

*Required
Supplementary
Information*



**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	General Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 15,302,671,000	\$ 15,413,972,000	\$ 15,038,368,917	\$ (375,603,083)
Federal and other grants	9,591,001,045	9,658,553,838	8,046,956,041	(1,611,597,797)
Licenses and fees	1,487,652,895	1,420,837,146	1,234,281,335	(186,555,811)
Services and assessments	2,084,234,271	1,951,370,120	1,655,511,360	(295,858,760)
Investment earnings	47,000	119,252,734	123,271,131	4,018,397
Contributions	1,000	1,000	1,620	620
Other	2,833,302,649	3,010,776,177	1,913,286,778	(1,097,489,399)
Total Revenues	31,298,909,860	31,574,763,015	28,011,677,182	(3,563,085,833)
OTHER FINANCING SOURCES				
Transfers from other funds	2,202,811,000	2,450,603,435	2,240,007,798	(210,595,637)
Total Other Financing Sources	2,202,811,000	2,450,603,435	2,240,007,798	(210,595,637)
Total Revenues and Other Financing Sources	33,501,720,860	34,025,366,450	30,251,684,980	(3,773,681,470)
EXPENDITURES				
Public safety and criminal justice	3,511,922,795	3,534,073,501	3,117,653,378	416,420,123
Physical and mental health	10,249,270,284	10,236,341,213	9,328,965,434	907,375,779
Educational, cultural, and intellectual development	5,420,743,997	4,983,546,007	4,613,042,313	370,503,694
Community development and environmental management	1,970,300,041	1,977,846,719	1,418,244,637	559,602,082
Economic planning, development, and security	4,622,099,895	4,640,143,024	4,021,591,187	618,551,837
Transportation programs	506,740,490	518,451,398	455,745,135	62,706,263
Government direction, management, and control	5,846,687,250	6,016,740,721	5,462,706,210	554,034,511
Special government services	436,199,416	439,891,176	332,601,292	107,289,884
Total Expenditures	32,563,964,168	32,347,033,759	28,750,549,586	3,596,484,173
OTHER FINANCING USES				
Transfers to other funds	1,197,848,692	1,847,167,692	1,178,734,692	668,433,000
Total Other Financing Uses	1,197,848,692	1,847,167,692	1,178,734,692	668,433,000
Total Expenditures and Other Financing Uses	33,761,812,860	34,194,201,451	29,929,284,278	4,264,917,173
Net change in fund balance	(260,092,000)	(168,835,001)	322,400,702	491,235,703
FUND BALANCES - JULY 1, 2006	1,025,017,000	1,216,709,740	1,216,709,740	--
FUND BALANCES - JUNE 30, 2007	\$ 764,925,000	\$ 1,047,874,739	\$ 1,539,110,442	\$ 491,235,703

Property Tax Relief Fund

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
\$	11,379,010,097	\$ 11,414,010,097	\$ 12,376,516,638	\$ 962,506,541
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	<u>11,379,010,097</u>	<u>11,414,010,097</u>	<u>12,376,516,638</u>	<u>962,506,541</u>
	--	650,000,000	--	(650,000,000)
	--	650,000,000	--	(650,000,000)
	<u>11,379,010,097</u>	<u>12,064,010,097</u>	<u>12,376,516,638</u>	<u>312,506,541</u>
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	9,037,936,295	9,052,122,559	9,438,696,435	(386,573,876)
	890,263,925	849,358,511	889,319,130	(39,960,619)
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	1,404,790,877	1,347,495,027	1,367,947,581	(20,452,554)
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	<u>11,332,991,097</u>	<u>11,248,976,097</u>	<u>11,695,963,146</u>	<u>(446,987,049)</u>
	--	167,647,000	--	167,647,000
	--	167,647,000	--	167,647,000
	<u>11,332,991,097</u>	<u>11,416,623,097</u>	<u>11,695,963,146</u>	<u>(279,340,049)</u>
	46,019,000	647,387,000	680,553,492	33,166,492
	--	2,613,267	2,613,267	--
	<u>\$ 46,019,000</u>	<u>\$ 650,000,267</u>	<u>\$ 683,166,759</u>	<u>\$ 33,166,492</u>

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**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	TOTAL MAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 26,681,681,097	\$ 26,827,982,097	\$ 27,414,885,555	\$ 586,903,458
Federal and other grants	9,591,001,045	9,658,553,838	8,046,956,041	(1,611,597,797)
Licenses and fees	1,487,652,895	1,420,837,146	1,234,281,335	(186,555,811)
Services and assessments	2,084,234,271	1,951,370,120	1,655,511,360	(295,858,760)
Investment earnings	47,000	119,252,734	123,271,131	4,018,397
Contributions	1,000	1,000	1,620	620
Other	2,833,302,649	3,010,776,177	1,913,286,778	(1,097,489,399)
Total Revenues	42,677,919,957	42,988,773,112	40,388,193,820	(2,600,579,292)
OTHER FINANCING SOURCES				
Transfers from other funds	2,202,811,000	3,100,603,435	2,240,007,798	(860,595,637)
Total Other Financing Sources	2,202,811,000	3,100,603,435	2,240,007,798	(860,595,637)
Total Revenues and Other Financing Sources	44,880,730,957	46,089,376,547	42,628,201,618	(3,461,174,929)
EXPENDITURES				
Public safety and criminal justice	3,511,922,795	3,534,073,501	3,117,653,378	416,420,123
Physical and mental health	10,249,270,284	10,236,341,213	9,328,965,434	907,375,779
Educational, cultural, and intellectual development	14,458,680,292	14,035,668,566	14,051,738,748	(16,070,182)
Community development and environmental management	2,860,563,966	2,827,205,230	2,307,563,767	519,641,463
Economic planning, development, and security	4,622,099,895	4,640,143,024	4,021,591,187	618,551,837
Transportation programs	506,740,490	518,451,398	455,745,135	62,706,263
Government direction, management, and control	7,251,478,127	7,364,235,748	6,830,653,791	533,581,957
Special government services	436,199,416	439,891,176	332,601,292	107,289,884
Total Expenditures	43,896,955,265	43,596,009,856	40,446,512,732	3,149,497,124
OTHER FINANCING USES				
Transfers to other funds	1,197,848,692	2,014,814,692	1,178,734,692	836,080,000
Total Other Financing Uses	1,197,848,692	2,014,814,692	1,178,734,692	836,080,000
Total Expenditures and Other Financing Uses	45,094,803,957	45,610,824,548	41,625,247,424	3,985,577,124
Net change in fund balance	(214,073,000)	478,551,999	1,002,954,194	524,402,195
FUND BALANCES - JULY 1, 2006	1,025,017,000	1,219,323,007	1,219,323,007	--
FUND BALANCES - JUNE 30, 2007	\$ 810,944,000	\$ 1,697,875,006	\$ 2,222,277,201	\$ 524,402,195

