

*Required
Supplementary
Information*





**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR JUNE 30, 2010**

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 14,105,500,000	\$ 13,108,600,000	\$ 13,165,444,088	\$ 56,844,088
Federal and other grants	13,277,962,794	13,751,645,563	11,837,266,091	(1,914,379,472)
Licenses and fees	1,171,125,869	1,106,496,942	1,122,043,710	15,546,768
Services and assessments	2,210,429,042	2,075,155,098	1,628,392,659	(446,762,439)
Investment earnings	40,000	3,245,470	3,220,951	(24,519)
Contributions	2,000	2,000	2,381	381
Other	3,515,373,252	3,383,731,987	2,113,763,893	(1,269,968,094)
Total Revenues	<u>34,280,432,957</u>	<u>33,428,877,060</u>	<u>29,870,133,773</u>	<u>(3,558,743,287)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	<u>2,266,154,000</u>	<u>2,760,565,987</u>	<u>2,753,990,971</u>	<u>(6,575,016)</u>
Total Other Financing Sources	<u>2,266,154,000</u>	<u>2,760,565,987</u>	<u>2,753,990,971</u>	<u>(6,575,016)</u>
Total Revenues and Other Financing Sources	<u>36,546,586,957</u>	<u>36,189,443,047</u>	<u>32,624,124,744</u>	<u>(3,565,318,303)</u>
EXPENDITURES				
Public safety and criminal justice	3,756,893,726	3,722,971,812	3,213,487,807	509,484,005
Physical and mental health	11,113,883,849	11,336,761,753	10,741,681,101	595,080,652
Educational, cultural, and intellectual development	6,346,588,375	5,977,420,022	5,869,888,283	107,531,739
Community development and environmental management	2,241,521,307	2,261,048,534	1,434,006,896	827,041,638
Economic planning, development, and security	5,239,821,624	5,291,260,085	4,540,003,233	751,256,852
Transportation programs	513,984,631	538,862,429	469,966,154	68,896,275
Government direction, management, and control	5,598,925,900	5,617,238,766	5,275,071,621	342,167,145
Special government services	473,345,810	472,866,266	346,611,385	126,254,881
Total Expenditures	<u>35,284,965,222</u>	<u>35,218,429,667</u>	<u>31,890,716,480</u>	<u>3,327,713,187</u>
OTHER FINANCING USES				
Transfers to other funds	<u>1,495,031,381</u>	<u>1,082,451,380</u>	<u>1,023,851,382</u>	<u>58,599,998</u>
Total Other Financing Uses	<u>1,495,031,381</u>	<u>1,082,451,380</u>	<u>1,023,851,382</u>	<u>58,599,998</u>
Total Expenditures and Other Financing Uses	<u>36,779,996,603</u>	<u>36,300,881,047</u>	<u>32,914,567,862</u>	<u>3,386,313,185</u>
Net change in fund balance	(233,409,646)	(111,438,000)	(290,443,118)	(179,005,118)
Fund Balances - July 1, 2009	<u>734,167,000</u>	<u>614,179,570</u>	<u>614,179,570</u>	<u>-</u>
Fund Balances - June 30, 2010	<u>\$ 500,757,354</u>	<u>\$ 502,741,570</u>	<u>\$ 323,736,452</u>	<u>\$ (179,005,118)</u>

Property Tax Relief Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 10,754,947,471	\$ 10,558,254,471	\$ 10,917,788,982	\$ 359,534,511
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>10,754,947,471</u>	<u>10,558,254,471</u>	<u>10,917,788,982</u>	<u>359,534,511</u>
464,000,000	35,796,000	-	(35,796,000)
<u>464,000,000</u>	<u>35,796,000</u>	<u>-</u>	<u>(35,796,000)</u>
<u>11,218,947,471</u>	<u>10,594,050,471</u>	<u>10,917,788,982</u>	<u>323,738,511</u>
-	-	-	-
-	-	-	-
9,212,876,225	8,642,671,044	8,910,676,475	(268,005,431)
559,705,567	540,458,939	546,091,658	(5,632,719)
-	-	-	-
-	-	-	-
1,446,365,679	1,410,920,488	1,450,964,706	(40,044,218)
-	-	-	-
<u>11,218,947,471</u>	<u>10,594,050,471</u>	<u>10,907,732,839</u>	<u>(313,682,368)</u>
-	-	-	-
-	-	-	-
<u>11,218,947,471</u>	<u>10,594,050,471</u>	<u>10,907,732,839</u>	<u>(313,682,368)</u>
-	-	10,056,143	10,056,143
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,056,143</u>	<u>\$ 10,056,143</u>

