

NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 1996

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**STATE OF NEW JERSEY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996
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INTRODUCTION



State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
CN-221
TRENTON NJ 08625-0221

CHRISTINE TODD WHITMAN
Governor

BRIAN W. CLYMER
State Treasurer

October 8, 1996

Governor Christine Todd Whitman
Members of the Legislature
Citizens of New Jersey

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 year ended June 30, 1996. This report is prepared by the Office of Management and Budget, Department of the Treasury, which is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

This Financial Report, which has earned an unqualified audit opinion, presents the financial position and operating results of the State under generally accepted accounting principles as established by the Governmental Accounting Standards Board as well as the traditional budgetary basis presentations. 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 reflected in this report, the State ended the year in a sound fiscal position, with an Undesignated Fund Balance (surplus) of \$880.0 million in the major budgeted funds (General Fund, Property Tax Relief Fund, Casino Revenue Fund, and Surplus Revenue Fund).

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter with summary financial data and narrative commentary on matters of interest to the reader, the State organization chart, and the 1995 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the general purpose financial statements and footnotes, the combining and individual fund and account group financial statements, the budgetary basis schedules, and the State Auditor's report on the financial statements. The statistical section includes selected financial and demographic information.

This report includes all funds, account groups, and component units of the entity called the State, which provides support for a full range of services including education, health and social services, transportation, law and public safety, justice, recreation, public improvements, and general administrative services. The criteria utilized to determine the entity for the State of New Jersey are those prescribed by the Government Accounting Standards Board (see Note 1 to the Financial Statements).

BUDGETARY CONTROLS, ACCOUNTING SYSTEMS AND INTERNAL CONTROLS

The State's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to State governments as prescribed by the Governmental Accounting Standards Board. The governmental funds, expendable trust funds, and agency funds are presented on the modified accrual basis of accounting whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received and the related liabilities are incurred. The proprietary, nonexpendable trust, and pension trust funds are presented on the accrual basis of accounting whereby all revenues and expenses are recognized when the transactions occur, regardless of when the related cash is received or disbursed. The college and university funds are reported in conformance with GAAP as prescribed by the American Institute of Certified Public Accountants (AICPA) audit guide, "Audits of Colleges and Universities."

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Under encumbrance accounting, purchase orders, contracts, and other commitments involving the expenditure of monies are recorded in estimated amounts in order to reserve a portion of an appropriation until an actual liability is incurred. Total encumbrances and expenditures are monitored so as not to exceed amounts appropriated and/or allocated. Encumbrances outstanding at the end of a fiscal year are reported in the financial statements as reservations of fund balance. Any unencumbered and unexpended non-continuing appropriations lapse at the end of the fiscal year.

The accounting records of the various State departments are maintained on a central accounting system. The operations of this system are directed and supervised by the Office of Management and Budget. Separate accounting systems are maintained by those component units of government that are included in the State's reporting entity. 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 objects of expenditure.

In developing and maintaining the State's accounting system, consideration is given to the adequacy of internal controls. 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 requires estimates and judgments by management. All internal control evaluations occur within this framework.

ECONOMIC CONDITION

The New Jersey economy in Calendar Year 1995 continued its positive growth trend. Job and income growth became stronger as the year progressed. For the year, total employment expanded by 1.6 percent. The State's unemployment rate fell to 6.4 percent, from 6.8 percent. Total personal income for Calendar Year 1995 grew by 4.6 percent, while retail sales grew by 2.2 percent.

It is expected that the New Jersey economy in Calendar Year 1996 through 1998 will settle into moderate growth. Corporate restructuring will continue in such fields as chemicals, telecommunications, and financial services. Meanwhile, the New Jersey economy, by virtue of its educated, high-technology labor resources, stands to benefit from newly emerging information-based fields. Total employment is expected to grow by 0.9 percent for Calendar Year 1996 and continue to grow at an average rate of 1.1 percent for 1997 and 1998. Personal income for New Jersey is expected to grow at a 3.9 percent rate for 1996, and continue to grow at an average rate of 4.5 percent through Calendar Year 1998. New Jersey's retail sales are expected to grow at 4.6 percent for 1996, and continue to grow at an average rate of 3.8 percent for Calendar Year's 1997 and 1998.

FISCAL YEAR 1996 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 the actual anticipated revenues realized in support of the annual appropriations and do not include federal grants.

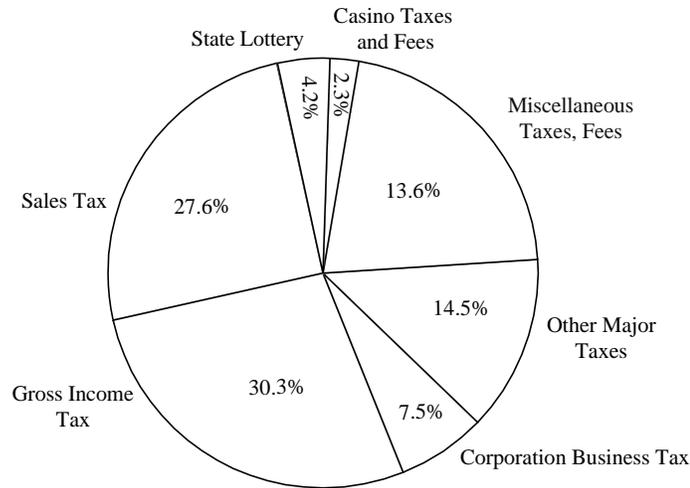
Fiscal Year 1996 revenue collections totaled \$15.641 billion, including \$359.2 million in one-time tax amnesty collections. Revenue growth in the State's three major taxes over Fiscal Year 1995 levels were as follows: the Sales Tax increased by \$185.1 million or 4.5 percent, including \$140.4 million for tax amnesty; the Corporation Business Tax increased by \$86.0 million or 7.9 percent, including \$96.8 million for tax amnesty; and the Gross Income Tax increased by \$193.7 million or 4.3 percent, which includes \$95.3 million for tax amnesty. Overall, Fiscal Year 1996 revenue growth for the State's three major taxes totaled \$464.8 million including \$332.5 million in tax amnesty.

Collections for the State's three major taxes, as a percentage of Fiscal Year 1996 total receipts, were as follows: the Gross Income Tax represented 30.3 percent; the Sales Tax equaled 27.6 percent; and the Corporation Business Tax represented 7.5 percent. The State's three major taxes represented 65.4 percent of Fiscal Year 1996 total receipts.

**FISCAL YEAR 1996 REVENUE SUMMARY:
COLLECTIONS BY REVENUE SOURCE - FISCAL YEAR 1996 - FISCAL YEAR 1995**

<u>Source of Revenue (\$000)</u>	F.Y. 1996	F.Y. 1995	Change	
	Amount	Amount	Amount	Percent
Gross Income Tax	\$ 4,733,786	\$ 4,540,082	\$ 193,704	4.3 %
Sales Tax	4,318,373	4,133,278	185,095	4.5
Other Major Taxes	2,276,112	2,215,391	60,721	2.7
Miscellaneous Taxes, Fees	2,121,052	2,016,766	104,286	5.2
Corporation Tax	1,171,509	1,085,502	86,007	7.9
State Lottery	662,120	647,812	14,308	2.2
Casino Taxes and Fees	358,634	355,396	3,238	0.9
	\$ 15,641,586	\$ 14,994,227	\$ 647,359	4.3 %

**FISCAL YEAR 1996 REVENUE SUMMARY:
PERCENT DISTRIBUTION OF REVENUE COLLECTIONS**



**FISCAL YEAR 1996 REVENUE SUMMARY:
PERCENT DISTRIBUTION OF REVENUE COLLECTIONS**

Gross Income Tax	30.3 %
Sales Tax	27.6
Other Major Taxes	14.5
Miscellaneous Taxes, Fees	13.6
Corporation Tax	7.5
State Lottery	4.2
Casino Taxes and Fees	<u>2.3</u>
Total	<u>100.0 %</u>

FISCAL YEAR 1996 EXPENDITURE SUMMARY

Expenditure Category Descriptions

The following discussion of expenditures 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 listed in this section are on a budgetary basis and do not include federal grants.

