

NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2005

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

JOHN E. MCCORMAC, CPA
State Treasurer

December 30, 2005

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

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. The Department of the Treasury's Office of Management and Budget prepared this report and is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures.

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

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of this reporting model as reflected in these statements are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. All revenues, costs, assets, and liabilities of the State are shown to more clearly portray the State's fiscal health. Management's Discussion and Analysis is included on pages 16 to 29 in order to provide users with an objective and easily readable analysis of New Jersey's financial performance for the fiscal year ended June 30, 2005. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

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

HIGHLIGHTS AND INITIATIVES

Fiscal Year 2005

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

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

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

Fiscal Year 2006

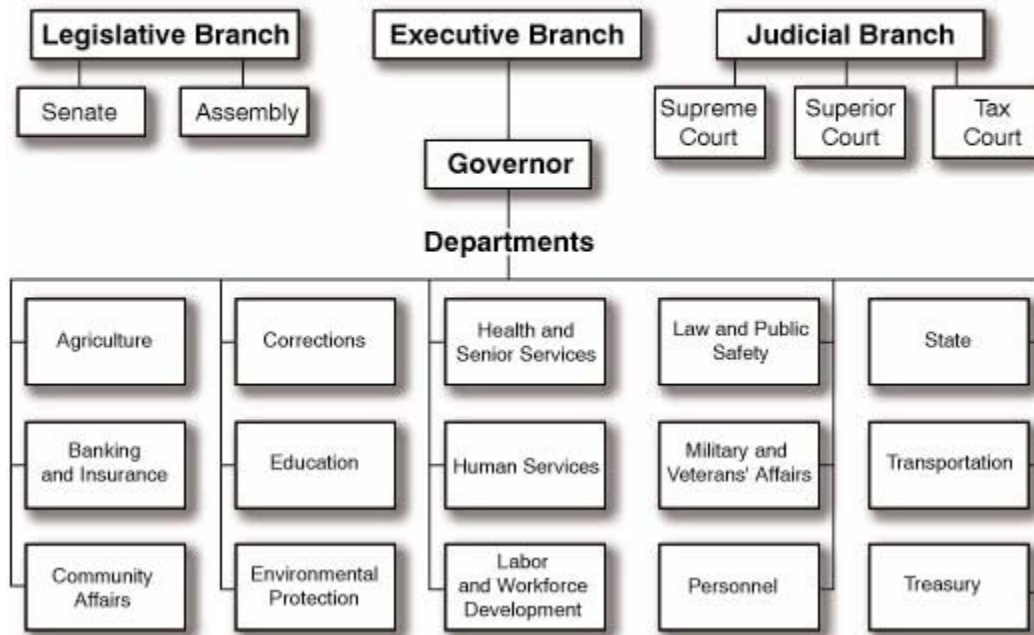
- Following the tragic death of several children due to abuse and neglect, a federal class action lawsuit was settled by the State in June 2003. The settlement created a Child Welfare Reform Panel whose role was to approve a reform plan and to oversee its implementation over an 18 month period. The plan,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

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

NEW JERSEY GOVERNMENT

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

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



The Executive Branch consists of 15 departments comprising approximately 68,600 employees. The maximum number of departments permitted by the State Constitution is 20. Each department is headed by a single executive; four also have boards with policy-making and oversight responsibilities. Department heads and board members are appointed by the Governor with the advice and consent of the Senate, except for the Secretary of Agriculture, who is chosen by the Board of Agriculture with the approval of the Governor. Department heads continue in office until successors are named and confirmed by the Senate, with the exception of the Attorney General and the Secretary of State, who are appointed to serve during

the Governor's term. The Executive Branch oversees the performance of 566 municipalities and 611 school districts, and the incarceration and rehabilitation of approximately 28,200 prisoners. The Executive Branch also provides social services for one out of eight New Jersey citizens, reliable transportation, and protection for the State's citizenry and environment.

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

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

COMPONENT UNITS

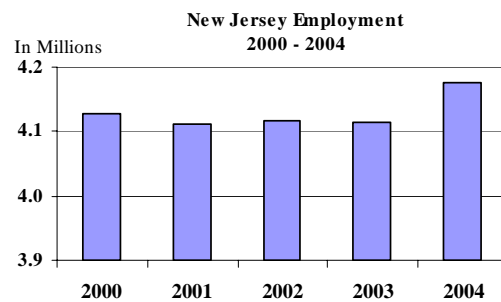
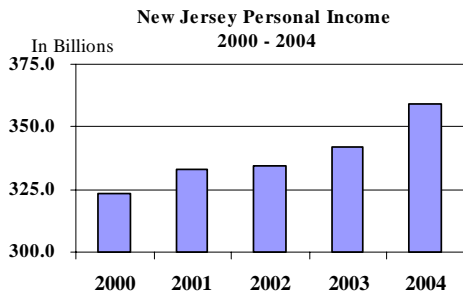
This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legal, separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage. Each component unit is established for a specific purpose for the benefit of the State's citizenry. GASB Statement No. 14 provides that the State's financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units on page 97.

NEW JERSEY'S ECONOMIC CONDITION

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

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

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



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

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

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

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

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

BUDGET AND ACCOUNTING

Budget Process

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

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

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

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

Legal Level of Control

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

Accounting Systems

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

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

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

RELEVANT FINANCIAL POLICIES

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

fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

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

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

FINANCIAL TRENDS

Education

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

Environmental Protection

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

Health and Senior Services

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

AUDIT INFORMATION

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

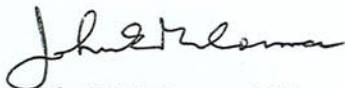
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the year ended June 30, 2004. In order to qualify, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The State of New Jersey has received this award every year since 1993. It is our belief that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 continues this tradition and conforms to the GFOA's Certificate of Achievement Program requirements.

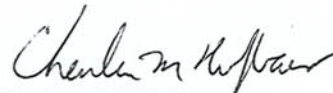
ACKNOWLEDGEMENTS

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

Sincerely,



John E. McCormac, CPA
State Treasurer



Charlene M. Holzbaaur
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New Jersey

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

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



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

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The Honorable Richard J. Codey
President of the Senate

The Honorable Albio Sires
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2005, which collectively comprise the State's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the Pensions and Other Employee Benefits Trust Funds, and the Port Authority of New York and New Jersey which represent 100 percent of the assets and revenues of the aggregate discretely presented component units, 100 percent of the assets and revenues of the Health Benefits Local Government Employees Program Fund which is a major proprietary fund, 89 percent of the assets and 37 percent of the revenues (including additions) of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2-G of the basic financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they

relate to the amounts and disclosures included for the component units, the Pensions and Other Employee Benefits Funds, and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors.

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

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

In our opinion, based on the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had the University of Medicine and Dentistry of New Jersey, the Richard Stockton College of New Jersey, and the New Jersey Commerce and Economic Growth Commission's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the State of New Jersey as of June 30, 2005, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2-D to the financial statements, certain errors resulting in an understatement in the valuation of capital appreciation bonds and the net pension obligations for the year ended June 30, 2004, were discovered by management during the current year. Accordingly, the June 30, 2005 financial statements have been restated and an adjustment has been made to the net asset balance as of July 1, 2004 to correct the errors.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2005 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Richard L. Fair
State Auditor
December 30, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2005. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

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

FINANCIAL HIGHLIGHTS

Government-wide

- The primary government's assets total \$30.8 billion, an increase of \$2.3 billion from the prior fiscal year. This increase was the result of a \$1.5 billion increase in investments as well as an \$823.4 million increase in the State's capital assets. As of June 30, 2005, liabilities exceeded assets by \$6.2 billion. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative \$19.0 billion. The negative balance is primarily a result of financing unfunded actuarial liabilities in the State's pension fund systems and uninsured motorist funds, financing local elementary and high school construction, and securitizing tobacco master settlement agreement receipts.
- June 30, 2005 component unit assets exceeded component unit liabilities by \$13.2 billion. Total component unit assets grew to \$35.4 billion, a \$1.1 billion increase in assets from the prior fiscal year. Higher capital assets represent \$867.1 million of this increase.

Fund Level

- The State's governmental funds reported June 30, 2005 combined ending fund balances of \$8.2 billion, an increase of \$1.1 billion from the prior fiscal year. Of this amount, \$518.5 million represents unreserved undesignated fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is \$3.2 billion, with \$461.7 million unreserved - undesignated.
- Proprietary Funds reported June 30, 2005 net assets of \$1.7 billion. During the fiscal year, this amount decreased by \$24.7 million.

Long-term Debt

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

- **Statement of Net Assets** Shown on page 33, the Statement of Net Assets presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.

- **Statement of Activities** Shown on pages 34 and 35, the Statement of Activities presents how the State's net assets changed during Fiscal Year 2005. All changes in net assets are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

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

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

Reconciliation of Government-wide and Fund Financial Statements

The Comprehensive Annual Financial Report includes two schedules (shown on pages 37 and 39) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

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

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements. The notes can be found on pages 56 to 106 of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.

Fund Financial Statements

Fund financial statements begin on page 36. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State's funds, which excludes components units, are divided into three categories – governmental, proprietary, and fiduciary.

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

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

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets as shown on pages 46 to 48. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

Notes to the Financial Statements

Beginning on page 56, the Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

Required Supplementary Information

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

Other Information

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

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

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

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

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

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

Changes in Net Assets

The State's Fiscal Year 2005 net assets decreased by \$3.5 billion. During Fiscal Year 2005, the State made \$1.9 billion in expenditures that were supported by the securitization of a portion of cigarette tax revenue and motor vehicle surcharges. Another \$1.4 billion was disbursed to the New Jersey Schools Construction Corporation to help finance school facilities construction throughout the state. Approximately 51.6 percent of the State's total revenue came from general taxes, while 23.3 percent was derived from charges for services. Operating grants amounted to 20.5 percent of total revenues, while other items such as governmental subsidies and grants, capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 28.0 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 19.7 percent of total expenditures, while government direction, management, and control amounted to 16.6 percent. Other major expenditures focused on economic planning, development, and security, public safety and criminal justice, and community development and environmental management.

During Fiscal Year 2005, governmental activity expenses exceeded program revenues, resulting in the use of \$26.0 billion of general revenues (mostly taxes and transfers). Revenues from business-type activities in Fiscal Year 2005 exceeded expenses by \$707.9 million.

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

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

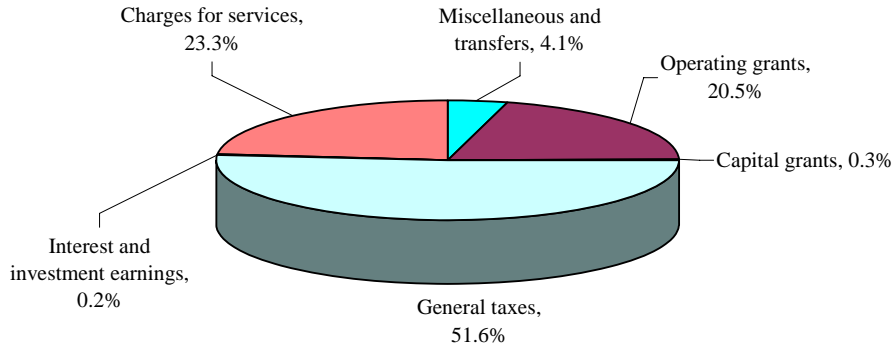
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Primary Government Total</u>	
	<u>2005</u>	<u>2004*</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004*</u>
Revenues						
Program revenues						
Charges for services	\$ 4,601.5	\$ 3,341.0	\$ 5,898.4	\$ 5,317.5	\$ 10,499.9	\$ 8,658.5
Operating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

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

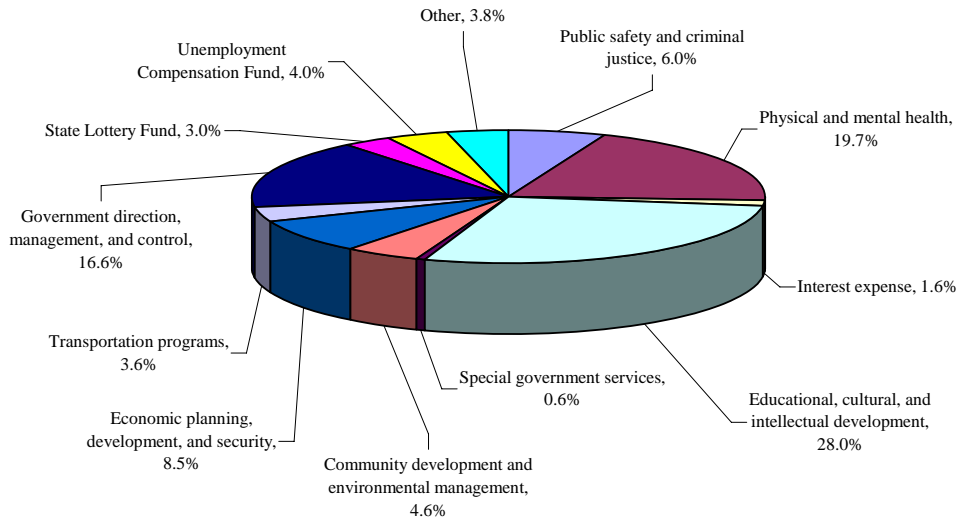
Governmental Activities – Revenues and Expenditures

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

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



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



Fiscal Year 2005 Revenue and Expenditures

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

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

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

Business-type Activities

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

FINANCIAL ANALYSIS OF THE STATE'S MAJOR FUNDS

The focus of the State's major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending. The State's governmental funds reported June 30, 2005 fund balances of \$8.2 billion.

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

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

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

General Fund

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's fiscal year ending fund balance totaled \$3.2 billion, of which, \$1.7 billion represented unreserved fund balances. During Fiscal Year 2005, total fund balance increased by \$436.2 million.

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

Total expenditures were \$3.3 billion lower than original appropriations set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under spending resulted from the State's historical practice of over appropriating federal funds. This practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2005, the State's appropriation of federal funds and other grants exceeded expenditures by \$1.5 billion. These excess appropriations are available for use in future years. From a program perspective, under spending in Fiscal Year 2005 includes \$708.1 million from physical and mental health, \$606.3 million from economic planning, development and security, \$581.9 million from community development and environmental management, \$473.3 million from government direction, management, and control, and \$447.4 million from public safety and criminal justice. Other variances include \$288.6 million from educational, cultural, and intellectual development, \$91.3 million from special government services, and \$61.3 million from transportation programs.

The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the amount certified by the Governor at the time of the approval of the annual Appropriations Act and the amount of General Fund revenue reported from the annual financial report of the General Fund for that fiscal year. During Fiscal Year 2005, the State deposited \$6.2 million into the Surplus Revenue Fund. This amount represents interest earnings that accrued on its fund balance during the fiscal year.

Property Tax Relief Fund

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

State Lottery Fund

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

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

Unemployment Compensation Fund

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

Component Units

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

CAPITAL ASSET AND DEBT ADMINISTRATION

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

The Fiscal Year 2005 capital budget included \$2.5 billion of State and matching Federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority produced \$536.0 million for State highways, \$150.0 million for local highways, and \$606.6 million for mass transit. During Fiscal Year 2005, the New Jersey Economic Development Authority issued \$1.4 billion of School Facilities Construction Bonds to help fund the New Jersey Schools Construction Corporation's program. As of June 30, 2005, a total of \$4.1 billion of the \$8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2005, another \$98.0 million of State funds were appropriated to the Garden State Preservation Trust for

conservation purposes, while 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital Assets are shown in the table below. The State's investment in capital assets, net of accumulated depreciation, totaled \$15.6 billion as of June 30, 2005. Depreciation charges for Fiscal Year 2005 totaled \$453.5 million.

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

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

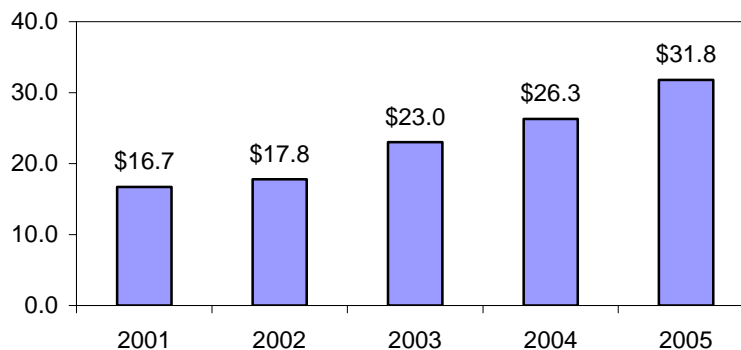
Note: Capital assets for Fiscal Year 2004 have been restated.

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

Long-Term Obligations

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

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



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

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

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

- **General Obligation Bonds** The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. Examples of capital projects financed by State General Obligation bonds include correctional facilities, psychiatric institutions, dams, reservoirs, and transportation projects. As of June 30, 2005, the State had \$3.2 billion of State General Obligation bonds outstanding with another \$742.4 million of bonding authorization remaining from various State General Obligation bond acts.
- **Revenue Bonds** This classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority for the purpose of erecting office structures to support State operations, the Garden State Preservation Trust for the purpose of acquiring land to preserve for open space, and the New Jersey Transportation Trust Fund Authority for the purpose of constructing various transportation and transit related projects. As of June 30, 2005 the State had \$7.9 billion of revenue bonds outstanding. Another \$1.3 billion of bonding authorization remains.
- **Installment Obligations** This debt classification represents obligations whose debt service is subject to and dependent upon the State Legislature making annual appropriations. Installment obligations include bonds issued to help fund the State's school facilities construction program, and help fund the installation of college and university dormitory fire suppression equipment. The State's installment obligation bonds outstanding as of June 30, 2005 total \$15.4 billion. Total authorized but unissued installment obligations equal \$4.6 billion as of June 30, 2005.
- **Certificates of Participation** Proceeds from certificates of participation are used primarily to finance State equipment needs under the State's master lease program. Currently, the State uses a line of credit as its preferred financing method. The State's certificates of participation outstanding as of June 30, 2005 equal \$66.1 million.
- **Tobacco Settlement Financing Corporation, Inc.** In November, 1998 the State entered into a master settlement agreement with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established Tobacco Settlement Financing Corporation, Inc., the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the master settlement agreement. In return, the Tobacco Settlement Financing Corporation, Inc. issued \$3.5 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004. After taking into account its bond discount, the Tobacco Settlement Financing Corporation, Inc. as of June 30, 2005 had \$3.3 billion of bonds outstanding.
- **Unamortized Premium (Net)** During Fiscal Year 2005, unamortized premium totaled \$1.2 billion, a \$705.7 million increase from the prior fiscal year's end. This increase is mainly attributed to the State issuing \$8.8 billion of bonds with associated premium. GASB Statement No. 34 requires the premium to be deferred and amortized over the life of the refunding bonds.
- **Unamortized Deferral on Refunding** Under GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, unamortized deferral on refunding shows the actual gain or loss on refunding transactions. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2005 the State has issued \$4.6 billion of refunding bonds that are to be amortized over a time period of 6.0 years to 23.1 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued

minus the cost of issuance on the new refunding bonds. The refunding bonds, applicable to GASB Statement No. 23 interpretation, have a total loss of \$533.0 million.

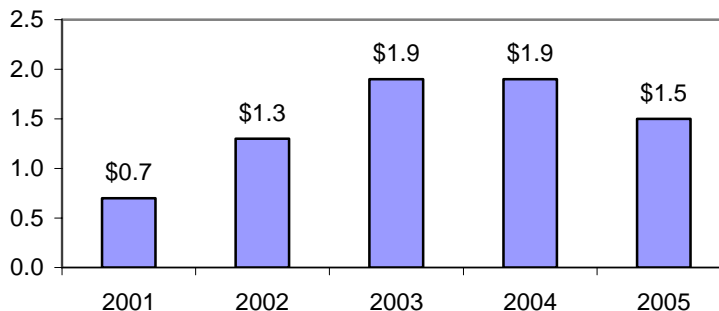
- **Capital Leases** Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Total Capital Leases outstanding as of June 30, 2005 equal \$669.3 million.
- **Loans Payable** Loans Payable represents amounts received by the New Jersey Automobile Insurance Guaranty Fund, from the New Jersey Property-Liability Insurance Guaranty Association (PLIGA). The loans were made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability. PLIGA loans of \$1.3 billion remain outstanding as of June 30, 2005.
- **Accumulated Sick and Vacation** Pursuant to GASB Statement No. 16, *Accounting for Compensated Balances*, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time. As of June 30, 2005, this amount totals \$488.9 million.
- **Net Pension Obligation** Net Pension Obligation represents the \$1.8 billion pension fund liability due to the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension Annuity Fund as of June 30, 2005. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.
- **Other** Other includes obligations required to be reported as long-term indebtedness in accordance with the National Council on Governmental Accounting (NCGA) Statement No. 1. These obligations include health (\$136.8 million), dental (\$6.2 million), and Medicaid benefit claims (\$254.5 million of which \$121.0 million is federally reimbursable), which have been incurred but not reported.

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

Short-term Debt

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

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



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

Credit Ratings

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, 6th Floor, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are also available at the following website: www.state.nj.us/treasury/omb.

