

*Required  
Supplementary  
Information*

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR JUNE 30, 2014**

	<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	\$ 14,890,153,000	\$ 14,954,263,000	\$ 14,360,802,999	\$ (593,460,001)
Federal and other grants	14,009,380,668	13,927,680,085	11,893,785,684	(2,033,894,401)
Licenses and fees	1,159,715,036	1,137,009,278	1,243,583,350	106,574,072
Services and assessments	2,085,692,354	2,140,875,326	1,770,334,791	(370,540,535)
Investment earnings	5,000	129,006	1,135,187	1,006,181
Other	4,860,625,725	4,727,808,617	3,230,003,602	(1,497,805,015)
Total Revenues	<u>37,005,571,783</u>	<u>36,887,765,312</u>	<u>32,499,645,613</u>	<u>(4,388,119,699)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>2,050,067,000</u>	<u>2,234,347,717</u>	<u>2,800,435,846</u>	<u>566,088,129</u>
Total Other Financing Sources	<u>2,050,067,000</u>	<u>2,234,347,717</u>	<u>2,800,435,846</u>	<u>566,088,129</u>
<b>Total Revenues and Other Financing Sources</b>	<u>39,055,638,783</u>	<u>39,122,113,029</u>	<u>35,300,081,459</u>	<u>(3,822,031,570)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,890,358,768	3,888,546,420	3,518,189,462	370,356,958
Physical and mental health	13,998,417,587	13,868,921,054	12,681,103,340	1,187,817,714
Educational, cultural, and intellectual development	4,034,951,076	4,052,295,382	3,913,107,121	139,188,261
Community development and environmental management	2,708,586,568	2,709,757,710	2,090,391,377	619,366,333
Economic planning, development, and security	5,045,334,630	5,000,507,477	4,396,786,676	603,720,801
Transportation programs	1,158,940,118	1,234,747,491	1,130,538,888	104,208,603
Government direction, management, and control	6,576,062,744	6,564,934,650	5,879,284,842	685,649,808
Special government services	461,000,775	459,466,323	352,639,231	106,827,092
Total Expenditures	<u>37,873,652,266</u>	<u>37,779,176,507</u>	<u>33,962,040,937</u>	<u>3,817,135,570</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	<u>1,344,354,522</u>	<u>1,344,354,522</u>	<u>1,344,354,522</u>	<u>-</u>
Total Other Financing Uses	<u>1,344,354,522</u>	<u>1,344,354,522</u>	<u>1,344,354,522</u>	<u>-</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>39,218,006,788</u>	<u>39,123,531,029</u>	<u>35,306,395,459</u>	<u>3,817,135,570</u>
<b>Net Change in Fund Balance</b>	<u>(162,368,005)</u>	<u>(1,418,000)</u>	<u>(6,314,000)</u>	<u>(4,896,000)</u>
<b>Fund Balances - July 1, 2013</b>	<u>465,119,000</u>	<u>301,418,000</u>	<u>301,418,000</u>	<u>-</u>
<b>Fund Balances - June 30, 2014</b>	<u>\$ 302,750,995</u>	<u>\$ 300,000,000</u>	<u>\$ 295,104,000</u>	<u>\$ (4,896,000)</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>
\$ 13,686,193,086	\$ 12,695,193,086	\$ 12,991,384,076	\$ 296,190,990
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>13,686,193,086</u>	<u>12,695,193,086</u>	<u>12,991,384,076</u>	<u>296,190,990</u>
-	204,028,000	-	(204,028,000)
-	204,028,000	-	(204,028,000)
<u>13,686,193,086</u>	<u>12,899,221,086</u>	<u>12,991,384,076</u>	<u>92,162,990</u>
-	-	-	-
126,692,125	118,675,921	122,545,008	(3,869,087)
12,234,357,961	11,495,806,521	11,502,145,083	(6,338,562)
256,220,066	240,008,226	256,125,693	(16,117,467)
-	-	-	-
-	-	-	-
1,068,922,934	1,053,312,418	1,113,922,383	(60,609,965)
-	-	-	-
<u>13,686,193,086</u>	<u>12,907,803,086</u>	<u>12,994,738,167</u>	<u>(86,935,081)</u>
-	-	-	-
-	-	-	-
<u>13,686,193,086</u>	<u>12,907,803,086</u>	<u>12,994,738,167</u>	<u>(86,935,081)</u>
-	(8,582,000)	(3,354,091)	5,227,909
-	8,582,000	8,582,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,227,909</u>	<u>\$ 5,227,909</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR GOVERNMENTAL FUNDS (Continued)**  
**FOR THE FISCAL YEAR JUNE 30, 2014**