State expenditures fall into five major categories. They are State Aid, Direct State Services, Grants-in-Aid, Debt Service, and Capital Construction. Each expenditure category is described below.

State Aid represents funds that are distributed to municipalities, counties, and school districts. Most of the Gross Income Tax revenue is apportioned to State Aid, as is certain other revenue that is collected in the State's General Fund. By far 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.

Direct State Services represents those functions operated directly by State government. Funding is largely for the salary and benefits of State employees, as well as faculty and staff at the State colleges and universities. Direct State Services supports the operation of the State's departments, the Executive Office, several commissions, the State Legislature, and the Judiciary. Direct State Services partially support the operation of nine State colleges, Rutgers University, the New Jersey Institute of Technology, and the University of Medicine and Dentistry of New Jersey. Public services offered by State government, such as motor vehicle inspections, testing laboratories, social services, legal services, State Police services, and the operation of prisons, psychiatric hospitals, and developmental disability centers fall into this grouping as well.

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 program and the Medicaid program, which reimburse 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, Lifeline utility credits to senior citizens, financial aid grants to college students, and bus and railroad subsidies to New Jersey Transit are programs which also fall under the Grants-in-Aid umbrella.

Debt Service represents payments of interest and principal on capital projects funded through the sale of State General Obligation Bonds. Projects that have been funded through State General Obligation Bonds have included prisons, bridges, roads, human services facilities, and various environmental protection projects.

Capital Construction represents pay-as-you-go allocations for various construction projects. Included in this expenditure category is the appropriation to the Transportation Trust Fund Authority.

FISCAL YEAR 1996 AND 1995 EXPENDITURE COMPARISON

<u>Expenditure Category (\$000)</u>	F.Y. 1996	F.Y. 1995	Change	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Percent</u>
State Aid	\$ 6,336,997	\$ 5,610,638	\$ 726,359	12.9 %
Direct State Services	5,403,975	5,559,349	(155,374)	(2.8)
Grants-in-Aid	3,792,895	3,766,768	26,127	0.7
Debt Service	453,352	103,522	349,830	337.9
Capital Construction	275,477	289,796	(14,319)	(4.9)
	<u>\$ 16,262,696</u>	<u>\$ 15,330,073</u>	<u>\$ 932,623</u>	6.1 %

Fiscal Year 1996 Expenditures

Fiscal Year 1996 expenditures of \$16.263 billion are \$933.0 million more than the expenditures of \$15.330 billion for the prior fiscal year.

State Aid represents 39.0 percent of total Fiscal Year 1996 expenditures. State Aid includes aid to the public schools, teachers' pensions and social security costs, municipal aid for over 14 different programs, reimbursement to counties for welfare and AFDC programs, and other miscellaneous programs. The largest increase in State Aid expenditures was for the Department of Education which included direct aid of \$213.8 million to schools.

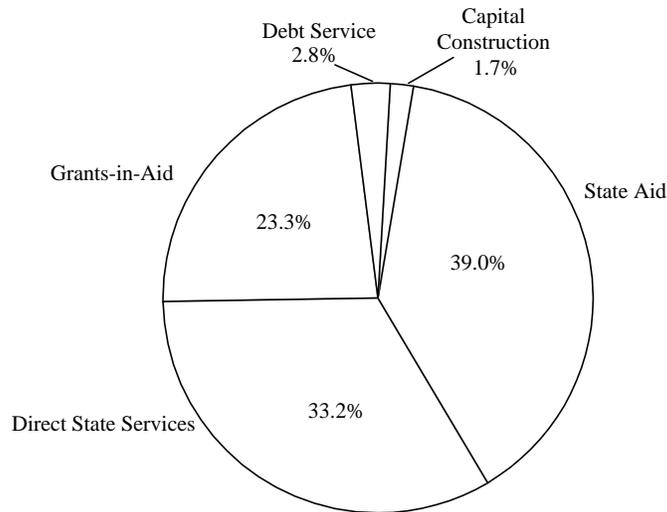
Direct State Services accounted for 33.2 percent of total Fiscal Year 1996 expenditures. Direct State Services expenditures decreased between Fiscal Year 1996 and Fiscal Year 1995 by \$155.4 million. This amount includes an increase for the Judiciary of \$121.2 million related to the phase in of the county court system as well as a \$278.2 million decrease in expenditures for employee benefits and salary costs.

Grants-in-Aid accounted for 23.3 percent of total Fiscal Year 1996 expenditures. This is a \$26.1 million increase from the prior fiscal year.

Debt Service represents 2.8 percent of total Fiscal Year 1996 expenditures. Debt Service expenditures increased by \$349.8 million primarily as a result of debt service payments on the State's General Obligation Refunding Series D Bonds.

Capital Construction represents 1.7 percent of total Fiscal Year 1996 expenditures. This is a \$14.3 million decrease from the prior fiscal year.

**EXPENDITURE DOLLAR
Fiscal Year 1996**



**EXPENDITURE DOLLAR
Fiscal Year 1996**

State Aid	39.0%
Direct State Services	33.2
Grants-in-Aid	23.3
Debt Service	2.8
Capital Construction	<u>1.7</u>
Total	<u>100.0%</u>

FUND BALANCES

The State ended Fiscal Year 1996 with an undesignated fund balance of \$880,040,377 for the major governmental funds. The following table presents a comparison of the undesignated fund balances for 1996 and 1995 Fiscal Year for the funds comprising this figure:

<u>Fund</u>	<u>1996</u>	<u>1995</u>	<u>Change</u>
General Fund	\$ 441,983,394	\$ 569,209,215	\$ (127,225,821)
Surplus Revenue Fund	272,315,911	263,257,465	9,058,446
Property Tax Relief Fund	152,913,044	119,269,382	33,643,662
Casino Revenue Fund	12,828,028	--	12,828,028
	<u>\$ 880,040,377</u>	<u>\$ 951,736,062</u>	<u>\$ (71,695,685)</u>

Fiscal Year 1997 Revenue Projections

The Fiscal Year 1997 revenue projections are based on estimates of moderate economic growth overall. Total resources are projected at \$16.529 billion. Included in the Gross Income Tax forecast is a deduction for residential property taxes paid by homeowners and tenants, and a refundable tax credit for property taxpayers. Effective January 1, 1996, 50 percent of a homeowner, tenant, or property taxpayer's property taxes, not in excess of \$5,000, can be deducted. Effective January 1, 1997, 75 percent of a homeowner, tenant, or property taxpayer's property taxes, not in excess of \$7,500, can be deducted. The Fiscal Year 1997 Sales Tax forecast includes a full year's worth of yellow page advertisement exemptions. The Sales Tax forecast provides for the expansion of the number of Urban Enterprise Zones to 28 zones. Urban Enterprise Zones are geographical locations in the State that have been designated by the Governor and Legislature as areas in need of increased economic activity. Built into the Corporation Business Tax forecast is a July 1, 1996 reduction in the rate from 9.0 percent to 7.5 percent that applies to those corporations that have an allocated net income of \$100,000 or less. Also effective July 1, 1996 is the double weighting of a corporation's sales in calculating receipt factors in determining State Corporate Business Tax liability. The State's three major taxes are expected to comprise 60.0 percent of the Fiscal Year 1997's total resources and 63.3 percent of total revenue.

