>(34,144.8)</u>
General revenues and other changes in net assets	27,241.7	27,879.5	26,615.1
<b>Change in Net Assets</b>	(6,442.7)	(5,236.6)	(7,529.7)
<b>Net Assets - July 1</b>	<u>(34,204.2)</u>	<u>(28,967.6)</u>	<u>(21,437.9)</u>
<b>Net Assets - June 30</b>	<u>\$ (40,646.9)</u>	<u>\$ (34,204.2)</u>	<u>\$ (28,967.6)</u>

**Notes:**

- \* Net Assets was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- \*\* Net Assets was restated by \$267.1 million to reflect revised land improvements, building improvements and infrastructure balances, net of depreciation, offset by \$7.0 million as the result of implementing GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

Information presented is based on the accrual basis of accounting.

<u>2009*</u>	<u>2008**</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,645.7	\$ 1,667.6	\$ 1,544.2	\$ 1,573.3	\$ 1,476.4	\$ 1,413.2	\$ 1,339.0
5,283.6	2,119.2	1,937.4	1,828.5	1,948.5	2,481.5	2,876.3
-	-	-	1,959.0	1,860.6	1,700.7	1,367.1
<u>6,929.3</u>	<u>3,786.8</u>	<u>3,481.6</u>	<u>5,360.8</u>	<u>5,285.5</u>	<u>5,595.4</u>	<u>5,582.4</u>
2,538.1	2,579.3	2,392.3	2,441.5	2,305.7	2,231.1	2,113.0
1,855.2	1,980.0	1,915.1	1,447.0	1,768.3	1,407.2	1,177.4
-	-	-	1,971.4	1,824.4	1,679.2	1,416.0
<u>2,351.9</u>	<u>71.3</u>	<u>73.3</u>	<u>102.9</u>	<u>103.6</u>	<u>481.8</u>	<u>897.8</u>
<u>6,745.2</u>	<u>4,630.6</u>	<u>4,380.7</u>	<u>5,962.8</u>	<u>6,002.0</u>	<u>5,799.3</u>	<u>5,604.2</u>
(184.1)	843.8	899.1	602.0	716.5	203.9	21.8
-	-	-	-	-	-	-
<u>(811.6)</u>	<u>(670.3)</u>	<u>(883.2)</u>	<u>(785.8)</u>	<u>(732.6)</u>	<u>(726.0)</u>	<u>(716.9)</u>
<u>(811.6)</u>	<u>(670.3)</u>	<u>(883.2)</u>	<u>(785.8)</u>	<u>(732.6)</u>	<u>(726.0)</u>	<u>(716.9)</u>
(995.7)	173.5	15.9	(183.8)	(16.1)	(522.1)	(695.1)
<u>1,316.7</u>	<u>1,143.2</u>	<u>1,127.3</u>	<u>1,681.6</u>	<u>1,697.7</u>	<u>2,219.8</u>	<u>2,914.9</u>
<u>\$ 321.0</u>	<u>\$ 1,316.7</u>	<u>\$ 1,143.2</u>	<u>\$ 1,497.8</u>	<u>\$ 1,681.6</u>	<u>\$ 1,697.7</u>	<u>\$ 2,219.8</u>
\$ 58,848.1	\$ 55,427.3	\$ 49,158.3	\$ 50,702.5	\$ 48,392.1	\$ 43,379.3	\$ 42,219.7
<u>22,877.9</u>	<u>19,404.7</u>	<u>18,972.6</u>	<u>20,846.2</u>	<u>19,885.7</u>	<u>18,266.2</u>	<u>18,686.6</u>
<u>(35,970.2)</u>	<u>(36,022.6)</u>	<u>(30,185.7)</u>	<u>(29,856.3)</u>	<u>(28,506.4)</u>	<u>(25,113.1)</u>	<u>(23,533.1)</u>
<u>26,990.5</u>	<u>30,926.2</u>	<u>30,008.0</u>	<u>29,174.4</u>	<u>25,261.6</u>	<u>22,001.8</u>	<u>21,061.4</u>
<u>(8,979.7)</u>	<u>(5,096.4)</u>	<u>(177.7)</u>	<u>(681.9)</u>	<u>(3,244.8)</u>	<u>(3,111.3)</u>	<u>(2,471.7)</u>
<u>(12,458.2)</u>	<u>(7,361.8)</u>	<u>(7,184.1)</u>	<u>(5,935.6)</u>	<u>(2,690.8)</u>	<u>420.5</u>	<u>2,892.2</u>
<u>\$ (21,437.9)</u>	<u>\$ (12,458.2)</u>	<u>\$ (7,361.8)</u>	<u>\$ (6,617.5)</u>	<u>\$ (5,935.6)</u>	<u>\$ (2,690.8)</u>	<u>\$ 420.5</u>



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

	<u>2012</u>	<u>2011*</u>	<u>2010</u>	<u>2009</u>
<b><u>General Fund</u></b>				
<b>Reserved</b>				
Encumbrances	\$ -	\$ -	\$ 799.0	\$ 868.4
Surplus Revenue	-	-	-	-
Other	-	-	47.3	46.2
<b>Unreserved</b>	<b>-</b>	<b>-</b>	<b>1,833.9</b>	<b>2,185.5</b>
<b>Nonspendable</b>	<b>20.4</b>	<b>20.4</b>	<b>-</b>	<b>-</b>
<b>Restricted</b>	<b>884.2</b>	<b>985.9</b>	<b>-</b>	<b>-</b>
<b>Committed</b>	<b>1,570.7</b>	<b>1,896.9</b>	<b>-</b>	<b>-</b>
<b>Unassigned</b>	<b>425.4</b>	<b>864.1</b>	<b>-</b>	<b>-</b>
<b>Total General Fund</b>	<b><u>2,900.7</u></b>	<b><u>3,767.3</u></b>	<b><u>2,680.2</u></b>	<b><u>3,100.1</u></b>
<b><u>All Other Governmental Funds</u></b>				
<b>Reserved</b>				
Encumbrances	-	-	1,127.3	1,195.1
Other	-	-	1,882.0	1,716.6
<b>Unreserved</b>	<b>-</b>	<b>-</b>	<b>1,697.2</b>	<b>2,122.1</b>
<b>Restricted</b>	<b>3,494.6</b>	<b>3,417.8</b>	<b>-</b>	<b>-</b>
<b>Committed</b>	<b>458.6</b>	<b>1,127.7</b>	<b>-</b>	<b>-</b>
<b>Total All Other Governmental Funds</b>	<b><u>3,953.2</u></b>	<b><u>4,545.5</u></b>	<b><u>4,706.5</u></b>	<b><u>5,033.8</u></b>
<b><u>Total</u></b>				
<b>Reserved</b>				
Encumbrances	-	-	1,926.3	2,063.5
Surplus Revenue	-	-	-	-
Other	-	-	1,929.3	1,762.8
<b>Unreserved</b>	<b>-</b>	<b>-</b>	<b>3,531.1</b>	<b>4,307.6</b>
<b>Nonspendable</b>	<b>20.4</b>	<b>20.4</b>	<b>-</b>	<b>-</b>
<b>Restricted</b>	<b>4,378.8</b>	<b>4,403.7</b>	<b>-</b>	<b>-</b>
<b>Committed</b>	<b>2,029.3</b>	<b>3,024.6</b>	<b>-</b>	<b>-</b>
<b>Unassigned</b>	<b>425.4</b>	<b>864.1</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Funds</b>	<b><u>\$ 6,853.9</u></b>	<b><u>\$ 8,312.8</u></b>	<b><u>\$ 7,386.7</u></b>	<b><u>\$ 8,133.9</u></b>

**Note:**

\* As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 53 Special Revenue Funds have been reclassified to the General Fund. In addition, new fund balance classifications are required.

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 923.9	\$ 974.4	\$ 907.6	\$ 839.3	\$ 664.4	\$ 630.8
734.7	484.6	559.8	288.7	282.4	-
65.8	251.4	368.1	369.9	312.8	377.2
2,816.9	2,891.4	2,522.7	1,689.5	1,491.6	1,243.8
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,541.3</u>	<u>4,601.8</u>	<u>4,358.2</u>	<u>3,187.4</u>	<u>2,751.2</u>	<u>2,251.8</u>
1,247.4	1,232.2	896.8	629.3	680.9	700.1
1,633.1	1,538.6	1,605.3	1,601.6	1,632.2	1,064.1
2,732.8	3,255.2	4,596.9	2,781.7	2,072.0	4,372.0
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,613.3</u>	<u>6,026.0</u>	<u>7,099.0</u>	<u>5,012.6</u>	<u>4,385.1</u>	<u>6,136.2</u>
2,171.3	2,206.6	1,804.4	1,468.6	1,345.3	1,330.9
734.7	484.6	559.8	288.7	282.4	-
1,698.9	1,790.0	1,973.4	1,971.5	1,945.0	1,441.3
5,549.7	6,146.6	7,119.6	4,471.2	3,563.6	5,615.8
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,154.6</u>	<u>\$ 10,627.8</u>	<u>\$ 11,457.2</u>	<u>\$ 8,200.0</u>	<u>\$ 7,136.3</u>	<u>\$ 8,388.0</u>

