

# NEW JERSEY



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2003

**JAMES E. McGREEVEY**

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**JOHN E. McCORMAC, CPA**

*State Treasurer*

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*Manager*

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**STATE OF NEW JERSEY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2003  
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## State of New Jersey

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OFFICE OF MANAGEMENT AND BUDGET  
PO Box 221  
TRENTON NJ 08625-0221

JAMES E. MCGREEVEY  
Governor

JOHN E. MCCORMAC, CPA  
State Treasurer

December 1, 2003

Honorable Governor James E. McGreevey  
Members of the State Legislature  
New Jersey Citizens

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the Comprehensive Annual Financial Report of the State of New Jersey for the fiscal year ended June 30, 2003. The Office of Management and Budget, Department of the Treasury, which is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures, prepared this report.

This Comprehensive Annual Financial Report, which has earned an unqualified audit opinion, presents the financial position and operating results of the State under generally accepted accounting principles (GAAP) applicable to State and Local governments as established by the Governmental Accounting Standards Board (GASB). The State also participates in the Government Finance Officers Association of the United States and Canada's (GFOA) review program for the Certificate of Achievement for Excellence in Financial Reporting. This is the second year in which the State has operated in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of the reporting model as reflected in these statements are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

As presented in this report, the State has met its constitutionally mandated balanced budget requirement, by having a positive undesignated fund balance in the major budgeted funds which include the General Fund, Property Tax Relief Fund, Casino Revenue Fund, and Casino Control Fund. The undesignated fund balance for the State's budgeted funds is \$377.3 million.

The New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the State's organization chart, and the 2002 GFOA Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the independent auditor's report on the basic financial statements, management's discussion and analysis which provides an introduction, overview and analysis of the basic financial statements, the government-wide financial statements, the fund financial statements for governmental funds, proprietary funds, fiduciary funds, and component units, together with notes to the basic financial statements as well as additional required supplementary information (Budgetary Schedules), and the other supplementary information (Combining Fund Statements). The statistical section includes the budgetary basis schedules, as well as selected financial and demographic information.

All funds and component units of the entity called the State are included in this Comprehensive Annual Financial Report. These functional areas provide support for a full range of services including education, health and social services, transportation, law and public safety, justice, recreation, community and environmental management, public improvements, and general administrative services. The criteria

utilized to determine the entity for the State of New Jersey are those prescribed in GASB Statement No. 14, The Financial Reporting Entity.

## **BUDGETARY PROCESS, ACCOUNTING SYSTEMS, AND INTERNAL CONTROLS**

The following sections provide a summary of the State's budget process, its accounting system, and its internal controls:

### **Budgetary Process**

The State Constitution as well as certain other New Jersey Statutes contain provisions concerning the budget and appropriation system. On or before October 1<sup>st</sup> of each year, each Department, Board, Commission, Office or other Agency of the State must file with the Director of the Office of Management and Budget (the "Director") a request for appropriation or permission to spend, specifying all expenditures proposed to be made by such spending agency during the following fiscal year. The Director then examines each request and determines the necessity or advisability of the appropriation request. On or before December 31<sup>st</sup> of each year, or such other time as the Governor may request, after review and examination, the Director submits the requests, together with findings, comments and recommendations, to the Governor. It is the responsibility of the Governor to examine and consider all requests and formulate budget recommendations. The Governor's Budget Message is then transmitted on or before the third Tuesday following the first meeting of the State Legislature in each year, except in the year when a Governor is inaugurated, when it must be transmitted on or before February 15<sup>th</sup>, unless otherwise provided through legislation.

During the course of the fiscal year, the Governor may take steps to reduce State expenditures if it appears that revenues have fallen below those originally anticipated. The Governor, with approval from the State Legislature, may enact supplemental appropriations after the adoption of the annual Appropriations Act, should there be sufficient revenues on hand or anticipated, as certified by the Governor, to meet such appropriation.

Over the past two decades, the New Jersey budget process has evolved into a strategic planning process in which the budget is related directly to the program objectives of governmental activities, and the costs and benefits of the programs of each agency are justified at various alternative funding levels.

### **Accounting Systems**

For the various State departments, accounting records are maintained by a central accounting system. The system operations are directed and supervised by the Office of Management and Budget. The State's annual budget is comprised of individual appropriations to departments for specific programs and purposes. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major expenditure objects. Component units maintain separate accounting systems.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at the end of the fiscal year.

### **Internal Controls**

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and that financial records are reliable for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and that the evaluation of costs and benefits require managerial estimates and judgments. All internal control evaluations occur within this framework.

## AUDIT INFORMATION

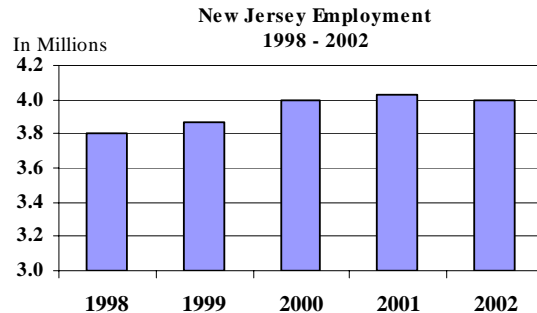
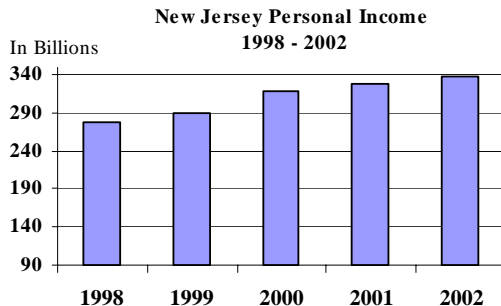
The principal auditor of the State's reporting entity is the Office of the State Auditor, which resides in the legislative branch of State government. The State Auditor's examination was conducted in accordance with generally accepted auditing standards and its opinion precedes the Basic Financial Statements. Outside public accounting firms have been used for the audits for separately issued component units and college and university financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of the various State agencies. This audit received an unqualified opinion on the Basic Financial Statements contained in this Comprehensive Annual Financial Report.

## COMPONENT UNITS

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 includes the accounts of the various public authorities, colleges, and universities in accordance with the requirements of GASB Statement No. 14. These authorities are legally separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage these component units. Each component unit is established for a specific purpose for the benefit of the State's citizenry, such as economic development, public transportation, subsidized housing, environmental protection, and capital development for health and education purposes. GASB Statement No. 14 provides that the financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its Component Units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government and its activities, although information pertaining to the Component Units is presented.

## ECONOMIC CONDITION AND OUTLOOK

New Jersey's sluggish economic performance during calendar year 2002 mirrored the nation's pace. The economic slowdown that began in calendar year 2001 retarded growth in New Jersey's labor market. Average annual employment for calendar year 2001 declined to 0.1 percent, well below calendar year 2000's 2.4 percent growth. Employment growth for calendar year 2002 was negative 0.1 percent. New Jersey's average annual rate of unemployment in calendar year 2002 was 5.8 percent, up from 4.2 percent in calendar year 2001. The State's unemployment rate hovered around 6.0 percent during the second half of calendar year 2002, but was consistently below 6.0 percent for the first six months of calendar year 2003. The State's employment level remained close to 4.0 million for most of calendar year 2002. Total non-farm employment remained slightly above 4.0 million in June 2003.



Due to labor market conditions, New Jersey's personal income continued to grow moderately at 3.1 percent last year, close to the 3.3 percent rate set in calendar year 2001 but substantially below the record pace of 10.2 percent in calendar year 2000.

Economic forecasts for the national and State economies project a modest economic recovery in calendar year 2003. Economic activity is expected to pick up in the third and fourth quarters of calendar year 2003 and accelerate in calendar year 2004. Employment growth is projected to remain below 1.0 percent in calendar year 2003. Personal income growth in New Jersey is expected to grow modestly in calendar year 2003. Housing starts in calendar year 2003 are expected to ease slightly after another strong year in calendar year 2002. New vehicle registrations are projected to moderate but remain close to 630,000 units in calendar years 2003 and 2004. Inflation is expected to remain modest, below 3.0 percent in calendar years 2003 and 2004. Low inflation continues to support spending on housing and other consumer durables in the State.

### **FISCAL YEAR 2003 REVENUE SUMMARY**

The following revenue discussion encompasses the activity of the State's General Fund and four Special Revenue Funds-the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund. The amounts included in this section are those anticipated revenues realized in support of the annual appropriations and do not include federal grants or dedicated revolving funds.

Fiscal Year 2003 revenue collections totaled \$23.5 billion, \$2.9 billion above Fiscal Year 2002 revenue. Revenue changes in the State's three major taxes over Fiscal Year 2002 levels were as follows: the Sales and Use Tax decreased by \$60.7 million or 1.0 percent, the Gross Income Tax decreased by \$101.7 million or 1.5 percent, and the Corporation Business Tax increased by \$1.4 billion or 115.6 percent. Major increases in the Corporation Business Tax were mainly attributable to tax restructuring, loophole closures, and one time accelerations. Overall, Fiscal Year 2003 levels reflect the slowdown of New Jersey's economy when compared to prior fiscal year performances.

Collections for the State's three major taxes, as a percentage of Fiscal Year 2003 total receipts, were as follows: the Gross Income Tax represented 28.7 percent; the Sales and Use Tax equaled 25.3 percent; and the Corporation Business Tax represented 10.7 percent. The State's three major taxes represented 64.7 percent of Fiscal Year 2003 total receipts, as compared to 68.1 percent for Fiscal Year 2002.

### **EXPENDITURES: CATEGORY DESCRIPTIONS AND FISCAL YEAR 2003 SUMMARY**

State expenditures encompass the activity of the State's General Fund and four Special Revenue Funds-the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund. The amounts listed in this section are on a budgetary basis and do not include federal grants. State expenditures are based on the annual Appropriations Act and are divided into five major categories. They are Direct State Services, Grants-in-Aid, State Aid, Capital Construction, and Debt Service. Each category and its Fiscal Year 2003 expenditure is described below:

- Direct State Services represents those functions operated directly by State Government. Funding consists primarily of the salary and benefits of State employees and operational support of the State's departments, the Executive Office, several commissions, the State Legislature, and the Judiciary. Public services offered by State Government, such as testing laboratories, social services, environmental and community services, legal services, State Police services, and the operation of prisons, psychiatric hospitals, and developmental disability centers are included in this category.
  - Direct State Services accounted for 22.5 percent of total Fiscal Year 2003 expenditures. Direct State Services expenditures increased between Fiscal Year 2003 and Fiscal Year 2002 by \$331.1 million. The largest increases in Direct State Services centered on



employee fringe benefits in the Interdepartmental Accounts, public health protection and addiction services in the Department of Health and Senior Services, and system wide program support in the Department of Corrections.

- Grants-in-Aid represent programs and services provided to the public on behalf of the State by a third party provider. Grants-in-Aid payments are made to individuals and public or private agencies for benefits to which a recipient is entitled by law, or for the provision of services on behalf of the State. These payments include the Homestead Rebate/NJ SAVER programs and the Medicaid program, which reimburses hospitals, nursing homes, and physicians for services rendered to the State's needy population. Community programs for the developmentally disabled, pharmaceutical assistance to the aged and disabled, support for the State colleges and universities, utility credits to senior citizens, financial aid grants to college students, and bus and railroad subsidies to New Jersey Transit are programs that also are under the Grants-in-Aid category.
  - Grants-in-Aid accounted for 33.3 percent of total Fiscal Year 2003 expenditures. This is a \$771.2 million increase from the prior fiscal year. Major changes in Grants-in-Aid expenditures were associated with Health and Senior Services, and Human Services.
- State Aid represents funds that are distributed to municipalities, counties, and school districts. The major portion of the Gross Income Tax revenue is apportioned to State Aid. The largest portion of expenditures in this category is for elementary and secondary school aid. This category also provides funding for the various public assistance programs and county psychiatric hospitals, as well as municipal property tax relief programs.
  - State Aid represented 38.0 percent of total Fiscal Year 2003 expenditures. State Aid expenditures increased between Fiscal Year 2003 and Fiscal Year 2002 by \$328.8 million. State Aid includes aid to public schools, teachers' pensions and social security costs, municipal aid programs, reimbursement to counties for welfare programs, and other miscellaneous programs.
- Capital Construction represents allocations for various construction projects. Included in this expenditure category is the appropriation to the New Jersey Transportation Trust Fund Authority, which is used to fund both New Jersey Transit and the Department of Transportation's annual capital program.
  - Capital Construction represented 4.4 percent of total Fiscal Year 2003 expenditures. Construction for capital projects increased by \$63.3 million as compared to the prior fiscal year. Primary focus for capital construction projects centered on transportation and environmental areas.
- Debt Service represents interest and principal payments on various voter approved General Obligation Bond Acts. After a general obligation bond act has been both legislatively and voter approved, the State Legislature appropriates capital projects against dollar amounts authorized. General Obligation Bonds are backed by the State's full faith and credit. Projects that have been funded by State General Obligation Bonds include prisons, roads, human services facilities, and various environmental protection projects.

The State Legislature also appropriates amounts for debt service related to State contract obligations, certificates of participation, and the State's line of credit. These debt instruments have an underlying credit structure that relies on debt service being subject to annual State appropriations made from time to time by the State Legislature. Except for the Capital Construction classified debt service of the New Jersey Transportation Trust Fund Authority, debt service associated with these instruments is included within the Direct State Services category.

- Debt Service on General Obligation Bonds represented 1.8 percent of total Fiscal Year 2003 expenditures. Debt Service expenditures decreased by \$20.8 million primarily due

to the issuance of \$300.4 million of General Obligation Refunding Bonds, Series J that produced \$38.0 million in debt service savings for Fiscal Year 2003.

Total Fiscal Year 2003 expenditures of \$24.1 billion are \$1.5 billion more than expenditures for the prior fiscal year.

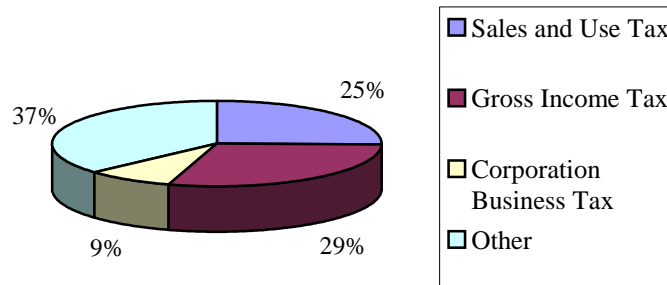
### **FISCAL YEAR 2004 REVENUE PROJECTIONS**

The Fiscal Year 2004 revenue projections are based on estimates of modest economic growth. At the time of the Appropriations Act, positive underlying economic indicators were allowing forecasters to predict that the State's economy was improving despite general sluggish conditions and that economic activity is expected to pick up in the third and fourth quarters of calendar year 2003 and accelerate in calendar year 2004. To a large extent, the future direction of economic recovery nationally and in New Jersey hinges on the assumptions of no further terrorist attacks, supportive monetary and fiscal stimulus, and increasing stable financial markets. The State and the nation may experience further near-term slow growth and the expected recovery may stall late into calendar year 2003 if consumers, investors, and businesses become more cautious than currently assumed. However, the fundamentals of the State's economic health remain stable and the long run prospects for economic growth of the State in calendar year 2003 and beyond are favorable.

Fiscal Year 2004 revenues are projected to be \$24.0 billion, \$523.2 million above Fiscal Year 2003 revenue. Projected revenue changes in Fiscal Year 2004 for the State's three major taxes over Fiscal Year 2003 are as follows: the Sales and Use Tax is expected to increase by \$228.9 million or 3.9 percent, the Gross Income Tax is expected to increase by \$394.7 million or 5.9 percent, and the Corporation Business Tax is expected to decrease by \$470.4 million or 18.6 percent.

Fiscal Year 2004 resources, including the Fiscal Year 2004 opening balance, are projected at \$24.4 billion. The State's three major taxes as a percent of total resources are as follows: the Gross Income Tax represents 29.2 percent; the Sales and Use Tax represents 25.3 percent; and the Corporation Business Tax represents 8.4 percent. The State's three major taxes are projected to represent 62.9 percent of total resources.

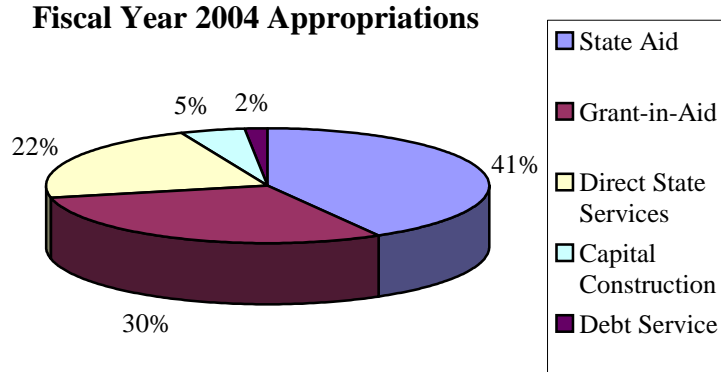
### **Fiscal Year 2004 Revenue**



Fiscal Year 2004 anticipates revenue of \$1,612.0 million from the Tobacco Settlement. This represents \$121.7 million in payments from the Master Settlement Agreement (the "MSA") reached in November 1998 between 46 states and the major tobacco companies. The remainder came from proceeds derived from the sale of Tobacco Settlement Asset-Backed Bonds as well as interest income earned from its associated balances. As of June 30, 2003, 100.0 percent of future Tobacco Settlement payments the State was to receive on and after December 1, 2004 has been securitized to perpetuity, or until the bonds have been fully amortized.

## FISCAL YEAR 2004 APPROPRIATIONS

The total Fiscal Year 2004 appropriation is \$24.0 billion. Of the \$24.0 billion appropriated in Fiscal Year 2004 from the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund, and the Gubernatorial Elections Fund, \$10.0 billion (41.6 percent) is appropriated for State Aid to Local Governments, \$7.2 billion (30.1 percent) is appropriated for Grants-in-Aid, \$5.2 billion (21.8 percent) for Direct State Services, \$1.1 billion (4.7 percent) for Capital Construction, and \$0.5 billion (1.8 percent) for Debt Service on State General Obligation Bonds.



State Aid to local governments constitutes the most important aspect of Fiscal Year 2004 appropriations. These funds are essential in the funding of local government operating costs as well as property tax relief. In Fiscal Year 2004, \$9,960.0 million will be distributed to municipalities, counties, and school districts. Major State Aid programs are: Aid to School Districts (\$8,122.2 million), Unrestricted Aid to Municipalities and Counties through the Department of Community Affairs (\$980.1 million), and Aid to County Colleges (\$208.3 million).

Grants-in-Aid represent the second largest portion of the State's Fiscal Year 2004 appropriation. In Fiscal Year 2004, \$7,226.2 million has been appropriated. These funds are distributed to individuals, public agencies, or private agencies as direct benefits or to provide services. The largest grants-in-aid programs are: Human Services programs (\$3,332.4 million), Higher Education (\$1,619.8 million), Health and Senior Services programs (\$764.3 million), Property Tax Relief Programs (\$847.3 million), and Public Transportation (\$193.8 million).

The Direct State Services Fiscal Year 2004 appropriation is \$5,238.1 million. These funds support the operating costs of the Executive Departments, the Judiciary, and the State Legislature. The largest appropriations are for the following departments: Corrections (\$829.1 million), Human Services (\$677.3 million), Law and Public Safety (\$494.0 million), Treasury (\$382.1 million), and Environmental Protection (\$206.8 million).

Capital Construction appropriations for Fiscal Year 2004 total \$1,136.4 million. Of this amount, \$805.0 million is appropriated to the New Jersey Transportation Trust Fund Authority, \$98.0 million is for open space preservation, \$90.2 million is for hazardous substance and underground tank remediation, and \$25.0 million is for shore protection.

Debt Service for General Obligation Bonds is \$442.5 million. This amount reflects the cost of financing various infrastructure and environmental projects that have been approved through prior voter referenda.

## **SERVICE EFFORTS AND ACCOMPLISHMENTS**

The following sections highlight various service efforts and accomplishments the State has achieved during Fiscal Year 2003 as well as some of the goals the State hopes to achieve for Fiscal Year 2004.

### **Fiscal Year 2003**

- The cornerstone to Governor McGreevey's Fiscal Year 2003 education plan was a literacy program that included the hiring of reading coaches in under-performing elementary schools to ensure that all students are reading at or above grade level by the end of the third grade. A new State appropriation of \$10.0 million represented the first installment of a four-year commitment to the program. A new federal program, "Reading First," which has the same goal, supplemented state resources through \$18.4 million in aid.
- Recognizing that the State's approach to early childhood education must be comprehensive, the Fiscal Year 2003 appropriations provided a total increase of \$157.4 million for preschool programs. The integration of educational, social, and family programs so that children can develop the academic and social skills needed for kindergarten, higher grades and life after school requires the involvement of both the Department of Education and the Department of Human Services. Of the \$157.4 million, \$142.4 million represented Abbott Preschool Expansion Aid to fund the increased costs between Fiscal Year 2002 and Fiscal Year 2003 for the approved preschool programs for three-and four-year olds in Abbott districts.
- The Office of Counter-Terrorism was created as part of a \$90.2 million Homeland Security initiative designed to provide a uniform, cohesive, and coordinated response to the threats posed to New Jersey following the tragic events of September 11, 2001. The Office of the Attorney General, in cooperation with the Domestic Security Preparedness Task Force, began to meet the enormous challenge of coordinating the State's response and intelligence capabilities with federal, State, county, and local law enforcement agencies, as well as the National Guard. This office is a separate unit within the Department of Law and Public Safety and has all of the law enforcement powers conferred by the Criminal Justice Act.
- The Fiscal Year 2003 appropriations included \$33.6 million for cancer research and treatment. Most prominently, an appropriation of \$20.0 million was earmarked to the Cancer Institute of New Jersey through the Department of Health and Senior Services. Established in 1990, the Cancer Institute is the only center in New Jersey designated by the National Cancer Institute and is one of only 13 National Cancer Institute designated cancer centers in the nation. The International Conference on New Initiatives in Cancer and Chronic Illness was provided with \$500,000 in new state funds to highlight new developments in cancer research and treatment and to support a public "SWAT" team to investigate cancer clusters, providing rapid response and analysis.
- The Department of Transportation's appropriations reflected the establishment of the New Jersey Motor Vehicle Commission, which was created to replace the Division of Motor Vehicles. The Commission operates autonomously "in but not of" the Department of Transportation with dedicated revenues in lieu of a State General Fund appropriation. Its goals are to increase customer satisfaction, reduce processing time, produce effective customer transactions without an office visit, generate secure documents, and efficiently communicate accurate information to New Jersey state residents. The New Jersey Motor Vehicle Commission continues all functions and programs formerly conducted by the Division of Motor Vehicles, including inspection and maintenance. The New Jersey Motor Vehicle Commission is expected to have total dedicated resources of \$276.0 million in Fiscal Year 2004.

### **Fiscal Year 2004**

- Concerns in the Department of Human Services, Division of Youth and Family Services' (DYFS) system of keeping children safe were exposed when the circumstances surrounding the death of a seven-year-old boy was discovered in Newark. In the aftermath, Governor McGreevey ordered an

immediate accounting of all the cases statewide where a child had not been located yet an open allegation of abuse existed. As a result, it was determined that numerous allegations remained open and uninvestigated. Governor McGreevey also ordered a fact-finding process that made a clear-cut case for sweeping changes. It was revealed that DYFS' mission was too broad; its delivery system for children was fragmented, its caseworker supervision was inadequate, its workforce was too inexperienced, and that there was a lack of accountability across the whole system. As part of the Fiscal Year 2004 Budget, over \$30.0 million has been provided for the purpose of reforming and improving the DYFS' information systems and services. Implementation of the Statewide Automated Child Welfare Information System to comprehensively track and monitor cases and the hiring of additional direct care staff, support staff, and Human Services Police officers are expected. The anticipated result is increased accountability, a revision in management expectations, enhanced recruitment, an expansion and mandate in training, strengthened supervision, and a reduction in caseloads.

- In Fiscal Year 2004, over \$8.1 billion in school aid will be provided and Governor McGreevey's 21 point plan for education reform will be expanded. In addition to the continued commitment to literacy and preschool programs, new funding is provided for the development of a summer institute to provide intensive training to potential teachers choosing the alternate route for certification and grants to help teachers seeking the National Board of Professional Teaching Standards certification.
- The State of New Jersey has taken steps to streamline the procedures for the State school construction program, which will provide \$8.6 billion over a 10-year period to build and renovate schools. In Fiscal Year 2004, \$107.4 million is appropriated for State debt service and increased aid for recently issued local debt for school construction.
- The New Jersey Earned Income Tax Credit (the "EITC") program will provide low-income taxpayers with 20.0 percent of their federal EITC. This is the fourth and final year of the phase-in of this program. The New Jersey EITC is a credit for residents with earned income below a certain level. The credit reduces the amount of New Jersey tax that is owed and may also provide a refund, even when there is no tax liability to New Jersey. This program will create \$100.0 million in income tax relief for New Jersey's economically disadvantaged in Fiscal Year 2004.
- In Fiscal Year 2004 there is over \$100.0 million in funding for various homeland security and counter-terrorism initiatives. These funds will provide enhanced security for the State's nuclear power plants as well as prompt emergency medical response and additional support for the Office of Counter-Terrorism and State Police efforts to guard New Jersey residents against potential terrorist activities.
- The State of New Jersey, as a public employer, is covered by the New Jersey Public Employer-Employee Relations Act, which guarantees public employees the right to negotiate collectively through employee organizations certified or recognized as the exclusive representatives for units of public employees found to be appropriate for collective bargaining purposes. Approximately 64,700 executive branch employees are paid through the State payroll system. Of the 64,700 employees, 57,800 are represented by certified or recognized exclusive majority representatives and are organized into various negotiation units. The State of New Jersey entered into four-year contracts for fiscal years 2004-2007 with the unions that represent approximately 48,000 State employees. The contracts provide for a total salary increase of 11.5 percent, comprising increases of 0.0 percent, 2.9 percent, 4.0 percent and 4.6 percent in fiscal years 2004 through 2007, respectively.

## **INVESTMENTS**

The State's Division of Investments was legislatively created in 1950 in order to centralize all functions relating to the purchases, sales, or exchanges of securities for the State's diverse funds under experienced and professional management. The statute provides investment authority to the State Investment Council and to the Director of the Division. The State Treasurer appoints the Director from a list of candidates proposed by the State Investment Council. The role of the State Investment Council is to formulate investment policies and procedures to be followed by the Director. State legislation provides that the State Investment Council may issue regulations, which specifically approve and authorize any form of investment. The State Investment Council has taken the position that the Division of Investment is bound by law to make prudent investments for the sole and direct financial benefit of the beneficiaries of the various funds under its supervision, and that the Division of Investment may not make any concession as to the rate, risk, or terms which would benefit any other party at the expense of the beneficiaries of the funds.

## **PENSION FUND ADMINISTRATION**

The State operates seven retirement plans. The Public Employees' Retirement System and the Teachers' Pension and Annuity Fund are the principal plans. The other systems are Police and Firemen's Retirement System, Consolidated Police and Firemen's Pension Fund, State Police Retirement System, Judicial Retirement System, and Prison Officer's Pension Fund. State law regulates the administration of the pension fund systems and requires actuarial valuations every year and actuarial experience investigations every three years. Such valuations and investigations are designed to insure that these programs adequately recognize the additional costs resulting from experience or legislative changes in the benefits to be paid.

As of June 30, 2003, the State's seven retirement plans had a combined \$64.7 billion in total assets, with a combined total liability of \$387.3 million, leaving the State's pension fund system with net total assets of \$64.3 billion.

For further information about the State's Pension Fund Systems, please refer to Notes No. 14 and No. 15 of this Comprehensive Annual Financial Report.

## **CASH MANAGEMENT**

Unused cash is invested primarily in the New Jersey Cash Management Fund. The fund provides the State, its authorities and agencies, local municipalities, and school districts with a vehicle for short-term investment. For the fiscal year ended June 30, 2003, the New Jersey Cash Management Fund's average daily-annualized rate of return for participating State accounts was 1.77 percent. For "Other-than-State" participants, such as municipalities and school districts, the average daily-annualized rate of return, which includes charges for administrative and operating expenses, was 1.67 percent for the same timeframe.

## **RISK MANAGEMENT**

New Jersey's risk management function is performed within the Department of the Treasury and operates to reduce the adverse impact of catastrophic loss on State operations and budget through a combination of risk management and loss prevention techniques. The Office of Risk Management administers claims against the State and its employees under the Tort Claims Act, Workers Compensation statute, and various Federal laws, as well as claims on behalf of the State against others responsible for damage to the State, its employees, and its property.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the year ended June 30, 2002.

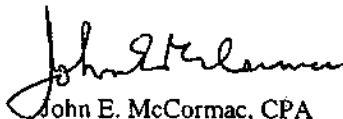
In order to qualify for the Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

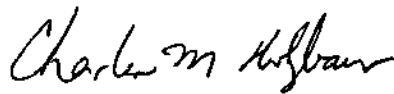
The State of New Jersey has received this award every year since 1993. It is our belief that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 continues this tradition and conforms to the GFOA's Certificate of Achievement Program requirements.

**ACKNOWLEDGEMENTS**

Finally, we would like to express our appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor whose efforts made possible the preparation of this report. We believe that their combined efforts have produced a report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the State's financial condition.

Sincerely,

  
John E. McCormac, CPA  
State Treasurer

  
Charlene M. Holzbaaur  
State Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of New Jersey

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Edward Henry".

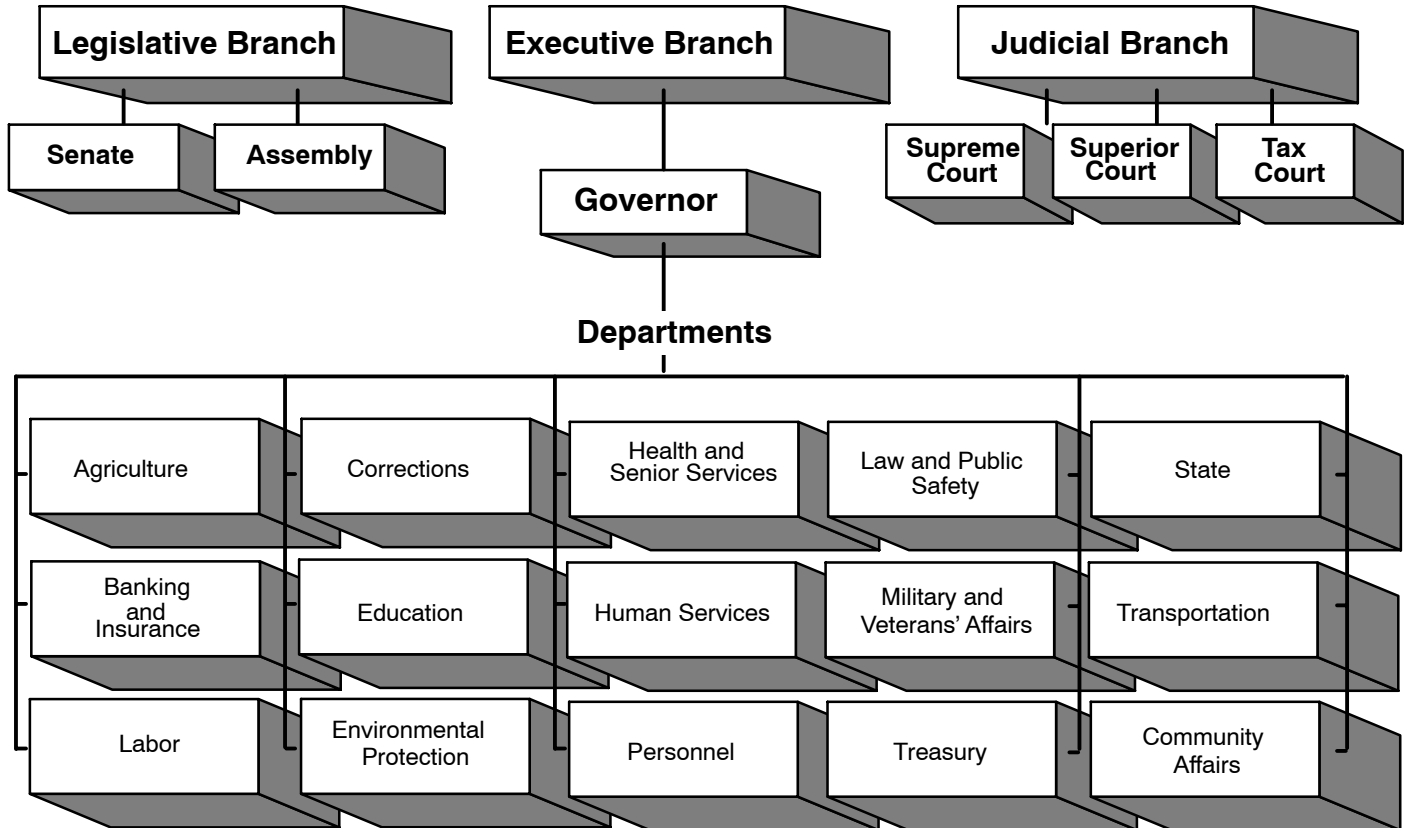
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

Executive Director



# ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



LEGISLATIVE SERVICES COMMISSION

SENATOR JOHN O. BENNETT  
*Co-Chairman*

SENATOR RICHARD J. CODEY  
*Co-Chairman*

ASSEMBLYMAN ALBIO SIRES  
*Vice-Chairman*



SENATOR  
M. BAER  
ANTHONY R. BUCCO  
NIA H. GILL  
BERNARD F. KENNY, JR.  
ROBERT E. LITTELL  
ROBERT W. SINGER

GENERAL ASSEMBLY

PETER J. BIONDI  
FRANCIS J. BLEE  
ALEX DECROCE  
PAUL DIGAETANO  
JOSEPH V. DORIA, JR.  
JOSEPH J. ROBERTS, JR.  
LORETTA WEINBERG

**New Jersey State Legislature**  
**OFFICE OF LEGISLATIVE SERVICES**  
OFFICE OF THE STATE AUDITOR  
125 SOUTH WARREN STREET  
PO BOX 067  
TRENTON NJ 08625-0067

RICHARD L. FAIR  
*State Auditor*  
(609) 292-3700  
FAX (609) 633-0834

ALBERT PORRONI  
*Executive Director*  
(609) 292-4625

The Honorable James E. McGreevey  
Governor of New Jersey

The Honorable John O. Bennett  
President of the Senate

The Honorable Richard J. Codey  
President of the Senate

The Honorable Albio Sires  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2003, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An

audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2003 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The Combining Fund Statements - Non-Major Funds, Other Supplementary Information, Schedules of Anticipated and Appropriated Revenue and the Schedule of Appropriations and Expenditures are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section listed in the table of contents have not been audited by us, and accordingly, we express no opinion on them.



Richard L. Fair  
State Auditor  
December 1, 2003

RLF:ehk

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2003. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

The State of New Jersey is in its second year of accounting and reporting under the standards outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This Comprehensive Annual Financial Report provides significant changes in content and structure. Therefore, a majority of the information provided is not easily comparable to reporting periods prior to the fiscal year ended June 30, 2002. Year-to-year comparisons are provided in this year's Management's Discussion and Analysis. It is the intent of GASB Statement No. 34 to provide meaningful comparisons that will further explain the State's financial position and results of operations.

### FINANCIAL HIGHLIGHTS

#### Government-wide

- The primary government's assets total \$27.8 billion. Major increases were the result of the inclusion of capital assets, net of depreciation associated with the implementation of GASB Statement No. 34. As of June 30, 2003, assets exceeded liabilities by \$3.2 billion. This calculation, commonly known as net assets, represents 11.5 percent of total assets. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative \$7.9 billion. The negative balance is primarily a result of financing unfunded actuarial liabilities in the State's pension fund systems and uninsured motorist funds, and financing local elementary and high school construction.
- June 30, 2003 Component Unit assets exceeded Component Unit liabilities by \$8.8 billion. Total Component Unit assets grew to \$34.0 billion.

#### Fund Level

- The State's governmental funds reported June 30, 2003 combined ending fund balances of \$7.7 billion, an increase of \$2.1 billion from the prior fiscal year. Of this amount, \$310.8 million represents unreserved fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is \$2.3 billion, with \$373.0 million unrestricted.
- Proprietary Funds reported June 30, 2003 net assets of \$2.2 billion. During the fiscal year, this amount decreased by \$695.0 million.

#### Long-term Debt

- The State's long-term debt obligations increased 9.5 percent, to \$18.8 billion, which includes a net increase in bonded debt of \$1.6 billion.
- During the fiscal year, the State issued \$3.7 billion in bonds. New money issuances represented \$2.1 billion for transportation and education system improvements, while \$1.6 billion represented five refunding transactions that provided the State with \$74.9 million in net present value savings. During the fiscal year ended June 30, 2003, the State paid \$1.4 billion in debt service on its general obligation bonds, revenue bonds, installment obligations, and certificates of participation.
- Non-bonded portions of the State's long-term debt total \$2.6 billion. This amount represents a \$19.8 million decrease from the prior fiscal year and is mainly attributable to a reduction in compensated absences for sick and vacation.

- As of June 30, 2003 the State has \$10.8 billion of legislatively authorized bonding capacity that has not yet been issued. This amount represents a decrease of \$2.9 billion from the prior fiscal year. Major components include \$7.5 billion for school construction, \$1.9 billion for transportation system improvements, \$757.4 million for various, voter approved capital items, and \$500.0 million for open space preservation.

## OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the State of New Jersey's basic financial statements.

### Basic Financial Statements

The basic financial statements include Government-wide financial statements and Fund financial statements. Both statements present different views of the State's financial information. The Comprehensive Annual Financial Report includes Notes to the Financial Statements; Required Supplementary Information (Budgetary Schedules) as well as Other Information.

- **Government-wide Financial Statements**  
Government-wide financial statements provide a broad view of the State's operations conforming to private sector accounting standards and provide both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include the following two statements:
  - **The Statement of Net Assets** Shown on page 37, the Statement of Net Assets presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.
  - **The Statement of Activities** Shown on pages 38 and 39, the Statement of Activities presents how the State's net assets changed during Fiscal Year 2003. All changes in net assets are reported when the underlying event occurs giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. This statement also presents a comparison between direct expenses and program revenues for each State function.

Both the Statement of Net Assets and the Statement of Activities have separate sections that report three activities:

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.
- **Business-type Activities** Certain State operations that are legislatively able to charge fees to external users to recover all or a portion of the cost of the services that are provided are classified as business-type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.
- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. The State has 22 authorities, of which the New Jersey Building Authority, the Garden State Preservation Trust, and the New Jersey Transportation Trust Fund Authority are blended into governmental activities, and 12 colleges and universities that are reported as component units. These

component units operate as business-type activities and are presented in two categories, major and non-major which is determined, generally, by the relative size of the entity's assets, liabilities, revenues, and expenses when compared to the total of the related component units. A list of the State's component units is shown in Notes 1B – Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units in the Notes to the Financial Statements. Audit reports of the individual component units can be obtained from their respective administrative offices.

The Comprehensive Annual Financial Report includes two schedules (shown on pages 42 and 46) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the financial reporting impact of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

- Capital assets used in governmental activities are not reported on governmental fund financial statements.
- Certain tax revenues that are not earned, but are available, are reported as revenue on the governmental fund financial statements, but are classified as deferred revenue on the government-wide financial statements.
- Any liability relating to funding certain pension trust funds below the amount required (net pension obligation) is recorded only in the government-wide financial statements.
- Deferred issue costs are capitalized and amortized in the government-wide financial statement, but are reported as expenditures in the governmental fund financial statements.
- Except for the current portion of long-term debt which is reported in the fund financial statements, long-term liabilities, such as capital lease obligations, compensated absences, bonds and notes payable, and others appear as liabilities in the government-wide financial statements only.
- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental fund financial statements.
- Interest expense on long-term debt is recorded in the government-wide financial statements in the period when incurred. In the governmental fund financial statements, interest expense on long-term debt is recorded in the period it is paid.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental fund financial statements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements. The notes can be found on pages 62 to 103 of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003.

- **Fund Financial Statements**

Fund financial statements begin on page 40. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related

liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State entity is divided between funds and component units, with State's funds divided into three categories – governmental, proprietary, and fiduciary.

- **Governmental Funds Financial Statements** Most Direct State Services are financed through governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental funds financial statements focus on current inflows and outflows of expendable resources and the unexpended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

The State's governmental funds are the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Projects Funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets as shown on pages 52 to 55. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.
- **Component Units** The government-wide financial statements present information for the component units in a single column of the Statement of Net Assets. The Combining Statement of Net Assets and Changes in Net Assets and the Combining Statement of Cash Flows provides detail for each major component unit and the non-major component units in the aggregate.
- **Notes to the Financial Statements** Beginning on page 62, the Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.
- **Required Supplementary Information** The basic financial statements are followed by a section of required supplementary information. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year's end as well as variances between the final budget and actual results on a budgetary basis. Also there is a Schedule of Funding Progress for all Pension Trust Funds.

- **Other Information**

Combining financial statements for non-major governmental funds, proprietary funds, fiduciary funds, and non-major component units are shown in this section. They are not reported individually, as with major funds, on the Governmental Fund Financial Statements. The Schedule of Appropriations and Expenditures, shown in this section details the comparison of expenditures at the legal level of control to the final budget. The Schedule of Anticipated Revenue and the Schedule of Appropriated Revenue provide detailed information on major and miscellaneous taxes, fees and other revenues. The Schedule of Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original budget certification.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Assets**

The State's fiscal year ended combined net assets totaled \$3.2 billion. Fiscal Year 2003 activities showed a \$337.9 million increase in combined net assets, with net assets of governmental activities increasing by \$1.0 billion, and business-type activities decreasing by \$695.1 million.

### **Net Assets For Fiscal Year Ending June 30 (Expressed In Millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Current and other noncurrent assets	\$ 11,081.8	\$ 8,693.9	\$ 3,761.5	\$ 4,632.5	\$ 14,843.3	\$ 13,326.4
Capital assets, net	12,960.8	12,259.8	-	-	12,960.80	12,259.8
<b>Total Assets</b>	<b>24,042.6</b>	<b>20,953.7</b>	<b>3,761.5</b>	<b>4,632.5</b>	<b>27,804.1</b>	<b>25,586.2</b>
Current liabilities	4,221.6	3,806.3	501.8	606.1	4,723.4	4,412.4
Noncurrent liabilities	18,821.4	17,184.4	1,039.9	1,111.5	19,861.30	18,295.9
<b>Total Liabilities</b>	<b>23,043.0</b>	<b>20,990.7</b>	<b>1,541.7</b>	<b>1,717.6</b>	<b>24,584.7</b>	<b>22,708.3</b>
Net Assets:						
Invested in capital assets, net of related debt	4,907.4	4,781.8	-	-	4,907.4	4,781.8
Restricted	4,017.0	3,453.5	2,219.8	2,974.6	6,236.8	6,428.1
Unrestricted	(7,924.9)	(8,272.3)	-	(59.7)	(7,924.9)	(8,332.0)
<b>Total Net Assets</b>	<b>\$ 999.5</b>	<b>\$ (37.0)</b>	<b>\$ 2,219.8</b>	<b>\$ 2,914.9</b>	<b>\$ 3,219.3</b>	<b>\$ 2,877.9</b>

Invested in capital assets, net of related debt is the largest component of the State's net assets. Capital assets, net of depreciation are used by the State to provide services to citizens; consequently these assets are not available for future spending. Land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges and other immovable assets), and construction in progress are shown less any related debt used to acquire these assets that is still outstanding.

### **Changes in Net Assets**

The State's Fiscal Year 2003 net assets increased by \$337.9 million. This amount is a result of the State's decision to sell 100.0 percent of the Tobacco Settlement Receipts. Approximately 45.5 percent of the State's total revenue came from general taxes, while 23.7 percent was derived from operating grants. Charges for services amounted to 20.3 percent of total revenues, while other items such as governmental subsidies and grants, capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 25.4 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 22.1 percent of total expenditures, while government direction, management, and control amounted to



13.5 percent. Other major expenditures focused on economic planning, development, and security, public safety and criminal justice, and community development and environmental management. During Fiscal Year 2003, governmental activity expenses exceeded program revenues, resulting in the use of \$23.4 billion of general revenues (mostly taxes). Net expenses from business-type activities in Fiscal Year 2003 were lower than revenues by \$21.8 million.

The deficit in unrestricted governmental net assets arose primarily as a result of deferring certain tax revenues that were received during Fiscal Year 2003 but not earned until a future time period, recording depreciation expense related to the capital assets, and recording certain liabilities that are required to be included in the government-wide financial statements.

**Statement of Activities  
For Fiscal Year Ending June 30  
(Expressed In Millions)**

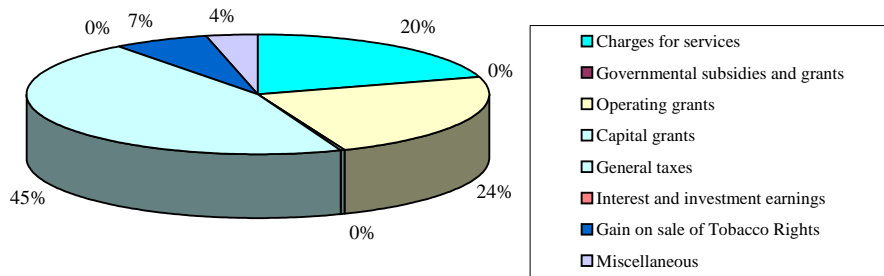
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Primary Government Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3,900.7	\$ 3,052.3	\$ 4,706.4	\$ 4,032.0	\$ 8,607.1	\$ 7,084.3
Operating grants	9,138.9	9,233.0	897.8	847.9	10,036.7	10,080.9
Capital grants	30.6	23.8	-	-	30.6	23.8
General revenues						
General taxes	19,297.6	18,049.8	-	-	19,297.6	18,049.8
Governmental subsidies and grants	-	-	-	246.8	-	246.8
Interest and investment earnings	61.1	42.8	-	-	61.1	42.8
Miscellaneous	1,587.4	1,565.2	-	-	1,587.4	1,565.2
<b>Total Revenues</b>	<u>34,016.3</u>	<u>31,966.9</u>	<u>5,604.2</u>	<u>5,126.7</u>	<u>39,620.5</u>	<u>37,093.6</u>
<b>Expenses</b>						
Public safety and criminal justice	2,504.5	2,485.0	-	-	2,504.5	2,485.0
Physical and mental health	9,305.6	8,952.4	-	-	9,305.6	8,952.4
Educational, cultural, and intellectual development	10,686.3	10,117.8	-	-	10,686.3	10,117.8
Community development and environmental management	1,959.0	2,207.6	-	-	1,959.0	2,207.6
Economic planning, development, and security	4,050.2	3,577.1	-	-	4,050.2	3,577.1
Transportation programs	1,561.1	1,541.6	-	-	1,561.1	1,541.6
Government direction, management, and control	5,694.5	4,954.9	-	-	5,694.5	4,954.9
Special government services	236.3	227.2	-	-	236.3	227.2
Interest expense	460.0	427.1	-	-	460.0	427.1
State Lottery Fund	-	-	1,339.0	1,304.7	1,339.0	1,304.7
Unemployment Compensation Fund	-	-	2,876.3	2,497.1	2,876.3	2,497.1
Other	-	-	1,367.1	1,217.5	1,367.1	1,217.5
<b>Total Expenses</b>	<u>36,457.5</u>	<u>34,490.7</u>	<u>5,582.4</u>	<u>5,019.3</u>	<u>42,039.9</u>	<u>39,510.0</u>
Excess (Deficiency) Before Contributions and Transfers	(2,441.2)	(2,523.8)	21.8	107.4	(2,419.4)	(2,416.4)
Transfers	716.9	725.3	(716.9)	(725.3)	-	-
Gain on Sale of Tobacco Rights	2,757.3	-	-	-	2,757.3	-
<b>Increase (Decrease) In Net Assets</b>	<u>1,033.0</u>	<u>(1,798.5)</u>	<u>(695.1)</u>	<u>(617.9)</u>	<u>337.9</u>	<u>(2,416.4)</u>
<b>Net Assets - July 1, 2002</b>	<u>(33.4) *</u>	<u>1,761.5</u>	<u>2,914.9</u>	<u>3,532.8</u>	<u>2,881.5</u>	<u>5,294.3</u>
<b>Net Assets - June 30, 2003</b>	<u>\$ 999.6</u>	<u>\$ (37.0)</u>	<u>\$ 2,219.8</u>	<u>\$ 2,914.9</u>	<u>\$ 3,219.4</u>	<u>\$ 2,877.9</u>

\* Net Assets have been restated to reflect a change in accounting classification

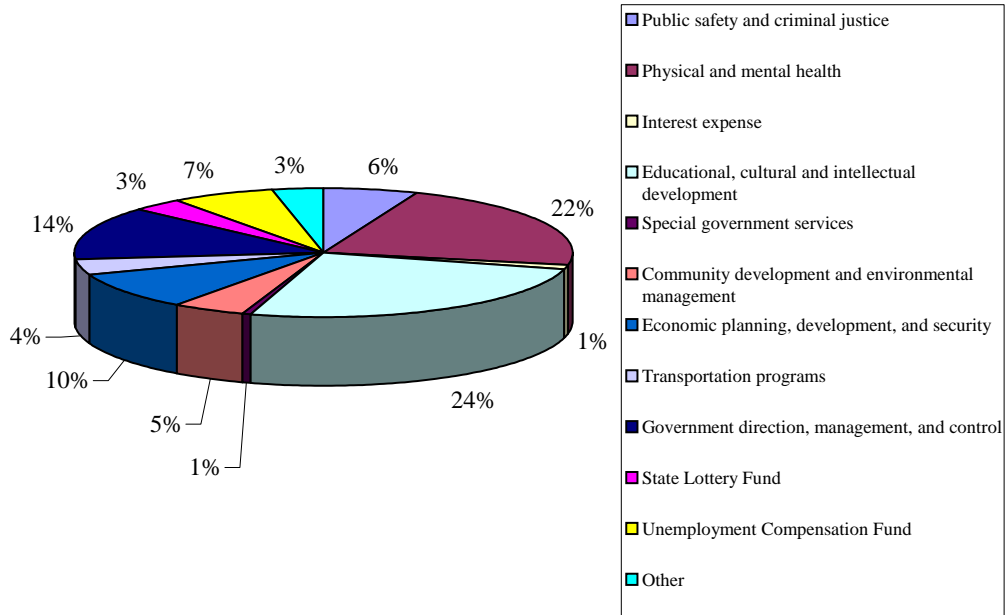
**Governmental Activities – Revenues and Expenditures**

The following pie charts depict governmental activities for revenues and expenditures for the fiscal year ended June 30, 2003:

**Revenues – Governmental Activities  
Fiscal Year Ended June 30, 2003**



**Expenditures – Governmental Activities  
Fiscal Year Ended June 30, 2003**



Effective January 1, 2002, the State’s Corporation Business Tax was restructured to wipe out a myriad of loopholes and tax shelters, restore simplicity, and provided a lower tax rate for small businesses. An alternative minimum assessment was based on corporate sales or gross profits at the payor’s option. The minimum assessment was also applied to out-of-state companies that have significant economic presence in New Jersey but currently pay no New Jersey corporate taxes. Loopholes in the Corporation Business Tax

are now closed that allowed larger corporations to shelter income and pay only the minimum \$200.00 to the State.

In addition, during Fiscal Year 2003, the State established the Tobacco Settlement Financing Corporation, Inc. (TSFC) as a special purpose, local development corporation. The TSFC is an instrumentality of, but separate and apart from, the State of New Jersey. A board consisting of the State Commissioner of Health and Senior Services, the State Treasurer, and one public member appointed by the Governor governs the TSFC. Pursuant to a Purchase and Sale Agreement with the State, the State sold to the TSFC all of its future right, title and interest in the Tobacco Settlement Revenues under the Master Settlement Agreement and the Decree of Final Judgment. The Master Settlement Agreement resolved cigarette smoking related claims, in exchange for certain payments to be made to the settling states, as well as certain tobacco advertising and marketing restrictions, among other things. As of June 30, 2003 the TSFC has issued approximately \$3.46 billion of Tobacco Settlement Asset-Backed Bonds in two separate tranches. For Fiscal Year 2003, the State's General Fund received \$1.557 billion of bond proceeds and other settlement payments, and another \$1.612 billion of bond proceeds and other settlement payments is estimated for Fiscal Year 2004. The remaining funds were used to make a deposit to the Debt Service Reserve Account, pay certain costs of issuance on the bonds, fund capitalized interest, and make a deposit to the Operating Account.

Other significant, Fiscal Year 2003 tax changes included a 70.0 cents per pack increase in the Cigarette Tax.

#### **Fiscal Year 2004 Revenue**

The State's Fiscal Year 2004 Budget imposes a new, graduated, supplemental fee on realty transfers. The fee is payable to the county in which the deed is recorded. The Realty Transfer Fee does not affect transfers by senior citizens, blind persons, disabled persons, and other transfer of property that is legally defined as low and moderate housing. A portion of the fee is retained by the county to support public health services with the remainder remitted to the State Treasurer for deposit to the State's Extraordinary Aid Account within the General Fund.

The Fiscal Year 2004 Budget inaugurates the State's Hotel/Motel Occupancy Tax. Effective August 1, 2003, the State imposes a 7.0 percent fee. For Fiscal Year 2005 and thereafter, a 5.0 percent fee will be imposed. The legislation establishing the Hotel/Motel Occupancy Tax designates special rate provisions for those municipalities that already impose local taxes or fees on hotel/motel occupancies. In Atlantic City, where there is currently a combined rate of sales and luxury taxes of 12.0 percent, the occupancy rate is 1.0 percent. In the Wildwood area, where there is a combined rate of sales and local taxes of 9.85 percent, the occupancy fee is 3.15 percent. In Newark and Jersey City, where a 6.0 percent local hotel tax is currently collected in addition to the 6.0 percent sales tax, the occupancy fee is 1.0 percent. The Hotel/Motel Occupancy Tax also authorizes all other municipalities to adopt an ordinance to impose a local tax of up to 1.0 percent. The earliest effective date for the local tax is September 1, 2003. For Fiscal Year 2005 and thereafter, the local tax may be imposed at a rate of up to 3.0 percent. The State Hotel/Motel Occupancy Tax is allocated in the following manner; \$16.0 million for the New Jersey State Council on the Arts, \$2.7 million for the New Jersey Historical Commission, \$9.0 million for the New Jersey Commerce and Economic Growth Commission, and \$0.5 million for the New Jersey Cultural Trust. The local tax is collected and distributed to the municipality in which the tax is levied.

Effective July 1, 2003, the State's Fiscal Year 2004 Budget imposes a tax on casino licensees on the value of rooms, food, beverages, and entertainment that are given away for free or at a reduced price as a "complimentary." This tax is imposed at a rate of 4.25 percent on those items provided for free. For those complimentary items that are provided at a reduced price, the 4.25 percent tax is calculated on the value of the room, food, beverage or entertainment, reduced by any consideration paid by the customer. Payable by the casino licensees, this tax is in addition to any amount due under the Sales and Use Tax Act on receipts from the sale of food, beverages, room occupancies and entertainment. Other areas impacted in Atlantic City are a casino hotel parking fee which increased to \$3.00 from \$2.00, a \$3.00 per day fee on each hotel room occupied by a guest in a casino hotel, an 8.0 percent gross revenue tax on companies that administer and service multi-progressive casino slot machine systems, and a 7.5 percent tax on the adjusted net income

of casino licensees. These newly enacted casino taxes and fees are deposited into the State's Casino Revenue Fund. Appropriations from this fund must be used for reductions in property taxes, utility charges, and other expenses of eligible senior citizens and disabled residents.

In addition, the State's Fiscal Year 2004 Budget increases the Cigarette Tax by 55.0 cents per pack, bringing the total levy to \$2.05 per pack of 20 cigarettes. This incremental portion of the Cigarette Tax is statutorily dedicated for health programs each year.

As with the Fiscal Year 2003 Budget, there were no significant, structural changes being made to the State's two other major taxes, the Gross Income Tax and the Sales and Use Tax.

### **Business-type Activities**

For the fiscal year ended June 30, 2003, net assets of business-type activities totaled \$2.2 billion, a \$695.1 million decrease over the prior fiscal year. The major factor contributing to this decrease was an increase in claims and a decrease in revenues in the Unemployment Compensation Fund and excess claims in the Health Benefits Local Employers Program Fund.

## **FINANCIAL ANALYSIS OF THE STATE'S MAJOR FUNDS**

The focus of the State's major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending.

The State's governmental funds reported June 30, 2003 fund balances of \$7.7 billion. Of this amount, \$310.8 million, or 4.0 percent constituted unreserved fund balances.

### **General Fund**

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's fiscal year ending fund balance totaled \$2.3 billion, of which, \$1.2 billion represented unreserved fund balances. During Fiscal Year 2003, total fund balance increased by \$323.0 million primarily as a result of the State selling all of its future rights in Tobacco Settlement Receipts. By the end of Fiscal Year 2003, net General Fund revenues increased 11.9 percent from the prior fiscal year.

- **General Fund Highlights**

Lower State revenues reflected New Jersey's economic performance. During Fiscal Year 2003, the State's original budget was adjusted in order to reflect lower revenue collections. The following summarizes major variances between the final budget and the actual amounts (on a budgetary basis):

- General revenues of \$23.3 billion were \$2.8 billion lower than the final certifications. Positive variances of \$770.4 million from taxes and other revenue were offset by reductions in federal and other grants of \$3.2 billion, service and assessments of \$252.4 million, and licenses and fees of \$102.6 million.
- Total expenditures were \$3.1 billion lower than original appropriations set forth in the budget enacted during June 2002 plus supplemental appropriations during the fiscal year. This amount includes \$1.1 billion from physical and mental health, \$464.1 million from economic planning, development and security, \$442.4 million from community development and environmental management, \$388.8 million from public safety and criminal justice, and \$303.1 million from government direction, management, and control. Lesser reductions of \$240.0 million came from educational, cultural, and intellectual development, \$93.4 million came from special government services, and \$48.7 million came from transportation programs.

- The Surplus Revenue Fund is an account within the State's General Fund. It is used to account for excess revenues from prior fiscal years that is legislatively reserved for current year's appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. During Fiscal Year 2002, the State released \$720.0 million to the General Fund in order to offset lower revenue collections. The Surplus Revenue Fund's undesignated fund balance as of June 30, 2003 is \$0.0 million.

**Property Tax Relief Fund**

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes.

- **Property Tax Relief Fund Highlights**

During Fiscal Year 2003, \$7.2 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2003 ending undesignated fund balance is \$0.0 million.

The following table presents a fund balance comparison of the components of the State's ending undesignated fund balance for Fiscal Year 2003 and Fiscal Year 2002:

**Fund Balance Comparison  
(Expressed In Millions)**

<u>Fund</u>	<u>Fiscal Year</u>		<u>Amount</u>
	<u>2003</u>	<u>2002</u>	
General Fund	\$ 373.0	\$ 292.3	\$ 80.7
Surplus Revenue Fund	-	-	-
Debt Avoidance and Retirement Fund	-	-	-
Property Tax Relief Fund	-	-	-
Casino Control Fund	4.3	-	4.3
Casino Revenue Fund	-	-	-
<b>Total</b>	<u>\$ 377.3</u>	<u>\$ 292.3</u>	<u>\$ 85.0</u>

The State's governmental funds reported June 30, 2003 fund balances of \$7.7 billion. Of this amount, \$5.0 billion, or 64.9 percent constituted unreserved fund balances.

**State Lottery Fund**

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Available fund balances are transferred to the State's General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts, are accounted for in this fund.

In Fiscal Year 2003, gross revenues totaled \$2.1 billion, of which 55.4 percent was returned in prizes, 36.2 percent went to State education and institutions, 7.9 percent was paid to sales agents and ticket vendors, and 1.1 percent covered Lottery operational and promotional expenses. As of June 30, 2003, the State Lottery, since its inception, has generated over \$32.5 billion in gross revenues, \$16.6 billion in prizes, and contributed \$13.2 billion to the State.

### **Unemployment Compensation Fund**

The Unemployment Compensation Fund accounts for monies deposited from employers and employees contributions for unemployment compensation, amounts credited or advances made by the Federal Government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund.

### **Component Units**

Combined operating revenues and expenses for the State's component units for Fiscal Year 2003 amounted to \$7.6 billion and \$10.2 billion respectively. Total operations along with other financing sources and uses contributed to total combined net assets at fiscal year end of \$8.8 billion.

The component units received \$1.0 billion in State appropriations during Fiscal Year 2003.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

Administration of the State's capital assets falls under the purview of the Department of the Treasury. Capital assets are recorded under the State's General Fixed Asset System in the New Jersey Office of Management and Budget. The New Jersey Office of Public Finance is responsible for issuing the State's short-term and long-term debt obligations as well as overseeing the State's credit ratings.

Capital Assets are shown in the table below. The State's investment in capital assets, net of accumulated depreciation, totaled \$13.0 billion as of June 30, 2003. Depreciation charges for Fiscal Year 2003 totaled \$409.5 million.

More detailed information about the State's capital assets is presented in Note 6 – Capital Assets, in the Notes to the Financial Statements.

### **Capital Assets (Net of Depreciation) As of June 30 (Expressed In Millions)**

	<b>Total Primary Government</b>	
	<b>2003</b>	<b>2002</b>
Land	\$ 579.5	\$ 530.1
Land Improvements	24.9	27.4
Buildings and Improvements	1,390.9	1,423.3
Equipment	95.1	93.1
Infrastructure	10,681.3	10,019.0
<b>Sub-Total</b>	<b>12,771.7</b>	<b>12,092.9</b>
Construction-In-Progress	189.1	166.9
<b>Total</b>	<b>\$ 12,960.8</b>	<b>\$ 12,259.8</b>

### **Fiscal Year 2004 Capital Plan**

The State's school construction program is one of the largest capital plans in the country. The Educational Facilities Act established a comprehensive program for the design, renovation, repair and new construction of primary and secondary schools for all local and regional school districts, county special services school districts, county vocational school districts and state-operated school districts, in order to provide the funding mechanism to fulfill the State's constitutional obligation to ensure safe and adequate educational facilities in public school districts throughout the State. Under the Educational Facilities Act, the New Jersey School Construction Corporation, a subsidiary of the New Jersey Economic Development Authority, is directed to construct and finance school facilities projects for three categories of school districts: (1) Abbott Districts, (2) districts which are directed by the Commissioner of Education to enter

“level II monitoring” upon a finding that they have failed to show sufficient progress toward achieving a certain “thorough and efficient” standard, and (3) districts with a “district aid percentage” equal or greater than 55.0 percent. Any district not described above may elect to have the New Jersey School Construction Corporation undertake the construction of its school facilities project, or may instead elect to do so itself. The Educational Facilities Act currently provides that the aggregate principal amount of bonds, notes or other obligations issued by the New Jersey Economic Development Authority shall not exceed: \$100.0 million for the State share of costs for county vocational school district school facilities projects, \$6.0 billion for the State share of costs for Abbott District school facilities projects, and \$2.5 billion for the State share of costs for school facilities projects in all other districts. As of June 30, 2003 the New Jersey Economic Development Authority has issued \$1.1 billion of School Construction Bonds, with school facility project obligations and expenditures as follows:

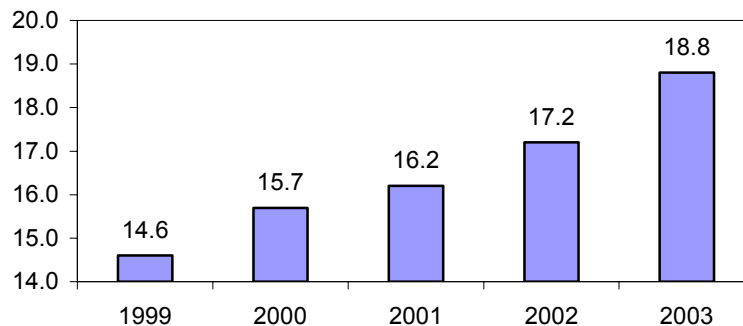
<u>School Facility Project</u>	<u>Obligations</u>	<u>Expenditures</u>
Abbott Districts	\$ 1,148,086,759	\$ 500,446,831
Non-Abbott Districts	1,113,846,462	320,495,273
Vocation School Districts	52,026,648	17,089,133
General Program Costs	369,537,358	78,571,177
<b>Total</b>	<b>\$ 2,683,497,227</b>	<b>\$ 916,602,414</b>

Exclusive of the State’s school construction program, the State’s Fiscal Year 2004 capital budget authorizes spending of \$1.6 billion. Of that amount, the New Jersey Transportation Trust Fund Authority’s spending authorization totals \$1.2 billion, with \$610.0 million reserved for Department of Transportation projects and \$618.2 million reserved for New Jersey Transit projects. The Garden State Preservation Trust is another program funded in the State’s Fiscal Year 2004 Capital Plan. In 1998, voters approved a constitutional amendment that provided \$98.0 million in annual funding for the acquisition and development of lands for recreation and conservation purposes, for the preservation of farmland, and for historic preservation. Funding for the Garden State Preservation Trust is expected to continue through Fiscal Year 2009. Other major capital funding includes 4.0 percent constitutional dedication of the State’s Corporation Business Tax to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

**Debt Administration**

As of June 30, 2003, New Jersey’s outstanding long-term debt totaled \$18.8 billion. This amount represents a \$1.6 billion increase over the prior fiscal year. In addition the State has \$10.8 billion of legislatively authorized bonding capacity that has not yet been issued. The authorized bonding capacity was decreased by \$2.9 billion during Fiscal Year 2003. The State’s long-term debt for the past five fiscal years is shown below:

**Long-Term Debt  
Fiscal Year 1999 to Fiscal Year 2003  
(Expressed in Billions)**



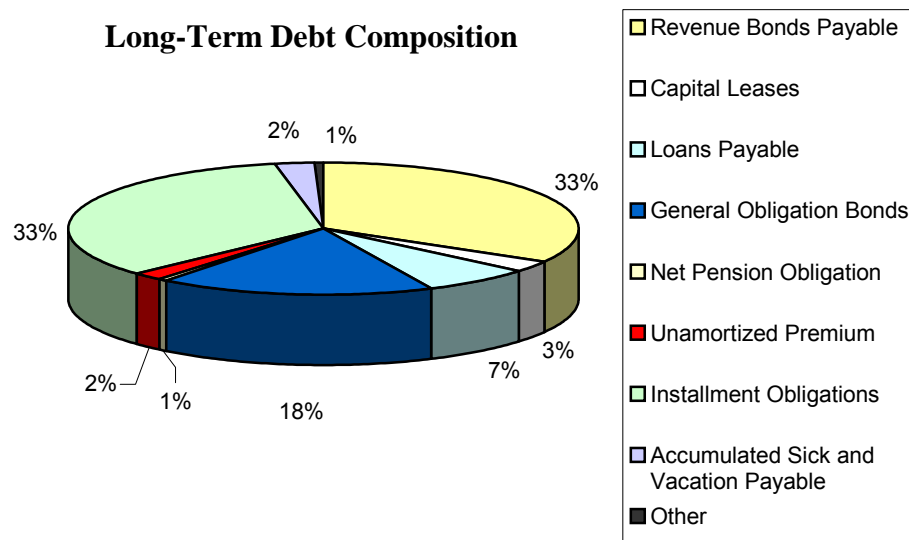
The State's long-term debt can be broken into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds, Installment Obligations, Certificates of Participation, Unamortized Premium, and Unamortized Deferral on Refunding. Non-bonded categories include Capital Leases, Loans Payable, Accumulated Sick and Vacation Payable, Net Pension Obligation, and Other. A description of each category is as follows:

- **General Obligation Bonds** The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. Examples of capital projects financed by State General Obligation Bonds include correctional facilities, psychiatric institutions, dams, reservoirs, and transportation projects. As of June 30, 2003 the State had \$3.3 billion of State General Obligation Bonds outstanding with another \$757.4 million of bonding authorization remaining from various State General Obligation Bond Acts.
- **Revenue Bonds** This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority for the purpose of erecting office structures to support State operations, the Garden State Preservation Trust for the purpose of acquiring land to preserve for open space, and the New Jersey Transportation Trust Fund Authority for the purpose of constructing various transportation and transit related projects. As of June 30, 2003 the State had \$6.2 billion of Revenue Bonds outstanding with another \$2.4 billion of bonding authorization remaining for funding for Garden State Preservation Trust and New Jersey Transportation Trust Fund Authority programs.
- **Installment Obligations** This debt classification represents obligations whose debt service is subject to and dependent upon the State Legislature making future appropriations from time to time. Installment obligations include debt issued to help fund the State's school construction program, and fund colleges and universities for the installation of dormitory fire suppression equipment. The State's Installment Obligation Bonds outstanding as of June 30, 2003 total \$6.3 billion. Total authorized but unissued Installment Obligation Bonds equal \$7.6 billion as of June 30, 2003.
- **Certificates of Participation** Certificates of Participation are debt issuances used primarily to finance State equipment needs under the State's master lease program. Currently, the State uses a line of credit as its preferred financing method for equipment. The State's Certificates of Participation outstanding as of June 30, 2003 equal \$81.7 million.
- **Unamortized Premium (Net)** During Fiscal Year 2003, unamortized premium totaled \$365.2 million, a \$171.2 million increase from the prior fiscal year's end. This increase is mainly attributed to the State issuing \$1.6 billion of refunding bonds in five distinct transactions. GASB Statement No. 34 requires the premium to be deferred and amortized over the life of the refunding bonds.
- **Unamortized Deferral on Refunding** Unamortized Deferral on Refunding shows the actual gain or loss on refunding transactions under GASB Statement No. 23. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2003 the State has issued seven refunding bonds to be amortized over 25.9 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds, applicable to GASB Statement No. 23 interpretation, have a total loss of \$211.9 million.



- **Capital Leases** Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Total Capital Leases outstanding as of June 30, 2003 equal \$542.7 million.
- **Loans Payable** Loans Payable represent amounts received by the New Jersey Automobile Insurance Guaranty Fund, from the New Jersey Property-Liability Insurance Guaranty Association (PLIGA). The loans were made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability. PLIGA loans of \$1.3 billion remain outstanding as of June 30, 2003.
- **Accumulated Sick and Vacation** Pursuant to GASB Statement No. 16, Accounting for Compensated Balances, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time as of June 30, 2003. This amount totals \$449.9 million.
- **Net Pension Obligation** Net Pension Obligation represents the \$115.0 million pension fund liability due to the State Police Retirement System and the Consolidated Police and Firemen’s Retirement System as of June 30, 2003. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers.
- **Other** Other includes obligations required to be reported as long-term indebtedness in accordance with the National Council on Governmental Accounting (NCGA) Statement No. 1. These obligations include health (\$107.0 million), dental (\$3.3 million), and medicaid benefit claims (\$221.7 million of which \$105.3 million is federally reimbursable), which have been incurred but not reported.

The following pie chart shows the percentage of each long-term debt category for Fiscal Year 2003:



Note: Unamortized Deferral on Refunding has been merged with Other for presentation purposes.

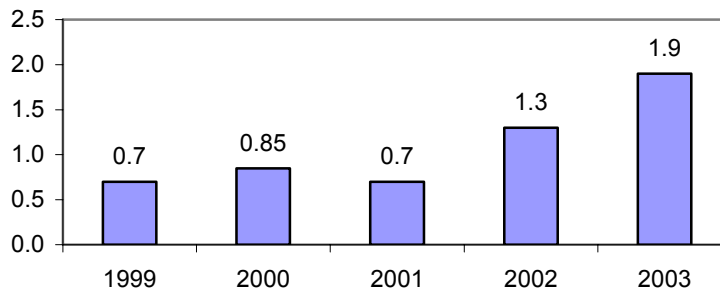
More detailed information about the State’s long-term obligations and its debt limitations is presented in Note 9 – Long-term Obligations in the Notes to the Financial Statements.

**Short-term Debt**

The State’s short-term note program provides effective cash flow management of imbalances that occur in the timing between collections and disbursements of State revenues and appropriations during the fiscal year. The State Treasurer is authorized to issue short-term debt instruments without it constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes must be retired within twelve months of their issuance date. During Fiscal Year 2003, the State issued and retired \$1.9 billion in short-term notes.

The following chart details the amount of short-term borrowings the State has issued and retired since 1999:

**Short-Term Debt  
Fiscal Year 1999 to Fiscal Year 2003  
(Expressed in Billions)**



More detailed information about the State’s short-term debt program is presented in Note 8 – Short-term Debt, in the Notes to the Financial Statements.

**Credit Ratings**

Standard & Poor’s Corporation, Moody’s Investors Service, and Fitch Investors Service rate the State’s debt. As of June 30, 2003, the State’s short-term and long-term credit rating are as follows:

<b><u>Rating Agency</u></b>	<b><u>Short-Term</u></b>	<b><u>Long-Term</u></b>
Standard & Poor’s Corporation	SP-1+	AA
Moody’s Investors Service	MIG 1	Aa2
Fitch Investors Service	F1+	AA

**ECONOMIC CONDITION AND OUTLOOK**

New Jersey has been experiencing an economic slowdown similar to the rest of the nation due to the economic recession that began in March 2001. Although economic activity has remained sluggish in Calendar Year 2003, signs of improving economic conditions are emerging. In July 2003, the National Bureau of Economic Research’s (NBER) Business-Cycle Dating Committee announced that the eight-month long recession ended in November 2001.

New Jersey’s employment increased by 0.5 percent in October 2003 over a year ago adding 2,300 more jobs compared to September and continuing the positive year-to-year growth trend for the seventh consecutive month since April 2003. Overall, the State added over 29,000 jobs between January and October of this calendar year. Payroll employment for 2003 is growing at 0.3% through October.

However, the State continues to suffer from job losses in manufacturing and downsizing in the telecommunications industry. Most of the job losses in New Jersey, between January and October 2003,

were concentrated in Trade, Transportation and Utilities and Information (-5,900) and Manufacturing (-7,400). The latter has been declining for more than a decade and fell by 2.4 percent on a year-to-year basis in October 2003. New Jersey's employment level remained consistently above 4.01 million for the last seven months since April 2003.

The United States' Department of Commerce's Bureau of Economic Analysis preliminary report released on October 23, 2003 shows that during the second quarter of Calendar Year 2003, New Jersey's growth rate for personal income improved 3.0 percent over the revised growth rate of 2.3 percent during first quarter of Calendar Year 2003. The third quarter Calendar Year 2003 Gross National Product was just revised upward and may indicate a potential for an upward trend in the personal income growth numbers for New Jersey as well. Despite labor market conditions, low inflation in the neighborhood of 2.0 percent continues to benefit New Jersey consumers and businesses. In addition, low interest rates continue to support spending on housing and other consumer durables in the state.

The State and the nation may experience further near-term slow growth and the expected recovery may stall into early Calendar Year 2004 if consumers, investors, and businesses become more concerned about geopolitical conditions. The future direction of economic recovery nationally and in New Jersey to a large extent hinges on the assumptions of no further terrorist attacks, supportive monetary and fiscal stimulus and no further turmoil in the financial markets. However, the fundamentals of the State's economic health remain stable and the long run prospects for economic growth of the State in Calendar Year 2004 and beyond are favorable.

New Jersey State Government has undertaken several budgetary initiatives to address revenue pressures facing the State while the economic recovery becomes self-sustaining and stable. These initiatives include implementing a new Hotel/Motel Occupancy Tax, increasing the tax rate on Realty Transfers and on Cigarettes. Other initiatives include taxing "complimentary" rooms in Atlantic City.

### **REQUEST FOR INFORMATION**

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, 6<sup>th</sup> Floor, Trenton, New Jersey, 08625. Copies of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, the State Budget, and the Appropriations Handbook are also available at the following website: [www.state.nj.us/treasury/omb](http://www.state.nj.us/treasury/omb).

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
JUNE 30, 2003**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 95,065,717	\$ 5,491,163	\$ 100,556,880	\$ 634,578,643
Investments	4,978,666,446	504,530,294	5,483,196,740	11,286,340,338
Receivables, net of allowances for uncollectibles				
Federal government	705,496,647	1,928,783,501	2,634,280,148	71,430,279
Departmental accounts	2,078,800,064	407,181,522	2,485,981,586	--
Loans	934,384,983	--	934,384,983	1,300,467,668
Mortgages	--	--	--	2,112,103,091
Other	2,102,019,647	119,120,544	2,221,140,191	1,743,112,281
Internal balances	89,675,448	(89,675,448 )	--	--
Due from external parties	17,332,977	--	17,332,977	28,368,595
Due from primary government	--	--	--	197,779,915
Inventories	--	--	--	74,190,584
Other	80,291,027	11,861,099	92,152,126	1,512,705,611
<b>Noncurrent Assets</b>				
Investments	--	874,227,407	874,227,407	--
Capital assets, net	12,960,840,314	--	12,960,840,314	15,048,067,803
<b>Total Assets</b>	<b>24,042,573,270</b>	<b>3,761,520,082</b>	<b>27,804,093,352</b>	<b>34,009,144,808</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	1,952,654,847	435,782,354	2,388,437,201	905,058,720
Due to external parties	15,581,717	--	15,581,717	56,061,266
Due to primary government	--	--	--	1,517,632,430
Due to component units	--	--	--	11,280,493
Interest payable	188,038,910	--	188,038,910	181,998,106
Deferred revenue	950,488,786	4,540,421	955,029,207	158,145,475
Other	1,114,837,956	61,505,860	1,176,343,816	455,220,929
<b>Noncurrent Liabilities:</b>				
Due within one year	1,315,032,107	164,801,704	1,479,833,811	1,064,149,100
Due in more than one year	17,506,376,235	875,024,454	18,381,400,689	20,906,319,832
<b>Total Liabilities</b>	<b>23,043,010,558</b>	<b>1,541,654,793</b>	<b>24,584,665,351</b>	<b>25,255,866,351</b>
<b>NET ASSETS</b>				
<b>Invested in capital assets, net of related debt</b>	<b>4,907,382,220</b>	<b>--</b>	<b>4,907,382,220</b>	<b>7,277,217,225</b>
<b>Restricted for:</b>				
Capital projects	--	--	--	199,891,223
Educational, cultural, and intellectual development	789,281,203	--	789,281,203	--
Community development and environmental management	1,809,668,678	--	1,809,668,678	--
Economic planning, development, and security	841,717,903	--	841,717,903	--
Debt service	--	--	--	1,357,293,768
Unclaimed property	239,618,605	--	239,618,605	--
Unemployment	--	2,135,720,664	2,135,720,664	--
Other	336,759,239	84,144,625	420,903,864	1,815,433,458
<b>Unrestricted</b>	<b>(7,924,865,136 )</b>	<b>--</b>	<b>(7,924,865,136 )</b>	<b>(1,896,557,217 )</b>
<b>Total Net Assets</b>	<b>\$ 999,562,712</b>	<b>\$ 2,219,865,289</b>	<b>\$ 3,219,428,001</b>	<b>\$ 8,753,278,457</b>

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions - Programs</b>				
<b>Primary Government:</b>				
Governmental activities:				
Public safety and criminal justice	\$ 2,504,468,636	\$ 1,136,008,605	\$ 181,465,837	\$ 2,276,006
Physical and mental health	9,305,627,482	626,187,502	1,656,337,635	--
Educational, cultural, and intellectual development	10,686,326,286	319,377,108	754,361,872	160,201
Community development and environmental management	1,959,036,077	270,834,981	447,361,936	15,895,001
Economic planning, development, and security	4,050,206,346	569,414,208	370,208,107	--
Transportation programs	1,561,120,910	5,782,766	749,272,472	6,401,875
Government direction, management, and control	5,694,522,523	876,390,091	4,974,466,746	--
Special government services	236,308,934	96,727,287	5,431,394	5,842,121
Interest expense	460,005,915	--	--	--
<b>Total governmental activities</b>	<b>36,457,623,109</b>	<b>3,900,722,548</b>	<b>9,138,905,999</b>	<b>30,575,204</b>
Business-type activities:				
State Lottery Fund	1,338,975,464	2,113,003,588	2,052,933	--
Unemployment Compensation Fund	2,876,296,923	1,177,425,563	894,333,589	--
Other	1,367,055,670	1,415,954,897	1,378,803	--
<b>Total business-type activities</b>	<b>5,582,328,057</b>	<b>4,706,384,048</b>	<b>897,765,325</b>	<b>--</b>
<b>Total primary government</b>	<b>\$ 42,039,951,166</b>	<b>\$ 8,607,106,596</b>	<b>\$ 10,036,671,324</b>	<b>\$ 30,575,204</b>
<b>Component Units:</b>				
Authorities	6,285,019,488	1,767,282,736	938,816,316	923,249,829
Colleges and Universities	3,936,177,840	1,848,654,509	974,589,397	146,338,336
<b>Total Component Units</b>	<b>\$ 10,221,197,328</b>	<b>\$ 3,615,937,245</b>	<b>\$ 1,913,405,713</b>	<b>\$ 1,069,588,165</b>

General Revenues:

Taxes:

Gross Income Tax  
Sales and Use Tax  
Corporate Business Tax  
Other taxes

Investment earnings

Payments from State

Miscellaneous

Special Item-gain on sale of tobacco rights

Transfers

Total general revenue, special item, and transfers

**Change in net assets**

**Net Assets July 1, 2002**

**Net Assets June 30, 2003**

The accompanying notes are an integral part of the financial statements.

-----Net (Expense) Revenue and Changes in Net Assets-----

**Primary Government**

<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Component Units</b>	
\$	(1,184,718,188)	\$	--	\$	(1,184,718,188)	\$	--
	(7,023,102,345)		--		(7,023,102,345)		--
	(9,612,427,105)		--		(9,612,427,105)		--
	(1,224,944,159)		--		(1,224,944,159)		--
	(3,110,584,031)		--		(3,110,584,031)		--
	(799,663,797)		--		(799,663,797)		--
	156,334,314		--		156,334,314		--
	(128,308,132)		--		(128,308,132)		--
	(460,005,915)		--		(460,005,915)		--
	<u>(23,387,419,358)</u>		<u>--</u>		<u>(23,387,419,358)</u>		<u>--</u>
	--		776,081,057		776,081,057		--
	--		(804,537,771)		(804,537,771)		--
	--		50,278,030		50,278,030		--
	--		<u>21,821,316</u>		<u>21,821,316</u>		<u>--</u>
	<u>(23,387,419,358)</u>		<u>21,821,316</u>		<u>(23,365,598,042)</u>		<u>--</u>
	--		--		--		(2,655,670,607)
	--		--		--		(966,595,598)
	--		--		--		<u>(3,622,266,205)</u>
	6,622,282,357		--		6,622,282,357		--
	5,909,809,728		--		5,909,809,728		--
	2,499,041,956		--		2,499,041,956		--
	4,266,509,404		--		4,266,509,404		--
	61,122,032		--		61,122,032		--
	--		--		--		1,048,567,686
	1,587,422,977		--		1,587,422,977		--
	2,757,336,818		--		2,757,336,818		--
	716,848,577		(716,848,577)		--		--
	<u>24,420,373,849</u>		<u>(716,848,577)</u>		<u>23,703,525,272</u>		<u>1,048,567,686</u>
	1,032,954,491		(695,027,261)		337,927,230		(2,573,698,519)
	(33,391,779)		2,914,892,550		2,881,500,771		11,326,976,976
\$	<u>999,562,712</u>	\$	<u>2,219,865,289</u>	\$	<u>3,219,428,001</u>	\$	<u>8,753,278,457</u>

**STATE OF NEW JERSEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2003**

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	\$ 61,039,187	\$ --
<b>Investments</b>	1,376,204,620	--
<b>Receivables, net of allowances for uncollectibles</b>		
Federal government	478,484,211	--
Departmental accounts	1,369,267,299	379,294,846
Loans	18,819,500	--
Other	210,904,715	--
<b>Due from other funds</b>	1,249,765,827	631,092,559
<b>Other</b>		
Deferred charges	2,940,000	--
Other	8,912,984	--
<b>Total Assets</b>	<b>\$ 4,776,338,343</b>	<b>\$ 1,010,387,405</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,459,056,214	\$ 13,915,507
Deferred revenue	261,830,877	--
Due to other funds	743,907,788	815,554,911
Other	59,799,838	150,890,384
Interest payable	--	--
<b>Total Liabilities</b>	<b>2,524,594,717</b>	<b>980,360,802</b>
<b>Fund Balances</b>		
Reserved for:		
Encumbrances	630,786,520	30,026,603
Other	377,186,989	--
Unreserved:		
General Fund	1,243,770,117	--
Special Revenue Funds	--	--
Debt Service Fund	--	--
Capital Projects Funds	--	--
<b>Total Fund Balances</b>	<b>2,251,743,626</b>	<b>30,026,603</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,776,338,343</b>	<b>\$ 1,010,387,405</b>

The accompanying notes are an integral part of the financial statements.

<u>Tobacco Settlement Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ 34,026,530	\$ 95,065,717
23,007,946	3,579,453,880	4,978,666,446
--	121,717,534	600,201,745
--	330,237,919	2,078,800,064
--	915,565,483	934,384,983
1,487,326,818	35,790,938	1,734,022,471
--	249,300,691	2,130,159,077
--	--	2,940,000
--	7,622,479	16,535,463
<u>\$ 1,510,334,764</u>	<u>\$ 5,273,715,454</u>	<u>\$ 12,570,775,966</u>
\$ --	\$ 479,683,126	\$ 1,952,654,847
--	9,589,594	271,420,471
6,160,450	473,109,220	2,038,732,369
--	348,147,734	558,837,956
--	10,743,899	10,743,899
<u>6,160,450</u>	<u>1,321,273,573</u>	<u>4,832,389,542</u>
--	670,059,375	1,330,872,498
--	1,064,158,586	1,441,345,575
--	--	1,243,770,117
1,504,174,314	2,218,267,259	3,722,441,573
--	(10,193,778 )	(10,193,778 )
--	10,150,439	10,150,439
<u>1,504,174,314</u>	<u>3,952,441,881</u>	<u>7,738,386,424</u>
<u>\$ 1,510,334,764</u>	<u>\$ 5,273,715,454</u>	<u>\$ 12,570,775,966</u>



**STATE OF NEW JERSEY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2003**

**Total fund balances-governmental funds** **\$ 7,738,386,424**

Amounts reported for governmental activities in the statement of net assets are different as a result of the following items:

The State has receivables which are not current resources and therefore are not reported in the fund perspective. 473,292,078

In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective. 60,815,564

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund perspective. These assets consist of:

Infrastructure assets	\$ 15,010,226,246	
Buildings and improvements	2,540,415,973	
Land and land improvements	659,974,999	
Other capital assets	487,495,986	
Accumulated depreciation	<u>(5,737,272,890)</u>	12,960,840,314

In the government-wide statements certain revenues are deferred based on the period in which they are earned, but are reported as revenue in the fund perspective. (679,068,315)

Some liabilities are not due and payable in the current period and therefore are not reported in the fund perspective. Those liabilities consist of:

Current Liabilities:		
Refunds due to taxpayers	\$ (556,000,000)	
Accrued interest	<u>(177,295,011)</u>	(733,295,011)
Noncurrent Liabilities:		
Bonds and notes payable	(9,526,117,605)	
Installment obligations	(6,341,261,534)	
Loans payable	(1,279,358,087)	
Capital leases	(542,684,894)	
Compensated absences	(449,934,048)	
Unamortized deferral on refunding bonds	211,909,490	
Unamortized premium	(365,248,334)	
Other noncurrent liabilities	<u>(528,713,330)</u>	(18,821,408,342)

**Net assets of governmental activities** **\$ 999,562,712**

The accompanying notes are an integral part of the financial statements.

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**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>REVENUES</b>		
Taxes	\$ 11,234,979,182	\$ 6,735,282,357
Federal and other grants	7,159,907,110	--
Licenses and fees	878,472,321	--
Services and assessments	1,343,734,586	--
Investment earnings	38,444,308	--
Contributions	510,204,967	--
Other	3,394,039,232	--
	<b>24,559,781,706</b>	<b>6,735,282,357</b>
<b>EXPENDITURES</b>		
<b>Current:</b>		
Public safety and criminal justice	2,476,854,764	--
Physical and mental health	8,890,951,220	--
Educational, cultural, and intellectual development	5,618,660,976	4,958,423,483
Community development and environmental management	908,589,106	935,335,660
Economic planning, development, and security	2,890,053,202	--
Transportation programs	436,551,021	--
Government direction, management, and control	4,165,566,011	1,265,958,928
Special government services	238,950,111	--
<b>Capital Outlay</b>	863,063,000	--
<b>Debt Service:</b>		
Principal	--	--
Interest	--	--
	<b>26,489,239,411</b>	<b>7,159,718,071</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,929,457,705 )</b>	<b>(424,435,714 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of bonds	--	--
Transfers from (to) other funds	745,201,921	447,165,670
Other	1,507,298,419	--
	<b>2,252,500,340</b>	<b>447,165,670</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>323,042,635</b>	<b>22,729,956</b>
<b>Fund balances - July 1, 2002</b>	<b>1,928,700,991</b>	<b>7,296,647</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 2,251,743,626</b>	<b>\$ 30,026,603</b>

The accompanying notes are an integral part of the financial statements.

<b>Tobacco Settlement Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ --	\$ 1,520,858,924	\$ 19,491,120,463
--	794,619,301	7,954,526,411
--	100,583,290	979,055,611
--	454,837,638	1,798,572,224
6,160,450	58,355,716	102,960,474
--	143,957	510,348,924
3,035,549,111	131,305,203	6,560,893,546
<u>3,041,709,561</u>	<u>3,060,704,029</u>	<u>37,397,477,653</u>
--	71,182,083	2,548,036,847
--	424,224,206	9,315,175,426
5,000,000	230,920,178	10,813,004,637
--	206,077,631	2,050,002,397
--	1,197,092,250	4,087,145,452
--	1,789,125,872	2,225,676,893
--	203,142,084	5,634,667,023
--	186,093	239,136,204
--	--	863,063,000
--	418,660,065	418,660,065
--	457,786,874	457,786,874
<u>5,000,000</u>	<u>4,998,397,336</u>	<u>38,652,354,818</u>
<u>3,036,709,561</u>	<u>(1,937,693,307 )</u>	<u>(1,254,877,165 )</u>
--	894,999,410	894,999,410
(1,556,674,074 )	1,081,194,527	716,888,044
--	290,215,370	1,797,513,789
<u>(1,556,674,074 )</u>	<u>2,266,409,307</u>	<u>3,409,401,243</u>
1,480,035,487	328,716,000	2,154,524,078
24,138,827	3,623,725,881	5,583,862,346
<u>\$ 1,504,174,314</u>	<u>\$ 3,952,441,881</u>	<u>\$ 7,738,386,424</u>

**STATE OF NEW JERSEY  
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2003**

**Net change in fund balance - total governmental funds** **\$ 2,154,524,078**

Amounts reported for governmental activities in the statement of activities are different as a result of the following items:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,110,572,496	
Depreciation expense	(409,504,966)	
Excess of capital outlay over depreciation expense		701,067,530

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds. (1,001,499,410)

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as a liability. (1,224,503,368)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:

Bond principal retirement	447,054,981	
Capital lease payments	39,297,506	
Installment obligation retirement	144,553,776	
Certificates of participation retirement	40,709,273	
Total long-term debt repayment		671,615,536

Because some revenues will not be collected for several months after the State's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2003 receivable balances declined by this amount. (49,684,230)

In the government-wide statements certain revenues are deferred based on the period in which they are earned, but are reported as revenue in the fund perspective. The Fiscal Year 2003 deferred revenue balance increased by this amount. (36,474,479)

In the government-wide statements certain items are capitalized and amortized over a period of years, but are reported as expenditures or other financing sources and uses in the fund perspective. These activities consist of:

Increase in unamortized premiums	(171,287,685)	
Increase in deferral on refunding issues	106,924,891	
Increase in deferred issuance costs	52,694,861	
Total capitalized and amortized items		(11,667,933)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or reductions of revenue in governmental funds. These activities consist of:

Net increase in accrued interest	(8,210,563)	
Increase in compensated absences and other	(18,212,670)	
Increase in revenue refunds payable	(144,000,000)	
Total additional expenditures and revenue reductions		(170,423,233)

**Change in net assets of governmental activities** **\$ 1,032,954,491**

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2003**

	<b>State Lottery Fund</b>	<b>Unemployment Compensation Fund</b>	<b>Total Non-Major Proprietary Funds</b>	<b>Total Proprietary Funds</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,008,947	\$ 90,064	\$ 3,392,152	\$ 5,491,163
Investments	305,115,104	9,750,183	189,665,007	504,530,294
Receivables, net of allowances for uncollectibles				
Federal government	--	1,928,783,501	--	1,928,783,501
Departmental accounts	--	407,181,522	--	407,181,522
Other	20,566,151	18,477,560	80,076,833	119,120,544
Due from other funds	--	17,004,284	4,391,213	21,395,497
Other	11,861,099	--	--	11,861,099
<b>Noncurrent Assets</b>				
Investments	874,227,407	--	--	874,227,407
<b>Total Assets</b>	<b>1,213,778,708</b>	<b>2,381,287,114</b>	<b>277,525,205</b>	<b>3,872,591,027</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	64,742,210	165,854,040	205,186,104	435,782,354
Deferred revenue	--	--	4,540,421	4,540,421
Due to other funds	91,498,389	18,206,550	1,366,006	111,070,945
Other	--	61,505,860	--	61,505,860
<b>Noncurrent Liabilities</b>				
Due within one year	164,801,704	--	--	164,801,704
Due in more than one year	875,024,454	--	--	875,024,454
<b>Total Liabilities</b>	<b>1,196,066,757</b>	<b>245,566,450</b>	<b>211,092,531</b>	<b>1,652,725,738</b>
<b>NET ASSETS</b>				
<b>Restricted for:</b>				
Unemployment compensation	--	2,135,720,664	--	2,135,720,664
Other purposes	17,711,951	--	66,432,674	84,144,625
<b>Total Net Assets</b>	<b>\$ 17,711,951</b>	<b>\$ 2,135,720,664</b>	<b>\$ 66,432,674</b>	<b>\$ 2,219,865,289</b>

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	State Lottery Fund	Unemployment Compensation Fund	Non-Major Proprietary Funds	Total Proprietary Funds
<b>OPERATING REVENUES</b>				
Sales and charges for services	\$ 2,073,824,347	\$ --	\$ --	\$ 2,073,824,347
Assessments	--	1,171,439,089	--	1,171,439,089
Contributions	--	--	1,402,157,399	1,402,157,399
From federal agencies	--	754,143,879	--	754,143,879
Other	39,179,241	5,986,474	13,797,498	58,963,213
<b>Total Operating Revenues</b>	<b>2,113,003,588</b>	<b>1,931,569,442</b>	<b>1,415,954,897</b>	<b>5,460,527,927</b>
<b>OPERATING EXPENSES</b>				
Unemployment compensation	--	2,859,368,630	--	2,859,368,630
Benefit payments	--	--	1,367,055,670	1,367,055,670
Lottery prize awards	1,171,456,861	--	--	1,171,456,861
Other	167,518,603	--	--	167,518,603
<b>Total Operating Expenses</b>	<b>1,338,975,464</b>	<b>2,859,368,630</b>	<b>1,367,055,670</b>	<b>5,565,399,764</b>
<b>Operating Income (Loss)</b>	<b>774,028,124</b>	<b>(927,799,188 )</b>	<b>48,899,227</b>	<b>(104,871,837 )</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	2,052,933	140,189,710	1,378,803	143,621,446
Miscellaneous revenue (expense)	--	(16,928,293 )	--	(16,928,293 )
<b>Total nonoperating revenue (expenses)</b>	<b>2,052,933</b>	<b>123,261,417</b>	<b>1,378,803</b>	<b>126,693,153</b>
<b>Income (loss) before transfers</b>	<b>776,081,057</b>	<b>(804,537,771 )</b>	<b>50,278,030</b>	<b>21,821,316</b>
Transfers in (out)	(787,498,389 )	--	70,649,812	(716,848,577 )
<b>Change in net assets</b>	<b>(11,417,332 )</b>	<b>(804,537,771 )</b>	<b>120,927,842</b>	<b>(695,027,261 )</b>
<b>Total Net Assets - July 1, 2002</b>	<b>29,129,283</b>	<b>2,940,258,435</b>	<b>(54,495,168 )</b>	<b>2,914,892,550</b>
<b>Total Net Assets - June 30, 2003</b>	<b>\$ 17,711,951</b>	<b>\$ 2,135,720,664</b>	<b>\$ 66,432,674</b>	<b>\$ 2,219,865,289</b>

The accompanying notes are an integral part of the financial statements.

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**STATE OF NEW JERSEY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>State Lottery Fund</b>	<b>Unemployment Compensation Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts received from customers	\$ 1,079,567,156	\$ --
Receipts from federal and local agencies	--	940,440,482
Receipts from assessments	--	1,821,262,837
Payments to suppliers	(53,305,606 )	--
Payments to prize winners	(417,874,084 )	--
Claims paid	--	(2,884,905,237 )
Other receipts (payments)	155,175,626	--
	<b>763,563,092</b>	<b>(123,201,918 )</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating subsidies and transfers to other funds	(723,091,643 )	(16,928,293 )
	<b>(723,091,643 )</b>	<b>(16,928,293 )</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	998,049,000	--
Interest and dividends	--	140,189,709
Purchase of investments	(1,037,025,000 )	--
Other	--	--
	<b>(38,976,000 )</b>	<b>140,189,709</b>
<b>Net cash provided (used) by investing activities</b>	<b>(38,976,000 )</b>	<b>140,189,709</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,495,449</b>	<b>59,498</b>
<b>Cash and cash equivalents - July 1, 2002</b>	<b>513,498</b>	<b>30,566</b>
<b>Cash and cash equivalents - June 30, 2003</b>	<b>\$ 2,008,947</b>	<b>\$ 90,064</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 774,028,124	\$ (927,799,188 )
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Net changes in assets and liabilities:		
Current assets	410,986	895,606,426
Noncurrent assets	70,677,106	--
Current liabilities	(9,893,976 )	(91,009,156 )
Noncurrent liabilities	(71,659,148 )	--
	<b>\$ 763,563,092</b>	<b>\$ (123,201,918 )</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 763,563,092</b>	<b>\$ (123,201,918 )</b>

The accompanying notes are an integral part of the financial statements.

<b>Non-Major Proprietary Funds</b>	<b>Total Proprietary Funds</b>
75,023,841	\$ 1,154,590,997
1,336,026,215	2,276,466,697
--	1,821,262,837
--	(53,305,606 )
--	(417,874,084 )
(1,349,734,964 )	(4,234,640,201 )
(4,369,731 )	150,805,895
<u>56,945,361</u>	<u>697,306,535</u>
70,649,812	(669,370,124 )
<u>70,649,812</u>	<u>(669,370,124 )</u>
--	998,049,000
1,417,849	141,607,558
(129,709,669 )	(1,166,734,669 )
(39,046 )	(39,046 )
<u>(128,330,866 )</u>	<u>(27,117,157 )</u>
(735,693 )	819,254
4,127,845	4,671,909
<u>\$ 3,392,152</u>	<u>\$ 5,491,163</u>
\$ 48,899,227	\$ (104,871,837 )
(4,904,842 )	891,112,570
--	70,677,106
12,950,976	(87,952,156 )
--	(71,659,148 )
<u>\$ 56,945,361</u>	<u>\$ 697,306,535</u>

**STATE OF NEW JERSEY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2003**

	<b>Agency Funds</b>	<b>Investment Trust Fund</b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	\$ 4,793,621	\$ 1,157,467,177
<b>Investments</b>	94,500,853	5,808,437,973
<b>Receivables, net of allowances for uncollectibles</b>		
Members	--	--
Employers	--	--
Departmental accounts	549,257	--
Other	2,849,523	5,670,439
<b>Due from other funds</b>	5,115,011	--
<b>Total Assets</b>	107,808,265	6,971,575,589
<b>LIABILITIES</b>		
<b>Accounts payable</b>	102,547,344	--
<b>Benefits payable</b>	--	--
<b>Due to other funds</b>	5,260,921	3,255,741
<b>Total Liabilities</b>	107,808,265	3,255,741
<b>NET ASSETS</b>		
<b>Held in Trust for Pension Benefits and Other Purposes</b>	\$ --	\$ 6,968,319,848

The accompanying notes are an integral part of the financial statements.

<b>Pension and Other Employee Benefits Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Total Fiduciary Funds</b>
\$ 3,641,789	\$ 52,814	\$ 1,165,955,401
63,775,942,426	9,674,673	69,688,555,925
1,343,854,108	--	1,343,854,108
412,848,458	--	412,848,458
--	--	549,257
388,885,244	--	397,405,206
13,450,768	--	18,565,779
<u>65,938,622,793</u>	<u>9,727,487</u>	<u>73,027,734,134</u>
43,459,542	1,950,206	147,957,092
344,597,247	--	344,597,247
9,506,952	2,293,425	20,317,039
<u>397,563,741</u>	<u>4,243,631</u>	<u>512,871,378</u>
<u><u>\$ 65,541,059,052</u></u>	<u><u>\$ 5,483,856</u></u>	<u><u>\$ 72,514,862,756</u></u>

**STATE OF NEW JERSEY  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Investment Trust Fund</b>	<b>Pension and Other Employee Benefits Trust Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Members	\$ --	\$ 1,062,340,136
Employers	--	385,788,887
Other	19,771,277,972	12,374,992
Total Contributions	19,771,277,972	1,460,504,015
Investment Income:		
Net increase (decrease) in fair value of investments	--	16,762,886
Interest and dividends	98,918,080	2,006,411,614
Total Investment Income	98,918,080	2,023,174,500
Less investment expense	--	9,252,816
Net Investment Income	98,918,080	2,013,921,684
Miscellaneous	--	--
<b>Total Additions</b>	<b>19,870,196,052</b>	<b>3,474,425,699</b>
<b>DEDUCTIONS</b>		
Benefit payments	--	4,822,638,795
Refunds of contributions	--	197,852,441
Refunds and transfers to other systems	--	--
Administrative expense	--	34,545,410
Payments in accordance with trust agreements	--	--
Distributions to shareholders	17,766,824,504	--
<b>Total Deductions</b>	<b>17,766,824,504</b>	<b>5,055,036,646</b>
Total Changes in Net Assets Held In Trust	2,103,371,548	(1,580,610,947 )
<b>Net Assets - July 1, 2002</b>	<b>4,864,948,300</b>	<b>67,121,669,999</b>
<b>Net Assets - June 30, 2003</b>	<b>\$ 6,968,319,848</b>	<b>\$ 65,541,059,052</b>

The accompanying notes are an integral part of the financial statements.

<u>Private Purpose Trust Funds</u>	<u>Total Fiduciary Funds</u>
\$ --	\$ 1,062,340,136
--	385,788,887
--	19,783,652,964
<u>--</u>	<u>21,231,781,987</u>
--	16,762,886
162,023	2,105,491,717
<u>162,023</u>	<u>2,122,254,603</u>
--	9,252,816
<u>162,023</u>	<u>2,113,001,787</u>
<u>266,661</u>	<u>266,661</u>
<u>428,684</u>	<u>23,345,050,435</u>
--	4,822,638,795
--	197,852,441
39,467	39,467
--	34,545,410
121,403	121,403
<u>--</u>	<u>17,766,824,504</u>
<u>160,870</u>	<u>22,822,022,020</u>
267,814	523,028,415
5,216,042	71,991,834,341
<u>\$ 5,483,856</u>	<u>\$ 72,514,862,756</u>

**STATE OF NEW JERSEY  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
JUNE 30, 2003**

	<b>New Jersey Transit Corporation</b>	<b>New Jersey Turnpike Authority</b>	<b>Rutgers, The State University of New Jersey</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 243,605,998	\$ 24,445,313	\$ 27,416,000
Investments	2,055,691,118	1,200,851,345	728,700,000
Receivables, net of allowances for uncollectibles			
Federal government	19,726,586	--	--
Loans	--	--	7,575,000
Mortgages	--	--	--
Other	--	10,430,548	115,548,000
Due from external parties	--	--	--
Due from primary government	100,106,975	3,754,779	--
Inventories	65,177,404	--	3,702,000
Other	86,051,841	979,510,558	180,048,000
<b>Noncurrent Assets</b>			
Fixed assets, net	6,563,000,135	1,806,995,502	1,439,879,000
<b>Total Assets</b>	<b>9,133,360,057</b>	<b>4,025,988,045</b>	<b>2,502,868,000</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	295,854,484	8,123,114	75,573,000
Due to external parties	--	9,230,438	--
Due to primary government	--	3,715,879	--
Due to component units	--	--	--
Interest payable	--	78,351,813	--
Deferred revenue	--	--	34,807,000
Other	46,737,361	34,632,534	2,112,000
<b>Noncurrent</b>			
Due within one year	346,952,324	74,904,242	54,258,000
Due in more than one year	3,963,686,081	3,482,496,360	540,983,000
<b>Total Liabilities</b>	<b>4,653,230,250</b>	<b>3,691,454,380</b>	<b>707,733,000</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,573,965,728	--	970,139,000
<b>Restricted for:</b>			
Capital projects	--	--	69,650,000
Debt service	--	75,785,000	33,029,000
Other purposes	13,953,327	258,748,665	436,462,000
<b>Unrestricted</b>	<b>(107,789,248 )</b>	<b>--</b>	<b>285,855,000</b>
<b>Total Net Assets</b>	<b>\$ 4,480,129,807</b>	<b>\$ 334,533,665</b>	<b>\$ 1,795,135,000</b>

The accompanying notes are an integral part of the financial statements.

<b>University of Medicine and Dentistry of New Jersey</b>	<b>Non-Major Component Units</b>	<b>Total Component Units</b>
\$ 1,501,000	\$ 337,610,332	\$ 634,578,643
694,040,000	6,607,057,875	11,286,340,338
15,370,000	36,333,693	71,430,279
26,481,000	1,266,411,668	1,300,467,668
--	2,112,103,091	2,112,103,091
163,443,000	1,453,690,733	1,743,112,281
--	28,368,595	28,368,595
66,478,000	27,440,161	197,779,915
2,488,000	2,823,180	74,190,584
18,046,000	249,049,212	1,512,705,611
<u>832,499,000</u>	<u>4,405,694,166</u>	<u>15,048,067,803</u>
<u>1,820,346,000</u>	<u>16,526,582,706</u>	<u>34,009,144,808</u>
195,410,000	330,098,122	905,058,720
--	46,830,828	56,061,266
--	1,513,916,551	1,517,632,430
--	11,280,493	11,280,493
3,029,000	100,617,293	181,998,106
38,190,000	85,148,475	158,145,475
--	371,739,034	455,220,929
<u>53,539,000</u>	<u>534,495,534</u>	<u>1,064,149,100</u>
<u>666,915,000</u>	<u>12,252,239,391</u>	<u>20,906,319,832</u>
<u>957,083,000</u>	<u>15,246,365,721</u>	<u>25,255,866,351</u>
422,954,000	1,310,158,497	7,277,217,225
67,459,000	62,782,223	199,891,223
33,441,000	1,215,038,768	1,357,293,768
267,503,000	838,766,466	1,815,433,458
<u>71,906,000</u>	<u>(2,146,528,969 )</u>	<u>(1,896,557,217 )</u>
<u>\$ 863,263,000</u>	<u>\$ 1,280,216,985</u>	<u>\$ 8,753,278,457</u>



**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>	<u>Rutgers, The State University of New Jersey</u>
<b>Expenses</b>	\$ 1,549,991,264	\$ 510,468,768	\$ 1,299,032,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	569,115,969	465,759,096	469,155,000
Operating grants and contributions	405,009,677	51,788,503	419,731,000
Capital grants and contributions	797,927,787	--	81,852,000
<b>Net (Expense) Revenue</b>	<u>222,062,169</u>	<u>7,078,831</u>	<u>(328,294,000 )</u>
<b>General Revenue</b>			
Payments from state	<u>260,027,000</u>	<u>670,064</u>	<u>436,122,000</u>
<b>Total General Revenue</b>	<u>260,027,000</u>	<u>670,064</u>	<u>436,122,000</u>
<b>Change in Net Assets</b>	482,089,169	7,748,895	107,828,000
<b>Net Assets - Beginning of Year</b>	<u>3,998,040,638</u>	<u>326,784,770</u>	<u>1,687,307,000</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,480,129,807</u>	<u>\$ 334,533,665</u>	<u>\$ 1,795,135,000</u>

The accompanying notes are an integral part of the financial statements.

<b>University of Medicine and Dentistry of New Jersey</b>	<b>Non-Major Component Units</b>	<b>Total Component Units</b>
\$ 1,440,853,000	\$ 5,420,852,296	\$ 10,221,197,328
859,228,000	1,252,679,180	3,615,937,245
285,332,000	751,544,533	1,913,405,713
--	189,808,378	1,069,588,165
<u>(296,293,000 )</u>	<u>(3,226,820,205 )</u>	<u>(3,622,266,205 )</u>
<u>350,233,000</u>	<u>1,515,622</u>	<u>1,048,567,686</u>
<u>350,233,000</u>	<u>1,515,622</u>	<u>1,048,567,686</u>
53,940,000	(3,225,304,583 )	(2,573,698,519 )
<u>809,323,000</u>	<u>4,505,521,568</u>	<u>11,326,976,976</u>
<u>\$ 863,263,000</u>	<u>\$ 1,280,216,985</u>	<u>\$ 8,753,278,457</u>

**STATE OF NEW JERSEY**  
**Index**  
**Notes to the Financial Statements**

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**STATE OF NEW JERSEY**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). In 1999 the GASB issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, and Statement No. 35, Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. The State began implementing these standards for the fiscal year ending June 30, 2002.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34 and No. 35. Therefore, the State implemented for the fiscal year ending June 30, 2002, Statement No. 37 – Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38 – Certain Financial Statement Note Disclosures.

The financial statements have been prepared primarily from accounts and records maintained by the State Comptroller. The financial data for the various public benefit corporations, authorities, commissions, colleges and universities has been derived from reports prepared by those organizations based on their independent accounting systems.

**B. Financial Reporting Entity**

For financial reporting purposes the State of New Jersey includes all fund types, departments, and agencies of the State, as well as boards, commissions, authorities, colleges and universities, for which the State is financially accountable. The following circumstances set forth the State's financial accountability for a legally separate organization:

1. The State is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.
2. The State may be financially accountable if an organization is fiscally dependent on the State regardless of whether the organization has (a) a separately elected governing board or (b) a jointly appointed board.

Entities for which the State is financially accountable such as boards, commissions, authorities, colleges and universities are considered component units. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions to be reported in a manner similar to the balances and transactions of the State.

The following organizations comprise the State's component units. The Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Construction Corporation, and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 18.

## **AUTHORITIES**

Casino Reinvestment Development Authority  
Garden State Preservation Trust  
Higher Education Student Assistance Authority  
New Jersey Building Authority  
New Jersey Commerce and Economic Growth Commission  
New Jersey Development Authority for Small Businesses,  
Minorities' and Women's Enterprises  
New Jersey Economic Development Authority  
New Jersey Educational Facilities Authority  
New Jersey Environmental Infrastructure Trust  
New Jersey Health Care Facilities Financing Authority  
New Jersey Highway Authority  
New Jersey Housing and Mortgage Finance Agency  
New Jersey Meadowlands Development Commission  
New Jersey Redevelopment Authority  
New Jersey Schools Construction Corporation  
New Jersey Sports and Exposition Authority  
New Jersey Transit Corporation  
New Jersey Transportation Trust Fund Authority  
New Jersey Turnpike Authority  
New Jersey Water Supply Authority  
South Jersey Port Corporation  
South Jersey Transportation Authority  
Tobacco Settlement Financing Corporation, Inc.

## **COLLEGES AND UNIVERSITIES**

The College of New Jersey  
Thomas Edison State College  
Kean University  
Montclair State University  
New Jersey City University  
New Jersey Institute of Technology  
The William Paterson University of New Jersey  
Ramapo College of New Jersey  
Rowan University  
Rutgers, The State University of New Jersey  
The Richard Stockton College of New Jersey  
University of Medicine and Dentistry of New Jersey

### **C. Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intragovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net assets measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and general long-term debt. The difference between the State's assets and its liabilities is its net assets. Net assets are displayed in three components - invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. When both restricted and unrestricted resources are

available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities is presented in a format that reports the net (expense) revenue of the State's individual functions. The net (expense) revenue format reports the relative financial burden of each of the State's functions on its taxpayers. This format identifies the extent to which each function of the government draws from the general revenues of the State or is self-financed through licenses, fees, permits, and other revenues.

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Charges for services are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

In the statement of activities, all expenses are reported by function except those that are special or extraordinary items. Each function reports direct expenses – those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Some functions, such as government direction, management and control, include expenses that are indirect expenses of other functions. The State does not allocate indirect expenses to the other functions.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **D. Measurement Focus and Basis of Accounting**

**Government-wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements report all financial and capital assets (including infrastructure assets), short and long-term liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. Activity and balances resulting from exchange and exchange-like transactions are recognized when the exchange takes place; those resulting from nonexchange transactions are recognized based on the provisions of GASB Statement No. 33.

**Governmental Fund Financial Statements** – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. These revenues which are considered to be susceptible to accrual include amounts received during the twelve month period subsequent to June 30 that were earned as of June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other sources are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities. Unapplied overpayments of Corporation Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

**Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements** - The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements previously described.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless FASB conflicts with GASB. The State has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State's largest enterprise funds are the Unemployment Compensation Fund and the State Lottery Fund.

The Unemployment Compensation Fund's principle ongoing operations consist of collecting contributions from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners.

In addition, the State records two other enterprise funds, the Health Benefits Local Government Employers Program Fund and the Prescription Drug Local Government Employers Program Fund. For these funds, the principle ongoing operations, classified as operating revenues and expenditures, consist of member and employer contributions which are used to pay health care and prescription costs on behalf of eligible employees and their dependents.

## **E. Fund Accounting**

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represent the fund's assets, liabilities, equity, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

### **1. Major Funds**

The State reports the General Fund, the Property Tax Relief Fund, and the Tobacco Settlement Fund as major governmental funds. The State also reports the State Lottery Fund and the Unemployment Compensation Fund as major enterprise funds. Descriptions are as follows:

- a. General Fund - The fund accounts for all State revenues, not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.
- b. Property Tax Relief Fund – This fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the

purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

- c. Tobacco Settlement Fund – This fund was established to account for monies received as a result of an agreement reached with the tobacco industry and participating states. During the fiscal year 2003, the State sold its rights under this agreement for \$2.8 billion plus any accrued interest on monies held in escrow. Funds are made available for use by the General Fund to support State programs.
- d. State Lottery Fund – This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.
- e. Unemployment Compensation Fund – This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

## **2. Governmental Fund Types**

- a. Special Revenue Funds - Are used to account for the proceeds of specific revenue sources (other than special assessments, private-purpose trusts, or major capital projects) that are legally restricted to expenditure for specific purposes such as education, environment and health care.
- b. Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.
- c. Capital Projects Funds - Account for financial resources, usually general obligation bonds, to be used for the acquisition or construction of major capital facilities for State use such as mental health, educational and correctional facilities, and public transportation projects. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds.

## **3. Fiduciary Fund Types**

- a. Pension (and other employee benefit) Trust Funds - These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.
- b. Investment Trust Fund - This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.
- c. Private-purpose Trust Funds - These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.
- d. Agency Funds - These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

## **4. Proprietary Fund Types**

Enterprise Funds – These funds may be used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as enterprise funds if laws or regulations require that the activity’s costs of providing services be recovered with fees and charges, rather than with taxes on similar revenues.

## **F. Appropriations and Outstanding Debt**

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law has been submitted to the people at a general election and approved by a majority of the legally qualified voters. After approval by the electorate, and prior to any bond sale,



the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

## **G. Assets**

### **1. Cash and Cash Equivalents**

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including certificates of deposit. All deposits including cash equivalents that are subject to federal or state depository insurance generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Note 3 for details.

### **2. Investments**

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Balance Sheet of the State of New Jersey Cash Management Fund-External Portion.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. See Note 4 for additional details.

### **3. Receivables**

Receivables in the State's governmental, fiduciary, and proprietary funds, Component Units - Authorities, and Component Units - College and University Funds are stated net of allowances for uncollectable amounts and primarily consist of federal revenues, taxes, loans, interest, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 5 for details.

### **4. Capital Assets**

Capital assets are tangible and intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the statement of net assets at cost or historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are recorded at estimated fair value at the time of donation. The State's capital assets consist of:

- a. All land, including parks and forests.
- b. Infrastructure assets such as roads, bridges, dams, highway lands, and rights-of-way.
- c. All general government buildings, including hospitals, care, and correctional facilities.

- d. Land improvements, machinery and equipment, and motor vehicles used in general operations, with unit costs above \$25,000, \$20,000, and \$30,000 respectively.
- e. Capital projects in the process of construction.

To measure depreciation expense, the State used the straight-line method, whereby the historical cost (or other capitalized amount) of depreciable assets, less their estimated salvage values, is allocated in equal annual amounts over the estimated useful lives of the assets. To estimate the useful lives of its capital assets, the State uses guidelines from industry organizations. There is no depreciation recorded for land, construction in progress, and rights-of-way.

Capital leases which are classified as capital assets are recorded in amounts equal to the lesser of the fair value of the asset or the present value of the future net minimum lease payments at the inception of the lease.

The State does not capitalize works of art, historical treasures, and similar assets. Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements.

## **5. Interfund/Intrafund Transactions**

Interfund Transactions - During the course of normal operations, the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

Intrafund Transactions - Intrafund transactions, as a result of contracts among departments within the same fund, are considered expenditures by the contractor and revenues by the contractee in the fund financial statements.

As a general rule, intrafund revenues and expenditures, interfund transfers, and interfund receivables and payables have been eliminated in the government-wide financial statements. An exception is the net residual amounts due between governmental and business-type activities, which is recorded as internal balances. Receivables from and payables to fiduciary funds are recorded in the statement of net assets as receivable from and payable to external parties.

## **H. Liabilities**

### **1. Deferred Revenue**

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the government-wide level arise only when the State receives resources before it has a legal claim to these resources.

Deferred revenue in the General Fund, at both levels, consists principally of amounts due from the Port Authority of New York and New Jersey and food stamp inventory (in accordance with the provisions of GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance).

### **2. Deferred Compensation**

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is administered by the Department of the Treasury, Division of Pensions and Benefits, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under current Internal Revenue Service regulations, all monies that are deferred and any other assets or income of the Plan shall be held in trust for the exclusive benefit of the participating employees and their beneficiaries. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The State's Employees' Deferred Compensation Plan is reported as a pension (and other employee benefits) trust fund in the fund financial statements. The Plan is fiduciary in nature, and thus is not reported in the government-wide financial statements.

### **3. Accumulated Unpaid Sick and Vacation Benefits**

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. Cash payments for sick leave at retirement are made from annual legislative appropriations on a "pay-as-you-go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one-year period. The liability for accumulated employee sick leave and for accumulated vacation pay is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities.

### **4. Other Long-term Obligations**

In addition to accumulated unpaid sick and vacation benefits, other long-term obligations include general obligation bonds, revenue bonds, capital leases, installment obligations, certificates of participation, loans payable, and other liabilities of a long-term nature. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year.

Bond and note premiums and discounts are amortized to interest expense based on the straight-line method. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges in other assets and are amortized over the term of the related debt.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

## **I. Net Assets**

1. Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - Net assets are reported as restricted when constraints placed on net asset use are either:
  - (1) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or
  - (2) imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted - Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."
4. Held in Trust for Pension Benefits and Other Purposes - Used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

## **J. Fund Balances**

1. Reserved Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
2. Reserved Other - Used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.
3. Unreserved - General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds - Represents the following:
  - a. Unreserved Designated - Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature, as well as those portions of fund balance of non-budgeted governmental funds so designated by management.
  - b. Unreserved Designated - Unrealized Gains - Used to represent the portion of fund balance that resulted from the fair value reporting of investments, i.e., the difference between investments reported at fair value and the amortized cost of those investments.
  - c. Unreserved Undesignated – Used to represent that portion of fund balance resources available for appropriation.

## **K. Fiscal Year End Differences**

The following component units have fiscal years that ended on December 31, 2002:

### **Special Revenue Funds**

New Jersey Building Authority (blended component unit)  
New Jersey Schools Construction Corporation (blended component unit)

### **Component Units - Authorities**

Casino Reinvestment Development Authority  
New Jersey Development Authority for Small Businesses, Minorities'  
and Women's Enterprises  
New Jersey Economic Development Authority  
New Jersey Educational Facilities Authority  
New Jersey Health Care Facilities Financing Authority  
New Jersey Highway Authority  
New Jersey Meadowlands Development Commission  
New Jersey Redevelopment Authority  
New Jersey Sports and Exposition Authority  
New Jersey Turnpike Authority  
South Jersey Port Corporation  
South Jersey Transportation Authority

## **NOTE 2 - OTHER ACCOUNTING DISCLOSURES**

### **A. Change in Accounting Policy**

The State has adopted GASB Technical Bulletin 2003-1, "Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets". For additional details, see Note 11.

### **B. Reclassification/Special Item**

The Tobacco Settlement Fund has been reclassified from a special revenue, non-major governmental fund to a major governmental fund. During Fiscal Year 2003, the State sold its rights of future installments acquired via the Master Settlement Agreement, which were routinely credited to this fund, to the Tobacco Settlement Financing Corporation, Inc.

(a component unit) for \$2.8 billion. The proceeds from this sale were credited to the Tobacco Settlement Fund. Balances in the fund now meet the criteria for the establishment of a major fund. Proceeds from this sale are recorded as a special item in the Statement of Activities.

### **C. Restatement of Fund Balance**

The opening fund balances of the Capital City Redevelopment Loan and Grant Fund and the 1996 Economic Development Site Fund have been increased by \$746,127 and \$2,500,000, respectively, in order to reflect loans made in prior fiscal years erroneously recorded as expenditures.

The opening fund balance of the New Jersey Lawyers' Assistance Program has been increased by \$358,704. This fund had financial activity in prior years which was not recorded in the State's financial statements. The restated opening balance represents the accumulated balance of prior years' activity.

### **D. Deficit Fund Balances**

It is anticipated that bond sales during Fiscal Year 2004 will relieve deficit fund balances in the New Jersey Transportation Trust Fund Authority (\$38.2 million), the Cultural Centers and Historic Preservation Fund (\$1.5 million), and the Energy Conservation Fund (\$0.2 million).

In addition, a deficit fund balance exists in the Korean Veteran's Memorial Fund (\$1.0 million). It is anticipated that private and public charitable donations during Fiscal Year 2004 will relieve the deficit in the Korean Veteran's Memorial Fund.

### **E. Joint Ventures**

**The Port Authority of New York and New Jersey  
225 Park Avenue South  
New York, NY 10003-1604**

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Individually published financial statements may be obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor. The Governor of each State appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The agency has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2002 disclosed the following (expressed in millions):

<b>Financial Position</b>		<u><b>Combined Total</b></u>
Total Assets	\$	16,903.0
Total Liabilities		<u>10,983.7</u>
Net Assets	\$	<u><u>5,919.3</u></u>
 <b>Operating Results</b>		
Operating Revenues	\$	2,781.1
Operating Expenses		(1,886.2)
Depreciation and Amortization		(435.2)
Net Recoverables (Expenses) Related to the Events of September 11, 2001		<u>474.6</u>
Income from Operations		934.3
Non-operating Revenues (Expense), Net		<u>(194.3)</u>
Net Income	\$	<u><u>740.0</u></u>
 <b>Changes in Net Assets</b>		
Balance January 1, 2002	\$	5,179.3
Net Income		<u>740.0</u>
Balance December 31, 2002	\$	<u><u>5,919.3</u></u>

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2002, Port Authority debt consisted of the following (expressed in millions):

<b>Bonds, Notes and Other Obligations</b>	
Consolidated Bonds and Notes	\$ 6,630.2
Special Project Bonds	1,442.5
Operating Asset Financing	531.6
Capital Asset Financing	<u>891.0</u>
	9,495.3
Less: Unamortized Discount and Premium	<u>(160.6)</u>
<b>Total</b>	<u><u>\$ 9,334.7</u></u>

## F. Other

In accordance with GASB Statement No. 14, "The Financial Reporting Entity," the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$694.4 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2002.

In accordance with GASB Statement 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," an additional \$335.5 million in federal grant revenues and economic planning, development, and security expenditures and \$0.7 million in other assets and deferred revenues relating to the State's food stamp program have been recorded.

## NOTE 3 - CASH AND CASH EQUIVALENTS

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds which are in the General Fund bank accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective due from or due to accounts on the balance sheet presented in the fund financial statements.

New Jersey Revised Statutes (52:18-16.1) set the policy that the State Treasurer must follow when depositing State funds and for the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds must be collateralized. Securities pledged as collateral must consist of obligations of, or be guaranteed by, the United States or the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than \$15 million in State deposits per month require 100% coverage of the highest daily balance of the preceding month. For banks that have State deposits which total \$15 million or more per month, the amount of collateral required is 120% of the total average daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

The Governmental Accounting Standards Board Statement 3 requires the bank balances of deposits to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name. Category 3 consists of deposits which are uncollateralized.

Cash and cash equivalents are categorized below for all funds excluding discretely presented component units (expressed in millions).

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Amount</u>
Cash	\$ 118.4	\$ --	\$ 9.0	\$ 127.4	\$ 98.6
Certificates of deposit and related items	--	--	1,167.9	1,167.9	1,167.9
<b>Totals</b>	<u>\$ 118.4</u>	<u>\$ --</u>	<u>\$ 1,176.9</u>	<u>\$ 1,295.3</u>	<u>\$ 1,266.5</u>

Negative book balances representing a managed overdraft have been reclassified as accounts payable. Carrying amount balances and negative book balances for all fund types excluding discretely presented component units are reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets as follows (expressed in millions):

	<b>Total Carrying Amount</b>	<b>Negative Book Balances</b>
Governmental activities	\$ 95.1	\$ 263.7
Business-type activities	5.5	67.2
Fiduciary funds	<u>1,165.9</u>	<u>1.4</u>
<b>Total</b>	<b><u>\$ 1,266.5</u></b>	<b><u>\$ 332.3</u></b>

#### **NOTE 4 - INVESTMENTS**

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the investing funds through the State Treasurer and custodian banks as agents for the funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements, and other pertinent matters.

Federal securities, including those held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks, in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular State fund which establishes the State fund's unconditional right to the securities. The custodian banks, as agents for the State funds, maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the State funds.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Statement of Fiduciary Net Assets, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund and the Common Pension Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.



Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

Approximately \$1.0 billion of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. The projected future costs of installment prize obligations amount to \$1.5 billion which are due in installments ranging from ten years to the lifetime of the recipient.

The Governmental Accounting Standards Board Statement 3 requires investments be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the entity's name. Investments for all funds are classified as Category 1 and are detailed as follows (expressed in millions):

	<b>Amount Reported As Investments</b>
Common stock	\$ 30,108.8
Finance companies - senior debt	3,127.4
Foreign government bonds and notes	2,539.2
Foreign stock	9,164.7
Gas, electric, and water bonds	501.8
Government bonds and obligations	13,945.0
Industrial bonds and commercial paper	11,999.2
Mortgage - backed certificates	3,122.5
Repurchase agreements	50.3
Telephone bonds	416.6
Investments subject to risk categorization	74,975.5
Annuity contracts	1,039.0
Miscellaneous	22.1
Mutual funds	9.4
<b>Total</b>	<b>\$ 76,046.0</b>

**As Reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets:**

	<b>Current Investments</b>	<b>Non-Current Investments</b>	<b>Total</b>
Governmental activities	\$ 4,978.7	\$ --	\$ 4,978.7
Business-type activities	504.5	874.2	1,378.7
Fiduciary funds	69,688.6	--	69,688.6
	<b>\$ 75,171.8</b>	<b>\$ 874.2</b>	<b>\$ 76,046.0</b>

## **NOTE 5 - RECEIVABLES**

Fiduciary funds' receivables are not disclosed in the statement of net assets. However, these receivables are disclosed in the fund financial statements and consists primarily of amounts due from employers and employees and accrued earnings on investments. Receivables presented in the statement of net assets are described below.

### **A. Federal**

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 19 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement No. 2 - Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$3.0 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2003.

Federal receivable balances in the Unemployment Compensation Fund (\$1.9 billion) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

### **B. Departmental**

Departmental accounts receivable of \$2.5 billion include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and are reflected net of allowances (\$297.2 million).

### **C. Loans**

Loans receivable of \$947.5 million are reduced by allowances of \$13.1 million and include \$845.7 million due from local units of government and other recipients for environmental projects, \$44.2 million loaned for economic development within local units of government, and \$14.9 million loaned for housing and mortgage assistance.

### **D. Other**

Other receivables totaling \$2,852.9 million are reduced by allowances of \$631.7 million and include \$1,487.3 million due from the Tobacco Settlement Financing Corporation, Inc., tax receivables due of \$368.0 million, \$209.7 million due from the Port Authority of New York and New Jersey, and contributions due from employers and members to the Health Benefits Local Government Employers Program Fund of \$73.0 million.

## **NOTE 6 - CAPITAL ASSETS**

A summary of capital assets and related accumulated depreciation by category as of June 30, 2003 is as follows (expressed in millions):

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2003</u>
Land	\$ 530.1	\$ 49.4	\$ --	\$ 579.5
Land improvements	79.8	1.1	0.4	80.5
Buildings and improvements	2,493.3	68.0	20.9	2,540.4
Machinery and equipment	287.1	32.5	21.2	298.4
Construction in progress	166.9	37.8	15.6	189.1
Infrastructure	14,046.4	963.8	--	15,010.2
Total at historical cost	<u>17,603.6</u>	<u>1,152.6</u>	<u>58.1</u>	<u>18,698.1</u>
Less accumulated depreciation:				
Land improvements	52.4	3.2	--	55.6
Buildings and improvements	1,070.0	81.7	2.2	1,149.5
Machinery and equipment	194.0	23.1	13.8	203.3
Infrastructure	4,027.4	301.5	--	4,328.9
Total accumulated depreciation	<u>5,343.8</u>	<u>409.5</u>	<u>16.0</u>	<u>5,737.3</u>
Governmental activities capital assets, net	<u>\$ 12,259.8</u>	<u>\$ 743.1</u>	<u>\$ 42.1</u>	<u>\$ 12,960.8</u>

### A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to, works of art and historical treasures; such as statues; monuments; historical documents; paintings; forts and lighthouses; rare library books; various capitol-related artifacts and furnishings.

### B. Depreciation and Useful Lives

Capital assets are depreciated using the straight line method, with one half of the year's depreciation charged in the year of acquisition and in the year of disposal. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were assigned as follows:

<u>Asset</u>	<u>Years</u>
Land improvements	10-25
Building and improvements	12-45
Machinery and equipment	5-15
Infrastructure	8-70

Depreciation was charged to functions of the primary government as follows (expressed in millions):

	<u>Amount</u>
Public safety and criminal justice	\$ 26.7
Physical and mental health	8.2
Educational, cultural, and intellectual development	4.2
Community development and environmental management	5.7
Economic planning, development, and security	2.5
Transportation programs	311.1
Government direction, management, and control	51.0
Special government services	0.1
	<u>\$ 409.5</u>

## NOTE 7 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

### A. Due From/Due To Other Funds

The balance of current interfund receivables and payables at June 30, 2003 are presented below (expressed in millions):

Due To	Due From						Total
	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Unemployment Compensation Trust	Non-Major Proprietary Funds	Fiduciary Funds	
General Fund	\$ --	\$ 620.3	\$ 100.0	\$ 4.6	\$ 3.4	\$ 15.6	\$ 743.9
Property Tax Relief Fund	793.6	--	9.5	12.4	--	--	815.5
Tobacco Settlement Fund	6.2	--	--	--	--	--	6.2
Non-Major Governmental Funds	346.3	4.3	122.5	--	--	--	473.1
Unemployment Compensation Trust	--	0.9	17.3	--	--	--	18.2
Lottery Fund	91.5	--	--	--	--	--	91.5
Non-Major Proprietary Funds	0.4	--	--	--	1.0	--	1.4
Fiduciary Funds	11.7	5.6	--	--	--	3.0	20.3
<b>Total</b>	<b>\$ 1,249.7</b>	<b>\$ 631.1</b>	<b>\$ 249.3</b>	<b>\$ 17.0</b>	<b>\$ 4.4</b>	<b>\$ 18.6</b>	<b>\$ 2,170.1</b>

## B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2003 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Tobacco Settlement Fund	Non-Major Governmental Funds	State Lottery Fund	Non-Major Proprietary Funds	Total
<b>Transfers (out) to:</b>							
General Fund	\$ --	\$ --	\$ (1,556.7)	\$ (873.4)	\$ (787.5)	\$ --	\$ (3,217.6)
Property Tax Relief Fund	(459.9)	--	--	--	--	--	(459.9)
Non-Major Governmental Funds	(1,954.6)	--	--	(2,053.8)	--	--	(4,008.4)
State Lottery Fund	--	--	--	--	--	--	--
Non-Major Proprietary Funds	(57.9)	(12.7)	--	--	--	--	(70.6)
Fiduciary Funds	--	--	--	--	--	--	--
<b>Total Transfers (Out)</b>	<u>\$ (2,472.4)</u>	<u>\$ (12.7)</u>	<u>\$ (1,556.7)</u>	<u>\$ (2,927.2)</u>	<u>\$ (787.5)</u>	<u>\$ --</u>	<u>\$ (7,756.5)</u>
<b>Transfers in from:</b>							
General Fund	\$ --	\$ 459.9	\$ --	\$ 1,954.6	\$ --	\$ 57.9	\$ 2,472.4
Property Tax Relief Fund	--	--	--	--	--	12.7	12.7
Tobacco Settlement Fund	1,556.7	--	--	--	--	--	1,556.7
Non-Major Governmental Funds	873.4	--	--	2,053.8	--	--	2,927.2
State Lottery Fund	787.5	--	--	--	--	--	787.5
Non-Major Proprietary Funds	--	--	--	--	--	--	--
Fiduciary Funds	--	--	--	--	--	--	--
<b>Total Transfers In</b>	<u>3,217.6</u>	<u>459.9</u>	<u>--</u>	<u>4,008.4</u>	<u>--</u>	<u>70.6</u>	<u>7,756.5</u>
<b>Net Transfers In (Out)</b>	<u>\$ 745.2</u>	<u>\$ 447.2</u>	<u>\$ (1,556.7)</u>	<u>\$ 1,081.2</u>	<u>\$ (787.5)</u>	<u>\$ 70.6</u>	<u>\$ --</u>

## NOTE 8 - SHORT-TERM DEBT

### Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The \$1.9 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2003 was as follows (expressed in millions):

	Outstanding July 1, 2002	Issued	Redeemed	Outstanding June 30, 2003
Tax and Revenue Anticipation Notes	\$ --	\$ 1,900.0	\$ (1,900.0)	\$ --

## NOTE 9 – LONG-TERM OBLIGATIONS

### A. Changes in Long-term Debt

The following schedule represents the changes in the Long-term Debt (expressed in millions):

<b>Governmental Activities</b>	<b>Outstanding July 1, 2002</b>	<b>Additions</b>	<b>Deductions</b>	<b>Outstanding June 30, 2003</b>	<b>Amounts Due Within One Year</b>
General obligation bonds	\$ 3,170.9	\$ 695.4	\$ 572.1	\$ 3,294.2	\$ 277.1
Revenue bonds	5,800.7	1,454.0	1,022.8	6,231.9	227.7
Accumulated sick and vacation payable	477.0	231.9	259.0	449.9	231.9
Capital leases	548.3	33.7	39.3	542.7	42.4
Installment obligations	5,316.4	1,544.4	519.5	6,341.3	165.1
Certificates of participation	101.0	21.4	40.7	81.7	38.8
Loans payable	1,279.4	--	--	1,279.4	--
Net pension obligation	81.7	33.3	--	115.0	--
Other	320.1	332.0	320.1	332.0	332.0
Unamortized premium	194.0	191.2	20.0	365.2	--
Unamortized deferral on refunding	(105.0)	(118.7)	(11.8)	(211.9)	--
<b>Subtotal Governmental Activities</b>	<b>17,184.5</b>	<b>4,418.6</b>	<b>2,781.7</b>	<b>18,821.4</b>	<b>1,315.0</b>
<b>Business-type Activities</b>					
Accumulated sick and vacation payable	0.9	0.4	0.5	0.8	--
Deposit fund contracts	1,110.6	96.0	167.6	1,039.0	164.8
<b>Subtotal Business-type Activities</b>	<b>1,111.5</b>	<b>96.4</b>	<b>168.1</b>	<b>1,039.8</b>	<b>164.8</b>
<b>Total Governmental and Business-type</b>	<b>\$ 18,296.0</b>	<b>\$ 4,515.0</b>	<b>\$ 2,949.8</b>	<b>\$ 19,861.2</b>	<b>\$ 1,479.8</b>

## B. Debt Service Payments

The following schedule represents debt service payments for the next five years and thereafter (expressed in millions):

<u>Fiscal Year</u>	<u>Long-term Debt</u>		
	<u>General Obligation Debt</u>	<u>Revenue Bonds</u>	<u>Total</u>
2004	\$ 277.1	\$ 227.7	\$ 504.8
2005	266.6	268.6	535.2
2006	249.5	285.7	535.2
2007	245.6	303.4	549.0
2008	244.5	318.1	562.6
2009-2013	1,162.3	1,953.7	3,116.0
2014-2018	609.2	2,023.8	2,633.0
2019-2023	239.4	771.8	1,011.2
2024-2028	--	67.7	67.7
2029-2033	--	11.4	11.4
<b>Subtotal</b>	3,294.2	6,231.9	9,526.1
Unamortized premium	93.1	226.3	319.4
Unamortized deferral on refunding	(53.7)	(153.3)	(207.0)
<b>Total</b>	<u>\$ 3,333.6</u>	<u>\$ 6,304.9</u>	<u>\$ 9,638.5</u>

The general obligation bonded debt outstanding as of June 30, 2003 is \$3.3 billion which is secured by the State's (the General Fund) full faith and credit.

The New Jersey Transportation Trust Fund issued \$678.1 million in bonds during fiscal year 2003.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 2003 was \$430.4 million. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, as a transfer between the General Fund and Non-major Funds (Debt Service Fund).

In prior years, the State has refunded various bond issuances by creating separate irrevocable trust funds. Refunding debt has been issued and the proceeds have been used to purchase United States Treasury Obligations--State and Local Government Series that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the State's long-term debt. As of June 30, 2003, the amount of defeased general obligation debt outstanding, but removed from the long-term debt amounted to \$698 million.

During Fiscal Year 2003, the State advance refunded various general obligation bond issues. The State issued \$300.4 million of general obligation refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 6 years by \$32.8 million. An economic loss of \$13.5 million was realized on the transaction.

During Fiscal Year 2003, the State advance refunded revenue bonds with a revenue bond refunding. The State issued \$888.6 million of revenue refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding

was undertaken to reduce total debt service payments over the next 14 years by \$34.9 million and to obtain an economic gain of \$28.0 million.

During Fiscal Year 2003, the State advance refunded installment obligation bonds with a installment obligation bond refunding. The State issued \$375.0 million of installment obligation refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 26 years by \$7.2 million. An economic loss of \$6.2 million was realized on the transaction.

In addition, the State (the General Fund) has assisted the New Jersey Sports and Exposition Authority with two types of debt. The first involves use of the State's guarantee on certain bonds issued by the New Jersey Sports and Exposition Authority. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee. The amount outstanding on these bonds as of December 31, 2002, is \$55.7 million. The State has never had to make any State guaranteed debt service payments. The second type of debt involves the issuance of State Contract Bonds. The State has contracted with the New Jersey Sports and Exposition Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on the bonds. As of June 30, 2003, the amount outstanding on New Jersey Sports and Exposition Authority State Contract Bonds was \$679.2 million.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation and the New Jersey Housing and Mortgage Finance Agency. However, the Legislature is not legally bound to make such appropriations for these "moral obligation" bonds. Furthermore, the New Jersey Housing and Mortgage Finance Agency has not had a deficiency in debt service reserve which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2002, the Corporation certified that it would be unable to provide sufficient funds from operations for debt reserve and, therefore, required a State appropriation for Fiscal Year 2003 in the amount of \$3.1 million.

### C. Capital Lease and Installment Obligations

The State has entered into various lease and installment purchase agreements as a means of acquiring capital assets.

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2003 (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 87.2
2005	86.8
2006	83.5
2007	82.2
2008	82.3
2009-2013	281.4
2014-2018	119.4
2019-2023	54.6
2023-2027	17.2
	<hr/>
Total minimum lease payments	894.6
Less: Amount representing interest	351.9
	<hr/>
Present value of lease principal payments	<u>\$ 542.7</u>



Installment obligations represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the debt service of the respective authorities' funds, subject to and dependent upon appropriations being made by the State Legislature for such purchases. At the conclusion of the term of the installment agreements, title to the various facilities is to be transferred to the State. The following is a schedule, by fiscal year, of future installment payments together with the present value of net minimum installment payments, as of June 30, 2003 (expressed in millions) for both installment purchases as well as various other installment obligations of the State:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 466.1
2005	463.9
2006	480.3
2007	523.2
2008	535.9
2009-2013	2,814.4
2014-2018	3,094.8
2019-2023	3,298.3
2024-2028	2,840.1
2029-2034	506.4
	<hr/>
Total minimum installment payments	15,023.4
Less: Amount representing interest	8,682.1
	<hr/>
<b>Subtotal</b>	6,341.3
Add: Unamortized premium	45.8
Add: Unamortized deferral on refunding	(4.9)
	<hr/>
Total principal payments	<u>\$ 6,382.2</u>

Those obligations identified as certificates of participation represent a series of master lease agreements with a trustee from the sale of certificates of participation. The State is required to make payments that approximate the principal and interest payments to be made by the trustee to certified holders. The following is a schedule, by fiscal year, of future payments together with the present value of net minimum payments, as of June 30, 2003 (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 42.7
2005	25.8
2006	10.3
2007	4.3
2008	1.2
2009-2013	5.7
2014-2018	1.1
	<hr/>
Total minimum certificates of participation payments	91.1
Less: Amount representing interest	9.4
	<hr/>
Total principal payments	<u>\$ 81.7</u>

#### **D. Loans Payable**

The New Jersey Automobile Insurance Guaranty Fund has received a loan of \$1.3 billion from the New Jersey Property-Liability Insurance Guaranty Association. Loan repayments are subject to appropriation and will be repaid to the Association when the financial obligations of the Joint Underwriters Association (JUA) have been fully satisfied.

## E. Net Pension Obligation

As of June 30, 2003, the net pension obligation (NPO) for the State Police Retirement System and the Consolidated Police and Firemen's Retirement System amounted to \$115.0 million.

## F. Other

This obligation is claims that represent unmatured long-term indebtedness which is required (NCGA Statement 1) to be reported as general long-term liabilities of the government. This includes health (\$107.0 million), dental (\$3.3 million), and medicaid benefit claims (\$221.7 million of which \$105.3 million is federally reimbursable) which have been incurred but not reported.

## G. Proprietary Funds/Business-type Activities

Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Future payment of installment prizes in the amount of \$1.0 billion are recorded as noncurrent liabilities in both the fund financial statements and the government-wide statements.

## NOTE 10 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2003 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2003 and Fiscal Year 2002 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>
Tort	\$ 12.0	\$ 8.3
Workers' compensation	18.4	17.4
Automobile	3.4	1.5

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2003. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

The State has obtained a financial guaranty policy insurance commitment to cover potential permanent losses on investments by non-state participants in the State of New Jersey Cash Management Fund-External Portion (Investment Trust Fund). The State is liable for reimbursement to the issuer of the financial guaranty policy insurance commitment for any payments made. This financial guaranty policy insurance commitment expires on December 1, 2012.

## NOTE 11 – DERIVATIVES

### A. Interest Rate Swap Agreements

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations the State pays pursuant to contractual obligations it enters into with the issuer. These obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements) as further described below.

### B. Interest Rate Swap Agreements – Synthetic Fixed Rate

The State acting through its public authorities entered into six swap agreements in connection with the issuance of \$720.0 million in variable rate bonds. These bonds, and their associated swap agreements, were part of two separate

refunding transactions that produced \$35.0 million in net present value savings for the State's General Fund. In each case, the State, through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers, whereby the State will pay a fixed rate on a notional amount of bonds outstanding while the swap provider pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. In effect, the State has fixed its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

<u>Issuer/Series</u>	<u>Notional Amounts (\$ Millions)</u>	<u>Effective Date</u>	<u>Synthetic Fixed Rate</u>	<u>Variable Rate Received</u>
<b><u>NJ Transportation Trust Fund Authority</u></b>				
2003 Series B-1	\$ 85.0	1/24/03	3.565 %	67% of 1-Month USD-LIBOR
2003 Series B-2	85.0	1/24/03	3.537	67% of 1-Month USD-LIBOR
2003 Series B-3	50.0	1/24/03	3.630	67% of 1-Month USD-LIBOR
2003 Series B-4	62.5	1/24/03	3.675	67% of 1-Month USD-LIBOR
2003 Series B-5	62.5	1/24/03	3.675	67% of 1-Month USD-LIBOR
<b><u>NJ Economic Development Authority</u></b>				
Pension Obligation Bonds, Series 2003	375.0	8/15/03	7.600	1-Month USD-LIBOR + 0.50% on the same notional amount

The bonds and the related swap agreements have final maturities ranging from December 15, 2017 through February 15, 2029. The total notional amount of \$720.0 million matches the \$720.0 million of variable rate bonds that were issued. Under the swap agreement with the New Jersey Transportation Trust Fund Authority, the State through the Authority pays a fixed payment at rates ranging from 3.537 percent to 3.675 percent and receives a variable payment computed as 67.0 percent of the one month London Interbank Offering Rate (LIBOR). The variable interest rate on these bonds is based on rates determined by the auction rate agent for the bonds. Under the swap agreement with the New Jersey Economic Development Authority, the State through the Authority pays a fixed payment at a rate of 7.60 percent and receives a variable payment computed as the one month LIBOR plus 50.0 basis points on the same notional amount. The remarketing agent for the bonds determines the variable interest rates.

### **C. Interest Rate Swap Agreements – Forward Strategy**

During April and May 2003, the State of New Jersey entered into eleven swap agreements in association with \$3.0 billion of future bond transactions involving the New Jersey Economic Development Authority's School Construction Program. The effective date of the first swap agreement commences on September 1, 2004 and the others become effective every six months thereafter through March 1, 2007. Under the swap agreements, the State pays a synthetic fixed interest rate between 4.0625 percent and 4.4074 percent and receives a variable payment computed as 75.0 percent of the one month LIBOR. The purpose of the swap agreements was to take advantage of today's historically low fixed interest rates and "lock in" these current rates on future bonds. The swap agreements have allowed the State the opportunity to limit its interest rate exposure. A description of each swap agreement is as follows:

**New Jersey Economic Development Authority  
School Facilities Construction Bonds - Swap Agreement Description**

<u>Notional Amounts (\$ Millions)</u>	<u>Effective Date</u>	<u>Synthetic Fixed Rate</u>	<u>Variable Rate Received</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit Rating</u>
\$ 250.0	9/1/04	4.06250 %	75% of 1-Month USD-LIBOR	9/1/29	Aa2/A+
250.0	9/1/04	4.06250	75% of 1-Month USD-LIBOR	9/1/29	Aa2/A+
250.0	3/1/05	4.17625	75% of 1-Month USD-LIBOR	3/1/30	Aa2/A+
250.0	3/1/05	4.17625	75% of 1-Month USD-LIBOR	3/1/30	Aa2/A+
250.0	9/1/05	4.21840	75% of 1-Month USD-LIBOR	9/1/30	Aaa/AA+
250.0	9/1/05	4.21840	75% of 1-Month USD-LIBOR	9/1/30	Aa2/A+
250.0	3/1/06	4.29590	75% of 1-Month USD-LIBOR	3/1/31	Aaa/AA+
250.0	3/1/06	4.29590	75% of 1-Month USD-LIBOR	3/1/31	Aa2/A+
250.0	9/1/06	4.40740	75% of 1-Month USD-LIBOR	9/1/31	Aaa/AA+
250.0	9/1/06	4.40740	75% of 1-Month USD-LIBOR	9/1/31	Aa1/AA-
500.0	3/1/07	4.36920	75% of 1-Month USD-LIBOR	3/1/32	Aa3/A+

The swap agreements that impact the New Jersey Economic Development Authority's School Construction Program have final maturities ranging from September 1, 2029 through March 1, 2032. The total notional amount of \$3.0 billion will match the \$3.0 billion of variable rate bonds that will be issued. Under the swap agreement, the State through the Authority will pay a fixed payment at rates ranging from 4.0625 percent to 4.4074 percent and receive a variable payment computed as 75.0 percent of the one month LIBOR. The method for determining the variable interest rate on these bonds will be determined by the issuer.

**D. Interest Rate Swap Agreements - Fair Value**

Between January 24, 2003 and May 5, 2003 the State acting through its public authorities, has entered into seventeen swap agreements. During Fiscal Year 2003, general interest rates continued to decline and eventually bottomed out during mid-June 2003. Since then, interest rates have begun an upward climb. Due to the fact that interest rates have slightly declined since the execution of the swap agreements, the swap agreements have an estimated negative fair value equal to their termination value at March 1, 2032. The swap agreements estimated negative fair value may be countered by a reduction in total interest payments required under the variable rate bonds, creating a lower synthetic fixed interest rate as compared to traditional fixed rate bonds issued at the same time.

**E. Interest Rate Swap Agreements - Credit Risk**

The swap agreement contracts require that each counterparty shall have a credit rating from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings, which are obtained from any other nationally recognized statistical rating agencies for such counterparty shall also be within the three highest investment rated categories, or the payment obligations of the counterparty shall be unconditionally guaranteed by an entity with such credit ratings. The swap agreements also require that should the credit rating of a counterparty fall below the rating required, that the obligations of such counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, with a net market value of at least 102.0 percent of the net market value of the contract to the State and such collateral shall be deposited with the State or its agent.

As of June 30, 2003 the State was not exposed to credit risk because the swap agreements had a negative fair value. However, should interest rates change and the fair value of the swap agreements becomes positive, the State would be exposed to credit risk in the amount of the positive fair value.

## **F. Interest Rate Swap Agreements - Basis Risk**

The swap agreements expose the State to basis risk should the relationship between LIBOR and actual variable rate payments diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate resulting from future market conditions.

## **G. Interest Rate Swap Agreements - Termination Risk**

Each swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events", providing that the swap agreements may be terminated if either the State's or a counterparty's credit quality rating falls below certain levels. The State or the counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. If one or more of the swap agreements is terminated, the related variable rate bonds would no longer be hedged and the State would no longer be effectively paying a synthetic fixed rate with respect to those bonds. Also, if at the time of termination the swap agreement has a negative fair value, the State would incur a loss and would be required to settle with the counterparty at the swap agreement's fair value.

## **NOTE 12 - OTHER LIABILITIES**

Other liabilities presented in the statement of net assets consists principally of revenue refunds payable to taxpayers (\$802.4 million) and balances due to the Property Liability Insurance Guaranty Association (\$329.6 million).

## **NOTE 13 - FUND BALANCES**

### **A. Reserved - Other**

In the fund financial statements, reservations of fund balance classified as "reserved - other" consists principally of legally mandated escrow balances and long-term loans and receivables due from individuals, municipalities, and authorities, that are considered not currently available for expenditure in subsequent accounting periods. In addition, balances have been reserved in the following funds for purposes described below.

#### **General Fund**

The \$377.2 million reservation in the General Fund that is considered not currently available for appropriations consists principally of monies set aside to pay claimants whose property has been previously escheated to the State (\$227.6 million), monies set aside to pay employee dental, prescription, and health benefits (\$55.9 million), a portion of the 4 percent constitutionally dedicated Corporation Business Tax revenues reserved for environmental cleanup projects in excess of allowable expenditures (\$33.9 million), long-term advances, receivables due from individuals, estates, municipalities, railroads and other funds (\$16.1 million), excess Federal stimulus funds (\$37.1 million) and a portion of bond receipts which is earmarked to pay debt service in the next fiscal year (\$6.6 million).

#### **Fund for Support of Free Public Schools**

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1 ½ percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, \$96.0 million has been reserved as of June 30, 2003.

#### **New Jersey Schools Construction Corporation**

In this fund, \$33.8 million has been reserved for Qualified Zone Academies.

## B. Unreserved

In the fund financial statements, unreserved consists of: designated for continuing appropriations, designated for debt service, designated for unrealized gains, and undesignated.

### General Fund

The \$1.2 billion unreserved balance consists of \$863.9 million designated for continuing appropriations, \$6.8 million designated for unrealized gains, and \$373.0 million undesignated.

## NOTE 14 - OTHER FINANCING SOURCES/USES – OTHER

The following items were recorded as other financing sources (uses) –other in the fund financial statements (expressed in millions):

	<u>General Fund</u>	<u>Non-Major Funds</u>
Refunding bonds issued	\$ 674.1	\$ 678.1
Proceeds from installment obligations issued by New Jersey Economic Development Authority (NJEDA) - a component unit	600.0	--
Installment obligations issued	532.1	--
Revenue bonds issued	275.9	--
Transfer from NJEDA - a component unit	--	229.2
Capital lease acquisitions	33.7	--
QZAB bond proceeds	37.3	--
Premium from installment obligations issued by NJEDA - a component unit	25.9	--
Premium related to refunding bonds	24.3	40.4
Certificates of participation issued	21.4	--
Premium related to revenue bonds issued by the Garden State Preservation Trust	--	39.4
Premium related to the issuance of general obligation bonds	--	21.6
Payment to escrow agent on refunding bonds	(334.5)	(718.5)
Refunding bond proceeds disbursed to NJEDA - a component unit	(375.0)	--
QZAB bond proceeds disbursed to New Jersey Schools Construction Corporation	(7.9)	--
<b>Other Financing Sources (Uses) - Other</b>	<u>\$ 1,507.3</u>	<u>\$ 290.2</u>

## NOTE 15 - OPERATING LEASES

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2003 are as follows (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 31.3
2005	24.0
2006	20.3
2007	14.0
2008	11.0
2009-2012	18.4
Total Future Minimum Lease Payments	<u>\$ 119.0</u>

## NOTE 16 – RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees:

**Consolidated Police and Firemen's Pension Fund (CPFPPF)**--established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

**Judicial Retirement System (JRS)**--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after 5 years of successive service as a judge and 10 years in the aggregate of public service.

**Police and Firemen's Retirement System (PFRS)**--established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**Prison Officers' Pension Fund (POPF)**--established in January 1941, under the provisions of N.J.S.A. 43:7 to provide coverage to various employees of the State penal institutions who were appointed prior to January 1, 1960. The fund is a closed system with no active members. New employees of the State penal institutions are enrolled in the Police and Firemen's Retirement System.

**Public Employees' Retirement System (PERS)**--established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**State Police Retirement System (SPRS)**--established in July 1965, under the provisions of N.J.S.A. 53:5A to provide coverage to all uniformed officers and troopers of the State Police in the State. Membership is mandatory and vesting occurs after 10 years of membership.

**Teachers' Pension and Annuity Fund (TPAF)**--established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

## **Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems. There are no employees covered by CPF.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60% of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. In the CPFPPF, POPF, and CPF, the cost of living increases are payable from the State of New Jersey Pension Adjustment Fund which is funded by the State as benefit allowances become payable. The cost of living increases for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

## **Basis of Accounting**

The financial statements of the Funds are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the Funds. Benefits or refunds are recognized when due and payable in accordance with the terms of the Funds.

## **Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, and Common Pension Fund D. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

## **Significant Legislation**

As per P.L. 2003, c. 108, the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20%; for payments due in the State fiscal year ending June 30, 2006, not more than 40%; for payments due in the fiscal year ending June 30, 2007, not more than 60%; for payments due in the fiscal year ending June 30, 2008, not more than 80%. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20%; for payments due in the State fiscal year ending June 30, 2005, not more than 40%; for payments due in the fiscal year ending June 30, 2006, not more than 60%; for payments due in the fiscal year ending June 30, 2007, not more than 80%.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under TPAF, PERS, or PFRS, effective July 12, 2002.



Chapter 54, P.L. 2002 allows members of the JRS to elect to receive a reduced retirement allowance in order to provide a benefit to a named beneficiary, effective September 2, 2003. The five optional settlements in this law are the same as the ones available to members of Public Employees' Retirement System and Teachers' Pension Annuity Fund.

Chapter 23, Public Law of 2002 provides early retirement incentive benefits to State employees enrolled in the PERS and TPAF who meet specified age and service requirements and who retire within a specified time period that generally extends from February 1, 2002 to July 1, 2002. The incentive benefits include an additional three years of service credit to employees who are at least 50 years of age with at least 25 years of service credit; State paid health care benefits to employees who are at least 60 years of age with a at least 20 but less than 25 years of service credit; an additional monthly benefit of \$500 per month for 24 months following the date of retirement to employees who are at least 60 years of age with at least 10, but not more than 20 years of service credit; and an additional pension benefit of 3/55 of the compensation upon which the retirement benefit is based to employees who are at least 55 years of age with 25 or more years of service credit and who retire on a veteran's retirement.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets have been available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2002, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

### **Contribution Requirements**

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00% to 8.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2003 for CPFPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

The annual pension cost for the fiscal year ending June 30, 2003 and related information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented on the following pages. Note that the assumption regarding post-retirement benefit increases has not been disclosed because post-retirement health care benefits are currently being funded on a modified pay-as-you-go basis and not on an actuarial reserve basis.

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>
<b>Annual Pension Cost (APC)</b>			
<b>State:</b>			
<b>06/30/01</b>	\$ 1,347,945	\$ 9,886,598	\$ --
<b>06/30/02</b>	2,670,718	13,093,605	--
<b>06/30/03</b>	3,506,122	14,982,569	--
<b>Local:</b>			
<b>06/30/01</b>	--	--	75,670,018
<b>06/30/02</b>	--	--	185,415
<b>06/30/03</b>	--	--	364,850
<b>Contributions Made</b>			
<b>State:</b>			
<b>06/30/01</b>	--	--	--
<b>06/30/02</b>	506,541	--	--
<b>06/30/03</b>	2,713,914	8,467,287	--
<b>Local:</b>			
<b>06/30/01</b>	--	--	75,670,018
<b>06/30/02</b>	--	--	185,415
<b>06/30/03</b>	--	--	364,850
<b>Percentage of APC Contributed</b>			
<b>State:</b>			
<b>06/30/01</b>	0.0%	0.0%	100.0%
<b>06/30/02</b>	19.0%	0.0%	100.0%
<b>06/30/03</b>	77.4%	56.5%	100.0%
<b>Local:</b>			
<b>06/30/01</b>	--	--	100.0%
<b>06/30/02</b>	--	--	100.0%
<b>06/30/03</b>	--	--	100.0%
<b>Net Pension Obligation</b>			
<b>State:</b>			
<b>06/30/01</b>	(2,119,854)	(65,264,797)	--
<b>06/30/02</b>	44,323	(52,171,192)	--
<b>06/30/03</b>	836,531	(45,655,910)	--
<b>Local:</b>			
<b>06/30/01</b>	--	--	--
<b>06/30/02</b>	--	--	--
<b>06/30/03</b>	--	--	--
<b>Contribution rates</b>			
<b>State</b>	N/A	25.9%	0.0%
<b>State-related employers</b>	N/A	N/A	0.0%
<b>Employees</b>	N/A	3.0%	8.5%
<b>Significant Actuarial Assumptions and Methods</b>			
<b>Date of actuarial valuation</b>	6/30/02	6/30/02	6/30/02
<b>Actuarial cost method</b>	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
<b>Amortization method</b>	Level Dollar Closed	Level Dollar Closed	Level Percent Closed
<b>Remaining amortization period</b>	1 year	30 years	30 years
<b>Asset valuation method</b>	Five Year Average of Market Value	Five Year Average of Market Value	Five Year Average of Market Value
<b>Actuarial assumptions</b>			
<b>Investment rate of return</b>	8.75%	8.75%	8.75%
<b>Projected salary increases</b>	N/A	5.95%	5.95%
<b>Cost-of-Living adjustments</b>	N/A	2.40%	2.40%

		<u>POPF</u>		<u>PERS</u>		<u>SPRS</u>		<u>TPAF</u>	
<b>Annual Pension Cost (APC)</b>									
<b>State:</b>	<b>06/30/01</b>	\$	2,257,482	\$	--	\$	36,063,044	\$	77,627,755
	<b>06/30/02</b>		2,362,253		--		27,066,170		35,021,527
	<b>06/30/03</b>		1,354,894		--		32,553,999		226,078,274
<b>Local:</b>	<b>06/30/01</b>		--		21,670,774		--		--
	<b>06/30/02</b>		--		16,174,534		--		--
	<b>06/30/03</b>		--		16,987,033		--		--
<b>Contributions Made</b>									
<b>State:</b>	<b>06/30/01</b>		--		--		--		--
	<b>06/30/02</b>		--		--		--		--
	<b>06/30/03</b>		--		--		--		--
<b>Local:</b>	<b>06/30/01</b>		--		21,670,774		--		--
	<b>06/30/02</b>		--		16,174,534		--		--
	<b>06/30/03</b>		--		16,987,033		--		--
<b>Percentage of APC Contributed</b>									
<b>State:</b>	<b>06/30/01</b>		0.0%		100.0%		0.0%		0.0%
	<b>06/30/02</b>		0.0%		100.0%		0.0%		0.0%
	<b>06/30/03</b>		0.0%		100.0%		0.0%		0.0%
<b>Local:</b>	<b>06/30/01</b>		--		100.0%		--		--
	<b>06/30/02</b>		--		100.0%		--		--
	<b>06/30/03</b>		--		100.0%		--		--
<b>Net Pension Obligation</b>									
<b>State:</b>	<b>06/30/01</b>		(9,533,201)		--		54,576,337		(456,783,231)
	<b>06/30/02</b>		(7,170,948)		--		81,642,507		(421,761,704)
	<b>06/30/03</b>		(5,816,054)		--		114,196,506		(195,683,430)
<b>Local:</b>	<b>06/30/01</b>		--		--		--		--
	<b>06/30/02</b>		--		--		--		--
	<b>06/30/03</b>		--		--		--		--
<b>Contribution rates</b>									
<b>State</b>			N/A		0.0%		16.3%		3.3%
<b>State-related employers</b>			N/A		0.3%		N/A		N/A
<b>Employees</b>			N/A		3.0%		7.5%		3.0%
<b>Significant Actuarial Assumptions and Methods</b>									
<b>Date of actuarial valuation</b>			6/30/02		6/30/02		6/30/02		6/30/02
<b>Actuarial cost method</b>			Projected Unit Credit		Projected Unit Credit		Projected Unit Credit		Projected Unit Credit
<b>Amortization method</b>			Level Dollar Closed		Level Percent Closed		Level Dollar Closed		Level Percent Closed
<b>Remaining amortization period</b>			1 year		39 years for UAAL 9 years for Asset Method Change		30 years		1 year
<b>Asset valuation method</b>			Market Value		Five Year Average Market Value		Five Year Average Market Value		Five Year Average Market Value
<b>Actuarial assumptions</b>									
<b>Investment rate of return</b>			5.00%		8.75%		8.75%		8.75%
<b>Projected salary increases</b>			N/A		5.95%		5.95%		5.95%
<b>Cost-of-Living adjustments</b>			N/A		2.40%		2.40%		2.40%

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2003 are presented below:

	<b>SINGLE EMPLOYER PLANS</b>		
	<b>JRS</b>	<b>POPF</b>	<b>SPRS</b>
Annual Required Contribution, 6/30/03	\$ 16,913,237	\$ (5,816,054)	\$ 29,449,164
Interest Adjustment on NPO	(4,564,979)	(358,547)	7,143,719
Adjustment to Annual Required Contribution	2,634,311	7,529,495	(4,038,884)
APC as of 6/30/03	14,982,569	1,354,894	32,553,999
Total Fiscal Year 2003 Contributions	8,467,287	--	--
Increase in NPO	6,515,282	1,354,894	32,553,999
NPO as of June 30, 2002	(52,171,192)	(7,170,948)	81,642,507
NPO as of June 30, 2003	\$ (45,655,910)	\$ (5,816,054)	\$ 114,196,506

	<b>COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS</b>		
	<b>CPFPF</b>	<b>TPAF</b>	<b>TOTAL ALL PLANS</b>
Annual Required Contribution, 6/30/03	\$ 3,550,445	\$ 194,435,594	\$ 238,532,386
Interest Adjustment on NPO	3,878	(36,904,149)	(34,680,078)
Adjustment to Annual Required Contribution	(48,201)	68,546,829	74,623,550
APC as of 6/30/03	3,506,122	226,078,274	278,475,858
Total Fiscal Year 2003 Contributions	2,713,914	--	11,181,201
Increase in NPO	792,208	226,078,274	267,294,657
NPO as of June 30, 2002	44,323	(421,761,704)	(399,417,014)
NPO as of June 30, 2003	\$ 836,531	\$ (195,683,430)	\$ (132,122,357)

## **NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2003, there were 61,549 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the Traditional Plan shall be subject to premium sharing based on the negotiated contracts.

The State did not make a contribution to the PERS and TPAF in Fiscal Year 2003 toward the cost of post-retirement medical benefits in accordance with P.L. 2002, c.11; which allowed the State to use available reserves in the Post-Retirement Medical Reserve Funds to cover required pay-as-you-go medical premiums. This legislation also suspended in Fiscal Years 2002 and 2003 the additional post retirement medical contribution to increase the fund balance by one half of one percent of active member salaries for the valuation period. State law provides that post retirement medical contributions resume in Fiscal Year 2004.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is

for retired State employees who are eligible for a disability retirement regardless of years of service. PERS and TPAF retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed \$46.1 million for 5,091 eligible retired members for Fiscal Year 2003.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$57.9 million toward Chapter 126 benefits for 8,362 eligible retired members in Fiscal Year 2003.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80% of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$13.2 million in the current year to provide benefits under Chapter 330 to qualified retirees.

## **NOTE 18 - COMPONENT UNITS**

### **A. Authorities**

The accounts of public authorities, private not-for-profit corporations, and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. Authorities are legally separate entities that are not operating departments of the State.

The activities of the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey School Construction Corporation, and the New Jersey Transportation Trust Fund Authority have been blended into the financial activities of the State as special revenue and debt service funds. All other Authorities have been discretely presented as component units in the State's financial statements in accordance with GASB Statement No. 14, The Financial Reporting Entity.

The Authorities are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry, such as financing economic development, public transportation, low cost housing, environmental protection, and capital development for health and education. In addition, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

The Governor, with the approval of the State Senate, appoints the members of the board of most Authorities. Authorities generally submit annual reports to the Governor, the Legislature, and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto actions.

An inadvertent omission for the New Jersey Housing and Mortgage Finance Agency was discovered after the printing process in the Fiscal Year 2002 CAFR. The amounts were reported as thousands instead of millions. The total net assets should have been \$728,302,000.

These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Descriptions of the discretely presented Authorities and addresses from which separately issued audited financial statements may be obtained are provided below:

**Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)**  
**1014 Atlantic Avenue**  
**Atlantic City, New Jersey 08401**  
**Fiscal Year Ending December 31, 2002**  
**[www.njcrda.com](http://www.njcrda.com)**

The Authority was created in 1984 to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey and to directly facilitate the redevelopment of blighted areas by providing eligible

projects in which licensees (casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

**New Jersey Commerce and Economic Growth Commission (P.L. 1998, c.44)**  
**20 West State Street**  
**P.O. Box 820**  
**Trenton, New Jersey 08625-0820**  
**Fiscal Year Ending June 30, 2003**  
**[www.newjerseycommerce.org](http://www.newjerseycommerce.org)**

In accordance with P.L. 1998, c.44 the Department of Commerce and Economic Development, the principal economic development department in the Executive Branch of State Government, was abolished and the New Jersey Commerce and Economic Growth Commission was created. Its mission is to serve as the lead agency for promoting job growth, business growth, and economic development in New Jersey.

**New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises (P.L. 1985, c.386)**  
**36 West State Street**  
**P.O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2002**  
**[www.fieldus.org/directory/records/335.htm](http://www.fieldus.org/directory/records/335.htm)**

The New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprise was established as a public body corporate and politic of the State. The Authority was established to provide financial assistance to small businesses and businesses owned by minorities and women in order to encourage entrepreneurship within these groups.

**New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)**  
**36 West State Street**  
**P.O. Box 990**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2002**  
**[www.njeda.com](http://www.njeda.com)**

Created in 1974 as a public body corporate and politic, the New Jersey Economic Development Authority is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expanding employment opportunities and enlarging state and local governments tax base.

**New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)**  
**101 College Road East**  
**Princeton, New Jersey 08540-6601**  
**Fiscal Year Ending December 31, 2002**  
**[www.njefa.com](http://www.njefa.com)**

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell its debt instruments (bonds, notes, and other obligations). The Authority may finance academic and auxiliary facilities for the public and independent institutions of higher education.

**New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)**  
**3131 Princeton Pike - Building 6**  
**P. O. Box 440**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending June 30, 2003**  
**[www.njeit.org](http://www.njeit.org)**

The New Jersey Environmental Infrastructure Trust established in, but not of, the Department of Environmental Protection in 1985, is a body corporate and politic, with corporate succession. The purpose of the Trust is to make loans and guarantee debt incurred by local government units in financing the cost of wastewater treatment system projects.

The Trust may from time to time issue bonds, notes, or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of \$600 million, in order to provide sufficient funds to carry out its statutory purpose.

**New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)**  
**Station Plaza Bldg. #4**  
**South Clinton and Yard Avenues**  
**P.O. Box 366**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2002**  
**[www.njhcffa.com](http://www.njhcffa.com)**

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private not-for-profit health care institutions of the State.

**New Jersey Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)**  
**P.O. Box 540**  
**Trenton, New Jersey 08625-0540**  
**Fiscal Year Ending June 30, 2003**  
**[www.hesaa.org](http://www.hesaa.org)**

This Authority was established to provide a single agency for the coordination and delivery of student financial assistance in the State of New Jersey. The Authority serves as the Guaranty Agency for the Federal Family Education Loan (FFEL) Program and the issuer of State of New Jersey College Loans to Assist State Students (NJCLASS) supplementary loan program. The authority also administers the State Tuition Aid Grants (TAG), scholarship programs, and the State College Savings Program, known as the New Jersey Better Educational Trust (NJBEST).

**New Jersey Highway Authority (N.J.S.A. 27:12B-4)**  
**Executive Offices**  
**Garden State Parkway**  
**Woodbridge, New Jersey 07095**  
**Fiscal Year Ending December 31, 2002**

The New Jersey Highway Authority, created in 1952 as a body corporate and politic, is authorized to acquire, construct, operate, and maintain highway projects (specifically the toll portions of the Garden State Parkway) with the provision that the Governor shall have the right to veto any action, except collective bargaining; and that the approval of the Governor and State Treasurer or Comptroller shall be required prior to adoption of any bond resolution or revision of tolls. The Authority has also been responsible for construction and maintenance of the PNC Arts Center.

Effective July 9, 2003, the New Jersey Highway Authority merged and became a part of the New Jersey Turnpike Authority.

**New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)**  
**637 South Clinton Avenue**  
**P. O. Box 18550**  
**Trenton, New Jersey 08650-2085**  
**Fiscal Year Ending June 30, 2003**  
**[www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa)**

The Housing and Mortgage Finance Agency (HMFA) makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. HMFA mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provides low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

**New Jersey Meadowlands Commission (N.J.S.A. 13:17-5)**  
**1 De Korte Park Plaza**  
**Lyndhurst, New Jersey 07071**  
**Fiscal Year Ending December 31, 2002**  
**[www.meadowlands.state.nj.us](http://www.meadowlands.state.nj.us)**

The New Jersey Meadowlands Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. The Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement, including open space acquisition of the 19,730 acre Meadowlands District.

The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of fourteen municipalities and two counties; Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

**New Jersey Redevelopment Authority (P.L. 1996, c.62)**  
**225 East State Street**  
**P. O. Box 790**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending December 31, 2002**  
**[www.state.nj.us/njra](http://www.state.nj.us/njra)**

The New Jersey Redevelopment Authority was created on July 13, 1996 to provide assistance in the redevelopment and revitalization of New Jersey cities. The Authority is to provide financial, managerial, and technical assistance to persons, firms, or corporations that wish to undertake industrial, commercial, or civic projects within qualified municipalities.

**New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)**  
**50 Route 120**  
**East Rutherford, New Jersey 07073**  
**Fiscal Year Ending December 31, 2002**  
**[www.njsea.com](http://www.njsea.com)**

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, is engaged in the business of owning, operating, and managing sports, entertainment, wagering, and convention facilities throughout the State. It has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Continental Airlines Arena which opened in July, 1981. The Authority is charged with the responsibility to own, operate, and build various facilities, located in the State of New Jersey, including the Atlantic City Convention Center Authority, for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and to provide the terms and security thereof.

**New Jersey Transit Corporation (N.J.S.A. 27:25-1)**  
**One Penn Plaza East**  
**Newark, New Jersey 07105**  
**Fiscal Year Ending June 30, 2003**  
**[www.njtransit.com](http://www.njtransit.com)**

New Jersey Transit Corporation (NJ TRANSIT) was created by the New Jersey Public Transportation Act of 1979 and is empowered to acquire, own, operate, and contract for the operation of public transportation services.

NJ TRANSIT receives operating subsidies principally from the State of New Jersey by legislative appropriation and the Federal Government by defined formula grants under the Federal Transit Administration. These government grants are used to support the operation of public transportation services.

NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.



**New Jersey Turnpike Authority (N.J.S.A. 27:23-3)**  
**P. O. Box 1121**  
**New Brunswick, New Jersey 08903**  
**Fiscal Year Ending December 31, 2002**  
**[www.state.nj.us/turnpike](http://www.state.nj.us/turnpike)**

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, payable solely from tolls and other revenues of the Authority.

Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority. The New Jersey Turnpike Authority has assumed all operations of the New Jersey Highway Authority.

**New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)**  
**P. O. Box 5196**  
**Clinton, New Jersey 08809**  
**Fiscal Year Ending June 30, 2003**  
**[www.njwsa.org](http://www.njwsa.org)**

The New Jersey Water Supply Authority, created in 1981 as a public body corporate and politic, is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system.

The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

**South Jersey Port Corporation (N.J.S.A. 12:11A-1)**  
**Second and Beck Streets**  
**Camden, New Jersey 08104**  
**Fiscal Year Ending December 31, 2002**  
**[www.southjerseyport.com](http://www.southjerseyport.com)**

The South Jersey Port Corporation, established as a public body corporate and politic of the State, was created in 1968 by the South Jersey Port Corporation Act. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which mandates the distribution of funds to various Port Corporation funds.

**South Jersey Transportation Authority (P.L. 1991, c.252)**  
**Farley Service Plaza**  
**P. O. Box 351**  
**Hammonton, New Jersey 08037**  
**Fiscal Year Ending December 31, 2002**  
**[www.sjta.com](http://www.sjta.com)**

The South Jersey Transportation Authority created in 1992 is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects including the Atlantic City Expressway and the Atlantic County International Airport. The Authority may issue revenue bonds or notes of the Authority subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, payable solely from tolls and other revenues of the Authority.

**Tobacco Settlement Financing Corporation**  
**50 West State Street**  
**P.O. Box 002**  
**Trenton, New Jersey 08625**  
**Fiscal Year Ending June 30, 2003**

In accordance with P.L. 2002, c.32, the Tobacco Settlement Financing Corporation is a body corporate and politic established in, but not of, the Department of the Treasury. During Fiscal Year 2003 the State of New Jersey sold to the Corporation all of its rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement reached between 46 states and the major tobacco companies. The Corporation generated \$3.46 billion in Tobacco Settlement Asset-Backed Bonds to pay for New Jersey's rightful share under the Master Settlement Agreement.

## **B. Colleges and Universities**

As a result of P.L. 1988, c.42 and c.88, State colleges, whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status effective July 1, 1987.

The financial statements of the colleges and universities have been prepared in accordance with Governmental Accounting Standards Board Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State and fiscal dependency on the State. The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Since the colleges and universities are similar in nature and function, their statements have been discretely presented in the statement of net assets and the statement of activities. They are presented in two categories, major and nonmajor. This distinction is determined by the relative size of an entity's assets, liabilities, revenues, and expenditures in relation to the total of all the colleges and universities. Except for New Jersey Institute of Technology (NJIT) and Rutgers, The State University of New Jersey (Rutgers), the financial statements do not include the financial activity related to foundations and similar organizations within the colleges and universities. Because of their significant operational and fiscal relationship with the universities, NJIT and Rutgers foundations are presented as component units of these universities.

Separately issued independent audited financial statements may be directly obtained from the colleges and universities. Addresses and web-sites of the colleges and universities are presented below:

**The College of New Jersey (N.J.S.A. 18A:62-1)**  
2000 Pennington Road  
Ewing, New Jersey 08628-0718  
[www.tcnj.edu](http://www.tcnj.edu)

**Thomas Edison State College (N.J.S.A. 18A:62-1)**  
101 West State Street  
Trenton, New Jersey 08608  
[www.tesc.edu](http://www.tesc.edu)

**Kean University (N.J.S.A. 18A:62-1)**  
1000 Morris Avenue  
Union, New Jersey 07083  
[www.kean.edu](http://www.kean.edu)

**Montclair State University (N.J.S.A. 18A:62-1)**  
One Normal Avenue  
Upper Montclair, New Jersey 07043  
[www.montclair.edu](http://www.montclair.edu)

**New Jersey City University (N.J.S.A. 18A:62-1)**  
2039 Kennedy Boulevard  
Jersey City, New Jersey 07305  
[www.njcu.edu](http://www.njcu.edu)

**New Jersey Institute of Technology (N.J.S.A. 18A:64E-4)**  
323 Martin Luther King Jr. Boulevard  
University Heights  
Newark, New Jersey 07102-1982  
[www.njit.edu](http://www.njit.edu)

**The William Paterson University of New Jersey (N.J.S.A. 18A:62-1)**  
358 Hamburg Turnpike  
Wayne, New Jersey 07470  
[www.wpunj.edu](http://www.wpunj.edu)

**Ramapo College of New Jersey (N.J.S.A. 18A:62-1)**  
505 Ramapo Valley Road  
Mahwah, New Jersey 07430  
[www.ramapo.edu](http://www.ramapo.edu)

**Rowan University (N.J.S.A. 18A:62-1)**  
201 Mullica Hill Road  
Glassboro, New Jersey 08028  
[www.rowan.edu](http://www.rowan.edu)

**Rutgers, The State University of New Jersey (N.J.S.A. 18A:65-12)**  
65 Davidson Road  
Piscataway, New Jersey 08854-5603  
[www.rutgers.edu](http://www.rutgers.edu)

**The Richard Stockton College of New Jersey (N.J.S.A. 18A:62-1)**  
P.O. Box 195  
Pomona, New Jersey 08240-195  
[www2.stockton.edu/stockton.html](http://www2.stockton.edu/stockton.html)

**University of Medicine and Dentistry of New Jersey (N.J.S.A. 18A:64G-4)**  
335 George Street  
New Brunswick, New Jersey 08903-2688  
[www.umdnj.edu](http://www.umdnj.edu)

## **NOTE 19 - CONTINGENT LIABILITIES**

### **General Fund**

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2003, the exact amount involved in these legal proceedings is not fully determinable.

### **Special Revenue Funds**

#### **New Jersey Lawyers Fund for Client Protection**

Claims of approximately \$17.1 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded is \$11.2 million. The ultimate disposition of these claims is not determinable at this time.

#### **New Jersey Spill Compensation Fund**

As of June 30, 2003, various claims have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

## **Real Estate Guaranty Fund**

Claim payments, as certified by court orders, are made to persons aggrieved by the unlawful practices of real estate brokers or salesmen. As of June 30, 2003, there were various cases pending with a maximum possible exposure to the Fund of approximately \$0.6 million. The ultimate disposition of these claims is not determinable at this time.

## **Sanitary Landfill Facility Contingency Fund**

Various claims totaling approximately \$13.0 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

## **University of Medicine and Dentistry of New Jersey – Self Insurance Reserve Fund**

The State has the ultimate liability for tort and malpractice claims in excess of the resources of the Fund.

## **Capital Projects Funds**

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$20.4 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

## **Federal Programs**

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2003, audits of expenditures for Fiscal Year 2003 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2003, it is management's opinion that disallowances, if any, would not be material.

## **NOTE 20 – SUBSEQUENT EVENTS**

### **Short-term Debt**

For Fiscal Year 2004, the State authorized the issuance of \$3.1 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On September 25, 2003, the State issued \$1.5 billion of tax and revenue anticipation notes. The final maturity of these notes is June 24, 2004. Should the State need to issue additional short-term debt in order to manage its cash flow, it has \$1.6 billion remaining in Fiscal Year 2004 borrowing authorization.

### **Long-term Debt**

On July 31, 2003 the New Jersey Transportation Trust Fund Authority issued \$924.8 million in bonds on behalf of both the New Jersey Department of Transportation and New Jersey Transit for various system improvements. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2003. Final maturity on the bonds is June 15, 2024.

On August 6, 2003 the New Jersey Economic Development Authority issued \$90.7 million of Economic Recovery Fund Refunding Bonds. The bonds were issued to partially refund the 1992 Series A and 1992 Series B bonds. Interest is payable semi-annually on March 15 and September 15, commencing on September 15, 2003. Final maturity on the bonds is March 15, 2021.

On August 7, 2003 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued \$600.0 million in school construction bonds for the purpose of partially funding the school facilities construction program. Interest is payable semi-annually on June 15 and December 15, commencing on December 15, 2003. Final maturity on the bonds is June 15, 2028.

On August 22, 2003 the New Jersey Building Authority issued \$190.0 million of 2003 Series A, State Building Revenue Bonds. The bonds were issued to partially refund the 1994 Series Bonds, the 1999 Series Bonds, and the 2002 Series A Bonds. The 2003 Series A Bonds are variable rate, Auction Rate Securities. In order to manage interest rate

exposures and achieve a synthetic fixed rate refunding on the bonds to be refunded, the New Jersey Building Authority entered into six separate swap agreements with swap providers to hedge the Authority's interest rate exposure with respect to the full principal amount of the 2003 Series A Bonds. The swap agreements shall be in effect during the entire term of the 2003 Series A Bonds. Each swap agreement provides that the Authority will pay the respective swap provider a fixed rate of 3.64 percent on a notional amount equal to the principal amount of the 2003 Series A Bonds being hedged and that the respective swap provider will pay the New Jersey Building Authority a floating amount based on 62 percent of the one month LIBOR plus 0.20 percent on the same notional amount. As the 2003 Series A Bonds are redeemed, the notional amounts of the respective swap agreements shall decrease proportionately. The parties' obligations are expected to be settled on a net basis in accordance with the prevailing practice in the interest rate exchange market.

On October 7, 2003 the State of New Jersey issued \$159.4 million of State General Obligation Bonds, Refunding Bonds, Series K in order to refund various general obligation bonds of the State. Interest is payable semi-annually on January 15 and July 15, commencing on January 15, 2004. Final maturity on the bonds is July 15, 2018.

On October 9, 2003 the New Jersey Educational Facilities Authority, in accordance with the Dormitory Safety Trust Fund Act, issued \$5.4 million of bonds for the purpose of partially funding Dormitory Fire Suppression loans to public and private institutions of higher education, public and private secondary schools, and military and boarding schools in the State. Interest is payable semi-annually on March 1 and September 1, commencing on March 1, 2004. Final maturity on the bonds is March 1, 2018.

On October 29, 2003 the South Jersey Port Corporation issued \$11.3 million in Marine Terminal Revenue Bonds, Series 2003 M. The bonds are considered a moral obligation of the State of New Jersey. Interest is payable semi-annually on January 1 and July 1, commencing on January 1, 2004. Final maturity on the bonds is January 1, 2030.

**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>

(Continued on next page)

**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.

**STATE OF NEW JERSEY  
BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
JUNE 30, 2003**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>				
<b>Cash and cash equivalents</b>	\$ 33,446,310	\$ --	\$ 580,220	\$ 34,026,530
<b>Investments</b>	3,490,220,281	550,121	88,683,478	3,579,453,880
<b>Receivables, net of allowances for uncollectibles</b>				
Federal government	--	--	121,717,534	121,717,534
Departmental accounts	327,404,911	--	2,833,008	330,237,919
Loans	910,565,483	--	5,000,000	915,565,483
Other	35,594,393	--	196,545	35,790,938
<b>Due from other funds</b>	150,042,327	--	99,258,364	249,300,691
<b>Other</b>	3,019,542	4,602,937	--	7,622,479
<b>Total Assets</b>	<u>\$ 4,950,293,247</u>	<u>\$ 5,153,058</u>	<u>\$ 318,269,149</u>	<u>\$ 5,273,715,454</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 330,776,029	\$ 4,602,937	\$ 144,304,160	\$ 479,683,126
Deferred revenue	9,589,594	--	--	9,589,594
Due to other funds	379,188,140	--	93,921,080	473,109,220
Other	347,613,848	--	533,886	348,147,734
Interest payable	--	10,743,899	--	10,743,899
<b>Total Liabilities</b>	<u>1,067,167,611</u>	<u>15,346,836</u>	<u>238,759,126</u>	<u>1,321,273,573</u>
<b>Fund Balances</b>				
Reserved for:				
Encumbrances	605,699,791	--	64,359,584	670,059,375
Other	1,059,158,586	--	5,000,000	1,064,158,586
Unreserved:				
Designated-continuing appropriations	2,264,287,280	--	15,689,123	2,279,976,403
Unrealized gains	413,312	--	--	413,312
Undesignated	<u>(46,433,333 )</u>	<u>(10,193,778 )</u>	<u>(5,538,684 )</u>	<u>(62,165,795 )</u>
<b>Total Fund Balances</b>	<u>3,883,125,636</u>	<u>(10,193,778 )</u>	<u>79,510,023</u>	<u>3,952,441,881</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,950,293,247</u>	<u>\$ 5,153,058</u>	<u>\$ 318,269,149</u>	<u>\$ 5,273,715,454</u>

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Non-Major Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,520,858,924	\$ --	\$ --	\$ 1,520,858,924
Federal and other grants	71,604,497	--	723,014,804	794,619,301
Licenses and fees	100,583,290	--	--	100,583,290
Services and assessments	454,086,257	--	751,381	454,837,638
Investment earnings	55,695,294	538,889	2,121,533	58,355,716
Contributions	143,957	--	--	143,957
Other	129,306,864	--	1,998,339	131,305,203
<b>Total Revenues</b>	<b>2,332,279,083</b>	<b>538,889</b>	<b>727,886,057</b>	<b>3,060,704,029</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety and criminal justice	67,533,065	--	3,649,018	71,182,083
Physical and mental health	424,224,206	--	--	424,224,206
Educational, cultural, and intellectual development	230,767,393	--	152,785	230,920,178
Community development and environmental management	206,077,631	--	--	206,077,631
Economic planning, development, and security	1,196,965,985	--	126,265	1,197,092,250
Transportation programs	41,084,878	--	1,748,040,994	1,789,125,872
Government direction, management, and control	196,070,017	--	7,072,067	203,142,084
Special government services	186,093	--	--	186,093
<b>Debt Service:</b>				
Principal	--	418,660,065	--	418,660,065
Interest	--	457,786,874	--	457,786,874
<b>Total Expenditures</b>	<b>2,362,909,268</b>	<b>876,446,939</b>	<b>1,759,041,129</b>	<b>4,998,397,336</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(30,630,185 )</b>	<b>(875,908,050 )</b>	<b>(1,031,155,072 )</b>	<b>(1,937,693,307 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of bonds	627,999,410	--	267,000,000	894,999,410
Transfers from (to) other funds	(708,420,607 )	840,533,873	949,081,261	1,081,194,527
Other	274,945,772	--	15,269,598	290,215,370
<b>Total other financing sources (uses)</b>	<b>194,524,575</b>	<b>840,533,873</b>	<b>1,231,350,859</b>	<b>2,266,409,307</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>163,894,390</b>	<b>(35,374,177 )</b>	<b>200,195,787</b>	<b>328,716,000</b>
<b>Fund balances - July 1, 2002</b>	<b>3,719,231,246</b>	<b>25,180,399</b>	<b>(120,685,764 )</b>	<b>3,623,725,881</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 3,883,125,636</b>	<b>\$ (10,193,778 )</b>	<b>\$ 79,510,023</b>	<b>\$ 3,952,441,881</b>

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Alcohol Education, Rehabilitation and Enforcement Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Tourism Promotion Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ --	\$ 1,372,212	\$ 5,000
<b>Investments</b>	4,985,450	1,634,082	251,509
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	2,618,828	744,028
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	3,145,913	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 8,131,363</u>	<u>\$ 5,625,122</u>	<u>\$ 1,000,537</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 1,719,264	\$ 4,215,824	\$ 251,030
Deferred revenue	--	--	--
Due to other funds	1,726,042	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>3,445,306</u>	<u>4,215,824</u>	<u>251,030</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	3,150,149	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	1,535,908	1,409,298	749,507
Unrealized gains	--	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>4,686,057</u>	<u>1,409,298</u>	<u>749,507</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,131,363</u>	<u>\$ 5,625,122</u>	<u>\$ 1,000,537</u>

<b>Beaches and Harbor Fund</b>	<b>Board of Bar Examiners</b>	<b>Boarding House Rental Assistance Fund</b>	<b>Body Armor Replacement Fund</b>
\$ 39,233	\$ 13,837	\$ 31,770	\$ 727,957
4,403	3,236,788	532,973	5,328,300
--	--	--	368,826
--	--	--	--
23,000	--	--	--
--	--	--	--
1,348,353	--	--	--
<b>\$ 1,414,989</b>	<b>\$ 3,250,625</b>	<b>\$ 564,743</b>	<b>\$ 6,425,083</b>
\$ --	\$ 612,292	\$ 187,099	\$ 20,217
--	--	--	--
62,636	--	--	75,000
--	--	--	--
62,636	612,292	187,099	95,217
4,000	--	--	1,455,116
1,348,353	--	--	--
--	2,638,333	377,644	4,874,750
--	--	--	--
--	--	--	--
1,352,353	2,638,333	377,644	6,329,866
<b>\$ 1,414,989</b>	<b>\$ 3,250,625</b>	<b>\$ 564,743</b>	<b>\$ 6,425,083</b>

(Continued on next page)



**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Capital City Redevelopment Loan and Grant Fund</u>	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 58,837	\$ 51,000	\$ --
<b>Investments</b>	1,126,645	--	--
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	7,981,838	26,458,127
Loans	831,068	--	--
Other	--	--	--
<b>Due from other funds</b>	--	10,604,017	51,700,192
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 2,016,550</u>	<u>\$ 18,636,855</u>	<u>\$ 78,158,319</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 16,411	\$ 4,502,830	\$ 32,939,823
Deferred revenue	--	5,878,732	--
Due to other funds	119,338	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>135,749</u>	<u>10,381,562</u>	<u>32,939,823</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	1,980,961	45,218,496
Other	831,068	--	--
Unreserved:			
Designated-continuing appropriations	1,049,733	1,944,696	--
Unrealized gains	--	--	--
Undesignated	--	4,329,636	--
<b>Total Fund Balances</b>	<u>1,880,801</u>	<u>8,255,293</u>	<u>45,218,496</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,016,550</u>	<u>\$ 18,636,855</u>	<u>\$ 78,158,319</u>

<u>Casino Simulcasting Fund</u>	<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>
\$ 213,919	\$ --	\$ --	\$ 158,315
1,927,629	2,906,052	9,875,283	13,941,615
--	--	4,902,544	387,156
--	--	--	--
--	--	--	--
--	--	411,282	--
--	--	--	--
<u>\$ 2,141,548</u>	<u>\$ 2,906,052</u>	<u>\$ 15,189,109</u>	<u>\$ 14,487,086</u>
\$ --	\$ 774,935	\$ 690,072	\$ --
--	--	--	--
2,000,000	--	1,104,134	3,162,420
--	--	--	--
<u>2,000,000</u>	<u>774,935</u>	<u>1,794,206</u>	<u>3,162,420</u>
--	--	49,735	544
--	--	--	--
141,548	2,131,117	13,345,168	--
--	--	--	--
--	--	--	11,324,122
<u>141,548</u>	<u>2,131,117</u>	<u>13,394,903</u>	<u>11,324,666</u>
<u>\$ 2,141,548</u>	<u>\$ 2,906,052</u>	<u>\$ 15,189,109</u>	<u>\$ 14,487,086</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Clean Waters Fund</u>	<u>Cultural Centers and Historic Preservation Fund</u>	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 3,231	\$ 89,206	\$ 123,709
<b>Investments</b>	2,056,942	3,960,753	6,320,486
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	--	9,103,182
Other	--	--	85,259
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 2,060,173</u>	<u>\$ 4,049,959</u>	<u>\$ 15,632,636</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	69,812	5,521,853	--
Other	--	33,060	50,319
<b>Total Liabilities</b>	<u>69,812</u>	<u>5,554,913</u>	<u>50,319</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	458,171	3,163,765	3,011,216
Other	--	--	9,103,182
Unreserved:			
Designated-continuing appropriations	1,532,190	--	1,805,600
Unrealized gains	--	--	--
Undesignated	--	(4,668,719 )	1,662,319
<b>Total Fund Balances</b>	<u>1,990,361</u>	<u>(1,504,954 )</u>	<u>15,582,317</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,060,173</u>	<u>\$ 4,049,959</u>	<u>\$ 15,632,636</u>

<b>1989 Development Potential Bank Transfer Fund</b>	<b>Developmental Disabilities Waiting List Reduction Fund</b>	<b>Disciplinary Oversight Committee</b>	<b>Division of Motor Vehicles Surcharge Fund</b>
\$ 20,154	\$ --	\$ 2,966,875	\$ 217,237
3,342,988	20,597,549	--	6,634,428
--	--	--	--
--	--	--	--
--	--	1,783	--
--	--	--	1,278,704
--	--	--	--
<b>\$ 3,363,142</b>	<b>\$ 20,597,549</b>	<b>\$ 2,968,658</b>	<b>\$ 8,130,369</b>
\$ --	\$ 349,483	\$ 1,759,595	\$ 1,278,704
--	--	--	--
6,780	1,618,942	--	--
--	247,772	--	--
<b>6,780</b>	<b>2,216,197</b>	<b>1,759,595</b>	<b>1,278,704</b>
--	1,940,891	--	--
--	--	--	--
3,356,362	16,440,461	1,209,063	6,851,665
--	--	--	--
--	--	--	--
<b>3,356,362</b>	<b>18,381,352</b>	<b>1,209,063</b>	<b>6,851,665</b>
<b>\$ 3,363,142</b>	<b>\$ 20,597,549</b>	<b>\$ 2,968,658</b>	<b>\$ 8,130,369</b>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Dredging and Containment Facility Fund</u>	<u>Drinking Water State Revolving Fund</u>	<u>1996 Economic Development Site Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 5,796	\$ 245,338	\$ 89,577
<b>Investments</b>	10,518,683	45,727,895	1,270,920
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	51,911,820	4,623,973
Other	--	--	--
<b>Due from other funds</b>	--	1,646,000	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 10,524,479</u>	<u>\$ 99,531,053</u>	<u>\$ 5,984,470</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ 62,962	\$ --
Deferred revenue	--	1,646,000	--
Due to other funds	--	--	--
Other	430,032	--	--
<b>Total Liabilities</b>	<u>430,032</u>	<u>1,708,962</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	36,820,294	13,237,087	--
Other	--	51,911,820	4,623,973
Unreserved:			
Designated-continuing appropriations	--	24,938,050	1,360,497
Unrealized gains	--	--	--
Undesignated	(26,725,847 )	7,735,134	--
<b>Total Fund Balances</b>	<u>10,094,447</u>	<u>97,822,091</u>	<u>5,984,470</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,524,479</u>	<u>\$ 99,531,053</u>	<u>\$ 5,984,470</u>

<u>Emergency Flood Control Fund</u>	<u>Emergency Medical Technician Training Fund</u>	<u>Emergency Services Fund</u>	<u>Enterprise Zone Assistance Fund</u>
\$ 12,787	\$ 45,240	\$ 25,288	\$ 1,481,675
346,616	9,671,244	11,298,486	164,927,658
--	--	--	3,044,499
--	--	10,000	--
--	--	--	--
--	--	--	1,233,427
--	--	--	--
<u>\$ 359,403</u>	<u>\$ 9,716,484</u>	<u>\$ 11,333,774</u>	<u>\$ 170,687,259</u>
\$ --	\$ 758,587	\$ 31,752	\$ 385,793
--	--	--	--
6,159	254,999	--	5,040,957
--	--	--	--
<u>6,159</u>	<u>1,013,586</u>	<u>31,752</u>	<u>5,426,750</u>
--	871,672	1,381,060	90,656,397
--	--	10,000	--
353,244	7,831,226	8,537,799	74,604,112
--	--	--	--
--	--	1,373,163	--
<u>353,244</u>	<u>8,702,898</u>	<u>11,302,022</u>	<u>165,260,509</u>
<u>\$ 359,403</u>	<u>\$ 9,716,484</u>	<u>\$ 11,333,774</u>	<u>\$ 170,687,259</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>1996 Environmental Cleanup Fund</u>	<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 19,988	\$ 163	\$ 17,484
<b>Investments</b>	498,720	196,373	3,690,561
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 518,708</u>	<u>\$ 196,536</u>	<u>\$ 3,708,045</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	440,000
Other	--	--	49,074
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>489,074</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	518,708	196,536	2,026,114
Unrealized gains	--	--	--
Undesignated	--	--	1,192,856
<b>Total Fund Balances</b>	<u>518,708</u>	<u>196,536</u>	<u>3,218,971</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 518,708</u>	<u>\$ 196,536</u>	<u>\$ 3,708,045</u>

<b>1995 Farmland Preservation Fund</b>	<b>Fund for Support of Free Public Schools</b>	<b>Garden State Farmland Preservation Trust Fund</b>	<b>Garden State Green Acres Preservation Trust Fund</b>
\$ 122,230	\$ 17,944	\$ --	\$ --
9,759,338	98,443,877	241,552,291	299,421,428
--	--	--	--
--	--	--	15,813,220
--	5,572	--	98,961
--	813,100	--	--
--	--	--	--
<b>\$ 9,881,568</b>	<b>\$ 99,280,493</b>	<b>\$ 241,552,291</b>	<b>\$ 315,333,609</b>
\$ 23,148	\$ 5,319	\$ 1,149,382	\$ 3,504,470
--	--	--	--
--	3,247,562	1,650,000	4,495,007
271,038	--	--	--
<b>294,186</b>	<b>3,252,881</b>	<b>2,799,382</b>	<b>7,999,477</b>
8,513	--	165,694	84,214,736
--	96,027,612	--	15,813,221
7,018,496	--	236,689,850	203,950,812
--	--	--	--
2,560,373	--	1,897,365	3,355,363
<b>9,587,382</b>	<b>96,027,612</b>	<b>238,752,909</b>	<b>307,334,132</b>
<b>\$ 9,881,568</b>	<b>\$ 99,280,493</b>	<b>\$ 241,552,291</b>	<b>\$ 315,333,609</b>

(Continued on next page)



**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Garden State Historic Preservation Trust Fund</u>	<u>Green Trust Fund</u>	<u>Gubernatorial Elections Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ --	\$ 1,122,591	\$ --
Investments	17,404,539	9,004,342	--
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	74,963,953	--
Other	--	330,210	--
Due from other funds	--	5,319,532	706,237
Other	--	--	--
<b>Total Assets</b>	<u>\$ 17,404,539</u>	<u>\$ 90,740,628</u>	<u>\$ 706,237</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 98,153	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	402,964	--	--
Other	--	--	--
Total Liabilities	<u>501,117</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	3,927,061	32,365,721	--
Other	--	74,963,953	--
Unreserved:			
Designated-continuing appropriations	11,501,564	--	--
Unrealized gains	--	--	--
Undesignated	1,474,797	(16,589,046 )	706,237
Total Fund Balances	<u>16,903,422</u>	<u>90,740,628</u>	<u>706,237</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,404,539</u>	<u>\$ 90,740,628</u>	<u>\$ 706,237</u>

Hazardous Discharge Fund of 1981	Hazardous Discharge Fund of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund
\$ 711	\$ 102,305	\$ 676,543	\$ 240,675
186,315	11,072,728	71,260,923	30,397,606
--	--	--	73,078,728
--	--	--	--
--	--	8,302,494	--
--	843,944	11,844,306	5,895,652
--	--	--	--
<u>\$ 187,026</u>	<u>\$ 12,018,977</u>	<u>\$ 92,084,266</u>	<u>\$ 109,612,661</u>
\$ --	\$ 2,029,395	\$ 461,049	\$ 5,528,000
--	--	--	--
6,077	--	27,135,520	96,613,217
--	--	--	448,939
<u>6,077</u>	<u>2,029,395</u>	<u>27,596,569</u>	<u>102,590,156</u>
--	48,449,074	28,672,368	43,643
--	--	8,302,494	--
180,949	--	27,512,835	6,978,862
--	--	--	--
--	(38,459,492 )	--	--
<u>180,949</u>	<u>9,989,582</u>	<u>64,487,697</u>	<u>7,022,505</u>
<u>\$ 187,026</u>	<u>\$ 12,018,977</u>	<u>\$ 92,084,266</u>	<u>\$ 109,612,661</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<b>Higher Education Facility Renovation and Rehabilitation Fund</b>	<b>1992 Historic Preservation Fund</b>	<b>1995 Historic Preservation Fund</b>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 5,501	\$ 14,443	\$ 69,770
<b>Investments</b>	272,746	400,178	764,263
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	1,000,000	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 1,278,247</u>	<u>\$ 414,621</u>	<u>\$ 834,033</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ 150,884	\$ 35,299
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	47,430	16,741
<b>Total Liabilities</b>	<u>--</u>	<u>198,314</u>	<u>52,040</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	587,425	661,105	1,912,861
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	368,075	--	--
Unrealized gains	--	--	--
Undesignated	322,747	(444,798 )	(1,130,868 )
<b>Total Fund Balances</b>	<u>1,278,247</u>	<u>216,307</u>	<u>781,993</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,278,247</u>	<u>\$ 414,621</u>	<u>\$ 834,033</u>

Historic Preservation Revolving Loan Fund	Horse Racing Injury Compensation Fund	Housing Assistance Fund	Jobs, Education and Competitiveness Fund
\$ 132,732	\$ 10,550	\$ 28,927	\$ 10,736
3,402,553	4,308,833	4,105,357	9,131,337
--	--	--	--
320,429	--	2,877,117	--
3,201	--	4,091	--
--	--	--	--
--	--	--	--
<u>\$ 3,858,915</u>	<u>\$ 4,319,383</u>	<u>\$ 7,015,492</u>	<u>\$ 9,142,073</u>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	77,187	1,224,291
3,139	--	--	169,016
<u>3,139</u>	<u>--</u>	<u>77,187</u>	<u>1,393,307</u>
--	--	--	5,050,751
320,429	--	2,877,117	--
3,169,621	4,319,383	4,000,002	2,525,080
--	--	--	--
365,726	--	61,186	172,935
<u>3,855,776</u>	<u>4,319,383</u>	<u>6,938,305</u>	<u>7,748,766</u>
<u>\$ 3,858,915</u>	<u>\$ 4,319,383</u>	<u>\$ 7,015,492</u>	<u>\$ 9,142,073</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<b>Jobs, Science and Technology Fund</b>	<b>Korean Veterans' Memorial Fund</b>	<b>1996 Lake Restoration Fund</b>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 1,938	\$ 28,523	\$ 16,305
<b>Investments</b>	27,630	3,383	1,327,943
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	--	1,094,986
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 29,568</u>	<u>\$ 31,906</u>	<u>\$ 2,439,234</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 5,050
Deferred revenue	--	--	--
Due to other funds	628	1,056,576	--
Other	--	--	--
<b>Total Liabilities</b>	<u>628</u>	<u>1,056,576</u>	<u>5,050</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	236,247
Other	--	--	1,094,986
Unreserved:			
Designated-continuing appropriations	28,940	--	869,657
Unrealized gains	--	--	--
Undesignated	--	(1,024,670)	233,294
<b>Total Fund Balances</b>	<u>28,940</u>	<u>(1,024,670)</u>	<u>2,434,184</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 29,568</u>	<u>\$ 31,906</u>	<u>\$ 2,439,234</u>

<u>Luxury Tax Fund</u>	<u>Medical Education Facilities Fund</u>	<u>Mortgage Assistance Fund</u>	<u>Municipal Landfill Closure and Remediation Fund</u>	<u>Mutual Workers' Compensation Security Fund</u>
\$ 6,451	\$ 2,400	\$ 875,404	\$ 13,497	\$ 42,307
77,860	521,816	919,649	--	10,322,757
2,520,610	--	--	--	--
--	--	12,053,288	--	--
--	--	739,824	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 2,604,921</u>	<u>\$ 524,216</u>	<u>\$ 14,588,165</u>	<u>\$ 13,497</u>	<u>\$ 10,365,064</u>
\$ 733,698	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	9,272	761,880	--	--
--	--	--	--	--
<u>733,698</u>	<u>9,272</u>	<u>761,880</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	12,053,288	--	--
1,871,223	514,944	1,347,960	13,497	10,365,064
--	--	--	--	--
--	--	425,037	--	--
<u>1,871,223</u>	<u>514,944</u>	<u>13,826,285</u>	<u>13,497</u>	<u>10,365,064</u>
<u>\$ 2,604,921</u>	<u>\$ 524,216</u>	<u>\$ 14,588,165</u>	<u>\$ 13,497</u>	<u>\$ 10,365,064</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Natural Resources Fund</u>	<u>New Home Warranty Security Fund</u>	<u>New Jersey Automobile Insurance Guaranty Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 20,941	\$ 636,888	\$ 54,740
<b>Investments</b>	1,654,381	34,485,659	175,564,661
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	96,140	--	--
Other	9,558	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	561,220	--	--
<b>Total Assets</b>	<u>\$ 2,342,240</u>	<u>\$ 35,122,547</u>	<u>\$ 175,619,401</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ 8,029	\$ --
Deferred revenue	--	--	--
Due to other funds	65,083	3,325,935	--
Other	--	--	175,619,401
<b>Total Liabilities</b>	<u>65,083</u>	<u>3,333,964</u>	<u>175,619,401</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	9,392,869	--	--
Other	96,140	--	--
Unreserved:			
Designated-continuing appropriations	--	31,788,583	--
Unrealized gains	--	--	--
Undesignated	(7,211,852 )	--	--
<b>Total Fund Balances</b>	<u>2,277,157</u>	<u>31,788,583</u>	<u>--</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,342,240</u>	<u>\$ 35,122,547</u>	<u>\$ 175,619,401</u>

<u>New Jersey Building Authority</u>	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>	<u>New Jersey Cultural Trust Fund</u>	<u>1983 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Acres Fund</u>
\$ --	\$ 43,532	\$ 1,202	\$ 4,692	\$ 446,990
127,798,071	131,112	20,286,953	20,103,981	5,084,216
--	--	--	--	--
--	1,047,262	--	--	--
--	5,471	--	--	--
--	--	--	--	--
72,588	--	--	--	--
<u>\$ 127,870,659</u>	<u>\$ 1,227,377</u>	<u>\$ 20,288,155</u>	<u>\$ 20,108,673</u>	<u>\$ 5,531,206</u>
\$ 7,139,590	\$ --	\$ --	\$ --	\$ 4,500
--	--	--	--	--
--	--	--	359,136	--
3,102,978	66,060	--	--	--
<u>10,242,568</u>	<u>66,060</u>	<u>--</u>	<u>359,136</u>	<u>4,500</u>
--	153,966	--	6,655	2,584,958
--	1,047,262	--	--	--
117,628,091	--	20,288,155	112,245	989,825
--	--	--	--	--
--	(39,911)	--	19,630,637	1,951,922
<u>117,628,091</u>	<u>1,161,317</u>	<u>20,288,155</u>	<u>19,749,537</u>	<u>5,526,706</u>
<u>\$ 127,870,659</u>	<u>\$ 1,227,377</u>	<u>\$ 20,288,155</u>	<u>\$ 20,108,673</u>	<u>\$ 5,531,206</u>

(Continued on next page)



**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>1992 New Jersey Green Acres Fund</u>	<u>1995 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 36,096	\$ --	\$ 735,968
<b>Investments</b>	1,753,639	979,315	27,198,689
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	--	68,525,238
Other	--	--	367,918
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 1,789,735</u>	<u>\$ 979,315</u>	<u>\$ 96,827,813</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ 301,411	\$ --
Deferred revenue	--	--	--
Due to other funds	--	273	--
Other	145,153	--	--
<b>Total Liabilities</b>	<u>145,153</u>	<u>301,684</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	147,028	4,735,776	21,249,080
Other	--	--	68,525,238
Unreserved:			
Designated-continuing appropriations	599,574	--	4,632,453
Unrealized gains	--	--	--
Undesignated	897,979	(4,058,145 )	2,421,041
<b>Total Fund Balances</b>	<u>1,644,582</u>	<u>677,631</u>	<u>96,827,813</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,789,735</u>	<u>\$ 979,315</u>	<u>\$ 96,827,813</u>

1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund	New Jersey Insolvent Health Maintenance Organization Assistance Fund	New Jersey Lawyers' Assistance Program
\$ 385,242	\$ 468,101	\$ --	\$ 452	\$ 488,209
1,229,852	2,378,800	1,797,218	25,889,672	--
--	--	--	--	--
35,022,129	50,202,508	--	--	--
170,064	330,763	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 36,807,287</u>	<u>\$ 53,380,172</u>	<u>\$ 1,797,218</u>	<u>\$ 25,890,124</u>	<u>\$ 488,209</u>
\$ --	\$ --	\$ 141,804	\$ --	\$ 64,954
--	--	--	--	--
--	--	--	444,672	--
99,488	218,740	21,923	--	--
<u>99,488</u>	<u>218,740</u>	<u>163,727</u>	<u>444,672</u>	<u>64,954</u>
23,938,480	19,674,244	22,660	--	--
35,022,129	50,202,508	--	--	--
--	--	1,065,536	25,445,452	423,255
--	--	--	--	--
(22,252,810)	(16,715,320)	545,295	--	--
<u>36,707,799</u>	<u>53,161,432</u>	<u>1,633,491</u>	<u>25,445,452</u>	<u>423,255</u>
<u>\$ 36,807,287</u>	<u>\$ 53,380,172</u>	<u>\$ 1,797,218</u>	<u>\$ 25,890,124</u>	<u>\$ 488,209</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>New Jersey Lawyers' Fund for Client Protection</u>	<u>New Jersey Local Development Financing Fund</u>	<u>New Jersey Racing Industry Special Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 3,380,088	\$ --	\$ 100,892
<b>Investments</b>	11,106,914	19,626,747	2,477
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	30,854,358	--
Other	100,876	168,577	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	4,127	--	--
<b>Total Assets</b>	<u>\$ 14,592,005</u>	<u>\$ 50,649,682</u>	<u>\$ 103,369</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 233,396	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
<b>Total Liabilities</b>	<u>233,396</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	30,854,358	--
Unreserved:			
Designated-continuing appropriations	14,163,829	19,795,324	103,369
Unrealized gains	194,780	--	--
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>14,358,609</u>	<u>50,649,682</u>	<u>103,369</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 14,592,005</u>	<u>\$ 50,649,682</u>	<u>\$ 103,369</u>

<b>New Jersey Schools Construction Corporation</b>	<b>New Jersey Spill Compensation Fund</b>	<b>New Jersey Spinal Cord Research Fund</b>	<b>New Jersey Transportation Trust Fund Authority</b>	<b>New Jersey Workforce Development Partnership Fund</b>
\$ 36,205	\$ 359,011	\$ 378,534	\$ --	\$ --
681,855,253	31,752,324	10,131,562	36,024,983	61,580,169
--	--	--	--	26,486,952
--	--	--	--	--
--	7,018,486	--	--	--
--	--	--	25,000,000	2,990,726
947,566	--	--	--	--
<u>\$ 682,839,024</u>	<u>\$ 39,129,821</u>	<u>\$ 10,510,096</u>	<u>\$ 61,024,983</u>	<u>\$ 91,057,847</u>
\$ 133,791	\$ 225,070	\$ 11,779	\$ --	\$ 4,783,827
--	--	--	--	--
--	30,104,693	226,267	99,258,364	18,453,908
11,489,087	--	--	--	16,773
<u>11,622,878</u>	<u>30,329,763</u>	<u>238,046</u>	<u>99,258,364</u>	<u>23,254,508</u>
--	3,869,024	2,753,379	--	41,709,993
33,851,917	--	--	--	--
637,364,229	4,931,034	7,518,671	--	26,093,346
--	--	--	--	--
--	--	--	(38,233,381 )	--
<u>671,216,146</u>	<u>8,800,058</u>	<u>10,272,050</u>	<u>(38,233,381 )</u>	<u>67,803,339</u>
<u>\$ 682,839,024</u>	<u>\$ 39,129,821</u>	<u>\$ 10,510,096</u>	<u>\$ 61,024,983</u>	<u>\$ 91,057,847</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Petroleum Overcharge Reimbursement Fund</u>	<u>Pinelands Infrastructure Trust Fund</u>	<u>Pollution Prevention Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 1,090	\$ 102,399	\$ 16,372
<b>Investments</b>	11,666,900	4,180,526	3,761,844
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	1,372,489
Loans	3,675,000	4,978,535	--
Other	--	65,753	--
<b>Due from other funds</b>	--	--	106,901
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 15,342,990</u>	<u>\$ 9,327,213</u>	<u>\$ 5,257,606</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 24,962	\$ --	\$ --
Deferred revenue	893,588	--	--
Due to other funds	517	--	3,077,112
Other	--	--	--
<b>Total Liabilities</b>	<u>919,067</u>	<u>--</u>	<u>3,077,112</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	215,436	234,364	--
Other	3,675,000	4,978,535	--
Unreserved:			
Designated-continuing appropriations	8,849,720	1,235,591	2,180,494
Unrealized gains	--	--	--
Undesignated	1,683,767	2,878,723	--
<b>Total Fund Balances</b>	<u>14,423,923</u>	<u>9,327,213</u>	<u>2,180,494</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,342,990</u>	<u>\$ 9,327,213</u>	<u>\$ 5,257,606</u>

<u>Real Estate Guaranty Fund</u>	<u>Resource Recovery and Solid Waste Disposal Facility Fund</u>	<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>Shore Protection Fund</u>
\$ 90,782	\$ 3,824	\$ 198,669	\$ 174,923	\$ 52,339
1,992,167	671,983	6,478,547	10,665,995	10,326,557
--	--	423,667	--	--
--	--	--	--	819,749
--	--	--	133,904	77,332
117,004	48,325	--	--	--
--	--	--	--	85,688
<u>\$ 2,199,953</u>	<u>\$ 724,132</u>	<u>\$ 7,100,883</u>	<u>\$ 10,974,822</u>	<u>\$ 11,361,665</u>
\$ --	\$ --	\$ 36,558	\$ 604	\$ --
--	--	--	--	--
--	--	4,315,273	--	269,838
--	230,337	--	--	--
--	230,337	4,351,831	604	269,838
--	--	1,208,557	1,094,869	1,144,218
--	--	--	--	819,749
2,199,953	493,795	795,658	9,879,349	1,276,710
--	--	--	--	--
--	--	744,836	--	7,851,150
<u>2,199,953</u>	<u>493,795</u>	<u>2,749,052</u>	<u>10,974,218</u>	<u>11,091,827</u>
<u>\$ 2,199,953</u>	<u>\$ 724,132</u>	<u>\$ 7,100,883</u>	<u>\$ 10,974,822</u>	<u>\$ 11,361,665</u>

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**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>State Disability Benefit Fund</u>	<u>State Land Acquisition and Development Fund</u>	<u>State Recreation and Conservation Land Acquisition and Development Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 1,809,242	\$ 101	\$ 134
<b>Investments</b>	100,217,168	1,035,220	1,576,389
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	168,554,736	--	--
Loans	--	--	--
Other	612,288	--	--
<b>Due from other funds</b>	19,838,781	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 291,032,215</u>	<u>\$ 1,035,321</u>	<u>\$ 1,576,523</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 40,489,190	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	32,924,311	15,723	28,036
Other	615,186	12,644	--
<b>Total Liabilities</b>	<u>74,028,687</u>	<u>28,367</u>	<u>28,036</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	1,110,537	1,232,116
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	217,003,528	--	316,371
Unrealized gains	--	--	--
Undesignated	--	(103,583 )	--
<b>Total Fund Balances</b>	<u>217,003,528</u>	<u>1,006,954</u>	<u>1,548,487</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 291,032,215</u>	<u>\$ 1,035,321</u>	<u>\$ 1,576,523</u>

State Recycling Fund	Stock Workers' Compensation Security Fund	Stormwater Management and Combined Sewer Overflow Abatement Fund	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills
\$ 73,858	\$ 37,091	\$ 18,477	\$ 10,413,206	\$ --
2,669,296	42,060,682	6,612,096	197,410,322	15,994,466
151,626	--	--	--	6,515,066
1,610,884	--	--	--	--
--	--	--	974,927	--
3,162,420	--	--	--	413,135
--	--	--	--	--
<u>\$ 7,668,084</u>	<u>\$ 42,097,773</u>	<u>\$ 6,630,573</u>	<u>\$ 208,798,455</u>	<u>\$ 22,922,667</u>
\$ --	\$ --	\$ --	\$ 207,278,045	\$ 621,454
--	--	--	--	--
986,915	--	--	--	2,047,618
--	--	107,932	--	--
<u>986,915</u>	<u>--</u>	<u>107,932</u>	<u>207,278,045</u>	<u>2,669,072</u>
293,324	--	8,524,716	--	8,145,714
1,610,884	--	--	--	--
1,614,541	42,097,773	--	1,301,878	12,107,881
--	--	--	218,532	--
3,162,420	--	(2,002,075 )	--	--
<u>6,681,169</u>	<u>42,097,773</u>	<u>6,522,641</u>	<u>1,520,410</u>	<u>20,253,595</u>
<u>\$ 7,668,084</u>	<u>\$ 42,097,773</u>	<u>\$ 6,630,573</u>	<u>\$ 208,798,455</u>	<u>\$ 22,922,667</u>

(Continued on next page)



**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Trial Attorney Certification Program</u>	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed Utility Deposits Trust Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 2,527	\$ 252,394	\$ 192,621
<b>Investments</b>	158,387	1,886,554	2,829,068
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 160,914</u>	<u>\$ 2,138,948</u>	<u>\$ 3,021,689</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 56,283	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	53,068
Other	--	--	--
<b>Total Liabilities</b>	<u>56,283</u>	<u>--</u>	<u>53,068</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	104,631	--	2,968,621
Unrealized gains	--	--	--
Undesignated	--	2,138,948	--
<b>Total Fund Balances</b>	<u>104,631</u>	<u>2,138,948</u>	<u>2,968,621</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 160,914</u>	<u>\$ 2,138,948</u>	<u>\$ 3,021,689</u>

<b>Unemployment Compensation Auxiliary Fund</b>	<b>University of Medicine and Dentistry of New Jersey- Self-Insurance Reserve Fund</b>	<b>Unsatisfied Claim and Judgment Fund</b>	<b>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</b>	<b>Vietnam Veterans' Memorial Fund</b>
\$ 10,120	\$ 50,744	\$ --	\$ 54,513	\$ 117,839
11,888,390	6,051,998	157,820,876	12,219,663	266
--	--	--	--	--
--	--	--	7,932,220	--
4,298,000	--	10,124,505	--	--
545,425	--	--	--	--
--	--	--	--	--
<b>\$ 16,741,935</b>	<b>\$ 6,102,742</b>	<b>\$ 167,945,381</b>	<b>\$ 20,206,396</b>	<b>\$ 118,105</b>
\$ 4,929	\$ 2,504,265	\$ 2,427,522	\$ --	\$ --
--	--	--	--	--
16,385,999	--	2,461,000	--	--
81,655	--	153,994,133	--	--
16,472,583	2,504,265	158,882,655	--	--
--	--	--	8,809,106	--
--	--	9,062,726	7,932,220	--
269,352	3,598,477	--	3,258,675	118,105
--	--	--	--	--
--	--	--	206,395	--
269,352	3,598,477	9,062,726	20,206,396	118,105
<b>\$ 16,741,935</b>	<b>\$ 6,102,742</b>	<b>\$ 167,945,381</b>	<b>\$ 20,206,396</b>	<b>\$ 118,105</b>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003**

	<u>Volunteer Emergency Service Organizations Loan Fund</u>	<u>Wastewater Treatment Fund</u>	<u>1992 Wastewater Treatment Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 183,878	\$ 44,008	\$ 73,221
Investments	1,092,115	360,396,678	4,281,058
<b>Receivables, net of allowances for uncollectibles</b>			
Departmental accounts	--	--	--
Loans	1,678,653	389,857,222	19,174,941
Other	--	--	--
<b>Due from other funds</b>	--	1,198,345	--
<b>Other</b>	--	--	--
<b>Total Assets</b>	<u>\$ 2,954,646</u>	<u>\$ 751,496,253</u>	<u>\$ 23,529,220</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ --	\$ --
Deferred revenue	--	1,171,274	--
Due to other funds	--	--	--
Other	--	--	25,798
<b>Total Liabilities</b>	<u>--</u>	<u>1,171,274</u>	<u>25,798</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	11,550,016	4,719,511
Other	1,678,653	389,857,222	19,174,941
Unreserved:			
Designated-continuing appropriations	1,275,993	299,074,258	--
Unrealized gains	--	--	--
Undesignated	--	49,843,483	(391,030 )
<b>Total Fund Balances</b>	<u>2,954,646</u>	<u>750,324,979</u>	<u>23,503,422</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,954,646</u>	<u>\$ 751,496,253</u>	<u>\$ 23,529,220</u>

<u>Water Conservation Fund</u>	<u>Water Supply Fund</u>	<u>Water Supply Replacement Trust Fund</u>	<u>Worker and Community Right to Know Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 1,596	\$ 271,154	\$ 952	\$ 42,142	\$ 33,446,310
956,082	52,942,777	69,595	989,245	3,490,220,281
--	--	--	1,795,191	327,404,911
316,519	121,171,089	--	--	910,565,483
6,270	1,535,306	--	--	35,594,393
--	--	--	178,959	150,042,327
--	--	--	--	3,019,542
<u>\$ 1,280,467</u>	<u>\$ 175,920,326</u>	<u>\$ 70,547</u>	<u>\$ 3,005,537</u>	<u>\$ 4,950,293,247</u>
\$ --	\$ 3,546	\$ --	\$ --	330,776,029
--	--	--	--	9,589,594
44,251	3,452,081	--	2,998,814	379,188,140
--	--	--	--	347,613,848
<u>44,251</u>	<u>3,455,627</u>	<u>--</u>	<u>2,998,814</u>	<u>\$ 1,067,167,611</u>
--	17,421,879	62,563	--	605,699,791
316,519	121,171,089	--	--	1,059,158,586
450,370	33,871,731	7,984	6,723	2,264,287,280
--	--	--	--	413,312
469,326	--	--	--	(46,433,333 )
<u>1,236,216</u>	<u>172,464,699</u>	<u>70,547</u>	<u>6,723</u>	<u>3,883,125,636</u>
<u>\$ 1,280,467</u>	<u>\$ 175,920,326</u>	<u>\$ 70,547</u>	<u>\$ 3,005,537</u>	<u>\$ 4,950,293,247</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Alcohol Education, Rehabilitation and Enforcement Fund</b>	<b>Atlantic City Parking Fees Fund</b>	<b>Atlantic City Tourism Promotion Fund</b>
<b>REVENUES</b>			
Taxes	\$ 11,000,000	\$ 15,351,424	\$ 9,244,607
Federal and other grants	--	--	--
Licenses and fees	1,711,759	--	--
Services and assessments	--	--	--
Investment earnings	114,654	15,331	6,207
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>12,826,413</b>	<b>15,366,755</b>	<b>9,250,814</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	1,671,458	--	--
Physical and mental health	10,219,637	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	15,351,424	9,244,608
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>11,891,095</b>	<b>15,351,424</b>	<b>9,244,608</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>935,318</b>	<b>15,331</b>	<b>6,206</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(1,726,042 )	--	--
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(1,726,042 )</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(790,724 )</b>	<b>15,331</b>	<b>6,206</b>
<b>Fund balances - July 1, 2002</b>	<b>5,476,781</b>	<b>1,393,967</b>	<b>743,301</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 4,686,057</b>	<b>\$ 1,409,298</b>	<b>\$ 749,507</b>

<b>Beaches and Harbor Fund</b>	<b>Board of Bar Examiners</b>	<b>Boarding House Rental Assistance Fund</b>	<b>Body Armor Replacement Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	2,566,254	--	--
--	--	--	--
23,076	38,163	15,143	101,202
--	--	--	--
--	46,140	400	4,230,262
<u>23,076</u>	<u>2,650,557</u>	<u>15,543</u>	<u>4,331,464</u>
--	2,058,503	--	3,165,008
--	--	--	--
--	--	--	--
--	--	482,215	--
--	--	--	--
--	--	--	616,490
--	--	--	--
<u>--</u>	<u>2,058,503</u>	<u>482,215</u>	<u>3,781,498</u>
<u>23,076</u>	<u>592,054</u>	<u>(466,672 )</u>	<u>549,966</u>
--	--	--	--
(23,076 )	--	774	(75,000 )
--	--	--	--
<u>(23,076 )</u>	<u>--</u>	<u>774</u>	<u>(75,000 )</u>
--	592,054	(465,898 )	474,966
1,352,353	2,046,279	843,542	5,854,900
<u>\$ 1,352,353</u>	<u>\$ 2,638,333</u>	<u>\$ 377,644</u>	<u>\$ 6,329,866</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Capital City Redevelopment Loan and Grant Fund</b>	<b>Casino Control Fund</b>	<b>Casino Revenue Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ 346,457,206
Federal and other grants	--	--	--
Licenses and fees	--	65,146,875	--
Services and assessments	--	--	--
Investment earnings	21,798	239,795	33,761
Contributions	--	--	--
Other	--	--	73,593,709
<b>Total Revenues</b>	<b>21,798</b>	<b>65,386,670</b>	<b>420,084,676</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	34,586,169	--
Physical and mental health	--	--	389,493,567
Educational, cultural, and intellectual development	--	--	19,530,655
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	2,440,000
Transportation programs	--	--	23,285,677
Government direction, management, and control	--	24,627,049	--
Special government services	--	--	88,709
<b>Total Expenditures</b>	<b>--</b>	<b>59,213,218</b>	<b>434,838,608</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>21,798</b>	<b>6,173,452</b>	<b>(14,753,932 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(119,338 )	--	16,712,385
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(119,338 )</b>	<b>--</b>	<b>16,712,385</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(97,540 )</b>	<b>6,173,452</b>	<b>1,958,453</b>
<b>Fund balances - July 1, 2002</b>	<b>1,978,341</b>	<b>2,081,841</b>	<b>43,260,043</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 1,880,801</b>	<b>\$ 8,255,293</b>	<b>\$ 45,218,496</b>

Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund
\$ --	\$ --	\$ --	\$ 13,552,543
--	--	--	--
--	--	--	--
--	--	5,820,203	--
36,960	72,304	188,201	77,947
--	--	--	--
628,764	6,259,953	--	--
<u>665,724</u>	<u>6,332,257</u>	<u>6,008,404</u>	<u>13,630,490</u>
--	7,805,944	--	--
--	--	72,283	--
--	--	--	--
--	--	--	679,540
--	--	--	--
--	--	6,759,963	--
--	--	--	--
<u>--</u>	<u>7,805,944</u>	<u>6,832,246</u>	<u>679,540</u>
<u>665,724</u>	<u>(1,473,687 )</u>	<u>(823,842 )</u>	<u>12,950,950</u>
--	--	--	--
(2,000,000 )	--	(1,104,134 )	(3,162,420 )
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(2,000,000 )</u>	<u>--</u>	<u>(1,104,134 )</u>	<u>(3,162,420 )</u>
(1,334,276 )	(1,473,687 )	(1,927,976 )	9,788,530
1,475,824	3,604,804	15,322,879	1,536,136
<u>\$ 141,548</u>	<u>\$ 2,131,117</u>	<u>\$ 13,394,903</u>	<u>\$ 11,324,666</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Clean Waters Fund	Cultural Centers and Historic Preservation Fund	1992 Dam Restoration and Clean Waters Trust Fund
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	69,812	81,102	124,123
Contributions	--	--	--
Other	--	--	154,851
<b>Total Revenues</b>	<b>69,812</b>	<b>81,102</b>	<b>278,974</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	422,628	--
Community development and environmental management	97,367	--	3,965
Economic planning, development, and security	--	393,826	--
Transportation programs	--	--	--
Government direction, management, and control	--	25,207	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>97,367</b>	<b>841,661</b>	<b>3,965</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(27,555 )</b>	<b>(760,559 )</b>	<b>275,009</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	1,000,000	--
Transfers from (to) other funds	(69,812 )	(3,594,532 )	--
Other	--	57,190	--
<b>Total other financing sources (uses)</b>	<b>(69,812 )</b>	<b>(2,537,342 )</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(97,367 )</b>	<b>(3,297,901 )</b>	<b>275,009</b>
<b>Fund balances - July 1, 2002</b>	<b>2,087,728</b>	<b>1,792,947</b>	<b>15,307,308</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 1,990,361</b>	<b>\$ (1,504,954 )</b>	<b>\$ 15,582,317</b>

<b>1989 Development Potential Bank Transfer Fund</b>	<b>Developmental Disabilities Waiting List Reduction Fund</b>	<b>Disciplinary Oversight Committee</b>	<b>Division of Motor Vehicles Surcharge Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	6,787,109	--
--	--	--	134,139,251
62,376	627,105	51,753	157,914
--	--	--	--
--	--	308,699	--
<u>62,376</u>	<u>627,105</u>	<u>7,147,561</u>	<u>134,297,165</u>
--	459,902	7,581,654	945,179
--	--	--	--
--	9,326,797	--	--
--	--	--	--
--	--	--	--
--	564,212	--	129,107,000
--	--	--	--
<u>--</u>	<u>10,350,911</u>	<u>7,581,654</u>	<u>130,052,179</u>
<u>62,376</u>	<u>(9,723,806 )</u>	<u>(434,093 )</u>	<u>4,244,986</u>
--	22,500,000	--	--
(6,781 )	(598,589 )	--	--
--	1,057,013	--	--
<u>(6,781 )</u>	<u>22,958,424</u>	<u>--</u>	<u>--</u>
55,595	13,234,618	(434,093 )	4,244,986
3,300,767	5,146,734	1,643,156	2,606,679
<u>\$ 3,356,362</u>	<u>\$ 18,381,352</u>	<u>\$ 1,209,063</u>	<u>\$ 6,851,665</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Dredging and Containment Facility Fund</b>	<b>Drinking Water State Revolving Fund</b>	<b>1996 Economic Development Site Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	17,144,493	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	279,102	768,238	30,950
Contributions	--	--	--
Other	53,140	--	--
<b>Total Revenues</b>	<b>332,242</b>	<b>17,912,731</b>	<b>30,950</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	450,166	--	--
Economic planning, development, and security	--	--	1,132,625
Transportation programs	17,308,126	--	--
Government direction, management, and control	--	--	69,099
Special government services	--	--	--
<b>Total Expenditures</b>	<b>17,758,292</b>	<b>--</b>	<b>1,201,724</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(17,426,050 )</b>	<b>17,912,731</b>	<b>(1,170,774 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	2,500,000
Transfers from (to) other funds	--	2,486,240	--
Other	--	--	142,974
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>2,486,240</b>	<b>2,642,974</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(17,426,050 )</b>	<b>20,398,971</b>	<b>1,472,200</b>
<b>Fund balances - July 1, 2002</b>	<b>27,520,497</b>	<b>77,423,120</b>	<b>4,512,270</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 10,094,447</b>	<b>\$ 97,822,091</b>	<b>\$ 5,984,470</b>

Emergency Flood Control Fund	Emergency Medical Technician Training Fund	Emergency Services Fund	Enterprise Zone Assistance Fund
\$ --	\$ --	\$ --	\$ 60,059,606
--	--	--	--
--	--	--	286,232
--	2,148,678	--	--
6,159	172,879	203,180	2,768,439
--	--	--	--
--	--	--	--
<u>6,159</u>	<u>2,321,557</u>	<u>203,180</u>	<u>63,114,277</u>
--	--	816,938	--
--	3,108,340	--	--
--	--	--	--
--	--	256,786	4,720,523
--	--	--	34,692,703
--	--	--	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>3,108,340</u>	<u>1,073,724</u>	<u>39,413,226</u>
<u>6,159</u>	<u>(786,783 )</u>	<u>(870,544 )</u>	<u>23,701,051</u>
--	--	--	--
(6,159 )	(254,999 )	(2,900,000 )	(43,807,531 )
--	--	--	--
<u>(6,159 )</u>	<u>(254,999 )</u>	<u>(2,900,000 )</u>	<u>(43,807,531 )</u>
--	(1,041,782 )	(3,770,544 )	(20,106,480 )
353,244	9,744,680	15,072,566	185,366,989
<u>\$ 353,244</u>	<u>\$ 8,702,898</u>	<u>\$ 11,302,022</u>	<u>\$ 165,260,509</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	1996 Environmental Cleanup Fund	1989 Farmland Preservation Fund	1992 Farmland Preservation Fund
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	9,052	23,971	323,884
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>9,052</b>	<b>23,971</b>	<b>323,884</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	13,926	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>13,926</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,874 )</b>	<b>23,971</b>	<b>323,884</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	500,000	--	--
Transfers from (to) other funds	--	--	(440,000 )
Other	28,595	--	--
<b>Total other financing sources (uses)</b>	<b>528,595</b>	<b>--</b>	<b>(440,000 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>523,721</b>	<b>23,971</b>	<b>(116,116 )</b>
<b>Fund balances - July 1, 2002</b>	<b>(5,013 )</b>	<b>172,565</b>	<b>3,335,087</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 518,708</b>	<b>\$ 196,536</b>	<b>\$ 3,218,971</b>

<b>1995 Farmland Preservation Fund</b>	<b>Fund for Support of Free Public Schools</b>	<b>Garden State Farmland Preservation Trust Fund</b>	<b>Garden State Green Acres Preservation Trust Fund</b>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	5,131,318	--	--
--	--	--	--
511,134	3,322,510	1,037,720	1,247,233
--	--	--	--
--	--	4,565,812	312,506
<u>511,134</u>	<u>8,453,828</u>	<u>5,603,532</u>	<u>1,559,739</u>
--	--	--	--
--	--	--	--
--	--	--	--
2,846,755	--	36,717,590	76,749,790
--	--	--	--
--	--	--	--
--	--	--	--
<u>2,846,755</u>	<u>--</u>	<u>36,717,590</u>	<u>76,749,790</u>
<u>(2,335,621 )</u>	<u>8,453,828</u>	<u>(31,114,058 )</u>	<u>(75,190,051 )</u>
--	--	--	--
--	--	--	--
--	(34,654,431 )	243,643,088	370,381,862
<u>--</u>	<u>(34,654,431 )</u>	<u>243,643,088</u>	<u>370,381,862</u>
(2,335,621 )	(26,200,603 )	212,529,030	295,191,811
11,923,003	122,228,215	26,223,879	12,142,321
<u>\$ 9,587,382</u>	<u>\$ 96,027,612</u>	<u>\$ 238,752,909</u>	<u>\$ 307,334,132</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Garden State Historic Preservation Trust Fund</b>	<b>Garden State Preservation Authority</b>	<b>Green Trust Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	369,013	--	216,879
Contributions	--	--	--
Other	--	--	1,370,320
<b>Total Revenues</b>	<b>369,013</b>	<b>--</b>	<b>1,587,199</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	2,226,116	--	--
Community development and environmental management	--	--	6,948,232
Economic planning, development, and security	3,803,630	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	6,712,498	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>6,029,746</b>	<b>6,712,498</b>	<b>6,948,232</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,660,733 )</b>	<b>(6,712,498 )</b>	<b>(5,361,033 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	499,999,410	--
Transfers from (to) other funds	5,597,036	(532,722,443 )	3,392,212
Other	--	39,435,531	--
<b>Total other financing sources (uses)</b>	<b>5,597,036</b>	<b>6,712,498</b>	<b>3,392,212</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(63,697 )</b>	<b>--</b>	<b>(1,968,821 )</b>
<b>Fund balances - July 1, 2002</b>	<b>16,967,119</b>	<b>--</b>	<b>92,709,449</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 16,903,422</b>	<b>\$ --</b>	<b>\$ 90,740,628</b>

Gubernatorial Elections Fund	Hazardous Discharge Fund of 1981	Hazardous Discharge Fund of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund
\$ --	\$ --	\$ --	\$ --	\$ 484,808,904
--	--	--	--	--
--	--	--	--	--
--	--	--	15,751,679	39,118,418
--	6,077	398,081	1,183,381	818,258
--	--	--	--	--
706,237	--	--	--	--
<u>706,237</u>	<u>6,077</u>	<u>398,081</u>	<u>16,935,060</u>	<u>524,745,580</u>
--	--	--	--	--
--	--	--	--	20,874,766
--	--	--	--	--
--	--	14,936,604	5,550,086	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>14,936,604</u>	<u>5,550,086</u>	<u>20,874,766</u>
<u>706,237</u>	<u>6,077</u>	<u>(14,538,523 )</u>	<u>11,384,974</u>	<u>503,870,814</u>
--	--	--	--	--
--	(6,077 )	20,485,815	(8,969,593 )	(528,550,100 )
--	--	--	--	--
<u>--</u>	<u>(6,077 )</u>	<u>20,485,815</u>	<u>(8,969,593 )</u>	<u>(528,550,100 )</u>
706,237	--	5,947,292	2,415,381	(24,679,286 )
--	180,949	4,042,290	62,072,316	31,701,791
<u>\$ 706,237</u>	<u>\$ 180,949</u>	<u>\$ 9,989,582</u>	<u>\$ 64,487,697</u>	<u>\$ 7,022,505</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Higher Education Facility Renovation and Rehabilitation Fund</b>	<b>1992 Historic Preservation Fund</b>	<b>1995 Historic Preservation Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	5,535	172,954	22,407
Contributions	--	--	--
Other	--	--	--
<b>Total Revenues</b>	<b>5,535</b>	<b>172,954</b>	<b>22,407</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	44,244	672,050	178,874
Community development and environmental management	--	--	--
Economic planning, development, and security	--	687,355	437,307
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>44,244</b>	<b>1,359,405</b>	<b>616,181</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(38,709 )</b>	<b>(1,186,451 )</b>	<b>(593,774 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	--	--
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(38,709 )</b>	<b>(1,186,451 )</b>	<b>(593,774 )</b>
<b>Fund balances - July 1, 2002</b>	<b>1,316,956</b>	<b>1,402,758</b>	<b>1,375,767</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 1,278,247</b>	<b>\$ 216,307</b>	<b>\$ 781,993</b>

Historic Preservation Revolving Loan Fund	Horse Racing Injury Compensation Fund	Housing Assistance Fund	Jobs, Education and Competitiveness Fund	Jobs, Science and Technology Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	1,116,741	--	--	--
59,875	66,996	73,097	224,291	628
--	--	--	--	--
13,536	--	4,090	--	--
<u>73,411</u>	<u>1,183,737</u>	<u>77,187</u>	<u>224,291</u>	<u>628</u>
--	502,688	--	--	--
--	--	--	--	--
--	--	--	1,008,750	20,818
--	--	--	--	--
--	--	--	1,450,000	--
--	--	--	--	--
--	--	--	176,448	--
--	--	--	--	--
<u>--</u>	<u>502,688</u>	<u>--</u>	<u>2,635,198</u>	<u>20,818</u>
<u>73,411</u>	<u>681,049</u>	<u>77,187</u>	<u>(2,410,907 )</u>	<u>(20,190 )</u>
--	--	--	7,000,000	--
--	--	(77,187 )	(224,291 )	(628 )
--	--	--	400,327	--
<u>--</u>	<u>--</u>	<u>(77,187 )</u>	<u>7,176,036</u>	<u>(628 )</u>
73,411	681,049	--	4,765,129	(20,818 )
3,782,365	3,638,334	6,938,305	2,983,637	49,758
<u>\$ 3,855,776</u>	<u>\$ 4,319,383</u>	<u>\$ 6,938,305</u>	<u>\$ 7,748,766</u>	<u>\$ 28,940</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Korean Veterans' Memorial Fund</b>	<b>1996 Lake Restoration Fund</b>	<b>Legal Services Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	10,071,327
Services and assessments	--	--	--
Investment earnings	58	24,639	--
Contributions	26,118	--	--
Other	--	7,779	--
<b>Total Revenues</b>	<b>26,176</b>	<b>32,418</b>	<b>10,071,327</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	134,059	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	2,000	--	--
<b>Total Expenditures</b>	<b>2,000</b>	<b>134,059</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>24,176</b>	<b>(101,641 )</b>	<b>10,071,327</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	--	(10,071,327 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>(10,071,327 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>24,176</b>	<b>(101,641 )</b>	<b>--</b>
<b>Fund balances - July 1, 2002</b>	<b>(1,048,846 )</b>	<b>2,535,825</b>	<b>--</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ (1,024,670 )</b>	<b>\$ 2,434,184</b>	<b>\$ --</b>

Luxury Tax Fund	Medical Education Facilities Fund	Mortgage Assistance Fund	Municipal Landfill Closure and Remediation Fund	Mutual Workers' Compensation Security Fund
\$ 19,767,975	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	459,160
12,286	9,272	22,056	--	181,852
--	--	--	--	--
--	--	739,824	91,820	--
<u>19,780,261</u>	<u>9,272</u>	<u>761,880</u>	<u>91,820</u>	<u>641,012</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	78,323	--
--	--	--	--	637,424
--	--	--	--	--
19,767,974	--	--	--	--
--	--	--	--	--
<u>19,767,974</u>	<u>--</u>	<u>--</u>	<u>78,323</u>	<u>637,424</u>
<u>12,287</u>	<u>9,272</u>	<u>761,880</u>	<u>13,497</u>	<u>3,588</u>
--	--	--	--	--
--	(9,272)	(761,880)	--	--
--	--	--	--	--
<u>--</u>	<u>(9,272)</u>	<u>(761,880)</u>	<u>--</u>	<u>--</u>
12,287	--	--	13,497	3,588
1,858,936	514,944	13,826,285	--	10,361,476
<u>\$ 1,871,223</u>	<u>\$ 514,944</u>	<u>\$ 13,826,285</u>	<u>\$ 13,497</u>	<u>\$ 10,365,064</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Natural Resources Fund</u>	<u>New Home Warranty Security Fund</u>	<u>New Jersey Automobile Insurance Guaranty Fund</u>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	805,200	--
Services and assessments	--	5,060,539	--
Investment earnings	65,084	565,026	3,189,951
Contributions	--	--	--
Other	--	359,207	--
<b>Total Revenues</b>	<u>65,084</u>	<u>6,789,972</u>	<u>3,189,951</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	2,191,936	828,265	--
Economic planning, development, and security	--	--	206,119,401
Transportation programs	--	--	--
Government direction, management, and control	766,289	--	1,479,684
Special government services	--	--	--
<b>Total Expenditures</b>	<u>2,958,225</u>	<u>828,265</u>	<u>207,599,085</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,893,141 )</u>	<u>5,961,707</u>	<u>(204,409,134 )</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	30,400,000	--	--
Transfers from (to) other funds	(31,815,841 )	(3,325,935 )	--
Other	1,738,561	--	--
<b>Total other financing sources (uses)</b>	<u>322,720</u>	<u>(3,325,935 )</u>	<u>--</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>(2,570,421 )</u>	<u>2,635,772</u>	<u>(204,409,134 )</u>
<b>Fund balances - July 1, 2002</b>	<u>4,847,578</u>	<u>29,152,811</u>	<u>204,409,134</u>
<b>Fund balances - June 30, 2003</b>	<u>\$ 2,277,157</u>	<u>\$ 31,788,583</u>	<u>\$ --</u>

<b>New Jersey Building Authority</b>	<b>1995 New Jersey Coastal Blue Acres Trust Fund</b>	<b>New Jersey Cultural Trust Fund</b>	<b>1983 New Jersey Green Acres Fund</b>	<b>1989 New Jersey Green Acres Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	987,417
--	--	--	--	--
--	--	--	--	--
108,388	18,853	355,225	345,850	116,276
--	--	--	--	--
--	14,348	--	13,285	--
<u>108,388</u>	<u>33,201</u>	<u>355,225</u>	<u>359,135</u>	<u>1,103,693</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	856,800	--	107,237	2,286,969
--	--	--	--	--
--	--	--	--	--
374,181	--	1,999,974	--	--
--	--	--	--	--
<u>374,181</u>	<u>856,800</u>	<u>1,999,974</u>	<u>107,237</u>	<u>2,286,969</u>
<u>(265,793 )</u>	<u>(823,599 )</u>	<u>(1,644,749 )</u>	<u>251,898</u>	<u>(1,183,276 )</u>
--	--	--	--	--
--	--	10,000,000	(359,135 )	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>10,000,000</u>	<u>(359,135 )</u>	<u>--</u>
(265,793 )	(823,599 )	8,355,251	(107,237 )	(1,183,276 )
117,893,884	1,984,916	11,932,904	19,856,774	6,709,982
<u>\$ 117,628,091</u>	<u>\$ 1,161,317</u>	<u>\$ 20,288,155</u>	<u>\$ 19,749,537</u>	<u>\$ 5,526,706</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund	1989 New Jersey Green Trust Fund
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	448,897	230,826	1,335,676
Contributions	--	--	--
Other	--	1,406,228	1,391,670
<b>Total Revenues</b>	<b>448,897</b>	<b>1,637,054</b>	<b>2,727,346</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	603,902	7,381,110	7,233,175
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	151,241	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>603,902</b>	<b>7,532,351</b>	<b>7,233,175</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(155,005 )</b>	<b>(5,895,297 )</b>	<b>(4,505,829 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	6,000,000	--
Transfers from (to) other funds	--	--	--
Other	--	343,137	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>6,343,137</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(155,005 )</b>	<b>447,840</b>	<b>(4,505,829 )</b>
<b>Fund balances - July 1, 2002</b>	<b>1,799,587</b>	<b>229,791</b>	<b>101,333,642</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 1,644,582</b>	<b>\$ 677,631</b>	<b>\$ 96,827,813</b>

1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund	New Jersey Insolvent Health Maintenance Organization Assistance Fund	New Jersey Lawyers' Assistance Program
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	339,857
--	--	--	14,200,000	--
469,167	222,860	35,297	444,672	--
--	--	--	--	--
675,252	858,868	16,300	--	11,072
<u>1,144,419</u>	<u>1,081,728</u>	<u>51,597</u>	<u>14,644,672</u>	<u>350,929</u>
--	--	--	--	286,378
--	--	--	--	--
--	--	--	--	--
2,142,522	2,315,953	517,595	--	--
--	--	--	1,216,668	--
--	--	--	--	--
--	605,201	--	--	--
--	--	--	--	--
<u>2,142,522</u>	<u>2,921,154</u>	<u>517,595</u>	<u>1,216,668</u>	<u>286,378</u>
<u>(998,103 )</u>	<u>(1,839,426 )</u>	<u>(465,998 )</u>	<u>13,428,004</u>	<u>64,551</u>
--	22,500,000	--	--	--
--	--	--	(444,672 )	--
--	1,286,764	--	--	--
--	23,786,764	--	(444,672 )	--
(998,103 )	21,947,338	(465,998 )	12,983,332	64,551
37,705,902	31,214,094	2,099,489	12,462,120	358,704
<u>\$ 36,707,799</u>	<u>\$ 53,161,432</u>	<u>\$ 1,633,491</u>	<u>\$ 25,445,452</u>	<u>\$ 423,255</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>New Jersey Lawyers' Fund for Client Protection</b>	<b>New Jersey Local Development Financing Fund</b>	<b>New Jersey Racing Industry Special Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	2,867,728	26,243	--
Services and assessments	--	--	--
Investment earnings	540,548	312,775	2,477
Contributions	--	--	--
Other	536,290	1,513,249	100,892
<b>Total Revenues</b>	<b>3,944,566</b>	<b>1,852,267</b>	<b>103,369</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	4,146,389	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	1,062,393	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>4,146,389</b>	<b>1,062,393</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(201,823 )</b>	<b>789,874</b>	<b>103,369</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	--	--
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(201,823 )</b>	<b>789,874</b>	<b>103,369</b>
<b>Fund balances - July 1, 2002</b>	<b>14,560,432</b>	<b>49,859,808</b>	<b>--</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 14,358,609</b>	<b>\$ 50,649,682</b>	<b>\$ 103,369</b>

<b>New Jersey Schools Construction Corporation</b>	<b>New Jersey Spill Compensation Fund</b>	<b>New Jersey Spinal Cord Research Fund</b>	<b>New Jersey Transportation Trust Fund Authority</b>	<b>New Jersey Workforce Development Partnership Fund</b>
\$ --	\$ 15,093,332	\$ --	\$ --	\$ 76,115,725
--	--	--	--	--
70,903	4,430,306	--	--	--
--	--	--	--	--
3,010,808	455,941	148,610	8,878,621	645,188
--	--	--	--	--
--	331,182	4,122,971	--	--
<u>3,081,711</u>	<u>20,310,761</u>	<u>4,271,581</u>	<u>8,878,621</u>	<u>76,760,913</u>
--	--	--	--	--
--	--	455,613	--	--
195,199,317	--	--	--	2,137,144
--	2,421,967	--	--	--
--	--	--	--	34,297,299
--	--	--	491,075	--
--	--	--	--	--
--	--	--	--	--
<u>195,199,317</u>	<u>2,421,967</u>	<u>455,613</u>	<u>491,075</u>	<u>36,434,443</u>
<u>(192,117,606 )</u>	<u>17,888,794</u>	<u>3,815,968</u>	<u>8,387,546</u>	<u>40,326,470</u>
--	--	--	--	--
634,117,301	(30,104,694 )	(226,267 )	(624,411,842 )	(48,283,845 )
229,216,451	--	--	--	--
<u>863,333,752</u>	<u>(30,104,694 )</u>	<u>(226,267 )</u>	<u>(624,411,842 )</u>	<u>(48,283,845 )</u>
671,216,146	(12,215,900 )	3,589,701	(616,024,296 )	(7,957,375 )
--	21,015,958	6,682,349	577,790,915	75,760,714
<u>\$ 671,216,146</u>	<u>\$ 8,800,058</u>	<u>\$ 10,272,050</u>	<u>\$ (38,233,381 )</u>	<u>\$ 67,803,339</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Petroleum Overcharge Reimbursement Fund</b>	<b>Pinelands Infrastructure Trust Fund</b>	<b>Pollution Prevention Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	3,598,063	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	1,365,045
Investment earnings	219,294	66,242	59,138
Contributions	--	--	--
Other	--	162,447	--
<b>Total Revenues</b>	<b>3,817,357</b>	<b>228,689</b>	<b>1,424,183</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	901,741	--	--
Economic planning, development, and security	180,975	--	--
Transportation programs	--	--	--
Government direction, management, and control	460,511	--	--
Special government services	--	--	--
<b>Total Expenditures</b>	<b>1,543,227</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,274,130</b>	<b>228,689</b>	<b>1,424,183</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	(206,000 )	(3,077,112 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>(206,000 )</b>	<b>(3,077,112 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>2,274,130</b>	<b>22,689</b>	<b>(1,652,929 )</b>
<b>Fund balances - July 1, 2002</b>	<b>12,149,793</b>	<b>9,304,524</b>	<b>3,833,423</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 14,423,923</b>	<b>\$ 9,327,213</b>	<b>\$ 2,180,494</b>

<b>Real Estate Guaranty Fund</b>	<b>Resource Recovery and Solid Waste Disposal Facility Fund</b>	<b>Safe Drinking Water Fund</b>	<b>Sanitary Landfill Facility Contingency Fund</b>	<b>Shore Protection Fund</b>
\$ --	\$ --	\$ 3,033,912	\$ --	\$ --
--	--	--	--	--
117,004	--	--	--	--
--	--	--	2,026,016	--
35,055	11,886	96,484	181,332	185,579
--	--	--	--	--
--	20,256	--	--	84,259
<u>152,059</u>	<u>32,142</u>	<u>3,130,396</u>	<u>2,207,348</u>	<u>269,838</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	174,325	671,045	351,217
26,827	--	--	--	--
--	--	--	--	--
--	80,467	--	--	--
--	--	--	--	--
<u>26,827</u>	<u>80,467</u>	<u>174,325</u>	<u>671,045</u>	<u>351,217</u>
<u>125,232</u>	<u>(48,325 )</u>	<u>2,956,071</u>	<u>1,536,303</u>	<u>(81,379 )</u>
--	--	--	--	--
--	--	--	--	--
--	31,799,082	(4,315,272 )	--	(269,838 )
--	--	--	--	--
<u>--</u>	<u>31,799,082</u>	<u>(4,315,272 )</u>	<u>--</u>	<u>(269,838 )</u>
125,232	31,750,757	(1,359,201 )	1,536,303	(351,217 )
2,074,721	(31,256,962 )	4,108,253	9,437,915	11,443,044
<u>\$ 2,199,953</u>	<u>\$ 493,795</u>	<u>\$ 2,749,052</u>	<u>\$ 10,974,218</u>	<u>\$ 11,091,827</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>State Disability Benefit Fund</u>	<u>State Land Acquisition and Development Fund</u>	<u>State Recreation and Conservation Land Acquisition and Development Fund</u>
<b>REVENUES</b>			
Taxes	\$ 436,840,074	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	28,797,279	--	--
Investment earnings	1,083,080	18,369	28,036
Contributions	--	--	--
Other	52,268	--	--
<b>Total Revenues</b>	<u>466,772,701</u>	<u>18,369</u>	<u>28,036</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	54,194	417
Economic planning, development, and security	429,070,625	--	--
Transportation programs	--	--	--
Government direction, management, and control	4,571	53,060	--
Special government services	--	--	--
<b>Total Expenditures</b>	<u>429,075,196</u>	<u>107,254</u>	<u>417</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>37,697,505</u>	<u>(88,885 )</u>	<u>27,619</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	2,000,000	--
Transfers from (to) other funds	(31,126,436 )	(15,723 )	(28,036 )
Other	--	114,379	--
<b>Total other financing sources (uses)</b>	<u>(31,126,436 )</u>	<u>2,098,656</u>	<u>(28,036 )</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>6,571,069</u>	<u>2,009,771</u>	<u>(417 )</u>
<b>Fund balances - July 1, 2002</b>	<u>210,432,459</u>	<u>(1,002,817 )</u>	<u>1,548,904</u>
<b>Fund balances - June 30, 2003</b>	<u>\$ 217,003,528</u>	<u>\$ 1,006,954</u>	<u>\$ 1,548,487</u>

State Recycling Fund	Stock Workers' Compensation Security Fund	Stormwater Management and Combined Sewer Overflow Abatement Fund	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills
\$ --	\$ --	\$ --	\$ --	\$ 29,533,616
--	--	--	--	--
--	--	--	--	--
--	43,955	--	--	--
45,296	933,426	216,305	3,065,938	316,657
--	--	--	--	--
101,278	--	--	--	--
<u>146,574</u>	<u>977,381</u>	<u>216,305</u>	<u>3,065,938</u>	<u>29,850,273</u>
--	--	--	3,303,700	--
--	--	--	--	--
--	--	--	--	--
318,325	--	2,841,942	--	--
--	19,430,323	--	--	21,547,645
--	--	--	--	--
--	--	138,638	--	--
--	--	--	--	--
<u>318,325</u>	<u>19,430,323</u>	<u>2,980,580</u>	<u>3,303,700</u>	<u>21,547,645</u>
<u>(171,751 )</u>	<u>(18,452,942 )</u>	<u>(2,764,275 )</u>	<u>(237,762 )</u>	<u>8,302,628</u>
--	--	5,500,000	--	--
2,175,505	--	--	--	(2,000,000 )
--	--	314,542	--	--
<u>2,175,505</u>	<u>--</u>	<u>5,814,542</u>	<u>--</u>	<u>(2,000,000 )</u>
2,003,754	(18,452,942 )	3,050,267	(237,762 )	6,302,628
4,677,415	60,550,715	3,472,374	1,758,172	13,950,967
<u>\$ 6,681,169</u>	<u>\$ 42,097,773</u>	<u>\$ 6,522,641</u>	<u>\$ 1,520,410</u>	<u>\$ 20,253,595</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Trial Attorney Certification Program</b>	<b>Unclaimed Child Support Trust Fund</b>	<b>Unclaimed Utility Deposits Trust Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	222,750	--	--
Services and assessments	--	--	--
Investment earnings	2,069	34,303	53,068
Contributions	--	--	--
Other	5,015	124,949	2,034,582
<b>Total Revenues</b>	<b>229,834</b>	<b>159,252</b>	<b>2,087,650</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	203,155	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	7,028	891,352
Special government services	--	--	--
<b>Total Expenditures</b>	<b>203,155</b>	<b>7,028</b>	<b>891,352</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>26,679</b>	<b>152,224</b>	<b>1,196,298</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	--	--	(53,068 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>(53,068 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>26,679</b>	<b>152,224</b>	<b>1,143,230</b>
<b>Fund balances - July 1, 2002</b>	<b>77,952</b>	<b>1,986,724</b>	<b>1,825,391</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 104,631</b>	<b>\$ 2,138,948</b>	<b>\$ 2,968,621</b>

<b>Unemployment Compensation Auxiliary Fund</b>	<b>University of Medicine and Dentistry of New Jersey- Self-Insurance Reserve Fund</b>	<b>Unsatisfied Claim and Judgment Fund</b>	<b>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</b>	<b>Vietnam Veterans' Memorial Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	1,325	--	--
--	5,600,000	196,218,866	--	--
85,139	229,123	2,339,310	205,395	266
--	--	--	--	117,839
16,568,043	--	593,886	12,139	--
<u>16,653,182</u>	<u>5,829,123</u>	<u>199,153,387</u>	<u>217,534</u>	<u>118,105</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	24,738,872	389,004,055	--	--
--	--	--	--	--
--	--	--	421,390	--
--	--	--	--	95,384
<u>--</u>	<u>24,738,872</u>	<u>389,004,055</u>	<u>421,390</u>	<u>95,384</u>
<u>16,653,182</u>	<u>(18,909,749 )</u>	<u>(189,850,668 )</u>	<u>(203,856 )</u>	<u>22,721</u>
--	--	--	20,000,000	--
(16,385,999 )	(60,000,000 )	(2,461,000 )	--	--
--	--	--	402,658	--
<u>(16,385,999 )</u>	<u>(60,000,000 )</u>	<u>(2,461,000 )</u>	<u>20,402,658</u>	<u>--</u>
267,183	(78,909,749 )	(192,311,668 )	20,198,802	22,721
2,169	82,508,226	201,374,394	7,594	95,384
<u>\$ 269,352</u>	<u>\$ 3,598,477</u>	<u>\$ 9,062,726</u>	<u>\$ 20,206,396</u>	<u>\$ 118,105</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Volunteer Emergency Service Organizations Loan Fund</b>	<b>Wastewater Treatment Fund</b>	<b>1992 Wastewater Treatment Fund</b>
<b>REVENUES</b>			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	49,874,524	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	19,706	6,144,014	351,283
Contributions	--	--	--
Other	31,225	198,368	--
<b>Total Revenues</b>	<b>50,931</b>	<b>56,216,906</b>	<b>351,283</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	5,200,693	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	196,564
Special government services	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>5,200,693</b>	<b>196,564</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>50,931</b>	<b>51,016,213</b>	<b>154,719</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	8,100,000
Transfers from (to) other funds	--	(8,398,358 )	--
Other	--	--	407,650
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>(8,398,358 )</b>	<b>8,507,650</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>50,931</b>	<b>42,617,855</b>	<b>8,662,369</b>
<b>Fund balances - July 1, 2002</b>	<b>2,903,715</b>	<b>707,707,124</b>	<b>14,841,053</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 2,954,646</b>	<b>\$ 750,324,979</b>	<b>\$ 23,503,422</b>

<b>Water Conservation Fund</b>	<b>Water Supply Fund</b>	<b>Water Supply Replacement Trust Fund</b>	<b>Worker and Community Right to Know Fund</b>	<b>Total Non-Major Special Revenue Funds</b>
\$ --	\$ --	\$ --	\$ --	\$ 1,520,858,924
--	--	--	--	71,604,497
--	--	--	1,100	100,583,290
--	--	--	2,220,427	454,086,257
25,075	953,844	1,544	11,209	55,695,294
--	--	--	--	143,957
19,176	4,860,317	--	--	129,306,864
<u>44,251</u>	<u>5,814,161</u>	<u>1,544</u>	<u>2,232,736</u>	<u>2,332,279,083</u>
--	--	--	--	67,533,065
--	--	--	--	424,224,206
--	--	--	--	230,767,393
--	15,931,273	93,027	--	206,077,631
--	--	--	--	1,196,965,985
--	--	--	--	41,084,878
--	--	--	--	196,070,017
--	--	--	--	186,093
<u>--</u>	<u>15,931,273</u>	<u>93,027</u>	<u>--</u>	<u>2,362,909,268</u>
<u>44,251</u>	<u>(10,117,112)</u>	<u>(91,483)</u>	<u>2,232,736</u>	<u>(30,630,185)</u>
--	--	--	--	627,999,410
(44,251)	(3,452,081)	--	(2,470,860)	(708,420,607)
--	--	--	--	274,945,772
<u>(44,251)</u>	<u>(3,452,081)</u>	<u>--</u>	<u>(2,470,860)</u>	<u>194,524,575</u>
--	(13,569,193)	(91,483)	(238,124)	163,894,390
1,236,216	186,033,892	162,030	244,847	3,719,231,246
<u>\$ 1,236,216</u>	<u>\$ 172,464,699</u>	<u>\$ 70,547</u>	<u>\$ 6,723</u>	<u>\$ 3,883,125,636</u>

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2003**

	<u>Correctional Facilities Construction Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>	<u>Energy Conservation Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 22,511	\$ 1,710	\$ 6,202
<b>Investments</b>	585,379	3,542,468	30,122
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	104,901	--
<b>Due from other funds</b>	--	--	--
<b>Total Assets</b>	<u>\$ 607,890</u>	<u>\$ 3,649,079</u>	<u>\$ 36,324</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ 120,437	\$ --
Due to other funds	10,402	408,938	256,630
Other	--	--	--
<b>Total Liabilities</b>	<u>10,402</u>	<u>529,375</u>	<u>256,630</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	1,593,525	6,062
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	597,488	1,526,179	--
Undesignated	--	--	(226,368 )
<b>Total Fund Balances</b>	<u>597,488</u>	<u>3,119,704</u>	<u>(220,306 )</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 607,890</u>	<u>\$ 3,649,079</u>	<u>\$ 36,324</u>

<u>Human Services Facilities Construction Fund</u>	<u>Institutional Construction Fund</u>	<u>Institutions Construction Fund</u>	<u>New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund</u>	<u>New Jersey Bridge Rehabilitation and Improvement Fund</u>
\$ 4,602	\$ 102	\$ 1,220	\$ 9,102	\$ 1,986
197,328	6,754	8,961	7,104,213	4,063
--	--	--	--	--
--	--	--	--	--
--	--	--	--	59,725
--	--	--	--	--
<u>\$ 201,930</u>	<u>\$ 6,856</u>	<u>\$ 10,181</u>	<u>\$ 7,113,315</u>	<u>\$ 65,774</u>
\$ 33,140	\$ --	\$ --	\$ --	\$ --
3,856	119	158	198,038	429
--	--	--	298,532	--
<u>36,996</u>	<u>119</u>	<u>158</u>	<u>496,570</u>	<u>429</u>
40,690	--	--	3,834,669	377,661
--	--	--	--	--
124,244	6,737	10,023	2,782,076	--
--	--	--	--	(312,316)
<u>164,934</u>	<u>6,737</u>	<u>10,023</u>	<u>6,616,745</u>	<u>65,345</u>
<u>\$ 201,930</u>	<u>\$ 6,856</u>	<u>\$ 10,181</u>	<u>\$ 7,113,315</u>	<u>\$ 65,774</u>

(Continued on next page)

**STATE OF NEW JERSEY  
COMBINING BALANCE SHEET (Continued)  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2003**

	<u>Public Buildings Construction Fund</u>	<u>Public Purpose Buildings and Community-Based Facilities Construction Fund</u>	<u>Public Purpose Buildings Construction Fund</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 1,571	\$ 78,875	\$ 11,635
<b>Investments</b>	3,372	8,389,028	268,417
<b>Receivables, net of allowances for uncollectibles</b>			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
<b>Due from other funds</b>	--	--	--
<b>Total Assets</b>	<u>\$ 4,943</u>	<u>\$ 8,467,903</u>	<u>\$ 280,052</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ --	\$ 570,555	\$ --
Due to other funds	59	185,789	4,776
Other	--	235,354	--
<b>Total Liabilities</b>	<u>59</u>	<u>991,698</u>	<u>4,776</u>
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	--	1,843,468	608
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	4,884	5,632,737	274,668
Undesignated	--	--	--
<b>Total Fund Balances</b>	<u>4,884</u>	<u>7,476,205</u>	<u>275,276</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,943</u>	<u>\$ 8,467,903</u>	<u>\$ 280,052</u>

<u>Special Transportation Fund</u>	<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Transportation Rehabilitation and Improvement Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ --	\$ 3,271	\$ 174,957	\$ 262,476	\$ 580,220
--	234,947	67,997,543	310,883	88,683,478
121,717,534	--	--	--	121,717,534
2,833,008	--	--	--	2,833,008
5,000,000	--	--	--	5,000,000
31,919	--	--	--	196,545
99,258,364	--	--	--	99,258,364
<u>\$ 228,840,825</u>	<u>\$ 238,218</u>	<u>\$ 68,172,500</u>	<u>\$ 573,359</u>	<u>\$ 318,269,149</u>
\$ 135,997,751	\$ --	\$ 7,582,277	\$ --	\$ 144,304,160
92,843,074	--	3,245	5,567	93,921,080
--	--	--	--	533,886
<u>228,840,825</u>	<u>--</u>	<u>7,585,522</u>	<u>5,567</u>	<u>238,759,126</u>
--	--	56,662,901	--	64,359,584
5,000,000	--	--	--	5,000,000
--	238,218	3,924,077	567,792	15,689,123
(5,000,000 )	--	--	--	(5,538,684 )
<u>--</u>	<u>238,218</u>	<u>60,586,978</u>	<u>567,792</u>	<u>79,510,023</u>
<u>\$ 228,840,825</u>	<u>\$ 238,218</u>	<u>\$ 68,172,500</u>	<u>\$ 573,359</u>	<u>\$ 318,269,149</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Correctional Facilities Construction Fund</b>	<b>Correctional Facilities Construction Fund of 1987</b>	<b>Energy Conservation Fund</b>
<b>REVENUES</b>			
Federal and other grants	\$ --	\$ --	\$ --
Services and assessments	--	--	--
Investment earnings	10,402	79,736	4,136
Other	--	--	--
<b>Total Revenues</b>	<b>10,402</b>	<b>79,736</b>	<b>4,136</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	11,706	1,350,793	--
Educational, cultural, and intellectual development	--	--	--
Economic planning, development, and security	--	--	100,026
Transportation programs	--	--	--
Government direction, management, and control	--	--	3,685
<b>Total Expenditures</b>	<b>11,706</b>	<b>1,350,793</b>	<b>103,711</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,304 )</b>	<b>(1,271,057 )</b>	<b>(99,575 )</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	--	--
Transfers from (to) other funds	(10,402 )	(408,937 )	(451 )
Other	--	--	--
<b>Total other financing sources (uses)</b>	<b>(10,402 )</b>	<b>(408,937 )</b>	<b>(451 )</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(11,706 )</b>	<b>(1,679,994 )</b>	<b>(100,026 )</b>
<b>Fund balances - July 1, 2002</b>	<b>609,194</b>	<b>4,799,698</b>	<b>(120,280 )</b>
<b>Fund balances - June 30, 2003</b>	<b>\$ 597,488</b>	<b>\$ 3,119,704</b>	<b>\$ (220,306 )</b>

<b>Human Services Facilities Construction Fund</b>	<b>Institutional Construction Fund</b>	<b>Institutions Construction Fund</b>	<b>New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund</b>	<b>New Jersey Bridge Rehabilitation and Improvement Fund</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
3,856	119	158	180,120	429
--	--	--	17,918	--
<u>3,856</u>	<u>119</u>	<u>158</u>	<u>198,038</u>	<u>429</u>
--	--	--	--	--
104,856	--	--	--	--
--	--	--	--	--
--	--	--	81,150	--
--	--	--	--	--
<u>104,856</u>	<u>--</u>	<u>--</u>	<u>81,150</u>	<u>--</u>
<u>(101,000 )</u>	<u>119</u>	<u>158</u>	<u>116,888</u>	<u>429</u>
--	--	--	--	--
(3,856 )	(119 )	(158 )	(198,038 )	(429 )
--	--	--	--	--
<u>(3,856 )</u>	<u>(119 )</u>	<u>(158 )</u>	<u>(198,038 )</u>	<u>(429 )</u>
(104,856 )	--	--	(81,150 )	--
269,790	6,737	10,023	6,697,895	65,345
<u>\$ 164,934</u>	<u>\$ 6,737</u>	<u>\$ 10,023</u>	<u>\$ 6,616,745</u>	<u>\$ 65,345</u>

(Continued on next page)



**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Public Buildings Construction Fund</u>	<u>Public Purpose Buildings and Community-Based Facilities Construction Fund</u>	<u>Public Purpose Buildings Construction Fund</u>
<b>REVENUES</b>			
Federal and other grants	\$ --	\$ --	\$ --
Services and assessments	--	--	4,224
Investment earnings	59	185,789	4,776
Other	--	--	--
<b>Total Revenues</b>	<u>59</u>	<u>185,789</u>	<u>9,000</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Public safety and criminal justice	--	2,286,519	--
Educational, cultural, and intellectual development	--	33,094	--
Economic planning, development, and security	--	26,239	--
Transportation programs	--	--	--
Government direction, management, and control	--	201,655	--
<b>Total Expenditures</b>	<u>--</u>	<u>2,547,507</u>	<u>--</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>59</u>	<u>(2,361,718 )</u>	<u>9,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of bonds	--	8,000,000	--
Transfers from (to) other funds	(59 )	(185,789 )	(4,776 )
Other	--	457,516	--
<b>Total other financing sources (uses)</b>	<u>(59 )</u>	<u>8,271,727</u>	<u>(4,776 )</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>--</u>	<u>5,910,009</u>	<u>4,224</u>
<b>Fund balances - July 1, 2002</b>	<u>4,884</u>	<u>1,566,196</u>	<u>271,052</u>
<b>Fund balances - June 30, 2003</b>	<u>\$ 4,884</u>	<u>\$ 7,476,205</u>	<u>\$ 275,276</u>

<u>Special Transportation Fund</u>	<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Transportation Rehabilitation and Improvement Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ 723,014,804	\$ --	\$ --	\$ --	\$ 723,014,804
747,157	--	--	--	751,381
--	4,273	1,642,113	5,567	2,121,533
1,980,421	--	--	--	1,998,339
<u>725,742,382</u>	<u>4,273</u>	<u>1,642,113</u>	<u>5,567</u>	<u>727,886,057</u>
--	--	--	--	3,649,018
--	14,835	--	--	152,785
--	--	--	--	126,265
1,685,004,224	--	62,955,620	--	1,748,040,994
--	--	6,866,727	--	7,072,067
<u>1,685,004,224</u>	<u>14,835</u>	<u>69,822,347</u>	<u>--</u>	<u>1,759,041,129</u>
<u>(959,261,842 )</u>	<u>(10,562 )</u>	<u>(68,180,234 )</u>	<u>5,567</u>	<u>(1,031,155,072 )</u>
--	--	259,000,000	--	267,000,000
959,261,842	--	(9,362,000 )	(5,567 )	949,081,261
--	--	14,812,082	--	15,269,598
<u>959,261,842</u>	<u>--</u>	<u>264,450,082</u>	<u>(5,567 )</u>	<u>1,231,350,859</u>
--	(10,562 )	196,269,848	--	200,195,787
--	248,780	(135,682,870 )	567,792	(120,685,764 )
<u>\$ --</u>	<u>\$ 238,218</u>	<u>\$ 60,586,978</u>	<u>\$ 567,792</u>	<u>\$ 79,510,023</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2003**

	<b>Health Benefits Local Government Employers Program Fund</b>	<b>Prescription Drug Local Government Employers Program Fund</b>	<b>Total Non-Major Proprietary Funds</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 3,338,135	\$ 54,017	\$ 3,392,152
Investments	182,874,682	6,790,325	189,665,007
Receivables, net of allowances			
Other	72,952,113	7,124,720	80,076,833
Due from other funds	4,391,213	--	4,391,213
<b>Total Assets</b>	<b>263,556,143</b>	<b>13,969,062</b>	<b>277,525,205</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	200,486,104	4,700,000	205,186,104
Deferred revenue	4,540,421	--	4,540,421
Due to other funds	416,639	949,367	1,366,006
<b>Total Liabilities</b>	<b>205,443,164</b>	<b>5,649,367</b>	<b>211,092,531</b>
<b>NET ASSETS</b>			
<b>Restricted for:</b>			
Other purposes	58,112,979	8,319,695	66,432,674
<b>Total Net Assets</b>	<b>\$ 58,112,979</b>	<b>\$ 8,319,695</b>	<b>\$ 66,432,674</b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Health Benefits Local Government Employers Program Fund</b>	<b>Prescription Drug Local Government Employers Program Fund</b>	<b>Total Non-Major Proprietary Funds</b>
<b>OPERATING REVENUES</b>			
Contributions	\$ 1,336,493,303	\$ 65,664,096	\$ 1,402,157,399
Other	13,797,498	--	13,797,498
<b>Total Operating Revenues</b>	<b>1,350,290,801</b>	<b>65,664,096</b>	<b>1,415,954,897</b>
<b>OPERATING EXPENSES</b>			
Benefit payments	1,304,442,508	62,613,162	1,367,055,670
<b>Total Operating Expenses</b>	<b>1,304,442,508</b>	<b>62,613,162</b>	<b>1,367,055,670</b>
<b>Operating Income (Loss)</b>	<b>45,848,293</b>	<b>3,050,934</b>	<b>48,899,227</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,314,890	63,913	1,378,803
<b>Total nonoperating revenue (expenses)</b>	<b>1,314,890</b>	<b>63,913</b>	<b>1,378,803</b>
<b>Income (loss) before transfers</b>	<b>47,163,183</b>	<b>3,114,847</b>	<b>50,278,030</b>
Transfers in (out)	70,649,812	--	70,649,812
<b>Change in net assets</b>	<b>117,812,995</b>	<b>3,114,847</b>	<b>120,927,842</b>
<b>Total Net Assets - July 1, 2002</b>	<b>(59,700,016 )</b>	<b>5,204,848</b>	<b>(54,495,168 )</b>
<b>Total Net Assets - June 30, 2003</b>	<b>\$ 58,112,979</b>	<b>\$ 8,319,695</b>	<b>\$ 66,432,674</b>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Health Benefits Local Government Employers Program Fund</b>	<b>Prescription Drug Local Government Employers Program Fund</b>	<b>Total Non-Major Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts received from customers	\$ 74,660,607	\$ 363,234	\$ 75,023,841
Receipts from federal and local agencies	1,273,317,243	62,708,972	1,336,026,215
Claims paid	(1,289,460,503)	(60,274,461)	(1,349,734,964)
Other receipts (payments)	(4,369,731)	--	(4,369,731)
<b>Net cash provided (used) by operating activities</b>	<b>54,147,616</b>	<b>2,797,745</b>	<b>56,945,361</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating subsidies and transfers to other funds	70,649,812	--	70,649,812
<b>Net cash provided (used) by noncapital financing activities</b>	<b>70,649,812</b>	<b>--</b>	<b>70,649,812</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,347,162	70,687	1,417,849
Purchase of investments	(126,801,477)	(2,908,192)	(129,709,669)
Other	(32,272)	(6,774)	(39,046)
<b>Net cash provided (used) by investing activities</b>	<b>(125,486,587)</b>	<b>(2,844,279)</b>	<b>(128,330,866)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(689,159)</b>	<b>(46,534)</b>	<b>(735,693)</b>
<b>Cash and cash equivalents - July 1, 2002</b>	<b>4,027,294</b>	<b>100,551</b>	<b>4,127,845</b>
<b>Cash and cash equivalents - June 30, 2003</b>	<b>\$ 3,338,135</b>	<b>\$ 54,017</b>	<b>\$ 3,392,152</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 45,848,293	\$ 3,050,934	\$ 48,899,227
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Net changes in assets and liabilities:			
Current assets	(2,312,952)	(2,591,890)	(4,904,842)
Current liabilities	10,612,275	2,338,701	12,950,976
<b>Net cash provided (used) by operating activities</b>	<b>\$ 54,147,616</b>	<b>\$ 2,797,745</b>	<b>\$ 56,945,361</b>

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2003**

	<u>Alternate Benefit Program Fund</u>	<u>Judiciary Bail Fund</u>	<u>Judiciary Child Support and Paternity Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 344,780	\$ 237,620	\$ 2,814,909
Investments	14,931,117	26,083,966	24,955,050
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Other	28,170	41,822	--
Due from other funds	<u>5,091,548</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<b><u>\$ 20,395,615</u></b>	<b><u>\$ 26,363,408</u></b>	<b><u>\$ 27,769,959</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 18,598,669	\$ 26,363,408	\$ 27,769,959
Due to other funds	<u>1,796,946</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities</b>	<b><u>\$ 20,395,615</u></b>	<b><u>\$ 26,363,408</u></b>	<b><u>\$ 27,769,959</u></b>

<u>Judiciary Probation Fund</u>	<u>Judiciary Special Civil Fund</u>	<u>Luxury Tax Development Fund</u>
\$ --	\$ 229,966	\$ 32,877
9,228,518	2,698,967	1,589,563
--	--	--
--	--	--
--	--	--
<u>\$ 9,228,518</u>	<u>\$ 2,928,933</u>	<u>\$ 1,622,440</u>
9,228,518	2,928,933	1,622,440
--	--	--
<u>\$ 9,228,518</u>	<u>\$ 2,928,933</u>	<u>\$ 1,622,440</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**AGENCY FUNDS**  
**JUNE 30, 2003**

	<u>Pension Adjustment Fund</u>	<u>Resource Recovery Investment Tax Fund</u>	<u>Solid Waste Service Tax Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 132,124	\$ 100,299	\$ 6,933
Investments	4,102,651	389,760	9,394,760
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	374,932
Other	2,779,531	--	--
Due from other funds	<u>23,463</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<b><u>\$ 7,037,769</u></b>	<b><u>\$ 490,059</u></b>	<b><u>\$ 9,776,625</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,807,568	\$ 490,059	\$ 9,776,625
Due to other funds	<u>3,230,201</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities</b>	<b><u>\$ 7,037,769</u></b>	<b><u>\$ 490,059</u></b>	<b><u>\$ 9,776,625</u></b>

<b>Tourism Improvement and Development Act</b>	<b>Wage and Hour Trust Fund</b>	<b>Total Agency Funds</b>
\$ 44,719	\$ 849,394	\$ 4,793,621
14,610	1,111,891	94,500,853
174,325	--	549,257
--	--	2,849,523
--	--	5,115,011
<u>\$ 233,654</u>	<u>\$ 1,961,285</u>	<u>\$ 107,808,265</u>
\$ 168,014	\$ 1,793,151	\$ 102,547,344
65,640	168,134	5,260,921
<u>\$ 233,654</u>	<u>\$ 1,961,285</u>	<u>\$ 107,808,265</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
<b>ALTERNATE BENEFIT PROGRAM FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 334,523	\$ 9,985,746	\$ 9,975,489	\$ 344,780
Investments	7,505,957	141,554,881	134,129,721	14,931,117
Receivables, net - other	2,176,399	28,170	2,176,399	28,170
Due from other funds	9,327,774	5,091,548	9,327,774	5,091,548
<b>Total Assets</b>	<b><u>\$ 19,344,653</u></b>	<b><u>\$ 156,660,345</u></b>	<b><u>\$ 155,609,383</u></b>	<b><u>\$ 20,395,615</u></b>

<b>Liabilities</b>				
Account Payable	\$ 16,679,007	\$ 19,331,625	\$ 17,411,963	\$ 18,598,669
Due to other funds	2,665,646	3,734,676	4,603,376	1,796,946
<b>Total Liabilities</b>	<b><u>\$ 19,344,653</u></b>	<b><u>\$ 23,066,301</u></b>	<b><u>\$ 22,015,339</u></b>	<b><u>\$ 20,395,615</u></b>

**JUDICIARY BAIL FUND**

<b>Assets</b>				
Cash and cash equivalents	\$ 245,378	\$ 102,982,772	\$ 102,990,530	\$ 237,620
Investments	30,001,964	10,864,954	14,782,952	26,083,966
Receivables, net - other	41,822	--	--	41,822
<b>Total Assets</b>	<b><u>\$ 30,289,164</u></b>	<b><u>\$ 113,847,726</u></b>	<b><u>\$ 117,773,482</u></b>	<b><u>\$ 26,363,408</u></b>

<b>Liabilities</b>				
Accounts Payable	\$ 30,289,164	\$ 77,633,476	\$ 81,559,232	\$ 26,363,408
<b>Total Liabilities</b>	<b><u>\$ 30,289,164</u></b>	<b><u>\$ 77,633,476</u></b>	<b><u>\$ 81,559,232</u></b>	<b><u>\$ 26,363,408</u></b>

**JUDICIARY CHILD SUPPORT AND PATERNITY FUND**

<b>Assets</b>				
Cash	\$ 2,160,295	\$ 2,310,482,823	\$ 2,309,828,209	\$ 2,814,909
Investments	31,002,049	159,778,477	165,825,476	24,955,050
<b>Total Assets</b>	<b><u>\$ 33,162,344</u></b>	<b><u>\$ 2,470,261,300</u></b>	<b><u>\$ 2,475,653,685</u></b>	<b><u>\$ 27,769,959</u></b>

<b>Liabilities</b>				
Accounts Payable	\$ 33,162,344	\$ 1,654,885,953	\$ 1,660,278,338	\$ 27,769,959
<b>Total Liabilities</b>	<b><u>\$ 33,162,344</u></b>	<b><u>\$ 1,654,885,953</u></b>	<b><u>\$ 1,660,278,338</u></b>	<b><u>\$ 27,769,959</u></b>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
<b>JUDICIARY PROBATION FUND</b>				
<b>Assets</b>				
Cash	\$ 208,832	\$ 61,453,718	\$ 61,662,550	\$ --
Investments	8,096,518	10,353,187	9,221,187	9,228,518
<b>Total Assets</b>	<u>\$ 8,305,350</u>	<u>\$ 71,806,905</u>	<u>\$ 70,883,737</u>	<u>\$ 9,228,518</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,305,350	\$ 51,102,862	\$ 50,179,694	\$ 9,228,518
<b>Total Liabilities</b>	<u>\$ 8,305,350</u>	<u>\$ 51,102,862</u>	<u>\$ 50,179,694</u>	<u>\$ 9,228,518</u>
<b>JUDICIARY SPECIAL CIVIL FUND</b>				
<b>Assets</b>				
Cash	\$ 85,603	\$ 56,681,071	\$ 56,536,708	\$ 229,966
Investments	2,848,966	12,927,141	13,077,140	2,698,967
Due from other funds	277,398	--	277,398	--
<b>Total Assets</b>	<u>\$ 3,211,967</u>	<u>\$ 69,608,212</u>	<u>\$ 69,891,246</u>	<u>\$ 2,928,933</u>
<b>Liabilities</b>				
Accounts payable	\$ 3,211,967	\$ 42,616,390	\$ 42,899,424	\$ 2,928,933
<b>Total Liabilities</b>	<u>\$ 3,211,967</u>	<u>\$ 42,616,390</u>	<u>\$ 42,899,424</u>	<u>\$ 2,928,933</u>
<b>LUXURY TAX DEVELOPMENT FUND</b>				
<b>Assets</b>				
Cash	\$ 13,466	\$ 90,784	\$ 71,373	\$ 32,877
Investments	1,620,908	28,655	60,000	1,589,563
Receivables, net - departmental	--	15,391	15,391	--
Receivables, net - other	15,391	--	15,391	--
<b>Total Assets</b>	<u>\$ 1,649,765</u>	<u>\$ 134,830</u>	<u>\$ 162,155</u>	<u>\$ 1,622,440</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,649,765	\$ 72,703	\$ 100,028	\$ 1,622,440
<b>Total Liabilities</b>	<u>\$ 1,649,765</u>	<u>\$ 72,703</u>	<u>\$ 100,028</u>	<u>\$ 1,622,440</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
<b>PENSION ADJUSTMENT FUND</b>				
<b>Assets</b>				
Cash	\$ 25,509	\$ 11,002,464	\$ 10,895,849	\$ 132,124
Investments	3,873,852	14,881,624	14,652,825	4,102,651
Receivables, net - other	3,040,347	13,470,070	13,730,886	2,779,531
Due from other funds	357,661	132,544	466,742	23,463
<b>Total Assets</b>	<u>\$ 7,297,369</u>	<u>\$ 39,486,702</u>	<u>\$ 39,746,302</u>	<u>\$ 7,037,769</u>
<b>Liabilities</b>				
Accounts payable	\$ 3,844,137	\$ --	\$ 36,569	\$ 3,807,568
Due to other funds	3,453,232	24,509,252	24,732,283	3,230,201
<b>Total Liabilities</b>	<u>\$ 7,297,369</u>	<u>\$ 24,509,252</u>	<u>\$ 24,768,852</u>	<u>\$ 7,037,769</u>

**RESOURCE RECOVERY INVESTMENT  
TAX FUND**

<b>Assets</b>				
Cash	\$ 100,299	\$ 222	\$ 222	\$ 100,299
Investments	383,035	7,084	359	389,760
<b>Total Assets</b>	<u>\$ 483,334</u>	<u>\$ 7,306</u>	<u>\$ 581</u>	<u>\$ 490,059</u>
<b>Liabilities</b>				
Accounts payable	\$ 483,334	\$ 6,725	\$ --	\$ 490,059
<b>Total Liabilities</b>	<u>\$ 483,334</u>	<u>\$ 6,725</u>	<u>\$ --</u>	<u>\$ 490,059</u>

**SOLID WASTE SERVICE TAX FUND**

<b>Assets</b>				
Cash	\$ 78,172	\$ 12,453,745	\$ 12,524,984	\$ 6,933
Investments	8,322,455	3,272,305	2,200,000	9,394,760
Receivables, net - departmental	--	374,932	--	374,932
<b>Total Assets</b>	<u>\$ 8,400,627</u>	<u>\$ 16,100,982</u>	<u>\$ 14,724,984</u>	<u>\$ 9,776,625</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,400,627	\$ 9,431,189	\$ 8,055,191	\$ 9,776,625
<b>Total Liabilities</b>	<u>\$ 8,400,627</u>	<u>\$ 9,431,189</u>	<u>\$ 8,055,191</u>	<u>\$ 9,776,625</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
<b>TOURISM IMPROVEMENT AND DEVELOPMENT FUND</b>				
<b>Assets</b>				
Cash	\$ --	\$ 6,617,083	\$ 6,572,364	\$ 44,719
Investments	202,200	2,076,669	2,264,259	14,610
Receivables, net - departmental	602,326	174,325	602,326	174,325
<b>Total Assets</b>	<b>\$ 804,526</b>	<b>\$ 8,868,077</b>	<b>\$ 9,438,949</b>	<b>\$ 233,654</b>
<b>Liabilities</b>				
Accounts payable	\$ 740,267	\$ 7,432,626	\$ 8,004,879	\$ 168,014
Due to other funds	64,259	129,899	128,518	65,640
<b>Total Liabilities</b>	<b>\$ 804,526</b>	<b>\$ 7,562,525</b>	<b>\$ 8,133,397</b>	<b>\$ 233,654</b>
<b>WAGE AND HOUR TRUST FUND</b>				
<b>Assets</b>				
Cash	\$ 530,572	\$ 5,761,752	\$ 5,442,930	\$ 849,394
Investments	1,043,688	68,203	--	1,111,891
<b>Total Assets</b>	<b>\$ 1,574,260</b>	<b>\$ 5,829,955</b>	<b>\$ 5,442,930</b>	<b>\$ 1,961,285</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,418,711	\$ 5,761,751	\$ 5,387,311	\$ 1,793,151
Due to other funds	155,549	18,204	5,619	168,134
<b>Total Liabilities</b>	<b>\$ 1,574,260</b>	<b>\$ 5,779,955</b>	<b>\$ 5,392,930</b>	<b>\$ 1,961,285</b>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$ 3,782,649	\$ 2,577,512,180	\$ 2,576,501,208	\$ 4,793,621
Investments	94,901,592	355,813,180	356,213,919	94,500,853
Receivables, net - departmental	602,326	564,648	617,717	549,257
Receivables, net - other	5,273,959	13,498,240	15,922,676	2,849,523
Due from other funds	9,962,833	5,224,092	10,071,914	5,115,011
<b>Total Assets</b>	<b>\$ 114,523,359</b>	<b>\$ 2,952,612,340</b>	<b>\$ 2,959,327,434</b>	<b>\$ 107,808,265</b>
<b>Liabilities</b>				
Accounts payable	\$ 108,184,673	\$ 1,868,275,300	\$ 1,873,912,629	\$ 102,547,344
Due to other funds	6,338,686	28,392,031	29,469,796	5,260,921
<b>Total Liabilities</b>	<b>\$ 114,523,359</b>	<b>\$ 1,896,667,331</b>	<b>\$ 1,903,382,425</b>	<b>\$ 107,808,265</b>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
JUNE 30, 2003**

	<b>Alternate Benefit Long-Term Disability Fund</b>	<b>Central Pension Fund</b>	<b>Consolidated Police and Firemen's Pension Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ --	\$ 5,519	\$ 96,668
Investments	2,788,753	9,924	18,448,448
Receivables, net of allowances for uncollectibles			
Members	--	--	--
Employers	--	--	--
Other	130,569	22,008	156,088
Due from other funds	--	2,569	2,853,659
<b>Total Assets</b>	<b>2,919,322</b>	<b>40,020</b>	<b>21,554,863</b>
<b>LIABILITIES</b>			
Accounts payable	--	13	--
Benefits payable	--	35,290	1,488,661
Due to other funds	--	4,717	35,592
<b>Total Liabilities</b>	<b>--</b>	<b>40,020</b>	<b>1,524,253</b>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 2,919,322</u>	<u>\$ --</u>	<u>\$ 20,030,610</u>

<u>Judicial Retirement Fund</u>	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Police and Firemen's Retirement System</u>
\$ 59,056	\$ 340,818	\$ --
299,407,454	1,139,401,459	14,079,822,504
549,415	110,014	513,367,335
--	--	256,931,014
1,419,864	3,600,035	107,656,247
67,924	--	2,343,505
<u>301,503,713</u>	<u>1,143,452,326</u>	<u>14,960,120,605</u>
12,745	358,728	5,438,092
2,003,786	6,773,476	72,724,427
89,124	--	2,002,495
<u>2,105,655</u>	<u>7,132,204</u>	<u>80,165,014</u>
<u>\$ 299,398,058</u>	<u>\$ 1,136,320,122</u>	<u>\$ 14,879,955,591</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**JUNE 30, 2003**

	<u>Prison Officers' Pension Fund</u>	<u>Public Employees' Retirement System</u>	<u>State Police Retirement System</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 52,363	\$ --	\$ --
Investments	17,170,028	20,382,922,675	1,512,709,890
Receivables, net of allowances for uncollectibles			
Members	--	491,891,619	31,719,632
Employers	--	100,372,530	--
Other	178,316	121,221,137	7,380,519
Due from other funds	<u>104,370</u>	<u>6,920,146</u>	<u>894,140</u>
<b>Total Assets</b>	<u>17,505,077</u>	<u>21,103,328,107</u>	<u>1,552,704,181</u>
<b>LIABILITIES</b>			
Accounts payable	230	23,034,859	120,103
Benefits payable	223,887	115,112,160	6,627,843
Due to other funds	<u>3,007</u>	<u>3,689,974</u>	<u>217,370</u>
<b>Total Liabilities</b>	<u>227,124</u>	<u>141,836,993</u>	<u>6,965,316</u>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 17,277,953</u>	<u>\$ 20,961,491,114</u>	<u>\$ 1,545,738,865</u>

<b>Supplemental Annuity Collective Trust</b>	<b>Teachers' Pension and Annuity Fund</b>	<b>Total Pension and Other Employee Benefits Trust Funds</b>
\$ --	\$ 3,087,365	\$ 3,641,789
128,726,528	26,194,534,763	63,775,942,426
449,291	305,766,802	1,343,854,108
--	55,544,914	412,848,458
2,647,542	144,472,919	388,885,244
34,665	229,790	13,450,768
<u>131,858,026</u>	<u>26,703,636,553</u>	<u>65,938,622,793</u>
2,310,624	12,184,148	43,459,542
774,319	138,833,398	344,597,247
6,162	3,458,511	9,506,952
<u>3,091,105</u>	<u>154,476,057</u>	<u>397,563,741</u>
<u>\$ 128,766,921</u>	<u>\$ 26,549,160,496</u>	<u>\$ 65,541,059,052</u>

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Alternate Benefit Long-Term Disability Fund</b>	<b>Central Pension Fund</b>	<b>Consolidated Police and Firemen's Pension Fund</b>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ --	\$ --	\$ --
Employers	1,200,000	393,692	2,776,011
Other	--	30,290	11,045,283
<b>Total Contributions</b>	<b>1,200,000</b>	<b>423,982</b>	<b>13,821,294</b>
Investment Income:			
Net increase (decrease) in fair value of investments	(10,572 )	(23 )	(182,817 )
Interest and dividends	79,898	978	573,294
<b>Total Investment Income</b>	<b>69,326</b>	<b>955</b>	<b>390,477</b>
Less investment expense	--	--	11,385
<b>Net Investment Income</b>	<b>69,326</b>	<b>955</b>	<b>379,092</b>
<b>Total Additions</b>	<b>1,269,326</b>	<b>424,937</b>	<b>14,200,386</b>
<b>DEDUCTIONS</b>			
Benefit payments	1,661,335	420,483	18,664,638
Refunds of contributions	--	4,454	--
Administrative expense	--	--	49,980
<b>Total Deductions</b>	<b>1,661,335</b>	<b>424,937</b>	<b>18,714,618</b>
Total Changes in Net Assets Held In Trust	(392,009 )	--	(4,514,232 )
<b>Net Assets - July 1, 2002</b>	<b>3,311,331</b>	<b>--</b>	<b>24,544,842</b>
<b>Net Assets - June 30, 2003</b>	<b>\$ 2,919,322</b>	<b>\$ --</b>	<b>\$ 20,030,610</b>

<b>Judicial Retirement Fund</b>	<b>New Jersey State Employees' Deferred Compensation Plan</b>	<b>Police and Firemen's Retirement System</b>
\$ 2,578,620	\$ 127,006,020	\$ 252,281,888
9,065,435	--	--
--	--	--
<u>11,644,055</u>	<u>127,006,020</u>	<u>252,281,888</u>
(951,113 )	(1,078,920 )	(25,962,866 )
<u>8,673,932</u>	<u>24,249,323</u>	<u>457,423,986</u>
7,722,819	23,170,403	431,461,120
<u>22,371</u>	<u>161,087</u>	<u>1,220,700</u>
<u>7,700,448</u>	<u>23,009,316</u>	<u>430,240,420</u>
<u>19,344,503</u>	<u>150,015,336</u>	<u>682,522,308</u>
25,551,000	61,619,829	916,882,474
128,278	--	86,701,084
<u>43,207</u>	<u>662,851</u>	<u>4,027,519</u>
<u>25,722,485</u>	<u>62,282,680</u>	<u>1,007,611,077</u>
(6,377,982 )	87,732,656	(325,088,769 )
<u>305,776,040</u>	<u>1,048,587,466</u>	<u>15,205,044,360</u>
<u>\$ 299,398,058</u>	<u>\$ 1,136,320,122</u>	<u>\$ 14,879,955,591</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>Prison Officers' Pension Fund</b>	<b>Public Employees' Retirement System</b>	<b>State Police Retirement System</b>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ --	\$ 354,900,256	\$ 14,198,794
Employers	--	70,817,688	193,099
Other	1,293,665	4,614	69
<b>Total Contributions</b>	<b>1,293,665</b>	<b>425,722,558</b>	<b>14,391,962</b>
Investment Income:			
Net increase (decrease) in fair value of investments	134,270	37,974,850	3,858,584
Interest and dividends	798,180	684,648,838	44,686,909
<b>Total Investment Income</b>	<b>932,450</b>	<b>722,623,688</b>	<b>48,545,493</b>
Less investment expense	2,193	4,660,022	115,153
<b>Net Investment Income</b>	<b>930,257</b>	<b>717,963,666</b>	<b>48,430,340</b>
<b>Total Additions</b>	<b>2,223,922</b>	<b>1,143,686,224</b>	<b>62,822,302</b>
<b>DEDUCTIONS</b>			
Benefit payments	2,843,716	1,647,607,309	82,072,319
Refunds of contributions	--	67,253,681	29,060
Administrative expense	10,705	19,581,136	283,307
<b>Total Deductions</b>	<b>2,854,421</b>	<b>1,734,442,126</b>	<b>82,384,686</b>
<b>Total Changes in Net Assets Held In Trust</b>	<b>(630,499 )</b>	<b>(590,755,902 )</b>	<b>(19,562,384 )</b>
<b>Net Assets - July 1, 2002</b>	<b>17,908,452</b>	<b>21,552,247,016</b>	<b>1,565,301,249</b>
<b>Net Assets - June 30, 2003</b>	<b>\$ 17,277,953</b>	<b>\$ 20,961,491,114</b>	<b>\$ 1,545,738,865</b>

<b>Supplemental Annuity Collective Trust</b>	<b>Teachers' Pension and Annuity Fund</b>	<b>Total Pension and Other Employee Benefits Trust Funds</b>
\$ 7,803,771	\$ 303,570,787	\$ 1,062,340,136
--	301,342,962	385,788,887
--	1,071	12,374,992
<u>7,803,771</u>	<u>604,914,820</u>	<u>1,460,504,015</u>
(4,376,793 )	7,358,286	16,762,886
<u>2,383,760</u>	<u>782,892,516</u>	<u>2,006,411,614</u>
(1,993,033 )	790,250,802	2,023,174,500
--	3,059,905	9,252,816
<u>(1,993,033 )</u>	<u>787,190,897</u>	<u>2,013,921,684</u>
<u>5,810,738</u>	<u>1,392,105,717</u>	<u>3,474,425,699</u>
--	2,065,315,692	4,822,638,795
17,858,219	25,877,665	197,852,441
--	9,886,705	34,545,410
<u>17,858,219</u>	<u>2,101,080,062</u>	<u>5,055,036,646</u>
(12,047,481 )	(708,974,345 )	(1,580,610,947 )
<u>140,814,402</u>	<u>27,258,134,841</u>	<u>67,121,669,999</u>
<u>\$ 128,766,921</u>	<u>\$ 26,549,160,496</u>	<u>\$ 65,541,059,052</u>

**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2003**

	<b>Insurance Annuity Trust Fund</b>	<b>Motor Vehicle Security Responsibility Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 100	\$ 20,417
Investments	86,470	238,799
<b>Total Assets</b>	<b>86,570</b>	<b>259,216</b>
<b>LIABILITIES</b>		
Accounts payable	--	254,875
Due to other funds	--	4,242
<b>Total Liabilities</b>	<b>--</b>	<b>259,117</b>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits and Other Purposes	<b>\$ 86,570</b>	<b>\$ 99</b>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ --	\$ 32,297	\$ 52,814
<u>7,366,580</u>	<u>1,982,824</u>	<u>9,674,673</u>
<u>7,366,580</u>	<u>2,015,121</u>	<u>9,727,487</u>
1,695,331	--	1,950,206
<u>2,253,959</u>	<u>35,224</u>	<u>2,293,425</u>
<u>3,949,290</u>	<u>35,224</u>	<u>4,243,631</u>
<u><u>\$ 3,417,290</u></u>	<u><u>\$ 1,979,897</u></u>	<u><u>\$ 5,483,856</u></u>



**STATE OF NEW JERSEY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
<b>ADDITIONS</b>		
Investment Income:		
Interest and dividends	\$ 1,411	\$ 4,242
Total Investment Income	1,411	4,242
Miscellaneous	6,000	--
<b>Total Additions</b>	<b>7,411</b>	<b>4,242</b>
<b>DEDUCTIONS</b>		
Refunds and transfers to other systems	--	4,242
Payments in accordance with trust agreements	--	--
<b>Total Deductions</b>	<b>--</b>	<b>4,242</b>
Total Changes in Net Assets Held In Trust	7,411	--
<b>Net Assets - July 1, 2002</b>	<b>79,159</b>	<b>99</b>
<b>Net Assets - June 30, 2003</b>	<b>\$ 86,570</b>	<b>\$ 99</b>

<b>Unclaimed County Deposits Trust Fund</b>	<b>Unclaimed Insurance Payments on Deposit Accounts Fund</b>	<b>Total Private Purpose Trust Funds</b>
\$ 121,146	\$ 35,224	\$ 162,023
121,146	35,224	162,023
256,411	4,250	266,661
377,557	39,474	428,684
--	35,225	39,467
119,999	1,404	121,403
119,999	36,629	160,870
257,558	2,845	267,814
3,159,732	1,977,052	5,216,042
<u>\$ 3,417,290</u>	<u>\$ 1,979,897</u>	<u>\$ 5,483,856</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR COMPONENT UNITS - AUTHORITIES  
JUNE 30, 2003**

	<u>Casino Reinvestment Development Authority</u>	<u>Higher Education Student Assistance Authority</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,011,531	\$ 26,175,381
Investments	90,631,756	573,707,724
Receivables, net of allowances for uncollectibles		
Federal government	--	15,288,070
Loans	--	471,183,111
Mortgages	103,174,091	--
Other	23,055,910	10,808,055
Due from external parties	--	2,131,290
Due from primary government	--	--
Inventories	--	--
Other	21,915,632	5,489,744
<b>Noncurrent Assets</b>		
Fixed assets, net	97,615,111	816,555
<b>Total Assets</b>	<u>337,404,031</u>	<u>1,105,599,930</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	1,259,416	--
Due to external parties	--	--
Due to primary government	--	1,957,945
Due to component units	--	5,164,101
Interest payable	2,423,325	3,269,439
Deferred revenue	--	--
Other	--	8,972,052
<b>Noncurrent Liabilities</b>		
Due within one year	6,162,320	4,793,949
Due in more than one year	239,602,639	808,910,506
<b>Total Liabilities</b>	<u>249,447,700</u>	<u>833,067,992</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	155,876	--
<b>Restricted for:</b>		
Capital projects	--	--
Debt service	17,505,930	12,374,308
Other purposes	59,306,055	260,157,630
<b>Unrestricted</b>	<u>10,988,470</u>	<u>--</u>
<b>Total Net Assets</b>	<u>\$ 87,956,331</u>	<u>\$ 272,531,938</u>

New Jersey Commerce and Economic Growth Commission	New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority
\$ 760,319	\$ 70,785	\$ 45,213,584	\$ 87,696
5,727,461	1,524,448	496,903,531	5,248,667
--	--	--	--
2,676,393	--	--	--
--	--	--	--
--	1,658,299	1,347,011,177	750,924
920,387	--	--	8,923
--	--	--	--
9,010	7,923	--	--
134,431	1,500,511	5,977,647	73,832
184,078	--	119,259,945	175,491
<u>10,412,079</u>	<u>4,761,966</u>	<u>2,014,365,884</u>	<u>6,345,533</u>
1,329,616	33,916	1,640,975	145,925
--	--	--	--
--	290,000	--	--
--	--	--	--
--	--	20,106,398	--
2,624,160	--	1,113,073	--
811,976	--	125,441,233	--
646,695	--	86,553,610	--
--	--	1,229,137,662	606,600
<u>5,412,447</u>	<u>323,916</u>	<u>1,463,992,951</u>	<u>752,525</u>
184,078	--	46,874,869	--
--	--	--	--
--	--	--	--
2,676,393	--	79,990,745	--
2,139,161	4,438,050	423,507,319	5,593,008
<u>\$ 4,999,632</u>	<u>\$ 4,438,050</u>	<u>\$ 550,372,933</u>	<u>\$ 5,593,008</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2003**

	<u>New Jersey Environmental Infrastructure Trust</u>	<u>New Jersey Health Care Facilities Financing Authority</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,184,519	\$ 62,000
Investments	523,189,711	1,749,000
Receivables, net of allowances for uncollectibles		
Federal government	--	--
Loans	643,055,611	--
Mortgages	--	--
Other	--	1,448,000
Due from external parties	--	--
Due from primary government	--	--
Inventories	--	--
Other	27,562,569	163,000
<b>Noncurrent Assets</b>		
Fixed assets, net	47,338	71,000
<b>Total Assets</b>	<u>1,200,039,748</u>	<u>3,493,000</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	13,287,312	264,000
Due to external parties	--	--
Due to primary government	--	--
Due to component units	--	--
Interest payable	--	--
Deferred revenue	--	--
Other	--	--
<b>Noncurrent Liabilities</b>		
Due within one year	60,020,000	--
Due in more than one year	856,469,861	166,000
<b>Total Liabilities</b>	<u>929,777,173</u>	<u>430,000</u>
<b>NET ASSETS</b>		
<b>Invested in capital assets, net of related debt</b>	--	--
<b>Restricted for:</b>		
Capital projects	--	--
Debt service	207,539,403	--
Other purposes	50,318,950	--
<b>Unrestricted</b>	<u>12,404,222</u>	<u>3,063,000</u>
<b>Total Net Assets</b>	<u>\$ 270,262,575</u>	<u>\$ 3,063,000</u>

<b>New Jersey Highway Authority</b>	<b>New Jersey Housing and Mortgage Finance Agency</b>	<b>New Jersey Meadowlands Commission</b>	<b>New Jersey Redevelopment Authority</b>
\$ 7,076,635	\$ 11,704,000	\$ 3,698,115	\$ 52,056
349,729,357	1,374,776,000	119,874,420	28,057,181
--	--	--	--
--	121,640,000	--	12,860,640
--	2,008,929,000	--	--
3,673,173	15,777,000	7,940,192	--
--	7,218,000	--	--
--	--	--	--
1,496,363	--	--	--
10,099,904	29,613,000	--	17,692,370
<u>756,895,472</u>	<u>15,194,000</u>	<u>16,681,382</u>	<u>98,453</u>
<u>1,128,970,904</u>	<u>3,584,851,000</u>	<u>148,194,109</u>	<u>58,760,700</u>
82,974,113	--	5,529,399	98,157
--	17,168,000	--	22,436,559
--	24,075,000	--	--
--	--	6,116,392	--
15,850,359	23,567,000	--	--
4,909,202	--	--	--
1,652,775	197,294,000	--	228,987
22,940,000	202,983,000	50,000,000	--
608,108,113	2,393,173,000	50,045,532	--
<u>736,434,562</u>	<u>2,858,260,000</u>	<u>111,691,323</u>	<u>22,763,703</u>
129,154,976	15,194,000	16,681,382	98,453
--	--	--	--
86,803,688	218,378,000	--	24,523,825
41,793,298	257,859,000	8,272,454	--
134,784,380	235,160,000	11,548,950	11,374,719
<u>\$ 392,536,342</u>	<u>\$ 726,591,000</u>	<u>\$ 36,502,786</u>	<u>\$ 35,996,997</u>

(Continued on next page)

**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - AUTHORITIES**  
**JUNE 30, 2003**

	New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 16,475,000	\$ 1,566,759
Investments	154,101,000	38,287,919
Receivables, net of allowances for uncollectibles		
Federal government	--	--
Loans	--	--
Mortgages	--	--
Other	760,000	3,004,005
Due from external parties	7,754,000	--
Due from primary government	19,416,000	--
Inventories	--	170,870
Other	45,379,000	20,146,610
<b>Noncurrent Assets</b>		
Fixed assets, net	982,880,000	152,235,806
<b>Total Assets</b>	1,226,765,000	215,411,969
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	48,254,000	2,173,972
Due to external parties	--	--
Due to primary government	--	--
Due to component units	--	--
Interest payable	22,438,000	--
Deferred revenue	21,436,000	2,541,487
Other	31,131,000	--
<b>Noncurrent Liabilities</b>		
Due within one year	39,668,000	4,362,368
Due in more than one year	944,488,000	111,894,803
<b>Total Liabilities</b>	1,107,415,000	120,972,630
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	37,592,000	35,978,635
<b>Restricted for:</b>		
Capital projects	--	--
Debt service	27,162,000	11,721,789
Other purposes	--	--
<b>Unrestricted</b>	54,596,000	46,738,915
<b>Total Net Assets</b>	\$ 119,350,000	\$ 94,439,339

<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>Tobacco Settlement Financing Corporation</u>	<u>Total Non-Major Authorities</u>
\$ 43,840,011	\$ 66,135,176	\$ 3,892,000	\$ 234,005,567
12,325,483	20,182,674	1,974,024,000	5,770,040,332
--	840,910	--	16,128,980
--	--	--	1,251,415,755
--	--	--	2,112,103,091
2,769,331	2,674,007	1,518,000	1,422,848,073
3,731,955	--	--	21,764,555
407,082	--	--	19,823,082
--	45,946	--	1,730,112
845,769	6,615,985	32,058,000	225,268,004
101,005,711	481,509,576	--	2,724,669,918
164,925,342	578,004,274	2,011,492,000	13,799,797,469
1,328,754	18,892,023	41,899,000	219,110,578
5,733,217	208,334	--	45,546,110
--	--	1,487,327,000	1,513,649,945
--	--	--	11,280,493
475,290	1,865,710	--	89,995,521
342,960	2,689,280	--	35,656,162
--	5,701,878	--	371,233,901
508,483	3,880,546	--	482,518,971
123,125,000	215,575,690	3,345,107,000	10,926,410,406
131,513,704	248,813,461	4,874,333,000	13,695,402,087
13,906,825	280,444,467	--	576,265,561
--	20,678,093	--	20,678,093
9,598,993	15,253,129	491,834,000	1,122,695,065
419,000	--	--	760,793,525
9,486,820	12,815,124	(3,354,675,000 )	(2,376,036,862 )
<u>\$ 33,411,638</u>	<u>\$ 329,190,813</u>	<u>\$ (2,862,841,000 )</u>	<u>\$ 104,395,382</u>



**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES  
NON-MAJOR COMPONENT UNITS - AUTHORITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Casino Reinvestment Development Authority</u>	<u>Higher Education Student Assistance Authority</u>
<b>Expenses</b>	\$ 49,317,769	\$ 135,329,222
<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Program Revenues</b>		
Charges for services	--	68,750,948
Operating grants and contributions	31,728,613	37,080,823
Capital grants and contributions	--	87,218,168
<b>Net (Expense) Revenue</b>	<u>(17,589,156 )</u>	<u>57,720,717</u>
<b>General Revenue</b>		
Payments from state	--	19,905,143
<b>Total General Revenue</b>	<u>--</u>	<u>19,905,143</u>
<b>Change in Net Assets</b>	(17,589,156 )	77,625,860
<b>Net Assets - Beginning of Year</b>	<u>105,545,487</u>	<u>194,906,078</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 87,956,331</u></u>	<u><u>\$ 272,531,938</u></u>

<b>New Jersey Commerce and Economic Growth Commission</b>	<b>New Jersey Development Authority for Small Businesses, Minorities', and Women's Enterprises</b>	<b>New Jersey Economic Development Authority</b>	<b>New Jersey Educational Facilities Authority</b>
\$ 23,620,858	\$ 568,685	\$ 120,979,059	\$ 6,256,085
2,136,473	141,573	3,010,805	3,155,362
1,468,447	249,975	106,986,674	--
--	--	--	--
<u>(20,015,938 )</u>	<u>(177,137 )</u>	<u>(10,981,580 )</u>	<u>(3,100,723 )</u>
20,927,471	--	(557,237,984 )	--
<u>20,927,471</u>	<u>--</u>	<u>(557,237,984 )</u>	<u>--</u>
911,533	(177,137 )	(568,219,564 )	(3,100,723 )
4,088,099	4,615,187	1,118,592,497	8,693,731
<u>\$ 4,999,632</u>	<u>\$ 4,438,050</u>	<u>\$ 550,372,933</u>	<u>\$ 5,593,008</u>

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**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF ACTIVITIES (Continued)  
 NON-MAJOR COMPONENT UNITS - AUTHORITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>New Jersey Environmental Infrastructure Trust</b>	<b>New Jersey Health Care Facilities Financing Authority</b>
<b>Expenses</b>	\$ 44,716,480	\$ 19,212,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Program Revenues</b>		
Charges for services	3,773,156	2,624,000
Operating grants and contributions	46,179,631	310,000
Capital grants and contributions	--	--
	<b>5,236,307</b>	<b>(16,278,000 )</b>
<b>General Revenue</b>		
Payments from state	15,188,387	--
	<b>15,188,387</b>	<b>--</b>
	20,424,694	(16,278,000 )
<b>Change in Net Assets</b>		
<b>Net Assets - Beginning of Year</b>	<b>249,837,881</b>	<b>19,341,000</b>
<b>Net Assets - End of Year</b>	<b>\$ 270,262,575</b>	<b>\$ 3,063,000</b>

<b>New Jersey Highway Authority</b>	<b>New Jersey Housing and Mortgage Finance Agency</b>	<b>New Jersey Meadowlands Commission</b>	<b>New Jersey Redevelopment Authority</b>
\$ 209,671,264	\$ 224,434,000	\$ 33,668,637	\$ 19,609,927
224,764,067	23,275,000	31,355,594	1,342,869
14,585,477	199,448,000	--	876,483
5,441,596	--	--	--
35,119,876	(1,711,000 )	(2,313,043 )	(17,390,575 )
--	--	--	547,500
--	--	--	547,500
35,119,876	(1,711,000 )	(2,313,043 )	(16,843,075 )
357,416,466	728,302,000	38,815,829	52,840,072
<u>\$ 392,536,342</u>	<u>\$ 726,591,000</u>	<u>\$ 36,502,786</u>	<u>\$ 35,996,997</u>

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**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF ACTIVITIES (Continued)  
 NON-MAJOR COMPONENT UNITS - AUTHORITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>New Jersey Sports and Exposition Authority</u>	<u>New Jersey Water Supply Authority</u>
<b>Expenses</b>	\$ 344,474,000	\$ 21,874,070
<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Program Revenues</b>		
Charges for services	271,048,000	21,099,713
Operating grants and contributions	19,423,000	836,104
Capital grants and contributions	16,625,000	--
<b>Net (Expense) Revenue</b>	<u>(37,378,000 )</u>	<u>61,747</u>
<b>General Revenue</b>		
Payments from state	<u>35,467,000</u>	<u>--</u>
<b>Total General Revenue</b>	<u>35,467,000</u>	<u>--</u>
<b>Change in Net Assets</b>	(1,911,000 )	61,747
<b>Net Assets - Beginning of Year</b>	<u>121,261,000</u>	<u>94,377,592</u>
<b>Net Assets - End of Year</b>	<u>\$ 119,350,000</u>	<u>\$ 94,439,339</u>

<b>South Jersey Port Corporation</b>	<b>South Jersey Transportation Authority</b>	<b>Tobacco Settlement Financing Corporation</b>	<b>Total Non-Major Authorities</b>
\$ 25,027,146	\$ 70,724,254	\$ 2,875,076,000	\$ 4,224,559,456
16,992,953	58,937,158	--	732,407,671
5,538,905	5,071,004	12,235,000	482,018,136
880,321	15,156,957	--	125,322,042
<u>(1,614,967 )</u>	<u>8,440,865</u>	<u>(2,862,841,000 )</u>	<u>(2,884,811,607 )</u>
--	--	--	(465,202,483 )
--	--	--	(465,202,483 )
(1,614,967 )	8,440,865	(2,862,841,000 )	(3,350,014,090 )
35,026,605	320,749,948	--	3,454,409,472
<u>\$ 33,411,638</u>	<u>\$ 329,190,813</u>	<u>\$ (2,862,841,000 )</u>	<u>\$ 104,395,382</u>

**STATE OF NEW JERSEY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
JUNE 30, 2003**

	<b>The College of New Jersey</b>	<b>Thomas Edison State College</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ --	\$ 675,065
Investments	223,933,000	25,568,520
Receivables, net of allowances for uncollectibles		
Federal government	--	318,756
Loans	4,189,000	--
Other	1,923,000	1,841,069
Due from external parties	1,908,000	--
Due from primary government	830,000	420,540
Inventories	--	--
Other	9,621,000	41,548
<b>Noncurrent Assets</b>		
Fixed assets, net	377,145,000	32,351,550
<b>Total Assets</b>	<b>619,549,000</b>	<b>61,217,048</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	11,865,000	2,121,161
Due to external parties	45,000	477,718
Due to primary government	--	--
Interest payable	3,217,000	--
Deferred revenue	--	6,033,490
Other	--	--
<b>Noncurrent Liabilities</b>		
Due within one year	5,346,000	1,207,482
Due in more than one year	352,465,000	353,937
<b>Total Liabilities</b>	<b>372,938,000</b>	<b>10,193,788</b>
<b>NET ASSETS</b>		
<b>Invested in capital assets, net of related debt</b>	190,881,000	32,039,207
<b>Restricted for:</b>		
Capital projects	19,341,000	--
Debt service	7,285,000	--
Other purposes	2,877,000	1,838,782
<b>Unrestricted</b>	<b>26,227,000</b>	<b>17,145,271</b>
<b>Total Net Assets</b>	<b>\$ 246,611,000</b>	<b>\$ 51,023,260</b>

<u>Kean University</u>	<u>Montclair State University</u>	<u>New Jersey City University</u>
\$ 19,469,000	\$ 9,797,784	\$ 4,558,676
26,573,000	111,238,579	87,422,251
1,426,000	239,541	490,244
1,049,000	3,199,669	783,548
--	3,818,612	2,771,838
3,124,000	--	--
1,907,000	1,218,544	1,060,628
--	--	--
931,000	4,030,251	1,483,304
<u>107,733,000</u>	<u>219,592,495</u>	<u>93,614,994</u>
<u>162,212,000</u>	<u>353,135,475</u>	<u>192,185,483</u>
13,335,000	16,398,094	9,935,766
--	--	--
--	--	126,871
--	2,027,162	1,240,861
3,655,000	7,356,392	2,290,488
78,000	427,133	--
4,628,000	6,072,053	3,261,968
<u>45,867,000</u>	<u>183,362,906</u>	<u>99,659,754</u>
<u>67,563,000</u>	<u>215,643,740</u>	<u>116,515,708</u>
61,377,000	82,015,594	41,548,356
4,364,000	5,183,845	3,036,159
7,089,000	9,120,774	3,815,914
1,754,000	3,983,897	4,147,246
<u>20,065,000</u>	<u>37,187,625</u>	<u>23,122,100</u>
<u>\$ 94,649,000</u>	<u>\$ 137,491,735</u>	<u>\$ 75,669,775</u>

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**STATE OF NEW JERSEY**  
**COMBINING STATEMENT OF NET ASSETS (Continued)**  
**NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**JUNE 30, 2003**

	<u>New Jersey Institute of Technology</u>	<u>The William Paterson University of New Jersey</u>	<u>Ramapo College of New Jersey</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 26,133,000	\$ 8,914,400	\$ 3,499,000
Investments	61,290,000	76,260,915	82,897,000
Receivables, net of allowances for uncollectibles			
Federal government	14,558,000	495,459	381,000
Loans	1,835,000	836,860	768,000
Other	14,207,000	1,490,385	--
Due from external parties	--	494,350	1,468,000
Due from primary government	--	620,642	184,000
Inventories	--	--	--
Other	2,975,000	1,341,441	--
<b>Noncurrent Assets</b>			
Fixed assets, net	228,561,000	180,104,009	143,438,000
<b>Total Assets</b>	<u>349,559,000</u>	<u>270,558,461</u>	<u>232,635,000</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	20,226,000	10,194,661	9,194,000
Due to external parties	762,000	--	--
Due to primary government	--	--	--
Interest payable	--	--	--
Deferred revenue	15,726,000	3,823,031	1,649,000
Other	--	--	--
<b>Noncurrent Liabilities</b>			
Due within one year	3,476,000	4,892,582	12,969,000
Due in more than one year	163,982,000	101,573,614	149,775,000
<b>Total Liabilities</b>	<u>204,172,000</u>	<u>120,483,888</u>	<u>173,587,000</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	73,651,000	109,720,984	35,108,000
<b>Restricted for:</b>			
Capital projects	--	6,313,818	75,000
Debt service	12,713,000	12,720,600	12,987,000
Other purposes	40,774,000	1,972,984	1,719,000
<b>Unrestricted</b>	<u>18,249,000</u>	<u>19,346,187</u>	<u>9,159,000</u>
<b>Total Net Assets</b>	<u>\$ 145,387,000</u>	<u>\$ 150,074,573</u>	<u>\$ 59,048,000</u>

<u>Rowan University</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
\$ 24,453,056	\$ 6,104,784	\$ 103,604,765
62,133,838	79,700,440	837,017,543
2,177,322	118,391	20,204,713
--	2,334,836	14,995,913
2,062,357	2,728,399	30,842,660
--	(390,310)	6,604,040
1,079,048	296,677	7,617,079
1,061,089	31,979	1,093,068
2,380,025	977,639	23,781,208
<u>205,953,809</u>	<u>92,530,391</u>	<u>1,681,024,248</u>
<u>301,300,544</u>	<u>184,433,226</u>	<u>2,726,785,237</u>
9,642,795	8,075,067	110,987,544
--	--	1,284,718
139,735	--	266,606
4,136,749	--	10,621,772
4,325,262	4,633,650	49,492,313
--	--	505,133
7,169,299	2,954,179	51,976,563
<u>167,417,097</u>	<u>61,372,677</u>	<u>1,325,828,985</u>
<u>192,830,937</u>	<u>77,035,573</u>	<u>1,550,963,634</u>
65,426,497	42,125,298	733,892,936
3,335,066	455,242	42,104,130
17,523,956	9,088,459	92,343,703
4,129,794	14,776,238	77,972,941
<u>18,054,294</u>	<u>40,952,416</u>	<u>229,507,893</u>
<u>\$ 108,469,607</u>	<u>\$ 107,397,653</u>	<u>\$ 1,175,821,603</u>

**STATE OF NEW JERSEY  
 COMBINING STATEMENT OF ACTIVITIES  
 NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>The College of New Jersey</u>	<u>Thomas Edison State College</u>
<b>Expenses</b>	\$ 128,906,000	\$ 50,506,549
<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Program Revenues</b>		
Charges for services	65,253,000	15,767,160
Operating grants and contributions	21,735,000	23,166,921
Capital grants and contributions	19,918,000	49,310
	<u>(22,000,000 )</u>	<u>(11,523,158 )</u>
<b>Net (Expense) Revenue</b>		
<b>General Revenue</b>		
Payments from state	<u>52,268,000</u>	<u>12,730,170</u>
<b>Total General Revenue</b>	<u>52,268,000</u>	<u>12,730,170</u>
<b>Change in Net Assets</b>	30,268,000	1,207,012
<b>Net Assets - July 1, 2002</b>	<u>216,343,000</u>	<u>49,816,248</u>
<b>Net Assets - June 30, 2003</b>	<u>\$ 246,611,000</u>	<u>\$ 51,023,260</u>

<u>Kean University</u>	<u>Montclair State University</u>	<u>New Jersey City University</u>
\$ 130,618,000	\$ 158,644,047	\$ 93,236,170
61,950,000	77,056,538	36,240,526
24,633,000	24,147,197	21,925,397
--	11,395,705	201,338
<u>(44,035,000 )</u>	<u>(46,044,607 )</u>	<u>(34,868,909 )</u>
55,128,000	65,643,247	43,869,029
55,128,000	65,643,247	43,869,029
11,093,000	19,598,640	9,000,120
83,556,000	117,893,095	66,669,655
<u>\$ 94,649,000</u>	<u>\$ 137,491,735</u>	<u>\$ 75,669,775</u>

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**STATE OF NEW JERSEY  
COMBINING STATEMENT OF ACTIVITIES (Continued)  
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<b>New Jersey Institute of Technology</b>	<b>The William Paterson University of New Jersey</b>	<b>Ramapo College of New Jersey</b>
<b>Expenses</b>	\$ 194,564,000	\$ 128,096,414	\$ 82,517,000
<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Program Revenues</b>			
Charges for services	61,660,000	62,076,763	41,606,000
Operating grants and contributions	68,004,000	15,446,361	8,892,000
Capital grants and contributions	2,663,000	6,944,155	10,501,000
<b>Net (Expense) Revenue</b>	<u>(62,237,000 )</u>	<u>(43,629,135 )</u>	<u>(21,518,000 )</u>
<b>General Revenue</b>			
Payments from state	67,386,000	55,896,342	28,172,000
<b>Total General Revenue</b>	<u>67,386,000</u>	<u>55,896,342</u>	<u>28,172,000</u>
<b>Change in Net Assets</b>	5,149,000	12,267,207	6,654,000
<b>Net Assets - July 1, 2002</b>	<u>140,238,000</u>	<u>137,807,366</u>	<u>52,394,000</u>
<b>Net Assets - June 30, 2003</b>	<u><u>\$ 145,387,000</u></u>	<u><u>\$ 150,074,573</u></u>	<u><u>\$ 59,048,000</u></u>

<u>Rowan University</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
\$ 132,141,705	\$ 97,062,955	\$ 1,196,292,840
65,687,051	32,974,471	520,271,509
27,391,621	34,184,900	269,526,397
12,783,548	30,280	64,486,336
<u>(26,279,485 )</u>	<u>(29,873,304 )</u>	<u>(342,008,598 )</u>
<u>51,317,355</u>	<u>34,307,962</u>	<u>466,718,105</u>
<u>51,317,355</u>	<u>34,307,962</u>	<u>466,718,105</u>
25,037,870	4,434,658	124,709,507
<u>83,431,737</u>	<u>102,962,995</u>	<u>1,051,112,096</u>
<u>\$ 108,469,607</u>	<u>\$ 107,397,653</u>	<u>\$ 1,175,821,603</u>

**STATE OF NEW JERSEY  
DESCRIPTION OF FUNDS**

**Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)**  
**Special Revenue Fund**

Annual deposits of \$11 million are made to this Fund from annual collections of the Alcohol Beverage Excise Tax. The monies collected shall be dedicated as follows: 75 percent to alcohol rehabilitation, 15 percent to enforcement, and 10 percent to education.

Additionally, fees of \$40 paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs, are deposited into this Fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of drunk driving.

**Alternate Benefit Long-Term Disability Fund**  
**Pension Trust Fund**

This Fund was established on October 1, 1986. It is employer-funded for long-term disability. Benefits will be paid to those members of the Alternate Benefit Programs Fund who have been disabled for two years or more since October 1, 1986.

**Alternate Benefit Program Fund (N.J.S.A. 18A:66-167 et seq.)**  
**Agency Fund**

The Alternate Benefit Programs were established for full-time faculty members of public institutions of higher education. All eligible faculty members were permitted to transfer their interests in State retirement systems to these programs. Participants have the option to provide for their pensions through fixed or variable annuities purchased through various carriers as provided for in Chapter 92, P.L. 1995. The minimum contribution by employees is 5 percent of their base salary, and the State will contribute a flat rate of 8 percent of their base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Programs.

**Atlantic City Parking Fees Fund (P.L. 1993, c.159)**  
**Special Revenue Fund**

There is imposed by this law a \$2 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. These revenues are to be made available to the Casino Reinvestment Development Authority.

**Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)**  
**Special Revenue Fund**

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the convention center operating authority. Amounts expended by the convention center operating authority are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

**Beaches and Harbor Fund (P.L. 1977, c.208)**  
**Special Revenue Fund**

An amount of \$30 million was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

**Board of Bar Examiners (R. 1:27B1)**  
**Special Revenue Fund**

This Fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

**Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)**  
**Special Revenue Fund**

The purpose of this Fund is to finance life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

**Body Armor Replacement Fund (P.L. 1997, c.177)**  
**Special Revenue Fund**

The Body Armor Replacement Fund is a repository fund for monies provided pursuant to subsection (d) of R.S. 39:5-41 and shall be used exclusively for the purchase of body vests for law enforcement officers and correction officers.

**Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)**  
**Special Revenue Fund**

This Fund was established for the redevelopment and revitalization of the City of Trenton. The State has established a redevelopment corporation operating within the boundaries of the Trenton district, which will plan, coordinate, and promote the public and private development of that district in a manner which enhances the vitality of the Trenton area as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

**Casino Control Fund (N.J.S.A. 5:12-143)**  
**Special Revenue Fund**

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

**Casino Revenue Fund (N.J.S.A. 5:12-145)**  
**Special Revenue Fund**

The Casino Revenue Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables. Appropriations from this Fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.



**Casino Simulcasting Fund (P.L. 1992, c.19)**  
**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be used for services to benefit senior citizens.

**Casino Simulcasting Special Fund (P.L. 1992, c.19)**  
**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be disbursed to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

**Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)**  
**Special Revenue Fund**

The purpose of this Fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

**Central Pension Fund**  
**Pension Trust Fund**

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

**Clean Communities Account Fund (P.L. 1985, c.533)**  
**Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised portions of legislation affecting the Clean Communities Account Fund and the State Recycling Fund. Specifically, this legislation imposes a user fee on sales of litter-generating products to be credited to the Clean Communities Account Fund. Of the annual amount credited to the Fund, 25%, but not more than \$4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the Fund shall be used to provide grants to eligible municipalities for programs of litter pickup and removal; and shall also be used for a State program of litter pickup and removal and of enforcement of litter-related laws.

**Clean Waters Fund (P.L. 1976, c.92)**  
**Special Revenue Fund**

An amount of \$120 million was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

**Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)**  
**Pension Trust Fund**

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating counties and municipalities and one-third by the State.

**Correctional Facilities Construction Fund (P.L. 1982, c.120)**  
**Capital Projects Fund**

An amount of \$170 million was authorized for construction of new medium security prisons, a program of county assistance, and renovations and modifications to existing State facilities.

**Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)**  
**Capital Projects Fund**

An amount of \$198 million was authorized for State and county correctional facilities for planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment.

**Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)**  
**Special Revenue Fund**

An amount of \$100 million was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair, or rehabilitation of historic structures in the State (\$25 million); and for the purpose of providing for grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

**1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)**  
**Special Revenue Fund**

An amount of \$20 million was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

**1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)**  
**Special Revenue Fund**

Bonds authorized in the amount of \$20 million are to be provided for the acquisition and development rights of land by the State for recreation and conservation purposes.

**Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)**  
**Special Revenue Fund**

An act authorized the creation of a debt of the State of New Jersey by the issuance of State bonds in the aggregate principal amount of \$160 million for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the Developmental Disabilities Waiting List.

**Disciplinary Oversight Committee (R. 1:20-2)**  
**Special Revenue Fund**

This Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

**Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)**  
**Special Revenue Fund**

The Fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal and interest on the Market Transition Facility bonds.

**Dredging and Containment Facility Fund (P.L. 1996, c.70)**  
**Special Revenue Fund**

An amount of \$185 million was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million from bond proceeds was authorized for the purpose of dredging of navigation channels located in the port region.

**Drinking Water State Revolving Fund (P.L. 1998, c.84)**  
**Special Revenue Fund**

This Fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

**1996 Economic Development Site Fund (P.L. 1996, c.70)**  
**Special Revenue Fund**

An amount of \$20 million was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

**Emergency Flood Control Fund (P.L. 1978, c.78)**  
**Special Revenue Fund**

An amount of \$25 million was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

**Emergency Medical Technician Training Fund (P.L. 1992, c.143)**  
**Special Revenue Fund**

This Fund was established to annually reimburse any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

**Emergency Services Fund (N.J.S.A. 52:14E-5)**  
**Special Revenue Fund**

This Fund was established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

**Energy Conservation Fund (P.L. 1980, c.68)**  
**Capital Projects Fund**

An amount of \$50 million was authorized, of which \$3 million is for energy audits and \$47 million is for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

**Enterprise Zone Assistance Fund (P.L. 1983, c.303)**  
**Special Revenue Fund**

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment.

**1996 Environmental Cleanup Fund (P.L. 1996, c.70)**  
**Special Revenue Fund**

An amount of \$70 million was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by a discharge.

**1989 Farmland Preservation Fund (P.L. 1989, c.183)**  
**Special Revenue Fund**

An amount of \$50 million was authorized for the purpose of the preservation of farmland for agricultural use and production.

**1992 Farmland Preservation Fund (P.L. 1992, c.88)**  
**Special Revenue Fund**

An amount of \$50 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of the preservation of farmland for agricultural use and production.

**1995 Farmland Preservation Fund (P.L. 1995, c.204)**  
**Special Revenue Fund**

An amount of \$50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

**Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)**  
**Special Revenue Fund**

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian lands of the State, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1 ½ percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

**Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)**  
**Special Revenue Fund**

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

**Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)**  
**Special Revenue Fund**

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

**Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)**  
**Special Revenue Fund**

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

**Garden State Preservation Trust (P.L. 1999, c.152)**  
**Special Revenue Fund**

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. The constitutional amendment also granted the Garden State Preservation Trust with authorization to issue up to \$1 billion in bonds in order to help meet its legislative mandate. The Trust was placed within the Department of the Treasury but independent of its supervision or control.

**General Fund**

This Fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.

**Green Trust Fund (P.L. 1983, c.354)**  
**Special Revenue Fund**

An amount of \$83 million was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

**Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)**  
**Special Revenue Fund**

The Gubernatorial Elections Fund accounts for receipts from the one-dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

**Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)**  
**Special Revenue Fund**

An amount of \$100 million was authorized for the identification, cleanup, and removal of hazardous discharges.

**Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)**  
**Special Revenue Fund**

An amount of \$200 million was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

**Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)**  
**Special Revenue Fund**

This Fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

**Health Benefits Local Government Employers Program Fund (N.J.S.A. 52:14-17.25 et seq.)**  
**Proprietary Fund**

This program provides basic health services for employees of local governments. Employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ PLUS is a point of service plan and combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An employee or dependent is required to pay a small co-payment when visiting an HMO or NJ PLUS affiliated physician.

**Health Care Subsidy Fund (P.L. 1992, c.160)**  
**Special Revenue Fund**

This Fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey

Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

**Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)**  
**Special Revenue Fund**

The sum of \$45 million was appropriated from the Jobs, Education and Competitiveness Fund to the Higher Education Facility Renovation and Rehabilitation Fund to be used only for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities, and the New Jersey Institute of Technology.

**1992 Historic Preservation Fund (P.L. 1992, c.88)**  
**Special Revenue Fund**

An amount of \$25 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the historic preservation project cost for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

**1995 Historic Preservation Fund (P.L. 1995, c.204)**  
**Special Revenue Fund**

The purpose of this Fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

**Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)**  
**Special Revenue Fund**

There was appropriated \$3 million to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

**Horse Racing Injury Compensation Fund (P.L. 1995, c.329)**  
**Special Revenue Fund**

The purpose of this Fund is to provide workers' compensation coverage to employees in the thoroughbred and standard bred horse racing industries in New Jersey. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standard bred industries based on their respective experience rating.

**Housing Assistance Fund (P.L. 1968, c.127)**  
**Special Revenue Fund**

An amount of \$12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

**Human Services Facilities Construction Fund (P.L. 1984, c.157)**  
**Capital Projects Fund**

An amount of \$60 million was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

**Institutional Construction Fund (P.L. 1978, c.79)**  
**Capital Projects Fund**

An amount of \$100 million was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds were used for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

**Institutions Construction Fund (P.L. 1976, c.93)**  
**Capital Projects Fund**

An amount of \$80 million was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

**Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County, Docket No. L-081390-83)**  
**Private Purpose Trust Fund**

This Fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

**Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)**  
**Special Revenue Fund**

An amount of \$350 million was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

**Jobs, Science and Technology Fund (P.L. 1984, c.99)**  
**Special Revenue Fund**

An amount of \$90 million was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

**Judiciary Bail Fund (R.3:26)**  
**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.



**Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)**  
**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

**Judiciary Probation Fund (N.J.S.A. 2C:46-4)**  
**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

**Judicial Retirement System (N.J.S.A. 43:6A)**  
**Pension Trust Fund**

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

**Judiciary Special Civil Fund (R.6)**  
**Agency Fund**

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

**Korean Veterans' Memorial Fund (P.L. 1996, c.72)**  
**Special Revenue Fund**

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

**1996 Lake Restoration Fund (P.L. 1996, c.70)**  
**Special Revenue Fund**

An amount of \$5 million was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of nonpoint source or point source pollution.

**Legal Services Fund (P.L. 1996, c.52)**  
**Special Revenue Fund**

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers-Newark Law School, Rutgers-Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

**Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a(B))**  
**Agency Fund**

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in the City of Atlantic City.

**Luxury Tax Fund (N.J.S.A. 40:48-8.30a(B), (P.L. 1991, c.375)**  
**Special Revenue Fund**

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

**Medical Education Facilities Fund (P.L. 1977, c.235)**  
**Special Revenue Fund**

An amount of \$120 million was authorized to refinance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. The refinancing also provided substantial savings (\$25 million), which are available for the construction of other medical facilities.

**Mortgage Assistance Fund (P.L. 1976, c.94)**  
**Special Revenue Fund**

An amount of \$25 million was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

**Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)**  
**Private Purpose Trust Fund**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

**Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)**  
**Special Revenue Fund**

This Fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 75% reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated sales tax collections.

**Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)**  
**Special Revenue Fund**

Monies received from assessments levied against mutual insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual carrier is determined to be insolvent.

**Natural Resources Fund (P.L. 1980, c.70)**  
**Special Revenue Fund**

An amount of \$145 million was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

**New Home Warranty Security Fund (N.J.S.A. 46:3B-7)**  
**Special Revenue Fund**

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

**New Jersey Automobile Insurance Guaranty Fund (P.L. 1990, c.8)**  
**Special Revenue Fund**

This Fund is utilized exclusively for the purpose of satisfying the financial obligations of the New Jersey Automobile Full Insurance Underwriting Association. Monies are collected from the following sources: tax imposed on premiums earned by the New Jersey Automobile Full Insurance Underwriting Association; surtax imposed on automobile insurance premiums; a percentage of the surcharges collected by the Division of Motor Vehicles; additional registration fees collected by the Division of Motor Vehicles; assessments against attorneys, auto body shops, medical examiners, chiropractors, and physical therapists; and loans from the New Jersey Property-Liability Insurance Guaranty Association.

P.L. 1994, c.57 amended P.L. 1990, c.8 to utilize any monies remaining after the New Jersey Automobile Full Underwriting Association debt has been satisfied to satisfy the current and anticipated liabilities and expenses of the Market Transition Facility.

Effective June 9, 2003, P.L. 2003, c.89 repealed section 23 of P.L. 1990, c.8. All balances in this fund created pursuant to section 23 of P.L. 1990, c.8 were transferred to the New Jersey Property-Liability Insurance Guaranty Association.

**New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)**  
**Capital Projects Fund**

An amount of \$115 million has been authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

**New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)**  
**Capital Projects Fund**

An amount of \$135 million was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97.5 million was reserved for the cost of rehabilitation and improvement of bridges carrying State highways and \$37.5 million was reserved for the State share of the cost of rehabilitation and improvement of bridges carrying county and municipal roads.

**New Jersey Building Authority (N.J.S.A. 52:18A-78.4)**  
**Special Revenue Fund**

The New Jersey Building Authority, created in 1981 as a body corporate and politic, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for construction and rehabilitation projects. The debt service on the bonds will be paid through lease agreements with the State.

**1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)**  
**Special Revenue Fund**

An amount of \$15 million has been authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

**New Jersey Cultural Trust Fund (P.L. 2000, c.76)**  
**Special Revenue Fund**

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the Fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

**1983 New Jersey Green Acres Fund (P.L. 1983, c.354)**  
**Special Revenue Fund**

An amount of \$135 million was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount, \$52 million is allocated for the acquisition and development of land by the State. An amount of \$83 million is to be transferred to the Green Trust Fund and is allocated for grants or loans to local government units for acquisition or development of land.

**1989 New Jersey Green Acres Fund (P.L. 1989, c.183)**  
**Special Revenue Fund**

An amount of \$90 million was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local government units to acquire and develop land for recreation and conservation purposes.

**1992 New Jersey Green Acres Fund (P.L. 1992, c.88)**  
**Special Revenue Fund**

An amount of \$80 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

**1995 New Jersey Green Acres Fund (P.L. 1995, c.204)**  
**Special Revenue Fund**

An amount of \$115 million was authorized from the 1995 Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

**1989 New Jersey Green Trust Fund (P.L. 1989, c.183)**  
**Special Revenue Fund**

An amount of \$140 million was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

**1992 New Jersey Green Trust Fund (P.L. 1992, c.88)**  
**Special Revenue Fund**

An amount of \$120 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local government units to acquire and develop land for recreation and conservation.

**1995 New Jersey Green Trust Fund (P.L. 1995, c.204)**  
**Special Revenue Fund**

An amount of \$135 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

**1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)**  
**Special Revenue Fund**

An amount of \$15 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing monies to meet the inland blue acre cost of acquisition by the State, for recreation and conservation purposes, of lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

**New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)**  
**Special Revenue Fund**

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. The sum of \$41.1 million will be appropriated from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from the member organizations.

**New Jersey Lawyers' Assistance Program (R. 1:28B)**  
**Special Revenue Fund**

This Fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

**New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)**  
**Special Revenue Fund**

This Fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this Fund by each member of the Bar of the State of New Jersey.

**New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)**  
**Special Revenue Fund**

An amount of \$45 million is allocated from the Community Development Bond Fund to capitalize the New Jersey Local Development Financing Fund. The Fund will provide financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

**New Jersey Schools Construction Corporation**  
**Special Revenue Fund**

Pursuant to Executive Order No. 24, the New Jersey Schools Construction Corporation ("Corporation") was created as a subsidiary of the New Jersey Economic Development Authority ("NJEDA"). The Corporation was formed as a separate activity apart from the NJEDA's mandated economic development mission for the purpose of establishing a more concentrated focus and streamlined approach to the timely and efficient construction of quality schools in New Jersey.

**New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)**  
**Special Revenue Fund**

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

**New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)**  
**Special Revenue Fund**

A \$1 surcharge on motor vehicle fines and penalties are to be credited to this Fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

**New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)**  
**Pension Trust Fund**

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

**New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)**  
**Special Revenue Fund**

The New Jersey Transportation Trust Fund Authority was created under the New Jersey Transportation Trust Fund Authority Act of 1984 to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of the State's transportation system.

**New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)**  
**Special Revenue Fund**

This Fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

**Pension Adjustment Fund (N.J.S.A. 43:3B)**  
**Agency Fund**

The Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

**Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)**  
**Special Revenue Fund**

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the Federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the Fund for energy efficiency and conservation programs.

**Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)**  
**Special Revenue Fund**

An amount of \$30 million was authorized for the purpose of providing grants and loans to local units of government for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

**Police and Firemen's Retirement System (N.J.S.A. 43:16A)**  
**Pension Trust Fund**

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

**Pollution Prevention Fund (P.L. 1991, c.235)**  
**Special Revenue Fund**

The purpose of this Fund is the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The Fund shall be credited with fees imposed upon employers and collected by the Department of Labor.

**Prescription Drug Local Government Employers Program Fund (N.J.S.A. 52:14-17.29)**  
**Proprietary Fund**

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs, which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. This plan is provided to local employees whose employers have elected to participate in the State Prescription Drug Program.

**Prison Officers' Pension Fund (N.J.S.A. 43:7)**  
**Pension Trust Fund**

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

**Property Tax Relief Fund (N.J.S.A. 54A:9-25)**  
**Special Revenue Fund**

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the Fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

**Public Buildings Construction Fund (P.L. 1968, c.128)**  
**Capital Projects Fund**

An amount of \$337.5 million was authorized for construction, reconstruction, development, extension, and equipping of public buildings for State institutions, higher education, including State and county colleges, vocational education, and for a statewide television and radio network.

**Public Employees' Retirement System (N.J.S.A. 43:15A)**  
**Pension Trust Fund**

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

**Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**  
**Capital Projects Fund**

An amount of \$125 million was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

**Public Purpose Buildings Construction Fund (P.L. 1980, c.119)**  
**Capital Projects Fund**

An amount of \$159 million was authorized for construction of public purpose buildings, including \$50 million for facilities for the mentally retarded, \$67 million for correctional facilities, \$7 million for a veterans' long-term care facility, \$3.5 million for facilities for children in need of supervision, and \$21.5 million for facilities for the mentally ill.



Proceeds in the amount of \$10 million from the sale of bonds was authorized to be segregated and held aside for guarantees providing that the monies shall be pledged as security for the obligation.

**Real Estate Guaranty Fund (N.J.S.A. 45:15-34)**  
**Special Revenue Fund**

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

**Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)**  
**Special Revenue Fund**

An amount of \$85 million was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

**Resource Recovery Investment Tax Fund (P.L. 1985, c.38)**  
**Agency Fund**

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

**Safe Drinking Water Fund (N.J.S.A. 58:12A-12)**  
**Special Revenue Fund**

This Fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this Fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

**Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)**  
**Special Revenue Fund**

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The Fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

**Shore Protection Fund (P.L. 1983, c.356)**  
**Special Revenue Fund**

An amount of \$50 million was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, \$40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million was allocated for State loans to counties and municipalities.

**Solid Waste Service Tax Fund (P.L. 1985, c.38)**  
**Agency Fund**

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

**Special Transportation Fund (N.J.S.A. 27:1B-21)**  
**Capital Projects Fund**

This Fund was established in accordance with the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984. The Fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the Legislature for the purpose of the Transportation Trust Fund Authority Act.

**State Disability Benefit Fund (N.J.S.A. 43:21-46a)**  
**Special Revenue Fund**

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

**State Facilities for Handicapped Fund (P.L. 1973, c.149)**  
**Capital Projects Fund**

An amount of \$25 million was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

**State Land Acquisition and Development Fund (P.L. 1978, c.118)**  
**Special Revenue Fund**

An amount of \$200 million was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

**State Lottery Fund (N.J.S.A. 5:9-21)**  
**Proprietary Fund**

Monies derived from the sale of State lottery tickets are deposited into this Fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. The balance of funds is paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

**State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)**  
**Investment Trust Fund**

This is an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

**State Police Retirement System (N.J.S.A. 53:5A)**  
**Pension Trust Fund**

This system was created in July 1965 as successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

**State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)**  
**Special Revenue Fund**

An amount of \$200 million was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

**State Recycling Fund (N.J.S.A. 12:1E-92)**  
**Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised prior portions of legislation affecting this Fund. Specifically, this legislation requires that 25% of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this Fund, to provide recycling grants to municipalities and counties for local recycling programs.

**1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)**  
**Capital Projects Fund**

An amount of \$500 million was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

**Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)**  
**Special Revenue Fund**

Monies received from assessments levied against stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a stock carrier is determined to be insolvent.

**Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)**  
**Special Revenue Fund**

An amount of \$50 million was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

**Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)**  
**Special Revenue Fund**

This Fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

**Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)**  
**Pension Trust Fund**

Any active, contributing member of the several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

**Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)**  
**Special Revenue Fund**

Beginning July 1, 2001, each employer shall contribute an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (5) of subsection (c) of R.S.43:21-7. Beginning January 1, 2002, each worker shall contribute 0.0175 percent of the worker's wages as determined in paragraph (3) of subsection (b) of R.S. 43:21-7. The monies in this Fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers.

**Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)**  
**Pension Trust Fund**

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

**Tobacco Settlement Fund**  
**Special Revenue Fund**

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this Fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During fiscal year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

**Tourism Improvement and Development Act (P.L. 1992, c.165)**  
**Agency Fund**

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

**Transportation Rehabilitation and Improvement Fund (P.L. 1979, c.165)**  
**Capital Projects Fund**

An amount of \$475 million was authorized to provide an improved transportation system for the State. Of this amount, \$150 million was reserved for the improvement of public transportation facilities, \$80 million was reserved for the improvement of county and municipal roads, and \$245 million was reserved for the improvement of State highways.

**Trial Attorney Certification Program (R. 1:39-1(h))**  
**Special Revenue Fund**

This Fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered were approved by the Supreme Court of New Jersey.

**Unclaimed Child Support Trust Fund (P.L. 1995, c.115)**  
**Special Revenue Fund**

All monies received, as abandoned child support shall be deposited into this Fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

**Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)**  
**Private Purpose Trust Fund**

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

**Unclaimed Insurance Payments on Deposit Accounts Fund**  
**Private Purpose Trust Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation (FDIC).

**Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)**  
**Special Revenue Fund**

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this Fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services (SHARES) non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

**Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)**  
**Special Revenue Fund**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

**Unemployment Compensation Fund (N.J.S.A. 43:21-9a)**  
**Proprietary Fund**

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes, which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

**University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund**  
**(N.J.S.A. 52:18A-1 et seq.)**  
**Special Revenue Fund**

This Fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

**Unsatisfied Claim and Judgment Fund (N.J.S.A. 39:6-61)**  
**Special Revenue Fund**

Receipts from insurance companies, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this Fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits, which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

P.L. 2003, c.89 was approved June 9, 2003. This law abolishes the Unsatisfied Claim and Judgment Fund and transfers all balances to the New Jersey Property-Liability Insurance Guaranty Association.

**Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)**  
**Special Revenue Fund**

An amount of \$20 million was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

**Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)**  
**Special Revenue Fund**

This Fund receives monies from donations and income tax checkoffs to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

**Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)**  
**Special Revenue Fund**

The purpose of this Fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

**Wage and Hour Trust Fund (N.J.S.A. 34:11-57)**  
**Agency Fund**

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

**Wastewater Treatment Fund (P.L. 1985, c.329)**  
**Special Revenue Fund**

An amount of \$190 million was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$150 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

**1992 Wastewater Treatment Fund (P.L. 1992, c.88)**  
**Special Revenue Fund**

An amount of \$45 million was authorized for the purpose of making zero interest loans to local government units for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

**Water Conservation Fund (P.L. 1969, c.127)**  
**Special Revenue Fund**

An amount of \$271 million was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

**Water Supply Fund (P.L. 1981, c.261)**  
**Special Revenue Fund**

An amount of \$350 million was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

**Water Supply Replacement Trust Fund (P.L. 1988, c.106)**  
**Special Revenue Fund**

This Fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

**Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)**  
**Special Revenue Fund**

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the Fund are allocated for expenses incurred in connection with the Act's provisions by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor, and the Department of the Treasury.



**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2003**

<b>FUNCTION:</b>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
Public safety and criminal justice	\$ 5,696,807	\$ 42,965,269	\$ 840,923,079
Physical and mental health	3,108,414	6,143,132	360,253,509
Educational, cultural, and intellectual development	23,840,793	1,174,502	147,599,003
Community development and environmental management	526,625,385	19,801,258	133,258,845
Economic planning, development, and security	279,100	--	56,356,836
Transportation programs	10,950,447	6,546,261	164,451,321
Government direction, management, and control	8,916,204	3,927,427	837,573,380
Special government services	--	--	--
Construction in progress	--	--	--
<b>Total Gross Capital Assets By Function</b>	<u>\$ 579,417,150</u>	<u>\$ 80,557,849</u>	<u>\$ 2,540,415,973</u>

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 70,574,950	\$ 19,934,112	\$ --	\$ 980,094,217
19,192,941	--	--	388,697,996
13,692,528	2,361,000	--	188,667,826
11,779,732	--	--	691,465,220
4,943,682	--	--	61,579,618
99,355,650	13,560,115,426	--	13,841,419,105
78,359,195	--	--	928,776,206
558,303	--	--	558,303
--	1,427,815,708	189,039,005	1,616,854,713
<u>\$ 298,456,981</u>	<u>\$ 15,010,226,246</u>	<u>\$ 189,039,005</u>	<u>\$ 18,698,113,204</u>

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF GROSS CAPITAL ASSETS BY SOURCE  
JUNE 30, 2003**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
<b>INVESTMENT IN GENERAL FIXED ASSETS:</b>			
ACQUIRED ON OR BEFORE JUNE 30, 1988:	\$ 188,666,581	\$ 41,119,652	\$ 799,996,646
ACQUIRED AFTER JUNE 30, 1988 FROM:			
State revenues	67,140,925	35,695,667	1,463,458,519
General obligation bonds	305,521,125	247,500	234,454,501
Federal revenues	11,001,171	694,525	29,081,673
Donations	--	2,500,000	3,261,200
Other	7,087,348	300,505	10,163,434
Construction in progress	--	--	--
Infrastructure	--	--	--
<b>TOTAL SOURCES</b>	<u>390,750,569</u>	<u>39,438,197</u>	<u>1,740,419,327</u>
<b>Total Gross Capital Assets By Source</b>	<u>\$ 579,417,150</u>	<u>\$ 80,557,849</u>	<u>\$ 2,540,415,973</u>

NOTE: June 30, 1988 represents the beginning of the first year in which the Fixed Asset System was used.  
The schedule does not reflect the funding sources for the infrastructure and construction in progress accounts.

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 44,084,366	\$ 4,815,780,183	\$ --	\$ 5,889,647,428
237,728,696	--	--	1,804,023,807
4,260,862	--	--	544,483,988
2,325,974	--	--	43,103,343
337,394	--	--	6,098,594
9,719,689	--	--	27,270,976
--	1,427,815,708	189,039,005	1,616,854,713
--	8,766,630,355	--	8,766,630,355
<u>254,372,615</u>	<u>10,194,446,063</u>	<u>189,039,005</u>	<u>12,808,465,776</u>
<u>\$ 298,456,981</u>	<u>\$ 15,010,226,246</u>	<u>\$ 189,039,005</u>	<u>\$ 18,698,113,204</u>

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2003</u>
<b>FUNCTION:</b>				
Public safety and criminal justice	\$ 964,428,971	\$ 16,137,356	\$ 472,110	\$ 980,094,217
Physical and mental health	387,310,230	11,690,987	10,303,221	388,697,996
Educational, cultural, and intellectual development	188,434,604	4,465,906	4,232,684	188,667,826
Community development and environmental management	639,312,001	53,454,260	1,301,041	691,465,220
Economic planning, development, and security	63,596,627	661,286	2,678,295	61,579,618
Transportation programs	13,197,222,477	659,981,328	15,784,700	13,841,419,105
Government direction, management, and control	889,528,732	46,970,077	7,722,603	928,776,206
Special government services	558,303	--	--	558,303
Construction in progress	1,273,158,257	359,335,639	15,639,183	1,616,854,713
<b>Total Gross Capital Assets By Function</b>	<u>\$ 17,603,550,202</u>	<u>\$ 1,152,696,839</u>	<u>\$ 58,133,837</u>	<u>\$ 18,698,113,204</u>

**STATE OF NEW JERSEY  
CAPITAL ASSETS  
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Balance July 1, 2002</u>	<u>Depreciation Expense</u>	<u>Disposals</u>	<u>Balance June 30, 2003</u>
<b>FUNCTION:</b>				
Public safety and criminal justice	\$ 441,101,297	\$ 26,718,260	\$ 99,767	\$ 467,719,790
Physical and mental health	221,060,632	8,218,585	1,436,363	227,842,854
Educational, cultural, and intellectual development	54,252,765	4,217,036	1,190,327	57,279,474
Community development and environmental management	86,924,268	5,732,100	871,250	91,785,118
Economic planning, development, and security	33,940,428	2,542,416	2,465,523	34,017,321
Transportation programs	4,141,729,847	311,063,049	7,624,375	4,445,168,521
Government direction, management, and control	364,411,926	50,974,351	2,321,889	413,064,388
Special government services	356,255	39,169	--	395,424
<b>Total Accumulated Depreciation By Function</b>	<u>\$ 5,343,777,418</u>	<u>\$ 409,504,966</u>	<u>\$ 16,009,494</u>	<u>\$ 5,737,272,890</u>

**STATE OF NEW JERSEY  
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS  
JUNE 30, 2003**

<b><u>GENERAL OBLIGATION BOND ACT</u></b>	<b><u>YEAR AUTHORIZED</u></b>	<b><u>AMOUNT AUTHORIZED (1)</u></b>
Beaches and Harbor	1977	\$ 30,000,000
Clean Waters	1976	120,000,000
Community Development	1982	85,000,000
Correctional Facilities Construction	1987	198,000,000
Developmental Disabilities Waiting List		
Reduction and Human Services Facilities Construction	1994	160,000,000
Emergency Flood Control	1978	25,000,000
Energy Conservation	1980	50,000,000
Hazardous Discharge	1981	100,000,000
Hazardous Discharge	1986	200,000,000
Institutional Construction	1978	100,000,000
Institutions Construction	1976	80,000,000
Jobs, Education and Competitiveness	1988	350,000,000
Jobs, Science and Technology	1984	90,000,000
Medical Education Facilities	1977	120,000,000
Natural Resources	1980	145,000,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	115,000,000
New Jersey Green Acres	1983	135,000,000
New Jersey Green Acres Cultural Centers and Historic Preservation	1987	100,000,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	345,000,000
1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	340,000,000
New Jersey Human Services Facilities Construction	1984	60,000,000
New Jersey Open Space Preservation	1989	300,000,000
Pinelands Infrastructure Trust	1985	30,000,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300,000,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	125,000,000
Public Purpose Buildings Construction	1980	159,000,000
Refunding Bonds	1985	4,306,799,598
Resource Recovery and Solid Waste Disposal Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000
State Transportation	1968	640,000,000
Statewide Transportation and Local Bridge Fund	1999	500,000,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	50,000,000
Transportation Rehabilitation and Improvement	1979	475,000,000
Urban and Rural Centers Unsafe Buildings Demolition Bonds	1997	20,000,000
Wastewater Treatment	1985	190,000,000
Water Conservation	1969	271,000,000
Water Supply	1981	350,000,000
<b>TOTAL</b>		<b>\$ 11,224,799,598</b>

(1) An additional \$1,000,000 Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

(2) Retired includes bonds for which provision for payment have been made through the sale and issuance of refunding bonds.

<u>AMOUNT UNISSUED</u>	<u>AMOUNT RETIRED (2)</u>	<u>AMOUNT OUTSTANDING</u>
\$ -	\$ 28,900,000	\$ 1,100,000
5,000,000	111,279,000	3,721,000
-	80,301,000	4,699,000
-	198,000,000	-
19,000,000	66,289,000	74,711,000
-	24,550,000	450,000
2,100,000	46,375,000	1,525,000
43,000,000	51,537,000	5,463,000
88,000,000	66,210,000	45,790,000
-	98,200,000	1,800,000
-	76,900,000	3,100,000
-	296,632,000	53,368,000
-	90,000,000	-
-	120,000,000	-
17,100,000	96,188,000	31,712,000
-	82,356,000	32,644,000
14,500,000	119,715,000	785,000
9,000,000	84,545,000	6,455,000
54,780,000	159,931,000	130,289,000
62,500,000	133,255,000	144,245,000
-	58,121,000	1,879,000
29,000,000	208,522,000	62,478,000
8,000,000	22,000,000	-
243,000,000	29,565,000	27,435,000
5,000,000	99,370,000	20,630,000
-	159,000,000	-
-	2,084,985,445	2,221,814,153
-	68,150,000	16,850,000
-	49,580,000	420,000
1,500,000	190,273,000	8,227,000
-	24,000,000	1,000,000
-	195,247,000	4,753,000
-	639,000,000	1,000,000
41,000,000	124,975,000	334,025,000
21,500,000	18,470,000	10,030,000
-	459,740,000	15,260,000
-	-	20,000,000
-	190,000,000	-
-	264,484,000	6,516,000
93,400,000	256,600,000	-
<u>\$ 757,380,000</u>	<u>\$ 7,173,245,445</u>	<u>\$ 3,294,174,153</u>



**STATE OF NEW JERSEY  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>YEAR AUTHORIZED</u>	<u>OUTSTANDING JULY 1, 2002</u>
<b>General Obligation Bond Act:</b>		
Beaches and Harbor	1977	\$ 1,600,000
Clean Waters	1976	5,975,000
Community Development	1982	6,687,000
Correctional Facilities Construction	1987	1,150,000
Developmentally Disabled Waiting List		
Reduction and Human Services Facilities Construction	1994	56,217,000
Emergency Flood Control	1978	900,000
Energy Conservation	1980	1,820,000
Hazardous Discharge	1981	5,907,000
Hazardous Discharge	1986	51,474,000
Institutional Construction	1978	3,000,000
Institutions Construction	1976	5,000,000
Jobs, Education and Competitiveness	1988	55,159,000
Jobs, Science and Technology	1984	150,000
Medical Education Facilities	1977	6,800,000
Natural Resources	1980	1,551,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	35,805,000
New Jersey Green Acres	1983	1,760,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	6,905,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	132,305,000
1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	124,015,000
New Jersey Human Services Facilities Construction	1984	2,607,000
New Jersey Open Space Preservation	1989	70,929,000
Pinelands Infrastructure Trust	1985	200,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	26,840,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	17,170,000
Public Purpose Buildings Construction	1980	300,000
Refunding Bonds	1985	2,396,269,218
Resource Recovery and Solid Waste Disposal Facility	1985	20,425,000
Shore Protection	1983	860,000
State Land Acquisition and Development	1978	7,178,000
State Mortgage Assistance	1976	1,600,000
State Recreation and Conservation Land Acquisition and Development	1974	7,272,000
State Transportation	1968	2,000,000
Statewide Transportation and Local Bridge Fund	1999	79,900,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	4,810,000
Transportation Rehabilitation and Improvement	1979	19,104,000
Urban and Rural Centers Unsafe Buildings Demolition Bonds	1997	-
Wastewater Treatment	1985	150,000
Water Conservation	1969	7,270,000
Water Supply	1981	1,875,000
<b>Subtotal General Obligation Bond Act</b>		<u>3,170,939,218</u>
<b>Other Debt:</b>		
Revenue Bonds Payable	--	5,800,733,958
Accumulated Sick and Vacation Payable	--	477,003,216
Capital Leases	--	548,280,047
Installment Obligations	--	5,316,435,310
Certificates of Participation	--	100,950,107
Loans Payable	--	1,279,358,087
Net Pension Obligation	--	81,686,830
Unamortized Premium	--	193,960,649
Unamortized Deferral on Refunding	--	(104,984,599)
Other	--	320,082,813
<b>Subtotal Other Debt</b>		<u>14,013,506,418</u>
 <b>TOTAL</b>		 <u><u>\$ 17,184,445,636</u></u>

<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>OUTSTANDING JUNE 30, 2003</u>
\$ -	\$ 500,000	\$ 1,100,000
-	2,254,000	3,721,000
-	1,988,000	4,699,000
-	1,150,000	-
22,500,000	4,006,000	74,711,000
-	450,000	450,000
-	295,000	1,525,000
-	444,000	5,463,000
-	5,684,000	45,790,000
-	1,200,000	1,800,000
-	1,900,000	3,100,000
7,000,000	8,791,000	53,368,000
-	150,000	-
-	6,800,000	-
30,400,000	239,000	31,712,000
-	3,161,000	32,644,000
-	975,000	785,000
1,000,000	1,450,000	6,455,000
8,100,000	10,116,000	130,289,000
28,500,000	8,270,000	144,245,000
-	728,000	1,879,000
-	8,451,000	62,478,000
-	200,000	-
3,000,000	2,405,000	27,435,000
8,000,000	4,540,000	20,630,000
-	300,000	-
300,375,000	474,830,065	2,221,814,153
-	3,575,000	16,850,000
-	440,000	420,000
2,000,000	951,000	8,227,000
-	600,000	1,000,000
-	2,519,000	4,753,000
-	1,000,000	1,000,000
259,000,000	4,875,000	334,025,000
5,500,000	280,000	10,030,000
-	3,844,000	15,260,000
20,000,000	-	20,000,000
-	150,000	-
-	754,000	6,516,000
-	1,875,000	-
695,375,000	572,140,065	3,294,174,153
1,453,989,410	1,022,779,916	6,231,943,452
231,880,878	258,950,046	449,934,048
33,702,353	39,297,506	542,684,894
1,544,380,000	519,553,776	6,341,261,534
21,421,015	40,709,273	81,661,849
-	-	1,279,358,087
33,346,207	-	115,033,037
191,323,285	20,035,600	365,248,334
(118,767,081)	(11,842,190)	(211,909,490)
332,018,444	320,082,813	332,018,444
3,723,294,511	2,209,566,740	15,527,234,189
\$ 4,418,669,511	\$ 2,781,706,805	\$ 18,821,408,342

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

	<b>CASINO CONTROL 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	\$ --	\$ --	\$ --	\$ --
Licenses and fees	62,737,000	62,737,000	65,146,875	2,409,875
Investment earnings	--	--	239,795	239,795
Other	--	--	--	--
<b>Total revenues</b>	<b>62,737,000</b>	<b>62,737,000</b>	<b>65,386,670</b>	<b>2,649,670</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	--	--	--	--
<b>Total other financing sources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total revenues and other financing sources</b>	<b>62,737,000</b>	<b>62,737,000</b>	<b>65,386,670</b>	<b>2,649,670</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	36,039,438	36,039,438	35,079,987	959,451
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	28,239,180	28,239,180	25,673,185	2,565,995
Special government services	--	--	--	--
<b>Total expenditures</b>	<b>64,278,618</b>	<b>64,278,618</b>	<b>60,753,172</b>	<b>(3,525,446 )</b>
Net change in fund balance	(1,541,618 )	(1,541,618 )	4,633,498	6,175,116
<b>FUND BALANCE - JULY 1, 2002</b>	<b>2,081,841</b>	<b>2,081,841</b>	<b>2,081,841</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2003</b>	<b>\$ 540,223</b>	<b>\$ 540,223</b>	<b>\$ 6,715,339</b>	<b>\$ 6,175,116</b>

**CASINO REVENUE FUND**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$ 361,800,000	\$ 344,000,000	\$ 346,457,206	\$ 2,457,206
--	--	--	--
1,000,000	--	33,761	33,761
--	73,532,369	73,593,709	61,340
<u>362,800,000</u>	<u>417,532,369</u>	<u>420,084,676</u>	<u>2,552,307</u>
<u>2,000,000</u>	<u>16,712,385</u>	<u>16,712,385</u>	<u>--</u>
<u>2,000,000</u>	<u>16,712,385</u>	<u>16,712,385</u>	<u>--</u>
<u>364,800,000</u>	<u>434,244,754</u>	<u>436,797,061</u>	<u>2,552,307</u>
--	--	--	--
391,273,958	391,273,958	390,063,376	1,210,582
19,635,000	19,635,000	19,530,655	104,345
2,440,000	2,440,000	2,440,000	--
24,934,002	24,934,002	24,934,000	2
--	--	--	--
<u>92,956</u>	<u>92,956</u>	<u>86,000</u>	<u>6,956</u>
<u>438,375,916</u>	<u>438,375,916</u>	<u>437,054,031</u>	<u>(1,321,885)</u>
(73,575,916 )	(4,131,162 )	(256,970 )	3,874,192
<u>43,260,043</u>	<u>43,260,043</u>	<u>43,260,043</u>	<u>--</u>
<u>\$ (30,315,873 )</u>	<u>\$ 39,128,881</u>	<u>\$ 43,003,073</u>	<u>\$ 3,874,192</u>

(Continued on next page)

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

	<b>GUBERNATORIAL ELECTIONS 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	\$ --	\$ --	\$ --	\$ --
Licenses and fees	--	--	--	--
Investment earnings	--	--	--	--
Other	1,500,000	1,500,000	706,237	(793,763 )
<b>Total revenues</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>706,237</b>	<b>(793,763 )</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	--	--	--	--
<b>Total other financing sources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total revenues and other financing sources</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>706,237</b>	<b>(793,763 )</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	--	--	--	--
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	--	--	--	--
Special government services	--	--	--	--
<b>Total expenditures</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Net change in fund balance	1,500,000	1,500,000	706,237	(793,763 )
<b>FUND BALANCE - JULY 1, 2002</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE - JUNE 30, 2003</b>	<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>	<b>\$ 706,237</b>	<b>\$ (793,763 )</b>

**TOTAL NON-MAJOR GOVERNMENTAL FUNDS**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
\$ 361,800,000	\$ 344,000,000	\$ 346,457,206	\$ 2,457,206
62,737,000	62,737,000	65,146,875	2,409,875
1,000,000	--	273,556	273,556
1,500,000	75,032,369	74,299,946	(732,423 )
<u>427,037,000</u>	<u>481,769,369</u>	<u>486,177,583</u>	<u>4,408,214</u>
2,000,000	16,712,385	16,712,385	--
<u>2,000,000</u>	<u>16,712,385</u>	<u>16,712,385</u>	<u>--</u>
<u>429,037,000</u>	<u>498,481,754</u>	<u>502,889,968</u>	<u>4,408,214</u>
36,039,438	36,039,438	35,079,987	959,451
391,273,958	391,273,958	390,063,376	1,210,582
19,635,000	19,635,000	19,530,655	104,345
2,440,000	2,440,000	2,440,000	--
24,934,002	24,934,002	24,934,000	2
28,239,180	28,239,180	25,673,185	2,565,995
92,956	92,956	86,000	6,956
<u>502,654,534</u>	<u>502,654,534</u>	<u>497,807,203</u>	<u>(4,847,331 )</u>
(73,617,534 )	(4,172,780 )	5,082,765	9,255,545
<u>45,341,884</u>	<u>45,341,884</u>	<u>45,341,884</u>	<u>--</u>
<u>\$ (28,275,650 )</u>	<u>\$ 41,169,104</u>	<u>\$ 50,424,649</u>	<u>\$ 9,255,545</u>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>MAJOR TAXES</b>				
Sales	\$ 6,172,000,000	\$ 5,936,057,141	96	\$ (235,942,859 )
Corporation Business	1,829,500,000	2,525,446,781	138	695,946,781
Motor Fuels	536,000,000	530,956,596	99	(5,043,404 )
Motor Vehicle Fees	424,876,000	445,691,783	104	20,815,783
Transfer Inheritance	530,000,000	445,310,855	84	(84,689,145 )
Insurance Premiums	345,000,000	373,276,259	108	28,276,259
Cigarette	487,000,000	478,536,846	98	(8,463,154 )
Petroleum Products Gross Receipts	225,000,000	214,417,697	95	(10,582,303 )
Corporation Banks and Financial Institutions	52,000,000	128,451,019	247	76,451,019
Alcoholic Beverage Excise	79,000,000	83,075,191	105	4,075,191
Realty Transfer	96,000,000	109,278,544	113	13,278,544
Savings Institutions	5,000,000	9,485,029	189	4,485,029
Tobacco Products Wholesale Sales	13,000,000	9,292,175	71	(3,707,825 )
Public Utility Excise	8,700,000	9,549,773	109	849,773
<b>TOTAL MAJOR TAXES</b>	<b>10,803,076,000</b>	<b>11,298,825,689</b>	<b>104</b>	<b>495,749,689</b>
<b>MISCELLANEOUS TAXES, FEES, REVENUES</b>				
<b>Executive Branch:</b>				
<b>Department of Agriculture:</b>				
Fertilizer Inspection Fees	438,000	438,000	100	--
Miscellaneous Revenue	4,000	11,234	280	7,234
<b>Total Department of Agriculture</b>	<b>442,000</b>	<b>449,234</b>	<b>101</b>	<b>7,234</b>
<b>Department of Banking and Insurance:</b>				
Actuarial Services	52,000	44,425	85	(7,575 )
Bank Assessments	3,525,000	3,525,000	100	--
Banking - Examination Fees	2,262,000	2,198,362	97	(63,638 )
Banking - Licenses and Other Fees	5,000,000	5,063,638	101	63,638
FAIR Act Administration	14,000,000	17,578,891	125	3,578,891
Insurance Special Purpose Assessment	16,525,000	13,312,780	80	(3,212,220 )
Insurance Examination Billings	2,000,000	1,844,715	92	(155,285 )
Insurance Fraud Prevention	33,686,000	32,954,482	97	(731,518 )
Insurance Licenses and Other Fees	11,020,000	10,957,647	99	(62,353 )
Real Estate Commission	4,607,000	3,927,523	85	(679,477 )
<b>Total Department of Banking and Insurance</b>	<b>92,677,000</b>	<b>91,407,463</b>	<b>98</b>	<b>(1,269,537 )</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>Department of Community Affairs:</b>				
Affordable Housing and Neighborhood Preservation Fair Housing	19,072,000	19,072,000	100	--
Boarding Home Fees	368,000	413,663	112	45,663
Construction Fees	6,893,000	6,484,632	94	(408,368 )
Fire Safety	14,065,000	14,065,000	100	--
Hackensack Meadowlands Development Commission	61,500,000	61,500,000	100	--
Housing Inspection Fees	7,025,000	7,025,000	100	--
Miscellaneous Revenue	--	176	--	176
Plan Review Additional	1,758,000	1,758,000	100	--
Planned Real Estate Development Fees	828,000	828,000	100	--
Workplace Standards - Licenses, Permits and Fines	1,138,000	601,827	52	(536,173 )
<b>Total Department of Community Affairs</b>	<b>112,647,000</b>	<b>111,748,298</b>	<b>99</b>	<b>(898,702 )</b>
<b>Department of Corrections:</b>				
Court Fees	--	73	--	73
Miscellaneous Revenue	--	2,482	--	2,482
<b>Total Department of Corrections</b>	<b>--</b>	<b>2,555</b>	<b>--</b>	<b>2,555</b>
<b>Department of Education:</b>				
Audit Recoveries	1,800,000	1,163,147	64	(636,853 )
Audit of Enrollments	1,882,000	2,208,299	117	326,299
Local School District Loan Recoveries-NJEDA	9,372,000	9,551,173	101	179,173
Miscellaneous Revenue	125,000	167,510	134	42,510
Nonpublic Schools Handicapped and Auxiliary Recoveries	5,000,000	11,330,430	226	6,330,430
Nonpublic Schools Textbook Recoveries	900,000	1,397,676	155	497,676
School Construction Inspection Fees	574,000	574,000	100	--
State Board of Examiners	2,350,000	2,350,000	100	--
<b>Total Department of Education</b>	<b>22,003,000</b>	<b>28,742,235</b>	<b>130</b>	<b>6,739,235</b>
<b>Department of Environmental Protection:</b>				
Air Pollution Fees and Fines	21,710,000	19,654,488	90	(2,055,512 )
Clean Water Enforcement Act	1,500,000	2,290,470	152	790,470
Coastal Area Development Review Act	1,120,000	1,274,839	113	154,839
Endangered Species Tax Checkoff	230,000	230,000	100	--
Environmental Infrastructure Financing Program - Administrative Fee	1,000,000	1,000,000	100	--



**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Excess Diversion	240,000	293,125	122	53,125
Freshwater Wetlands Fees	2,400,000	2,358,716	98	(41,284 )
Freshwater Wetlands Fines	45,000	141,525	314	96,525
Hazardous Waste Fees	2,250,000	703,605	31	(1,546,395 )
Hazardous Waste Fines	450,000	1,315,453	292	865,453
Hunters' and Anglers' Licenses	12,303,000	12,303,000	100	--
Industrial Site Recovery Act	1,200,000	1,383,200	115	183,200
Laboratory Certification Fees	1,200,000	785,277	65	(414,723 )
Laboratory Certification Fines	25,000	14,500	58	(10,500 )
Marina Rentals	840,000	880,307	104	40,307
Marine Lands Preparation and Filing Fees	200,000	126,150	63	(73,850 )
Medical Waste	3,700,000	3,952,052	106	252,052
Miscellaneous Revenue	--	10,126	--	10,126
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	15,900,000	15,485,300	97	(414,700 )
New Jersey Water Supply Authority Debt Service Repayments	770,000	--	--	(770,000 )
Parks Management Fees and Permits	3,870,000	4,205,329	108	335,329
Parks Management Fines	165,000	176,775	107	11,775
Pesticide Control Fees	3,920,000	4,218,576	107	298,576
Pesticide Control Fines	30,000	47,123	157	17,123
Radiation Protection Fees	4,375,000	4,625,305	105	250,305
Radiation Protection Fines	35,000	110,388	315	75,388
Radon Testers Certification	275,000	257,463	93	(17,537 )
Shellfish and Marine Fisheries	7,000	3,759	53	(3,241 )
Solid and Hazardous Waste Disclosure	3,708,000	2,979,930	80	(728,070 )
Solid Waste Utility Regulation Assessments	2,533,000	3,063,212	120	530,212
Solid Waste Fines	850,000	1,029,815	121	179,815
Solid Waste Management Fees	9,235,000	7,272,674	78	(1,962,326 )
Spring Meadow Golf Course	300,000	279,046	93	(20,954 )
Stream Encroachment	1,700,000	2,010,744	118	310,744
Toxic Catastrophe Prevention Fees	1,300,000	1,178,681	90	(121,319 )
Toxic Catastrophe Prevention Fines	25,000	4,000	16	(21,000 )
Treatment Works Approval	1,312,000	1,137,061	86	(174,939 )
Underground Storage Tanks Fees	750,000	1,090,658	145	340,658
Water Allocation	2,200,000	685,172	31	(1,514,828 )
Water Supply Management Regulations	1,600,000	1,794,263	112	194,263
Water/Wastewater Operators Licenses	215,000	207,683	96	(7,317 )
Waterfront Development Fees	1,600,000	1,566,490	97	(33,510 )

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Well Permits/Well Drillers/ Pump Installers Licenses	1,200,000	1,003,854	83	(196,146 )
Wetlands	22,000	4,076	18	(17,924 )
Worker Community Right to Know Fines	60,000	49,185	81	(10,815 )
<b>Total Department of Environmental Protection</b>	<b>108,370,000</b>	<b>103,203,395</b>	<b>95</b>	<b>(5,166,605 )</b>
<b>Department of Health and Senior Services:</b>				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	--
Animal Control Act	300,000	299,311	99	(689 )
Charity Care Recovery	371,000	1,497,016	403	1,126,016
Health Care Reform	1,200,000	1,200,000	100	--
HMO Covered Lives	2,550,000	3,018,530	118	468,530
Licenses, Fines, Permits, Penalties and Fees	790,000	790,000	100	--
Rabies Control	460,000	460,000	100	--
<b>Total Department of Health and Senior Services</b>	<b>11,671,000</b>	<b>13,264,857</b>	<b>113</b>	<b>1,593,857</b>
<b>Department of Human Services:</b>				
Child Care Licensing/Adoption Law	300,000	300,012	100	12
Early Periodic Screening and Diagnostic Testing	29,850,000	200,241	1	(29,649,759 )
HMO Recoveries	300,000	--	--	(300,000 )
Marriage License Fees	1,309,000	1,309,000	100	--
Medicaid Uncompensated Care-Acute	218,517,000	257,931,727	118	39,414,727
Medicaid Uncompensated Care-Mental Health	27,465,000	30,475,000	110	3,010,000
Medicaid Uncompensated Care-Psychiatric	168,214,000	185,290,000	110	17,076,000
Medical Assistance-Federal Match on PAAD Medicaid Dual Eligibles	1,000,000	1,112,356	111	112,356
Miscellaneous Federal Revenue Initiatives	20,828,000	--	--	(20,828,000 )
Miscellaneous Revenue	4,112,000	1,492,905	36	(2,619,095 )
Patients' and Residents' Cost Recovery - Developmental Disability	17,395,000	17,040,945	97	(354,055 )
Patients' and Residents' Cost Recovery - Psychiatric Hospitals	46,020,000	55,577,651	55	9,557,651
Purchased Institutional Care	2,200,000	3,768,174	171	1,568,174
School Based Medicaid	39,000,000	20,069,855	51	(18,930,145 )
<b>Total Department of Human Services</b>	<b>576,510,000</b>	<b>574,567,866</b>	<b>99</b>	<b>(1,942,134 )</b>
<b>Department of Labor:</b>				
Miscellaneous Revenue	--	(1,000 )	--	(1,000 )
Special Compensation Fund	1,975,000	1,975,000	100	--

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Workers' Compensation Assessment	11,759,000	11,759,000	100	--
Workplace Standards - Licenses, Permits and Fines	1,875,000	2,819,540	150	944,540
<b>Total Department of Labor</b>	<b>15,609,000</b>	<b>16,552,540</b>	<b>106</b>	<b>943,540</b>
<b>Department of Law and Public Safety:</b>				
Beverage Licenses	2,000,000	2,000,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Consumer Affairs	--	10,400	--	10,400
Controlled Dangerous Substances	100,000	100,000	100	--
Legalized Games of Chance Control	1,390,000	1,217,726	87	(172,274 )
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	130,000	130,000	100	--
Audiology and Speech Language Pathology Advisory	66,000	51,130	77	(14,870 )
Certified Public Accountants	422,000	422,000	100	--
Chiropractors	461,000	415,690	90	(45,310 )
Cosmetology and Hairstyling	1,984,000	1,984,000	100	--
Dentistry	1,521,000	454,180	29	(1,066,820 )
Electrical Contractors	420,000	420,000	100	--
Marriage Counselor Examiners	236,000	236,000	100	--
Master Plumbers	430,000	430,000	100	--
Medical Examiners	3,816,000	3,816,000	100	--
Mortuary Science	36,000	36,000	100	--
New Jersey Cemetery Board	126,000	126,000	100	--
Nursing	3,456,000	3,456,000	100	--
Occupational Therapists and Assistants	50,000	50,000	100	--
Ophthalmic Dispensers and Ophthalmic Technicians	61,000	61,000	100	--
Optometrists	255,000	255,000	100	--
Orthotics and Prosthesis	15,000	15,000	100	--
Pharmacy	948,000	948,000	100	--
Physical Therapy	27,000	27,000	100	--
Professional Engineers and Land Surveyors	763,000	611,173	80	(151,827 )
Professional Planners	31,000	31,000	100	--

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Psychological Examiners	143,000	143,000	100	--
Real Estate Appraisers	611,000	210,239	34	(400,761 )
Respiratory Care	119,000	52,862	44	(66,138 )
Shorthand Reporting	21,000	21,000	100	--
Social Workers	570,000	570,000	100	--
State Board of Psychoanalysts	50,000	--	--	(50,000 )
Veterinary Medical Examiners	273,000	273,000	100	--
<b>Division of State Police:</b>				
Fingerprint Fees	1,014,000	1,014,000	100	--
Other Licenses	185,000	236,757	127	51,757
Private Detective Licenses	220,000	220,000	100	--
Miscellaneous Revenue	--	299,184	--	299,184
EDA School Construction Recoveries	3,759,000	--	--	(3,759,000 )
Pleasure Boat Licenses	5,000,000	3,317,027	66	(1,682,973 )
Securities Enforcement	5,398,000	5,398,000	100	--
Violent Crime Compensation	3,930,000	3,930,000	100	--
<b>Total Department of Law and Public Safety</b>	<b>43,602,000</b>	<b>36,553,368</b>	<b>83</b>	<b>(7,048,632 )</b>
<b>Department of Military and Veterans' Affairs:</b>				
Soldiers' Homes	28,839,000	25,203,091	87	(3,635,909 )
<b>Total Department of Military and Veterans' Affairs</b>	<b>28,839,000</b>	<b>25,203,091</b>	<b>87</b>	<b>(3,635,909 )</b>
<b>Department of State:</b>				
Miscellaneous Revenue	--	381,630	--	381,630
<b>Total Department of State</b>	<b>--</b>	<b>381,630</b>	<b>--</b>	<b>381,630</b>
<b>Department of Transportation:</b>				
Air Safety Fund	965,000	372,290	38	(592,710 )
Applications and Highway Permits	1,300,000	1,300,000	100	--
Auto Body Repair Shop Licensing	703,000	555,175	78	(147,825 )
Autonomous Transportation Authorities	24,500,000	24,500,000	100	--
Drunk Driving Fines	650,000	379,758	58	(270,242 )
Good Driver	61,000,000	60,279,261	98	(720,739 )
Graduated Driver's License	1,067,000	1,337,380	125	270,380
Heavy Duty Diesel Fines	660,000	401,452	60	(258,548 )
Interest on Purchase of Right-of-Way	20,000	4,905	24	(15,095 )
Logo Sign Program Fees	300,000	300,000	100	--

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Miscellaneous Revenue	--	4,888	--	4,888
Motor Vehicle Database - Automated Access	50,327,000	59,067,129	117	8,740,129
Motor Vehicle Inspection Fund	75,350,000	79,173,988	105	3,823,988
Motor Vehicle Security - Responsibility Law Administration	11,329,000	9,945,982	87	(1,383,018 )
Outdoor Advertising	740,000	740,000	100	--
Parking Offenses	360,000	408,367	113	48,367
Photo Licensing	1,517,000	3,622,754	238	2,105,754
Salvage Title Program	975,000	1,111,128	113	136,128
Special Plate Fees	750,000	750,000	100	--
Uninsured Motorists Program	3,400,000	3,400,000	100	--
<b>Total Department of Transportation</b>	<b>235,913,000</b>	<b>247,654,457</b>	<b>104</b>	<b>11,741,457</b>
<b>Department of the Treasury:</b>				
Assessments - Cable TV	3,789,000	3,738,000	98	(51,000 )
Assessments - Public Utility	24,153,000	23,733,000	98	(420,000 )
Business Personal Property	--	(120,504 )	--	(120,504 )
Casino Fines	--	601,188	--	601,188
Coin Operated Telephones	5,274,000	4,213,303	79	(1,060,697 )
Commercial Recording Expedited	2,853,000	2,853,000	100	--
Commissions	1,000,000	1,232,688	123	232,688
Dormitory Safety Trust Fund - Debt Service Recovery	5,270,000	5,270,000	100	--
Equipment Leasing Fund - Debt Service Recovery	3,339,000	4,013,868	120	674,868
Escrow Interest - Construction Accounts	41,000	25,785	62	(15,215 )
General Revenue - Fees	31,580,000	29,805,784	94	(1,774,216 )
Higher Education Bond Interest Recoveries	221,000	--	--	(221,000 )
Higher Education Capital Improvement Fund - Debt Service Recoveries	10,520,000	--	--	(10,520,000 )
Investment Earnings	--	15,667,605	--	15,667,605
Lease and Leaseback	10,000,000	--	--	(10,000,000 )
Miscellaneous Revenue	230,000	588,796	255	358,796
New Jersey Housing and Mortgage Financing Agency	--	(2,800,000 )	--	(2,800,000 )
Nuclear Emergency Response Assessment	3,112,000	4,000,000	128	888,000
ODS Mediation Fees	158,000	127,958	80	(30,042 )
Proceeds for New Jersey Police Professional Learning Center	5,000,000	--	--	(5,000,000 )
Public Defender Client Receipts	4,800,000	5,071,731	23	271,731
Public Utility - Customer Specific Tax	1,998,000	1,986,222	99	(11,778 )

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Public Utility Fines	1,100,000	472,364	42	(627,636 )
Public Utility Gross Receipts and Franchise Taxes	69,000,000	76,490,951	110	7,490,951
Railroad Tax:				
Class II	3,290,000	3,134,560	95	(155,440 )
Franchise	800,000	1,097,901	137	297,901
Rate Payer Advocate	6,646,000	6,646,000	100	--
Sale of Real Property	31,000,000	--	--	(31,000,000 )
Surplus Property	944,000	723,779	76	(220,221 )
Transitional Energy Facilities Assessment	226,241,000	233,037,477	103	6,796,477
<b>Total Department of the Treasury</b>	<b>452,359,000</b>	<b>421,611,456</b>	<b>93</b>	<b>(30,747,544 )</b>
<b>Other Sources:</b>				
Miscellaneous Revenue	500,000	905,691	181	405,691
<b>Total Other Sources</b>	<b>500,000</b>	<b>905,691</b>	<b>181</b>	<b>405,691</b>
<b>Inter-Departmental Accounts:</b>				
Administration and Investment of Pension and Health Benefit Funds - Recoveries	45,500,000	52,300,248	114	6,800,248
County Solid Waste - Debt Service Recovery	17,790,000	--	--	(17,790,000 )
Employee Maintenance Deductions	300,000	300,000	100	--
Fringe Benefit Recoveries from Colleges and Universities	73,000,000	82,569,435	113	9,569,435
Fringe Benefit Recoveries from Federal and Other Funds	97,000,000	102,177,627	105	5,177,627
Fringe Benefit Recoveries from School Districts	13,000,000	23,281,911	179	10,281,911
Indirect Cost Recoveries - DEP Other Funds	11,300,000	9,979,923	88	(1,320,077 )
MTF Revenue Fund	52,547,000	52,707,000	100	160,000
New Jersey Surplus Lines Guaranty Fund	40,000,000	43,352,042	108	3,352,042
Rent of State Building Space	1,900,000	1,413,416	74	(486,584 )
Social Security Recoveries from Federal and Other Funds	43,000,000	43,429,102	100	429,102
<b>Total Inter-Departmental Accounts</b>	<b>395,337,000</b>	<b>411,510,704</b>	<b>104</b>	<b>16,173,704</b>
<b>Judicial Branch:</b>				
Court Fees	58,374,000	55,024,435	94	(3,349,565 )
<b>Total Judicial Branch</b>	<b>58,374,000</b>	<b>55,024,435</b>	<b>94</b>	<b>(3,349,565 )</b>
<b>TOTAL MISCELLANEOUS TAXES, FEES, REVENUES</b>	<b>2,154,853,000</b>	<b>2,138,783,275</b>	<b>99</b>	<b>(16,069,725 )</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
<b>INTERFUND TRANSFERS</b>				
Beaches and Harbor Fund	40,000	23,077	57	(16,923 )
Clean Water Fund	66,000	69,812	105	3,812
Correctional Facilities Construction Fund	16,000	10,402	65	(5,598 )
Correctional Facilities Construction Fund - 1987	59,000	79,736	135	20,736
Cultural Center and Historic Preservation Fund - 1987	145,000	81,102	55	(63,898 )
Developmental Disabilities Waiting List Reduction Fund	320,000	598,589	187	278,589
Emergency Flood Control Fund	6,000	6,159	102	159
Emergency Services Fund	2,900,000	2,900,000	100	--
Energy Conservation Fund	--	451	--	451
Enterprise Zone Assistance Fund	52,000,000	41,535,012	79	(10,464,988 )
Fund for Support of Free Public Schools	4,900,000	4,900,000	100	--
Garden State Farmland Preservation Trust Fund	1,762,000	1,650,000	93	(112,000 )
Garden State Green Acres Preservation Trust Fund	5,092,000	4,495,007	88	(596,993 )
Garden State Historic Preservation Trust Fund	502,000	402,964	80	(99,036 )
Hazardous Discharge Fund	--	6,077	--	6,077
Hazardous Discharge Site Cleanup Fund	8,800,000	17,452,000	198	8,652,000
Housing Assistance Fund	140,000	77,187	55	(62,813 )
Human Services Facilities Construction Fund	1,000	3,856	385	2,856
Institutional Construction Fund	--	119	--	119
Institutions Construction Fund	1,000	158	15	(842 )
Jobs, Education and Competitiveness Fund	35,000	224,291	640	189,291
Jobs, Science and Technology Fund	2,000	628	31	(1,372 )
Judiciary Bail Fund	975,000	517,294	53	(457,706 )
Judiciary Child Support and Paternity Fund	875,000	433,092	49	(441,908 )
Judiciary Probation Fund	275,000	149,633	54	(125,367 )
Judiciary Special Civil Fund	90,000	45,450	50	(44,550 )
Judiciary Superior Court Miscellaneous Fund	140,000	91,076	65	(48,924 )
Legal Services Trust Fund	10,026,000	10,071,327	100	45,327
Medical Education Facilities Fund	--	9,272	--	9,272
Mortgage Assistance Fund	911,000	761,880	83	(149,120 )
Motor Vehicle Security Responsibility Fund	3,000	4,242	141	1,242
Mutual Workers' Compensation Security Fund	5,000,000	--	--	(5,000,000 )
Natural Resources Fund	93,000	65,083	69	(27,917 )
New Jersey Bridge Rehabilitation and Improvement Fund	--	429	--	429

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund	260,000	198,038	76	(61,962 )
New Jersey Coastal Blue Acres Trust Fund	250,000	--	--	(250,000 )
New Jersey Green Acres Fund - 1983	632,000	--	--	(632,000 )
New Jersey Green Acres Fund - 1989	400,000	--	--	(400,000 )
New Jersey Green Acres Fund - 1992	500,000	--	--	(500,000 )
New Jersey Inland Blue Acres Fund - 1995	250,000	--	--	(250,000 )
New Jersey Insolvent HMO Assistance Fund	907,000	444,672	49	(462,328 )
New Jersey Spill Compensation Fund	14,279,000	13,571,023	95	(707,977 )
Pinelands Infrastructure Trust Fund	600,000	206,000	34	(394,000 )
Pollution Prevention Fund	2,269,000	2,269,000	100	--
Public Buildings Construction Fund	--	59	--	59
Public Purpose Building and Community-Based Facilities Construction Fund	90,000	185,789	206	95,789
Public Purpose Buildings Construction Fund	1,000	4,776	477	3,776
Resource Recovery Investment Fund	--	137	--	137
Safe Drinking Water Fund	2,168,000	2,928,079	135	760,079
School Fund Investment Account	2,824,000	2,824,000	100	--
Shore Protection Fund	440,000	269,838	61	(170,162 )
Solid Waste Services Tax Fund	50,000	110,538	221	60,538
State Disability Benefit Fund General Account	26,304,000	25,116,938	95	(1,187,062 )
State Lottery Fund	797,000,000	765,401,159	96	(31,598,841 )
State Lottery Fund - Administration	23,438,000	22,097,230	94	(1,340,770 )
State Land Acquisition and Development Fund	10,000	15,723	157	5,723
State Recreation and Conservation Land Acquisition and Development - 1974	39,000	387,171	992	348,171
State of New Jersey Cash Management Fund	2,400,000	3,255,719	135	855,719
State Recycling Fund	983,000	983,000	100	--
1999 Statewide Transportation and Local Bridge Fund	1,000,000	9,362,000	936	8,362,000
Stormwater Management and Combined Sewer Overflow Abatement Fund	500,000	--	--	(500,000 )
Supplemental Workforce Fund for Basic Skills	2,000,000	2,000,000	100	--
Tobacco Settlement Fund	1,351,706,000	1,556,674,074	115	204,968,074
Transportation Rehabilitation and Improvement Fund - 1979	10,000	5,567	55	(4,433 )
Unclaimed Insurance Payments	100,000	35,223	35	(64,776 )
Unclaimed Personal Property Trust Fund	255,000,000	270,621,000	106	15,621,000
Unclaimed Utility Deposit	55,000	53,068	96	(1,932 )



**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Unemployment Compensation Tax Auxiliary Fund	17,386,000	16,385,999	94	(1,000,001 )
UMDNJ Self-Insurance Reserve Fund	77,000,000	60,000,000	77	(17,000,000 )
Unsatisfied Claim and Judgement Fund	2,408,000	2,461,000	102	53,000
Wage and Hour Trust Fund	75,000	18,204	24	(56,796 )
Water Conservation Fund	41,000	44,250	107	3,250
Water Supply Fund	4,505,000	3,412,136	75	(1,092,864 )
Worker and Community Right to Know Fund	2,362,000	2,395,550	101	33,550
Workforce Development Partnership Fund	43,753,000	40,742,385	93	(3,010,615 )
<b>TOTAL INTERFUND TRANSFERS</b>	<b>2,729,170,000</b>	<b>2,891,144,750</b>	<b>105</b>	<b>161,974,750</b>
<b>TOTAL REVENUES, GENERAL FUND</b>	<b>\$ 15,687,099,000</b>	<b>\$ 16,328,753,714</b>	<b>104</b>	<b>\$ 641,654,714</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Licenses and Fees	\$ 62,737,000	\$ 65,146,875	104	\$ 2,409,875
Investment Income	--	239,795	--	239,795
<b>TOTAL CASINO CONTROL FUND</b>	<b>\$ 62,737,000</b>	<b>\$ 65,386,670</b>	<b>104</b>	<b>\$ 2,649,670</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 361,800,000	\$ 346,518,546	95	\$ (15,281,454)
Casino Simulcasting Fund	2,000,000	2,000,000	100	--
Investment Income	1,000,000	33,761	3	(966,239)
<b>TOTAL CASINO REVENUE FUND</b>	<b>\$ 364,800,000</b>	<b>\$ 348,552,307</b>	<b>95</b>	<b>\$ (16,247,693)</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
GUBERNATORIAL ELECTIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 1,500,000	\$ 706,237	47	\$ (793,763)
<b>TOTAL GUBERNATORIAL ELECTIONS FUND</b>	<b>\$ 1,500,000</b>	<b>\$ 706,237</b>	<b>47</b>	<b>\$ (793,763)</b>

**STATE OF NEW JERSEY  
SCHEDULE OF ANTICIPATED REVENUE  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ANTICIPATED TO JUNE 30, 2003	REALIZED TO JUNE 30, 2003		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 7,297,500,000	\$ 6,735,282,357	92	\$ (562,217,643)
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<b>\$ 7,297,500,000</b>	<b>\$ 6,735,282,357</b>	<b>92</b>	<b>\$ (562,217,643)</b>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
<b>LEGISLATIVE BRANCH</b>	\$ --	\$ --	\$ 13,447	\$ 13,447
<b>EXECUTIVE BRANCH</b>				
Chief Executive	--	--	1,130,684	1,130,684
Agriculture	1,073,677	196,339,627	8,810,628	206,223,932
Banking and Insurance	2,232,076	--	2,225,570	4,457,646
Community Affairs	53,436,223	210,507,917	14,330,418	278,274,558
Corrections	--	11,879,498	55,300,320	67,179,818
Education	1,331,688	709,742,051	19,856,045	730,929,784
Environmental Protection	18,801,184	38,386,414	12,886,017	70,073,615
Health and Senior Services	8,364,717	465,715,012	1,065,550,558	1,539,630,287
Human Services	156,634,835	4,596,407,793	587,410,620	5,340,453,248
Labor	24,874,607	309,227,460	144,129,353	478,231,420
Law and Public Safety	112,697,707	120,926,395	136,310,389	369,934,491
Military and Veterans Affairs	2,038,506	26,713,677	110,308	28,862,491
Personnel	4,621,822	--	--	4,621,822
State	--	21,186,735	20,922,681	42,109,416
Transportation	7,793,265	39,838,534	77,659,428	125,291,227
Treasury	43,752,132	1,860,394	1,064,180,639	1,109,793,165
Interdepartmental	1,330,144	--	--	1,330,144
<b>TOTAL EXECUTIVE BRANCH</b>	<u>438,982,583</u>	<u>6,748,731,507</u>	<u>3,210,813,658</u>	<u>10,398,527,748</u>
<b>JUDICIAL BRANCH</b>	<u>3,491,081</u>	<u>686,462</u>	<u>37,687,720</u>	<u>41,865,263</u>
<b>TOTAL APPROPRIATED REVENUE</b>	<u>\$ 442,473,664</u>	<u>\$ 6,749,417,969</u>	<u>\$ 3,248,514,825</u>	<u>\$ 10,440,406,458</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATED REVENUE  
CASINO REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
<b>EXECUTIVE BRANCH</b>				
Health and Senior Services	\$ 73,532,369	\$ --	\$ --	\$ 73,532,369
<b>TOTAL APPROPRIATED REVENUE</b>	<u>\$ 73,532,369</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 73,532,369</u>

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**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
<b>Legislative Branch</b>	\$ 72,338,123	\$ 11,646,166	\$ 70,846,011
<b>Executive Branch</b>			
Chief Executive's Office	5,424,000	1,039,446	5,691,992
Agriculture	10,665,250	909,356	10,794,292
Banking and Insurance	68,123,000	4,051,115	65,282,500
Community Affairs	37,679,000	10,965,028	44,235,047
Corrections	772,923,000	64,341,202	823,315,034
Education	56,414,795	11,206,210	49,972,126
Environmental Protection	212,720,063	36,426,703	224,946,286
Health and Senior Services	99,625,000	32,792,109	109,969,724
Human Services	633,919,435	57,582,285	651,008,626
Labor	60,225,000	26,840,903	77,924,272
Law and Public Safety	416,162,000	209,421,707	529,475,257
Military and Veterans' Affairs	69,374,000	6,877,328	73,142,945
Personnel	26,587,000	4,991,944	26,844,865
State	24,205,000	3,091,257	22,911,599
Transportation	245,193,000	31,881,543	260,389,732
Treasury	388,729,792	58,076,193	388,992,216
Miscellaneous Executive Commissions	1,392,000	59,679	1,416,616
Inter-Departmental Accounts	1,392,626,000	16,903,144	1,326,925,205
<b>Total Executive Branch</b>	<u>4,521,987,335</u>	<u>577,457,152</u>	<u>4,693,238,334</u>
<b>Judicial Branch</b>	<u>487,672,000</u>	<u>(1,489,882 )</u>	<u>459,671,704</u>
<b>TOTAL DIRECT STATE SERVICES</b>	<u>\$ 5,081,997,458</u>	<u>\$ 587,613,436</u>	<u>\$ 5,223,756,049</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,587,984	\$ --	\$ 10,550,294
16,004	4,589	750,861
366,149	40,003	374,162
727,484	4,527,560	1,636,571
431,185	1,930,492	2,047,304
11,006,895	2,796,729	145,544
7,757,554	8,484,394	1,406,931
9,720,953	3,668,965	10,810,562
18,347,885	3,638,504	460,996
20,938,283	7,709,860	11,844,951
3,193,207	4,320,868	1,627,556
14,113,076	1,771,728	80,223,646
2,030,749	15,167	1,062,467
1,912,713	718,000	2,103,366
1,110,088	2,520,797	753,773
11,880,359	1,066,867	3,737,585
15,804,585	6,102,141	35,907,043
335	--	34,728
12,010,582	13,426,140	57,167,217
<u>131,368,086</u>	<u>62,742,804</u>	<u>212,095,263</u>
<u>18,049,795</u>	<u>8,930</u>	<u>8,451,689</u>
<u>\$ 152,005,865</u>	<u>\$ 62,751,734</u>	<u>\$ 231,097,246</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 1,909,000	\$ (66,236 )	\$ 929,750
Community Affairs	33,791,000	10,706,090	32,734,763
Corrections	81,935,000	6,697,542	83,607,918
Education	13,415,000	(9,000,000 )	2,654,176
Environmental Protection	5,500,000	3,589,776	6,022,604
Health and Senior Services	618,016,000	322,222,426	818,620,448
Human Services	3,204,840,684	155,672,285	3,284,594,391
Labor	32,779,000	675,000	32,170,650
Law and Public Safety	19,822,000	--	10,996,536
Military and Veterans' Affairs	1,044,000	113,770	967,268
State	1,138,088,000	(18,519,811 )	1,065,696,669
Transportation	269,027,000	(901,128 )	260,243,398
Treasury	157,050,876	3,254,777	151,651,775
Inter-Departmental Accounts	603,976,937	2,212,230	603,765,847
<b>Total Executive Branch</b>	<u>6,181,194,497</u>	<u>476,656,721</u>	<u>6,354,656,193</u>
<b>TOTAL GRANTS-IN-AID</b>	<u>\$ 6,181,194,497</u>	<u>\$ 476,656,721</u>	<u>\$ 6,354,656,193</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 800,992	\$ --	\$ 112,022
8,920,564	53,818	2,787,945
2,843	--	5,021,781
121,462	1,639,362	--
2,017,000	116,231	933,941
17,241,158	104,302,315	74,505
55,949,196	4,914,342	15,055,040
1,235,580	47,770	--
8,525,461	300,003	--
59,593	68,065	62,844
10,183,037	36,152,240	7,536,243
4,461,020	2,365,725	1,055,729
1,410,550	7,107,519	135,809
--	776,953	1,646,367
110,928,456	157,844,343	34,422,226
\$ 110,928,456	\$ 157,844,343	\$ 34,422,226



**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>STATE AID</b>			
<b>Executive Branch</b>			
Agriculture	\$ 8,642,000	\$ 352,150	\$ 8,983,385
Community Affairs	18,042,000	67,279,409	49,429,913
Education	2,658,313,000	(212,730,363 )	2,435,847,129
Environmental Protection	4,406,000	15,570,453	5,453,394
Health and Senior Services	50,969,000	(88,000 )	44,566,984
Human Services	283,352,000	29,799,759	300,990,886
Law and Public Safety	14,872,000	2,030,966	8,291,237
State	19,631,000	(1,218,000 )	18,288,967
Treasury	182,086,000	37,752,409	207,579,788
<b>Total Executive Branch</b>	<u>3,240,313,000</u>	<u>(61,251,217 )</u>	<u>3,079,431,683</u>
<b>TOTAL STATE AID</b>	<u>\$ 3,240,313,000</u>	<u>\$ (61,251,217 )</u>	<u>\$ 3,079,431,683</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 10,720	\$ 45	\$ --
246,022	64,817	35,580,657
2,134,344	7,313,131	288,033
14,519,501	3,558	--
5,456,948	857,068	--
--	--	12,160,873
--	90,000	8,521,729
--	124,033	--
--	10,211,059	2,047,562
22,367,535	18,663,711	58,598,854
\$ 22,367,535	\$ 18,663,711	\$ 58,598,854

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>CAPITAL CONSTRUCTION</b>			
<b>Legislative Branch</b>	\$ --	\$ 405,638	\$ 144,855
<b>Executive Branch</b>			
Agriculture	--	5,141,470	--
Corrections	2,900,000	23,958,544	5,031,152
Education	400,000	1,865,280	690,752
Environmental Protection	80,745,000	72,952,689	84,228,174
Health and Senior Services	650,000	795,599	694,718
Human Services	7,500,000	26,037,815	5,354,813
Law and Public Safety	7,828,000	21,901,951	5,048,641
Military and Veterans' Affairs	1,779,000	16,144,746	2,421,228
Personnel	--	5,776	4,079
State	--	6,153,872	567,030
Transportation	745,000,000	4,764,503	747,381,406
Treasury	5,500,000	10,456,881	5,802,305
Miscellaneous Executive Commissions	--	2,000	--
Inter-Departmental Accounts	169,649,000	32,257,468	167,349,568
<b>Total Executive Branch</b>	<u>1,021,951,000</u>	<u>222,438,594</u>	<u>1,024,573,866</u>
<b>TOTAL CAPITAL CONSTRUCTION</b>	<u>\$ 1,021,951,000</u>	<u>\$ 222,844,232</u>	<u>\$ 1,024,718,721</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 164,489	\$ --	\$ 96,294
--	--	5,141,470
8,525,133	3,000,423	10,301,836
120,749	--	1,453,779
7,007,791	3,000,000	59,461,724
448,986	--	301,895
3,754,762	--	24,428,240
4,960,562	666,145	19,054,603
13,818,651	479,000	1,204,867
--	--	1,697
856,509	3,103,179	1,627,154
1,848,463	--	534,634
4,211,743	1,220	5,941,613
--	--	2,000
4,924,405	2,021,960	27,610,535
<u>50,477,754</u>	<u>12,271,927</u>	<u>157,066,047</u>
<u>\$ 50,642,243</u>	<u>\$ 12,271,927</u>	<u>\$ 157,162,341</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DEBT SERVICE</b>			
<b>Executive Branch</b>			
Environmental Protection	\$ 76,833,000	\$ 1,516	\$ 76,831,660
Treasury	393,842,000	(40,283,515 )	353,552,213
<b>Total Executive Branch</b>	<u>470,675,000</u>	<u>(40,281,999 )</u>	<u>430,383,873</u>
<b>TOTAL DEBT SERVICE</b>	<u>\$ 470,675,000</u>	<u>\$ (40,281,999 )</u>	<u>\$ 430,383,873</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$           --	\$           2,856	\$           --
--	6,272	--
--	9,128	--
<u>\$           --</u>	<u>\$           9,128</u>	<u>\$           --</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>FEDERAL</b>			
<b>Executive Branch</b>			
Agriculture	\$ 230,319,346	\$ 5,793,718	\$ 162,493,973
Community Affairs	248,745,018	32,640,586	227,845,717
Corrections	16,117,168	22,742,929	26,854,455
Education	756,607,857	51,538,396	652,180,635
Environmental Protection	207,113,937	14,673,208	33,292,171
Health and Senior Services	1,938,123,912	221,066,888	1,264,682,396
Human Services	3,714,157,005	197,221,517	3,458,472,622
Labor	351,487,989	79,111,043	260,352,119
Law and Public Safety	231,951,613	99,681,662	88,046,334
Military and Veterans' Affairs	62,253,000	36,375,767	25,089,893
Personnel	--	303,799	269,637
State	25,333,551	825,325	21,319,373
Transportation	57,831,000	25,431,172	25,841,955
Treasury	4,251,613	63,832	3,102,716
<b>Total Executive Branch</b>	<u>7,844,293,009</u>	<u>787,469,842</u>	<u>6,249,843,996</u>
<b>Judicial Branch</b>	<u>60,714,000</u>	<u>3,902,481</u>	<u>59,377,939</u>
<b>TOTAL FEDERAL</b>	<u>\$ 7,905,007,009</u>	<u>\$ 791,372,323</u>	<u>\$ 6,309,221,935</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 17,416,217	\$ --	\$ 56,202,874
21,499,181	1,218,648	30,822,058
1,940,191	--	10,065,451
53,636,307	--	102,329,311
19,505,161	73,016,815	95,972,998
109,315,720	--	785,192,684
95,582,653	--	357,323,247
56,397,181	--	113,849,732
42,428,618	--	201,158,323
24,224,696	--	49,314,178
606	--	33,556
667,507	--	4,171,996
16,676,282	--	40,743,935
(253,029 )	--	1,465,758
<u>459,037,291</u>	<u>74,235,463</u>	<u>1,848,646,101</u>
999,871	--	4,238,671
<u>\$ 460,037,162</u>	<u>\$ 74,235,463</u>	<u>\$ 1,852,884,772</u>



**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>REVOLVING FUNDS</b>			
<b>Legislative Branch</b>	\$ --	\$ 15,448	\$ 14,717
<b>Executive Branch</b>			
Community Affairs	--	14,916,470	3,867,107
Corrections	--	31,438,540	29,157,054
Education	--	6,086,890	3,057,454
Environmental Protection	--	1,818,764	645,846
Health and Senior Services	--	20,175,446	14,928,249
Human Services	--	4,659,664	7,457,437
Labor	--	1,932,709	1,218,735
Law and Public Safety	--	666,988	640,170
State	--	964,783	1,220,623
Transportation	--	754,200	572,635
Treasury	--	206,540,739	174,209,431
<b>Total Executive Branch</b>	--	289,955,193	236,974,741
<b>TOTAL REVOLVING FUNDS</b>	<u>\$ --</u>	<u>\$ 289,970,641</u>	<u>\$ 236,989,458</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$           --	\$           --	\$           731
5,208,656	128,496	5,712,211
988,687	--	1,292,799
431,902	525,000	2,072,534
79,799	--	1,093,119
990,475	--	4,256,722
92,448	--	(2,890,221 )
66,190	--	647,784
167	--	26,651
11,504	--	(267,344 )
1,124	--	180,441
<u>10,718,051</u>	<u>10,419,134</u>	<u>11,194,123</u>
<u>18,589,003</u>	<u>11,072,630</u>	<u>23,318,819</u>
<u>\$       18,589,003</u>	<u>\$       11,072,630</u>	<u>\$       23,319,550</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>ALL OTHER</b>			
<b>Legislative Branch</b>	\$ --	\$ 22,655	\$ 11,500
<b>Executive Branch</b>			
Chief Executive's Office	--	1,626,135	1,265,979
Agriculture	--	12,655,291	9,812,189
Banking and Insurance	--	4,327,444	2,354,588
Community Affairs	--	26,953,568	(31,876,570 )
Corrections	--	32,297,958	24,043,372
Education	--	18,773,951	10,055,424
Environmental Protection	--	41,270,585	13,101,777
Health and Senior Services	--	1,091,560,102	1,049,004,934
Human Services	--	561,508,201	541,335,554
Labor	--	220,008,192	141,638,600
Law and Public Safety	--	178,212,238	147,717,002
Military and Veterans' Affairs	--	3,436,148	3,252,516
Personnel	--	3,249	(22,120 )
State	--	24,207,019	17,680,274
Transportation	--	55,077,505	8,162,301
Treasury	--	914,811,408	821,821,204
<b>Total Executive Branch</b>	--	3,186,728,994	2,759,347,024
<b>Judicial Branch</b>	--	44,085,688	30,322,801
<b>TOTAL ALL OTHER</b>	<u>\$ --</u>	<u>\$ 3,230,837,337</u>	<u>\$ 2,789,681,325</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 11,155
--	--	360,156
74,251	--	2,768,851
1,242	244,000	1,727,614
13,142,125	6,000	45,682,013
1,739,324	--	6,515,262
1,033,715	--	7,684,812
3,412,924	--	24,755,884
9,507,609	71,417	32,976,142
3,072,853	2	17,099,792
266,220	20,000,000	58,103,372
11,825,210	--	18,670,026
90,487	--	93,145
--	--	25,369
1,533,894	--	4,992,851
5,923,354	--	40,991,850
9,724,450	27,030,151	56,235,603
<u>61,347,658</u>	<u>47,351,570</u>	<u>318,682,742</u>
<u>8,907,360</u>	<u>28,212</u>	<u>4,827,315</u>
<u>\$ 70,255,018</u>	<u>\$ 47,379,782</u>	<u>\$ 323,521,212</u>

**STATE OF NEW JERSEY**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GENERAL FUND SUMMARY</b>			
<b>Legislative Branch</b>	\$ 72,338,123	\$ 12,089,907	\$ 71,017,083
<b>Executive Branch</b>			
Chief Executive's Office	5,424,000	2,665,581	6,957,971
Agriculture	251,535,596	24,785,749	193,013,589
Banking and Insurance	68,123,000	8,378,559	67,637,088
Community Affairs	338,257,018	163,461,151	326,235,977
Corrections	873,875,168	181,476,715	992,008,985
Education	3,485,150,652	(132,259,636 )	3,154,457,696
Environmental Protection	587,318,000	186,303,694	444,521,912
Health and Senior Services	2,707,383,912	1,688,524,570	3,302,467,453
Human Services	7,843,769,124	1,032,481,526	8,249,214,329
Labor	444,491,989	328,567,847	513,304,376
Law and Public Safety	690,635,613	511,915,512	790,215,177
Military and Veterans' Affairs	134,450,000	62,947,759	104,873,850
Personnel	26,587,000	5,304,768	27,096,461
State	1,207,257,551	15,504,445	1,147,684,535
Transportation	1,317,051,000	117,007,795	1,302,591,427
Treasury	1,131,460,281	1,190,672,724	2,106,711,648
Miscellaneous Executive Commissions	1,392,000	61,679	1,416,616
Inter-Departmental Accounts	2,166,251,937	51,372,842	2,098,040,620
<b>Total Executive Branch</b>	<u>23,280,413,841</u>	<u>5,439,173,280</u>	<u>24,828,449,710</u>
<b>Judicial Branch</b>	<u>548,386,000</u>	<u>46,498,287</u>	<u>549,372,444</u>
<b>TOTAL GENERAL FUND SUMMARY</b>	<u>\$ 23,901,137,964</u>	<u>\$ 5,497,761,474</u>	<u>\$ 25,448,839,237</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,752,473	\$ --	\$ 10,658,474
16,004	4,589	1,111,017
18,668,329	40,048	64,599,379
728,726	4,771,560	3,364,185
49,447,733	3,402,271	122,632,188
24,203,073	5,797,152	33,342,673
65,236,033	17,961,887	115,235,400
56,263,129	79,808,425	193,028,228
161,308,781	108,869,304	823,262,944
179,390,195	12,624,204	435,021,922
61,158,378	24,368,638	174,228,444
81,853,094	2,827,876	327,654,978
40,224,176	562,232	51,737,501
1,913,319	718,000	2,163,988
14,362,539	41,900,249	18,814,673
40,790,602	3,432,592	87,244,174
41,616,350	60,877,496	112,927,511
335	--	36,728
16,934,987	16,225,053	86,424,119
<u>854,115,783</u>	<u>384,191,576</u>	<u>2,652,830,052</u>
<u>27,957,026</u>	<u>37,142</u>	<u>17,517,675</u>
<u>\$ 884,825,282</u>	<u>\$ 384,228,718</u>	<u>\$ 2,681,006,201</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO CONTROL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
Law and Public Safety	\$ 35,799,000	\$ 240,438	\$ 34,450,565
Treasury	26,938,000	1,301,180	24,480,618
<b>TOTAL CASINO CONTROL FUND</b>	<u>\$ 62,737,000</u>	<u>\$ 1,541,618</u>	<u>\$ 58,931,183</u>

**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
CASINO REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>DIRECT STATE SERVICES</b>			
Health and Senior Services	\$ 871,000	\$ 62,357	\$ 854,565
Law and Public Safety	92,000	956	86,000
<b>GRANTS-IN-AID</b>			
Health and Senior Services	313,094,000	73,512,601	380,221,303
Human Services	23,369,000	--	23,264,655
Labor	2,440,000	--	2,440,000
<b>STATE AID</b>			
Transportation	24,934,000	2	2,380,144
<b>TOTAL CASINO REVENUE FUND</b>	<u>\$ 364,800,000</u>	<u>\$ 73,575,916</u>	<u>\$ 409,246,667</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 629,422	\$ 920,396	\$ 39,055
1,192,567	660,353	1,905,642
<u>\$ 1,821,989</u>	<u>\$ 1,580,749</u>	<u>\$ 1,944,697</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 53,119	\$ 1,678	\$ 23,995
--	6,000	956
5,200,389	1,184,909	--
--	104,345	--
--	--	--
22,553,856	--	2
<u>\$ 27,807,364</u>	<u>\$ 1,296,932</u>	<u>\$ 24,953</u>



**STATE OF NEW JERSEY  
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES  
PROPERTY TAX RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<b>GRANTS-IN-AID</b>			
Treasury	\$ 1,216,471,000	\$ 191,861	\$ 1,158,494,883
<b>STATE AID</b>			
Community Affairs	967,769,000	(39,754,490 )	927,085,180
Education	4,966,237,000	2,800,998	4,935,356,581
Environmental Protection	10,453,000	--	4,905,238
Treasury	141,817,000	5,532,249	142,991,365
<b>TOTAL PROPERTY TAX RELIEF FUND</b>	<u>\$ 7,302,747,000</u>	<u>\$ (31,229,382 )</u>	<u>\$ 7,168,833,247</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$           --	\$    58,167,978	\$           --
590,000	339,330	--
20,698,083	6,525,896	6,457,438
5,273,495	274,267	--
--	4,357,884	--
<u>          </u>	<u>          </u>	<u>          </u>
<u>\$    26,561,578</u>	<u>\$    69,665,355</u>	<u>\$    6,457,438</u>

**STATE OF NEW JERSEY**  
**TEN-YEAR FINANCIAL SUMMARY <sup>(1)</sup>**  
**FOR FISCAL YEAR ENDED JUNE 30**  
**(Expressed in Millions)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>REVENUES <sup>(2)</sup></b>				
Taxes	\$ 18,317	\$ 16,800	\$ 17,824	\$ 16,718
Federal and other grants	7,883	7,566	6,684	6,041
Licenses and fees	944	840	896	854
Services and assessments	1,344	1,287	1,188	1,223
Investment earnings	39	15	82	72
Contributions	510	231	136	--
Other	7,412	6,167	5,026	4,855
<b>Total Revenues</b>	<u>\$ 36,449</u>	<u>\$ 32,906</u>	<u>\$ 31,836</u>	<u>\$ 29,763</u>
<b>EXPENDITURES <sup>(2)</sup></b>				
Public safety and criminal justice	\$ 2,511	\$ 2,506	\$ 2,385	\$ 2,261
Physical and mental health	9,280	8,831	7,523	7,127
Education, cultural, and intellectual development	10,597	10,232	9,585	8,833
Community development and environmental management	1,844	1,894	1,855	1,702
Economic planning, development, and security	2,892	2,832	2,628	2,735
Transportation programs	2,145	2,024	1,753	1,581
Government direction, management, and control	5,219	4,759	4,075	2,965
Special government services	239	230	224	207
Other financing uses	1,377	1,326	1,493	1,777
<b>Total Expenditures</b>	<u>\$ 36,104</u>	<u>\$ 34,634</u>	<u>\$ 31,521</u>	<u>\$ 29,188</u>

(1) The ten year summary includes the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, the Gubernatorial Elections Fund, and the Special Transportation Fund. Nonrecurring items are not included in either revenues or expenditures.

(2) The State's policy for revenue and expenditure recognition is described in Note 1.

	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>
\$	15,335	\$ 14,195	\$ 13,008	\$ 12,690	\$ 12,146	\$ 12,291
	5,616	5,532	5,664	5,392	4,778	4,309
	839	818	759	693	710	641
	1,137	1,135	1,157	1,228	1,226	1,061
	55	46	48	51	67	41
	--	--	--	--	--	--
	3,711	3,516	3,726	3,908	3,475	3,213
<b>\$</b>	<b>26,693</b>	<b>\$ 25,242</b>	<b>\$ 24,362</b>	<b>\$ 23,962</b>	<b>\$ 22,402</b>	<b>\$ 21,556</b>

\$	2,076	\$ 1,873	\$ 1,814	\$ 1,687	\$ 1,529	\$ 1,307
	5,861	5,635	5,547	5,308	5,158	4,798
	8,424	7,641	7,190	7,126	6,275	6,995
	1,576	1,547	1,351	1,305	1,119	1,125
	2,641	2,540	2,677	2,791	2,381	2,294
	1,572	1,617	1,731	1,587	1,466	1,420
	2,604	2,553	2,420	2,508	3,227	2,598
	187	174	177	161	157	145
	1,576	1,386	1,291	1,763	1,003	786
<b>\$</b>	<b>26,517</b>	<b>\$ 24,966</b>	<b>\$ 24,198</b>	<b>\$ 24,236</b>	<b>\$ 22,315</b>	<b>\$ 21,468</b>

**STATE OF NEW JERSEY  
REVENUE SUMMARY FOR BUDGETED FUNDS\*  
1999-2003  
(Expressed in Millions)**

<b>Major Tax</b>	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Gross Income Tax	\$ 6,735.3	\$ 6,837.0	\$ 7,989.2	\$ 7,205.3	\$ 6,323.9
Sales and Use Tax	5,936.1	5,996.8	5,758.7	5,508.1	5,054.4
Corporation Business Tax	2,525.4	1,171.5	1,389.5	1,452.1	1,402.9
Other Major Taxes	2,837.3	2,489.1	2,429.9	2,307.8	2,282.5
Miscellaneous Taxes, Fees	4,265.2	2,911.5	2,296.9	2,307.7	2,107.9
State Lottery	765.4	754.5	697.4	719.9	652.3
Casino Taxes and Fees	413.9	413.0	399.3	396.3	382.5
<b>Total</b>	<b>\$ 23,478.6</b>	<b>\$ 20,573.4</b>	<b>\$ 20,960.9</b>	<b>\$ 19,897.2</b>	<b>\$ 18,206.4</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
PERCENT DISTRIBUTION OF REVENUE COLLECTIONS FOR BUDGETED FUNDS\*  
1999-2003**

<b>Major Tax</b>	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Gross Income Tax	28.7 %	33.2 %	38.1 %	36.3 %	34.7 %
Sales and Use Tax	25.3	29.1	27.5	27.7	27.8
Corporation Business Tax	10.7	5.7	6.6	7.3	7.7
Other Major Taxes	12.1	12.1	11.6	11.6	12.5
Miscellaneous Taxes, Fees	18.2	14.2	11.0	11.5	11.6
State Lottery	3.2	3.7	3.3	3.6	3.6
Casino Taxes and Fees	1.8	2.0	1.9	2.0	2.1
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
EXPENDITURE SUMMARY FOR BUDGETED FUNDS\*  
1999-2003  
(Expressed in Millions)**

<b>Expenditure Category</b>	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Direct State Services	\$ 5,437.5	\$ 5,106.4	\$ 5,012.6	\$ 4,650.2	\$ 4,792.2
Grants-In-Aid	8,035.2	7,264.0	6,210.0	6,211.7	5,160.6
State Aid	9,163.6	8,834.8	8,408.2	7,866.4	7,475.2
Capital Construction	1,075.4	1,012.1	1,171.0	737.4	608.3
Debt Service	430.4	451.2	525.0	494.2	495.5
<b>Total</b>	<b>\$ 24,142.1</b>	<b>\$ 22,668.5</b>	<b>\$ 21,326.8</b>	<b>\$ 19,959.9</b>	<b>\$ 18,531.8</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
EXPENDITURE SUMMARY FOR BUDGETED FUNDS\*  
PERCENT DISTRIBUTION BY MAJOR EXPENDITURE CATEGORY  
1999-2003**

<b>Expenditure Category</b>	<b>Fiscal Year</b>				
	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Direct State Services	22.5 %	22.5 %	23.5 %	23.3 %	25.9 %
Grants-In-Aid	33.3	32.0	29.1	31.1	27.8
State Aid	38.0	39.0	39.4	39.4	40.3
Capital Construction	4.4	4.5	5.5	3.7	3.3
Debt Service	1.8	2.0	2.5	2.5	2.7
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
EXPENDITURES FOR BUDGETED FUNDS\*  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
(Expressed in Millions)**

<b>Government Branch</b>	<b>Direct State Service</b>	<b>Grants- In-Aid</b>	<b>State Aid</b>	<b>Capital Construction</b>	<b>Debt Service</b>	<b>Total</b>
<b>Executive Branch</b>						
Chief Executive Office	\$ 5.7	\$ --	\$ --	\$ --	\$ --	\$ 5.7
Agriculture	11.2	1.7	9.0	--	--	21.9
Banking and Insurance	66.0	--	--	--	--	66.0
Community Affairs	44.7	41.7	977.4	--	--	1,063.8
Corrections	834.3	83.6	--	13.6	--	931.5
Education	57.7	2.8	7,394.0	0.8	--	7,455.3
Environmental Protection	234.7	8.0	30.1	91.2	76.8	440.8
Health and Senior Services	129.2	1,221.3	50.0	1.2	--	1,401.7
Human Services	671.9	3,363.8	301.0	9.1	--	4,345.8
Labor	81.1	35.8	--	--	--	116.9
Law and Public Safety	578.8	19.5	8.3	10.0	--	616.6
Military and Veterans Affairs	75.2	1.0	--	16.3	--	92.5
Personnel	28.8	--	--	--	--	28.8
State	24.0	1,075.9	18.3	1.4	--	1,119.6
Transportation	272.3	264.7	24.9	749.2	--	1,311.1
Treasury	430.5	1,311.6	350.6	10.0	353.6	2,456.3
Miscellaneous	1.4	--	--	--	--	1.4
Inter-Departmental	1,338.9	603.8	--	172.3	--	2,115.0
<b>Subtotal</b>	<b>4,886.4</b>	<b>8,035.2</b>	<b>9,163.6</b>	<b>1,075.1</b>	<b>430.4</b>	<b>23,590.7</b>
<b>Legislative Branch</b>	73.4	--	--	0.3	--	73.7
<b>Judicial Branch</b>	477.7	--	--	--	--	477.7
<b>Grand Total</b>	<b>\$ 5,437.5</b>	<b>\$ 8,035.2</b>	<b>\$ 9,163.6</b>	<b>\$ 1,075.4</b>	<b>\$ 430.4</b>	<b>\$ 24,142.1</b>

\* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY**  
**STATE AID, TAX RELIEF, AND LOCAL BUDGET SAVINGS INITIATIVES**  
(Expressed in Millions)

Program	Fiscal Year			
	2003	2002	2001	2000
<b>School Aid</b>				
Direct Aid	\$ 6,647.0	\$ 6,453.6	\$ 5,914.7	\$ 5,451.6
School Construction and Renovation	6.9	82.0	129.9	112.0
Teachers' Retirement Benefits and Social Security	977.6	905.7	792.5	700.4
<b>Subtotal</b>	<b>7,631.5</b>	<b>7,441.3</b>	<b>6,837.1</b>	<b>6,264.0</b>
<b>Municipal Aid and Budget Savings</b>				
Consolidated Municipal Property Tax Relief Aid	835.4	835.2	787.8	767.9
Energy Receipts Property Tax Relief Aid	755.0	755.0	750.0	750.0
Special Municipal Aid	58.0	38.7	--	95.0
Business Personal Property Tax Depreciation	--	--	33.9	--
Legislative Initiative Block Grant Program	34.8	34.8	33.8	33.0
Extraordinary Aid	30.5	25.0	25.0	30.0
Regional Efficiency Aid Program	9.0	20.0	16.8	--
Regional Efficiency Development Incentive Program	--	5.0	10.0	10.0
Open Space - Payments in Lieu of Taxes	8.0	7.4	7.1	6.3
Watershed Moratorium Offset Aid	--	3.4	3.3	3.4
<b>Subtotal</b>	<b>1,730.7</b>	<b>1,724.5</b>	<b>1,667.7</b>	<b>1,695.6</b>
<b>Other Local Aid and Budget Savings</b>				
County College Aid	201.3	203.7	191.1	174.2
Transportation Trust Fund - Aid for Local Projects	150.0	150.0	150.0	150.0
Aid to County Psychiatric Hospitals	94.5	91.7	87.2	87.2
Urban Enterprise Zones - Sales Tax Dedication	13.1	57.4	43.5	48.9
Intergovernmental Transfer Funds (IGT)	--	--	51.4	--
Department of Community Affairs - Housing and Neighborhood Assistance	16.7	16.7	16.6	16.6
Library Aid	16.9	15.4	15.1	14.1
Pension Contributions on Behalf of Local Governments	31.4	21.9	15.6	58.1
Miscellaneous Programs	168.8	22.5	23.2	20.2
<b>Subtotal</b>	<b>692.7</b>	<b>579.3</b>	<b>593.7</b>	<b>569.3</b>
<b>Direct Taxpayer Relief</b>				
NJ SAVER Program	679.1	727.4	336.7	170.0
Homestead Rebates	514.3	500.6	335.1	332.6
Veterans and Senior/Disabled Citizens' Property Tax Relief	118.7	91.9	77.3	74.9
Property Tax Deduction Act	335.1	316.8	301.0	263.0
<b>Subtotal</b>	<b>1,647.2</b>	<b>1,636.7</b>	<b>1,050.1</b>	<b>840.5</b>
<b>Pension Security Plan Savings</b>				
School District Pension Security Program Savings	13.3	10.6	10.6	21.4
Municipal Pension Security Program Savings	16.1	12.8	12.8	26.0
Police and Firemen's Retirement Local Savings	263.2	150.0	150.0	--
Other Local Pension Security Program Savings	31.9	25.3	25.3	51.3
<b>Subtotal</b>	<b>324.5</b>	<b>198.7</b>	<b>198.7</b>	<b>98.7</b>
<b>Grand Total</b>	<b>\$ 12,026.6</b>	<b>\$ 11,580.5</b>	<b>\$ 10,347.3</b>	<b>\$ 9,468.1</b>

**Source:**

New Jersey Department of the Treasury, New Jersey Office of Management and Budget.



**STATE OF NEW JERSEY  
STATE AID FOR LOCAL SCHOOL DISTRICTS  
CONSOLIDATED SUMMARY  
GENERAL FUND AND PROPERTY TAX RELIEF FUND  
(Expressed in Thousands)**

<b>Formula Aid Program</b>	<b>Expended Fiscal Year 2003</b>	<b>Available Resources Fiscal Year 2004</b>
Core Curriculum Standards Aid	\$ 2,949,187	\$ 3,080,318
Abbott vs. Burke Parity Program	506,133	512,656
Supplemental Core Curriculum Standards Act	239,180	251,768
Early Childhood Aid	314,099	330,630
Instructional Supplement	14,840	15,621
Demonstrably Effective Program Aid	189,536	199,512
Rewards and Recognition	9,459	--
Stabilization Aid	106,045	111,626
Stabilization Aid II	2,366	2,491
Stabilization Aid III	10,832	11,402
Additional Supplemental Stabilization Aid:		
Large Efficient Districts	4,988	5,250
Regionalization Incentive Aid	1,169	1,231
High Senior Citizen Concentrations	17,380	18,295
Categorical Aids:		
Distance Learning Network	56,204	--
Adult Education Grants	27,285	28,721
Bilingual Education	62,299	65,578
Special Education	851,599	896,420
County Vocational Education	37,001	38,948
Pupil Transportation Aid	288,421	305,652
School Choice	3,567	6,537
Aid for Enrollment Adjustments	15,633	16,456
Formula Entitlement Amelioration Aid	--	313
Consolidated Aid	--	130,127
<b>Less</b>		
Stabilization Aid Growth Limitation	(73,576)	(73,576)
Growth Savings - Payment Change	--	(5,000)
<b>Subtotal Net Thorough and Efficient Budget</b>	<b>5,633,647</b>	<b>5,950,976</b>
School Construction and Renovation Programs	41,422	107,350
Debt Service Aid	169,042	129,101
<b>Subtotal School Building Aid</b>	<b>210,464</b>	<b>236,451</b>
<b>Subtotal Formula Aid Programs</b>	<b>5,844,111</b>	<b>6,187,427</b>
<b>Other Aid to Education</b>		
Nonpublic School Aid	100,321	97,702
Additional Abbott vs. Burke State Aid	336,940	401,758
Abbott Preschool Expansion Aid	95,488	142,400
Payment for Children with Unknown District of Residence	13,610	17,217
Extraordinary Special Education Costs Aid	14,280	52,000
General Vocational Aid	5,459	5,460
Additional School Building Aid (Debt Service)	4,528	1,599
Educational Information & Resource Center	450	450
School Choice/Charter School Aid	7,828	5,500
Charter Schools - Council on Local Mandates Decision Offset Aid	4,774	5,300
Character Education	4,729	4,750
Teacher Quality Mentoring	--	2,000
Other Aid	7,778	8,044
<b>Subtotal Other Aid to Education</b>	<b>596,185</b>	<b>744,180</b>
<b>Direct State Payments for Education</b>		
Teachers' Pension Assistance	298,322	430,610
Debt Service on Pension Obligation Bonds	73,769	83,512
Pension and Annuity Assistance - Other	51,321	65,385
Teachers' Social Security Payments for Education	571,752	611,143
<b>Subtotal Direct State Payments for Education</b>	<b>995,164</b>	<b>1,190,650</b>
<b>Total</b>	<b>\$ 7,435,460</b>	<b>\$ 8,122,257</b>

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
RATIO OF TOTAL DEBT SERVICE ON GENERAL OBLIGATION  
BONDS TO TOTAL STATE EXPENDITURES**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service*</b>	<b>State Expenditures</b>	<b>Ratio</b>
1994	\$ 3,425,000	\$ 116,512,997	\$ 119,937,997	\$ 14,864,235,964	0.81 %
1995	3,425,000	100,096,833	103,521,833	15,330,072,857	0.68
1996	244,281,000	209,070,625	453,351,625	16,243,868,982	2.79
1997	250,911,000	195,989,910	446,900,910	16,335,984,225	2.74
1998	287,675,000	191,218,950	478,893,950	17,214,149,639	2.78
1999	297,990,000	197,553,385	495,543,385	18,531,794,940	2.67
2000	301,995,000	192,228,225	494,223,225	19,959,907,507	2.48
2001	319,650,000	205,395,184	525,045,184	21,326,795,958	2.46
2002	296,135,380	155,040,632	451,176,012	22,679,930,235	1.99
2003	260,845,065	179,611,063	440,456,128	24,142,092,646	1.82

\* Includes debt service on General Obligation Bonds only. Savings achieved through the sale of General Obligation Refunding Bonds are reflected in lower debt service payments made in Fiscal Years 1994, 1995, 1996, 1999, 2002 and 2003.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
RATIO OF GENERAL LONG-TERM BONDED DEBT TO  
ASSESSED VALUE AND DEBT PER CAPITA  
(Expressed in Thousands Except for General Long-Term Debt Ratios)**

<b>Fiscal Year</b>	<b>New Jersey Population</b>	<b>Assessed Value (1)</b>	<b>General Long-Term Debt Outstanding (2)</b>	<b>General Long-Term Debt Comparison To Assessed Value</b>	<b>General Long-Term Debt Per Capita</b>
1993	7,879	\$ 398,926,840	\$ 3,591,315	0.90 %	\$ 455.81
1994	7,904	412,288,812	3,646,891	0.88	461.40
1995	7,945	419,342,052	3,688,361	0.88	464.24
1996	7,988	432,759,176	3,437,450	0.79	430.33
1997	8,053	442,504,941	3,572,895	0.81	443.67
1998	8,115	458,783,983	3,649,905	0.80	449.77
1999	8,143	472,650,804	3,790,570	0.80	465.50
2000	8,414 *	495,989,653	3,470,920	0.70	412.52 *
2001	8,484	526,949,622	3,170,939	0.60	373.76
2002	8,590	567,908,706	3,294,174	0.58	383.49

\* Fiscal Year 2000 New Jersey Population and General Long-Term Debt Per Capita have been revised.

(1) Includes Real and Personal Property.

(2) Includes State General Obligation Debt only.

**Sources:**

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
STATE OF CONSTITUTION - LEGAL DEBT LIMITATIONS**

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war, or to repel invasion, or to suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY  
CALCULATION OF LEGAL LIMITS  
(Expressed in Thousands)**

<b>Fiscal Year</b>	<b>Total General Fund Appropriations*</b>	<b>Legal Debt Limit</b>	<b>Outstanding General Obligation Bonded Debt</b>
1994	\$ 10,270,698	\$ 102,707	\$ 3,591,315
1995	10,471,079	104,711	3,646,891
1996	11,216,997	112,170	3,688,361
1997	11,240,476	112,405	3,437,450
1998	11,206,205	112,062	3,572,895
1999	11,629,300	116,293	3,649,905
2000	12,462,175	124,622	3,790,570
2001	13,098,142	130,981	3,470,920
2002	14,186,563	141,866	3,170,939
2003	15,980,463	159,805	3,294,174

\* Does not include the Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund, the revenues of which are restricted as to use by their respective legislation.

**Source:**

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY  
AUTHORIZED BUT UNISSUED DEBT, 2002 AND 2003  
(Expressed in Thousands)**

Debt Program	Year	Amount Authorized	Unissued As Of	
			6/30/2003	6/30/2002
<b>General Obligation Bonds</b>				
Clean Waters	1976	\$ 120,000	\$ 5,000	\$ 5,000
State Land Acquisition and Development	1978	200,000	1,500	3,500
Natural Resources	1980	145,000	17,100	47,500
Energy Conservation	1980	50,000	2,100	2,100
Water Supply	1981	350,000	93,400	93,400
Hazardous Discharge	1981	100,000	43,000	43,000
New Jersey Green Acres	1983	135,000	14,500	14,500
Pinelands Infrastructure Trust	1985	30,000	8,000	8,000
Hazardous Discharge	1986	200,000	88,000	88,000
New Jersey Green Acres, Cultural Centers & Historic Preservation	1987	100,000	9,000	10,000
Jobs, Education & Competitiveness	1988	350,000	--	7,000
Open Space Preservation	1989	300,000	29,000	29,000
Public Purpose Buildings and Community - Based Facilities Construction	1989	125,000	5,000	13,000
Stormwater Management & Combined Sewer Overflow Abatement	1989	50,000	21,500	27,000
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345,000	54,780	62,880
Development Disabilities' Waiting List Reduction and Human Services Facilities Construction	1994	160,000	19,000	41,500
1995 New Jersey Green Acres, Farmland & Historic Preservation & Blue Acres	1995	340,000	62,500	91,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300,000	243,000	246,000
Urban and Rural Centers Unsafe Buildings Demolition	1997	20,000	--	20,000
Statewide Transportation and Local Bridge	1999	500,000	41,000	300,000
<b>Subtotal</b>		<b>3,920,000</b>	<b>757,380</b>	<b>1,152,380</b>
<b>Revenue Bonds Payable</b>				
<b>Building Authority</b>				
State Police Multi-purpose Building and Troop "C" Headquarters	1999	84,500	--	29,500
State Police Office of Emergency Management and Operations Center	2002	27,600	--	27,600
State Museum Renovations	2002	16,215	--	16,215
<b>Transportation Trust Fund Authority</b>				
Annual Capital Plan*	1995	6,300,000	1,932,655	1,932,655
<b>Garden State Preservation Trust</b>				
Presevation Bonds	1999	1,000,000	500,001	1,000,000
<b>Subtotal</b>		<b>7,428,315</b>	<b>2,432,656</b>	<b>3,005,970</b>
<b>Installment Obligations</b>				
<b>Economic Development Authority</b>				
Market Transition Facility	1994	750,000	44,730	44,730
School Facilities Construction	2000	8,600,000	7,454,071	8,091,400
Solid Waste Facilities**	2002	1,100,000	--	1,100,000
<b>Educational Facilities Authority</b>				
Equipment Leasing Fund	1993	100,000	12,615	12,615
Public Library Trust Fund	1999	45,000	--	45,000
Capital Improvement Fund	1999	550,000	77,315	271,905
Dormitory Safety Trust Fund	2000	90,000	16,230	16,230
<b>Subtotal</b>		<b>11,235,000</b>	<b>7,604,961</b>	<b>9,581,880</b>
<b>Total</b>		<b>\$ 22,583,315</b>	<b>\$ 10,794,997</b>	<b>\$ 13,740,230</b>

**Notes:**

For debt issued after June 30, 2003, please refer to Note 18 of the Notes to the Financial Statements.

\* The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2004.

Bonding authorization of \$650.0 million for Fiscal Year 2004 is shown in this table.

\*\* Authorizing legislation does not provide a debt limit. Amounts authorized are based on estimated needs.

**Source:**

New Jersey Department of the Treasury, Office of Public Finance.

**CORPORATE HEADQUARTERS  
LOCATED IN THE STATE OF NEW JERSEY**

AT&T	NJM Insurance Group
Automatic Data Processing, Inc.	North Jersey Media Group, Inc.
AVAYA	Novartis
Aventis Pharmaceuticals	Pathmark Stores, Inc.
BAE Systems	Pearson Education
BASF Corporation	Pharmacia Corp.
BD (Becton Dickinson and Company)	PNC Financial Services Group, Inc.
Big M, Inc.	PriceWaterhouseCoopers, LLP
The BOC Group	Prime Hospitality Corp.
Campbell Soup Company	Professional Security Bureau Ltd.
Cendant Corp.	Prudential Financial, Inc.
Chubb Corporation	Public Service Enterprise Group, Inc.
CIT Group, Inc.	Quest Diagnostics, Inc.
Commerce Bank	Quick Chek Food Stores
Continental Airlines	Resorts Casino Hotel
Educational Testing Service	Ricoh Corporation
Food Circus Supermarkets	Roche
Great Atlantic & Pacific Tea Co.	Sands Casino Hotel
Honeywell	Schering-Plough Corp.
Horizon BC & BS of NJ	Selective Insurance Group, Inc.
Jersey Central Power & Light	Siemens Corp.
Jevic Transportation Inc.	SOS Security Inc.
Johnson & Johnson	Telcordia
Kings Super Markets, Inc.	Tropicana/Aztar Corp.
KPMG LLP	Trump Hotel & Casino Resorts
Liz Claiborne, Inc.	Valley National Bank
Lucent Technologies	Village Supermarkets
Masterfoods USA (a Mars Inc. Co.)	Wakefern Food Corporation
Merck & Company, Inc.	Wyeth
National Starch and Chemical Co.	

**Source:**

"New Jersey Business," New Jersey Business & Industry Association, "31st Annual Top 100 Employers, May 2003." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY  
FIFTY LARGEST PRIVATE SECTOR EMPLOYERS**

<u>Rank</u>	<u>Employer</u>	<u>2003 Employment</u>
1	Wakefern Food Corporation	31,800
2	United Parcel Service (UPS)	18,000
3	Verizon	17,151
4	AT&T	16,000
5	Park Place Entertainment	15,840
6	Trump Hotel & Casino Resorts	14,204
7	Pathmark Stores, Inc.	13,500
8	Home Depot	12,500
9	Merck & Company, Inc.	12,434
10	Continental Airlines	12,000
11	Prudential Financial, Inc.	11,706
12	Johnson & Johnson	11,500
13	Public Service Enterprise Group, Inc.	11,400
14	Merrill Lynch & Co., Inc.	10,000
15	Wal-Mart Stores, Inc.	9,300
16	Federated Dept. Stores	9,200
17	Cendant Corp.	8,700
18	Bristol-Myers Squibb Company	8,500
19	Great Atlantic & Pacific Tea Co.	8,196
20	Lucent Technologies	7,500
21	FedEx Corporation	7,400
22	Sears, Roebuck & Co.	7,300
23	Schering-Plough Corp.	6,800
24	Fleet Boston Financial	6,500
25	First Union National Bank/Wachovia	6,200
26	Acme Markets, Inc.	5,806
27	Commerce Bank	5,739
28	Automatic Data Processing, Inc.	5,678
29	Harrah's Entertainment, Inc.	5,550
30	UBS PaineWebber	4,976
31	Tropicana/Aztar Corp.	4,792
32	IBM Corporation	4,628
33	Horizon BC & BS of NJ	4,596
34	Chubb Corporation	4,450
35	Kmart Corporation	4,440
36	May Department Stores	4,200
37	J.P. Morgan Chase & Co.	4,153
38	Novartis	4,000
39	Telcordia	4,000
40	Village Supermarkets	3,900
41	Siemens Corp.	3,392
42	Kohl's Corp.	3,300
43	Professional Security Bureau Ltd.	3,206
44	Aventis Pharmaceuticals	3,200
45	Roche	3,140
46	Marriott International Corp.	3,135
47	J.C. Penny Co., Inc.	3,122
48	Gannett Co., Inc.	3,029
49	Pinkerton and Burns	3,000
50	Resorts Casino Hotel	3,000

**Source:**

"New Jersey Business," New Jersey Business & Industry Association, "31st Annual Top 100 Employers, May 2003." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY  
FULL-TIME PAID EMPLOYEES\*  
(Excludes Colleges and Universities)**

<b>Department/Agency</b>	<b>January</b>		
	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Executive Branch</b>			
Agriculture	247	259	255
Banking and Insurance	486	517	502
Chief Executive's Office	118	116	122
Community Affairs	1,015	1,106	1,086
Corrections	9,344	9,445	8,907
Parole Board	699	713	741
Education	920	991	915
Environmental Protection	3,248	3,449	3,312
Health	1,953	2,148	2,036
Human Services	19,278	18,978	18,001
Labor	3,458	3,486	3,524
Public Employees Relations Commission	36	36	38
Law and Public Safety	7,137	7,379	6,841
Election Law Enforcement Commission	46	50	49
Violent Crimes Compensation Board	46	47	47
Executive Commission on Ethical Standards	8	9	6
Juvenile Justice	1,585	1,638	1,529
Military and Veterans' Affairs	1,358	1,449	1,458
Personnel	376	440	426
State	187	202	199
Commission on Higher Education	22	24	24
Public Broadcasting Authority	157	159	153
Student Assistance	193	213	197
Transportation	5,109	5,438	5,431
Treasury	3,604	3,880	3,686
Casino Control Commission	325	334	333
Commission on Science and Technology	8	9	9
Office of Administrative Law	109	112	111
Office of Information Technology	929	1,048	1,015
Public Defender	877	942	927
Board of Public Utilities/Ratepayer Advocate	319	307	290
Miscellaneous Executive Commissions	2	2	2
<b>Total</b>	<b>63,199</b>	<b>64,926</b>	<b>62,172</b>
<b>Legislative Branch</b>	506	492	505
<b>Judicial Branch (Administrative Office of the Courts)</b>	1,753	1,795	1,734
<b>Statewide Total Without Courts</b>	<b>65,458</b>	<b>67,213</b>	<b>64,411</b>
<b>Judicial Branch</b>	7,365	7,566	7,432
<b>Grand Statewide Total</b>	<b>72,823</b>	<b>74,779</b>	<b>71,843</b>

\* Full-time paid employees were tabulated as of pay period one for each year displayed.

**Source:**

New Jersey Department of the Treasury, New Jersey Office of Management and Budget.

**STATE OF NEW JERSEY  
SECTOR SUMMARY OF FALL ENROLLMENT  
NEW JERSEY COLLEGES AND UNIVERSITIES, 2002 AND 2001**

<b>Full and Part-time Sector</b>	<b>Undergraduate</b>		<b>Post-Baccalaureate</b>		<b>Total Enrollments</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b><u>Full-time Enrollment</u></b>						
Community Colleges	66,067	59,921	--	--	66,067	59,921
State Colleges	48,085	46,014	2,079	1,802	50,164	47,816
Rutgers, The State University	33,323	32,822	5,027	4,714	38,350	37,536
New Jersey Institute of Technology	4,238	4,123	1,310	1,261	5,548	5,384
University of Medicine and Dentistry	586	616	3,210	3,200	3,796	3,816
Independent Colleges	39,675	38,803	9,288	8,503	48,963	47,306
<b>Total</b>	<b>191,974</b>	<b>182,299</b>	<b>20,914</b>	<b>19,480</b>	<b>212,888</b>	<b>201,779</b>
<b><u>Part-time Enrollment</u></b>						
Community Colleges	72,857	69,998	--	--	72,857	69,998
State Colleges	13,904	14,147	12,070	11,567	25,974	25,714
Rutgers, The State University	5,253	5,324	7,877	7,489	13,130	12,813
New Jersey Institute of Technology	1,492	1,575	1,788	1,903	3,280	3,478
Thomas Edison State College	9,012	8,152	213	183	9,225	8,335
University of Medicine and Dentistry	202	175	682	669	884	844
Independent Colleges	10,552	11,125	12,967	12,567	23,519	23,692
<b>Total</b>	<b>113,272</b>	<b>110,496</b>	<b>35,597</b>	<b>34,378</b>	<b>148,869</b>	<b>144,874</b>
<b><u>Total Enrollment</u></b>						
Community Colleges	138,924	129,919	--	--	138,924	129,919
State Colleges	61,989	60,161	14,149	13,369	76,138	73,530
Rutgers, The State University	38,576	38,146	12,904	12,203	51,480	50,349
New Jersey Institute of Technology	5,730	5,698	3,098	3,164	8,828	8,862
Thomas Edison State College	9,012	8,152	213	183	9,225	8,335
University of Medicine and Dentistry	788	791	3,892	3,869	4,680	4,660
Independent Colleges	50,227	49,928	22,255	21,070	72,482	70,998
<b>Grand Total</b>	<b>305,246</b>	<b>292,795</b>	<b>56,511</b>	<b>53,858</b>	<b>361,757</b>	<b>346,653</b>

**Source:**

New Jersey Commission on Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."



**STATE OF NEW JERSEY  
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

**Full-time Undergraduate Enrollment**

<b>Year</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Other Public 4-Year*</b>	<b>Independent Colleges</b>	<b>Total</b>
1993	54,923	40,246	31,595	29,818	156,582
1994	54,676	39,356	31,597	30,082	155,711
1995	54,862	40,265	32,272	30,244	157,643
1996	54,053	40,934	32,677	32,005	159,669
1997	53,323	41,874	33,468	33,258	161,923
1998	53,643	42,843	34,578	35,175	166,239
1999	54,869	43,895	35,857	36,075	170,696
2000	56,509	44,603	36,425	37,498	175,035
2001	59,921	46,014	37,561	38,803	182,299
2002	66,067	48,085	38,147	39,675	191,974

**Part-time Undergraduate Enrollment**

<b>Year</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Other Public 4-Year*</b>	<b>Independent Colleges</b>	<b>Total</b>
1993	84,992	18,304	17,747	13,893	134,936
1994	81,086	17,871	17,259	13,366	129,582
1995	78,378	17,400	17,103	12,936	125,817
1996	73,050	16,733	16,751	13,169	119,703
1997	69,265	16,418	16,515	12,489	114,687
1998	67,471	15,471	16,452	11,757	111,151
1999	68,013	14,663	15,739	11,349	109,764
2000	68,076	14,680	15,541	11,435	109,732
2001	69,998	14,147	15,226	11,125	110,496
2002	72,857	13,904	15,959	10,552	113,272

**Total Undergraduate Enrollment**

<b>Year</b>	<b>Community Colleges</b>	<b>State Colleges</b>	<b>Other Public 4-Year*</b>	<b>Independent Colleges</b>	<b>Total</b>
1993	139,915	58,550	49,342	43,711	291,518
1994	135,762	57,227	48,856	43,448	285,293
1995	133,240	57,665	49,375	43,180	283,460
1996	127,103	57,667	49,428	45,174	279,372
1997	122,588	58,292	49,983	45,747	276,610
1998	121,114	58,314	51,030	46,932	277,390
1999	122,882	58,558	51,596	47,424	280,460
2000	124,585	59,283	51,966	48,933	284,767
2001	129,919	60,161	52,787	49,928	292,795
2002	138,924	61,989	54,106	50,227	305,246

\* Includes Rutgers, The State University, New Jersey Institute of Technology, The University of Medicine and Dentistry's School of Allied Health Professions, and Thomas Edison State College.

**Source:**

New Jersey Commission on Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

**STATE OF NEW JERSEY  
POPULATION AND EMPLOYMENT TRENDS  
(Expressed in Thousands)**

<u>Year</u>	<u>Population</u>	<u>Civilian Labor Force*</u>	<u>Resident Employment*</u>	<u>Unemployment*</u>	<u>New Jersey Unemployment Rate*</u>	<u>U.S. Unemployment Rate</u>
1993	7,879	3,989	3,691	298	7.5 %	6.9 %
1994	7,904	4,016	3,743	274	6.8	6.1
1995	7,945	4,064	3,804	261	6.4	5.6
1996	7,988	4,135	3,878	256	6.2	5.4
1997	8,053	4,192	3,977	215	5.1	4.9
1998	8,115	4,144	3,953	191	4.6	4.5
1999	8,143	4,206	4,012	193	4.6	4.2
2000	8,414	4,289	4,129	160	3.7	4.0
2001	8,484	4,305	4,125	180	4.2	4.7
2002	8,590	4,368	4,113	255	5.8	5.8

\* Civilian Labor Force and Resident Employment data for 1993 through 2001 has been revised. Unemployment and New Jersey Unemployment Rate for 2000 has been revised.

**Sources:**

New Jersey Department of Labor, "New Jersey Economic Indicators."  
New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY  
PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS**

<u>Year</u>	<u>Personal Income (\$ in Millions)*</u>	<u>Per Capita Income*</u>	<u>Value of New Dwelling Units Authorized (\$ in Thousands)</u>
1993	\$ 213,419	\$ 26,849	\$ 3,130,101
1994	220,817	27,553	3,189,788
1995	233,209	28,851	2,825,560
1996	246,659	30,266	2,134,127
1997	260,704	31,720	2,533,451
1998	278,788	33,640	2,936,016
1999	288,796	34,547	3,162,436
2000	318,222	37,734	3,375,978
2001	328,743	38,625	3,013,190
2002	338,912	39,453	3,430,318

\* Personal Income data for 1997 through 2001 and Per Capita Income from 1993 through 2001 has been revised.

**Sources:**

New Jersey Department of Labor.  
New Jersey Economic Policy Council.

**STATE OF NEW JERSEY  
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME  
(Expressed in Thousands Except as Indicated)**

<b>Year</b>	<b>New Jersey Population*</b>	<b>Assessed Valuation of Real Property</b>	<b>True Valuation of Real Property</b>	<b>Personal Income (Millions)**</b>	<b>Per Capita Income***</b>
1993	7,879	\$ 409,094,683	\$ 485,920,335	\$ 213,419	\$ 26,849
1994	7,904	416,127,649	488,261,504	220,817	27,553
1995	7,945	423,960,677	497,070,641	233,209	28,851
1996	7,988	429,753,244	499,810,185	246,659	30,266
1997	8,053	438,965,016	505,356,447	260,704	31,720
1998	8,115	455,710,131	521,118,994	278,788	33,640
1999	8,143	470,554,943	548,448,342	288,796	34,547
2000	8,413	493,857,845	592,571,361	318,222	37,734
2001	8,484	524,816,215	655,711,655	328,743	38,625
2002	8,590	567,908,706	820,922,044	338,912	39,453

\* New Jersey Population for 2000 has been revised and 2002 is based on latest estimates.

\*\* Personal Income for 1997 through 2001 has been revised.

\*\*\* Per Capita Income for 1993 through 2001 has been revised.

**Sources:**

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of Labor, Office of Demographic & Economic Analysis.

**STATE OF NEW JERSEY  
GOODS PRODUCING AND SERVICE PRODUCING EMPLOYMENT\*  
(Expressed in Thousands)**

	<u>2002</u>	<u>1997</u>	<u>1992</u>	<b>Percentage Change from 1992-2002</b>	<b>Percentage of Total Employment 2002</b>
<b><u>Goods Producing</u></b>					
National Resources and Mining	1.5	2.2	2.3	(34.8) %	0.0 %
Construction	162.3	131.8	112.1	44.8	4.1
Manufacturing					
Durable Goods	163.1	191.4	204.7	(20.3)	4.1
Non-Durable Goods	205.7	244.0	269.4	(23.6)	5.2
<b>Total</b>	<u>532.6</u>	<u>569.4</u>	<u>588.5</u>	(9.5)	<u>4.1</u>
<b><u>Service Producing</u></b>					
Trade, Transportation and Utilities					
Wholesale Trade	237.6	222.3	212.9	11.6	5.9
Retail Trade	466.8	432.5	406.7	14.8	11.7
Transportation, Warehousing and Utilities	178.9	179.8	160.8	11.3	4.5
Information	115.6	122.5	113.8	1.6	2.9
Financial Activities	276.6	238.2	223.5	23.8	6.9
Professional and Business Services	584.6	522.4	418.3	39.8	14.6
Educational and Health Services	528.4	451.8	386.7	36.6	13.2
Leisure and Hospitality	309.3	286.2	259.1	19.4	7.7
Other Services	148.6	122.8	61.8	140.5	3.7
Government	614.7	576.5	625.8	(1.8)	15.4
<b>Total</b>	<u>3,461.1</u>	<u>3,155.0</u>	<u>2,869.4</u>	20.6	<u>64.5</u>
<b>Grand Total</b>	<u>3,993.7</u>	<u>3,724.4</u>	<u>3,457.9</u>	15.5 %	<u>68.6 %</u>

\* Based on North American Industry Classification System (NAICS).

**Source:**

New Jersey Department of Labor "New Jersey Economic Indicators" June 2003, No. 437.

**STATE OF NEW JERSEY**  
**WAGE AND SALARY WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS,\***  
**ANNUAL AVERAGES BY NAICS INDUSTRY DIVISIONS\*\***  
**1993-2002**

Year	Total Non-Farm	Manufacturing	Natural	Construction	Trade	Information	Financial	Services	Government
	Employment		Resources and Mining		Transportation and Utilities			and Misc.	
1993	3,493.0	462.9	2.3	116.3	782.0	111.9	224.8	1,222.1	624.0
1994	3,552.8	456.0	2.3	121.7	802.8	115.0	229.9	1,251.7	622.9
1995	3,600.6	448.6	2.3	123.3	816.6	119.6	229.1	1,287.7	621.6
1996	3,638.9	437.4	2.1	125.0	823.5	117.5	231.2	1,331.6	585.9
1997	3,724.5	435.4	2.2	131.8	834.6	122.5	238.2	1,389.5	576.5
1998	3,801.3	429.4	2.3	136.1	847.6	118.9	248.7	1,446.7	599.1
1999	3,901.1	422.5	2.3	143.6	873.7	123.0	260.8	1,497.9	623.2
2000	3,994.5	421.6	2.0	149.6	899.0	126.9	266.9	1,539.8	631.6
2001	3,997.2	401.2	1.8	158.8	890.7	126.4	269.8	1,546.1	630.9
2002	3,993.8	368.8	1.5	162.3	883.3	115.6	276.6	1,570.9	614.7

\* Seasonally Adjusted.

\*\* North American Industry Classification System.

**Source:**

New Jersey Department of Labor, Division of Labor Market & Demographic Research, Economic Indicators, March 2003.

**STATE OF NEW JERSEY**  
**COMPOSITION OF NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT**  
**NEW JERSEY AND THE UNITED STATES - 2002**  
**(Expressed in Thousands)**

Non-Agricultural Composition	New Jersey		United States
	No. of Jobs	% of Total	% of Total
Manufacturing	368.8	9.2	12.8
Mining	1.5	0.0	0.4
Construction	162.3	4.1	5.0
Transportation and Utilities	883.3	22.1	5.2
Trade	115.6	2.9	22.9
Finance, Insurance, and Real Estate	276.6	6.9	5.9
Services	1,570.9	39.3	31.5
Government	614.7	15.5	16.3
<b>Total</b>	<b>3,993.7</b>	<b>100.0</b>	<b>100.0</b>

**Sources:**

U.S. Department of Labor, Bureau of Labor Statistics.

New Jersey Department of Labor, Division of Labor Market and Demographic Research.

**STATE OF NEW JERSEY  
NEW VEHICLE REGISTRATIONS  
1993 - 2002**

Calendar Year*	Cars	Light Trucks, Vans	Total Vehicles	
			Annual	Monthly Average
1993	368,218	134,808	503,026	41,919
1994	371,592	160,398	531,990	44,333
1995	350,533	158,366	508,899	42,408
1996	350,955	182,203	533,158	44,430
1997	344,977	192,582	537,559	44,796
1998	348,559	202,044	550,603	45,884
1999	374,408	237,477	611,885	50,990
2000	397,435	266,178	663,613	55,301
2001	380,003	275,488	655,491	54,624
2002	362,089	280,362	642,451	53,538

\* Calendar Year 1998 through 2000 has been revised.

**Sources:**

New Jersey Department of Labor, Division of Labor Market and Demographic Research.  
R.L. Polk and Company.

**STATE OF NEW JERSEY  
CONSTRUCTION CONTRACTS AWARDED  
1995-2002\*  
(Expressed in Millions)**

Year***	Construction Type			Total Construction
	Nonresidential	Residential	Nonbuilding**	
1995	\$ 2,770	\$ 2,256	\$ 1,437	\$ 6,463
1996	2,962	2,325	1,841	7,128
1997	3,618	2,626	2,128	8,372
1998	4,229	3,409	1,314	8,952
1999	4,589	3,713	1,306	9,608
2000	5,278	3,807	1,910	10,995
2001	5,000	3,849	2,548	11,397
2002	4,887	3,986	2,557	11,430

**Notes:**

\* Data for 1995 and forward include monthly revisions published by contract with F.W. Dodge; reprinting is not permitted.

\*\* Nonbuilding includes public construction such as streets and highways, bridges as well as utilities and communications systems.

\*\*\* 1996 through 2000 has been revised.

**Sources:**

F.W. Dodge Division, McGraw-Hill Information Systems Company.  
New Jersey Department of Labor, Office of Demographic & Economic Analysis.

**STATE OF NEW JERSEY  
CASH RECEIPTS FROM FARM MARKETINGS  
(Expressed in Millions)**

<u>Year*</u>	<u>Livestock and Products</u>	<u>Crops</u>	<u>Total</u>
1993	\$ 198.7	\$ 507.6	\$ 706.3
1994	182.6	585.8	768.4
1995	200.5	572.2	772.7
1996	195.6	608.0	803.6
1997	179.8	597.6	777.4
1998	178.3	650.4	828.7
1999	192.9	535.8	728.7
2000	191.5	634.5	826.0
2001	203.8	617.3	821.1
2002	192.6	663.1	855.7

\* Information for 2000 has been revised.

**Source:**

New Jersey Department of Agriculture.

**THE STATE OF NEW JERSEY  
FACTS AND FIGURES**

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held on November 4, 1947.

The State Constitution establishes a bicameral legislature, which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2002 was 8,590,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,158 people per square mile.

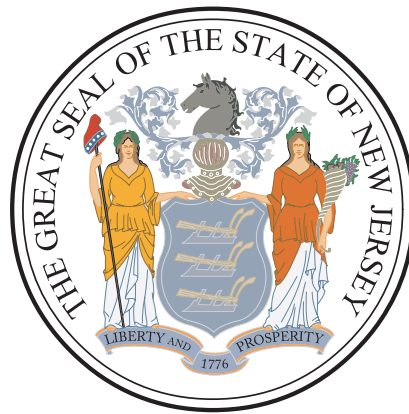
There are 15 departments of the Executive Branch of State Government. The maximum number permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

**The State Seal**

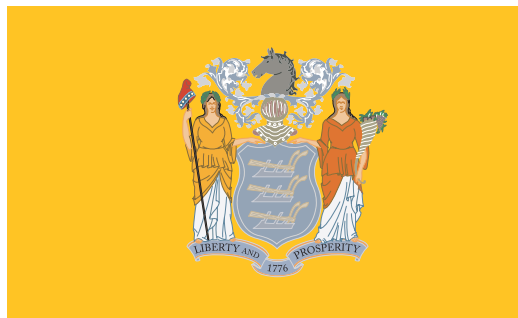
Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed

at securing exclusive access to New Jersey's farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse's head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer's left, carries a staff with the same kind of "Liberty cap" worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state's fields, forests, and waters. Below them is a scroll bearing the motto "Liberty and Prosperity," and the year of statehood, 1776.



### The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.



### Other Legislative Designations

The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the Hadrosaurus Foulki, a 25-foot-long,



duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the A.J. Meerwald, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long and has a beam of 22 feet, 3 inches. The Delaware Bay Schooner Project as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey, operates the A.J. Meerwald.