

*Required  
Supplementary  
Information*



**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 14,868,061,000	\$ 15,212,648,000	\$ 15,414,147,171	\$ 201,499,171
Federal and other grants	9,328,013,777	9,531,844,500	8,235,574,494	(1,296,270,006)
Licenses and fees	1,501,813,079	1,446,317,891	1,131,770,281	(314,547,610)
Services and assessments	2,354,152,779	1,918,241,232	1,431,836,536	(486,404,696)
Investment earnings	86,000	115,639,792	117,837,223	2,197,431
Contributions	1,000	1,000	1,585	585
Other	3,035,511,312	3,064,353,100	2,039,008,376	(1,025,344,724)
<b>Total Revenues</b>	<b>31,087,638,947</b>	<b>31,289,045,515</b>	<b>28,370,175,666</b>	<b>(2,918,869,849)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	2,276,558,000	2,950,569,561	2,448,418,078	(502,151,483)
<b>Total Other Financing Sources</b>	<b>2,276,558,000</b>	<b>2,950,569,561</b>	<b>2,448,418,078</b>	<b>(502,151,483)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>33,364,196,947</b>	<b>34,239,615,076</b>	<b>30,818,593,744</b>	<b>(3,421,021,332)</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,699,770,268	3,761,668,780	3,248,840,754	512,828,026
Physical and mental health	10,455,785,782	10,448,245,120	9,767,261,259	680,983,861
Educational, cultural, and intellectual development	5,048,920,123	4,835,894,973	4,483,864,104	352,030,869
Community development and environmental management	1,990,129,677	2,024,466,602	1,389,858,132	634,608,470
Economic planning, development, and security	4,481,620,294	4,763,606,021	4,234,220,110	529,385,911
Transportation programs	498,687,242	509,692,382	462,650,338	47,042,044
Government direction, management, and control	5,446,152,261	6,212,531,094	5,585,858,114	626,672,980
Special government services	431,011,707	435,015,511	327,195,311	107,820,200
<b>Total Expenditures</b>	<b>32,052,077,354</b>	<b>32,991,120,483</b>	<b>29,499,748,122</b>	<b>3,491,372,361</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	2,257,520,593	2,258,401,593	2,257,520,593	881,000
<b>Total Other Financing Uses</b>	<b>2,257,520,593</b>	<b>2,258,401,593</b>	<b>2,257,520,593</b>	<b>881,000</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>34,309,597,947</b>	<b>35,249,522,076</b>	<b>31,757,268,715</b>	<b>3,492,253,361</b>
Net change in fund balance	(945,401,000)	(1,009,907,000)	(938,674,971)	71,232,029
<b>FUND BALANCES - JULY 1, 2007</b>	<b>1,047,875,000</b>	<b>1,410,353,879</b>	<b>1,410,353,879</b>	<b>--</b>
<b>FUND BALANCES - JUNE 30, 2008</b>	<b>\$ 102,474,000</b>	<b>\$ 400,446,879</b>	<b>\$ 471,678,908</b>	<b>\$ 71,232,029</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>
\$ 12,921,090,755	\$ 13,136,090,755	\$ 13,271,536,874	\$ 135,446,119
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>12,921,090,755</u>	<u>13,136,090,755</u>	<u>13,271,536,874</u>	<u>135,446,119</u>
--	--	--	--
--	--	--	--
<u>12,921,090,755</u>	<u>13,136,090,755</u>	<u>13,271,536,874</u>	<u>135,446,119</u>
--	--	--	--
--	115,904,905	122,039,000	(6,134,095)
10,038,028,344	9,773,430,067	10,257,400,612	(483,970,545)
924,035,411	915,658,241	949,064,171	(33,405,930)
--	24,697,900	26,005,000	(1,307,100)
--	--	--	--
2,609,027,000	2,542,401,642	2,499,426,665	42,974,977
--	--	--	--
<u>13,571,090,755</u>	<u>13,372,092,755</u>	<u>13,853,935,448</u>	<u>(481,842,693)</u>
--	454,721,000	--	454,721,000
--	454,721,000	--	454,721,000
<u>13,571,090,755</u>	<u>13,826,813,755</u>	<u>13,853,935,448</u>	<u>(27,121,693)</u>
(650,000,000)	(690,723,000)	(582,398,574)	108,324,426
650,000,000	690,723,301	690,723,301	--
<u>\$ --</u>	<u>\$ 301</u>	<u>\$ 108,324,727</u>	<u>\$ 108,324,426</u>

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**STATE OF NEW JERSEY**  
**BUDGETARY COMPARISON SCHEDULE (Continued)**  
**MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<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	\$ 27,789,151,755	\$ 28,348,738,755	\$ 28,685,684,045	\$ 336,945,290
Federal and other grants	9,328,013,777	9,531,844,500	8,235,574,494	(1,296,270,006)
Licenses and fees	1,501,813,079	1,446,317,891	1,131,770,281	(314,547,610)
Services and assessments	2,354,152,779	1,918,241,232	1,431,836,536	(486,404,696)
Investment earnings	86,000	115,639,792	117,837,223	2,197,431
Contributions	1,000	1,000	1,585	585
Other	3,035,511,312	3,064,353,100	2,039,008,376	(1,025,344,724)
<b>Total Revenues</b>	<b>44,008,729,702</b>	<b>44,425,136,270</b>	<b>41,641,712,540</b>	<b>(2,783,423,730)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	2,276,558,000	2,950,569,561	2,448,418,078	(502,151,483)
<b>Total Other Financing Sources</b>	<b>2,276,558,000</b>	<b>2,950,569,561</b>	<b>2,448,418,078</b>	<b>(502,151,483)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>46,285,287,702</b>	<b>47,375,705,831</b>	<b>44,090,130,618</b>	<b>(3,285,575,213)</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,699,770,268	3,761,668,780	3,248,840,754	512,828,026
Physical and mental health	10,455,785,782	10,564,150,025	9,889,300,259	674,849,766
Educational, cultural, and intellectual development	15,086,948,467	14,609,325,041	14,741,264,716	(131,939,675)
Community development and environmental management	2,914,165,088	2,940,124,843	2,338,922,303	601,202,540
Economic planning, development, and security	4,481,620,294	4,788,303,921	4,260,225,110	528,078,811
Transportation programs	498,687,242	509,692,382	462,650,338	47,042,044
Government direction, management, and control	8,055,179,261	8,754,932,735	8,085,284,779	669,647,956
Special government services	431,011,707	435,015,511	327,195,311	107,820,200
<b>Total Expenditures</b>	<b>45,623,168,109</b>	<b>46,363,213,238</b>	<b>43,353,683,570</b>	<b>3,009,529,668</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	2,257,520,593	2,713,122,593	2,257,520,593	455,602,000
<b>Total Other Financing Uses</b>	<b>2,257,520,593</b>	<b>2,713,122,593</b>	<b>2,257,520,593</b>	<b>455,602,000</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>47,880,688,702</b>	<b>49,076,335,831</b>	<b>45,611,204,163</b>	<b>3,465,131,668</b>
Net change in fund balance	(1,595,401,000)	(1,700,630,000)	(1,521,073,545)	179,556,455
<b>FUND BALANCES - JULY 1, 2007</b>	<b>1,697,875,000</b>	<b>2,101,077,180</b>	<b>2,101,077,180</b>	<b>--</b>
<b>FUND BALANCES - JUNE 30, 2008</b>	<b>\$ 102,474,000</b>	<b>\$ 400,447,180</b>	<b>\$ 580,003,635</b>	<b>\$ 179,556,455</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**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	\$30,818,593,744	\$13,271,536,874
<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).	526,036,486	--
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(86,276,376)	--
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.	1,291,721,755	--
Proceeds and premiums from the sale of installment obligation bonds including refundings are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	157,760,774	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	2,023,012,088	--
Excess anticipated revenue transferred to Fund Balance - Reserved for Surplus Revenue is not a budgetary resource but is revenue for financial reporting purposes.	250,142,000	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	(135,160,635)	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<b>\$34,845,829,836</b>	<b>\$13,271,536,874</b>
<b>GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:</b>		
Total revenues	\$29,150,698,861	
Transfers from other funds	2,222,636,355	
Other sources	3,472,494,620	
Total revenues and other financing sources	<b>\$34,845,829,836</b>	

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Uses/outflows of resources:</b>		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$31,757,268,715	\$13,853,935,448
<b>Differences--budget to GAAP:</b>		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,124,043,078)	(19,603,447)
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.	232,103,709	4,905,885
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	8,466,704	48,459
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	34,047,202	(48,459)
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	526,036,486	--
School construction bonds proceeds distributed to the New Jersey Schools Development Authority are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	1,291,721,755	--
Installment obligation refunding bonds proceeds deposited with fiscal agents are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	157,760,774	--
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	2,023,012,088	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$34,906,374,355	\$13,839,237,886
 GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:		
Total expenditures	\$30,149,621,957	
Transfers to other funds	2,825,584,696	
Other uses	1,931,167,702	
Total expenditures and other financing uses	\$34,906,374,355	

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

**Budgetary Process**

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

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

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

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

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



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

<b>Plan / Actuarial Valuation</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>OPEB - State</b>						
6/30/06	-	58,059,000,000	58,059,000,000	-	-	N/A
6/30/07	-	50,649,500,000	50,649,500,000	-	-	N/A
<b>PERS - State</b>						
6/30/05	10,631,348,826	13,432,528,883	2,801,180,057	79.1%	4,028,028,170	69.5%
6/30/06	10,668,645,162	14,797,684,446	4,129,039,284	72.1%	4,253,564,219	97.1%
6/30/07	11,024,255,608	16,028,875,601	5,004,619,993	68.8%	4,434,933,181	112.8%
<b>PERS - Local</b>						
6/30/05	16,482,040,944	18,341,857,304	1,859,816,360	89.9%	6,416,265,644	29.0%
6/30/06	16,699,827,172	20,273,979,840	3,574,152,668	82.4%	6,730,309,209	53.1%
6/30/07	17,690,520,507	21,764,214,593	4,073,694,086	81.3%	6,983,534,635	58.3%
<b>TPAF</b>						
6/30/05	34,789,389,875	43,967,927,299	9,178,537,424	79.1%	8,454,072,109	108.6%
6/30/06	35,531,294,790	46,539,868,653	11,008,573,863	76.3%	8,748,623,186	125.8%
6/30/07	36,714,578,745	49,161,247,363	12,446,668,618	74.7%	9,077,628,813	137.1%
<b>PFRS-State</b>						
6/30/05	2,005,752,079	2,815,620,221	809,868,142	71.2%	482,460,402	167.9%
6/30/06	2,082,930,162	3,082,176,677	999,246,515	67.6%	506,084,434	197.4%
6/30/07	2,215,697,407	3,426,631,813	1,210,934,406	64.7%	527,556,519	229.5%
<b>PFRS-Local</b>						
6/30/05	17,372,138,294	21,388,972,326	4,016,834,032	81.2%	2,619,347,468	153.4%
6/30/06	18,281,315,556	22,907,522,660	4,626,207,104	79.8%	2,772,915,465	166.8%
6/30/07	19,500,229,156	24,562,195,443	5,061,966,287	79.4%	2,932,283,180	172.6%
<b>SPRS</b>						
6/30/05	1,922,443,732	2,075,266,080	152,822,348	92.6%	241,813,372	63.2%
6/30/06	1,970,398,511	2,319,656,532	349,258,021	84.9%	263,220,592	132.7%
6/30/07	2,066,754,160	2,485,649,230	418,895,070	83.1%	275,301,995	152.2%
<b>JRS</b>						
6/30/05	369,491,366	466,145,912	96,654,546	79.3%	60,506,750	159.7%
6/30/06	369,493,799	493,778,007	124,284,208	74.8%	62,492,250	198.9%
6/30/07	379,364,939	524,970,330	145,605,391	72.3%	63,144,685	230.6%
<b>CPFPF</b>						
6/30/05	21,886,445	30,031,591	8,145,146	72.9%	-	N/A
6/30/06	22,453,828	24,749,667	2,295,839	90.7%	-	N/A
6/30/07	19,336,247	21,090,186	1,753,939	91.7%	-	N/A
<b>POPF</b>						
6/30/05	14,783,465	9,077,157	(5,706,308)	162.9%	-	N/A
6/30/06	14,014,718	8,236,295	(5,778,423)	170.2%	-	N/A
6/30/07	13,499,361	7,378,386	(6,120,975)	183.0%	-	N/A

Note: The 6/30/08 Pension Actuarial Reports are available at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.htm>.