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30**  
**(Expressed in Millions)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>				
Taxes	\$ 26,637.8	\$ 26,555.1	\$ 25,858.7	\$ 26,939.0
Federal and other grants	12,325.6	12,781.7	13,592.6	10,694.3
Licenses and fees	1,274.3	1,296.4	1,239.4	1,194.1
Services and assessments	2,860.8	2,792.6	2,695.3	2,712.1
Investment earnings	20.5	51.0	41.6	75.0
Contributions	0.1	0.1	-	0.1
Other	3,308.0	2,611.6	2,773.7	2,834.4
<b>Total Revenues</b>	<u>46,427.1</u>	<u>46,088.5</u>	<u>46,201.3</u>	<u>44,449.0</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,360.7	3,267.1	3,321.5	3,279.2
Physical and mental health	11,807.8	11,407.5	11,007.5	10,628.6
Educational, cultural, and intellectual development	15,499.1	14,313.6	15,233.0	14,892.1
Community development and environmental management	1,687.1	1,766.8	2,272.4	2,437.0
Economic planning, development, and security	6,917.6	6,773.5	6,706.5	6,203.0
Transportation programs	2,466.2	2,919.6	3,092.7	2,835.4
Government direction, management, and control	6,622.9	6,170.6	6,775.3	7,168.3
Special government services	340.6	350.5	338.8	346.0
Capital Outlay	122.5	81.7	39.1	32.0
Debt Service:				
Principal	580.5	423.3	486.4	639.1
Interest	920.7	834.7	856.7	843.7
<b>Total Expenditures</b>	<u>50,325.7</u>	<u>48,308.9</u>	<u>50,129.9</u>	<u>49,304.4</u>
Excess (deficiency) of revenues over expenditures	<u>(3,898.6)</u>	<u>(2,220.4)</u>	<u>(3,928.6)</u>	<u>(4,855.4)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	1,315.0	1,600.0	1,365.9	1,539.0
Transfers from (to) other funds	950.1	1,451.5	1,056.5	267.5
Other	174.6	95.0	759.0	1,035.2
<b>Total</b>	<u>2,439.7</u>	<u>3,146.5</u>	<u>3,181.4</u>	<u>2,841.7</u>
Change in Fund Balance	(1,458.9)	926.1	(747.2)	(2,013.7)
<b>Fund balances - July 1</b>	<u>8,312.8</u>	<u>7,386.7</u>	<u>8,133.9</u>	<u>10,147.6</u> ***
<b>Fund balances - June 30</b>	<u>\$ 6,853.9</u>	<u>\$ 8,312.8</u>	<u>\$ 7,386.7</u>	<u>\$ 8,133.9</u>
<b>Debt Service as a percentage of noncapital expenditures:**</b>	3.1%	2.7%	2.8%	3.1%

**Notes:**

\* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans*, three Special Revenue Funds were reclassified to Fiduciary Funds. This reclassification reduced the Fiscal Year 2007 beginning fund balance by \$196.1 million.

\*\* Debt service as a percentage of noncapital expenditures is defined as total debt service divided by total expenditures minus capital outlay and expenditures for capitalized assets included within the functional categories.

\*\*\* As a result of implementing GASB Statement No. 49, *Accounting and Financial Reporting For Pollution Remediation Obligations*, fund balance was restated and reduced by \$7.0 million.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	30,404.5	\$ 29,123.4	\$ 25,909.3	\$ 23,395.5	\$ 21,008.9	\$ 19,491.1
	9,480.3	9,389.9	9,122.2	8,594.9	8,495.2	7,954.5
	1,252.9	1,361.5	959.8	930.6	811.5	979.1
	2,613.8	2,525.4	2,493.6	2,172.7	1,835.3	1,798.6
	321.3	440.8	321.7	149.2	96.9	103.0
	0.5	0.1	662.6	646.7	281.9	510.3
	2,537.4	2,424.7	3,628.9	3,508.8	3,213.8	6,560.9
	<u>46,610.7</u>	<u>45,265.8</u>	<u>43,098.1</u>	<u>39,398.4</u>	<u>35,743.5</u>	<u>37,397.5</u>
	3,317.5	3,247.0	3,155.7	2,989.7	2,733.5	2,548.0
	10,251.2	9,703.7	9,732.6	9,603.5	8,826.6	9,315.2
	15,760.9	15,173.6	14,405.1	13,909.5	12,723.6	10,813.0
	2,659.1	2,618.8	2,446.6	2,341.5	2,160.1	2,050.0
	5,603.1	5,376.6	4,981.2	4,233.2	3,763.6	4,087.1
	2,788.1	2,855.2	3,106.2	2,483.8	2,551.9	2,225.7
	7,946.5	6,783.5	7,134.2	7,335.6	5,505.4	5,476.9
	331.8	328.0	313.3	299.9	270.9	239.1
	318.6	105.0	573.5	237.6	326.3	863.1
	613.9	558.2	48.2	390.5	483.4	418.7
	805.4	779.7	361.3	623.3	650.5	457.8
	<u>50,396.1</u>	<u>47,529.3</u>	<u>46,257.9</u>	<u>44,448.1</u>	<u>39,995.8</u>	<u>38,494.6</u>
	<u>(3,785.4)</u>	<u>(2,263.5)</u>	<u>(3,159.8)</u>	<u>(5,049.7)</u>	<u>(4,252.3)</u>	<u>(1,097.1)</u>
	1,507.7	48.8	2,850.1	1,000.5	1,139.8	895.0
	220.3	883.3	1,435.8	1,032.6	(211.7)	716.9
	1,584.2	698.1	2,131.1	4,080.3	2,072.5	2,289.3
	<u>3,312.2</u>	<u>1,630.2</u>	<u>6,417.0</u>	<u>6,113.4</u>	<u>3,000.6</u>	<u>3,901.2</u>
	(473.2)	(633.3)	3,257.2	1,063.7	(1,251.7)	2,804.1
	10,627.8	11,261.1 *	8,200.0	7,136.3	8,388.0	5,583.9
\$	<u>10,154.6</u>	<u>\$ 10,627.8</u>	<u>\$ 11,457.2</u>	<u>\$ 8,200.0</u>	<u>\$ 7,136.3</u>	<u>\$ 8,388.0</u>
	2.9%	2.8%	0.9%	2.3%	2.9%	2.3%

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

<u>Budgeted Fund</u>	<b>Comprehensive Annual Financial Report</b>			
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
General Fund	\$ 441.4	\$ 864.1	\$ 794.3	\$ 614.2
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	2.4	5.8	10.0	-
Casino Control Fund	1.8	2.8	-	(0.4)
Casino Revenue Fund	-	-	-	-
Gubernatorial Elections Fund	1.0	0.5	-	-
<b>Total</b>	<u>\$ 446.6</u>	<u>\$ 873.2</u>	<u>\$ 804.3</u>	<u>\$ 613.8</u>

<u>Budgeted Fund</u>	<b>Appropriations Act</b>			
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
General Fund	\$ 255.6	\$ 302.5	\$ 501.0	\$ 116.8
Surplus Revenue Fund	-	-	-	483.2
Property Tax Relief Fund	383.5	-	-	-
Casino Control Fund	-	-	-	-
Casino Revenue Fund	-	-	-	-
Gubernatorial Elections Fund	1.4	0.7	-	-
<b>Total</b>	<u>\$ 640.5</u>	<u>\$ 303.2</u>	<u>\$ 501.0</u>	<u>\$ 600.0</u>

<u>Budgeted Fund</u>	<b>Dollar Variance</b>			
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
General Fund	\$ 185.8	\$ 561.6	\$ 293.3	\$ 497.4
Surplus Revenue Fund	-	-	-	(483.2)
Property Tax Relief Fund	(381.1)	5.8	10.0	-
Casino Control Fund	1.8	2.8	-	(0.4)
Casino Revenue Fund	-	-	-	-
Gubernatorial Elections Fund	(0.4)	(0.2)	-	-
<b>Total</b>	<u>\$ (193.9)</u>	<u>\$ 570.0</u>	<u>\$ 303.3</u>	<u>\$ 13.8</u>

**Source:**

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

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$ 469.8	\$ 1,410.4	\$ 1,216.7	\$ 461.7	\$ 376.5	\$ 373.0
734.7	484.6	559.8	288.6	282.4	-
99.0	690.7	2.6	27.9	175.2	-
3.0	1.5	(1.6)	1.3	4.9	4.3
-	1.0	1.0	-	22.7	-
-	-	-	-	-	-
<u>\$ 1,306.5</u>	<u>\$ 2,588.2</u>	<u>\$ 1,778.5</u>	<u>\$ 779.5</u>	<u>\$ 861.7</u>	<u>\$ 377.3</u>

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$ 102.5	\$ 765.0	\$ 311.6	\$ 109.6	\$ 248.6	\$ 110.4
489.8	448.6	288.4	288.0	-	-
-	46.0	-	-	-	-
-	-	-	2.4	-	-
10.0	-	-	-	1.5	-
-	-	-	-	-	-
<u>\$ 602.3</u>	<u>\$ 1,259.6</u>	<u>\$ 600.0</u>	<u>\$ 400.0</u>	<u>\$ 250.1</u>	<u>\$ 110.4</u>