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

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

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

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

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

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

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

Primary Government

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

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

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

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

**STATE OF NEW JERSEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005**

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

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

The State has receivables which are not current resources and therefore are not reported in the fund perspective. 549,660,538

In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective. 226,708,580

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

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

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

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

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

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

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

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

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

**STATE OF NEW JERSEY
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

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

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

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

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as a liability. (3,980,641,651)

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

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

Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2005 receivable balances increased by this amount. 6,131,111

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

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

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

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

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

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

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

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

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

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

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

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

	Health Benefits Local Government Employers Program Fund	State Lottery Fund
OPERATING REVENUES		
Sales and charges for services	\$ --	\$ 2,273,806,117
Assessments	--	--
Contributions	1,709,965,120	--
From federal agencies	--	--
Other	16,929,278	31,910,171
Total Operating Revenues	1,726,894,398	2,305,716,288
OPERATING EXPENSES		
Unemployment compensation	--	--
Benefit payments	1,773,894,997	--
Lottery prize awards	--	1,296,810,791
Other	--	179,594,949
Total Operating Expenses	1,773,894,997	1,476,405,740
Operating Income (Loss)	(47,000,599)	829,310,548
NONOPERATING REVENUES (EXPENSES)		
Investment income	8,433,014	2,435,472
Miscellaneous revenue (expense)	--	--
Total Nonoperating Revenues (Expenses)	8,433,014	2,435,472
Income (Loss) Before Transfers	(38,567,585)	831,746,020
Transfers from other funds	106,803,231	--
Transfers to other funds	--	(839,377,624)
Change in Net Assets	68,235,646	(7,631,604)
Total Net Assets - July 1, 2004	128,370,731	21,101,658
Total Net Assets - June 30, 2005	\$ 196,606,377	\$ 13,470,054

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

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

B. Financial Reporting Entity

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

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

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

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

AUTHORITIES

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

COLLEGES AND UNIVERSITIES

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

C. Government-wide and Fund Financial Statements

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

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

The Unemployment Compensation Fund's principle ongoing operations consist of collecting contributions from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners. The Health Benefits Local Government Employers Program Fund's principle ongoing operations consist of member and employer contributions which are used to pay basic health care costs for employees of local governments.

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

E. Fund Accounting

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

1. Major Funds

The State reports the General Fund and the Property Tax Relief Fund as major governmental funds. The State also reports the Health Benefits Local Government Employers Program Fund, the State Lottery Fund, and the Unemployment Compensation Fund as major enterprise funds. Descriptions are as follows:

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

- c. Health Benefits Local Government Employers Program Fund – This fund accounts for employee and employer contributions received to be used to provide basic health care services for employees of local governments.
- d. State Lottery Fund – This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.
- e. Unemployment Compensation Fund – This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

2. Governmental Fund Types

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

3. Fiduciary Fund Types

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

4. Proprietary Fund Types

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

F. Appropriations and Outstanding Debt

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

G. Assets

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including certificates of deposit. All deposits including cash equivalents that are subject to federal or state

depository insurance generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Note 3 for details.

2. Investments

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

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

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

3. Securities Lending Collateral

The Pension Trust Funds participate in securities lending programs with their custodian banks, whereby securities are loaned to brokers and, in return, the Pension Funds have rights to the collateral received. All of the securities held in the Common Pension Trust Fund investment pool are eligible for the securities lending program. Collateral received may consist of cash, letters of credit, or government securities having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. The contracts with the Common Pension Trust Fund investment pool custodian banks require them to indemnify the investment pool if the brokers fail to return the securities or fail to pay the investment pool for income distributions by the securities' issuers while the securities are on loan. The securities loans can be terminated by notification by either the broker or the investment pool. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of cash collateral. As of June 30, 2005, the Pension Trust Funds have no aggregate credit risk exposure to brokers because the collateral amount held by the Pension Trust Funds exceeded the market value of the securities on loan. See Note 4 for additional details.

4. Receivables

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

5. Capital Assets

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

- a. All land, including parks, forests, easements, and development rights.

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

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

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

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

6. Interfund/Intrafund Transactions

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

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

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

H. Liabilities

1. Deferred Revenue

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

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

2. Deferred Compensation

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

Pensions and Benefits, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death, or an unforeseeable emergency.

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

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

3. Accumulated Unpaid Sick and Vacation Benefits

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. Cash payments for sick leave at retirement are made from annual legislative appropriations on a "pay-as-you-go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

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

4. Other Long-term Obligations

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

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

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

I. Net Assets

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

to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

J. Fund Balances

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

K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2004:

Special Revenue Funds

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

Component Units - Authorities

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

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Change in Accounting Policy

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

B. Reclassifications

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

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

C. Restatement of Fund Balance

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

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

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

D. Restatement of Net Asset Balance

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

E. Deficit Fund Balances

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

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

F. Deficit Net Asset Balances

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

G. Joint Ventures

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

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

obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. Other joint ventures are immaterial.

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

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

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

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2004 disclosed the following (expressed in millions):

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

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2004, Port Authority debt consisted of the following (expressed in millions):

Bonds, Notes and Other Obligations

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

H. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$664.5 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2004.

In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$432.6 million in federal grant revenues and economic planning, development, and security expenditures has been recorded.

NOTE 3 - CASH AND CASH EQUIVALENTS

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

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

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

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the State disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2005 the State's bank balances amounted to \$123.2 million. Of these balances, \$7.4 was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 4 – INVESTMENTS AND SECURITIES LENDING COLLATERAL

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

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

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

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

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

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

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

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

Approximately \$904.3 million of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. The projected future costs of installment prize obligations amount to \$1.3 billion which are due in installments ranging from ten years to the lifetime of the recipient.

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

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

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

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

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

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

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

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

For securities exposed to credit risk in the fixed income portfolio, the following table discloses aggregate fair value, by major credit quality rating category at June 30, 2005 (expressed in millions):

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

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

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

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

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

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As mentioned previously, the State's Pension Trust Funds participate in the Common Pension Trust Fund pool. The Common Pension D account within this investment pool reflects the State's investments in global markets. The State can invest in securities of companies incorporated in one of thirty countries approved by the State Investment Council. The fair value of international preferred and common stocks and issues convertible into common stocks, when combined with the fair value of international government and agency obligations, cannot exceed 22 percent of the fair value of the Common Pension Fund D account. Not more than 5 percent of the value of the assets held by Common Pension Fund D account can be invested in companies incorporated in emerging market countries, and not more than 5 percent of the fair value of the emerging market securities can be invested in any one corporation. State regulations permit entering into foreign exchange contracts for the purpose of hedging the international portfolio. The State held forward contracts totaling approximately \$650 million at June 30, 2005. At June 30, 2005, the State had the following foreign currency exposure (expressed in millions of U.S. dollars):

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

Securities Lending Collateral

The securities lending collateral is subject to various risks. Among these risks are credit risk, concentration of credit risk, and interest rate risk. Agreements with the lending agents require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue as follows:

Category	Rating		Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Minimum Moody's	S&P			
Corporate obligations	A3	A-	25%	25%	-
U.S. finance company debt and bank debentures	A2	A	10%	10%	-
Collateralized notes and mortgages	Aaa	AAA	-	33%	Limited to not more than 10% of the assets of the collateral portfolio
Commercial paper	P-1	A-1	-	-	-
Certificates of deposit and bankers acceptances	Aa3/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuers primary capital
Guaranteed income contracts	P-1	-	-	-	Limited to 5% of the assets of the collateral portfolio
Money market funds	-	-	-	-	Limited to 10% of the assets of the collateral portfolio

Maturities of corporate obligations, U.S. finance company debt, bank debentures, collateralized notes and mortgages, and guaranteed income contracts must be less than 25 months. Commercial paper maturities cannot exceed 270 days. Repurchase agreement maturities cannot exceed 15 days. Certificates of deposit and bankers acceptances must mature in one year or less.

The collateral for repurchase agreements is limited to obligations of the U.S. Government or certain U.S. Government agencies.

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

For securities exposed to credit risk in the collateral portfolio, the following table disclosures aggregate market value, by major credit quality rating category at June 30, 2005 (expressed in millions):

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

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

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

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

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

NOTE 5 - RECEIVABLES

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

A. Federal

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

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement No. 2 - *Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$2.8 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2005.

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

B. Departmental

Departmental accounts receivable of \$3.1 billion include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and are reflected net of allowances (\$308.1 million).

C. Loans

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

D. Other

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

NOTE 6 - CAPITAL ASSETS

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

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

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

A. Items Not Capitalized and Depreciated

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

B. Depreciation and Useful Lives

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

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

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

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

NOTE 7 - INTERFUND TRANSACTIONS

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

A. Due From/Due To Other Funds

The balances of current interfund receivables and payables at June 30, 2005 are presented below (expressed in millions):

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

B. Transfer In/(Out)

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

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

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

NOTE 8 - SHORT-TERM DEBT

Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The \$1.5 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2005 was as follows (expressed in millions):

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

NOTE 9 – LONG-TERM OBLIGATIONS

A. Changes in Long-term Debt

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

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

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

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

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

B. Debt Service Payments

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

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

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

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

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

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

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

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

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

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

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

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2004, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service and, therefore, required a State appropriation for Fiscal Year 2005 in the amount of \$7.0 million.

C. Capital Lease and Installment Obligations

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

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

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

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

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

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

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

D. Loans Payable

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

E. Net Pension Obligation

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

F. Tobacco Securitization Bonds

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

During Fiscal Year 2003, the Tobacco Settlement Financing Corporation (TSFC) was presented as a discreet component unit of the State. Effective Fiscal Year 2004, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result of this, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC. The State is not liable for any debt issued by the TSFC nor is the debt dependent upon any dedicated stream of revenue generated by the State. The balance of bonds payable outstanding, net of unamortized bond discount as of June 30, 2005, is \$3.3 billion.

G. Other

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

H. Proprietary Funds/Business-type Activities

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

NOTE 10 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2005 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2005 and Fiscal Year 2004 are detailed below (expressed in millions):

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

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2005. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

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

NOTE 11 – DERIVATIVES

A. Interest Rate Swap Agreements

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The

State pays debt service on these debt obligations pursuant to a State contract it enters into with the issuer, subject to annual appropriations made by the State Legislature. These debt obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements). As of June 30, 2005 the State has 30 active swap agreements with 13 swap providers for a combined notional amount of \$4.8 billion.

B. Interest Rate Swap Agreements – Synthetic Fixed Rate

The State acting through its public authorities entered into 16 swap agreements in connection with the issuance of \$1,922.5 million in variable rate bonds. These bonds, and their associated swap agreements, were part of four separate refunding transactions that produced net present value savings for the State's General Fund. In each case, the State, acting through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers. Under the terms of the swap agreements, the State will pay a fixed rate on a notional amount of bonds outstanding while the swap counterparty pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. In effect, the State has locked in its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

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

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

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

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

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

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

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

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

C. Interest Rate Swap Agreements – Forward Strategy

The State of New Jersey has entered into 12 swap agreements in association with \$2.9 billion of future bond transactions involving the New Jersey Economic Development Authority's Business Employment Incentive Program and School Construction Program. The purpose of the swap agreements is to take advantage of today's historically low fixed interest rate environment and "lock in" these current rates for bonds that are to be issued in the future. The swap agreements have allowed the State the opportunity to limit its interest rate exposure.

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

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

A description of each swap agreement is as follows:

New Jersey Economic Development Authority

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

D. Interest Rate Swap Agreements - Fair Value

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

<u>Authority/Issuer</u>	<u>Net Present Value (\$ In Millions)</u>
NJ Building Authority	\$ (10.830)
NJ Economic Development Authority	
Business Employment Incentive Program	(9.418)
School Facilities Construction Program	(375.297)
NJ Sports and Exposition Authority	(58.023)
NJ Transportation Trust Fund Authority	(6.371)
Total	<u>\$ (459.939)</u>

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

E. Interest Rate Swap Agreements - Credit Risk

The swap agreement contracts require that each swap counterparty shall have a credit rating from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings, which are obtained from any other nationally recognized statistical rating agencies for such swap counterparty shall also be within the three highest investment rated categories, or the payment obligations of the swap counterparty shall also be unconditionally guaranteed by an entity with such credit ratings. The swap agreements also require that should the credit rating of a swap counterparty fall below the rating required, that the obligations of such swap counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed

by, the United States of America, at the agreed upon collateral threshold levels pursuant to the Credit Support Agreement. The collateral threshold levels are adjusted based on counterparty ratings as set forth in the Credit Support Agreement. Even though some of the mark to market values of the swap agreements have become positive, all of the swap counterparties' ratings have remained in the two highest investment grade categories. Therefore, no collateral posting is required.

F. Interest Rate Swap Agreements - Basis Risk

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

G. Interest Rate Swap Agreements - Termination Risk

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

NOTE 12 - OTHER LIABILITIES

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

NOTE 13 - FUND BALANCES

A. Reserved - Other

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

General Fund

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

Fund for Support of Free Public Schools

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1 ½ percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, \$103.0 million has been reserved as of June 30, 2005.

New Jersey Schools Construction Corporation

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

New Jersey Transportation Trust Fund Authority

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

Tobacco Settlement Financing Corporation, Inc.

The \$367.5 million reservation represents money reserved for future debt service payments on outstanding bonds payable.

B. Unreserved

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

General Fund

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

Property Tax Relief Fund

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

NOTE 14 – OTHER FINANCING SOURCES/USES-OTHER

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

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

NOTE 15 – OPERATING LEASES

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

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

NOTE 16 – RETIREMENT SYSTEMS

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

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

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

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

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

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

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

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

Other Pension Funds

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

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

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

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

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

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

Basis of Accounting

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

Investment Valuation

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

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

Significant Legislation

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

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

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

Contribution Requirements

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

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

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

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

Significant Actuarial Assumptions and Methods

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

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

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2005 are presented below:

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

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

* Restated.

NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2005, there were 67,930 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

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

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

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. PERS and TPAF retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed \$68.3 million for 5,733 eligible retired members for Fiscal Year 2005.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$88.7 million toward Chapter 126 benefits for 9,966 eligible retired members in Fiscal Year 2005.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$18.1 million in the current year to provide benefits under Chapter 330 to qualified retirees.

NOTE 18 - COMPONENT UNITS

A. Authorities

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

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

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

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

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

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

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

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

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

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (P.L. 1985, c.386)
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 2004
www.fieldus.org/directory/records/335.htm

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New Jersey Redevelopment Authority (P.L. 1996, c.62)
150 West State Street
P. O. Box 790
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 2004
www.state.nj.us/njra

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

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

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

New Jersey Transit Corporation (N.J.S.A. 27:25-1)
One Penn Plaza East
Newark, New Jersey 07105
Fiscal Year Ending June 30, 2005
www.njtransit.com

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

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

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

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)
P. O. Box 1121
New Brunswick, New Jersey 08903
Fiscal Year Ending December 31, 2004
www.state.nj.us/turnpike

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

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

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

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

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

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

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

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

B. Colleges and Universities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 19 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2005, the exact amount involved in these legal proceedings is not fully determinable.

Special Revenue Funds

New Jersey Lawyers Fund for Client Protection

Claims of approximately \$19.8 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded is \$7.3 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

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

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately \$32.3 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

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

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

Capital Projects Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$26.3 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2005, audits of expenditures for Fiscal Year 2005 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2005, it is management's opinion that disallowances, if any, would not be material.

NOTE 20 – SUBSEQUENT EVENTS

Short-term Debt

For Fiscal Year 2006, the State authorized the issuance of \$3.1 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On July 26, 2005 the State issued \$2.0 billion of tax and revenue anticipation notes that bear an interest rate of 4.0 percent per annum. On January 10, 2006 the State issued \$650.0 million of tax and revenue anticipated notes that bear an interest rate of 4.5 percent per annum. The notes have a June 23, 2006 final maturity. The State has another \$450.0 billion remaining in Fiscal Year 2006 borrowing authorization should the State need additional funds in order to manage its cash flow more effectively.

Credit Ratings

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

Derivatives

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

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

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

Litigation

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

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

Long-term Debt

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

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

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

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

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

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

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

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

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

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

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

On December 15, 2005 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued \$175.0 million in School Facilities Construction Bonds 2005 Series P, and \$500.0 million in School Facilities Construction Bonds 2005 Series Q. Proceeds are to be used for the purpose of partially funding the school facilities construction program. The 2005 Series P Bonds were issued as fixed rate debt. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on September 1, 2006. The final maturity on the 2005 Series P Bonds is September 1, 2030. The 2005 Series Q Bonds were issued as auction rate securities and have a final maturity of March 1, 2031.

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

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

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

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

Property Tax Relief Fund

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

(Continued on next page)

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

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

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

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

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

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

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

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

STATE OF NEW JERSEY NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Process

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

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

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

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

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

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

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

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

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

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

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

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

(Continued on next page)

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

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

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

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

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

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

(Continued on next page)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued on next page)

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

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

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

(Continued on next page)

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

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

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

(Continued on next page)

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

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

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

(Continued on next page)

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

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

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

(Continued on next page)

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

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

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

(Continued on next page)

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

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

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

(Continued on next page)

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

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

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

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund	Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	87,649,058
--	--	--	--	--
6,668,420	--	--	--	--
202,993	192,363	5	24,361	8,725,170
--	--	177,480	--	--
--	18,660	--	27,218	--
<u>6,871,413</u>	<u>211,023</u>	<u>177,485</u>	<u>51,579</u>	<u>96,374,228</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	58,414,420
22,464,234	--	--	--	--
--	--	--	--	--
--	--	112,941	--	--
--	--	--	--	--
--	--	--	--	--
<u>22,464,234</u>	<u>--</u>	<u>112,941</u>	<u>--</u>	<u>58,414,420</u>
<u>(15,592,821)</u>	<u>211,023</u>	<u>64,544</u>	<u>51,579</u>	<u>37,959,808</u>
--	--	--	--	--
17,300,000	--	--	--	--
--	--	--	--	(8,805,184)
--	--	--	--	--
<u>17,300,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(8,805,184)</u>
1,707,179	211,023	64,544	51,579	29,154,624
93,838	20,347,374	14,975	2,999,638	802,529,631
<u>\$ 1,801.017</u>	<u>\$ 20,558.397</u>	<u>\$ 79.519</u>	<u>\$ 3,051.217</u>	<u>\$ 831.684.255</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	1992 Wastewater Treatment Fund	Water Conservation Fund	2003 Water Resources and Wastewater Treatment Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	390,180	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	206,708	20,023	3,601
Contributions	--	--	--
Other	--	11,037	--
Total Revenues	206,708	421,240	3,601
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	233,398	--	10,987
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	233,398	--	10,987
Excess (deficiency) of revenues over expenditures	(26,690)	421,240	(7,386)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	7,386
Transfers to other funds	--	(811,419)	--
Other	--	--	--
Total other financing sources (uses)	--	(811,419)	7,386
Excess (deficiency) of revenues and other sources over expenditures and other uses	(26,690)	(390,179)	--
Fund balances - July 1, 2004	29,617,559	1,184,979	--
Fund balances - June 30, 2005	\$ 29,590,869	\$ 794,800	\$ --

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

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

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

<u>Energy Conservation Fund</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>
\$ 6,203	\$ --	\$ --	\$ 6,452
279,580	98,306	6,828,845	6,295,524
--	--	--	--
--	--	--	--
--	--	135,313,980	--
--	--	--	--
<u>\$ 285,783</u>	<u>\$ 98,306</u>	<u>\$ 142,142,825</u>	<u>\$ 6,301,976</u>
\$ --	\$ 35,720	\$ 1,063,856	\$ --
6,089	2,136	11,917,500	137,277
<u>6,089</u>	<u>37,856</u>	<u>12,981,356</u>	<u>137,277</u>
6,062	20,867	9,232,164	1,705,312
--	--	--	--
273,632	39,583	119,929,305	4,459,387
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>279,694</u>	<u>60,450</u>	<u>129,161,469</u>	<u>6,164,699</u>
<u>\$ 285,783</u>	<u>\$ 98,306</u>	<u>\$ 142,142,825</u>	<u>\$ 6,301,976</u>

(Continued on next page)

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

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

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

**STATE OF NEW JERSEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

JUDICIARY BAIL FUND

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

JUDICIARY CHILD SUPPORT AND PATERNITY FUND

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

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

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

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

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
PENSION ADJUSTMENT FUND				
Assets				
Cash	\$ 688,111	\$ 10,976,696	\$ 11,635,045	\$ 29,762
Investments	3,169,285	11,288,530	10,977,540	3,480,275
Receivables, net - employers	2,484,014	13,183,274	13,919,433	1,747,855
Due from other funds	9,543	125,981	113,441	22,083
Total Assets	<u>\$ 6,350,953</u>	<u>\$ 35,574,481</u>	<u>\$ 36,645,459</u>	<u>\$ 5,279,975</u>
Liabilities				
Accounts payable	\$ 3,808,277	\$ 103,833	\$ 769,284	\$ 3,142,826
Due to other funds	2,542,676	20,021,351	20,426,878	2,137,149
Total Liabilities	<u>\$ 6,350,953</u>	<u>\$ 20,125,184</u>	<u>\$ 21,196,162</u>	<u>\$ 5,279,975</u>

**RESOURCE RECOVERY
INVESTMENT TAX FUND**

Assets				
Cash	\$ 100,299	\$ 87	\$ 87	\$ 100,299
Investments	394,109	8,605	--	402,714
Total Assets	<u>\$ 494,408</u>	<u>\$ 8,692</u>	<u>\$ 87</u>	<u>\$ 503,013</u>
Liabilities				
Accounts payable	\$ 494,408	\$ 8,605	\$ --	\$ 503,013
Total Liabilities	<u>\$ 494,408</u>	<u>\$ 8,605</u>	<u>\$ --</u>	<u>\$ 503,013</u>

SOLID WASTE SERVICE TAX FUND

Assets				
Cash	\$ 444,367	\$ 12,549,290	\$ 12,942,519	\$ 51,138
Investments	8,445,801	3,512,177	911,916	11,046,062
Receivables, net - departmental	457,001	37,231	457,001	37,231
Total Assets	<u>\$ 9,347,169</u>	<u>\$ 16,098,698</u>	<u>\$ 14,311,436</u>	<u>\$ 11,134,431</u>
Liabilities				
Accounts payable	\$ 9,347,169	\$ 9,696,003	\$ 7,908,741	\$ 11,134,431
Total Liabilities	<u>\$ 9,347,169</u>	<u>\$ 9,696,003</u>	<u>\$ 7,908,741</u>	<u>\$ 11,134,431</u>

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

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

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

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

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

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

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

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

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued on next page)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STATE OF NEW JERSEY
DESCRIPTION OF FUNDS

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

Special Revenue Fund

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

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

Alternate Benefit Long-Term Disability Fund

Pension Trust Fund

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

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

Agency Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

This Fund is a repository for monies used exclusively for the purchase of body vests for law enforcement officers and correction officers.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

Central Pension Fund

Pension Trust Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Pension Trust Fund

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

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

Capital Projects Fund

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

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

Capital Projects Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Proprietary Fund

This program helps meet the dental expenses for eligible employees and their dependents. There are two separate benefit types available. The Dental Expense Program (DEP) is a self-insured indemnity plan. Included are full coverage of eligible diagnostic and preventive services and substantial benefits for covered restorative services. There is an annual benefit maximum of \$3,000. A separate lifetime maximum of \$1,000 applies to orthodontic services for children. The DEP also has a "discount network" of providers who have contracts with the insurance carrier which reduces the cost of services to the employee and to the program. In addition to the DEP, there are several Dental Plan Organizations participating in the State program. Similar to HMOs for health care, these organizations pay for benefits rendered by contracted providers. The dental plans are offered to local employees whose employers have elected to participate in the State Dental Program.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Capital Projects Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1.0 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. In 2003 voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust with authorization to issue up to \$1.15 billion in bonds, from \$1.0 billion, in order to help meet its legislative mandate. The Trust was placed within the Department of the Treasury but independent of its supervision or control.

General Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Proprietary Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

This Fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

The purpose of this Fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Capital Projects Fund

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

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

Private Purpose Trust Fund

This Fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)

Special Revenue Fund

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

Jobs, Science and Technology Fund (P.L. 1984, c.99)

Special Revenue Fund

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

Judicial Retirement System (N.J.S.A. 43:6A)

Pension Trust Fund

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

Judiciary Bail Fund (R.3:26)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

Judiciary Probation Fund (N.J.S.A. 2C:46-4)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

Judiciary Special Civil Fund (R.6)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

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

Special Revenue Fund

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

1996 Lake Restoration Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)

Special Revenue Fund

This Fund was established for the purpose of providing financial assistance in the form of grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units, a portion of the Sales and Use Tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

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

Special Revenue Fund

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers-Newark Law School, Rutgers-Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))

Agency Fund

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)

Special Revenue Fund

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)

Special Revenue Fund

This Fund was established to provide medical malpractice liability insurance premium relief to certain health care providers who have experienced or are experiencing a liability insurance premium increase in an amount established by regulation by the Department of Banking and Insurance. Revenues in the fund are generated from a \$3 per employee surcharge on those businesses who are subject to the "unemployment compensation law" and an annual \$75 assessment of certain health care professionals and attorneys. The Fund is set to expire in three years.

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

Special Revenue Fund

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

Motor Vehicle Commission Fund (P.L. 2003, c.13)

Capital Projects Fund

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million has been transferred to the Administrative Office of the Courts for improvements to the automated traffic system, and the remainder is for the payment of the costs of capital improvements for Motor Vehicle Commission facilities, including but not limited to building improvements, and the acquisition and installation of furniture, fixtures, machinery, computers and electronic equipment.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

Private Purpose Trust Fund

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

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

Special Revenue Fund

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

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

Special Revenue Fund

This Fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

Special Revenue Fund

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)

Capital Projects Fund

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

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

Special Revenue Fund

The New Jersey Building Authority, created in 1981, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the above related projects. Debt service on outstanding bonds is paid through lease agreements with the State.

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

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

New Jersey Cultural Trust Fund (P.L. 2000, c.76)

Special Revenue Fund

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the Fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

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

Special Revenue Fund

An amount of \$135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount, \$52 million has been allocated for the acquisition and development of land by the State. An amount of \$83 million has been transferred to the Green Trust Fund for grants or loans to local governmental entities for acquisition or development of land.

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

Special Revenue Fund

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

An amount of \$140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)

Special Revenue Fund

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of \$41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This Fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

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

Special Revenue Fund

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

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

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The Fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

Special Revenue Fund

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutual money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing.

New Jersey Schools Construction Corporation

Special Revenue Fund

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

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

Special Revenue Fund

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

New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)

Special Revenue Fund

A \$1 surcharge on motor vehicle fines and penalties are credited to this Fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

Pension Trust Fund

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

Pension Adjustment Fund (N.J.S.A. 43:3B)

Agency Fund

The Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the State Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

Police and Firemen's Retirement System (N.J.S.A. 43:16A)

Pension Trust Fund

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

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

Special Revenue Fund

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

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

Proprietary Fund

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

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

Special Revenue Fund

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

Prison Officers' Pension Fund (N.J.S.A. 43:7)

Pension Trust Fund

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

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

Special Revenue Fund

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

Public Employees' Retirement System (N.J.S.A. 43:15A)

Pension Trust Fund

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)

Capital Projects Fund

An amount of \$125 million of General Obligation bonds was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

Public Purpose Buildings Construction Fund (P.L. 1980, c.119)

Capital Projects Fund

An amount of \$159 million of General Obligation bonds was authorized for construction of public purpose buildings, including \$50 million for facilities for the mentally retarded, \$67 million for correctional facilities, \$7 million for a veterans' long-term care facility, \$3.5 million for facilities for children in need of supervision, and \$21.5 million for facilities for the mentally ill.

The Public Purpose Buildings Construction Fund provided \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Special Revenue Fund

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

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

Special Revenue Fund

An amount of \$85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

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

Special Revenue Fund

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

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

Special Revenue Fund

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

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

Special Revenue Fund

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

Solid Waste Service Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

Special Transportation Fund (N.J.S.A. 27:1B-21)

Capital Projects Fund

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

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Special Revenue Fund

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

State Facilities for Handicapped Fund (P.L. 1973, c.149)

Capital Projects Fund

An amount of \$25 million of General Obligation bonds was authorized for the expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Land Acquisition and Development Fund (P.L. 1978, c.118)

Special Revenue Fund

An amount of \$200 million of General Obligation bonds was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)

Proprietary Fund

Monies derived from the sale of State lottery tickets are deposited into this Fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. The balance of funds is paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)

Investment Trust Fund

This Fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

State Police Retirement System (N.J.S.A. 53:5A)

Pension Trust Fund

This system was created in July 1965 as successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)

Special Revenue Fund

An amount of \$200 million of General Obligation bonds was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)

Special Revenue Fund

P.L. 2002, c.128 requires that 25.0 percent of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this Fund in order to provide recycling grants to municipalities and counties for local recycling programs.

1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)

Capital Projects Fund

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)

Special Revenue Fund

Monies received from assessments levied against stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a stock carrier is determined to be insolvent.

Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

Special Revenue Fund

This Fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Pension Trust Fund

Any active, contributing member of the several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)

Special Revenue Fund

Beginning July 1, 2001, each employer shall contribute an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (5) of subsection (c) of R.S.43:21-7. Beginning January 1, 2002, each worker shall contribute 0.0175 percent of the worker's wages as determined in paragraph (3) of subsection (b) of R.S. 43:21-7. The monies in this Fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers.

Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)

Pension Trust Fund

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

Tobacco Settlement Financing Corporation, Inc. (P.L. 2002, c.32)

Special Revenue Fund

The Tobacco Settlement Financing Corporation, Inc. is a body corporate and politic established in, but not of, the Department of the Treasury. In Fiscal Year 2003 the State sold to the corporation all of its rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement reached between 46 states and the major tobacco companies. The Corporation generated \$3.46 billion in Tobacco Settlement Asset-Backed Bonds to pay for New Jersey's rightful share under the Master Settlement Agreement.

Tobacco Settlement Fund

Special Revenue Fund

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this Fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During Fiscal Year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

Tourism Improvement and Development Act (P.L. 1992, c.165)

Agency Fund

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

Transportation Rehabilitation and Improvement Fund (P.L. 1979, c.165)

Capital Projects Fund

An amount of \$475 million of General Obligation bonds was authorized to provide an improved transportation system for the State. Of this amount, \$150 million was reserved for the improvement of public transportation facilities, \$80 million was reserved for the improvement of county and municipal roads, and \$245 million was reserved for the improvement of State highways.

Trial Attorney Certification Program (R. 1:39-1 (h))

Special Revenue Fund

This Fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered were approved by the Supreme Court of New Jersey.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

Special Revenue Fund

All monies received, as abandoned child support shall be deposited into this Fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)

Private Purpose Trust Fund

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75.0 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed Insurance Payments on Deposit Accounts Fund

Private Purpose Trust Fund

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation.

Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)

Special Revenue Fund

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this Fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)

Special Revenue Fund

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program, authorized training programs, and economic development activities.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

Proprietary Fund

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes, which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

Universal Services Fund (P.L. 1999, c.23)

Special Revenue Fund

Monies deposited into this Fund are generated from a “societal benefit charge” on monthly utility bills. The funds generated from the charge support the Lifeline program as well as clean energy initiatives.

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund

(N.J.S.A. 52:18A-1 et seq.)

Special Revenue Fund

This Fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

Special Revenue Fund

This Fund receives monies from donations and income tax designations to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

Special Revenue Fund

The purpose of this Fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

Agency Fund

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

Wastewater Treatment Fund (P.L. 1985, c.329)

Special Revenue Fund

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$145 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

1992 Wastewater Treatment Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$45 million was authorized for the purpose of making zero interest loans to local governmental entities for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

Water Conservation Fund (P.L. 1969, c.127)

Special Revenue Fund

An amount of \$271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

Water Supply Fund (P.L. 1981, c.261)

Special Revenue Fund

An amount of \$350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)

Special Revenue Fund

This Fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)

Special Revenue Fund

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the Fund are allocated for expenses incurred by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Workers' Compensation Security Fund (P.L. 2004, c.179)

Special Revenue Fund

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from this Fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

FUNCTION:	Balance* July 1, 2004	Additions	Deletions	Balance June 30, 2005
Public safety and criminal justice	\$ 1,055,405,805	\$ 20,695,505	\$ 7,077,040	\$ 1,069,024,270
Physical and mental health	386,161,532	8,507,255	--	394,668,787
Educational, cultural, and intellectual development	177,727,864	1,339,699	--	179,067,563
Community development and environmental management	1,581,920,399	89,627,498	13,948,819	1,657,599,078
Economic planning, development, and security	61,585,091	213,734	341,890	61,456,935
Transportation programs	14,635,441,360	1,152,867,190	7,370,962	15,780,937,588
Government direction, management, and control	1,026,567,655	59,891,839	9,864,427	1,076,595,067
Special government services	2,876,034	4,047,626	--	6,923,660
Construction in progress	2,029,810,092	817,105,869	859,828,405	1,987,087,556
Total Gross Capital Assets By Function	\$ 20,957,495,832	\$ 2,154,296,215	\$ 898,431,543	\$ 22,213,360,504

*The opening balance has been restated by \$945,348,597 to reflect revised land amounts.

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION
JUNE 30, 2005**

FUNCTION:	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
Public safety and criminal justice	\$ 25,416,161	\$ 49,607,261	\$ 902,505,051
Physical and mental health	205,923	6,263,196	363,741,892
Educational, cultural, and intellectual development	10,177,594	1,174,502	150,244,613
Community development and environmental management	1,475,817,085	20,299,825	147,809,274
Economic planning, development, and security	695	--	56,461,762
Transportation programs	2,045,099,346	1,890,150	175,612,138
Government direction, management, and control	13,085,185	5,176,807	973,246,402
Special government services	2,317,731	3,389,508	658,118
Construction in progress	--	--	--
Total Gross Capital Assets By Function	<u>\$ 3,572,119,720</u>	<u>\$ 87,801,249</u>	<u>\$ 2,770,279,250</u>

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 71,561,685	\$ 19,934,112	\$ --	\$ 1,069,024,270
24,457,776	--	--	394,668,787
15,109,854	2,361,000	--	179,067,563
13,672,894	--	--	1,657,599,078
4,994,478	--	--	61,456,935
95,115,435	13,463,220,518	--	15,780,937,587
85,086,674	--	--	1,076,595,068
558,303	--	--	6,923,660
--	1,602,176,571	384,910,985	1,987,087,556
\$ 310,557,099	\$ 15,087,692,201	\$ 384,910,985	\$ 22,213,360,504

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>Balance July 1, 2004</u>	<u>Depreciation Expense</u>	<u>Disposals</u>	<u>Balance June 30, 2005</u>
FUNCTION:				
Public safety and criminal justice	\$ 496,275,708	\$ 28,717,689	\$ 5,164,165	\$ 519,829,232
Physical and mental health	236,575,751	9,203,949	--	245,779,700
Educational, cultural, and intellectual development	61,187,232	3,928,441	--	65,115,673
Community development and environmental management	97,655,856	6,032,605	163,811	103,524,650
Economic planning, development, and security	36,508,981	2,435,909	64,725	38,880,165
Transportation programs	4,769,420,153	346,463,463	6,460,611	5,109,423,005
Government direction, management, and control	456,646,250	56,602,156	9,069,420	504,178,986
Special government services	434,593	78,384	--	512,977
Total Accumulated Depreciation By Function	<u>\$ 6,154,704,524</u>	<u>\$ 453,462,596</u>	<u>\$ 20,922,732</u>	<u>\$ 6,587,244,388</u>

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**STATE OF NEW JERSEY
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS
JUNE 30, 2005**

<u>GENERAL OBLIGATION BOND ACT</u>	<u>YEAR AUTHORIZED</u>	<u>AMOUNT AUTHORIZED (1)</u>
Beaches and Harbor	1977	\$ 30,000,000
Clean Waters	1976	120,000,000
Community Development	1982	85,000,000
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200,000,000
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction	1994	160,000,000
Energy Conservation	1980	50,000,000
Green Acres, Cultural Centers and Historic Preservation	1987	100,000,000
Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	340,000,000
Hazardous Discharge	1981	100,000,000
Hazardous Discharge	1986	200,000,000
Institutional Construction	1978	100,000,000
Institutions Construction	1976	80,000,000
Jobs, Education and Competitiveness	1988	350,000,000
Natural Resources	1980	145,000,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	115,000,000
New Jersey Green Acres	1983	135,000,000
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345,000,000
New Jersey Human Services Facilities Construction	1984	60,000,000
New Jersey Open Space Preservation	1989	300,000,000
New Jersey Transportation Rehabilitation and Improvement	1979	475,000,000
Pinelands Infrastructure Trust	1985	30,000,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300,000,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	125,000,000
Refunding Bonds	1985	5,017,199,598
Resource Recovery and Solid Waste Disposal Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000
Statewide Transportation and Local Bridge	1999	500,000,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	50,000,000
Urban and Rural Centers Unsafe Buildings Demolition	1997	20,000,000
Water Conservation	1969	271,000,000
Water Supply	1981	350,000,000
TOTAL GENERAL OBLIGATION BONDS AUTHORIZED AND OUTSTANDING		\$ 10,713,199,598

General Obligation Debt-Capital Appreciation Bonds Subject to Accretion (3)

TOTAL GENERAL OBLIGATION BONDS OUTSTANDING-GASB STATEMENT NO. 34 BASIS

- (1) An additional \$1,000,000 Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.
- (2) Retired includes bonds for which provision for payment have been made through the sale and issuance of refunding bonds.
- (3) Amount represents restated capital appreciation bonds outstanding not included in prior year's balances.

<u>AMOUNT UNISSUED</u>	<u>AMOUNT RETIRED (2)</u>	<u>AMOUNT OUTSTANDING</u>
\$ --	\$ 30,000,000	\$ --
5,000,000	114,558,000	442,000
--	83,432,000	1,568,000
200,000,000	--	--
5,000,000	104,607,000	50,393,000
1,600,000	47,325,000	1,075,000
9,000,000	86,670,000	4,330,000
25,500,000	208,480,000	106,020,000
43,000,000	54,318,000	2,682,000
48,000,000	101,519,000	50,481,000
--	100,000,000	--
--	80,000,000	--
--	335,168,000	14,832,000
9,600,000	109,958,000	25,442,000
--	99,362,000	15,638,000
14,500,000	120,160,000	340,000
26,780,000	241,284,000	76,936,000
--	59,772,000	228,000
26,000,000	250,146,000	23,854,000
--	474,239,000	761,000
8,000,000	22,000,000	--
199,000,000	48,890,000	52,110,000
5,000,000	108,795,000	11,205,000
--	2,638,954,474	2,378,245,124
--	78,200,000	6,800,000
--	49,949,000	51,000
1,500,000	195,842,000	2,658,000
--	25,000,000	--
--	199,848,000	152,000
--	247,835,000	252,165,000
21,500,000	23,205,000	5,295,000
--	6,150,000	13,850,000
--	268,458,000	2,542,000
93,400,000	256,600,000	--
<u>\$ 742,380,000</u>	<u>\$ 6,870,724,474</u>	<u>\$ 3,100,095,124</u>
		56,279,876
		<u>\$ 3,156,375,000</u>

**STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>YEAR AUTHORIZED</u>	<u>OUTSTANDING JULY 1, 2004</u>
General Obligation Bond Act:		
Beaches and Harbor	1977	\$ 600,000
Clean Waters	1976	791,000
Community Development	1982	2,698,000
Developmentally Disabled Waiting List		
Reduction and Human Services Facilities Construction	1994	74,186,000
Energy Conservation	1980	1,475,000
Hazardous Discharge	1981	3,779,000
Hazardous Discharge	1986	68,797,000
Institutional Construction	1978	600,000
Institutions Construction	1976	1,200,000
Jobs, Education and Competitiveness	1988	29,582,000
Natural Resources	1980	34,228,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	24,563,000
New Jersey Green Acres	1983	505,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	5,940,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	122,140,000
1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	161,725,000
New Jersey Human Services Facilities Construction	1984	643,000
New Jersey Open Space Preservation	1989	41,646,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	68,450,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	18,705,000
Refunding Bonds (1)	1985	2,133,485,000
Refunding Bonds-Capital Appreciation Bonds (2)	1992	110,905,000
Resource Recovery and Solid Waste Disposal Facility	1985	15,025,000
Shore Protection	1983	144,000
State Land Acquisition and Development	1978	4,650,000
State Mortgage Assistance	1976	400,000
State Recreation and Conservation Land Acquisition and Development	1974	1,629,000
Statewide Transportation and Local Bridge Fund	1999	334,485,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	8,985,000
Transportation Rehabilitation and Improvement	1979	8,143,000
Urban and Rural Centers Unsafe Buildings Demolition Bonds	1997	16,970,000
Water Conservation	1969	3,931,000
Subtotal General Obligation Bond Act		<u>3,301,005,000</u>
Other Debt:		
Revenue Bonds Payable (2)	--	7,229,340,001
Accumulated Sick and Vacation Payable	--	466,126,031
Capital Leases	--	691,518,867
Installment Obligations (2)	--	11,741,335,394
Certificates of Participation	--	77,391,419
Loans Payable	--	1,279,358,087
Net Pension Obligation (3)	--	845,563,394
Unamortized Premium	--	498,640,583
Unamortized Deferral on Refunding	--	(223,753,886)
Unamortized Interest on Capital Appreciation Bonds (4)	--	(3,311,642,965)
Other	--	377,765,496
Tobacco Settlement Financing Corporation Bonds Payable	--	3,329,406,420
Subtotal Other Debt		<u>23,001,048,841</u>
TOTAL		<u>\$ 26,302,053,841</u>

(1) July 1, 2004 was restated to reclassify \$45,999,741 of bonds to Refunding Bonds-Capital Appreciation Bonds.

(2) July 1, 2004 was restated to include \$4,171,101,763 of capital appreciation bonds excluded from prior year's balance.

(3) July 1, 2004 was restated to include an adjustment of \$484,424,537 relating to the actuarial net pension obligation.

(4) July 1, 2004 was restated to include unamortized interest on capital appreciation bonds excluded from prior year's balance.