Fiscal Year 1997 Appropriations

The total Fiscal Year 1997 appropriation is \$15.978 billion. Of the \$15.978 billion appropriated in Fiscal Year 1997 from the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund and the Gubernatorial Elections Fund, \$6.385 billion (39.9%) is appropriated for State Aid to Local Governments, \$3.751 billion (23.5%) is appropriated for Grants-in-Aid, \$5.043 billion (31.6%) for Direct State Services, \$447.0 million (2.8%) for Debt Service on State General Obligation Bonds, and \$352.0 million (2.2%) for Capital Construction.

State Aid represents the largest portion of Fiscal Year 1997 appropriations. In Fiscal Year 1997, \$6.385 billion will be distributed to municipalities, counties, and school districts. Major State Aid programs are: Aid to School Districts (\$4.828 billion), Unrestricted Aid to Municipalities and Counties (\$827.0 million), Aid to Municipalities and Counties for Human Services programs (\$441.4 million), and Aid to County Colleges (\$128.8 million).

Direct State Services represents the second largest portion of the State's Fiscal Year 1997 appropriation. In Fiscal Year 1997, \$5.043 billion has been appropriated. These funds support the operating costs of the Executive Departments, the Judiciary and the Legislature. The largest appropriations are for the following departments: State Higher Education Institutions (\$780.9 million), Corrections (\$587.9 million), Human Services (\$579.8 million) and Law and Public Safety (\$332.9 million).

The Grants-in-Aid total Fiscal Year 1997 appropriation is \$3.751 billion. These funds are distributed to individuals, public agencies, or private agencies as direct benefits or to provide services. The largest grant-in-aid programs are: Human Services programs (\$1.866 billion), Health and Senior Services programs (\$872.1 million), Homestead Rebates (\$332.0 million), Public Transportation (\$219.0 million) and Higher Education (\$212.1 million).

Debt Service for General Obligation Bonds is \$447.0 million. This reflects the full effect of the State's Refunding Series E issuance as well as new money debt, which was issued during Fiscal Year 1996 for prior voter authorized purposes.

Capital Construction appropriations for Fiscal Year 1997 total \$352.0 million. Of this amount, \$304.5 million is the appropriation to the New Jersey Transportation Trust Fund Authority, an increase of \$107.9 million over the prior year.

Fiscal Year 1997 Fund Balance

As required by the State Constitution, the State of New Jersey will end Fiscal Year 1997 with a positive fund balance.

SERVICE EFFORTS AND ACCOMPLISHMENTS

The following sections highlight various service efforts and accomplishments the State has achieved during Fiscal Year 1996 as well as some of the goals the State hopes to achieve for Fiscal Year 1997.

Fiscal Year 1996

During Fiscal Year 1996, certain tax policies were enacted. For the Gross Income Tax, a 15 percent reduction of personal income tax rates became effective on January 1, 1996. This cut was in addition to the 5 percent reduction that was implemented during Fiscal Year 1994 and the 10 percent reduction that was implemented during Fiscal Year 1995. The Gross Income Tax rate reduction was distributed in a progressive fashion with higher wage earners receiving a lower percentage reduction than lower wage earners. For the State's Sales Tax, effective April 1, 1996, the State expanded its Urban Enterprise Zone program to 28 zones. Also effective April 1, 1996, yellow pages advertisements became exempt from the State's Sales Tax.

In an effort to bring citizens in compliance with all of the State tax laws, the New Jersey Division of Taxation administered a Tax Amnesty program from March 15, 1996 through June 1, 1996. Amnesty was available to individuals and corporations that had under reported their income, overstated deductions, underpaid their taxes or neglected to file tax returns due on or after January 1, 1987 and before January 1, 1996. All penalties and interest, and criminal prosecution efforts were waived for those taxpayers who paid all of the taxes they owed. The Division of Taxation also added staff to their audit and investigative units, and at the same time, revamped their billing and collection functions. These changes have greatly enhanced the Division's ability to identify and collect unpaid taxes. For those taxpayers who did not take advantage of New Jersey's limited-time Tax Amnesty opportunity, in addition to normal penalties and interest, there is now a new unabatable 5 percent penalty that has been added onto those delinquent taxes that accrued from January 1, 1987 through January 1, 1996. The New Jersey Division of Taxation's Amnesty Program collected \$359.2 million.

During Fiscal Year 1996, the State reauthorized its charity care program for the Calendar Year 1996 and Calendar Year 1997 time period. The program totals \$716.0 million, of which \$610.0 million is designated for payments to hospitals that have a disproportionate share of low income persons who are in need of health care services. In addition, the Hospital Relief Fund, which provides additional payments to hospitals that treat large numbers of uninsured cases, will be funded at \$106.0 million over the same time period. The new charity care program has also accomplished several structural reforms that require an enhanced State role. Included in these reforms are the

introduction of statewide data bases that utilize personal and image identification systems and verification technology, as well as the implementation of a health care program that provides low income residents of the State with eligible charity care services on a managed care basis. The funding for both of these programs will be provided through a combination of contributions from the Unemployment Compensation Fund and State General Fund.

On May 17, 1996, the Administration released the details of its proposal for school funding for the 1997-1998 school year and beyond. The funding proposal is based on the core curriculum standards proposed by the Administration and adopted by the State Board of Education on May 1, 1996. These standards define the State Constitution's guarantee of a "thorough and efficient" education in specific instructional standards, and form the basis for determining the appropriate cost levels for elementary and secondary education.

Fiscal Year 1997

As part of the Fiscal Year 1997 Budget, the State has enacted several policies that will affect the State's Gross Income Tax and Corporation Business Tax. For the Gross Income Tax, a deduction for residential property taxes paid by homeowners and tenants has been enacted. For property taxpayers a refundable tax credit has been provided. Effective January 1, 1996, 50 percent of a homeowner, tenant, or property taxpayer's property taxes not in excess of \$5,000, can be deducted. Effective January 1, 1997, 75 percent of a homeowner, tenant or property taxpayer's property taxes, not in excess of \$7,500, can be deducted. For the Corporation Business Tax, a reduction in the Corporation Business Tax rate from 9.0 percent to 7.5 percent became effective for those corporations, that have an allocated net income of \$100,000 or less. Also effective July 1, 1996 a corporation's sales became double weighted in calculating receipt factors in determining a multi-state corporation's New Jersey State Corporation Business Tax liability.

Beginning in Fiscal Year 1997, the Governor and the Legislature have enacted a coherent, comprehensive policy to help the State's 1.4 million senior citizens attain the highest level of dignity and independence by consolidating all programs for older adults into the Department of Health and Senior Services. Services such as housing assistance, Medicaid, and nursing home information were provided for individually, through the Departments of Community Affairs, Human Services, and Health and Senior Services respectively. Through the new Department of Health and Senior Services, all programs for seniors can be coordinated so that more informed choices can be made for long-term care. As part of this new program, the State is coordinating its efforts with counties and municipalities to create a new way of delivering these types of services at the local level.