	<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	\$ 28,576,346,086	\$ 27,649,456,086	\$ 27,352,187,075	\$ (297,269,011)
Federal and other grants	14,009,380,668	13,927,680,085	11,893,785,684	(2,033,894,401)
Licenses and fees	1,159,715,036	1,137,009,278	1,243,583,350	106,574,072
Services and assessments	2,085,692,354	2,140,875,326	1,770,334,791	(370,540,535)
Investment earnings	5,000	129,006	1,135,187	1,006,181
Contributions	-	-	-	-
Other	4,860,625,725	4,727,808,617	3,230,003,602	(1,497,805,015)
<b>Total Revenues</b>	<b>50,691,764,869</b>	<b>49,582,958,398</b>	<b>45,491,029,689</b>	<b>(4,091,928,709)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	2,050,067,000	2,438,375,717	2,800,435,846	362,060,129
<b>Total Other Financing Sources</b>	<b>2,050,067,000</b>	<b>2,438,375,717</b>	<b>2,800,435,846</b>	<b>362,060,129</b>
<b>Total Revenues and Other Financing Sources</b>	<b>52,741,831,869</b>	<b>52,021,334,115</b>	<b>48,291,465,535</b>	<b>(3,729,868,580)</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,890,358,768	3,888,546,420	3,518,189,462	370,356,958
Physical and mental health	14,125,109,712	13,987,596,975	12,803,648,348	1,183,948,627
Educational, cultural, and intellectual development	16,269,309,037	15,548,101,903	15,415,252,204	132,849,699
Community development and environmental management	2,964,806,634	2,949,765,936	2,346,517,070	603,248,866
Economic planning, development, and security	5,045,334,630	5,000,507,477	4,396,786,676	603,720,801
Transportation programs	1,158,940,118	1,234,747,491	1,130,538,888	104,208,603
Government direction, management, and control	7,644,985,678	7,618,247,068	6,993,207,225	625,039,843
Special government services	461,000,775	459,466,323	352,639,231	106,827,092
<b>Total Expenditures</b>	<b>51,559,845,352</b>	<b>50,686,979,593</b>	<b>46,956,779,104</b>	<b>3,730,200,489</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	1,344,354,522	1,344,354,522	1,344,354,522	-
<b>Total Other Financing Uses</b>	<b>1,344,354,522</b>	<b>1,344,354,522</b>	<b>1,344,354,522</b>	<b>-</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>52,904,199,874</b>	<b>52,031,334,115</b>	<b>48,301,133,626</b>	<b>3,730,200,489</b>
<b>Net Change in Fund Balance</b>	<b>(162,368,005)</b>	<b>(10,000,000)</b>	<b>(9,668,091)</b>	<b>331,909</b>
<b>Fund Balances - July 1, 2013</b>	<b>465,119,000</b>	<b>310,000,000</b>	<b>310,000,000</b>	<b>-</b>
<b>Fund Balances - June 30, 2014</b>	<b>\$ 302,750,995</b>	<b>\$ 300,000,000</b>	<b>\$ 300,331,909</b>	<b>\$ 331,909</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>
<b>Sources/inflows of resources:</b>		
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 35,300,081,459	\$ 12,991,384,076
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	1,258,575,986	-
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.	1,598,710,754	-
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.	<u>297,271,183</u>	<u>-</u>
<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>	<u>\$ 38,454,639,382</u>	<u>\$ 12,991,384,076</u>
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 33,758,221,599	
Transfers from other funds	2,800,435,846	
Other sources	<u>1,895,981,937</u>	
<b>Total revenues and other financing sources</b>	<u>\$ 38,454,639,382</u>	