<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>OUTSTANDING JUNE 30, 2005</u>
\$ --	\$ 600,000	\$ --
--	349,000	442,000
--	1,130,000	1,568,000
--	23,793,000	50,393,000
--	400,000	1,075,000
--	1,097,000	2,682,000
--	18,316,000	50,481,000
--	600,000	--
--	1,200,000	--
--	14,750,000	14,832,000
--	8,786,000	25,442,000
--	8,925,000	15,638,000
--	165,000	340,000
--	1,610,000	4,330,000
--	45,204,000	76,936,000
--	55,705,000	106,020,000
--	415,000	228,000
--	17,792,000	23,854,000
--	16,340,000	52,110,000
--	7,500,000	11,205,000
472,395,000	265,635,000	2,340,245,000
--	16,625,000	94,280,000
--	8,225,000	6,800,000
--	93,000	51,000
--	1,992,000	2,658,000
--	400,000	--
--	1,477,000	152,000
--	82,320,000	252,165,000
--	3,690,000	5,295,000
--	7,382,000	761,000
--	3,120,000	13,850,000
--	1,389,000	2,542,000
<u>472,395,000</u>	<u>617,025,000</u>	<u>3,156,375,000</u>
3,679,005,000	3,052,340,000	7,856,005,001
258,620,449	235,833,091	488,913,389
118,881,053	141,134,416	669,265,504
5,250,920,000	1,619,070,894	15,373,184,500
25,800,598	37,044,429	66,147,588
-	-	1,279,358,087
951,236,080	-	1,796,799,474
759,714,088	53,977,394	1,204,377,277
(338,394,243)	(29,140,435)	(533,007,694)
(71,842,644)	(171,623,127)	(3,211,862,482)
397,545,330	377,765,496	397,545,330
-	49,250,927	3,280,155,493
<u>11,031,485,711</u>	<u>5,365,653,085</u>	<u>28,666,881,467</u>
<u>\$ 11,503,880,711</u>	<u>\$ 5,982,678,085</u>	<u>\$ 31,823,256,467</u>

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

CASINO CONTROL FUND				
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and fees	66,555,907	70,240,907	64,051,078	(6,189,829)
Investment earnings	--	300,000	310,088	10,088
Other	--	--	--	--
Total Revenues	66,555,907	70,540,907	64,361,166	(6,179,741)
OTHER FINANCING SOURCES				
Transfers from other funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
Total Revenues and Other Financing Sources	66,555,907	70,540,907	64,361,166	(6,179,741)
EXPENDITURES				
Public safety and criminal justice	37,876,853	40,776,853	40,675,481	101,372
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	28,679,054	28,679,054	27,598,736	1,080,318
Special government services	--	--	--	--
Total Expenditures	66,555,907	69,455,907	68,274,217	1,181,690
OTHER FINANCING USES				
Transfers to other funds	--	--	--	--
Total Other Financing Uses	--	--	--	--
Total Expenditures and Other Financing Uses	66,555,907	69,455,907	68,274,217	1,181,690
Net change in fund balance	--	1,085,000	(3,913,051)	(4,998,051)
FUND BALANCES - JULY 1, 2004	2,339,000	4,887,561	4,887,561	--
FUND BALANCES- JUNE 30, 2005	\$ 2,339,000	\$ 5,972,561	\$ 974,510	\$ (4,998,051)

CASINO REVENUE FUND

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
\$	474,000,000	\$ 473,069,000	\$ 474,084,934	\$ 1,015,934
	--	--	--	--
	180,000	512,000	976,319	464,319
	143,596,389	143,596,389	143,565,044	(31,345)
	617,776,389	617,177,389	618,626,297	1,448,908
	700,000	8,569,000	600,000	(7,969,000)
	700,000	8,569,000	600,000	(7,969,000)
	618,476,389	625,746,389	619,226,297	(6,520,092)
	--	--	--	--
	552,248,387	581,594,865	576,331,071	5,263,794
	38,409,000	38,797,870	38,299,224	498,646
	2,440,000	2,464,704	2,440,000	24,704
	25,287,002	25,543,019	25,287,000	256,019
	--	--	--	--
	92,000	92,931	92,000	931
	618,476,389	648,493,389	642,449,295	6,044,094
	--	--	--	--
	--	--	--	--
	618,476,389	648,493,389	642,449,295	6,044,094
	--	(22,747,000)	(23,222,998)	(475,998)
	--	22,746,866	22,746,866	--
\$	--	\$ (134)	\$ (476,132)	\$ (475,998)

(Continued on next page)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	GUBERNATORIAL ELECTIONS FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and fees	--	--	--	--
Investment earnings	--	--	--	--
Other	1,500,000	700,000	517,384	(182,616)
Total Revenues	1,500,000	700,000	517,384	(182,616)
OTHER FINANCING SOURCES				
Transfers from other funds	5,164,000	4,860,000	4,483,160	(376,840)
Total Other Financing Sources	5,164,000	4,860,000	4,483,160	(376,840)
Total Revenues and Other Financing Sources	6,664,000	5,560,000	5,000,544	(559,456)
EXPENDITURES				
Public safety and criminal justice	8,870,000	6,545,000	5,844,407	700,593
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	--	--	--	--
Special government services	--	--	--	--
Total Expenditures	8,870,000	6,545,000	5,844,407	700,593
OTHER FINANCING USES				
Transfers to other funds	--	--	465,815	(465,815)
Total Other Financing Uses	--	--	465,815	(465,815)
Total Expenditures and Other Financing Uses	8,870,000	6,545,000	6,310,222	234,778
Net change in fund balance	(2,206,000)	(985,000)	(1,309,678)	(324,678)
FUND BALANCES - JULY 1, 2004	2,206,000	1,309,678	1,309,678	--
FUND BALANCES- JUNE 30, 2005	\$ --	\$ 324,678	\$ --	\$ (324,678)

TOTAL NON-MAJOR GOVERNMENTAL FUNDS

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
\$	474,000,000	\$ 473,069,000	\$ 474,084,934	\$ 1,015,934
	66,555,907	70,240,907	64,051,078	(6,189,829)
	180,000	812,000	1,286,407	474,407
	145,096,389	144,296,389	144,082,428	(213,961)
	685,832,296	688,418,296	683,504,847	(4,913,449)
	5,864,000	13,429,000	5,083,160	(8,345,840)
	5,864,000	13,429,000	5,083,160	(8,345,840)
	691,696,296	701,847,296	688,588,007	(13,259,289)
	46,746,853	47,321,853	46,519,888	801,965
	552,248,387	581,594,865	576,331,071	5,263,794
	38,409,000	38,797,870	38,299,224	498,646
	2,440,000	2,464,704	2,440,000	24,704
	25,287,002	25,543,019	25,287,000	256,019
	28,679,054	28,679,054	27,598,736	1,080,318
	92,000	92,931	92,000	931
	693,902,296	724,494,296	716,567,919	7,926,377
	--	--	465,815	(465,815)
	--	--	465,815	(465,815)
	693,902,296	724,494,296	717,033,734	7,460,562
	(2,206,000)	(22,647,000)	(28,445,727)	(5,798,727)
	4,545,000	28,944,105	28,944,105	--
\$	2,339,000	\$ 6,297,105	\$ 498,378	\$ (5,798,727)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Gubernatorial Elections Fund</u>
Sources/inflows of resources:			
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	\$64,361,166	\$619,226,297	\$5,000,544
Differences--budget to GAAP: No reconciling items.	--	--	--
	<u>\$64,361,166</u>	<u>\$619,226,297</u>	<u>\$5,000,544</u>
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$64,361,166</u>	<u>\$619,226,297</u>	<u>\$5,000,544</u>
Uses/outflows of resources:			
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$68,274,217	\$642,449,295	\$6,310,222
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.	(537,408)	(22,324,398)	--
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.	592,717	24,250,526	--
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(11,098)	--	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	11,098	--	--
	<u>11,098</u>	<u>--</u>	<u>--</u>
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$68,329,526</u>	<u>\$644,375,423</u>	<u>\$6,310,222</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED	REALIZED TO JUNE 30, 2005		REALIZATION
	TO JUNE 30, 2005	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
MAJOR TAXES				
Sales	\$ 6,600,000,000	\$ 6,552,199,925	99	\$ (47,800,075)
Corporation Business	2,500,000,000	2,368,105,017	94	(131,894,983)
Cigarette	678,000,000	633,627,954	93	(44,372,046)
Motor Fuels	559,000,000	547,324,724	97	(11,675,276)
Transfer Inheritance	556,000,000	520,775,959	93	(35,224,041)
Insurance Premiums	449,000,000	431,481,655	96	(17,518,345)
Motor Vehicle Fees	301,094,000	263,360,624	87	(37,733,376)
Realty Transfer	286,000,000	384,975,270	134	98,975,270
Petroleum Products Gross Receipts	212,000,000	248,533,858	117	36,533,858
Corporation Banks and Financial Institutions	132,000,000	105,380,894	79	(26,619,106)
Alcoholic Beverage Excise	88,000,000	88,359,042	100	359,042
Tobacco Products Wholesale Sales	10,000,000	11,513,882	115	1,513,882
Public Utility Excise	8,700,000	10,366,672	119	1,666,672
Savings Institutions	--	(1,671,211)	--	(1,671,211)
TOTAL MAJOR TAXES	12,379,794,000	12,164,334,265	98	(215,459,735)
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	291,000	291,000	100	--
Miscellaneous Revenue	4,000	16,984	424	12,984
Total Department of Agriculture	295,000	307,984	104	12,984
Department of Banking and Insurance:				
Actuarial Services	52,000	45,344	87	(6,656)
Bank Assessments	3,800,000	3,152,697	82	(647,303)
Banking Examination Fees	2,260,000	2,221,094	98	(38,906)
Banking Licenses and Other Fees	6,000,000	6,686,209	111	686,209
FAIR Act Administration	15,000,000	19,778,017	131	4,778,017
Fraud Fines	2,000,000	1,953,954	97	(46,046)
Insurance Examination Billings	2,100,000	2,035,221	96	(64,779)
Insurance Fraud Prevention	34,000,000	31,807,333	93	(2,192,667)
Insurance Licenses and Other Fees	12,530,000	14,767,199	117	2,237,199
Insurance Special Purpose Assessment	16,500,000	13,696,484	83	(2,803,516)
Real Estate Commission	5,000,000	11,743,985	234	6,743,985
Total Department of Banking and Insurance	99,242,000	107,887,537	108	8,645,537

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED	REALIZED TO JUNE 30, 2005		REALIZATION
	TO JUNE 30, 2005	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation Fair Housing	19,767,000	19,767,000	100	--
Construction Fees	12,372,000	12,372,000	100	--
Divorce Filing Fees	1,276,000	1,209,250	94	(66,750)
Fire Safety	14,745,000	14,745,000	100	--
Housing Inspection Fees	7,508,000	7,508,000	100	--
Miscellaneous Revenue	--	729	--	729
Planned Real Estate Development Fees	828,000	828,000	100	--
Total Department of Community Affairs	56,496,000	56,429,979	99	(66,021)
Department of Corrections:				
Miscellaneous Revenue	--	7,975	--	7,975
Violent Crimes - Administration	--	8,966	--	8,966
Total Department of Corrections	--	16,941	--	16,941
Department of Education:				
Audit Recoveries	1,000,000	1,038,519	103	38,519
Audit of Enrollments	1,600,000	1,589,739	99	(10,261)
Local School District Loan Recoveries-NJEDA	9,126,000	9,066,669	99	(59,331)
Miscellaneous Revenue	125,000	28,795	23	(96,205)
Nonpublic Schools Handicapped and Auxiliary Recoveries	5,000,000	10,329,908	206	5,329,908
Nonpublic Schools Textbook Recoveries	1,450,000	1,351,093	93	(98,907)
School Construction Inspection Fees	3,246,000	2,546,985	78	(699,015)
State Board of Examiners	2,554,000	7,367,447	288	4,813,447
Total Department of Education	24,101,000	33,319,155	138	9,218,155
Department of Environmental Protection:				
Air Pollution Fees	18,950,000	16,458,575	86	(2,491,425)
Air Pollution Fines	3,500,000	3,380,974	96	(119,026)
Air Toxics Surcharge	6,000,000	--	--	(6,000,000)
Clean Water Enforcement Act	2,700,000	1,303,455	48	(1,396,545)
Coastal Area Development Review Act	1,800,000	2,412,658	134	612,658
Endangered Species Tax Check-Off	269,000	215,543	80	(53,457)
Environmental Infrastructure Financing Program - Administrative Fee	5,000,000	5,000,000	100	--
Excess Diversion	283,000	189,862	67	(93,138)
Freshwater Wetlands Fees	2,800,000	3,781,573	135	981,573

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Freshwater Wetlands Fines	50,000	407,463	814	357,463
Hazardous Waste Fees	2,230,000	2,615,557	117	385,557
Hazardous Waste Fines	400,000	755,374	188	355,374
Highlands Permitting	--	296,390	--	296,390
Hunters' and Anglers' Licenses	12,897,000	11,671,162	90	(1,225,838)
Industrial Site Recovery Act	1,200,000	710,900	59	(489,100)
Laboratory Certification Fees	780,000	813,894	104	33,894
Laboratory Certification Fines	20,000	8,025	40	(11,975)
Marina Rentals	885,000	885,000	100	--
Marine Lands - Preparation and Filing Fees	170,000	109,847	64	(60,153)
Medical Waste	3,800,000	4,219,478	111	419,478
Miscellaneous Revenue	--	690	--	690
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	12,100,000	14,481,715	119	2,381,715
Parks Management Fees and Permits	4,300,000	4,300,000	100	--
Parks Management Fines	184,000	141,176	76	(42,824)
Pesticide Control Fees	4,000,000	4,229,627	105	229,627
Pesticide Control Fines	40,000	48,755	121	8,755
Radiation Protection Fees	4,701,000	4,198,848	89	(502,152)
Radiation Protection Fines	90,000	93,155	103	3,155
Radon Testers Certification	260,000	269,925	103	9,925
Shellfish and Marine Fisheries	7,000	8,029	114	1,029
Solid and Hazardous Waste Disclosure	3,000,000	236,965	7	(2,763,035)
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	--
Solid Waste Fines	700,000	564,071	80	(135,929)
Solid Waste Management Fees	13,303,000	8,096,133	60	(5,206,867)
Spring Meadow Golf Course	300,000	300,000	100	--
Stormwater Permits	5,800,000	5,406,159	93	(393,841)
Stream Encroachment	2,600,000	2,721,628	104	121,628
Toxic Catastrophe Prevention Fees	1,550,000	1,366,211	88	(183,789)
Toxic Catastrophe Prevention Fines	40,000	29,450	73	(10,550)
Treatment Works Approval	2,073,000	1,169,869	56	(903,131)
Underground Storage Tanks Fees	1,000,000	1,155,252	115	155,252
Water Allocation	2,050,000	1,686,494	82	(363,506)
Water Supply Management Regulations	1,387,000	1,329,672	95	(57,328)
Water/Wastewater Operators Licenses	215,000	210,595	97	(4,405)
Waterfront Development Fees	2,400,000	2,686,993	111	286,993
Waterfront Development Fines	--	13,523	--	13,523

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED	REALIZED TO JUNE 30, 2005		REALIZATION
	TO JUNE 30, 2005	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Well Permits/Well Drillers/ Pump Installers Licenses	1,070,000	1,122,900	104	52,900
Wetlands	24,000	81,175	338	57,175
Worker Community Right to Know Fines	60,000	37,886	63	(22,114)
Total Department of Environmental Protection	130,088,000	114,322,626	87	(15,765,374)
Department of Health and Senior Services:				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	--
Health Care Reform	1,200,000	1,200,000	100	--
HMO Covered Lives	2,600,000	1,576,268	60	(1,023,732)
Licenses, Fines, Permits, Penalties and Fees	790,000	790,000	100	--
Miscellaneous Revenue	400,000	111,493	27	(288,507)
Total Department of Health and Senior Services	10,990,000	9,677,761	88	(1,312,239)
Department of Human Services:				
Child Care Licensing/Adoption Law	350,000	314,324	89	(35,676)
Early Periodic Screening and Diagnostic Treatment	4,000,000	138,900	3	(3,861,100)
Marriage License Fees	1,450,000	1,239,181	85	(210,819)
Medicaid Uncompensated Care-Acute	319,942,000	226,573,000	70	(93,369,000)
Medicaid Uncompensated Care-Mental Health	31,307,000	34,186,000	109	2,879,000
Medicaid Uncompensated Care-Psychiatric	178,685,000	189,966,000	106	11,281,000
Medical Assistance-Federal Match on PAAD Medicaid Dual Eligibles	2,200,000	1,150	0	(2,198,850)
Miscellaneous Revenue	47,400,000	752,819	1	(46,647,181)
Patients' and Residents' Cost Recoveries - Developmental Disablility	14,809,000	15,781,140	106	972,140
Patients' and Residents' Cost Recoveries - Psychiatric Hospitals	61,643,000	72,054,064	39	10,411,064
School Based Medicaid	19,000,000	3,824,927	20	(15,175,073)
Total Department of Human Services	680,786,000	544,831,505	80	(135,954,495)
Department of Labor:				
Miscellaneous Revenue	--	132,746	--	132,746
Special Compensation Fund	1,670,000	1,670,000	100	--
Workers' Compensation Assessment	12,014,000	12,014,000	100	--

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED	REALIZED TO JUNE 30, 2005		REALIZATION
	TO JUNE 30, 2005	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Workplace Standards - Licenses, Permits and Fines	2,820,000	2,820,000	100	--
Total Department of Labor	16,504,000	16,636,746	100	132,746
Department of Law and Public Safety:				
Authorities Recruit Class Reimbursement	2,500,000	--	--	(2,500,000)
Beverage Licenses	3,960,000	3,960,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
General Consumer Affairs	--	10,915	--	10,915
Legalized Games of Chance Control	1,200,000	1,200,000	100	--
New Jersey Cemetery Board	132,000	132,000	100	--
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	480,000	480,000	100	--
Audiology and Speech Language Pathology Advisory	25,000	25,000	100	--
Certified Psychoanalysts	50,000	--	--	(50,000)
Certified Public Accountants	176,000	176,000	100	--
Chiropractors	240,000	230,709	96	(9,291)
Cosmetology and Hairstyling	2,680,000	2,680,000	100	--
Dentistry	280,000	280,000	100	--
Electrical Contractors	40,000	40,000	100	--
Marriage Counselor Examiners	400,000	400,000	100	--
Master Plumbers	640,000	640,000	100	--
Medical Examiners	4,400,000	4,400,000	100	--
Mortuary Science	320,000	320,000	100	--
Nursing	3,900,000	3,900,000	100	--
Occupational Therapists and Assistants	60,000	60,000	100	--
Ophthalmic Dispensers and Ophthalmic Technicians	48,000	48,000	100	--
Optometrists	400,000	400,000	100	--
Orthotics and Prosthetics	80,000	80,000	100	--
Pharmacy	760,000	760,000	100	--
Physical Therapy	120,000	120,000	100	--

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Professional Engineers and Land Surveyors	360,000	360,000	100	--
Professional Planners	40,000	40,000	100	--
Psychological Examiners	180,000	180,000	100	--
Real Estate Appraisers	120,000	120,000	100	--
Respiratory Care	25,000	25,000	100	--
Shorthand Reporting	25,000	25,000	100	--
Social Workers	700,000	700,000	100	--
Veterinary Medical Examiners	360,000	360,000	100	--
Division of State Police:				
Fingerprint Fees	2,694,000	2,694,000	100	--
Other Licenses	204,000	268,538	131	64,538
Private Detective Licenses	220,000	220,000	100	--
EDA School Construction Recoveries	800,000	916,737	114	116,737
Miscellaneous Revenue	--	25,665	--	25,665
Pleasure Boat Licenses	3,200,000	2,426,274	75	(773,726)
Securities Enforcement	8,994,000	8,994,000	100	--
Violent Crime Compensation	3,930,000	3,930,000	100	--
Total Department of Law and Public Safety	48,408,000	45,292,838	93	(3,115,162)
Department of Military and Veterans' Affairs:				
Soldiers' Homes	28,765,000	28,620,023	99	(144,977)
Total Department of Military and Veterans' Affairs	28,765,000	28,620,023	99	(144,977)
Department of State:				
Miscellaneous Revenue	--	43,465	--	43,465
Total Department of State	--	43,465	--	43,465
Department of Transportation:				
Air Safety Fund	965,000	578,818	59	(386,182)
Applications and Highway Permits	1,300,000	1,300,000	100	--
Auto Body Repair Shop Licensing	550,000	526,995	95	(23,005)
Autonomous Transportation Authorities	2,500,000	2,291,666	91	(208,334)
Drunk Driving Fines	350,000	330,330	94	(19,670)
Good Driver	61,000,000	81,694,146	133	20,694,146
Graduated Driver's License	1,350,000	1,364,695	101	14,695

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Heavy Duty Diesel Fines	400,000	539,665	134	139,665
Interest on Purchase of Right-of-Way	5,000	21,308	426	16,308
Logo Sign Program Fees	300,000	300,000	100	--
Miscellaneous Revenue	--	49,985	--	49,985
Motor Vehicle Database - Automated Access	55,327,000	47,170,173	85	(8,156,827)
Motor Vehicle Inspection Fund	76,710,000	82,409,074	107	5,699,074
Motor Vehicle Surcharge Program	360,000	458,371	122	98,371
Outdoor Advertising	10,740,000	5,122,059	47	(5,617,941)
Salvage Title Program	980,000	1,120,676	114	140,676
Special Plate Fees	750,000	1,077,031	143	327,031
Tow Truck Marker Fee	--	112,325	--	112,325
Uninsured Motorists Program	3,400,000	5,695,595	167	2,295,595
Total Department of Transportation	216,987,000	232,162,912	106	15,175,912
Department of the Treasury:				
Assessment on Houses Greater Than \$1 Million	24,000,000	51,434,370	214	27,434,370
Assessments - Cable TV	3,976,000	4,241,000	106	265,000
Assessments - Public Utility	24,600,000	26,060,960	105	1,460,960
Casino Fines	--	494,509	--	494,509
Coin Operated Telephones	4,100,000	4,219,714	102	119,714
Commercial Recording Expedited	2,853,000	2,853,000	100	--
Commissions	1,100,000	1,291,061	117	191,061
Dormitory Safety Trust Fund - Debt Service Recovery	5,731,000	--	--	(5,731,000)
Equipment Leasing Fund - Debt Service Recovery	4,642,000	4,420,690	95	(221,310)
Escrow Interest - Construction Accounts	15,000	31,654	211	16,654
General Revenue - Fees	32,380,000	48,016,129	148	15,636,129
Higher Education Capital Improvement Fund - Debt Service Recovery	11,250,000	2,765,505	24	(8,484,495)
Hotel Occupancy Tax	65,118,000	78,023,679	119	12,905,679
Investment Earnings	--	28,698,782	--	28,698,782
Miscellaneous Revenue	260,000	1,032,859	397	772,859
New Jersey Economic Development Authority	2,200,000	2,273,070	103	73,070
New Jersey Public Records Preservation	39,000,000	39,166,724	100	166,724
Nuclear Emergency Response Assessment	4,073,000	5,001,000	122	928,000
ODS Mediation Fees	158,000	138,649	87	(19,351)
Public Defender Client Receipts	5,340,000	4,240,845	79	(1,099,155)
Public Utility - Customer Specific Tax	1,868,000	2,259,575	120	391,575