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$ 367.3	\$ 645.4	\$ 905.1	\$ 352.1	\$ 127.9	\$ 262.6
244.9	36.0	271.4	0.6	282.4	-
99.0	644.7	2.6	27.9	175.2	-
3.0	1.5	(1.6)	(1.1)	4.9	4.3
(10.0)	1.0	1.0	-	21.2	-
-	-	-	-	-	-
<u>\$ 704.2</u>	<u>\$ 1,328.6</u>	<u>\$ 1,178.5</u>	<u>\$ 379.5</u>	<u>\$ 611.6</u>	<u>\$ 266.9</u>

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

<u>Major Tax</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gross Income Tax	\$ 11,128.4	\$ 10,617.0	\$ 10,322.9	\$ 10,476.3
Sales and Use Tax	8,099.7	8,144.4	7,898.2	8,264.2
Corporation Business Tax	2,037.0	2,344.4	2,144.6	2,665.2
Other Major Taxes	3,117.3	2,902.2	2,831.7	2,884.5
Miscellaneous Taxes, Fees	3,463.3	3,394.6	3,398.4	3,292.4
State Lottery	950.1	930.0	924.0	887.2
Casino Taxes and Fees	290.7	327.1	360.2	415.5
<b>Total</b>	<b>\$ 29,086.5</b>	<b>\$ 28,659.7</b>	<b>\$ 27,880.0</b>	<b>\$ 28,885.3</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**  
**FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Major Tax</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gross Income Tax	38.3 %	37.1 %	37.0 %	36.3 %
Sales and Use Tax	27.8	28.5	28.3	28.6
Corporation Business Tax	7.0	8.2	7.7	9.2
Other Major Taxes	10.7	10.1	10.2	10.0
Miscellaneous Taxes, Fees	11.9	11.8	12.2	11.4
State Lottery	3.3	3.2	3.3	3.1
Casino Taxes and Fees	1.0	1.1	1.3	1.4
<b>Total</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.

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$	12,605.5	\$ 11,727.2	\$ 10,506.6	\$ 9,537.9	\$ 7,400.7	\$ 6,735.3
	8,915.5	8,609.6	6,853.4	6,552.2	6,261.7	5,936.1
	3,062.4	3,084.9	3,007.8	2,368.1	2,370.2	2,525.4
	3,033.7	2,967.0	3,544.7	3,244.0	3,028.0	2,837.3
	3,598.9	3,465.9	3,324.0	4,988.5	4,472.4	4,265.2
	882.1	828.3	844.2	812.0	795.0	765.4
	486.0	525.8	570.3	540.0	532.7	413.9
\$	<u>32,584.1</u>	<u>\$ 31,208.7</u>	<u>\$ 28,651.0</u>	<u>\$ 28,042.7</u>	<u>\$ 24,860.7</u>	<u>\$ 23,478.6</u>

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	38.7 %	37.6 %	36.7 %	34.0 %	29.8 %	28.7 %
	27.4	27.6	23.9	23.4	25.2	25.3
	9.4	9.9	10.5	8.4	9.5	10.7
	9.3	9.4	12.4	11.6	12.2	12.1
	11.0	11.1	11.6	17.8	18.0	18.2
	2.7	2.7	2.9	2.9	3.2	3.2
	1.5	1.7	2.0	1.9	2.1	1.8
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>



**STATE OF NEW JERSEY**  
**REAL GROSS STATE PRODUCT BY INDUSTRY**  
**FOR THE CALENDAR YEAR ENDED DECEMBER 31**  
**(Expressed in Billions)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Gross State Product *</b>	\$ 426.8	\$ 428.9	\$ 422.4	\$ 443.8
<b><u>Goods Producing Sector</u></b>				
Agriculture, forestry, fishing, and hunting	0.6	0.7	0.8	0.7
Mining	-	-	0.1	-
Manufacturing	33.3	33.0	32.9	37.8
Construction	12.5	12.7	12.9	14.6
<b><u>Private Service Producing Sector</u></b>				
Transportation and warehousing	13.7	13.8	13.1	14.6
Information	22.4	21.8	21.8	22.8
Utilities	6.5	7.2	6.3	7.4
Wholesale trade	32.1	31.6	30.3	35.5
Retail trade	29.9	29.4	26.8	27.5
Finance and insurance	36.7	37.0	35.0	33.9
Real estate, rental, and leasing	69.0	74.0	76.7	77.2
Services **	117.4	114.9	116.5	117.4
Other services	8.2	8.3	8.2	8.7
<b><u>Government Sector</u></b>	45.2	45.3	45.5	45.9
<b>Total Personal Income ***</b>	469.1	450.0	433.8	454.2

**Notes:**

\* Gross State Product data, which is expressed in billions of chained Calendar Year 2005 dollars, has been revised for Calendar Years 2002 through 2010. Industry numbers do not sum to the total because of technical considerations.

\*\* Services include professional and technical services, management of companies and enterprises, administrative and waste services, educational services, health care and social services, arts, entertainment and recreation, and accommodation and food services.

\*\*\* Total Personal Income data, which is expressed in billions of current dollars, has been revised for Calendar Years 2008 through 2010.

**Source:**

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	443.5	\$ 440.3	\$ 430.2	\$ 424.5	\$ 416.4	\$ 408.4
	0.7	0.8	0.7	0.6	0.6	0.6
	0.1	0.1	0.1	0.2	0.2	0.3
	39.8	38.6	37.7	40.8	42.0	39.9
	15.6	16.9	17.8	18.7	18.8	19.5
	14.0	13.9	13.8	12.7	11.8	11.1
	23.3	21.5	20.7	19.8	18.0	17.8
	6.8	6.5	6.8	7.1	6.7	6.4
	35.9	34.0	33.8	34.5	33.9	31.3
	29.1	28.8	28.2	28.3	29.1	28.6
	34.0	39.7	36.5	31.8	32.2	34.4
	75.8	74.3	71.9	71.2	67.8	65.1
	114.5	111.8	108.4	105.6	103.6	101.4
	9.2	9.2	9.3	9.3	9.2	9.5
	45.7	44.4	44.4	44.3	43.5	43.3
	436.1	411.4	379.7	365.3	347.7	341.6

**STATE OF NEW JERSEY  
GROSS INCOME TAX RATES  
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

**Top Income Tax Rate Is Applied To Taxable Income In Excess Of**

<b>Year</b>	<b>Top Rate</b>	<b>Single</b>	<b>Married Filing Jointly</b>	<b>Head of Household</b>	<b>Average Effective Rate*</b>
2003	6.37 %	\$ 75,000	\$ 150,000	\$ 150,000	2.59 %
2004	8.97	500,000	500,000	500,000	3.02
2005	8.97	500,000	500,000	500,000	3.07
2006	8.97	500,000	500,000	500,000	3.31
2007	8.97	500,000	500,000	500,000	3.27
2008	8.97	500,000	500,000	500,000	3.20
2009	10.75	1,000,000	1,000,000	1,000,000	3.27
2010	8.97	500,000	500,000	500,000	3.12
2011	8.97	500,000	500,000	500,000	3.21
2012	8.97	500,000	500,000	500,000	2.99

\* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability.  
Data for 2011 and 2012 are estimates based on projections.

**Source:**

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY  
GROSS INCOME TAX (GIT) FILERS AND LIABILITY BY INCOME LEVEL  
2010 AS COMPARED TO 2001  
(GIT Liability Expressed in Millions)**

<b>Income Level</b>	<b>2010</b>				<b>2001</b>			
	<b>Number of Filers</b>	<b>Percent of Total</b>	<b>GIT Liability</b>	<b>Percent of Total</b>	<b>Number of Filers</b>	<b>Percent of Total</b>	<b>GIT Liability</b>	<b>Percent of Total</b>
\$500,001 and higher	44,044	1.6 %	\$ 3,195.2	36.9 %	28,432	1.1 %	\$ 1,713.7	30.3 %
\$250,001 - \$500,000	104,055	3.9	1,312.9	15.1	61,274	2.5	786.0	13.9
\$100,001 - \$250,000	646,454	24.3	2,755.9	31.7	424,134	17.2	1,731.2	30.6
\$75,001 - \$100,000	296,540	11.1	518.8	6.0	305,016	12.4	518.0	9.2
\$50,001 - \$75,000	482,190	18.1	520.9	6.0	448,543	18.2	467.9	8.3
\$35,001 - \$50,000	398,992	15.0	219.5	2.5	416,867	16.9	239.6	4.2
\$20,001 - \$35,000	438,981	16.5	124.5	1.4	545,799	22.1	165.4	2.9
\$10,001 - \$20,000	254,444	9.5	38.6	0.4	238,350	9.6	36.7	0.6
<b>Total</b>	<b>2,665,700</b>	<b>100.0 %</b>	<b>\$ 8,686.3</b>	<b>100.0 %</b>	<b>2,468,415</b>	<b>100.0 %</b>	<b>\$ 5,658.5</b>	<b>100.0 %</b>