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**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE FISCAL YEAR JUNE 30, 2010**

	Total Major Governmental Funds			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 24,860,447,471	\$ 23,666,854,471	\$ 24,083,233,070	\$ 416,378,599
Federal and other grants	13,277,962,794	13,751,645,563	11,837,266,091	(1,914,379,472)
Licenses and fees	1,171,125,869	1,106,496,942	1,122,043,710	15,546,768
Services and assessments	2,210,429,042	2,075,155,098	1,628,392,659	(446,762,439)
Investment earnings	40,000	3,245,470	3,220,951	(24,519)
Contributions	2,000	2,000	2,381	381
Other	3,515,373,252	3,383,731,987	2,113,763,893	(1,269,968,094)
Total Revenues	45,035,380,428	43,987,131,531	40,787,922,755	(3,199,208,776)
OTHER FINANCING SOURCES				
Transfers from other funds	2,730,154,000	2,796,361,987	2,753,990,971	(42,371,016)
Total Other Financing Sources	2,730,154,000	2,796,361,987	2,753,990,971	(42,371,016)
Total Revenues and Other Financing Sources	47,765,534,428	46,783,493,518	43,541,913,726	(3,241,579,792)
EXPENDITURES				
Public safety and criminal justice	3,756,893,726	3,722,971,812	3,213,487,807	509,484,005
Physical and mental health	11,113,883,849	11,336,761,753	10,741,681,101	595,080,652
Educational, cultural, and intellectual development	15,559,464,600	14,620,091,066	14,780,564,758	(160,473,692)
Community development and environmental management	2,801,226,874	2,801,507,473	1,980,098,554	821,408,919
Economic planning, development, and security	5,239,821,624	5,291,260,085	4,540,003,233	751,256,852
Transportation programs	513,984,631	538,862,429	469,966,154	68,896,275
Government direction, management, and control	7,045,291,579	7,028,159,254	6,726,036,327	302,122,927
Special government services	473,345,810	472,866,266	346,611,385	126,254,881
Total Expenditures	46,503,912,693	45,812,480,138	42,798,449,319	3,014,030,819
OTHER FINANCING USES				
Transfers to other funds	1,495,031,381	1,082,451,380	1,023,851,382	58,599,998
Total Other Financing Uses	1,495,031,381	1,082,451,380	1,023,851,382	58,599,998
Total Expenditures and Other Financing Uses	47,998,944,074	46,894,931,518	43,822,300,701	3,072,630,817
Net change in fund balance	(233,409,646)	(111,438,000)	(280,386,975)	(168,948,975)
Fund Balances - July 1, 2009	734,167,000	614,179,570	614,179,570	-
Fund Balances - June 30, 2010	\$ 500,757,354	\$ 502,741,570	\$ 333,792,595	\$ (168,948,975)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**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	\$ 32,624,124,744	\$ 10,917,788,982
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	981,689,996	-
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(256,071,235)	-
Proceeds and premiums from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	1,871,745,230	-
Proceeds and premiums from the sale of general obligation refunding bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	27,064,765	-
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.	39,129,234	-
Revenue transferred from Long Term Obligation and Capital Expenditure Fund is a budgetary resource but is not revenue for financial reporting purposes.	(103,730,332)	-
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	5,105,121	-
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 35,189,057,523	\$ 10,917,788,982
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 30,777,686,614	
Transfers from other funds	2,473,431,680	
Other sources	1,937,939,229	
Total revenues and other financing sources	\$ 35,189,057,523	