In an effort to streamline State Government services, the Department of Banking has merged with the Department of Insurance. This restructure will combine common functions of administration, licensing, examinations, and complaint investigations into a single, integrated department. The new Department of Banking and Insurance reduces the number of State Departments to sixteen. The maximum amount of State Departments permitted under the New Jersey Constitution is nineteen.

COMPONENT UNITS

The component units include the accounts of the various public authorities, colleges, and universities. These authorities are legally separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage the 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, low-cost housing, environmental protection, and capital development for health and education purposes.

Combined operating revenues and expenses for the State's authorities amounted to \$2.2 billion and \$2.8 billion, respectively, for Fiscal Year 1996. The total combined fund balance at the fiscal year end amounted to \$12.2 billion.

The State's colleges and universities recorded combined revenues and expenditures of \$2.4 billion and \$3.0 billion, respectively, for Fiscal Year 1996. Their combined fund balance at the fiscal year end amounted to \$2.8 billion.

GENERAL FIXED ASSETS

The general fixed assets of the State are used in the performance of general governmental functions and exclude the fixed assets of the component units. As of June 30, 1996, the general fixed assets of the State amounted \$2.3 billion. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting primarily of highways, roads, and bridges, are not recorded in the general fixed assets.

DEBT ADMINISTRATION

As of June 30, 1996, the State's outstanding general obligation debt totaled \$3.688 billion. General Obligation Debt must be approved by voter referendum and is used primarily to finance various environmental projects, transportation infrastructure, and correctional and institutional construction.

The State's Master Lease Program is used primarily to finance various departmental equipment needs at tax-exempt rates by issuing Certificates of Participation. Beginning in Fiscal Year 1996 the State modified the Master Lease Program and began using a line of credit as the preferred method of financing various departmental equipment needs. As of June 30, 1996, outstanding Certificates of Participation totaled \$35.260 million and the State's draw on its line of credit has totaled \$5.007 million.

The State first began issuing Tax and Revenue Anticipation Notes during Fiscal Year 1992. The State's short-term borrowing program is used to provide effective cash flow management of imbalances which occurs in the timing of collections and disbursements of State revenues and expenditures. The State Treasurer is authorized to issue these types of instruments without constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes that are issued must be retired within twelve months of their issuance date. The State has issued and retired short-term notes of \$1.800 billion in Fiscal Year 1992, \$1.600 billion in Fiscal Year 1993, \$1.300 billion in Fiscal Year 1994, and \$800.0 million in Fiscal Year 1995. During Fiscal Year 1996, the State issued \$450.0 million of short-term notes which consisted entirely of commercial paper. Fiscal Year 1996's issuance represented the first time that the State relied solely on commercial paper in order to effectively manage its cash flow imbalances. The entire \$450.0 million was retired on June 17, 1996.

Standard and Poor's Corporation rates the State's long-term general obligation bonds at AA+ and the State's Certificates of Participation at AA-, while conferring the highest short-term ratings of SP-1+ to the State's Tax and Revenue Anticipation Notes. On July 22, 1996, Standard & Poor's affirmed the State's short-term and long-term ratings. On May 1, 1996, Moody's Investors Service affirmed the State's long-term general obligation bond rating of AA1, while continuing to confer MIG1, their highest short-term rating to the State. Certificates of Participation continue to be rated A1 by Moody's. Fitch Investors Service rates the State's long-term general obligation debt at AA+ and gives F-1+, their highest short-term rating, to the State.

CASH MANAGEMENT

The State's Division of Investments was created by law 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 a Director of the Division. The State Treasurer appoints the Director from a field of candidates selected 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 Investments 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 Investments 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.

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 ending June 30, 1996, the New Jersey Cash Management Fund's average daily annualized rate of return to participating state accounts was 5.60 percent. For "Other-than-State" participants the average daily annualized rate of return, which includes charges for administrative and operating expenses, was 5.40 percent for the Fiscal Year ending June 30, 1996.

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 budgets through a combination of risk management and loss prevention techniques. The Department 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.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the legislative office of the State Auditor. Their examination was conducted in accordance with generally accepted auditing standards and their opinion precedes the General Purpose Financial Statements. Outside public accounting firms have been used for the audits of separately issued component unit and college and university fund 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 for all funds contained in this Comprehensive Annual Financial Report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENT IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada has awarded a 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, 1995.

In order to qualify for the Certificate of Achievement, a governmental unit 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.

We believe our current report continues to conform with the Certificate of Achievement Program requirements.

ACKNOWLEDGEMENTS

Finally, we would like to express our appreciation to the many people in the Office of Management and Budget and the Office of the State Auditor whose dedicated 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,



Brian W. Clymer
State Treasurer



Elizabeth L. Pugh
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, 1995

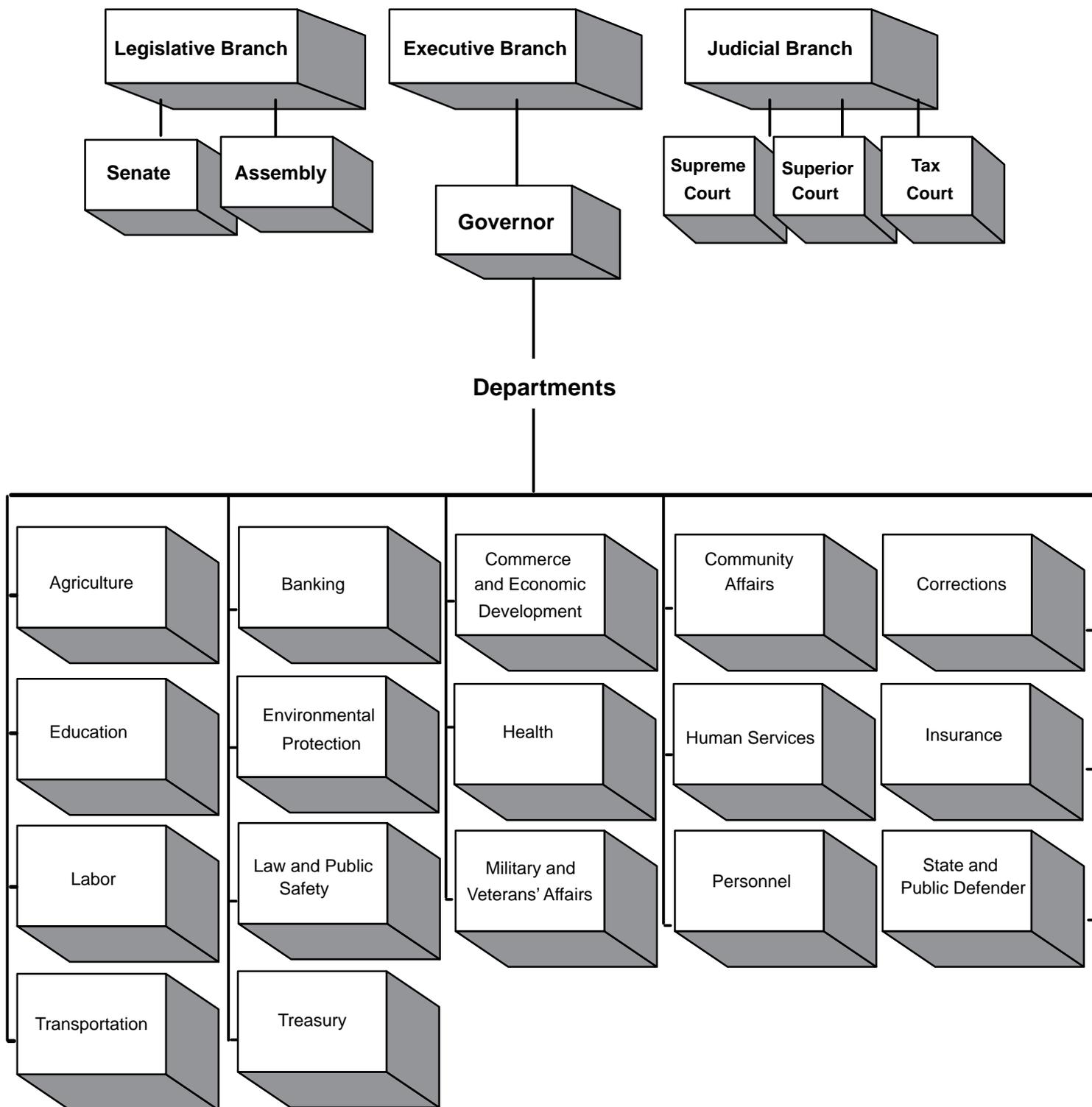
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRS) achieve the highest standards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