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Public Utility Fines	--	305,500	--	305,500
Public Utility Gross Receipts and Franchise Taxes	69,000,000	75,826,889	109	6,826,889
Railroad Tax:				
Class II	3,100,000	3,483,936	112	383,936
Franchise	590,000	932,170	157	342,170
Rate Payer Advocate	6,769,000	6,295,500	93	(473,500)
Sale of Real Property	5,000,000	--	--	(5,000,000)
Surplus Property	950,000	1,420,476	149	470,476
Tax Enforcement	25,000,000	--	--	(25,000,000)
Taxation Referral Cost Recovery	--	6,723,141	--	6,723,141
Telephone Assessment	118,000,000	114,943,508	97	(3,056,492)
Tire Clean-Up Surcharge	12,300,000	9,118,645	74	(3,181,355)
Transitional Energy Facilities Assessment	222,200,000	239,608,947	107	17,408,947
Total Department of the Treasury	695,573,000	765,322,487	110	69,749,487
Other Sources:				
Miscellaneous Revenue	500,000	752,412	150	252,412
Total Other Sources	500,000	752,412	150	252,412
Inter-Departmental Accounts:				
Administration and Investment of Pension and Health Benefits Funds - Recoveries	48,000,000	59,416,459	123	11,416,459
Employee Maintenance Deductions	300,000	300,000	100	--
Fringe Benefit Recoveries from Colleges and Universities	102,369,000	126,510,251	123	24,141,251
Fringe Benefit Recoveries from Federal and Other Funds	159,825,000	199,477,520	124	39,652,520
Fringe Benefit Recoveries from School Districts	32,000,000	31,570,141	98	(429,859)
Indirect Cost Recoveries - DEP Other Funds	11,040,000	10,616,969	96	(423,031)
MTF Revenue Fund	86,500,000	59,560,470	68	(26,939,530)
Rent of State Building Space	1,376,000	1,608,746	116	232,746
Social Security Recoveries from Federal and Other Funds	45,000,000	56,012,712	124	11,012,712
Total Inter-Departmental Accounts	486,410,000	545,073,268	112	58,663,268

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED	REALIZED TO JUNE 30, 2005		REALIZATION
	TO JUNE 30, 2005	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Judicial Branch:				
Court Fees	59,515,000	64,890,695	109	5,375,695
Total Judicial Branch	59,515,000	64,890,695	109	5,375,695
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	2,554,660,000	2,565,588,334	100	10,928,334
INTERFUND TRANSFERS				
Beaches and Harbor Fund	15,000	28,259	188	13,259
Cigarette Tax Securitization	1,190,000,000	1,190,000,000	100	--
Clean Waters Fund	18,000	8,018	44	(9,982)
Correctional Facilities Construction Fund	6,000	12,743	212	6,743
Correctional Facilities Construction Fund - 1987	7,000	38,285	546	31,285
Cultural Centers and Historic Preservation Fund - 1987	35,000	57,023	162	22,023
Developmental Disabilities Waiting List Reduction Fund	557,000	528,869	94	(28,131)
Development Potential Bank Transfer Fund	117,000	--	--	(117,000)
Dredging and Containment Facility Fund	1,816,000	338,000	18	(1,478,000)
1996 Economic Development Site Fund	39,000	--	--	(39,000)
Emergency Flood Control Fund	7,000	7,545	107	545
Energy Conservation Fund	28,000	6,089	21	(21,911)
Enterprise Zone Assistance Fund	2,050,000	4,698,770	229	2,648,770
1996 Environmental Cleanup Fund	194,000	--	--	(194,000)
Fund for Support of Free Public Schools	--	2,091,727	--	2,091,727
Garden State Farmland Preservation Trust Fund	1,764,000	1,878,896	106	114,896
Garden State Green Acres Preservation Trust Fund	5,006,000	5,279,561	105	273,561
Garden State Historic Preservation Trust Fund	609,000	640,215	105	31,215
Hazardous Discharge Fund of 1981	2,000	3,994	199	1,994
Hazardous Discharge Fund of 1986	3,000	--	--	(3,000)
Hazardous Discharge Site Cleanup Fund	17,637,000	17,637,000	100	--
1995 Historic Preservation Fund	39,000	--	--	(39,000)
Housing Assistance Fund	50,000	--	--	(50,000)
Human Services Facilities Construction Fund	--	2,136	--	2,136
Institutions Construction Fund	1,000	--	--	(1,000)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Jobs, Education and Competitiveness Fund	50,000	147,036	294	97,036
Jobs, Science and Technology Fund	--	568	--	568
Judiciary Bail Fund	300,000	585,831	195	285,831
Judiciary Child Support and Paternity Fund	275,000	478,859	174	203,859
Judiciary Probation Fund	105,000	232,832	221	127,832
Judiciary Special Civil Fund	30,000	55,725	185	25,725
Judiciary Superior Court Miscellaneous Fund	55,000	114,660	208	59,660
Legal Services Fund	10,750,000	9,790,895	91	(959,105)
Medical Education Facilities Fund	5,000	--	--	(5,000)
Mortgage Assistance Fund	760,000	746,123	98	(13,877)
Motor Vehicle Security Responsibility Fund	4,000	5,197	129	1,197
Motor Vehicle Surcharge Secuitization Fund	740,000,000	740,000,000	100	--
Mutual Workers' Compensation Security Fund	5,000,000	--	--	(5,000,000)
Natural Resources Fund	330,000	77,703	23	(252,297)
New Jersey Bridge Rehabilitation and Improvement Fund	--	64	--	64
New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund	55,000	137,277	249	82,277
New Jersey Coastal Blue Acres Trust Fund	97,000	--	--	(97,000)
1983 New Jersey Green Acres Fund	197,000	436,299	221	239,299
1995 New Jersey Green Acres Fund	300,000	--	--	(300,000)
1992 New Jersey Green Trust Fund	855,000	--	--	(855,000)
1995 New Jersey Green Trust Fund	1,000,000	--	--	(1,000,000)
New Jersey Spill Compensation Fund	11,661,000	15,269,272	130	3,608,272
New Jersey Workforce Development Partnership Fund	17,042,000	13,570,036	79	(3,471,964)
Pollution Prevention Fund	2,380,000	2,168,055	91	(211,945)
Public Purpose Buildings and Community-Based Facilities Construction Fund	42,000	102,972	245	60,972
Public Purpose Bulidings Construction Fund	1,000	3,409	340	2,409
Resource Recovery Investment Tax Fund	--	174	--	174
Safe Drinking Water Fund	2,339,000	1,803,520	77	(535,480)
School Fund Investment Account	2,931,000	3,532,000	120	601,000
Shore Protection Fund	181,000	353,739	195	172,739
Solid Waste Service Tax Fund	50,000	4,244	8	(45,756)
State Disability Benefits Fund	136,304,000	136,204,161	99	(99,839)
State Land Acquisition and Development Fund	5,000	6,943	138	1,943

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
State Lottery Fund	795,000,000	812,046,973	102	17,046,973
State Lottery Fund - Administration	21,491,000	27,330,650	127	5,839,650
State of New Jersey Cash Management Fund	3,256,000	2,391,253	73	(864,747)
State Recreation and Conservation Land Acquisition and Development - 1974	5,000	19,949	398	14,949
State Recycling Fund	1,046,000	1,046,000	100	--
1999 Statewide Transportation and Local Bridge Fund	2,100,000	1,126,919	53	(973,081)
Supplemental Workforce Fund for Basic Skills	2,000,000	1,644,285	82	(355,715)
Transportation Rehabilitation and Improvement Fund - 1979	3,000	6,766	225	3,766
Unclaimed Insurance Payments on Deposit Account Fund	20,000	40,251	201	20,251
Unclaimed Personal Property Trust Fund	194,075,000	144,075,000	74	(50,000,000)
Unclaimed Utilities Deposits Trust Fund	45,000	41,000	91	(4,000)
Unemployment Compensation Auxiliary Fund	17,530,000	17,530,000	100	--
Universal Services Fund	72,000,000	70,804,075	98	(1,195,925)
Wage and Hour Trust Fund	75,000	23,662	31	(51,338)
1992 Wastewater Treatment Fund	233,000	--	--	(233,000)
Water Conservation Fund	20,000	31,060	155	11,060
Water Supply Fund	3,779,000	3,683,435	97	(95,565)
Worker and Community Right to Know Fund	3,484,000	3,368,941	96	(115,059)
TOTAL INTERFUND TRANSFERS	<u>3,269,266,000</u>	<u>3,234,294,943</u>	98	<u>(34,971,057)</u>
TOTAL REVENUES, GENERAL FUND	<u>\$ 18,203,720,000</u>	<u>\$ 17,964,217,542</u>	98	<u>\$ (239,502,458)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Licenses and Fees	\$ 65,600,000	\$ 64,051,078	97	\$ (1,548,922)
Investment Income	--	310,088	--	310,088
TOTAL CASINO CONTROL FUND	\$ 65,600,000	\$ 64,361,166	97	\$ (1,238,834)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 384,000,000	\$ 388,593,387	101	\$ 4,593,387
Casino Simulcasting Fund	700,000	600,000	85	(100,000)
Investment Income	180,000	976,319	542	796,319
Newly Enacted Casino Taxes and Fees	90,000,000	85,491,547	94	(4,508,453)
TOTAL CASINO REVENUE FUND	\$ 474,880,000	\$ 475,661,253	100	\$ 781,253

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 1,500,000	\$ 517,384	34	\$ (982,616)
TOTAL GUBERNATORIAL ELECTIONS FUND	\$ 1,500,000	\$ 517,384	34	\$ (982,616)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	ANTICIPATED TO JUNE 30, 2005	REALIZED TO JUNE 30, 2005		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 8,855,000,000	\$ 9,537,938,903	107	\$ 682,938,903
TOTAL PROPERTY TAX RELIEF FUND	\$ 8,855,000,000	\$ 9,537,938,903	107	\$ 682,938,903

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
LEGISLATIVE BRANCH	\$ --	\$ --	\$ 4,620	\$ 4,620
EXECUTIVE BRANCH				
Chief Executive	--	--	1,221,088	1,221,088
Agriculture	1,637,515	232,958,263	9,883,191	244,478,969
Banking and Insurance	5,952,587	--	437,956	6,390,543
Community Affairs	34,202,568	215,776,616	95,483,704	345,462,888
Corrections	--	5,353,975	55,256,905	60,610,880
Education	700,000	824,852,113	16,963,959	842,516,072
Environmental Protection	18,336,786	50,115,616	14,979,732	83,432,134
Health and Senior Services	16,145,924	443,657,176	241,573,949	701,377,049
Human Services	319,706,764	5,000,134,888	765,311,167	6,085,152,819
Labor	51,333,446	344,811,009	150,869,254	547,013,709
Law and Public Safety	151,661,124	175,615,296	158,999,821	486,276,241
Military and Veterans' Affairs	1,900,260	33,614,215	174,805	35,689,280
Personnel	3,946,626	--	--	3,946,626
State	3,947,488	25,710,061	23,361,161	53,018,710
Transportation	3,006,335	30,855,456	313,503,243	347,365,034
Treasury	12,215,537	2,091,773	1,138,320,617	1,152,627,927
Interdepartmental	1,976,999	--	--	1,976,999
TOTAL EXECUTIVE BRANCH	<u>626,669,959</u>	<u>7,385,546,457</u>	<u>2,986,340,552</u>	<u>10,998,556,968</u>
JUDICIAL BRANCH	<u>3,111,798</u>	<u>883,023</u>	<u>50,459,936</u>	<u>54,454,757</u>
TOTAL APPROPRIATED REVENUE	<u>\$ 629,781,757</u>	<u>\$ 7,386,429,480</u>	<u>\$ 3,036,805,108</u>	<u>\$ 11,053,016,345</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
EXECUTIVE BRANCH				
Health and Senior Services	\$ 143,565,044	\$ --	\$ --	\$ 143,565,044
TOTAL APPROPRIATED REVENUE	<u>\$ 143,565,044</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 143,565,044</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Legislative Branch	\$ 73,501,000	\$ 15,576,693	\$ 72,251,240
Executive Branch			
Chief Executive's Office	5,267,000	1,162,540	5,132,411
Agriculture	9,123,000	2,939,686	10,671,397
Banking and Insurance	67,703,000	7,685,616	64,076,125
Community Affairs	50,969,098	30,520,447	51,990,995
Corrections	882,310,000	19,737,558	883,875,981
Education	60,436,162	17,876,689	63,551,737
Environmental Protection	217,273,034	49,393,252	238,720,673
Health and Senior Services	82,802,000	22,671,288	91,168,578
Human Services	796,478,705	83,681,444	839,815,253
Labor	60,242,000	54,086,799	92,533,013
Law and Public Safety	498,087,000	245,044,098	622,050,940
Military and Veterans' Affairs	81,881,000	6,038,786	80,395,710
Personnel	25,448,000	6,939,420	28,738,449
State	32,729,000	1,961,516	31,235,108
Transportation	110,287,000	8,946,904	116,043,218
Treasury	391,342,911	72,775,518	399,442,269
Miscellaneous Executive Commissions	1,390,000	8,812	1,398,250
Inter-Departmental Accounts	1,838,749,670	(69,218,485)	1,671,748,938
Total Executive Branch	<u>5,212,518,580</u>	<u>562,251,888</u>	<u>5,292,589,045</u>
Judicial Branch	<u>532,073,000</u>	<u>16,056,401</u>	<u>512,638,827</u>
TOTAL DIRECT STATE SERVICES	<u>\$ 5,818,092,580</u>	<u>\$ 593,884,982</u>	<u>\$ 5,877,479,112</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,775,015	\$ --	\$ 14,051,438
--	9,551	1,287,578
732,417	--	658,872
309,355	9,182,072	1,821,064
1,094,357	11,372,214	17,031,979
15,419,292	2,145,605	606,680
5,767,326	5,567,049	3,426,739
12,586,791	852,979	14,505,843
10,620,950	2,322,558	1,361,202
25,257,031	929,897	14,157,968
15,216,867	5,391,100	1,187,819
19,646,863	6,534,631	94,898,664
3,820,829	1,818,382	1,884,865
1,795,916	421,399	1,431,656
1,690,046	694,930	1,070,432
2,464,687	443,720	282,279
34,393,708	7,549,727	22,732,725
469	--	93
14,721,641	26,125,574	56,935,032
<u>165,538,545</u>	<u>81,361,388</u>	<u>235,281,490</u>
<u>24,582,483</u>	<u>1,717,699</u>	<u>9,190,392</u>
<u>\$ 192,896,043</u>	<u>\$ 83,079,087</u>	<u>\$ 258,523,320</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Executive Branch			
Agriculture	\$ 2,755,000	\$ 273,803	\$ 1,912,481
Community Affairs	54,005,000	20,165,692	37,534,736
Corrections	113,599,000	4,168,194	116,361,463
Education	25,544,000	395,876	22,984,045
Environmental Protection	16,250,000	2,226,472	3,774,150
Health and Senior Services	1,425,585,884	16,102,321	1,367,092,475
Human Services	3,599,465,050	352,827,067	3,846,600,124
Labor	43,163,000	341,000	31,144,000
Law and Public Safety	19,308,000	81,000	5,957,826
Military and Veterans' Affairs	1,044,000	61,359	992,279
State	1,158,257,000	50,586,188	1,169,057,606
Transportation	278,700,000	1,700,175	278,756,629
Treasury	235,812,000	3,372,040	211,907,318
Inter-Departmental Accounts	853,859,011	(45,266,138)	761,365,178
Total Executive Branch	<u>7,827,346,945</u>	<u>407,035,049</u>	<u>7,855,440,310</u>
Judicial Branch	<u>--</u>	<u>500,000</u>	<u>500,000</u>
TOTAL GRANTS-IN-AID	<u>\$ 7,827,346,945</u>	<u>\$ 407,535,049</u>	<u>\$ 7,855,940,310</u>

STATE AID

Executive Branch			
Agriculture	\$ 11,085,000	\$ 283,425	\$ 10,345,053
Community Affairs	103,196,000	7,530,000	102,503,108
Education	2,385,849,000	(88,341,883)	2,291,091,436
Environmental Protection	12,207,000	196,440	8,940,534
Health and Senior Services	62,454,000	--	59,919,318
Human Services	370,567,000	9,846,533	379,792,103
Labor	1,624,000	--	1,397,417
Law and Public Safety	14,820,000	12,613,236	12,453,254
State	16,827,000	--	16,597,489
Treasury	307,213,739	7,496,147	284,962,190
Total Executive Branch	<u>3,285,842,739</u>	<u>(50,376,102)</u>	<u>3,168,001,902</u>
TOTAL STATE AID	<u>\$ 3,285,842,739</u>	<u>\$ (50,376,102)</u>	<u>\$ 3,168,001,902</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 775,406	\$ --	\$ 340,916
23,583,672	7,023,559	6,028,725
256,725	1,149,006	--
2,292,391	663,440	--
9,717,674	62,963	4,921,685
17,541,252	47,449,308	9,605,170
57,391,498	4,978,926	43,321,569
8,360,000	4,000,000	--
13,131,171	300,003	--
81,126	17,187	14,767
10,222,130	19,626,282	9,937,170
34,394	--	1,609,152
1,019,566	7,720,325	18,536,831
4,148,593	2,012,424	41,066,678
<u>148,555,598</u>	<u>95,003,423</u>	<u>135,382,663</u>
--	--	--
<u>\$ 148,555,598</u>	<u>\$ 95,003,423</u>	<u>\$ 135,382,663</u>

\$ --	\$ 488	\$ 1,022,884
4,031,448	287,242	3,904,202
311,273	1,085,077	5,019,331
3,221,379	100,846	140,681
2,295,234	239,448	--
--	--	621,430
226,423	160	--
--	332,513	14,647,469
--	229,511	--
744,917	8,308,747	20,694,032
<u>10,830,674</u>	<u>10,584,032</u>	<u>46,050,029</u>
<u>\$ 10,830,674</u>	<u>\$ 10,584,032</u>	<u>\$ 46,050,029</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
CAPITAL CONSTRUCTION			
Legislative Branch	\$ --	\$ 2,363,051	\$ 36,959
Executive Branch			
Agriculture	--	1,142,619	149,558
Corrections	500,000	6,359,877	477,393
Education	--	944,955	145,880
Environmental Protection	116,453,000	90,542,003	73,944,425
Health and Senior Services	--	750,790	166,852
Human Services	10,400,000	18,725,085	10,952,754
Law and Public Safety	--	21,305,257	3,008,532
Military and Veterans' Affairs	2,627,000	1,315,165	831,136
Personnel	--	1,697	--
State	1,000,000	422,899	318,868
Transportation	805,000,000	--	805,000,000
Treasury	--	11,272,779	3,578,134
Miscellaneous Executive Commissions	--	2,000	--
Inter-Departmental Accounts	168,653,000	52,000,771	169,861,005
Total Executive Branch	<u>1,104,633,000</u>	<u>204,785,897</u>	<u>1,068,434,537</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$ 1,104,633,000</u>	<u>\$ 207,148,948</u>	<u>\$ 1,068,471,496</u>

DEBT SERVICE

Executive Branch			
Environmental Protection	\$ 37,660,000	\$ 3,575,811	\$ 39,715,469
Treasury	232,519,000	(11,728,824)	220,621,269
Total Executive Branch	<u>270,179,000</u>	<u>(8,153,013)</u>	<u>260,336,738</u>
TOTAL DEBT SERVICE	<u>\$ 270,179,000</u>	<u>\$ (8,153,013)</u>	<u>\$ 260,336,738</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,152,828	\$ --	\$ 173,264
--	--	993,061
1,232,260	--	5,150,224
20,680	--	778,395
15,892,817	2,564	117,155,197
160,701	--	423,237
3,156,539	--	15,015,792
7,782,306	--	10,514,419
312,023	--	2,799,006
--	--	1,697
652,209	9,251	442,571
--	--	--
2,246,984	--	5,447,661
--	--	2,000
4,027,022	--	46,765,744
<u>35,483,541</u>	<u>11,815</u>	<u>205,489,004</u>
<u>\$ 37,636,369</u>	<u>\$ 11,815</u>	<u>\$ 205,662,268</u>

