

*Required  
Supplementary  
Information*

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR JUNE 30, 2011**

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 13,853,612,000	\$ 14,133,197,000	\$ 13,635,771,166	\$ (497,425,834)
Federal and other grants	12,684,013,457	12,889,140,858	10,821,375,280	(2,067,765,578)
Licenses and fees	1,126,657,081	1,159,083,417	1,185,278,354	26,194,937
Services and assessments	2,107,066,326	2,080,156,144	1,660,637,467	(419,518,677)
Investment earnings	11,000	3,299,549	5,993,385	2,693,836
Contributions	1,000	1,000	2,110	1,110
Other	3,072,394,255	3,089,461,687	1,933,131,893	(1,156,329,794)
Total Revenues	<u>32,843,755,119</u>	<u>33,354,339,655</u>	<u>29,242,189,655</u>	<u>(4,112,150,000)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>2,568,894,000</u>	<u>3,134,785,397</u>	<u>2,620,365,568</u>	<u>(514,419,829)</u>
Total Other Financing Sources	<u>2,568,894,000</u>	<u>3,134,785,397</u>	<u>2,620,365,568</u>	<u>(514,419,829)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>35,412,649,119</u>	<u>36,489,125,052</u>	<u>31,862,555,223</u>	<u>(4,626,569,829)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,801,359,897	3,894,617,332	3,192,870,405	701,746,927
Physical and mental health	11,921,132,398	12,352,227,454	11,032,004,938	1,320,222,516
Educational, cultural, and intellectual development	5,142,117,971	5,178,980,029	4,740,057,289	438,922,740
Community development and environmental management	1,945,748,052	2,001,281,289	1,255,551,958	745,729,331
Economic planning, development, and security	4,958,141,297	5,080,392,548	4,373,921,099	706,471,449
Transportation programs	415,540,701	463,240,022	420,708,036	42,531,986
Government direction, management, and control	5,848,448,275	6,020,746,942	5,371,335,202	649,411,740
Special government services	463,082,901	478,550,809	348,906,676	129,644,133
Total Expenditures	<u>34,495,571,492</u>	<u>35,470,036,425</u>	<u>30,735,355,603</u>	<u>4,734,680,822</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	<u>1,120,404,627</u>	<u>1,120,404,627</u>	<u>1,120,404,627</u>	<u>-</u>
Total Other Financing Uses	<u>1,120,404,627</u>	<u>1,120,404,627</u>	<u>1,120,404,627</u>	<u>-</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>35,615,976,119</u>	<u>36,590,441,052</u>	<u>31,855,760,230</u>	<u>4,734,680,822</u>
<b>Net Change in Fund Balance</b>	(203,327,000)	(101,316,000)	6,794,993	108,110,993
<b>Fund Balances - July 1, 2010</b>	<u>504,642,000</u>	<u>794,265,603</u>	<u>794,265,603</u>	<u>-</u>
<b>Fund Balances - June 30, 2011</b>	<u>\$ 301,315,000</u>	<u>\$ 692,949,603</u>	<u>\$ 801,060,596</u>	<u>\$ 108,110,993</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>
\$ 10,144,553,613	\$ 10,821,576,613	\$ 11,233,777,661	\$ 412,201,048
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>10,144,553,613</u>	<u>10,821,576,613</u>	<u>11,233,777,661</u>	<u>412,201,048</u>
-	-	-	-
-	-	-	-
<u>10,144,553,613</u>	<u>10,821,576,613</u>	<u>11,233,777,661</u>	<u>412,201,048</u>
-	-	-	-
-	123,676,979	135,827,988	(12,151,009)
9,322,191,701	9,320,386,007	9,672,631,828	(352,245,821)
264,805,890	241,116,673	264,592,785	(23,476,112)
-	27,023,042	29,678,000	(2,654,958)
-	-	-	-
557,556,022	651,661,912	711,206,194	(59,544,282)
-	-	-	-
<u>10,144,553,613</u>	<u>10,363,864,613</u>	<u>10,813,936,795</u>	<u>(450,072,182)</u>
-	467,712,000	-	467,712,000
-	467,712,000	-	467,712,000
<u>10,144,553,613</u>	<u>10,831,576,613</u>	<u>10,813,936,795</u>	<u>17,639,818</u>
-	(10,000,000)	419,840,866	429,840,866
-	10,000,050	10,000,050	-
<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 429,840,916</u>	<u>\$ 429,840,866</u>

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**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS (Continued)  
FOR THE FISCAL YEAR JUNE 30, 2011**