**Source:**

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

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

Year	Dollar Amount (Expressed in Millions)							Sales and Use Tax Rate*
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total	
2002	\$ 3,257.3	\$ 3,510.2	\$ 50,935.5	\$ 23,411.0	\$ 1,492.7	\$ 969.0	\$ 83,575.7	6.0 %
2003	3,242.1	3,639.6	53,759.1	23,218.0	1,601.1	1,113.5	86,573.4	6.0
2004	3,765.9	3,989.7	56,323.9	23,484.8	1,733.7	1,232.4	90,530.4	6.0
2005	4,444.0	4,184.4	58,128.6	24,109.2	1,907.7	1,301.6	94,075.5	6.0
2006	5,012.6	4,447.5	58,753.8	25,560.4	2,089.2	1,421.9	97,285.4	7.0
2007	5,444.0	4,736.0	59,744.4	29,449.5	2,216.1	1,618.6	103,208.6	7.0
2008	5,654.4	4,414.6	57,070.2	29,065.3	2,169.9	1,880.3	100,254.7	7.0
2009	5,158.8	4,010.3	53,338.2	27,480.6	1,823.2	1,835.6	93,646.7	7.0
2010	5,318.7	4,164.1	54,131.5	28,231.9	1,862.3	1,813.6	95,522.1	7.0
2011	6,556.2	4,813.2	57,583.7	29,968.6	2,300.9	1,867.4	103,090.0	7.0

Year	Percent Distribution										
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total				
2002	3.9 %	4.2 %	60.9 %	28.0 %	1.8 %	1.2 %	100.0 %				
2003	3.7	4.2	62.1	26.8	1.8	1.4	100.0				
2004	4.2	4.4	62.2	25.9	1.9	1.4	100.0				
2005	4.7	4.4	61.8	25.6	2.0	1.5	100.0				
2006	5.2	4.6	60.4	26.3	2.1	1.4	100.0				
2007	5.3	4.6	57.9	28.5	2.1	1.6	100.0				
2008	5.6	4.4	56.9	29.0	2.2	1.9	100.0				
2009	5.5	4.3	57.0	29.3	1.9	2.0	100.0				
2010	5.6	4.4	56.7	29.6	2.0	1.7	100.0				
2011	6.4	4.7	55.8	29.1	2.2	1.8	100.0				

**Notes:**

\* Effective July 15, 2006, the New Jersey Sales and Use Tax rate increased from 6.0 percent to 7.0 percent.

**Source:**

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY**  
**RATIO OF OUTSTANDING LONG-TERM BONDED DEBT**  
**2003-2012**  
**(Expressed in Thousands Except for General Long-Term Debt Ratios)**

<u>Governmental Activities</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Bonded Debt</u></b>			
General Obligation Bonds	\$ 2,384,665	\$ 2,566,895	\$ 2,596,740
Revenue Bonds Payable	20,698,950	19,770,565	18,576,710
Capital Leases	212,700	232,565	251,460
Installment Obligations	18,293,915	18,714,603	18,968,688
Certificates of Participation	100,314	85,413	30,546
Tobacco Settlement Financing Corporation	4,444,092	4,469,033	4,492,958
Unamortized Deferral on Refunding	1,518,506	(970,473)	(773,135)
Unamortized Interest on Capital Appreciation Bonds	(994,775)	(8,216,199)	(8,556,994)
Unamortized Premium	(7,863,770)	1,403,949	1,323,722
<b>Total Bonded Debt</b>	<b><u>\$ 38,794,597</u></b>	<b><u>\$ 38,056,351</u></b>	<b><u>\$ 36,910,695</u></b>
New Jersey Total Personal Income	\$ 481,961,800	\$ 469,115,000	\$ 450,004,000
Percentage of Personal Income*	8.0%	8.1%	8.2%
New Jersey Population	8,851	8,821	8,733
General Obligation Debt Per Capita	\$ 269.42	\$ 291.00	\$ 297.35
Total Long-Term Debt Per Capita*	\$ 4,383.08	\$ 4,314.29	\$ 4,226.58

**Notes:**

\* Debt expressed as a percentage of personal income equals total bonded debt divided by New Jersey personal income; total long-term debt per capita equals total bonded debt divided by New Jersey population.  
Fiscal Year 2012 data for New Jersey Total Personal Income and New Jersey Population are estimates; prior years may reflect revisions.

**Sources:**

New Jersey Department of the Treasury, Office of Management and Budget.  
New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.  
United States Census Bureau, Population Division.

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$	2,526,710	\$ 2,818,535	\$ 2,864,690	\$ 3,132,755	\$ 3,156,375	\$ 3,301,005	\$ 3,366,605
	16,838,010	13,702,395	12,739,620	12,975,955	7,856,005	7,229,340	6,520,530
	269,440	286,555	297,830	308,575	130,340	137,535	126,960
	18,716,431	18,218,030	17,185,158	16,896,002	15,373,185	11,741,335	10,149,031
	35,130	54,708	58,836	60,559	66,148	77,392	81,662
	4,524,563	4,591,409	4,643,694	3,248,580	3,280,155	3,329,406	3,345,107
	(793,694)	(865,654)	(924,227)	(604,570)	(533,008)	(223,754)	(211,909)
	(7,960,065)	(6,347,598)	(6,522,644)	(5,673,484)	(3,211,862)	(3,311,643)	(3,435,380)
	<u>1,356,541</u>	<u>1,412,761</u>	<u>1,397,407</u>	<u>1,500,850</u>	<u>1,204,377</u>	<u>498,641</u>	<u>365,248</u>
\$	<u>35,513,066</u>	<u>33,871,141</u>	<u>31,740,364</u>	<u>31,845,222</u>	<u>27,321,715</u>	<u>22,779,257</u>	<u>20,307,854</u>
\$	433,835,000	\$ 454,206,000	\$ 436,120,000	\$ 411,429,000	\$ 379,650,000	\$ 365,260,000	\$ 347,692,000
	8.2%	7.5%	7.3%	7.7%	7.2%	6.2%	5.8%
	8,708	8,663	8,636	8,624	8,622	8,612	8,583
\$	290.16	\$ 325.35	\$ 331.71	\$ 363.26	\$ 366.08	\$ 383.30	\$ 392.24
\$	4,078.21	\$ 3,909.86	\$ 3,675.35	\$ 3,692.63	\$ 3,168.84	\$ 2,645.06	\$ 2,366.01

**STATE OF NEW JERSEY**  
**NON-BONDED DEBT**  
**2003-2012**  
**(Expressed in Thousands )**

<u>Governmental Activities</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Non-Bonded Debt</u></b>			
Accumulated Sick and Vacation Payable	\$ 606,047	\$ 623,185	\$ 566,750
Capital Leases	339,817	311,219	351,766
Loans Payable	1,279,358	1,279,358	1,279,358
Net Other Postemployment Benefits (OPEB) Obligation	16,818,300	13,501,000	10,028,800
Net Pension Obligation	12,838,529	10,857,719	8,403,007
Pollution Remediation	92,175	80,401	92,654
Other	<u>321,016</u>	<u>340,255</u>	<u>300,926</u>
<b>Total Non-Bonded Debt</b>	<u>32,295,242</u>	<u>26,993,137</u>	<u>21,023,261</u>
<b>Total Bonded Debt</b>	<u>38,794,597</u>	<u>38,056,351</u>	<u>36,910,695</u>
<b>Grand Total</b>	<u>\$ 71,089,839</u>	<u>\$ 65,049,488</u>	<u>\$ 57,933,956</u>

**Sources:**

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 635,820	\$ 595,856	\$ 578,527	\$ 518,561	\$ 488,913	\$ 466,126	\$ 449,934
379,729	410,552	384,982	430,768	538,926	553,984	515,331
1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358
6,636,300	3,177,400	-	-	-	-	-
6,365,698	4,759,367	3,761,279	2,953,944	1,796,799	845,563	115,033
101,829	-	-	-	-	-	-
<u>304,727</u>	<u>276,655</u>	<u>251,089</u>	<u>417,733</u>	<u>397,545</u>	<u>377,766</u>	<u>332,019</u>
<u>15,703,461</u>	<u>10,499,188</u>	<u>6,255,235</u>	<u>5,600,364</u>	<u>4,501,541</u>	<u>3,522,797</u>	<u>2,691,675</u>
<u>35,513,066</u>	<u>33,871,141</u>	<u>31,740,364</u>	<u>31,845,222</u>	<u>27,321,715</u>	<u>22,779,257</u>	<u>20,307,854</u>
<u>\$ 51,216,527</u>	<u>\$ 44,370,329</u>	<u>\$ 37,995,599</u>	<u>\$ 37,445,586</u>	<u>\$ 31,823,256</u>	<u>\$ 26,302,054</u>	<u>\$ 22,999,529</u>



**STATE OF NEW JERSEY  
STATE CONSTITUTION – LEGAL DEBT LIMITATIONS**

The State Constitution of 1947 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 have been submitted to the people at a general election and approved by a majority of State voters. These Constitutional provisions do not apply to the creation of any debt or liability for purposes of war, repelling invasion, suppressing insurrection, or meeting emergencies caused by a disaster or an act of God (N.J. Const. art. VIII, § 2).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY  
CALCULATION OF LEGAL LIMITS  
(Expressed in Millions)**

