

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>GENERAL FUND</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 10,707,713,000	\$ 11,116,955,657	\$ 11,234,902,149	\$ 117,946,492
Federal and other grants	9,832,155,363	10,013,412,832	6,825,008,264	(3,188,404,568 )
Licenses and fees	1,071,812,146	981,149,501	878,553,351	(102,596,150 )
Services and assessments	1,471,746,205	1,596,225,677	1,343,801,661	(252,424,016 )
Investment earnings	61,000	10,686,828	26,386,395	15,699,567
Contributions	--	--	72,536	72,536
Other	2,262,965,311	2,330,605,384	2,967,269,055	636,663,671
<b>Total revenues</b>	<b>25,346,453,025</b>	<b>26,049,035,879</b>	<b>23,275,993,411</b>	<b>(2,773,042,468 )</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	3,293,454,000	3,512,708,646	3,493,166,761	(19,541,885 )
<b>Total other financing sources</b>	<b>3,293,454,000</b>	<b>3,512,708,646</b>	<b>3,493,166,761</b>	<b>(19,541,885 )</b>
<b>Total revenues and other financing sources</b>	<b>28,639,907,025</b>	<b>29,561,744,525</b>	<b>26,769,160,172</b>	<b>(2,792,584,353 )</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	2,896,743,366	2,908,619,147	2,519,773,179	388,845,968
Physical and mental health	9,752,467,399	9,973,137,294	8,888,480,962	1,084,656,332
Educational, cultural, and intellectual development	5,832,467,782	5,849,788,645	5,609,806,806	239,981,839
Community development and environmental management	1,336,590,587	1,344,606,630	902,201,455	442,405,175
Economic planning, development, and security	3,021,139,575	3,075,637,235	2,611,498,416	464,138,819
Transportation programs	480,653,375	485,723,375	437,002,942	48,720,433
Government direction, management, and control	3,886,849,336	4,030,334,057	3,727,281,750	303,052,307
Special government services	363,095,489	367,407,489	273,973,441	93,434,048
<b>Total expenditures</b>	<b>27,570,006,909</b>	<b>28,035,253,872</b>	<b>24,970,018,951</b>	<b>3,065,234,921</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,363,645,568	1,838,262,623	1,838,262,623	--
<b>Total other financing uses</b>	<b>1,363,645,568</b>	<b>1,838,262,623</b>	<b>1,838,262,623</b>	<b>--</b>
<b>Total expenditures and other financing uses</b>	<b>28,933,652,477</b>	<b>29,873,516,495</b>	<b>26,808,281,574</b>	<b>3,065,234,921</b>
Net change in fund balance	(293,745,452 )	(311,771,970 )	(39,121,402 )	272,650,568
<b>FUND BALANCE - JULY 1, 2002</b>	<b>1,928,700,991</b>	<b>1,928,700,991</b>	<b>1,928,700,991</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2003</b>	<b>\$ 1,634,955,539</b>	<b>\$ 1,616,929,021</b>	<b>\$ 1,889,579,589</b>	<b>\$ 272,650,568</b>

**PROPERTY TAX RELIEF FUND**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$ 7,297,500,000	\$ 6,800,000,000	\$ 6,735,282,357	\$ (64,717,643 )
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>7,297,500,000</u>	<u>6,800,000,000</u>	<u>6,735,282,357</u>	<u>(64,717,643 )</u>
--	459,904,670	459,904,670	--
--	459,904,670	459,904,670	--
<u>7,297,500,000</u>	<u>7,259,904,670</u>	<u>7,195,187,027</u>	<u>(64,717,643 )</u>
--	--	--	--
--	--	--	--
4,992,024,827	4,992,024,827	4,978,842,984	13,181,843
938,220,510	938,467,510	937,853,914	613,596
--	--	--	--
--	--	--	--
1,336,025,282	1,341,025,282	1,278,697,927	62,327,355
--	--	--	--
<u>7,266,270,619</u>	<u>7,271,517,619</u>	<u>7,195,394,825</u>	<u>(76,122,794 )</u>
--	--	--	--
--	--	--	--
<u>7,266,270,619</u>	<u>7,271,517,619</u>	<u>7,195,394,825</u>	<u>76,122,794</u>
31,229,381	(11,612,949 )	(207,798 )	11,405,151
7,296,647	7,296,647	7,296,647	--
<u>\$ 38,526,028</u>	<u>\$ (4,316,302 )</u>	<u>\$ 7,088,849</u>	<u>\$ 11,405,151</u>