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

	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	\$ 32,914,567,862	\$ 10,907,732,839
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.	(1,292,744,325)	(1,545,489)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	1,107,496,638	1,742,883
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	34,724,773	-
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	981,689,996	-
School construction bonds proceeds distributed to the New Jersey Schools Development Authority are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	1,871,745,230	-
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.	27,064,765	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	39,129,234	-
Expenditures in the Long Term Obligation and Capital Expenditure Fund are not an outflow of budgetary resources but are expenditures for financial reporting purposes.	(74,875,713)	-
Expenditures in other funds are not outflows of budgetary resources but have been incorporated into expenditures for financial reporting purposes.	80,260	-
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 35,608,878,720	\$ 10,907,930,233
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 32,638,456,069	
Transfers to other funds	1,777,613,318	
Other uses	1,192,809,333	
Total expenditures and other financing uses	\$ 35,608,878,720	

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

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

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

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

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

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

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

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
OPEB - State						
June 30, 2007	-	50,649,500,000	50,649,500,000	-	-	N/A
June 30, 2008	-	55,913,500,000	55,913,500,000	-	20,180,200,000	277.1%
June 30, 2009	-	56,782,500,000	56,782,500,000	-	20,794,400,000	273.1%
PERS - State						
June 30, 2007	11,024,255,608	16,028,875,601	5,004,619,993	68.8%	4,434,933,181	112.8%
June 30, 2008	11,200,668,671	17,072,702,680	5,872,034,009	65.6%	4,609,019,779	127.4%
June 30, 2009	10,692,585,100	18,947,194,579	8,254,609,479	56.4%	4,627,092,235	178.4%
PERS - Local						
June 30, 2007	17,690,520,507	21,764,214,593	4,073,694,086	81.3%	6,983,534,635	58.3%
June 30, 2008	18,217,749,414	23,173,183,973	4,955,434,559	78.6%	7,206,781,046	68.8%
June 30, 2009	18,165,648,669	25,523,208,576	7,357,559,907	71.2%	7,368,354,906	99.9%
TPAF						
June 30, 2007	36,714,578,745	49,161,247,363	12,446,668,618	74.7%	9,077,628,813	137.1%
June 30, 2008	36,664,627,629	51,754,814,521	15,090,186,892	70.8%	9,419,083,203	160.2%
June 30, 2009	34,838,211,259	54,576,061,024	19,737,849,765	63.8%	9,747,020,060	202.5%
PFRS - State						
June 30, 2007	2,215,697,407	3,426,631,813	1,210,934,406	64.7%	527,556,519	229.5%
June 30, 2008	2,316,017,361	3,749,118,910	1,433,101,549	61.8%	527,495,741	271.7%
June 30, 2009	2,254,766,935	3,993,259,480	1,738,492,545	56.5%	525,862,047	330.6%
PFRS - Local						
June 30, 2007	19,500,229,156	24,562,195,443	5,061,966,287	79.4%	2,932,283,180	172.6%
June 30, 2008	20,437,541,909	26,871,106,532	6,433,564,623	76.1%	3,068,758,436	209.6%
June 30, 2009	20,724,453,343	28,448,841,765	7,724,388,422	72.8%	3,147,812,476	245.4%
SPRS						
June 30, 2007	2,066,754,160	2,485,649,230	418,895,070	83.1%	275,301,995	152.2%
June 30, 2008	2,127,263,509	2,609,164,869	481,901,360	81.5%	281,087,566	171.4%
June 30, 2009	2,063,962,877	2,825,455,568	761,492,691	73.0%	287,267,502	265.1%
JRS						
June 30, 2007	379,364,939	524,970,330	145,605,391	72.3%	63,144,685	230.6%
June 30, 2008	380,964,713	553,284,647	172,319,934	68.9%	67,159,516	256.6%
June 30, 2009	354,399,646	594,043,375	239,643,729	59.7%	70,133,372	341.7%
CPFPF						
June 30, 2007	19,336,247	21,090,186	1,753,939	91.7%	-	N/A
June 30, 2008	15,705,984	17,319,488	1,613,504	90.7%	-	N/A
June 30, 2009	13,515,949	14,024,132	508,183	96.4%	-	N/A
POPF						
June 30, 2007	13,499,361	7,378,386	(6,120,975)	183.0%	-	N/A
June 30, 2008	12,890,441	6,789,017	(6,101,424)	189.9%	-	N/A
June 30, 2009	11,986,919	6,136,441	(5,850,478)	195.3%	-	N/A

Note: The 6/30/2009 Pension Actuarial Reports are available at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.htm>.