<u>Fiscal Year</u>	<u>Total Appropriations For Budgeted Funds</u>	<u>Legal Debt Limit</u>
2003	\$ 23,726.4	\$ 237.2
2004	24,569.1	245.6
2005	28,644.8	286.4
2006	28,087.7	280.8
2007	31,022.8	310.2
2008	34,567.9	345.6
2009	33,059.2	330.5
2010	28,842.5	288.4
2011	29,447.2	294.5
2012	30,332.6	303.3

**Source:**

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

**STATE OF NEW JERSEY**  
**LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2012 AND 2011**  
(Expressed in Millions)

<b>Debt Program *</b>	<b>Year</b>	<b>Amount Authorized</b>	<b>Unissued As Of</b>	
			<b>6/30/2012</b>	<b>6/30/2011</b>
<b><u>General Obligation Bonds</u></b>				
Clean Waters	1976	\$ 120.0	\$ 3.4	\$ 3.4
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200.0	42.2	42.2
Energy Conservation	1980	50.0	1.6	1.6
Green Acres, Cultural Centers, and Historic Preservation	1987	100.0	1.0	1.0
Green Acres, Farmland, Blue Acres, and Historic Preservation	2007	200.0	59.0	59.0
Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	340.0	21.0	21.0
Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation	2009	400.0	400.0	400.0
Hazardous Discharge	1981	100.0	43.0	43.0
Hazardous Discharge	1986	200.0	48.0	48.0
Natural Resources	1980	145.0	9.6	9.6
New Jersey Green Acres	1983	135.0	14.5	14.5
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345.0	12.9	12.9
New Jersey Open Space Preservation	1989	300.0	22.6	22.6
Pinelands Infrastructure Trust	1985	30.0	6.8	6.8
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300.0	116.5	116.5
Public Purpose Buildings and Community-Based Facilities Construction	1989	125.0	5.0	5.0
Stormwater Management and Combined Sewer Overflow Abatement	1989	50.0	13.0	13.0
Water Supply	1981	350.0	73.1	73.1
<b>Total General Obligation Bonds</b>		3,490.0	893.2	893.2
<b><u>Revenue Bonds Payable</u></b>				
<b><u>Transportation Trust Fund Authority **</u></b>				
Transportation System Bonds	2006	8,000.0	326.3	1,641.3
Transportation Program Bonds	2012	3,458.3	3,458.3	N/A
<b>Total Revenue Bonds Payable</b>		11,458.3	3,784.6	1,641.3
<b><u>Installment Obligations</u></b>				
<b><u>Economic Development Authority</u></b>				
Market Transition Facility	1994	750.0	44.7	44.7
School Facilities Construction ***	2000	8,600.0	454.1	454.1
School Facilities Construction ***	2008	3,950.0	3,447.0	3,447.0
Stem Cell, Life Sciences, and Biomedical Research Facilities	2006	270.0	270.0	270.0
<b><u>Educational Facilities Authority</u></b>				
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Higher Education Capital Improvement Fund	1999	550.0	165.7	140.9
Higher Education Equipment Leasing Fund	1993	100.0	100.0	99.6
Higher Education Facilities Trust Fund	1993	220.0	220.0	220.0
Higher Education Technology Infrastructure Fund	1997	55.0	55.0	55.0
Public Library Project Fund	1999	45.0	13.5	11.4
<b>Total Installment Obligations</b>		14,630.0	4,780.8	4,753.5
<b>Grand Total</b>		\$ 29,578.3	\$ 9,458.6	\$ 7,288.0

**Notes:**

For debt issued after June 30, 2012, refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

\* The Legislature has authorized additional Revenue Bonds Payable and Installment Obligations programs. These programs, which do not have a limit on the amount of bonds that can be issued in order to fund their associated projects, are not included in this Statistical Section.

\*\* P.L.2006, c.3 reauthorized the New Jersey Transportation Trust Fund Authority, to include capital programs, through Fiscal Year 2012.

\*\*\* Prior year data revised due to inclusion of \$50.1 million authorized for vocational schools.

**Source:**

New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY**  
**DEBT SERVICE COVERAGE RATIO**  
(Expressed in Millions Except for Coverage Ratio)

**Market Transition Facility Senior Lien Revenue Bonds, Series 1994A**  
**Market Transition Facility Senior Lien Revenue Refunding Bonds, Series 2001A**

Prior to implementation of the Fair Automobile Insurance Reform (FAIR) Act of 1990, the New Jersey Automobile Full Insurance Underwriting Association (JUA) existed to provide private passenger automobile insurance policies for high-risk and other drivers unable to obtain insurance in the voluntary market. By 1988, the JUA was insuring over 50% of New Jersey drivers, and annual claims against JUA-insured drivers greatly exceeded the JUA's available revenue. Under the State of New Jersey's FAIR Act, P.L. 1990, c.8 created the Market Transition Facility (MTF) as an interim step to transferring responsibility for JUA-insured drivers to the voluntary market. The State also authorized issuance of MTF bonds to pay off JUA's residual deficit, with bond repayment deriving solely from surcharges assessed on drivers who commit any of the following motor vehicle violations: 1) driving while intoxicated, 2) receiving six or more motor vehicle points during a three-year period preceding imposition of the surcharge, 3) driving without a license, 4) driving without valid insurance, or 5) driving with a suspended license. Scheduled final retirement of the MTF bonds, both Series 1994A and Series 2001A, occurred on July 1, 2011.

Fiscal Year	Motor Vehicle Surcharges	Debt Service			MTF/MVC Surplus	Coverage Ratio
		Principal	Interest	Total		
2003	\$ 134.3	\$ 38.2	\$ 27.5	\$ 65.7	\$ 68.6	2.0
2004	136.6	46.4	25.3	71.7	64.9	1.9
2005	130.0	49.6	22.0	71.6	58.4	1.8
2006	131.7	53.0	19.0	72.0	59.7	1.8
2007	129.0	55.6	16.3	71.9	57.1	1.8
2008	115.9	58.4	13.4	71.8	44.1	1.6
2009	127.5	61.5	10.3	71.8	55.7	1.8
2010	128.8	64.5	7.2	71.7	57.1	1.8
2011	131.8	67.8	3.9	71.7	60.1	1.8
2012	121.9	43.3	1.1	44.4	77.5	2.7

**New Jersey Motor Vehicle Commission Bonds, Series 2003A**

P.L. 2003, c.13 enacted the State of New Jersey's Motor Vehicle Security and Customer Service Act, which abolished the Department of Transportation's Division of Motor Vehicles and created the New Jersey Motor Vehicle Commission (MVC), a discrete "In-But-Not-Of" agency within the Department of Transportation. During 2003, the State also authorized bond issuance to offset necessary capital expenditures for statewide MVC facility/technology enhancements. Repayment of these bonds, which do not require debt service payments to be made until maturation, will derive from excess surcharge revenues not needed to repay outstanding Market Transition Facility Senior Lien Revenue Bonds, both Series 1994A and Series 2001A. Scheduled final retirement of the MVC bonds occurs on July 1, 2015.

**Motor Vehicle Surcharges Revenue Bonds, 2004 Series A**

Enactment of P.L. 2004, c.70 enabled the State of New Jersey to authorize issuance of Motor Vehicle Surcharges (MVS) Revenue Bonds, which provided the State with the ability to dedicate an additional revenue source for the purpose of retiring previously issued bonds. Repayment of these bonds derives solely from: 1) unsafe driving surcharges, which are additional fines assessed by the New Jersey Motor Vehicle Commission and collected by the courts from drivers convicted of unsafe driving violations pursuant to P.L. 2000, c.75 et seq., and 2) excess motor vehicle violation surcharge revenues not required for repaying current outstanding debt service on the Market Transition Facility Senior Lien Revenue Bonds, Series 1994A and Series 2004A, and the New Jersey Motor Vehicle Commission Bonds, Series 2003A, or after final retirement of these bonds on July 1, 2011 and July 1, 2015, respectively. Scheduled final retirement of the MVS bonds occurs on July 1, 2034.

Fiscal Year	Unsafe Driver Surcharges	MTF/MVC Surplus	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2007	\$ 45.0	\$ 57.1	\$ 102.1	\$ -	\$ 37.8	\$ 37.8	2.7
2008	44.3	44.1	88.4	-	37.8	37.8	2.3
2009	35.9	55.7	91.6	-	37.8	37.8	2.4
2010	30.5	57.1	87.6	-	37.8	37.8	2.3
2011	27.5	60.1	87.6	-	37.8	37.8	2.3
2012	25.1	77.5	102.6	27.7	37.2	64.9	1.6

**Motor Vehicle Surcharges Revenue Bonds (Special Needs Housing Program),**  
**2005 Series A and 2007 Series A-1, A-2, & B**

P.L. 2005, c.163 enabled the State of New Jersey to authorize issuance of Motor Vehicle Surcharges (MVS) Revenue Bonds-Special Needs Housing Program to provide the New Jersey Housing and Mortgage Finance Agency with funds to develop community residences and permanent supportive housing for individuals with special needs. Repayment of these bonds derives solely from: 1) unsafe driving surcharges, which are additional fines assessed by the New Jersey Motor Vehicle Commission and collected by the courts from drivers convicted of unsafe driving violations pursuant to P.L. 2000, c.75 et seq., and 2) excess motor vehicle violation surcharge revenues not required for repaying current outstanding debt service on the New Jersey Motor Vehicle Commission Bonds, Series 2003A, or after final retirement of these bonds on July 1, 2015. Scheduled final retirement of the MVS-Special Needs Housing Program bonds, both 2005 Series A and 2007 Series A-1, A-2, & B, occurs on July 1, 2034.