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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	\$ 35,306,395,459	\$ 12,991,065,182
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.	(1,562,535,175)	(2,908,577)
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.	1,267,457,982	5,806,048
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	1,258,575,986	-
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.	1,598,710,754	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	297,271,183	-
<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>\$ 38,165,876,189</b>	<b>\$ 12,993,962,653</b>
 GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 35,102,533,345	
Transfers to other funds	1,507,127,694	
Other uses	1,556,215,150	
<b>Total expenditures and other financing uses</b>	<b>\$ 38,165,876,189</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). 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, 2011	-	48,949,700,000	48,949,700,000	-	20,286,700,000	241.3%
June 30, 2012	-	51,502,600,000	51,502,600,000	-	20,513,900,000	251.1%
June 30, 2013	-	53,000,100,000	53,000,100,000	-	20,964,300,000	252.8%
<b>PERS - State</b>						
June 30, 2011	9,938,069,705	18,290,829,021	8,352,759,316	54.3%	4,608,926,826	181.2%
June 30, 2012	9,512,074,226	19,383,584,639	9,871,510,413	49.1%	4,570,958,470	216.0%
June 30, 2013	9,191,795,467	19,993,957,432	10,802,161,965	46.0%	4,556,719,103	237.1%
<b>PERS - Local</b>						
June 30, 2011	18,996,299,489	24,679,095,575	5,682,796,086	77.0%	7,000,115,900	81.2%
June 30, 2012	19,374,461,309	26,009,038,341	6,634,577,032	74.5%	6,862,133,165	96.7%
June 30, 2013	19,975,227,997	27,005,782,517	7,030,554,520	74.0%	6,891,812,162	102.0%
<b>TPAF</b>						
June 30, 2011	32,289,888,420	51,406,540,290	19,116,651,870	62.8%	9,682,318,739	197.4%
June 30, 2012	31,214,185,683	52,417,751,753 *	21,203,566,070 *	59.5%*	9,779,212,916	216.8%*
June 30, 2013	30,605,973,071	53,645,477,966	23,039,504,895	57.1%	10,038,792,896	229.5%
<b>PFRS - State</b>						
June 30, 2011	2,143,492,414	3,926,525,679	1,783,033,265	54.6%	526,058,270	338.9%
June 30, 2012	2,074,049,503	4,026,954,882	1,952,905,379	51.5%	517,324,007	377.5%
June 30, 2013	2,033,655,857	4,188,523,037	2,154,867,180	48.6%	510,768,942	421.9%
<b>PFRS - Local</b>						
June 30, 2011	21,027,839,958	26,978,632,188	5,950,792,230	77.9%	3,123,358,027	190.5%
June 30, 2012	21,500,537,273	27,705,168,437	6,204,631,164	77.6%	3,138,894,566	197.7%
June 30, 2013	22,097,047,101	28,811,698,272	6,714,651,171	76.7%	3,168,141,324	211.9%
<b>SPRS</b>						
June 30, 2011	2,002,813,881	2,581,950,846	579,136,965	77.6%	275,219,752	210.4%
June 30, 2012	1,969,806,447	2,767,768,813	797,962,366	71.2%	283,219,927	281.7%
June 30, 2013	1,946,571,578	2,870,590,700	924,019,122	67.8%	262,063,829	352.6%
<b>JRS</b>						
June 30, 2011	305,245,844	585,700,787	280,454,943	52.1%	67,437,125	415.9%
June 30, 2012	278,548,470	605,180,634	326,632,164	46.0%	67,497,660	483.9%
June 30, 2013	258,516,259	620,376,292	361,860,033	41.7%	67,810,110	533.6%
<b>CPFPPF</b>						
June 30, 2011	8,126,894	9,179,981	1,053,087	88.5%	-	N/A
June 30, 2012	6,282,439	8,026,421	1,743,982	78.3%	-	N/A
June 30, 2013	5,581,806	6,102,292	520,486	91.5%	-	N/A
<b>POPF</b>						
June 30, 2011	9,997,650	5,096,792	(4,900,858)	196.2%	-	N/A
June 30, 2012	9,044,236	5,395,505	(3,648,731)	167.6%	-	N/A
June 30, 2013	8,171,920	4,748,938	(3,422,982)	172.1%	-	N/A

\* Restated

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