\$ --	\$ 1,520,342	\$ --
--	168,907	--
--	1,689,249	--
<u>\$ --</u>	<u>\$ 1,689,249</u>	<u>\$ --</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
FEDERAL			
Legislative Branch	\$ --	\$ 2,102	\$ 1,938
Executive Branch			
Agriculture	259,620,143	1,387,511	198,756,800
Banking and Insurance	--	170,000	--
Community Affairs	280,444,769	18,762,182	227,305,282
Corrections	6,847,137	3,760,786	8,468,406
Education	822,249,499	91,336,169	755,046,894
Environmental Protection	229,100,769	13,096,430	36,258,200
Health and Senior Services	1,641,936,150	49,562,746	1,269,762,650
Human Services	4,053,428,517	314,930,360	3,844,593,120
Labor	427,629,667	72,525,398	320,006,107
Law and Public Safety	250,329,513	182,239,640	113,664,957
Military and Veterans' Affairs	30,967,000	10,949,990	23,488,283
Personnel	--	323,274	323,274
State	34,927,328	799,897	24,117,162
Transportation	53,365,912	20,375,670	17,543,324
Treasury	5,880,790	2,179,447	3,443,377
Total Executive Branch	<u>8,096,727,194</u>	<u>782,399,500</u>	<u>6,842,777,836</u>
Judicial Branch	<u>78,558,000</u>	<u>2,760,758</u>	<u>74,420,626</u>
TOTAL FEDERAL	<u>\$ 8,175,285,194</u>	<u>\$ 785,162,360</u>	<u>\$ 6,917,200,400</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 164
25,145,290	--	37,105,564
--	--	170,000
21,417,655	--	50,484,014
667,776	--	1,471,741
66,066,338	--	92,472,436
9,285,159	--	196,653,840
102,460,376	--	319,275,870
50,911,739	--	472,854,018
46,070,191	--	134,078,767
94,051,078	--	224,853,118
10,717,395	--	7,711,312
--	--	--
3,618,731	--	7,991,332
10,808,870	--	45,389,388
369,998	--	4,246,862
<u>441,590,596</u>	<u>--</u>	<u>1,594,758,262</u>
871,923	--	6,026,209
<u>\$ 442,462,519</u>	<u>\$ --</u>	<u>\$ 1,600,784,635</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
REVOLVING FUNDS			
Legislative Branch	\$ --	\$ 4,620	\$ 4,260
Executive Branch			
Community Affairs	--	19,631,050	8,534,770
Corrections	--	33,151,012	30,353,506
Education	--	7,771,556	4,595,961
Environmental Protection	--	1,428,584	668,619
Health and Senior Services	--	21,410,860	17,910,751
Human Services	--	4,077,458	6,544,828
Labor	--	1,830,341	628,523
Law and Public Safety	--	560,971	440,547
State	--	1,130,359	1,344,669
Transportation	--	927,787	691,478
Treasury	--	203,450,402	170,699,955
Total Executive Branch	--	295,370,380	242,413,607
TOTAL REVOLVING FUNDS	<u>\$ --</u>	<u>\$ 295,375,000</u>	<u>\$ 242,417,867</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 360
6,688,520	--	4,407,760
786,043	--	2,011,463
514,338	--	2,661,257
38,517	--	721,448
928,280	--	2,571,829
661,916	--	(3,129,286)
989,073	--	212,745
4,426	--	115,998
8,210	--	(222,520)
9,357	--	226,952
18,656,126	--	14,094,321
<u>29,284,806</u>	<u>--</u>	<u>23,671,967</u>
<u>\$ 29,284,806</u>	<u>\$ --</u>	<u>\$ 23,672,327</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
ALL OTHER			
Legislative Branch	\$ --	\$ 11,155	\$ --
Executive Branch			
Chief Executive's Office	--	1,681,206	1,098,566
Agriculture	--	13,506,010	9,044,466
Banking and Insurance	--	753,992	431,544
Community Affairs	--	180,107,671	13,343,322
Corrections	--	31,374,581	24,954,973
Education	--	19,789,840	12,575,498
Environmental Protection	--	49,441,682	21,736,414
Health and Senior Services	--	262,198,806	174,997,787
Human Services	--	796,589,062	746,785,894
Labor	--	226,408,061	148,560,285
Law and Public Safety	--	199,289,184	171,466,406
Military and Veterans' Affairs	--	468,111	310,879
Personnel	--	3,650	(1,321)
State	--	53,368,080	25,521,207
Transportation	--	391,172,632	243,967,798
Treasury	--	1,002,521,861	856,189,659
Total Executive Branch	--	3,228,674,429	2,450,983,377
Judicial Branch	--	58,628,055	35,610,025
TOTAL ALL OTHER	<u>\$ --</u>	<u>\$ 3,287,313,639</u>	<u>\$ 2,486,593,402</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 11,155
--	--	582,640
230,232	--	4,231,312
633	--	321,815
65,291,536	--	101,472,813
786,570	300,000	5,333,038
920,200	--	6,294,142
7,631,312	--	20,073,956
5,601,955	55,078,636	26,520,428
13,270,973	(19)	36,532,214
1,088,926	500,000	76,258,850
14,815,809	--	13,006,969
11,304	--	145,928
4,971	--	--
20,857,724	500,000	6,489,149
49,239,932	--	97,964,902
14,362,179	33,507,215	98,462,808
<u>194,114,256</u>	<u>89,885,832</u>	<u>493,690,964</u>
<u>15,005,622</u>	<u>36</u>	<u>8,012,372</u>
<u>\$ 209,119,878</u>	<u>\$ 89,885,868</u>	<u>\$ 501,714,491</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GENERAL FUND SUMMARY			
Legislative Branch	\$ 73,501,000	\$ 17,957,621	\$ 72,294,397
Executive Branch			
Chief Executive's Office	5,267,000	2,843,746	6,230,977
Agriculture	282,583,143	19,533,054	230,879,755
Banking and Insurance	67,703,000	8,609,608	64,507,669
Community Affairs	488,614,867	276,717,042	441,212,213
Corrections	1,003,256,137	98,552,008	1,064,491,722
Education	3,294,078,661	49,773,202	3,149,991,451
Environmental Protection	628,943,803	209,900,674	423,758,484
Health and Senior Services	3,212,778,034	372,696,811	2,981,018,411
Human Services	8,830,339,272	1,580,677,009	9,675,084,076
Labor	532,658,667	355,191,599	594,269,345
Law and Public Safety	782,544,513	661,133,386	929,042,462
Military and Veterans' Affairs	116,519,000	18,833,411	106,018,287
Personnel	25,448,000	7,268,041	29,060,402
State	1,243,740,328	108,268,939	1,268,192,109
Transportation	1,247,352,912	423,123,168	1,462,002,447
Treasury	1,172,768,440	1,291,339,370	2,150,844,171
Miscellaneous Executive Commissions	1,390,000	10,812	1,398,250
Inter-Departmental Accounts	2,861,261,681	(62,483,852)	2,602,975,121
Total Executive Branch	<u>25,797,247,458</u>	<u>5,421,988,028</u>	<u>27,180,977,352</u>
Judicial Branch	<u>610,631,000</u>	<u>77,945,214</u>	<u>623,169,478</u>
TOTAL GENERAL FUND SUMMARY	<u>\$ 26,481,379,458</u>	<u>\$ 5,517,890,863</u>	<u>\$ 27,876,441,227</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 4,927,843	\$ --	\$ 14,236,381
--	9,551	1,870,218
26,883,345	488	44,352,609
309,988	9,182,072	2,312,879
122,107,188	18,683,015	183,329,493
19,148,666	3,594,611	14,573,146
75,892,546	7,315,566	110,652,300
58,373,649	2,539,694	354,172,650
139,608,748	105,089,950	359,757,736
150,649,696	5,908,804	579,373,705
71,951,480	9,891,260	211,738,181
149,431,653	7,167,147	358,036,637
14,942,677	1,835,569	12,555,878
1,800,887	421,399	1,433,353
37,049,050	21,059,974	25,708,134
62,557,240	443,720	145,472,673
71,793,478	57,254,921	184,215,240
469	--	2,093
22,897,256	28,137,998	144,767,454
<u>1,025,398,016</u>	<u>278,535,739</u>	<u>2,734,324,379</u>
40,460,028	1,717,735	23,228,973
<u>\$ 1,070,785,887</u>	<u>\$ 280,253,474</u>	<u>\$ 2,771,789,733</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$ 40,599,000	\$ 177,853	\$ 40,266,710
Treasury	27,901,000	778,054	27,470,099
TOTAL CASINO CONTROL FUND	<u>\$ 68,500,000</u>	<u>\$ 955,907</u>	<u>\$ 67,736,809</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Health and Senior Services	\$ 871,000	\$ 159,291	\$ 912,623
Law and Public Safety	92,000	--	92,000
GRANTS-IN-AID			
Health and Senior Services	352,409,116	143,437,096	493,927,005
Human Services	118,737,000	--	118,627,224
Labor	2,440,000	--	2,440,000
STATE AID			
Transportation	25,287,000	--	4,126,044
TOTAL CASINO REVENUE FUND	<u>\$ 499,836,116</u>	<u>\$ 143,596,387</u>	<u>\$ 620,124,896</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 408,771	\$ 39,533	\$ 61,839
128,637	269,197	811,121
<u>\$ 537,408</u>	<u>\$ 308,730</u>	<u>\$ 872,960</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 66,287	\$ 8,038	\$ 43,343
--	--	--
1,097,155	822,052	--
--	109,776	--
--	--	--
21,160,956	--	--
<u>\$ 22,324,398</u>	<u>\$ 939,866</u>	<u>\$ 43,343</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GUBERNATORIAL ELECTIONS FUND
FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$ 8,870,000	\$ --	\$ 6,310,222
TOTAL GUBERNATORIAL ELECTIONS FUND	<u>\$ 8,870,000</u>	<u>\$ --</u>	<u>\$ 6,310,222</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Treasury	\$ 2,162,711,000	\$ 23,669	\$ 1,609,845,630
STATE AID			
Community Affairs	929,569,000	17,267,258	944,322,816
Education	6,496,386,000	81,129,008	6,566,233,313
Environmental Protection	8,500,000	--	8,457,336
Treasury	164,334,000	(7,961,375)	155,071,694
TOTAL PROPERTY TAX RELIEF FUND	<u>\$ 9,761,500,000</u>	<u>\$ 90,458,560</u>	<u>\$ 9,283,930,789</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 2,559,778	\$ --
<u>\$ --</u>	<u>\$ 2,559,778</u>	<u>\$ --</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 152,835,924	\$ 400,053,115
--	2,513,442	--
103,234	4,130,604	7,047,857
--	42,664	--
--	1,300,931	--
<u>\$ 103,234</u>	<u>\$ 160,823,565</u>	<u>\$ 407,100,972</u>

**STATE OF NEW JERSEY
STATISTICAL SECTION
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**STATE OF NEW JERSEY
NET ASSETS BY COMPONENT
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

	<u>2005</u>	<u>2004*</u>	<u>2003*</u>	<u>2002*</u>
<u>Governmental Activities</u>				
Invested in capital assets, net of related debt	\$ 6,347.5	\$ 6,167.1	\$ 4,907.4	\$ 4,781.8
Restricted	4,795.3	3,715.3	4,175.0	3,453.5
Unrestricted	(18,987.8)	(14,270.9)	(10,881.7)	(8,258.0)
Total	<u>\$ (7,845.0)</u>	<u>\$ (4,388.5)</u>	<u>\$ (1,799.3)</u>	<u>\$ (22.7)</u>
<u>Business-type Activities</u>				
Restricted	\$ 1,674.3	\$ 1,697.7	\$ 2,219.8	\$ 2,974.6
Unrestricted	(1.3)	--	--	(59.7)
Total	<u>\$ 1,673.0</u>	<u>\$ 1,697.7</u>	<u>\$ 2,219.8</u>	<u>\$ 2,914.9</u>
<u>Total Primary Government</u>				
Invested in capital assets, net of related debt	\$ 6,347.5	\$ 6,167.1	\$ 4,907.4	\$ 4,781.8
Restricted	6,469.6	5,413.0	6,394.8	6,428.1
Unrestricted	(18,989.1)	(14,270.9)	(10,881.7)	(8,317.7)
Total	<u>\$ (6,172.0)</u>	<u>\$ (2,690.8)</u>	<u>\$ 420.5</u>	<u>\$ 2,892.2</u>

Note:

Information presented is based on the accrual basis of accounting.

* Amounts have been restated.

STATE OF NEW JERSEY
CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2005</u>	<u>2004*</u>	<u>2003*</u>	<u>2002*</u>
Governmental Activities				
Expenses				
Public safety and criminal justice	\$ 2,913.7	\$ 2,652.5	\$ 2,504.5	\$ 2,485.0
Physical and mental health	9,565.4	8,809.3	9,305.6	8,952.4
Educational, cultural, and intellectual development	13,609.3	12,562.2	10,686.3	10,117.8
Community development and environmental management	2,228.5	1,228.7	1,959.0	2,207.6
Economic planning, development, and security	4,123.7	3,714.1	4,046.6	3,577.1
Transportation programs	1,724.2	1,774.0	1,561.1	1,541.6
Government direction, management, and control	8,086.4	6,027.8	5,763.2	4,951.3
Special government services	291.6	264.9	236.3	227.2
Interest expense	791.6	750.4	574.7	540.8
Total Expenses	<u>43,334.4</u>	<u>37,783.9</u>	<u>36,637.3</u>	<u>34,600.8</u>
Program Revenues				
Charges for services	4,601.5	3,341.0	3,900.7	3,052.3
Operating grants	9,156.4	8,985.0	9,151.1	9,233.0
Capital grants and contributions	125.8	140.9	30.6	23.8
Total Program Revenues	<u>13,883.7</u>	<u>12,466.9</u>	<u>13,082.4</u>	<u>12,309.1</u>
Net (Expense) Revenue	<u>(29,450.7)</u>	<u>(25,317.0)</u>	<u>(23,554.9)</u>	<u>(22,291.7)</u>
General Revenues and Transfers				
Taxes	23,308.2	20,940.6	19,347.3	18,049.8
Investment earnings	84.3	59.8	61.1	42.8
Miscellaneous	1,569.1	1,939.1	1,647.5	2,194.6
Transfers	1,032.6	(211.7)	716.9	725.3
Special Item - gain on sale of tobacco rights	--	--	5.5	--
Total General Revenue and Transfers	<u>25,994.2</u>	<u>22,727.8</u>	<u>21,778.3</u>	<u>21,012.5</u>
Change in Net Assets	<u>(3,456.5)</u>	<u>(2,589.2)</u>	<u>(1,776.6)</u>	<u>(1,279.2)</u>
Net Assets - July 1	<u>(4,388.5)</u>	<u>(1,799.3)</u>	<u>(22.7)</u>	<u>1,256.5</u>
Net Assets - June 30	<u>\$ (7,845.0)</u>	<u>\$ (4,388.5)</u>	<u>\$ (1,799.3)</u>	<u>\$ (22.7)</u>
Business-type Activities				
Expenses				
State Lottery Fund	\$ 1,476.4	\$ 1,413.2	\$ 1,339.0	\$ 1,304.7
Unemployment Compensation Fund	1,957.1	2,481.5	2,876.3	2,497.1
Other	1,860.6	1,700.7	1,367.1	1,217.5
Total Expenses	<u>5,294.1</u>	<u>5,595.4</u>	<u>5,582.4</u>	<u>5,019.3</u>
Program Revenues				
Charges for services	5,898.4	5,317.5	4,706.4	4,032.0
Operating grants	103.6	481.8	897.8	847.9
Total Program Revenues	<u>6,002.0</u>	<u>5,799.3</u>	<u>5,604.2</u>	<u>4,879.9</u>
Net (Expense) Revenue	<u>707.9</u>	<u>203.9</u>	<u>21.8</u>	<u>(139.4)</u>
General Revenues and Transfers				
Government subsidies and grants	--	--	--	246.8
Transfers	(732.6)	(726.0)	(716.9)	(725.3)
Total General Revenue and Transfers	<u>(732.6)</u>	<u>(726.0)</u>	<u>(716.9)</u>	<u>(478.5)</u>
Change in Net Assets	<u>(24.7)</u>	<u>(522.1)</u>	<u>(695.1)</u>	<u>(617.9)</u>
Net Assets - July 1	<u>1,697.7</u>	<u>2,219.8</u>	<u>2,914.9</u>	<u>3,532.8</u>
Net Assets - June 30	<u>\$ 1,673.0</u>	<u>\$ 1,697.7</u>	<u>\$ 2,219.8</u>	<u>\$ 2,914.9</u>
Total Primary Government				
Expenses	\$ 48,628.5	\$ 43,379.3	\$ 42,219.7	\$ 39,620.1
Program revenues	19,885.7	18,266.2	18,686.6	17,189.0
Net (Expense) Revenue	<u>(28,742.8)</u>	<u>(25,113.1)</u>	<u>(23,533.1)</u>	<u>(22,431.1)</u>
General revenues and other changes in net assets	25,261.6	22,001.8	21,061.4	20,534.0
Change in Net Assets	<u>(3,481.2)</u>	<u>(3,111.3)</u>	<u>(2,471.7)</u>	<u>(1,897.1)</u>
Net Assets - July 1	<u>(2,690.8)</u>	<u>420.5</u>	<u>2,892.2</u>	<u>4,789.3</u>
Net Assets - June 30	<u>\$ (6,172.0)</u>	<u>\$ (2,690.8)</u>	<u>\$ 420.5</u>	<u>\$ 2,892.2</u>

Note:

Information presented is based on the accrual basis of accounting.

* Amounts have been restated.

**STATE OF NEW JERSEY
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

	<u>2005</u>	<u>2004*</u>	<u>2003*</u>	<u>2002*</u>
<u>General Fund</u>				
Reserved				
Encumbrances	\$ 839.3	\$ 664.4	\$ 630.8	\$ 584.6
Surplus Revenue	288.7	282.4	--	--
Other	369.9	312.8	377.2	103.8
Unreserved	<u>1,689.5</u>	<u>1,491.6</u>	<u>1,243.8</u>	<u>1,240.3</u>
Total	<u><u>\$ 3,187.4</u></u>	<u><u>\$ 2,751.2</u></u>	<u><u>\$ 2,251.8</u></u>	<u><u>\$ 1,928.7</u></u>
<u>All Other Governmental Funds</u>				
Reserved				
Encumbrances	\$ 629.3	\$ 680.9	\$ 700.1	\$ 746.3
Other	1,601.6	1,632.2	1,064.1	1,571.1
Unreserved				
Special Revenue Funds	2,638.4	1,901.5	4,203.8	1,563.4
Capital Projects Fund	143.3	170.5	168.2	(225.6)
Total	<u><u>\$ 5,012.6</u></u>	<u><u>\$ 4,385.1</u></u>	<u><u>\$ 6,136.2</u></u>	<u><u>\$ 3,655.2</u></u>
<u>Total</u>				
Reserved				
Encumbrances	\$ 1,468.6	\$ 1,345.3	\$ 1,330.9	\$ 1,330.9
Surplus Revenue	288.7	282.4	--	--
Other	1,971.5	1,945.0	1,441.3	1,674.9
Unreserved				
General Fund	1,689.5	1,491.6	1,243.8	1,240.3
Special Revenue Funds	2,638.4	1,901.5	4,203.8	1,563.4
Capital Projects Fund	143.3	170.5	168.2	(225.6)
Total Governmental Funds	<u><u>\$ 8,200.0</u></u>	<u><u>\$ 7,136.3</u></u>	<u><u>\$ 8,388.0</u></u>	<u><u>\$ 5,583.9</u></u>

Note:

Information presented is based on the modified accrual basis of accounting.

* Amounts have been restated.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2005</u>	<u>2004*</u>	<u>2003*</u>	<u>2002*</u>
REVENUES				
Taxes	\$ 23,395.5	\$ 21,008.9	\$ 19,491.1	\$ 18,196.3
Federal and other grants	8,594.9	8,495.2	7,954.5	7,658.5
Licenses and fees	930.6	811.5	979.1	875.1
Services and assessments	2,172.7	1,835.3	1,798.6	1,705.5
Investment earnings	149.2	96.9	103.0	101.1
Contributions	646.7	281.9	510.3	231.3
Other	3,508.8	3,213.8	6,560.9	3,560.6
Total Revenues	<u>39,398.4</u>	<u>35,743.5</u>	<u>37,397.5</u>	<u>32,328.4</u>
EXPENDITURES				
Public safety and criminal justice	2,989.7	2,733.5	2,548.0	2,546.8
Physical and mental health	9,603.5	8,826.6	9,315.2	8,863.6
Educational, cultural, and intellectual development	13,909.5	12,723.6	10,813.0	10,249.9
Community development and environmental management	2,341.5	2,160.1	2,050.0	2,260.5
Economic planning, development, and security	4,233.2	3,763.6	4,087.1	3,620.8
Transportation programs	2,483.8	2,551.9	2,225.7	2,252.4
Government direction, management, and control	7,335.6	5,505.4	5,476.9	5,199.0
Special government services	299.9	270.9	239.1	230.7
Capital Outlay	237.6	326.3	863.1	1,122.3
Debt Service:				
Principal	390.5	483.4	418.7	399.4
Interest	623.3	650.5	457.8	439.2
Total Expenditures	<u>44,448.1</u>	<u>39,995.8</u>	<u>38,494.6</u>	<u>37,184.6</u>
Excess (deficiency) of revenues over expenditures	<u>(5,049.7)</u>	<u>(4,252.3)</u>	<u>(1,097.1)</u>	<u>(4,856.2)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	1,000.5	1,139.8	895.0	1,014.6
Transfers from (to) other funds	1,032.6	(211.7)	716.9	725.3
Other	4,080.3	2,072.5	2,289.3	1,122.3
Total	<u>6,113.4</u>	<u>3,000.6</u>	<u>3,901.2</u>	<u>2,862.2</u>
Change in Fund Balance	1,063.7	(1,251.7)	2,804.1	(1,994.0)
Fund balances - July 1	<u>7,136.3</u>	<u>8,388.0</u>	<u>5,583.9</u>	<u>7,577.9</u>
Fund balances - June 30	<u>\$ 8,200.0</u>	<u>\$ 7,136.3</u>	<u>\$ 8,388.0</u>	<u>\$ 5,583.9</u>

Debt Service as a percentage of noncapital expenditures:	2.3%	2.9%	2.3%	2.3%
---	------	------	------	------

Notes:

Debt Service as a percentage of noncapital expenditures is defined as total debt service divided by total expenditures minus capital outlay and expenditures for capitalized assets included within the functional categories.

Information presented is based on the modified accrual basis of accounting.

* Amounts have been restated.

**STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

<u>Major Tax</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Gross Income Tax	\$ 9,537.9	\$ 7,400.7	\$ 6,735.3	\$ 6,837.0
Sales and Use Tax	6,552.2	6,261.7	5,936.1	5,996.8
Corporation Business Tax	2,368.1	2,370.2	2,525.4	1,171.5
Other Major Taxes	3,244.0	3,028.0	2,837.3	2,489.1
Miscellaneous Taxes, Fees	4,988.5	4,472.4	4,265.2	2,911.5
State Lottery	812.0	795.0	765.4	754.5
Casino Taxes and Fees	540.0	532.7	413.9	413.0
Total	<u>\$ 28,042.7</u>	<u>\$ 24,860.7</u>	<u>\$ 23,478.6</u>	<u>\$ 20,573.4</u>

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR TAX
FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Major Tax</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Gross Income Tax	34.0 %	29.8 %	28.7 %	33.2 %
Sales and Use Tax	23.4	25.2	25.3	29.1
Corporation Business Tax	8.4	9.5	10.7	5.7
Other Major Taxes	11.6	12.2	12.1	12.1
Miscellaneous Taxes, Fees	17.8	18.0	18.2	14.2
State Lottery	2.9	3.2	3.2	3.7
Casino Taxes and Fees	1.9	2.1	1.8	2.0
Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2001	2000	1999	1998	1997	1996
\$ 7,989.2	\$ 7,205.3	\$ 6,323.9	\$ 5,590.6	\$ 4,825.4	\$ 4,733.8
5,758.7	5,508.1	5,054.4	4,766.2	4,415.4	4,318.4
1,389.5	1,452.1	1,402.9	1,231.6	1,286.4	1,171.5
2,429.9	2,307.8	2,282.5	2,305.0	2,297.2	2,276.1
2,296.9	2,307.7	2,107.9	2,226.4	2,320.9	2,121.1
697.4	719.9	652.3	642.8	650.0	662.1
399.3	396.3	382.5	369.8	359.6	358.6
\$ 20,960.9	\$ 19,897.2	\$ 18,206.4	\$ 17,132.4	\$ 16,154.9	\$ 15,641.6

2001	2000	1999	1998	1997	1996
38.1 %	36.3 %	34.7 %	32.6 %	29.9 %	30.3 %
27.5	27.7	27.8	27.8	27.3	27.6
6.6	7.3	7.7	7.2	8.0	7.5
11.6	11.6	12.5	13.5	14.2	14.5
11.0	11.5	11.6	13.0	14.4	13.6
3.3	3.6	3.6	3.8	4.0	4.2
1.9	2.0	2.1	2.1	2.2	2.3
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

**STATE OF NEW JERSEY
GROSS STATE PRODUCT BY INDUSTRY
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Billions)**

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Gross State Product					
<u>Goods Producing</u>					
Natural Resources	\$ 3.0	\$ 2.9	\$ 2.9	\$ 2.7	\$ 2.7
Manufacturing	41.5	41.0	41.0	40.2	41.1
Construction	13.9	13.6	13.8	13.9	13.3
Subtotal	<u>58.4</u>	<u>57.5</u>	<u>57.7</u>	<u>56.8</u>	<u>57.1</u>
<u>Private Service Producing</u>					
Transportation	8.3	8.0	8.2	9.2	11.3
Communication	21.0	20.0	19.0	18.1	17.0
Utilities	6.5	6.3	6.2	6.0	6.7
Trade	63.1	60.5	58.6	55.8	51.8
Finance	95.3	90.0	86.1	83.1	79.1
Services	76.8	73.2	70.7	69.1	67.8
Subtotal	<u>271.0</u>	<u>258.0</u>	<u>248.8</u>	<u>241.3</u>	<u>233.7</u>
Government	36.6	35.3	34.5	34.2	33.7
Residual*	24.2	24.9	24.5	22.5	21.0
Grand Total	<u>\$ 390.2</u>	<u>\$ 375.7</u>	<u>\$ 365.5</u>	<u>\$ 354.8</u>	<u>\$ 345.5</u>
Total Personal Income	\$ 359.5	\$ 342.0	\$ 334.3	\$ 333.0	\$ 323.6

* The North American Industry Classification System (NAICS) changed its Residual calculation beginning in Calendar Year 1999. Comparable data for prior years is not available.

Source:

New Jersey Department of the Treasury, Division of Taxation.

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 2.4	\$ 2.3	\$ 2.3	\$ 2.1	\$ 2.1
39.0	36.7	36.3	35.3	35.0
12.9	13.0	12.7	12.3	12.2
<u>54.3</u>	<u>52.0</u>	<u>51.3</u>	<u>49.7</u>	<u>49.3</u>
9.8	8.7	8.0	7.2	6.4
16.7	16.4	14.7	14.3	13.6
6.3	6.2	6.3	6.8	6.6
49.8	48.4	44.9	41.7	38.6
74.7	72.8	68.9	67.3	64.4
67.0	66.7	64.9	62.9	60.8
<u>224.3</u>	<u>219.2</u>	<u>207.7</u>	<u>200.2</u>	<u>190.4</u>
33.3	33.3	34.0	34.2	32.4
22.1	0.3	1.1	1.6	2.9
<u>\$ 334.0</u>	<u>\$ 304.8</u>	<u>\$ 294.1</u>	<u>\$ 285.7</u>	<u>\$ 275.0</u>
\$ 294.4	\$ 282.7	\$ 263.4	\$ 248.3	\$ 233.9

**STATE OF NEW JERSEY
GROSS INCOME TAX RATES
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

Top Income Tax Rate Is Applied To Taxable Income In Excess Of

Year	Top Rate	Single	Married Filing Jointly	Head of Household	Average Effective Rate*
1996	6.37 %	\$ 75,000	\$ 150,000	\$ 150,000	2.41 %
1997	6.37	75,000	150,000	150,000	2.49
1998	6.37	75,000	150,000	150,000	2.57
1999	6.37	75,000	150,000	150,000	2.67
2000	6.37	75,000	150,000	150,000	2.84
2001	6.37	75,000	150,000	150,000	2.61
2002	6.37	75,000	150,000	150,000	2.56
2003	6.37	75,000	150,000	150,000	2.59
2004	8.97	500,000	500,000	500,000	2.85
2005	8.97	500,000	500,000	500,000	2.93

* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability. Data for 2004 and 2005 are estimates based on projections.

Source:

New Jersey Department of the Treasury, Division of Taxation.

**STATE OF NEW JERSEY
GROSS INCOME TAX (GIT) FILERS AND LIABILITY BY INCOME LEVEL
2003 AS COMPARED TO 1994
(GIT Liability Expressed in Millions)**

Income Level	2003				1994			
	Number of Filers	Percent of Total	GIT Liability	Percent of Total	Number of Filers	Percent of Total	GIT Liability	Percent of Total
\$500,001 and higher	28,178	1.1 %	\$ 1,475.6	26.1 %	10,481	0.4 %	\$ 608.7	15.9 %
\$250,001 - \$500,000	64,727	2.6	839.4	14.9	26,226	1.0	383.6	10.0
\$100,001 - \$250,000	464,916	18.2	1,887.2	33.5	211,149	7.8	986.6	25.8
\$75,001 - \$100,000	308,699	12.1	516.4	9.2	219,758	8.2	468.2	12.3
\$50,001 - \$75,000	460,158	18.0	477.7	8.5	455,695	17.0	605.4	15.8
\$35,001 - \$50,000	429,044	16.8	245.3	4.3	429,176	16.0	346.1	9.1
\$20,001 - \$35,000	555,051	21.8	164.8	2.9	629,194	23.4	285.4	7.5
\$10,001 - \$20,000	239,890	9.4	36.4	0.6	545,049	20.3	119.9	3.1
\$10,000 and lower	--	--	--	--	157,726	5.9	18.0	0.5
Total	2,550,663	100.0 %	\$ 5,642.8	100.0 %	2,684,454	100.0 %	\$ 3,821.9	100.0 %

Source:

New Jersey Department of the Treasury, Division of Taxation.

**STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Millions)**

<u>Category</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Manufacturing	\$ 273.2	\$ 238.2	\$ 248.6	\$ 293.5
Wholesale	257.0	233.1	233.2	254.0
Retail	3,491.1	3,367.9	3,254.3	3,195.5
Service	1,567.7	1,537.9	1,485.6	1,540.6
Construction	125.0	115.3	110.2	121.3
Other	110.2	92.7	83.8	80.9
Total	\$ 5,824.2	\$ 5,585.1	\$ 5,415.7	\$ 5,485.8

Direct Sales and Use Tax Rate:	6.0 %	6.0 %	6.0 %	6.0 %
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Source:

New Jersey Department of the Treasury, Division of Taxation.

**STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY
PERCENT DISTRIBUTION BY MAJOR CATEGORY
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

<u>Category</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Manufacturing	4.7 %	4.3 %	4.6 %	5.3 %
Wholesale	4.4	4.2	4.3	4.6
Retail	59.9	60.3	60.1	58.3
Service	26.9	27.5	27.4	28.1
Construction	2.2	2.0	2.0	2.2
Other	1.9	1.7	1.6	1.5
Total	100.0 %	100.0 %	100.0 %	100.0 %

Source:

New Jersey Department of the Treasury, Division of Taxation.

2000	1999	1998	1997	1996	1995
\$ 274.4	\$ 257.2	\$ 249.2	\$ 239.1	\$ 218.4	\$ 185.5
247.6	241.9	229.9	214.4	185.5	168.0
3,065.2	2,856.1	2,650.1	2,492.8	2,403.7	2,309.6
1,470.9	1,411.6	1,384.6	1,239.8	1,164.2	1,127.2
113.3	103.2	95.9	93.7	89.7	82.8
63.1	55.8	51.0	45.9	40.2	41.0
<u>\$ 5,234.5</u>	<u>\$ 4,925.8</u>	<u>\$ 4,660.7</u>	<u>\$ 4,325.7</u>	<u>\$ 4,101.7</u>	<u>\$ 3,914.1</u>
6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %

2000	1999	1998	1997	1996	1995
5.2 %	5.2 %	5.3 %	5.5 %	5.3 %	4.7 %
4.7	4.9	4.9	5.0	4.5	4.3
58.6	58.0	56.9	57.6	58.6	59.0
28.1	28.7	29.7	28.7	28.4	28.8
2.2	2.1	2.1	2.2	2.2	2.1
1.2	1.1	1.1	1.0	1.0	1.1
<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
RATIO OF OUTSTANDING LONG-TERM DEBT
1996-2005
(Expressed in Thousands Except for General Long-Term Debt Ratios)

<u>Governmental Activities</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Bonded Debt</u>				
General Obligation Bonds	\$ 3,156,375	\$ 3,301,005	\$ 3,366,605	\$ 3,249,855
Revenue Bonds Payable	7,856,005	7,229,340	6,520,530	5,885,515
Capital Leases	130,340	137,535	126,960	135,150
Installment Obligations	15,373,185	11,741,335	10,149,031	9,062,246
Certificates of Participation	66,148	77,392	81,662	100,950
Unamortized Premium	1,204,377	498,641	365,248	193,961
Tobacco Settlement Financing Corporation	3,280,155	3,329,406	3,345,107	--
Unamortized Deferral on Refunding	(533,008)	(223,754)	(211,909)	(104,984)
Unamortized Interest on Capital Appreciation Bonds	(3,211,862)	(3,311,643)	(3,435,380)	(3,290,843)
Subtotal	<u>27,321,715</u>	<u>22,779,257</u>	<u>20,307,854</u>	<u>15,231,850</u>
<u>Non-Bonded Debt</u>				
Accumulated Sick and Vacation Payable	488,913	466,126	449,934	477,003
Capital Leases	538,926	553,984	515,331	413,130
Loans Payable	1,279,358	1,279,358	1,279,358	1,279,358
Net Pension Obligation	1,796,799	845,563	115,033	81,687
Other	397,545	377,766	332,019	320,083
Subtotal	<u>4,501,541</u>	<u>3,522,797</u>	<u>2,691,675</u>	<u>2,571,261</u>
Grand Total	<u>\$ 31,823,256</u>	<u>\$ 26,302,054</u>	<u>\$ 22,999,529</u>	<u>\$ 17,803,111</u>
New Jersey Total Personal Income	\$ 380,716,000	\$ 359,545,000	\$ 342,041,000	\$ 334,331,000
Percentage of Personal Income	8.4%	7.3%	6.7%	5.3%
New Jersey Population	8,745	8,699	8,642	8,577
General Obligation Debt Per Capita	\$360.93	\$379.47	\$389.56	\$378.90
Total Long-Term Debt Per Capita	\$3,639.02	\$3,023.57	\$2,661.37	\$2,075.68

Note:

New Jersey's long-term debt has been restated to reflect accounting rules as of June 30, 2005. New Jersey Total Personal Income and Population figures for 2005 are estimates.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 3,555,375	\$ 3,875,025	\$ 3,734,360	\$ 3,657,350	\$ 3,521,905	\$ 3,772,816
5,119,160	5,289,155	4,425,150	3,868,160	3,137,885	2,482,725
147,565	157,000	184,370	189,660	183,571	191,036
8,990,688	8,428,873	8,389,293	8,345,408	4,712,551	1,835,495
138,623	147,575	115,751	103,385	128,460	152,052
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>(3,422,621)</u>	<u>(3,587,914)</u>	<u>(3,706,206)</u>	<u>(3,817,327)</u>	<u>(224,206)</u>	<u>(240,248)</u>
<u>14,528,790</u>	<u>14,309,714</u>	<u>13,142,718</u>	<u>12,346,636</u>	<u>11,460,166</u>	<u>8,193,876</u>
#	#	#	#	#	#
449,045	428,155	415,219	431,142	414,210	412,836
117,190	79,584	80,447	100,052	57,467	58,483
1,279,358	1,279,358	1,279,358	1,271,679	1,137,500	995,000
54,576	18,513	--	--	--	2,883,384
228,980	--	--	--	--	--
<u>2,129,149</u>	<u>1,805,610</u>	<u>1,775,024</u>	<u>1,802,873</u>	<u>1,609,177</u>	<u>4,349,703</u>
<u>\$ 16,657,939</u>	<u>\$ 16,115,324</u>	<u>\$ 14,917,742</u>	<u>\$ 14,149,509</u>	<u>\$ 13,069,343</u>	<u>\$ 12,543,579</u>
\$ 332,951,000	\$ 323,554,000	\$ 294,385,000	\$ 282,721,000	\$ 263,420,000	\$ 248,320,000
5.0%	5.0%	5.1%	5.0%	5.0%	5.1%
8,506	8,414	8,143	8,096	8,054	8,010
\$417.98	\$460.54	\$458.60	\$451.75	\$437.29	\$471.01
\$1,958.38	\$1,915.30	\$1,831.97	\$1,747.72	\$1,622.71	\$1,565.99

**STATE OF NEW JERSEY
STATE CONSTITUTION - LEGAL DEBT LIMITATIONS**

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war, or to repel invasion, or to suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY
CALCULATION OF LEGAL LIMITS
(Expressed in Millions)**

Fiscal Year	Total Appropriations For Budgeted Funds	Legal Debt Limit
1996	\$ 16,308.9	\$ 163.0
1997	16,256.8	162.5
1998	17,157.6	171.5
1999	18,485.6	184.8
2000	20,163.5	201.6
2001	21,842.8	218.4
2002	23,352.2	233.5
2003	23,726.4	237.2
2004	24,569.1	245.6
2005	28,644.8	286.4

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2005 AND 2004
(Expressed in Millions)

<u>Debt Program</u>	<u>Year</u>	<u>Amount Authorized</u>	<u>Unissued As Of</u>	
			<u>6/30/2005</u>	<u>6/30/2004</u>
<u>General Obligation Bonds*</u>				
Clean Waters	1976	\$ 120.0	\$ 5.0	\$ 5.0
State Land Acquisition and Development	1978	200.0	1.5	1.5
Natural Resources	1980	145.0	9.6	9.6
Energy Conservation	1980	50.0	1.6	1.6
Water Supply	1981	350.0	93.4	93.4
Hazardous Discharge	1981	100.0	43.0	43.0
New Jersey Green Acres	1983	135.0	14.5	14.5
Pinelands Infrastructure Trust	1985	30.0	8.0	8.0
Hazardous Discharge	1986	200.0	48.0	48.0
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	100.0	9.0	9.0
Open Space Preservation	1989	300.0	26.0	26.0
Public Purpose Buildings and Community - Based Facilities Construction	1989	125.0	5.0	5.0
Stormwater Management and Combined Sewer Overflow Abatement	1989	50.0	21.5	21.5
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345.0	26.8	26.8
Development Disabilities' Waiting List Reduction and Human Services Facilities Construction	1994	160.0	5.0	5.0
1995 New Jersey Green Acres, Farmland and Historic Preservation and Blue Acres	1995	340.0	25.5	25.5
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300.0	199.0	199.0
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200.0	200.0	200.0
Subtotal		3,250.0	742.4	742.4
<u>Revenue Bonds Payable</u>				
<u>Transportation Trust Fund Authority</u>				
Annual Capital Plan**	1995	6,950.0	658.1	1,007.8
<u>Garden State Preservation Trust***</u>				
Open Space and Farmland Preservation Bonds****	1999, 2004	1,150.0	650.0	650.0
Subtotal		8,100.0	1,308.1	1,657.8
<u>Installment Obligations</u>				
<u>Economic Development Authority</u>				
Market Transition Facility	1994	750.0	44.7	44.7
School Facilities Construction	2000	8,600.0	4,504.1	5,904.1
<u>Educational Facilities Authority</u>				
Equipment Leasing Fund	1993	100.0	40.8	25.4
Capital Improvement Fund	1999	550.0	0.6	0.6
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Subtotal		10,090.0	4,601.0	5,985.6
Total		\$ 21,440.0	\$ 6,651.5	\$ 8,385.8

Notes:

For debt issued after June 30, 2005, please refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

* An additional \$1 million in Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

** The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2005.

*** During November, 2003 New Jersey voters approved a constitutional amendment that increased the cap on the total amount of bonds that may be issued by the Garden State Preservation Trust to \$1.150 billion, from \$1.000 billion.

**** The Garden State Preservation Trust on May 6, 2004 sold \$500 million of its Open Space and Farmland Preservation Bonds, 2005 Series A (Forward Delivery Bonds) and on September 16, 2004 sold \$150 million of its Open Space Preservation and Farmland Preservation Bonds, 2005 Series B (Forward Delivery Bonds). The Garden State Preservation Trust expects to issue and deliver both of these bonds on or about December 1, 2005.

Source:

New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY
DEBT SERVICE COVERAGE RATIO
(Expressed in Millions Except for Coverage Ratio)**

Market Transition Facility (MTF) Senior Lien Revenue Bonds (Series 1994A and Series 2001A)

MTF Senior Lien Revenue Bonds are repaid solely from surcharges assessed on drivers who commit certain violations. The violations for which surcharges are imposed are: (i) driving while intoxicated, (ii) receiving six or more motor vehicle points during a three year period preceding the imposition of the surcharge, (iii) driving without a license, (iv) driving without insurance, and (v) driving with a suspended license.

Fiscal Year	Net Available Revenue	Debt Service			Coverage Ratio
		Principal	Interest	Total	
1998	\$ 150.8	\$ 30.8	\$ 39.7	\$ 70.5	2.1
1999	143.4	34.4	38.1	72.5	2.0
2000	133.2	36.0	36.4	72.4	1.8
2001	126.4	37.8	34.6	72.4	1.7
2002	128.6	39.8	21.9	61.7	2.1
2003	134.3	38.2	27.5	65.7	2.0
2004	136.6	46.4	25.3	71.7	1.9
2005	130.0	49.6	22.0	71.6	1.8

New Jersey Motor Vehicle Commission Bonds, Series 2003A

The bonds will be repaid solely from surcharges that are being used to pay outstanding MTF Senior Lien Revenue Bonds as well as any other future bonds, notes, or other obligations hereafter issued under the same Bond Resolution. The MTF Senior Lien Revenue Bonds have a final maturity date of July 1, 2011. The New Jersey Motor Vehicle Commission Bonds, Series 2003A consist of capital appreciation bonds. Therefore, debt service payments are made when the bonds mature. Final maturities on the New Jersey Motor Vehicle Commission Bonds occur on July 1, 2012, July 1, 2013, July 1, 2014, and July 1, 2015.

Motor Vehicle Surcharges Revenue Bonds, 2004 Series A (1)

Beginning on July 1, 2006, the Motor Vehicle Surcharges Revenue Bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired.

Notes:

- (1) Motor Vehicle Surcharges Revenue Bonds have provided for debt service payments through July 1, 2006 through the use of capitalized interest.
- (2) Cigarette Tax Revenue Bonds have provided for debt service payments through July 1, 2006 through the use of capitalized interest.
- (3) Tobacco Settlement Asset-Backed Bonds have provided for debt service payments through December 1, 2004 through the use of capitalized interest.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

Cigarette Tax Revenue Bonds, Series 2004 (2)

Beginning on July 1, 2006, the bonds are to be repaid from a separate nonlapsing “Dedicated Cigarette Tax Revenue Fund” that will be credited on a monthly basis an amount equal to the tax collected by the State from \$0.0325 per cigarette (i.e., \$0.65 per pack of 20 cigarettes). Currently, the Cigarette Tax imposed by the Cigarette Tax Act is \$0.12 per cigarette (i.e., \$2.40 per pack of 20 cigarettes). However, no credits of dedicated revenues may be made to the Dedicated Cigarette Tax Revenue Fund in any fiscal year until deposits of Cigarette Tax revenues into the State Cancer Research Fund and State Health Care Subsidy Fund (totaling \$151 million) have been made. Once the \$151 million of deposits have been made, a “catch-up” mechanism temporarily credits all Cigarette Tax revenues to the Dedicated Cigarette Tax Revenue Fund until it reaches the level it otherwise would have reached if the \$151 million of deposits had not been made.

**Tobacco Settlement Financing Corporation, Inc.
Tobacco Settlement Asset—Backed Bonds (Series 2002 and Series 2003) (3)**

Pursuant to a Purchase and Sale Agreement between the State and the Tobacco Settlement Financing Corporation, Inc., the State has sold its future rights to receive payments under the Master Settlement Agreement entered into by participating cigarette manufacturers, 46 states and six other United States jurisdictions. The purchase price of the State’s future rights, title and interest in the Tobacco Settlement Revenues has been financed by the issuance of these bonds. The Tobacco Settlement Financing Corporation, Inc. has pledged these future payments in order to secure the Tobacco Settlement Bonds. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of, principal or interest on the bonds.

**STATE OF NEW JERSEY
TEN LARGEST PRIVATE SECTOR EMPLOYERS
2004 AS COMPARED TO 1995**

2004 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	Wakefern Food Corporation/Shoprite	32,361	0.8 %
2	United Parcel Service (UPS)	15,720	0.4
3	The Great Atlantic & Pacific Tea Co., Inc.	15,618	0.4
4	Verizon	15,000	0.4
5	Caesars Entertainment	14,569	0.3
6	American Telephone & Telegraph Company	13,000	0.3
7	Pathmark Stores, Inc.	12,500	0.3
8	Wal-Mart Stores, Inc.	12,274	0.3
9	Home Depot	12,000	0.3
10	Johnson & Johnson	12,000	0.3
		<u>155,042</u>	<u>3.8 %</u>

Note:

Total New Jersey Employment for calendar year 2004 totaled 4.176 million.