<b>Fiscal Year</b>	<b>MVS Surplus</b>	<b>Debt Service</b>			<b>Coverage Ratio</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2008	\$ 50.6	\$ -	\$ 1.8	\$ 1.8	28.1
2009	53.8	-	5.5	5.5	9.8
2010	49.8	-	5.5	5.5	9.1
2011	49.8	-	5.5	5.5	9.1
2012	37.7	-	5.5	5.5	6.9

**Tobacco Settlement Financing Corporation, Inc.**

**Tobacco Settlement Asset-Backed Bonds, Series 2007-1**

On November 23, 1998, the State of New Jersey, as well as 45 other states and six United States jurisdictions, entered into a Master Settlement Agreement (MSA) with participating cigarette manufacturers. Pursuant to a Purchase and Sale Agreement with the Tobacco Settlement Financing Corporation, Inc. (TSFC), New Jersey has sold 76.26 percent of its future rights to receive MSA payments. The purchase price of the State's future rights, title, and interest in Tobacco Settlement Revenues has been financed by the issuance of these bonds. TSFC has pledged these future payments in order to secure these bonds. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of, principal or interest on these bonds. Scheduled final retirement of these bonds occurs on June 1, 2041.

<b>Fiscal Year</b>	<b>MSA Payments</b>	<b>Existing Surplus</b>	<b>Net Available Revenue</b>	<b>Debt Service *</b>			<b>Coverage Ratio</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2006	\$ 240.5	\$ 367.4	\$ 607.9	\$ 34.5	\$ 205.7	\$ 240.2	2.5
2007	162.2	267.8	430.0	43.5	158.1	201.6	2.1
2008	199.6	264.6	464.2	53.2	163.3	216.5	2.1
2009	218.8	261.0	479.8	67.7	161.0	228.7	2.1
2010	182.6	260.6	443.2	32.5	158.1	190.6	2.3
2011	172.6	258.7	431.3	24.8	156.7	181.5	2.4
2012	184.4	265.7	450.1	25.8	155.6	181.4	2.5

**Cigarette Tax Revenue Bonds, Series 2004**

**Cigarette Tax Revenue Refunding Bonds, Series 2012**

Based on the provisions pursuant to P.L. 2004, c.68, funds for repayment of these bonds derive solely from the nonlapsing "Dedicated Cigarette Tax Revenue Fund." Effective July 1, 2009, the State of New Jersey's Cigarette Tax rate increased from \$2.58 to \$2.70 per pack of 20 cigarettes. Of the total Cigarette Tax charged per pack, the Fund receives \$.65 in dedicated revenues. The surplus is returned to the General Fund. Scheduled final retirement of these bonds occurs on July 1, 2034.

<b>Fiscal Year</b>	<b>Cigarette Dedication</b>	<b>Existing Surplus</b>	<b>Net Available Revenue</b>	<b>Debt Service *</b>			<b>Coverage Ratio</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2007	\$ 152.9	\$ 10.1	\$ 163.0	\$ 59.6	\$ 79.5	\$ 139.1	1.2
2008	153.7	23.9	177.6	85.5	75.1	160.6	1.1
2009	144.3	17.0	161.3	84.5	70.6	155.1	1.0
2010	140.3	6.2	146.5	92.8	65.6	158.4	0.9
2011	145.5	-	145.5	82.9	61.6	144.5	1.0
2012	136.5	-	136.5	101.5	36.3	137.8	1.0

\* Includes optional accelerated payments.

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

**STATE OF NEW JERSEY  
TEN LARGEST EMPLOYERS  
2011 AS COMPARED TO 2002**

2011 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	69,901	1.7 %
2	Wakefern Food Corporation (ShopRite)	35,952	0.9
3	Wal-Mart Stores, Inc.	17,888	0.4
4	Verizon Communications	15,800	0.4
5	United Parcel Service (UPS)	14,788	0.4
6	Johnson & Johnson	13,500	0.3
7	United Continental Holdings (formerly Continental Airlines)	13,440	0.3
8	Caesars Entertainment Corporation (formerly Harrah's Entertainment, LLC.)	13,065	0.3
9	The Great Atlantic & Pacific Tea Company (A&P)	12,373	0.3
10	Bank of America	12,000	0.3
		218,707	5.3 %

2002 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	72,823	1.8 %
2	Wakefern Food Corporation (ShopRite)	31,800	0.8
3	United Parcel Service (UPS)	18,000	0.4
4	Verizon Communications	17,151	0.4
5	American Telephone & Telegraph (AT&T)	16,000	0.4
6	Park Place Entertainment	15,840	0.4
7	Trump Hotel & Casino Resorts	14,204	0.4
8	Pathmark Stores, Inc.	13,500	0.3
9	Home Depot	12,500	0.3
10	Merck & Company, Inc.	12,434	0.3
		224,252	5.5 %

**Notes:**

Aggregate New Jersey resident employment for Calendar Years 2011 and 2002 totaled 4.132 million and 4.092 million, respectively. New Jersey State Government data excludes State authorities, colleges, and universities. New Jersey Business' Top 100 Employers data derived from annual questionnaires submitted by private sector respondents, excluding government, higher education institutions, and non-profit hospitals.

**Sources:**

Saliba, G. N. (2012, August). 40th annual top 100 employers. *New Jersey Business*, 58(8), 24-33.  
Saliba, G. N. (2003, May). 31st annual top 100 employers. *New Jersey Business*, 49(5), 59-66.  
Data reprinted with permission from the New Jersey Business and Industry Association.

New Jersey Department of the Treasury, Office of Management and Budget.  
New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

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

<u>Year</u>	<u>New Jersey Population</u>	<u>Civilian Labor Force</u>	<u>Resident Employment</u>	<u>Resident Unemployment</u>	<u>New Jersey Unemployment Rate</u>	<u>United States Unemployment Rate</u>
2002	8,544	4,343	4,091	252	5.8 %	5.8 %
2003	8,583	4,344	4,089	255	5.9	6.0
2004	8,612	4,347	4,134	213	4.9	5.5
2005	8,622	4,404	4,208	196	4.5	5.1
2006	8,624	4,465	4,257	208	4.7	4.6
2007	8,636	4,457	4,266	191	4.3	4.6
2008	8,663	4,509	4,261	248	5.5	5.8
2009	8,708	4,548	4,140	408	9.1	9.3
2010	8,733	4,553	4,116	437	9.6	9.6
2011	8,821	4,556	4,132	424	9.3	8.9

**Notes:**

New Jersey Population data for 2002 through 2010 has been revised.

Resident Employment, Resident Unemployment and Civilian Labor Force data for 2008 through 2010 has been revised.

New Jersey Unemployment Rate data for 2010 has been revised.

**Sources:**

United States Census Bureau, Population Division.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY  
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME  
(Expressed in Thousands Except as Indicated)**

<u>Year</u>	<u>New Jersey Population *</u>	<u>Assessed Valuation of Property</u>	<u>True Valuation of Property</u>	<u>Personal Income (Millions) **</u>	<u>Per Capita Income *</u>
2002	8,544	\$ 524,816,215	\$ 720,179,653	\$ 341,558	\$ 39,976
2003	8,583	567,908,706	820,922,044	347,692	40,507
2004	8,612	606,248,658	937,193,205	365,260	42,415
2005	8,622	664,530,816	1,079,838,476	379,650	44,034
2006	8,624	743,219,514	1,235,285,449	411,429	47,709
2007	8,636	833,112,487	1,326,296,906	436,120	50,500
2008	8,663	891,585,206	1,355,003,641	454,206	52,428
2009	8,708	957,324,378	1,331,603,905	433,835	49,822
2010	8,733	981,864,678	1,341,214,326	450,004	51,530
2011	8,821	986,325,995	1,235,474,241	469,115	53,181

\* Data for 2002 through 2010 has been revised.

\*\* Data for 2008 through 2010 has been revised.