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**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE (Continued)  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

<b>TOTAL MAJOR GOVERNMENTAL FUNDS</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 18,005,213,000	\$ 17,916,955,657	\$ 17,970,184,506	\$ 53,228,849
Federal and other grants	9,832,155,363	10,013,412,832	6,825,008,264	(3,188,404,568 )
Licenses and fees	1,071,812,146	981,149,501	878,553,351	(102,596,150 )
Services and assessments	1,471,746,205	1,596,225,677	1,343,801,661	(252,424,016 )
Investment earnings	61,000	10,686,828	26,386,395	15,699,567
Contributions	--	--	72,536	72,536
Other	2,262,965,311	2,330,605,384	2,967,269,055	636,663,671
<b>Total revenues</b>	<b>32,643,953,025</b>	<b>32,849,035,879</b>	<b>30,011,275,768</b>	<b>(2,837,760,111 )</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	3,293,454,000	3,972,613,316	3,953,071,431	(19,541,885 )
<b>Total other financing sources</b>	<b>3,293,454,000</b>	<b>3,972,613,316</b>	<b>3,953,071,431</b>	<b>(19,541,885 )</b>
<b>Total revenues and other financing sources</b>	<b>35,937,407,025</b>	<b>36,821,649,195</b>	<b>33,964,347,199</b>	<b>(2,857,301,996 )</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	2,896,743,366	2,908,619,147	2,519,773,179	388,845,968
Physical and mental health	9,752,467,399	9,973,137,294	8,888,480,962	1,084,656,332
Educational, cultural, and intellectual development	10,824,492,609	10,841,813,472	10,588,649,790	253,163,682
Community development and environmental management	2,274,811,097	2,283,074,140	1,840,055,369	443,018,771
Economic planning, development, and security	3,021,139,575	3,075,637,235	2,611,498,416	464,138,819
Transportation programs	480,653,375	485,723,375	437,002,942	48,720,433
Government direction, management, and control	5,222,874,618	5,371,359,339	5,005,979,677	365,379,662
Special government services	363,095,489	367,407,489	273,973,441	93,434,048
<b>Total expenditures</b>	<b>34,836,277,528</b>	<b>35,306,771,491</b>	<b>32,165,413,776</b>	<b>2,989,112,127</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,363,645,568	1,838,262,623	1,838,262,623	--
<b>Total other financing uses</b>	<b>1,363,645,568</b>	<b>1,838,262,623</b>	<b>1,838,262,623</b>	<b>--</b>
<b>Total expenditures and other financing uses</b>	<b>36,199,923,096</b>	<b>37,145,034,114</b>	<b>34,003,676,399</b>	<b>3,141,357,715</b>
Net change in fund balance	(262,516,071 )	(323,384,919 )	(39,329,200 )	284,055,719
<b>FUND BALANCES - JULY 1, 2002</b>	<b>1,935,997,638</b>	<b>1,935,997,638</b>	<b>1,935,997,638</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2003</b>	<b>\$ 1,673,481,567</b>	<b>\$ 1,612,612,719</b>	<b>\$ 1,896,668,438</b>	<b>\$ 284,055,719</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Sources/inflows of resources:</b>		
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	\$26,769,160,172	\$7,195,187,027
<b>Differences--budget to GAAP:</b>		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	335,532,583	--
Proceeds from the sale of general obligation refunding bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	323,384,331	--
Proceeds from the sale of pension refunding bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	375,000,000	--
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.	625,967,199	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	900,392,000	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	672,670,795	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$30,002,107,080	\$7,195,187,027

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

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>
<b>Uses/outflows of resources:</b>		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$26,808,281,574	\$7,195,394,825
Differences--budget to GAAP:		
Encumbrances for items ordered but not received is reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(884,825,282)	(26,561,578)
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.	697,452,475	3,623,824
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(4,364,779)	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	40,821,844	--
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	335,532,583	--
General obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are other financing uses for financial reporting purposes.	323,384,331	--
Pension refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are other financing uses for financial reporting purposes.	375,000,000	--
School construction bonds proceeds distributed to the New Jersey School Construction Corporation are not outflows of budgetary resources but are other financing uses for financial reporting purposes.	604,717,301	--
Additions to other debt are not budgetary outflows but are expenditures for financial reporting purposes.	900,392,000	--
Expenditures in other funds are not outflows of budgetary resources but have been incorporated into expenditures for financial reporting purposes.	482,672,398	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$29,679,064,445</u>	<u>\$7,172,457,071</u>

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

<b>Plan / Actuarial Valuation</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>PERS - State</b>						
6/30/00	9,743,727,383	8,538,685,222	(1,205,042,161)	114.1%	3,094,280,664	(38.9)%
6/30/01	11,123,818,861	9,886,463,368	(1,237,355,493)	112.5%	3,288,383,788	(37.6)%
6/30/02	11,073,156,965	10,760,557,482	(312,599,483)	102.9%	3,511,151,199	(8.9)%
<b>PERS - Local</b>						
6/30/00	14,380,511,913	12,007,160,806	(2,373,351,107)	119.8%	4,910,962,708	(48.3)%
6/30/01	16,625,288,260	13,819,038,491	(2,806,249,769)	120.3%	5,240,338,738	(53.6)%
6/30/02	16,503,081,054	14,929,334,103	(1,573,746,951)	110.5%	5,534,322,805	(28.4)%
<b>TPAF</b>						
6/30/00	30,203,205,322	27,404,618,051	(2,798,587,271)	110.2%	6,571,641,181	(42.6)%
6/30/01	35,351,379,511	32,745,357,185	(2,606,022,326)	108.0%	6,948,381,383	(37.5)%
6/30/02	35,148,246,433	35,146,591,842	(1,654,591)	100.0%	7,348,993,141	0.0%
<b>PFRS-State</b>						
6/30/00	1,884,870,936	1,666,842,906	(218,028,030)	113.1%	363,360,250	(60.0)%
6/30/01	1,991,299,968	1,866,140,391	(125,159,577)	106.7%	398,118,379	(31.4)%
6/30/02	2,032,977,241	2,046,820,189	13,842,948	99.3%	418,849,259	3.3%
<b>PFRS-Local</b>						
6/30/00	15,644,750,281	14,924,699,712	(720,050,569)	104.8%	2,055,781,766	(35.0)%
6/30/01	16,083,153,842	16,056,446,646	(26,707,196)	100.2%	2,163,590,060	(1.2)%
6/30/02	16,392,195,411	17,181,142,310	788,946,899	95.4%	2,275,130,620	34.7%
<b>SPRS</b>						
6/30/00	1,752,423,441	1,512,909,805	(239,513,636)	115.8%	188,466,237	(127.1)%
6/30/01	1,829,414,353	1,626,631,656	(202,782,697)	112.5%	199,727,203	(101.5)%
6/30/02	1,853,684,177	1,739,427,739	(114,256,438)	106.6%	215,161,126	(53.1)%
<b>JRS</b>						
6/30/00	374,486,433	350,920,345	(23,566,088)	106.7%	55,514,214	(42.5)%
6/30/01	379,592,346	372,760,069	(6,832,277)	101.8%	57,800,334	(11.8)%
6/30/02	373,231,198	388,950,803	15,719,605	96.0%	61,873,500	25.4%
<b>CPFPE</b>						
6/30/00	46,078,644	46,544,429	465,785	99.0%	-	N/A
6/30/01	38,656,261	41,658,355	3,002,094	92.8%	-	N/A
6/30/02	31,842,976	36,350,384	4,507,408	87.6%	-	N/A
<b>POPF</b>						
6/30/00	18,268,489	14,216,588	(4,051,901)	128.5%	-	N/A
6/30/01	18,269,899	12,994,567	(5,275,332)	140.6%	-	N/A
6/30/02	17,908,452	11,781,734	(6,126,718)	152.0%	-	N/A

## STATE OF NEW JERSEY NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

### **Budgetary Process**

Annual budgets are adopted for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). The Legislature enacts the Budget through passage of specific departmental appropriations, the sum of which may not exceed estimated 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 Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming year. During the year, the spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the 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) 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. Examples of program classifications include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environment Protection. Appropriations Act revisions during the year, 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 Appropriation Act, management may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions the additional approval by the Office of Legislative Services is required. Only the Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and management approval.

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

The State's budgetary basis of accounting differs from that utilized to present 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.