Arthur R. Lynch
President

Jeffrey L. Esler
Executive Director

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



FINANCIAL SECTION

LEGISLATIVE
SERVICES COMMISSION

SENATOR
DONALD T. DIFRANCESCO
Chairman

ASSEMBLYMAN
JACK COLLINS
Vice-Chairman

SENATE
BYRON M. BAER
JOHN D. BENNETT
GERALD CARDENALE
RICHARD J. CODEY
WYNONA M. LIPMAN
ROBERT D. LITTELL
JOHN A. LYNCH

GENERAL ASSEMBLY
CHRISTOPHER "KIP" BATEMAN
JOSEPH CHARLES, JR.
PAUL D'ARTANO
JOSEPH V. DORLA, JR.
NICHOLAS B. FELICE
NIA H. GILL
LORETTA WEINBERG



New Jersey State Legislature
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
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ALBERT PORRONI
Executive Director
(609) 292-1625

RICHARD L. FAJR
State Auditor
(609) 292-3700
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The Honorable Christine Todd Whitman
Governor of New Jersey

The Honorable Donald T. DiFrancesco
President of the Senate

The Honorable Jack Collins
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the State of New Jersey as of and for the year ended June 30, 1996, as listed in the table of contents - financial section. These general purpose financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Component Units - Authorities and College and University Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Component Units - Authorities and College and University Funds, is based upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material

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

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New Jersey as of June 30, 1996, and the results of its operations and cash flows of the nonexpendable trust fund and the proprietary fund type authorities for the year then ended in conformity with generally accepted accounting principles.

As discussed more fully in note 2(e), the State adopted one new standard of the Government Accounting Standards Board during the year ended June 30, 1996.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory section and the statistical section listed in the aforementioned table of contents have not been audited by us and, accordingly, we do not express an opinion on them.

In accordance with Government Auditing Standards, we have also issued a report dated October 8, 1996 on our consideration of the State of New Jersey internal control structure and a report dated October 8, 1996 on its compliance with laws and regulations.


Richard L. Fair
State Auditor
October 8, 1996

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

STATE OF NEW JERSEY
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 1996

GOVERNMENTAL FUND TYPES

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
ASSETS AND OTHER DEBITS				
CASH AND CASH EQUIVALENTS	\$ 37,043,788	\$ 12,467,724	\$ --	\$ 204,447
INVESTMENTS	--	388,915,414	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES				
Federal government	417,882,872	883,909	--	67,087,383
Departmental accounts	959,936,568	513,983,553	--	66,065,527
Loans	2,784,452	792,352,328	--	--
Mortgages	--	--	--	--
Other	196,485,361	60,352,366	--	59,724
FIXED ASSETS, NET	--	--	--	--
OTHER ASSETS				
Due from other funds	1,928,455,547	1,435,332,533	81,620,960	78,461,845
Due from intergovernmental agencies	--	--	--	--
Deferred charges	2,940,000	15,262,815	--	--
Other	151,570,859	2,136,835	4,018,922	--
AMOUNT TO BE PROVIDED FOR:				
Retirement of general obligation bonds	--	--	--	--
Retirement of revenue bonds and notes	--	--	--	--
Accumulated sick and vacation payable	--	--	--	--
Payment of capital leases and installment of obligations payable	--	--	--	--
Payment of loans payable	--	--	--	--
AMOUNT AVAILABLE IN DEBT SERVICE FUND	--	--	--	--
Total Assets and Other Debits	<u>\$ 3,697,099,447</u>	<u>\$ 3,221,687,477</u>	<u>\$ 85,639,882</u>	<u>\$ 211,878,926</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,192,661,907	\$ 353,558,591	\$ 4,018,922	\$ 42,459,437
Deferred revenue	447,863,422	33,158,486	--	--
Due to other funds	230,278,475	533,864,583	--	104,584,034
Due to intergovernmental agencies	--	--	--	--
Other	69,285,502	49,512,240	--	13,948
Matured interest payable	--	--	4,349,501	--
Deferred compensation payable	--	--	--	--
General obligation bonds payable	--	--	--	--
Revenue bonds payable	--	--	--	--
Notes payable	--	--	--	--
Accumulated sick and vacation payable	--	--	--	--
Capital leases and installment obligations	--	--	--	--
Loans payable	--	--	--	--
Total Liabilities	<u>1,940,089,306</u>	<u>970,093,900</u>	<u>8,368,423</u>	<u>147,057,419</u>
EQUITY AND OTHER CREDITS				
Contributed capital	--	--	--	--
Investment in general fixed assets	--	--	--	--
Cost of investment in facilities	--	--	--	--
Retained earnings:				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Fund balances:				
Reserved-Encumbrances	343,501,658	345,819,294	--	32,976,032
Reserved-Higher educations programs	--	--	--	--
Reserved-Pension benefits	--	--	--	--
Reserved-Surplus revenue	272,315,911	--	--	--
Reserved-Other	35,488,153	877,480,471	--	--
Unreserved Designated-Continuing appropriations	663,721,025	525,263,826	--	55,974,174
Unreserved Designated-Debt service	--	--	77,271,459	--
Unreserved Undesignated	441,983,394	503,029,986	--	(24,128,699)
Total Equity and Other Credits	<u>1,757,010,141</u>	<u>2,251,593,577</u>	<u>77,271,459</u>	<u>64,821,507</u>
Total Liabilities, Equity and Other Credits	<u>\$ 3,697,099,447</u>	<u>\$ 3,221,687,477</u>	<u>\$ 85,639,882</u>	<u>\$ 211,878,926</u>