**Sources:**

United States Census Bureau, Population Division.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY  
EXPENDITURE SUMMARY FOR BUDGETED FUNDS\*  
FOR THE FISCAL YEAR ENDED JUNE 30**

**Dollar Amount (Expressed in Millions)**

<b>Fiscal Year</b>	<b>Direct</b>						<b>Total</b>
	<b>State Services</b>	<b>Grants-In-Aid</b>	<b>State Aid</b>	<b>Capital Construction</b>	<b>Debt Service</b>		
2003	\$ 5,437.5	\$ 8,035.2	\$ 9,163.6	\$ 1,075.4	\$ 430.4	\$ 24,142.1	
2004	5,650.9	7,768.2	10,079.7	1,117.0	438.1	25,053.9	
2005	6,146.0	10,230.4	10,878.3	1,106.1	260.3	28,621.1	
2006	6,236.2	10,017.8	11,312.7	1,103.0	169.3	28,839.0	
2007	6,624.7	10,196.6	12,320.3	1,241.2	427.8	30,810.6	
2008	7,031.2	12,089.9	12,921.3	1,947.3	428.7	34,418.4	
2009	6,404.4	10,904.7	12,141.7	1,227.6	270.7	30,949.1	
2010	6,582.6	9,850.8	11,229.1	1,124.0	263.6	29,050.1	
2011	6,707.0	9,169.3	11,486.4	1,174.2	120.4	28,657.3	
2012	6,992.3	10,142.6	12,420.8	1,241.5	277.3	31,074.5	

**Percent Distribution**

<b>Fiscal Year</b>	<b>Direct</b>						<b>Total</b>
	<b>State Services</b>	<b>Grants-In-Aid</b>	<b>State Aid</b>	<b>Capital Construction</b>	<b>Debt Service</b>		
2003	22.5 %	33.3 %	38.0 %	4.4 %	1.8 %	100.0 %	
2004	22.6	31.0	40.2	4.5	1.7	100.0	
2005	21.5	35.7	38.0	3.9	0.9	100.0	
2006	21.6	34.8	39.2	3.8	0.6	100.0	
2007	21.5	33.1	40.0	4.0	1.4	100.0	
2008	20.4	35.1	37.5	5.7	1.3	100.0	
2009	20.7	35.2	39.2	4.0	0.9	100.0	
2010	22.6	33.9	38.6	3.9	1.0	100.0	
2011	23.4	32.0	40.1	4.1	0.4	100.0	
2012	22.5	32.6	40.0	4.0	0.9	100.0	

**Note:**

\* 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, 2012**  
**(Expressed in Millions)**

<u>Government Branch</u>	<u>Direct State Services</u>	<u>Grants- In-Aid</u>	<u>State Aid</u>	<u>Capital Construction</u>	<u>Debt Service</u>	<u>Total</u>
<b>Executive Branch</b>						
Chief Executive Office	\$ 6.4	\$ -	\$ -	\$ -	\$ -	\$ 6.4
Agriculture	10.1	6.9	5.6	-	-	22.6
Banking and Insurance	58.0	-	-	-	-	58.0
Children and Families	312.5	696.4	-	-	-	1,008.9
Community Affairs	47.2	24.0	426.2	-	-	497.4
Corrections	944.6	106.1	20.5	4.4	-	1,075.6
Education	77.4	1.6	11,017.8	0.1	-	11,096.9
Environmental Protection	249.5	14.7	9.6	106.8	6.0	386.6
Health and Senior Services	76.7	1,296.0	7.2	-	-	1,379.9
Human Services	687.6	4,735.9	504.7	0.7	-	5,928.9
Labor and Workforce Development	132.7	67.4	-	-	-	200.1
Law and Public Safety	700.1	17.1	3.0	4.4	-	724.6
Military and Veterans' Affairs	92.1	2.1	-	-	-	94.2
State	28.4	1,104.5	14.9	-	-	1,147.8
Transportation	50.7	285.0	25.1	956.7	-	1,317.5
Treasury	542.4	904.7	386.2	2.1	271.3	2,106.7
Miscellaneous	1.0	-	-	-	-	1.0
Interdepartmental	2,246.1	880.2	-	166.3	-	3,292.6
<b>Subtotal</b>	<u>6,263.5</u>	<u>10,142.6</u>	<u>12,420.8</u>	<u>1,241.5</u>	<u>277.3</u>	<u>30,345.7</u>
<b>Legislative Branch</b>	78.4	-	-	-	-	78.4
<b>Judicial Branch</b>	650.4	-	-	-	-	650.4
<b>Grand Total</b>	<u>\$ 6,992.3</u>	<u>\$ 10,142.6</u>	<u>\$ 12,420.8</u>	<u>\$ 1,241.5</u>	<u>\$ 277.3</u>	<u>\$ 31,074.5</u>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

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



**STATE OF NEW JERSEY  
FULL-TIME PAID EMPLOYEES  
FOR THE CALENDAR YEAR STARTING JANUARY 1**

<b>Department/Agency</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Executive Branch</b>			
Agriculture	205	207	216
Banking and Insurance	487	500	419
Chief Executive's Office	111	104	90
Children and Families	6,494	6,790	6,866
Community Affairs	931	1,025	1,064
Corrections	8,195	8,381	8,898
Parole Board	615	639	676
Education	761	768	804
Environmental Protection	2,744	2,842	2,956
Health and Senior Services	1,562	1,672	1,764
Human Services	14,570	14,838	15,166
Labor and Workforce Development	2,977	3,080	3,128
Civil Service Commission	224	222	237
Public Employment Relations Commission	31	31	33
Law and Public Safety	6,596	6,835	7,194
Election Law Enforcement Commission	63	65	71
State Ethics Commission	11	12	12
Juvenile Justice Commission	1,326	1,462	1,574
Victims of Crime Compensation Office	32	32	35
Military and Veterans' Affairs	1,471	1,488	1,475
State	214	194	208
Commission on Higher Education	15	13	16
Public Broadcasting Authority	N/A	124	132
Higher Education Student Assistance Authority	152	163	170
Transportation	5,155	5,400	5,695
Treasury	3,341	3,450	3,515
Casino Control Commission	58	262	281
Office of Administrative Law	96	99	93
Office of Information Technology	717	779	809
Office of the Public Defender	1,086	1,060	1,065
Board of Public Utilities	244	259	267
Miscellaneous Executive Commissions	1	1	2
<b>Total</b>	<u>60,485</u>	<u>62,797</u>	<u>64,931</u>
<b>Legislative Branch</b>	492	487	515
<b>Judicial Branch</b>	8,924	8,944	9,090
<b>Grand Total</b>	<u><u>69,901</u></u>	<u><u>72,228</u></u>	<u><u>74,536</u></u>

**Notes:**

Full-time paid employees were tabulated as of Pay Period No. 1 in January for each year displayed. Certain offices within departments have been reorganized throughout various fiscal years. These offices have been displayed in a manner that meets the State organization chart.

Pursuant to L. 2010 c. 104, in Fiscal Year 2012, the New Jersey Public Broadcasting Authority sold its licenses and certain related assets to the New York Public Radio and WHYI.

**Source:**

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

2009	2008	2007	2006	2005	2004	2003
224	245	256	266	262	254	247
423	464	480	506	501	481	486
83	84	92	93	109	111	118
6,913	6,986	6,482	N/A	N/A	N/A	N/A
1,076	1,129	1,149	1,151	1,098	1,045	1,015
9,311	9,259	9,338	9,417	9,419	9,257	9,344
696	695	724	720	714	652	699
850	883	922	962	952	971	920
3,051	3,241	3,305	3,437	3,437	3,296	3,248
1,850	1,978	2,060	2,172	2,151	2,136	1,953
15,449	15,684	15,739	21,840	20,977	20,152	19,278
3,167	3,418	3,583	3,777	3,765	3,672	3,458
294	326	338	375	442	399	376
34	36	33	34	36	34	36
7,341	7,590	7,848	8,106	7,772	7,405	7,137
71	68	71	75	53	45	46
13	13	15	13	9	8	8
1,624	1,685	1,750	1,776	1,774	1,705	1,585
30	38	46	47	49	48	46
1,486	1,511	1,493	1,494	1,473	1,419	1,358
212	215	196	198	199	185	187
18	18	18	17	19	19	22
138	150	156	158	159	159	157
183	191	196	198	201	210	193
5,880	6,161	6,415	6,669	6,448	6,049	5,109
3,579	3,757	3,792	3,774	3,784	3,599	3,612
293	312	336	346	349	350	325
98	104	107	113	112	110	109
816	894	907	950	938	923	929
1,031	1,070	1,023	1,094	1,044	951	877
268	283	301	346	345	336	319
2	2	2	2	2	2	2
<u>66,504</u>	<u>68,490</u>	<u>69,173</u>	<u>70,126</u>	<u>68,593</u>	<u>65,983</u>	<u>63,199</u>
520	512	523	503	512	520	506
9,205	9,495	9,495	9,556	9,424	9,343	9,118
<u>76,229</u>	<u>78,497</u>	<u>79,191</u>	<u>80,185</u>	<u>78,529</u>	<u>75,846</u>	<u>72,823</u>