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**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	\$30,251,684,980	\$12,376,516,638
Differences--budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	483,727,862	--
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(98,540,038)	--
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.	604,172,000	--
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.	129,085,553	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	84,498,577	--
Excess anticipated revenue transferred from Fund Balance - Reserved for Surplus Revenue is a budgetary resource but is not revenue for financial reporting purposes.	(75,233,000)	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	(97,266,409)	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$31,282,129,525	\$12,376,516,638
GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:		
Total revenues	\$28,512,867,194	
Transfers from other funds	1,951,506,201	
Other sources	817,756,130	
Total revenues and other financing sources	\$31,282,129,525	

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$29,929,284,278	\$11,695,963,146
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.	(1,085,079,086)	(13,370,955)
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.	917,917,120	4,343,789
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(488,958)	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	(45,427,582)	--
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	483,727,862	--
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.	604,172,000	--
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.	129,085,553	--
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	105,237,316	--
Expenditures in other funds are not outflows of budgetary resources but have been incorporated into expenditures for financial reporting purposes.	87,737	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$31,038,516,240	\$11,686,935,980
 GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:		
Total expenditures	\$29,151,155,987	
Transfers to other funds	1,778,734,700	
Other uses	108,625,553	
Total expenditures and other financing uses	\$31,038,516,240	

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Process

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

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the 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
HBPF - State						
6/30/06	-	58,059,000,000	58,059,000,000	-	-	N/A
PERS - State						
6/30/04	10,693,508,592	12,620,379,435	1,926,870,843	84.7%	3,751,765,096	51.4%
6/30/05	10,631,348,826	13,432,528,883	2,801,180,057	79.1%	4,028,028,170	69.5%
6/30/06	10,668,645,162	14,797,684,446	4,129,039,284	72.1%	4,253,564,219	97.1%
PERS - Local						
6/30/04	16,414,022,003	17,077,938,057	663,916,054	96.1%	6,140,413,756	10.8%
6/30/05	16,482,040,944	18,341,857,304	1,859,816,360	89.9%	6,416,265,644	29.0%
6/30/06	16,699,827,172	20,273,979,840	3,574,152,668	82.4%	6,730,309,209	53.1%
TPAF						
6/30/04	34,633,790,549	40,447,690,339	5,813,899,790	85.6%	8,047,272,269	72.2%
6/30/05	34,789,389,875	43,967,927,299	9,178,537,424	79.1%	8,454,072,109	108.6%
6/30/06	35,531,294,790	46,539,868,653	11,008,573,863	76.3%	8,748,623,186	125.8%
PFRS-State						
6/30/04	1,940,936,459	2,509,192,584	568,256,125	77.4%	450,406,301	126.2%
6/30/05	2,005,752,079	2,815,620,221	809,868,142	71.2%	482,460,402	167.9%
6/30/06	2,082,930,162	3,082,176,677	999,246,515	67.6%	506,084,434	197.4%
PFRS-Local						
6/30/04	16,762,453,668	19,769,046,766	3,006,593,098	84.8%	2,524,859,162	119.1%
6/30/05	17,372,138,294	21,388,972,326	4,016,834,032	81.2%	2,619,347,468	153.4%
6/30/06	18,281,315,556	22,907,522,660	4,626,207,104	79.8%	2,772,915,465	166.8%
SPRS						
6/30/04	1,897,525,210	1,949,309,641	51,784,431	97.3%	223,552,154	23.2%
6/30/05	1,922,443,732	2,075,266,080	152,822,348	92.6%	241,813,372	63.2%
6/30/06	1,970,398,511	2,319,656,532	349,258,021	84.9%	263,220,592	132.7%
JRS						
6/30/04	371,730,163	445,922,358	74,192,195	83.4%	61,576,750	120.5%
6/30/05	369,491,366	466,145,912	96,654,546	79.3%	60,506,750	159.7%
6/30/06	369,493,799	493,778,007	124,284,208	74.8%	62,492,250	198.9%
CPFPF						
6/30/04	21,735,396	35,052,202	13,316,806	62.0%	-	N/A
6/30/05	21,886,445	30,031,591	8,145,146	72.9%	-	N/A
6/30/06	22,453,828	24,749,667	2,295,839	90.7%	-	N/A
POPF						
6/30/04	15,884,428	10,060,710	(5,823,718)	157.9%	-	N/A
6/30/05	14,783,465	9,077,157	(5,706,308)	162.9%	-	N/A
6/30/06	14,014,718	8,236,295	(5,778,423)	170.2%	-	N/A