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

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		COMPONENT UNITS	
	Trust And Agency Funds	General Fixed Asset Account Group	General Long-Term Debt Account Group	Authorities
\$ 828,763,040	\$ --	\$ --	\$ 444,586,218	\$ 203,019,909
43,439,693,623	--	--	4,755,341,489	1,055,423,119
2,216,256,398	--	--	--	--
447,723,918	--	--	--	315,152,443
755,970,815	--	--	--	--
--	--	--	6,250,026,434	--
1,225,257,725	--	--	2,497,835,998	--
--	2,265,727,390	--	8,304,200,031	2,800,764,770
35,777,785,341	--	--	--	11,494,195
--	--	--	1,916,429	--
97,664	--	--	44,605,939	--
1,888,765,700	--	--	573,492,734	52,100,325
--	--	3,688,360,598	--	--
--	--	2,294,683,470	5,382,010,282	--
--	--	412,836,368	--	--
--	--	1,777,985,923	--	--
--	--	960,000,000	--	--
--	--	77,271,459	--	--
<u>\$ 86,580,314,224</u>	<u>\$ 2,265,727,390</u>	<u>\$ 9,211,137,818</u>	<u>\$ 28,254,015,554</u>	<u>\$ 4,437,954,761</u>
\$ 2,098,760,212	\$ --	\$ --	\$ 1,616,394,147	\$ 276,539,709
17,369,166	--	--	228,158,225	111,818,706
38,432,929,134	--	--	--	11,494,195
--	--	--	1,916,429	--
4,692,744,693	--	--	216,209,621	21,704,797
--	--	--	--	--
439,481,785	--	--	--	1,095,500
--	--	3,688,360,598	--	--
--	--	2,371,954,929	13,629,118,164	955,959,297
--	--	--	20,105,000	2,305,000
--	--	412,836,368	--	--
--	--	1,777,985,923	368,728,930	253,290,530
--	--	960,000,000	--	--
<u>45,681,284,990</u>	<u>--</u>	<u>9,211,137,818</u>	<u>16,080,630,516</u>	<u>1,634,207,734</u>
--	--	--	2,636,412,383	--
--	2,265,727,390	--	1,518,883	--
--	--	--	--	1,820,333,529
--	--	--	547,654,772	--
--	--	--	2,916,969,597	--
1,623,590	--	--	--	--
--	--	--	--	542,952,957
36,968,667,032	--	--	--	--
--	--	--	--	--
189,068,641	--	--	4,502,320,959	52,681,493
16,492,334	--	--	--	--
--	--	--	--	--
3,723,177,637	--	--	1,568,508,444	387,779,048
<u>40,899,029,234</u>	<u>2,265,727,390</u>	<u>--</u>	<u>12,173,385,038</u>	<u>2,803,747,027</u>
<u>\$ 86,580,314,224</u>	<u>\$ 2,265,727,390</u>	<u>\$ 9,211,137,818</u>	<u>\$ 28,254,015,554</u>	<u>\$ 4,437,954,761</u>

**STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	GOVERNMENTAL	
	General Fund	Special Revenue Funds
REVENUES		
Taxes	\$ 7,653,125,346	\$ 5,118,290,824
Federal and other grants	4,906,561,948	52,911,681
Licenses and fees	640,899,295	225,465,261
Services and assessments	1,227,544,747	432,486,709
Investment earnings	47,839,528	86,508,110
Contributions	--	189,038
Other	1,417,941,489	1,719,396,074
Total Revenues	<u>15,893,912,353</u>	<u>7,635,247,697</u>
OTHER FINANCING SOURCES		
Transfers from other funds	1,315,749,555	213,133,159
Proceeds from sale of bonds	--	2,188,747,669
Other	640,514,588	163,810,803
Total Other Financing Sources	<u>1,956,264,143</u>	<u>2,565,691,631</u>
Total Revenues and Other Financing Sources	<u>17,850,176,496</u>	<u>10,200,939,328</u>
EXPENDITURES		
Current:		
Public safety and criminal justice	1,658,884,604	53,296,029
Physical and mental health	5,089,127,167	278,422,769
Educational, cultural and intellectual development	3,567,969,550	3,593,746,568
Community development and environmental management	520,554,774	872,542,664
Economic planning, development and security	2,741,341,575	445,856,193
Transportation programs	338,714,889	71,891,822
Government direction, management and control	2,334,656,339	1,530,544,182
Special government services	160,414,169	288,037
Capital Outlay	--	--
Debt Service:		
Principal	--	--
Interest	--	--
Total Expenditures	<u>16,411,663,067</u>	<u>6,846,588,264</u>
OTHER FINANCING USES		
Transfers to other funds	1,216,422,729	3,349,556,618
Other	546,333,099	18,868,522
Total Other Financing Uses	<u>1,762,755,828</u>	<u>3,368,425,140</u>
Total Expenditures and Other Financing Uses	<u>18,174,418,895</u>	<u>10,215,013,404</u>
Net Increase (Decrease) in Fund Balances for the Year	(324,242,399)	(14,074,076)
FUND BALANCES-JULY 1, 1995	<u>2,081,252,540</u>	<u>2,265,667,653</u>
FUND BALANCES-JUNE 30, 1996	<u>\$ 1,757,010,141</u>	<u>\$ 2,251,593,577</u>

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

FUND TYPES		FIDUCIARY FUND TYPES		COMPONENT UNITS	
Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	Authorities		
\$ --	\$ --	\$ 1,556,890,989	\$ --		
--	486,633,133	63,902,075		18,978,252	
--	--	6,482,476		23,939,652	
--	--	223,719,514		459,866,617	
5,298,062	3,426,087	212,856,661		116,554,538	
--	--	1,206,265,268		--	
--	21,951,354	116,181,403		1,634,697	
<u>5,298,062</u>	<u>512,010,574</u>	<u>3,386,298,386</u>		<u>620,973,756</u>	
1,860,104,998	722,923,551	566,471,107		--	
--	29,500,000	4,500,000		401,971,988	
--	326,621	1,519,961		242,047,124	
<u>1,860,104,998</u>	<u>752,750,172</u>	<u>572,491,068</u>		<u>644,019,112</u>	
<u>1,865,403,060</u>	<u>1,264,760,746</u>	<u>3,958,789,454</u>		<u>1,264,992,868</u>	
--	--	--		--	
--	--	--		183,125,000	
--	--	38,170,705		155,641,226	
--	--	6,261,272		10,511,297	
--	--	1,936,603,609		2,004,549	
--	--	--		--	
--	--	1,378,834,310		--	
--	--	--		--	
--	1,265,888,510	--		--	
1,602,681,000	--	--		220,203,360	
296,081,893	--	--		333,544,817	
<u>1,898,762,893</u>	<u>1,265,888,510</u>	<u>3,359,869,896</u>		<u>905,030,249</u>	
--	3,705,909	108,697,114		--	
--	13,948	37,520,809		1,903,000	
--	3,719,857	146,217,923		1,903,000	
<u>1,898,762,893</u>	<u>1,269,608,367</u>	<u>3,506,087,819</u>		<u>906,933,249</u>	
(33,359,833)	(4,847,621)	452,701,635		358,059,619	
110,631,292	69,669,128	3,336,098,249		5,714,288,667	
<u>\$ 77,271,459</u>	<u>\$ 64,821,507</u>	<u>\$ 3,788,799,884</u>		<u>\$ 6,072,348,286</u>	