**STATE OF NEW JERSEY  
OPERATING INDICATORS  
FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Department/Agency</u>	<u>2012*</u>	<u>2011**</u>	<u>2010**</u>
<b>Agriculture</b>			
Farmland Preservation			
Cumulative acres permanently preserved	201,078	193,078	185,709
<b>Children and Families</b>			
Active caseload - children receiving services	169,557	159,689	158,117
<b>Corrections</b>			
Average daily population - State Facilities	20,820	21,504	21,454
Parole Board			
Parolees under supervision	16,069	16,151	15,929
Total hearings	31,018	30,858	33,095
State hearings	21,850	21,428	23,996
<b>Education</b>			
Resident enrollment	1,421,576	1,427,344	1,436,208
Support per pupil	\$ 18,436	\$ 17,869	\$ 17,849
Local	\$ 10,178	\$ 10,083	\$ 9,664
State	\$ 7,421	\$ 6,872	\$ 6,518
Federal	\$ 837	\$ 914	\$ 1,667
<b>Health and Senior Services</b>			
Family Health Services			
Newborns screened-metabolic & genetic disorders	107,000	102,315	105,000
HealthStart (prenatal)	30,000	29,175	28,500
AIDS Services			
Number of clients tested and counseled	105,000	103,749	75,000
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	107,936	109,728	112,660
Aged: Annual prescriptions	2,914,272	3,397,179	3,555,550
Disabled: Average monthly eligibles	28,258	26,912	25,354
Disabled: Annual prescriptions	762,966	913,932	897,532
<b>Human Services</b>			
Work First New Jersey			
Average monthly recipients	108,371	105,647	98,418
Average monthly grant	\$ 132	\$ 133	\$ 133
<b>Labor and Workforce Development</b>			
Unemployment Insurance			
Covered workers	3,693,800	3,671,400	3,681,516
State Disability Insurance Plan			
Covered workers	2,702,700	2,686,300	2,693,600
Claims received	157,164	163,714	171,100
<b>Law and Public Safety</b>			
State Police Operations			
Criminal investigations	19,500	19,343	15,186
Accident investigations	41,000	40,731	34,578
General investigations	700,000	733,462	809,584
<b>Transportation</b>			
Motor Vehicle Services			
Registrations and title documents issued	9,834,371	9,806,553	10,297,294
Total licensed drivers	5,078,814	5,078,814	5,484,565
Total registered vehicles	5,353,618	5,343,306	5,724,040
Total NJ inspections/reinspections	2,380,036	2,354,057	3,139,621

**Notes:**

\* Fiscal Year 2012 amounts are estimates.

\*\* Fiscal Years 2011 and 2010 have been revised.

**Source:**

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
	179,303	167,752	158,721	147,925	137,947	127,038	110,476
	150,356	142,339	156,707	148,745	121,568	N/A	N/A
	22,125	22,680	22,908	23,008	22,932	23,006	22,867
	15,656	14,770	14,320	14,009	13,297	13,297	13,234
	35,597	39,343	41,499	45,733	44,338	42,377	39,910
	25,285	28,716	29,348	29,292	29,007	26,902	25,481
	1,434,581	1,433,498	1,440,767	1,448,232	1,446,815	1,441,748	1,424,773
\$	17,193	\$ 17,038	\$ 16,256	\$ 15,040	\$ 14,159	\$ 13,234	\$ 12,505
\$	9,242	\$ 9,045	\$ 8,689	\$ 8,108	\$ 7,597	\$ 7,103	\$ 6,702
\$	7,393	\$ 7,454	\$ 7,002	\$ 6,375	\$ 6,032	\$ 5,628	\$ 5,344
\$	558	\$ 539	\$ 565	\$ 557	\$ 530	\$ 503	\$ 459
	108,909	111,123	111,607	110,851	110,473	113,404	113,032
	27,134	27,806	29,167	35,439	36,500	35,000	31,000
	75,000	75,000	76,828	74,277	68,700	67,789	67,067
	124,327	130,051	138,084	146,142	148,280	148,349	147,841
	4,058,033	4,432,138	4,407,641	5,489,094	5,838,243	5,477,045	5,304,535
	29,225	28,563	28,509	29,492	28,274	27,902	27,247
	1,059,114	1,107,102	1,040,008	1,419,155	1,396,133	1,334,832	1,258,811
	96,889	99,500	103,094	112,192	116,188	112,280	107,143
\$	132	\$ 130	\$ 132	\$ 131	\$ 130	\$ 129	\$ 128
	3,794,084	3,904,700	3,899,300	3,877,600	3,836,301	3,813,549	3,778,630
	2,776,000	2,856,900	2,852,800	2,837,000	2,806,700	2,790,000	2,764,500
	171,241	171,368	171,885	168,188	172,919	174,232	170,958
	15,015	18,810	23,452	17,460	16,287	13,079	12,552
	33,163	42,238	44,415	43,858	45,001	41,263	39,724
	810,413	807,760	833,975	805,131	802,280	565,156	573,098
	10,175,714	11,078,091	9,528,128	9,774,684	10,202,096	10,386,777	10,558,682
	5,500,932	5,501,596	5,519,976	5,629,451	5,668,712	5,741,036	5,706,951
	5,701,297	5,846,217	6,362,199	6,537,486	6,781,736	7,055,501	7,302,521
	3,033,389	3,002,727	2,896,889	3,006,193	3,000,324	3,171,458	3,243,086

**STATE OF NEW JERSEY  
CAPITAL ASSET STATISTICS  
FOR THE FISCAL YEAR ENDED JUNE 30**

<b>Function</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Public safety and criminal justice</b>			
Adult and juvenile correctional institutions	31	32	32
State police stations	38	43	34
State police officers	2,669	2,814	3,001
Motor vehicle facilities	65	65	70
Number of active armories	31	31	31
Total acreage dedicated to function	7,045	7,040	7,054
Total buildings dedicated to function*	1,673	1,667	1,660
<b>Physical and mental health</b>			
Number of mental health facilities	4	5	5
Average daily population	1,732	1,791	1,870
Total acreage dedicated to function	629	629	629
Total buildings dedicated to function*	327	327	327
<b>Educational, cultural, and intellectual development</b>			
Number of schools	28	28	29
Number of developmental centers	7	7	7
Average number of residents	2,434	2,587	2,703
Total acreage dedicated to function	3,390	3,390	3,390
Total buildings dedicated to function*	542	542	542
<b>Community development and environmental management</b>			
State parks, historic sites, natural areas, marinas, other	231	231	231
Land preservation acres (easements/farmland)	78,840	76,856	75,781
Total acreage dedicated to function (includes preservation)	800,550	794,424	787,861
Total buildings dedicated to function*	2,204	2,195	2,181
<b>Economic planning, development, and security</b>			
Number of residential centers*	4	4	7
Number of group homes	1,179	1,150	1,143
Total acreage dedicated to function	1,783	1,754	1,747
Total buildings dedicated to function*	1,340	1,310	1,307
<b>Transportation programs</b>			
Lane miles, state highways**	13,305	13,305	13,518
Bridges, state owned	2,578	2,585	2,585
Facilities	88	87	87
Total acreage dedicated to function	33,490	33,488	33,421
Total buildings dedicated to function*	604	605	577
<b>Government direction, management, and control</b>			
Total acreage dedicated to function	4,328	4,328	4,311
Total buildings dedicated to function*	344	344	343
<b>Special government services</b>			
Veteran homes	3	3	3
Veterans in residence	914	911	913
Total acreage dedicated to function	77	77	77
Total buildings dedicated to function*	41	41	41

**Notes:**

\* Data for 2011 through 2003 has been revised.

\*\* In 2011, DOT modified the methodology for converting outer shoulders, inner shoulders, and ramps to lane miles.

**Source:**

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
35	38	38	38	39	39	39
34	34	35	35	35	35	35
3,050	3,030	2,971	2,963	2,823	2,669	2,664
72	75	77	80	80	80	80
32	32	33	33	33	33	33
7,009	6,792	6,724	6,725	6,712	6,712	6,667
1,653	1,635	1,618	1,591	1,574	1,556	1,535
5	5	5	5	6	6	6
2,005	2,135	2,223	2,303	2,284	2,237	2,240
629	651	1,038	1,038	1,038	1,023	1,023
327	327	321	319	317	317	316
31	31	31	30	30	30	30
7	7	7	7	7	7	7
2,785	2,897	2,987	3,061	3,096	3,145	3,233
3,390	4,046	4,552	4,552	4,551	4,551	4,551
538	533	519	515	512	508	508
231	231	231	231	230	230	230
71,199	69,339	67,062	54,455	50,896	39,026	31,884
775,521	767,174	755,431	727,959	706,240	675,552	664,436
2,165	2,158	2,155	2,122	2,103	2,082	2,066
6	6	6	6	5	5	3
1,133	1,108	1,076	1,047	1,003	969	951
1,737	1,712	1,679	1,676	1,627	1,593	1,575
1,363	1,258	1,219	1,176	1,118	1,079	1,054
13,508	13,493	13,485	11,178	11,120	11,107	11,073
2,577	2,578	2,579	2,581	2,364	2,366	2,349
87	87	89	89	89	89	89
33,376	33,369	33,364	33,352	33,351	31,411	29,704
569	554	528	521	504	492	488
4,315	3,849	3,044	3,044	3,044	3,044	3,039
343	343	341	339	335	329	329
3	3	3	3	3	3	3
913	914	932	875	815	786	767
77	77	76	76	76	76	76
41	41	41	36	33	33	32



## ACKNOWLEDGEMENTS

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