Source:

"New Jersey Business," New Jersey Business & Industry Association, "33rd Annual Top 100 Employers, May 2005." Data reprinted with permission from the New Jersey Business and Industry Association.

1995 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	American Telephone & Telegraph Company	49,200	1.3 %
2	Pathmark Stores, Inc.	20,803	0.5
3	The Prudential Insurance Company of America	16,853	0.4
4	Bell Atlantic-New Jersey Incorporated	14,055	0.4
5	Johnson & Johnson	13,000	0.3
6	Federated Department Stores	12,222	0.3
7	United Parcel Service (UPS)	11,700	0.3
8	The Great Atlantic & Pacific Tea Co., Inc.	11,003	0.3
9	Public Service Enterprise Group, Incorporated	10,782	0.3
10	Sears, Roebuck and Company	9,860	0.3
		<u>169,478</u>	<u>4.4 %</u>

Note:

Total New Jersey Employment for calendar year 1995 totaled 3.846 million.

Source:

"New Jersey Business," New Jersey Business & Industry Association, "24th Annual Top 100 Employers, May 1996." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)**

Year	Population*	Civilian Labor Force*	Resident Employment*	Resident Unemployment*	New Jersey Unemployment Rate*	U.S. Unemployment Rate**
1995	7,966	4,112	3,846	266	6.5 %	5.6 %
1996	8,010	4,184	3,926	258	6.2	5.4
1997	8,054	4,257	4,031	226	5.3	4.9
1998	8,096	4,242	4,047	195	4.6	4.5
1999	8,143	4,285	4,093	192	4.5	4.2
2000	8,414	4,287	4,129	158	3.7	4.0
2001	8,506	4,296	4,112	184	4.3	4.7
2002	8,577	4,372	4,118	254	5.8	5.8
2003	8,642	4,371	4,115	256	5.9	6.0
2004	8,699	4,388	4,176	212	4.8	5.5

* Data through 2003 has been revised.

** Data for 2001 has been revised.

Sources:

New Jersey Department of Labor, "New Jersey Economic Indicators."

New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME
(Expressed in Thousands Except as Indicated)**

Year	New Jersey Population*	Assessed Valuation of Property	True Valuation of Property**	Personal Income (Millions)***	Per Capita Income*
1995	7,966	\$ 423,960,774	\$ 497,735,602	\$ 233,937	\$ 29,369
1996	8,010	429,753,224	501,577,931	248,320	31,003
1997	8,054	438,965,016	514,007,592	263,420	32,706
1998	8,096	455,710,137	539,354,740	282,721	34,923
1999	8,143	470,554,943	548,448,342	294,385	36,152
2000	8,414	493,863,234	645,145,129	323,554	38,454
2001	8,506	524,816,215	720,179,653	332,951	39,142
2002	8,577	567,908,706	820,922,044	334,331	38,979
2003	8,642	606,248,658	937,193,205	342,041	39,577
2004	8,699	666,117,074	1,080,744,002	359,545	41,332

* Data through 2003 has been revised.

** Data for 2003 has been revised.

*** Data for 2001 through 2003 has been revised.

Sources:

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of Labor, Office of Demographic & Economic Analysis.

**STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1996	\$ 5,404.0	\$ 3,792.9	\$ 6,337.0	\$ 275.4	\$ 453.4	\$ 16,262.7
1997	5,125.8	4,053.4	6,336.6	373.3	446.9	16,336.0
1998	5,343.2	4,047.2	6,847.6	497.0	478.9	17,213.9
1999	4,792.2	5,160.6	7,475.2	608.3	495.5	18,531.8
2000	4,650.2	6,211.7	7,866.4	737.4	494.2	19,959.9
2001	5,012.6	6,210.0	8,408.2	1,171.0	525.0	21,326.8
2002	5,106.4	7,264.0	8,834.8	1,012.1	451.2	22,668.5
2003	5,437.5	8,035.2	9,163.6	1,075.4	430.4	24,142.1
2004	5,650.9	7,768.2	10,079.7	1,117.0	438.1	25,053.9
2005	6,146.0	10,230.4	10,878.3	1,106.1	260.3	28,621.1

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR EXPENDITURE CATEGORY
FOR THE FISCAL YEAR ENDED JUNE 30**

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1996	33.2 %	23.3 %	39.0 %	1.7 %	2.8 %	100.0 %
1997	31.4	24.8	38.8	2.3	2.7	100.0
1998	31.0	23.5	39.8	2.9	2.8	100.0
1999	25.9	27.8	40.3	3.3	2.7	100.0
2000	23.3	31.1	39.4	3.7	2.5	100.0
2001	23.5	29.1	39.4	5.5	2.5	100.0
2002	22.5	32.0	39.0	4.5	2.0	100.0
2003	22.5	33.3	38.0	4.4	1.8	100.0
2004	22.6	31.0	40.2	4.5	1.7	100.0
2005	21.5	35.7	38.0	3.9	0.9	100.0

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURES FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Expressed in Millions)

Government Branch	Direct State Service	Grants- In-Aid	State Aid	Capital Construction	Debt Service	Total
Executive Branch						
Chief Executive Office	\$ 5.1	\$ --	\$ --	\$ --	\$ --	\$ 5.1
Agriculture	11.4	2.7	10.3	0.2	--	24.6
Banking and Insurance	64.4	--	--	--	--	64.4
Community Affairs	53.1	61.1	1,050.9	--	--	1,165.1
Corrections	899.3	116.6	--	1.7	--	1,017.6
Education	69.3	25.3	8,857.7	0.2	--	8,952.5
Environmental Protection	251.3	13.5	20.6	89.8	39.7	414.9
Health and Senior Services	102.8	1,879.6	62.2	0.3	--	2,044.9
Human Services	865.1	4,022.6	379.8	14.1	--	5,281.6
Labor	107.8	41.9	1.6	--	--	151.3
Law and Public Safety	688.8	19.1	12.5	10.8	--	731.2
Military and Veterans' Affairs	84.2	1.1	--	1.1	--	86.4
Personnel	30.5	--	--	--	--	30.5
State	32.9	1,179.3	16.6	1.0	--	1,229.8
Transportation	118.5	278.8	25.3	805.0	--	1,227.6
Treasury	461.4	1,822.8	440.8	5.8	220.6	2,951.4
Miscellaneous	1.4	--	--	--	--	1.4
Inter-Departmental	1,686.5	765.5	--	173.9	--	2,625.9
Subtotal	5,533.8	10,229.9	10,878.3	1,103.9	260.3	28,006.2
Legislative Branch	75.0	--	--	2.2	--	77.2
Judicial Branch	537.2	0.5	--	--	--	537.7
Grand Total	\$ 6,146.0	\$ 10,230.4	\$ 10,878.3	\$ 1,106.1	\$ 260.3	\$ 28,621.1

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES**

Department/Agency	January		
	2005	2004	2003
Executive Branch			
Agriculture	262	254	247
Banking and Insurance	501	481	486
Chief Executive's Office	109	111	118
Community Affairs	1,098	1,045	1,015
Corrections	9,419	9,257	9,344
Parole Board	714	652	699
Education	952	971	920
Environmental Protection	3,437	3,296	3,248
Health and Senior Services	2,151	2,136	1,953
Human Services	20,977	20,152	19,278
Labor	3,765	3,672	3,458
Public Employees Relations Commission	36	34	36
Law and Public Safety	7,772	7,405	7,137
Election Law Enforcement Commission	53	45	46
Violent Crimes Compensation Board	49	48	46
Executive Commission on Ethical Standards	9	8	8
Juvenile Justice	1,774	1,705	1,585
Military and Veterans' Affairs	1,473	1,419	1,358
Personnel	442	399	376
State	199	185	187
Commission on Higher Education	19	19	22
Public Broadcasting Authority	159	159	157
Student Assistance	201	210	193
Transportation	6,448	6,049	5,109
Treasury	3,779	3,594	3,604
Casino Control Commission	349	350	325
Commission on Science and Technology	5	5	8
Office of Administrative Law	112	110	109
Office of Information Technology	938	923	929
Public Defender	1,044	951	877
Board of Public Utilities/Ratepayer Advocate	345	336	319
Miscellaneous Executive Commissions	2	2	2
Total	68,593	65,983	63,199
Legislative Branch	512	520	506
Judicial Branch (Administrative Office of the Courts)	1,837	1,797	1,753
Statewide Total Without Courts	70,942	68,300	65,458
Judicial Branch	7,587	7,546	7,365
Grand Total	78,529	75,846	72,823

Note:

Full-time paid employees were tabulated as of pay period one for each year displayed. Certain offices within departments have been reorganized throughout various fiscal years. These offices have been displayed in a manner that meets the current State organization chart.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2002	2001	2000	1999	1998	1997	1996
259	255	245	239	239	204	203
517	502	472	471	561	565	624
116	122	123	124	114	126	132
1,106	1,086	1,022	974	922	861	936
9,445	8,907	8,697	9,258	9,084	8,128	8,766
713	741	693	161	158	155	148
991	915	860	870	830	849	953
3,449	3,312	3,203	3,085	3,058	3,129	3,386
2,148	2,036	1,956	1,859	1,790	1,821	1,513
18,978	18,001	17,427	16,928	17,914	17,757	19,005
3,486	3,524	3,546	3,624	3,743	3,683	3,855
36	38	38	39	39	37	34
7,379	6,841	6,666	6,486	6,105	6,015	6,129
50	49	38	44	39	36	29
47	47	50	47	50	51	54
9	6	7	6	7	6	7
1,638	1,529	1,439	1,423	1,319	1,188	
1,449	1,458	1,426	1,366	1,357	1,365	1,450
440	426	422	409	431	488	557
202	199	185	165	235	252	262
24	24	23	20	20	19	19
159	153	149	133	135	146	153
213	197	191	198	192	192	191
5,438	5,431	5,071	5,114	5,628	5,787	5,926
3,880	3,686	3,599	3,588	3,368	3,367	3,419
334	333	325	336	336	343	344
9	9	8	4	6	6	6
112	111	115	114	117	129	137
1,048	1,015	996	994	1,109	1,122	1,157
942	927	901	862	837	840	827
307	290	292	298	307	305	305
2	2	2	2	1	--	--
<u>64,926</u>	<u>62,172</u>	<u>60,187</u>	<u>59,241</u>	<u>60,051</u>	<u>58,972</u>	<u>60,527</u>
492	505	484	471	464	472	474
1,795	1,734	1,730	1,706	1,698	1,689	1,687
<u>67,213</u>	<u>64,411</u>	<u>62,401</u>	<u>61,418</u>	<u>62,213</u>	<u>61,133</u>	<u>62,688</u>
<u>7,566</u>	<u>7,432</u>	<u>7,308</u>	<u>7,176</u>	<u>7,009</u>	<u>7,195</u>	<u>7,460</u>
<u>74,779</u>	<u>71,843</u>	<u>69,709</u>	<u>68,594</u>	<u>69,222</u>	<u>68,328</u>	<u>70,148</u>

**STATE OF NEW JERSEY
OPERATING INDICATORS**

<u>Department/Agency</u>	<u>2005*</u>	<u>2004</u>	<u>2003</u>
Agriculture			
Farmland Preservation			
Cumulative acres permanently preserved	147,000	127,038	110,476
Corrections			
Average daily population - State Facilities	23,459	23,006	22,867
Parole Board			
Parolees under supervision	13,667	13,297	13,234
Total hearings	44,338	42,377	39,910
State hearings	29,007	26,902	25,481
Education			
Resident enrollment	1,447,065	1,441,748	1,424,773
Support per pupil	\$13,726	\$13,234	\$12,505
Local	\$7,077	\$7,103	\$6,702
State	\$6,133	\$5,628	\$5,344
Federal	\$516	\$503	\$459
Health and Senior Services			
Family Health Services			
Newborns screened-metabolic & genetic disorders	133,000	113,404	113,032
HealthStart (prenatal)	36,500	35,000	31,000
AIDS Services			
Number of clients tested and counseled	67,750	67,789	67,067
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	148,971	148,349	147,841
Aged: Annual prescriptions	5,538,742	5,477,045	5,304,535
Disabled: Average monthly eligibles	28,319	27,902	27,247
Disabled: Annual prescriptions	1,340,055	1,334,832	1,258,811
Human Services			
NJ KidCare - Childrens Health Insurance Program			
Estimated year-end enrollment	104,565	100,729	92,279
Child Protective and Permanency Services			
Active caseload - children receiving services	60,712	66,237	51,026
Work First New Jersey			
Average monthly recipients	116,830	112,280	107,143
Average monthly grant	\$129.82	\$129.06	\$128.12
Labor and Workforce Development			
Unemployment Insurance			
Covered workers	3,866,700	3,813,549	3,778,630
State Disability Insurance Plan			
Covered workers	2,828,700	2,790,000	2,764,500
Claims received	174,500	174,232	170,958
Law and Public Safety			
State Police Operations			
Criminal investigations	13,575	13,079	12,552
Accident investigations	41,744	41,263	39,724
General investigations	558,250	565,156	573,098
Transportation			
Motor Vehicle Services			
Registrations and title documents issued	10,333,452	10,386,777	10,558,682
Total licensed drivers	5,741,000	5,741,036	5,706,951
Total registered vehicles	7,027,112	7,055,501	7,302,521
Total NJ inspections/reinspections	3,315,854	3,171,458	3,243,086

* Fiscal Year 2005 amounts are estimates.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2002	2001	2000	1999	1998	1997	1996
94,806	80,381	66,375	53,478	47,301	37,198	29,014
22,561	23,109	24,946	25,005	22,213	20,535	23,301
12,867	12,266	13,834	16,406	18,645	19,100	19,276
42,060	47,265	35,300	35,617	38,692	38,726	39,708
27,734	37,564	25,002	23,650	26,399	25,941	26,274
1,395,131	1,357,160	1,327,643	1,298,927	1,278,220	1,216,556	1,228,280
\$11,834	\$11,909	\$10,833	\$10,962	\$10,445	\$10,385	\$10,121
\$6,375	\$6,424	\$6,013	\$6,161	\$6,071	\$6,217	\$6,062
\$5,044	\$5,138	\$4,594	\$4,571	\$4,165	\$3,976	\$3,847
\$415	\$347	\$226	\$230	\$209	\$192	\$212
112,666	111,795	110,815	111,578	110,562	112,904	114,387
30,103	31,000	32,000	31,000	30,200	37,255	36,949
61,969	62,577	57,260	66,192	65,847	68,744	69,349
150,280	140,023	137,305	141,382	142,810	147,448	148,211
4,995,313	4,603,956	4,415,742	4,580,777	4,318,574	3,802,082	3,489,807
26,933	24,728	23,400	22,747	22,256	22,169	22,097
1,193,426	1,080,119	1,031,940	982,670	908,044	805,839	747,691
94,709	76,573	66,858	32,495	8,341	N/A	N/A
51,040	50,630	49,961	51,862	49,700	50,648	49,737
112,773	123,236	146,090	178,114	231,273	277,934	316,795
\$128.82	\$126.19	\$123.41	\$125.69	\$128.56	\$129.27	\$129.10
3,801,600	3,883,400	3,772,368	3,668,800	3,590,743	3,502,300	3,467,500
2,781,200	2,804,900	2,760,200	2,662,600	2,636,800	2,576,600	2,517,000
164,627	167,405	166,393	162,603	163,397	162,799	163,652
11,954	11,385	13,833	15,394	20,246	21,070	22,461
37,833	33,368	32,714	29,948	27,171	27,049	25,758
582,204	640,337	627,782	611,657	623,493	649,452	675,422
10,320,282	10,156,100	10,232,544	10,346,894	9,951,672	10,117,080	9,618,423
5,713,520	5,737,000	5,736,996	5,682,425	5,711,263	5,681,164	5,588,499
7,043,077	6,924,006	6,774,155	6,393,435	6,057,035	6,249,705	5,930,569
3,545,739	3,272,085	3,521,091	4,571,056	6,105,284	6,031,238	5,900,096

**STATE OF NEW JERSEY
CAPITAL ASSET STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Function</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Public safety and criminal justice				
Adult and juvenile correctional institutions	39	39	39	39
State police stations	35	35	35	38
State police officers	2,823	2,669	2,664	2,769
Motor vehicle facilities	80	80	80	80
Number of active armories	33	33	33	33
Total land acres dedicated to function	8,984	8,984	8,984	8,984
Total buildings dedicated to function	1,144	1,144	1,144	1,144
Physical and mental health				
Number of mental health facilities	6	6	6	6
Average daily population	6,085	6,278	6,200	6,118
Total buildings dedicated to function	304	304	304	304
Educational, cultural, and intellectual development				
Number of schools	11	11	11	12
Number of developmental centers	7	7	7	7
Average number of residents	3,096	3,145	3,233	3,365
Total acreage dedicated to function	5,562	5,562	5,562	5,536
Total buildings dedicated to function	505	505	505	505
Community development and environmental management				
State parks, historic sites, natural areas, marinas, other	146	146	146	146
Land preservation acres (easements/farmland)	53,900	50,578	37,247	32,667
Total acreage dedicated to function (includes preservation)	650,501	632,139	628,586	618,763
Total buildings dedicated to function	1,544	1,544	1,544	1,544
Economic planning, development, and security				
Number of residential centers	3	3	3	3
Number of group homes	732	732	718	654
Total acreage dedicated to function	733	732	719	655
Total buildings dedicated to function	735	735	721	657
Transportation programs				
Lane miles, state highways	11,120	11,107	11,073	11,061
Bridges, state highways	2,364	2,366	2,349	2,367
Facilities	120	135	146	146
Total acreage dedicated to function	52,554	50,612	48,861	48,816
Total buildings dedicated to function	416	416	416	416
Government direction, management, and control				
Total acreage dedicated to function	3,539	3,539	3,535	3,535
Total buildings dedicated to function	290	290	290	290
Special government services				
Veteran homes	3	3	3	3
Veterans in residence	815	786	767	815
Total acreage dedicated to function	54	54	54	54
Total buildings dedicated to function	14	14	14	14

Notes:

GASB No. 34 was implemented for Fiscal Year 2002. Therefore, the information presented is limited to four years. Fiscal Year 2005 are estimates.

NEW JERSEY HISTORICAL FACTS AND FIGURES

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held on November 4, 1947.

The State Constitution establishes a bicameral legislature, which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

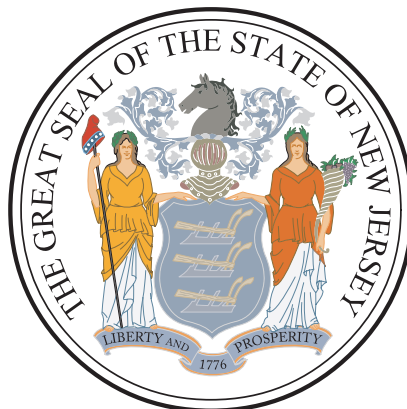
The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2004 was 8,699,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,173 people per square mile.

There are 15 departments of the Executive Branch of State Government. The maximum number permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

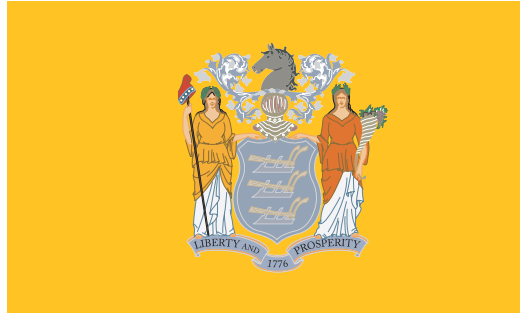
The State Seal

Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed at securing exclusive access to New Jersey's farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse's head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer's left, carries a staff with the same kind of "Liberty cap" worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state's fields, forests, and waters. Below them is a scroll bearing the motto "Liberty and Prosperity," and the year of statehood, 1776.



The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.



Other Legislative Designations

On January 12, 2004 Governor James E. McGreevey signed legislation making the blueberry, New Jersey's official state fruit. The Governor signed the legislation at Veterans Memorial Elementary School in Brick, where fifth graders were actively involved in the legislative process. The blueberry was first cultivated in the Garden State in Whitesbog, by Elizabeth C. White, whose father, J.J. White owned a cranberry plantation. Wild blueberries grew in their cranberry bogs, but it was generally accepted that it was not possible to cultivate blueberries. In 1911, Ms. White read about Dr. Frederick V. Coville's research in blueberry cultivation and began working with him to cultivate blueberries for sale. In 1916, their first blueberry was produced. The result of Ms. White's efforts was the production of a new crop, as well as the entirely new business of propagating and selling blueberry bushes. As plants were sold across the country, New Jersey bushes became established in many states. The blueberry, or *Vaccinium Corymbosum* (the high bush variety) and *Vaccinium Pennsylvanicum* (the low bush variety), grows throughout the Pinelands, in the same general environment that nurtures its cousin, the cranberry. Like the cranberry, the blueberry thrives on the acid soil of the region. Blueberries ripen earlier than do cranberries. Their harvesting in July thus complements the cranberry's fall harvest.

The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the Hadrosaurus Foulki, a 25-foot-long, duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the A.J. Meerwald, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long, has a beam of 22 feet, 3 inches, and weighs 57 tons. In 1942, the tall ship was commandeered by the Maritime Commission under the War Powers Act for use by the Coast Guard as a fireboat. Five years later, it was returned to its owners and used as an oyster dredge, under power, without sails, until the industry vanished in 1957. The A.J. Meerwald was used as a clam dredge from 1959 until 1989, when it was turned over to The Delaware Bay Schooner Project. Today, the A.J. Meerwald serves as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey.