

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR JUNE 30, 2012**

	General Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 14,076,928,000	\$ 14,313,031,000	\$ 13,322,342,618	\$ (990,688,382)
Federal and other grants	11,304,781,954	11,682,410,084	10,103,525,582	(1,578,884,502)
Licenses and fees	1,282,378,600	1,195,150,336	1,167,970,915	(27,179,421)
Services and assessments	2,168,922,778	1,733,711,705	1,617,823,549	(115,888,156)
Investment earnings	11,000	729,723	1,352,304	622,581
Contributions	1,000	1,000	1,140	140
Other	3,283,585,031	3,709,871,888	2,577,759,261	(1,132,112,627)
Total Revenues	32,116,608,363	32,634,905,736	28,790,775,369	(3,844,130,367)
OTHER FINANCING SOURCES				
Transfers from other funds	2,553,159,000	2,887,760,825	2,743,407,484	(144,353,341)
Total Other Financing Sources	2,553,159,000	2,887,760,825	2,743,407,484	(144,353,341)
Total Revenues and Other Financing Sources	34,669,767,363	35,522,666,561	31,534,182,853	(3,988,483,708)
EXPENDITURES				
Public safety and criminal justice	3,735,125,273	3,925,234,780	3,266,581,527	658,653,253
Physical and mental health	12,193,413,156	12,310,549,775	11,435,638,666	874,911,109
Educational, cultural, and intellectual development	4,562,138,371	4,273,242,976	4,096,867,086	176,375,890
Community development and environmental management	1,907,764,541	1,896,189,187	1,267,896,531	628,292,656
Economic planning, development, and security	4,753,534,812	4,771,876,900	4,209,450,450	562,426,450
Transportation programs	741,395,275	659,918,715	577,065,136	82,853,579
Government direction, management, and control	5,659,691,706	5,879,262,744	5,614,366,858	264,895,886
Special government services	445,383,560	451,079,181	340,948,281	110,130,900
Total Expenditures	33,998,446,694	34,167,354,258	30,808,814,535	3,358,539,723
OTHER FINANCING USES				
Transfers to other funds	1,108,650,368	1,276,654,368	1,108,650,368	168,004,000
Total Other Financing Uses	1,108,650,368	1,276,654,368	1,108,650,368	168,004,000
Total Expenditures and Other Financing Uses	35,107,097,062	35,444,008,626	31,917,464,903	3,526,543,723
Net Change in Fund Balance	(437,329,699)	78,657,935	(383,282,050)	(461,939,985)
Fund Balances - July 1, 2011	692,950,000	864,124,867	864,124,867	-
Fund Balances - June 30, 2012	\$ 255,620,301	\$ 942,782,802	\$ 480,842,817	\$ (461,939,985)

Property Tax Relief Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 11,935,088,935	\$ 11,687,488,935	\$ 11,751,670,559	\$ 64,181,624
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>11,935,088,935</u>	<u>11,687,488,935</u>	<u>11,751,670,559</u>	<u>64,181,624</u>
-	-	-	-
-	-	-	-
<u>11,935,088,935</u>	<u>11,687,488,935</u>	<u>11,751,670,559</u>	<u>64,181,624</u>
-	-	-	-
-	126,212,112	130,584,126	(4,372,014)
10,509,712,214	10,496,699,868	10,823,130,465	(326,430,597)
244,221,226	239,910,670	248,077,470	(8,166,800)
-	28,684,368	29,678,000	(993,632)
-	-	-	-
797,675,494	966,519,916	947,978,152	18,541,764
-	-	-	-
<u>11,551,608,934</u>	<u>11,858,026,934</u>	<u>12,179,448,213</u>	<u>(321,421,279)</u>
-	164,733,000	-	164,733,000
-	164,733,000	-	164,733,000
<u>11,551,608,934</u>	<u>12,022,759,934</u>	<u>12,179,448,213</u>	<u>(156,688,279)</u>
383,480,001	(335,270,999)	(427,777,654)	(92,506,655)
-	5,805,000	5,805,000	-
<u>\$ 383,480,001</u>	<u>\$ (329,465,999)</u>	<u>\$ (421,972,654)</u>	<u>\$ (92,506,655)</u>

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**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE FISCAL YEAR JUNE 30, 2012**

	Total Major Governmental Funds			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 26,012,016,935	\$ 26,000,519,935	\$ 25,074,013,177	\$ (926,506,758)
Federal and other grants	11,304,781,954	11,682,410,084	10,103,525,582	(1,578,884,502)
Licenses and fees	1,282,378,600	1,195,150,336	1,167,970,915	(27,179,421)
Services and assessments	2,168,922,778	1,733,711,705	1,617,823,549	(115,888,156)
Investment earnings	11,000	729,723	1,352,304	622,581
Contributions	1,000	1,000	1,140	140
Other	3,283,585,031	3,709,871,888	2,577,759,261	(1,132,112,627)
Total Revenues	44,051,697,298	44,322,394,671	40,542,445,928	(3,779,948,743)
OTHER FINANCING SOURCES				
Transfers from other funds	2,553,159,000	2,887,760,825	2,743,407,484	(144,353,341)
Total Other Financing Sources	2,553,159,000	2,887,760,825	2,743,407,484	(144,353,341)
Total Revenues and Other Financing Sources	46,604,856,298	47,210,155,496	43,285,853,412	(3,924,302,084)
EXPENDITURES				
Public safety and criminal justice	3,735,125,273	3,925,234,780	3,266,581,527	658,653,253
Physical and mental health	12,193,413,156	12,436,761,887	11,566,222,792	870,539,095
Educational, cultural, and intellectual development	15,071,850,585	14,769,942,844	14,919,997,551	(150,054,707)
Community development and environmental management	2,151,985,767	2,136,099,857	1,515,974,001	620,125,856
Economic planning, development, and security	4,753,534,812	4,800,561,268	4,239,128,450	561,432,818
Transportation programs	741,395,275	659,918,715	577,065,136	82,853,579
Government direction, management, and control	6,457,367,200	6,845,782,660	6,562,345,010	283,437,650
Special government services	445,383,560	451,079,181	340,948,281	110,130,900
Total Expenditures	45,550,055,628	46,025,381,192	42,988,262,748	3,037,118,444
OTHER FINANCING USES				
Transfers to other funds	1,108,650,368	1,441,387,368	1,108,650,368	332,737,000
Total Other Financing Uses	1,108,650,368	1,441,387,368	1,108,650,368	332,737,000
Total Expenditures and Other Financing Uses	46,658,705,996	47,466,768,560	44,096,913,116	3,369,855,444
Net Change in Fund Balance	(53,849,698)	(256,613,064)	(811,059,704)	(554,446,640)
Fund Balances - July 1, 2011	692,950,000	869,929,867	869,929,867	-
Fund Balances - June 30, 2012	\$ 639,100,302	\$ 613,316,803	\$ 58,870,163	\$ (554,446,640)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	General Fund	Property Tax Relief Fund
Sources/inflows of resources:		
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 31,534,182,853	\$ 11,751,670,559
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	1,323,018,257	-
Proceeds and premiums from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	504,827,941	-
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.	1,336,671,250	-
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 34,698,700,301	\$ 11,751,670,559
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 30,113,793,654	
Transfers from other funds	2,743,407,458	
Other sources	1,841,499,189	
Total revenues and other financing sources	\$ 34,698,700,301	

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 31,917,464,903	\$ 12,179,448,213
Differences - budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,194,128,431)	(2,799,172)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	1,473,692,854	32,849
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	8,669,114	-
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	1,323,018,257	-
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.	504,827,941	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	1,336,671,250	-
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 35,370,215,888	\$ 12,176,681,890
 GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 32,537,637,428	
Transfers to other funds	1,113,701,289	
Other uses	1,718,877,171	
Total expenditures and other financing uses	\$ 35,370,215,888	

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

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

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

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

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

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

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

Plan/Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
OPEB - State						
June 30, 2009	-	56,782,500,000	56,782,500,000	-	20,794,400,000	273.1%
June 30, 2010	-	59,281,900,000	59,281,900,000	-	20,870,000,000	284.1%
June 30, 2011	-	48,949,700,000	48,949,700,000	-	20,286,700,000	241.3%
PERS - State						
June 30, 2009	10,692,585,100	18,947,194,579	8,254,609,479	56.4%	4,627,092,235	178.4%
June 30, 2010	10,252,640,127	17,429,178,021	7,176,537,894	58.8%	4,564,850,886	157.2%
June 30, 2011	9,938,069,705	18,290,829,021	8,352,759,316	54.3%	4,608,926,826	181.2%
PERS - Local						
June 30, 2009	18,165,648,669	25,523,208,576	7,357,559,907	71.2%	7,368,354,906	99.9%
June 30, 2010	18,481,952,370	23,918,658,044	5,436,705,674	77.3%	7,416,503,897	73.3%
June 30, 2011	18,996,299,489	24,679,095,575	5,682,796,086	77.0%	7,000,115,900	81.2%
TPAF						
June 30, 2009	34,838,211,259	54,576,061,024	19,737,849,765	63.8%	9,747,020,060	202.5%
June 30, 2010	33,265,326,627	49,543,347,849	16,278,021,222	67.1%	10,025,401,658	162.4%
June 30, 2011	32,289,888,420	51,406,540,290	19,116,651,870	62.8%	9,682,318,739	197.4%
PFRS - State						
June 30, 2009	2,254,766,935	3,993,259,480	1,738,492,545	56.5%	525,862,047	330.6%
June 30, 2010	2,190,654,958	3,672,361,258	1,481,706,300	59.7%	530,747,536	279.2%
June 30, 2011	2,143,492,414	3,926,525,679	1,783,033,265	54.6%	526,058,270	338.9%
PFRS - Local						
June 30, 2009	20,724,453,343	28,448,841,765	7,724,388,422	72.8%	3,147,812,476	245.4%
June 30, 2010	20,367,865,987	25,601,998,126	5,234,132,139	79.6%	3,189,786,833	164.1%
June 30, 2011	21,027,839,958	26,978,632,188	5,950,792,230	77.9%	3,123,358,027	190.5%
SPRS						
June 30, 2009	2,063,962,877	2,825,455,568	761,492,691	73.0%	287,267,502	265.1%
June 30, 2010	2,019,350,048	2,497,094,137	477,744,089	80.9%	289,980,657	164.8%
June 30, 2011	2,002,813,881	2,581,950,846	579,136,965	77.6%	275,219,752	210.4%
JRS						
June 30, 2009	354,399,646	594,043,375	239,643,729	59.7%	70,133,372	341.7%
June 30, 2010	329,030,387	554,540,403	225,510,016	59.3%	71,746,413	314.3%
June 30, 2011	305,245,844	585,700,787	280,454,943	52.1%	67,437,125	415.9%
CPFPPF						
June 30, 2009	13,515,949	14,024,132	508,183	96.4%	-	N/A
June 30, 2010	10,632,228	11,824,904	1,192,676	89.9%	-	N/A
June 30, 2011	8,126,894	9,179,981	1,053,087	88.5%	-	N/A
POPF						
June 30, 2009	11,986,919	6,136,441	(5,850,478)	195.3%	-	N/A
June 30, 2010	11,018,367	5,635,024	(5,383,343)	195.5%	-	N/A
June 30, 2011	9,997,650	5,096,792	(4,900,858)	196.2%	-	N/A

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