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
NON-EXPENDABLE TRUST FUND, PENSION TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>FIDUCIARY FUND TYPES</u>		<u>COMPONENT UNITS</u>
	<u>Pension Trust</u>	<u>Non-expendable Trust</u>	<u>Authorities</u>
OPERATING REVENUES			
Charges for services and sales	\$ --	\$ --	\$ 1,247,045,965
Contributions	1,605,911,854	--	--
Interest	--	--	182,805,000
Investment income	5,000,286,652	38,892	44,710,000
Other	15,190,001	--	81,176,926
Total Operating Revenues	<u>6,621,388,507</u>	<u>38,892</u>	<u>1,555,737,891</u>
OPERATING EXPENSES			
Operations	--	421	1,424,939,790
Benefit payments	2,126,476,484	--	--
Interest	--	--	166,096,000
Depreciation and amortization	--	--	240,501,964
Other	415,647,985	--	29,091,146
Total Operating Expenses	<u>2,542,124,469</u>	<u>421</u>	<u>1,860,628,900</u>
Operating Income(Loss)	<u>4,079,264,038</u>	<u>38,471</u>	<u>(304,891,009)</u>
NONOPERATING REVENUES(EXPENSES)			
Governmental subsidies and grants	--	--	269,495,965
Capital Contributions	--	--	244,940,289
Interest revenue	--	--	122,322,065
Interest expense and fiscal charges	--	--	(211,307,020)
Other	--	--	(12,266,106)
Total Nonoperating Revenues (Expenses)	<u>--</u>	<u>--</u>	<u>413,185,193</u>
Net Income (Loss)	4,079,264,038	38,471	108,294,184
RETAINED EARNINGS/FUND EQUITY			
Beginning of Year	<u>33,030,278,701</u>	<u>648,140</u>	<u>5,992,742,568</u>
RETAINED EARNINGS/FUND EQUITY			
End of Year	<u>\$ 37,109,542,739</u>	<u>\$ 686,611</u>	<u>\$ 6,101,036,752</u>

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

**STATE OF NEW JERSEY
COMBINED STATEMENT OF CASH FLOWS
NON-EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	FIDUCIARY FUND TYPES	COMPONENT UNITS
	Non-expendable Trust	Authorities
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (Loss)	\$ 38,471	\$ (304,890,809)
Adjustments to reconcile net income (Loss) to net cash provided by operating activities:		
Depreciation and amortization	--	240,501,964
Changes in operating assets:		
Decrease (increase) in mortgage receivables	--	(11,493,000)
Decrease (increase) in other receivables	(2,451)	(85,470,819)
Decrease(increase) in due from other funds	(30,962)	--
Decrease (increase) in due from intergovernmental agencies	--	1,895,833
Decrease (increase) in deferred charges	--	3,950,870
Decrease (increase) in other assets	--	(261,494,390)
Changes in operating liabilities:		
Increase (decrease) in account payable and accrued expenses	(6,040)	65,938,397
Increase (decrease) in deferred revenue	--	61,568,091
Increase (decrease) in due to intergovernmental agencies	--	(1,895,833)
Increase (decrease) in other liabilities	--	2,907,760
Other changes	--	(12,266,306)
Net cash provided by (used in) operating activities	(982)	(300,748,242)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Governmental subsidies and grants	--	269,495,965
Net cash provided by (used in) noncapital financing activities	--	269,495,965
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:		
Capital contributions received	--	244,940,289
Proceeds from issuance of revenue bonds	--	482,473,129
Proceeds from issuance of capital leases	--	251,298,000
Proceeds from issuance of notes	--	10,550,000
Principal payment of revenue bonds	--	(448,363,082)
Principal payment of capital leases	--	(11,426,185)
Principal payment of notes	--	(12,033,000)
Interest expense paid	--	(211,307,020)
Acquisition/construction of capital assets	--	(451,364,479)
Disposition (acquisition) of fixed assets	--	(418,712,279)
Net cash provided by (used in) capital and related financing activities	--	(563,944,627)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	(1,899)	6,435,549,373
Purchase of investments	--	(5,896,582,435)
Interest revenue received	--	122,322,065
Net cash provided by (used in) investing activities	(1,899)	661,289,003
Increase (Decrease) in cash and Cash Equivalents	(2,881)	66,092,099
CASH AND CASH EQUIVALENTS, At Beginning of Year	3,247	103,644,881
CASH AND CASH EQUIVALENTS, At End of Year	\$ 366	\$ 169,736,980

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

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1996**

	CURRENT FUNDS	
	Unrestricted	Restricted
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 41,609,930	\$ 24,775,071
INVESTMENTS	236,728,505	114,239,149
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	126,861,209	95,720,438
FIXED ASSETS, NET	157,861	--
OTHER ASSETS		
Due from other funds	5,606,907	154,288
Other	22,187,239	2,384,634
Total Assets	\$ 433,151,651	\$ 237,273,580
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 213,061,864	\$ 32,934,567
Deferred revenue	106,808,706	5,010,000
Due to other funds	5,085,000	4,195,090
Other	8,154,374	39,934
Deferred compensation payable	--	1,095,500
Revenue bonds payable	--	--
Notes payable	--	--
Capital lease payable	--	--
Total Liabilities	333,109,944	43,275,091
FUND BALANCES		
Cost of investment in facilities	157,861	--
Reserved for:		
Auxiliary enterprises	10,880,179	--
General university	46,951,554	--
Endowment and similar funds	--	63,929
Retirement of indebtedness	--	--
Unreserved:		
Undesignated	42,052,113	193,934,560
Total Fund Balances	100,041,707	193,998,489
Total Liabilities and Fund Balances	\$ 433,151,651	\$ 237,273,580

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

<u>Loan Fund</u>	<u>Plant Fund</u>	<u>Endowment And Similar Funds</u>	<u>Total</u>
\$ 2,541,051	\$ 120,548,161	\$ 13,545,696	\$ 203,019,909
2,077,845	462,933,354	239,444,266	1,055,423,119
70,372,089	21,843,419	355,288	315,152,443
--	2,800,606,909	--	2,800,764,770
159,000	5,574,000	--	11,494,195
20,000	27,436,627	71,825	52,100,325
<u>\$ 75,169,985</u>	<u>\$ 3,438,942,470</u>	<u>\$ 253,417,075</u>	<u>\$ 4,437,954,761</u>
\$ 13,036	\$ 29,091,207	\$ 1,439,035	\$ 276,539,709
--	--	--	111,818,706
90,355	1,690,000	433,750	11,494,195
--	7,727,147	5,783,342	21,704,797
--	--	--	1,095,500
--	955,959,297	--	955,959,297
--	2,305,000	--	2,305,000
--	253,290,530	--	253,290,530
<u>103,391</u>	<u>1,250,063,181</u>	<u>7,656,127</u>	<u>1,634,207,734</u>
--	1,820,175,668	--	1,820,333,529
--	11,835,749	--	22,715,928
61,335,632	155,769,984	--	264,057,170
10,354,982	--	245,760,948	256,179,859
--	52,681,493	--	52,681,493
<u>3,375,980</u>	<u>148,416,395</u>	<u>--</u>	<u>387,779,048</u>
<u>75,066,594</u>	<u>2,188,879,289</u>	<u>245,760,948</u>	<u>2,803,747,027</u>
<u>\$ 75,169,985</u>	<u>\$ 3,438,942,470</u>	<u>\$ 253,417,075</u>	<u>\$ 4,437,954,761</u>