	<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	\$ 23,998,165,613	\$ 24,954,773,613	\$ 24,869,548,827	\$ (85,224,786)
Federal and other grants	12,684,013,457	12,889,140,858	10,821,375,280	(2,067,765,578)
Licenses and fees	1,126,657,081	1,159,083,417	1,185,278,354	26,194,937
Services and assessments	2,107,066,326	2,080,156,144	1,660,637,467	(419,518,677)
Investment earnings	11,000	3,299,549	5,993,385	2,693,836
Contributions	1,000	1,000	2,110	1,110
Other	3,072,394,255	3,089,461,687	1,933,131,893	(1,156,329,794)
<b>Total Revenues</b>	<b>42,988,308,732</b>	<b>44,175,916,268</b>	<b>40,475,967,316</b>	<b>(3,699,948,952)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	2,568,894,000	3,134,785,397	2,620,365,568	(514,419,829)
<b>Total Other Financing Sources</b>	<b>2,568,894,000</b>	<b>3,134,785,397</b>	<b>2,620,365,568</b>	<b>(514,419,829)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>45,557,202,732</b>	<b>47,310,701,665</b>	<b>43,096,332,884</b>	<b>(4,214,368,781)</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,801,359,897	3,894,617,332	3,192,870,405	701,746,927
Physical and mental health	11,921,132,398	12,475,904,433	11,167,832,926	1,308,071,507
Educational, cultural, and intellectual development	14,464,309,672	14,499,366,036	14,412,689,117	86,676,919
Community development and environmental management	2,210,553,942	2,242,397,962	1,520,144,743	722,253,219
Economic planning, development, and security	4,958,141,297	5,107,415,590	4,403,599,099	703,816,491
Transportation programs	415,540,701	463,240,022	420,708,036	42,531,986
Government direction, management, and control	6,406,004,297	6,672,408,854	6,082,541,396	589,867,458
Special government services	463,082,901	478,550,809	348,906,676	129,644,133
<b>Total Expenditures</b>	<b>44,640,125,105</b>	<b>45,833,901,038</b>	<b>41,549,292,398</b>	<b>4,284,608,640</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,120,404,627	1,588,116,627	1,120,404,627	467,712,000
<b>Total Other Financing Uses</b>	<b>1,120,404,627</b>	<b>1,588,116,627</b>	<b>1,120,404,627</b>	<b>467,712,000</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>45,760,529,732</b>	<b>47,422,017,665</b>	<b>42,669,697,025</b>	<b>4,752,320,640</b>
<b>Net Change in Fund Balance</b>	<b>(203,327,000)</b>	<b>(111,316,000)</b>	<b>426,635,859</b>	<b>537,951,859</b>
<b>Fund Balances - July 1, 2010</b>	<b>504,642,000</b>	<b>804,265,653</b>	<b>804,265,653</b>	<b>-</b>
<b>Fund Balances - June 30, 2011</b>	<b>\$ 301,315,000</b>	<b>\$ 692,949,653</b>	<b>\$ 1,230,901,512</b>	<b>\$ 537,951,859</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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	\$ 31,862,555,223	\$ 11,233,777,661
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	1,172,052,619	-
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(295,366,802)	-
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.	2,583,629,795	-
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.	367,905,131	-
<b>Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>\$ 35,690,775,966</b>	<b>\$ 11,233,777,661</b>
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 30,118,875,470	
Transfers from other funds	2,620,365,567	
Other sources	2,951,534,929	
<b>Total revenues and other financing sources</b>	<b>\$ 35,690,775,966</b>	

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Uses/outflows of resources:</b>		
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 31,855,760,230	\$ 10,813,936,795
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.	(1,470,573,232)	-
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.	1,037,143,448	927,714
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	33,029,620	-
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	1,172,052,619	-
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.	2,583,629,795	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	367,905,131	-
<b>Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>\$ 35,578,947,611</b>	<b>\$ 10,814,864,509</b>
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 31,585,327,144	
Transfers to other funds	1,123,795,909	
Other uses	2,869,824,558	
<b>Total expenditures and other financing uses</b>	<b>\$ 35,578,947,611</b>	

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

**Budgetary Process**

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

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

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

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

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

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

<b>Plan/Actuarial Valuation</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>OPEB - State</b>						
June 30, 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%
June 30, 2010	-	59,281,900,000	59,281,900,000	-	20,870,000,000	284.1%
<b>PERS - State</b>						
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%
June 30, 2010	10,252,640,127	17,429,178,021	7,176,537,894	58.8%	4,564,850,886	157.2%
<b>PERS - Local</b>						
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%
June 30, 2010	18,481,952,370	23,918,658,044	5,436,705,674	77.3%	7,416,503,897	73.3%
<b>TPAF</b>						
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%
June 30, 2010	33,265,326,627	49,543,347,849	16,278,021,222	67.1%	10,025,401,658	162.4%
<b>PFRS - State</b>						
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%
June 30, 2010	2,190,654,958	3,672,361,258	1,481,706,300	59.7%	530,747,536	279.2%
<b>PFRS - Local</b>						
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%
June 30, 2010	20,367,865,987	25,601,998,126	5,234,132,139	79.6%	3,189,786,833	164.1%
<b>SPRS</b>						
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%
June 30, 2010	2,019,350,048	2,497,094,137	477,744,089	80.9%	289,980,657	164.8%
<b>JRS</b>						
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%
June 30, 2010	329,030,387	554,540,403	225,510,016	59.3%	71,746,413	314.3%
<b>CPFPF</b>						
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
June 30, 2010	10,632,228	11,824,904	1,192,676	89.9%	-	N/A
<b>POPF</b>						
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
June 30, 2010	11,018,367	5,635,024	(5,383,343)	195.5%	-	N/A

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