**STATE OF NEW JERSEY
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	CURRENT FUNDS	
	Unrestricted	Restricted
REVENUES AND OTHER ADDITIONS:		
Unrestricted Current Fund Revenues	\$ 1,110,198,868	\$ 55,384,000
Student tuition and fees	--	--
Auxiliary enterprises	234,047,255	--
Patient service revenue	--	108,249,315
Governmental grants and contracts	--	394,447,771
Fringe benefit paid directly by the State of New Jersey	--	90,372
Private gifts, grants and contracts	--	98,389,534
Investment income	--	16,096,388
Realized gains on endowment investments	--	--
Interest on loans receivable	--	--
Expended for plant facilities	--	--
Retirement of indebtedness	--	--
Other	--	19,928,865
Total Revenues and Other Additions	1,344,246,123	692,586,245
EXPENDITURES AND OTHER DEDUCTIONS:		
Educational and general	1,417,842,676	621,734,363
Institutional support	--	--
Operation and maintenance plant	--	--
Auxiliary enterprises	175,736,054	--
Expenditures for plant facilities	--	--
Loan cancellations, write-offs and refunds	--	4,982,484
Disposal of property, plant and equipment	--	--
Interest on indebtedness	--	--
Retirement of indebtedness	--	--
Depreciation and amortization	--	--
Other	344,074,020	43,541,243
Total Expenditures and Other Deductions	1,937,652,750	670,258,090
Net Revenues	(593,406,627)	22,328,155
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT)		
Mandatory:		
Principal and interest	(73,787,432)	(964,000)
Loan funds matching grants	(1,526,988)	(601,000)
Other	--	--
Non-mandatory:		
Plant funds	(85,139,120)	(8,822,006)
Other	(7,717,601)	832,100
Operating Transfers - In	768,694,044	4,930,833
Total Higher Education and University Hospital Interfund Transfers	600,522,903	(4,624,073)
Net Increase(Decrease) in Fund Balances	7,116,276	17,704,082
FUND BALANCES - JULY 1, 1995	92,925,431	176,294,407
FUND BALANCES - JUNE 30, 1996	\$ 100,041,707	\$ 193,998,489

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

Loan Fund	Plant Fund	Endowment And Similar Funds	Total
\$ --	\$ --	\$ --	\$ 1,165,582,868
--	4,082,000	--	4,082,000
--	--	--	234,047,255
--	--	--	108,249,315
1,424,503	34,062,506	2,000	429,936,780
--	--	--	90,372
156,931	23,118,199	6,853,000	128,517,664
1,350,880	21,890,807	1,091,753	40,429,828
--	(133,000)	18,164,000	18,031,000
701,061	--	--	701,061
2,859	154,019,476	--	154,022,335
--	51,545,842	--	51,545,842
335,135	39,788,227	318,000	60,370,227
<u>3,971,369</u>	<u>328,374,057</u>	<u>26,428,753</u>	<u>2,395,606,547</u>
--	--	--	2,039,577,039
135,000	--	--	135,000
--	4,966,000	--	4,966,000
--	--	--	175,736,054
--	141,329,158	--	141,329,158
1,345,958	46,988	--	6,375,430
--	9,311,157	--	9,311,157
--	63,904,739	--	63,904,739
--	58,909,940	--	58,909,940
--	99,773,975	--	99,773,975
357,272	38,946,157	609,000	427,527,692
<u>1,838,230</u>	<u>417,188,114</u>	<u>609,000</u>	<u>3,027,546,184</u>
<u>2,133,139</u>	<u>(88,814,057)</u>	<u>25,819,753</u>	<u>(631,939,637)</u>
--	74,751,432	--	--
354,478	420,510	1,353,000	--
--	--	--	--
--	94,068,126	(107,000)	--
(19,538)	5,801,764	1,335,291	232,016
--	26,637,251	--	800,262,128
<u>334,940</u>	<u>201,679,083</u>	<u>2,581,291</u>	<u>800,494,144</u>
2,468,079	112,865,026	28,401,044	168,554,507
<u>72,598,515</u>	<u>2,076,014,263</u>	<u>217,359,904</u>	<u>2,635,192,520</u>
<u>\$ 75,066,594</u>	<u>\$ 2,188,879,289</u>	<u>\$ 245,760,948</u>	<u>\$ 2,803,747,027</u>

STATE OF NEW JERSEY
COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	CURRENT FUNDS		
	Unrestricted	Restricted	Total
REVENUES AND OTHER ADDITIONS:			
Educational and general:			
Student tuition and fees	\$ 476,690,112	\$ 64,000	\$ 476,754,112
Patient service revenue	279,226,351	105,970,661	385,197,012
Governmental grants and contracts	12,739,370	445,707,278	458,446,648
Fringe benefits paid directly by the State of New Jersey	255,321,957	90,372	255,412,329
Private gifts, grants and contracts	4,578,508	89,433,229	94,011,737
Investment income	20,073,034	9,777,130	29,850,164
Realized gains on endowment investment	--	--	--
Other sources	61,560,536	853,404	62,413,940
	<u>1,110,189,868</u>	<u>651,896,074</u>	<u>1,762,085,942</u>
Auxiliary enterprises	<u>234,047,255</u>	<u>--</u>	<u>234,047,255</u>
Total Revenues and Other Additions	<u>1,344,237,123</u>	<u>651,896,074</u>	<u>1,996,133,197</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general:			
Instruction	718,025,630	27,872,643	745,898,273
Research	60,688,568	208,496,870	269,185,438
Public service	25,611,677	86,498,882	112,110,559
Academic support	100,695,565	157,323,265	258,018,830
Student services	97,304,402	4,228,973	101,533,375
Institutional support	199,858,321	41,334,137	241,192,458
Scholarships and fellowships	15,133,094	93,997,233	109,130,327
Operation and maintenance plant	200,525,419	1,666,150	202,191,569
Other	344,074,020	29,334,459	373,408,479
	<u>1,761,916,696</u>	<u>650,752,612</u>	<u>2,412,669,308</u>
Auxiliary enterprises	<u>175,736,054</u>	<u>--</u>	<u>175,736,054</u>
Total Expenditures and Other Deductions	<u>1,937,652,750</u>	<u>650,752,612</u>	<u>2,588,405,362</u>
Net Revenues	<u>(593,415,627)</u>	<u>1,143,462</u>	<u>(592,272,165)</u>
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) & ADDITIONS			
Excess(deficiency) of restricted additions over transfers to revenue	--	22,279,004	22,279,004
Refunds to Grantors	--	(3,786,484)	(3,786,484)
Mandatory:			
Principal and interest	(73,787,432)	(964,000)	(74,751,432)
Loan funds matching grants	(1,526,988)	(863,000)	(2,389,988)
Other	--	--	--
Non-mandatory:			
Plant funds	(85,139,120)	(645,000)	(85,784,120)
Other	(7,717,601)	540,100	(7,177,501)
Operating Transfers - In	<u>768,703,044</u>	<u>--</u>	<u>768,703,044</u>
Total Higher Education and University Hospital Interfund Transfers	<u>600,531,903</u>	<u>16,560,620</u>	<u>617,092,523</u>
Net Increase (Decrease) in Fund Balances	<u>\$ 7,116,276</u>	<u>\$ 17,704,082</u>	<u>\$ 24,820,358</u>

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

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STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	GENERAL FUND		
	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes	\$ 7,672,879,454	\$ 7,653,125,343	\$ (19,754,111)
Federal and other grants	4,471,457,114	4,391,911,477	(79,545,637)
Licenses and fees	834,405,923	640,899,289	(193,506,634)
Services and assessments	1,170,867,656	1,227,544,688	56,677,032
Investment earnings	13,762,348	47,839,525	34,077,177
Other	1,437,610,685	1,417,941,565	(19,669,120)
Total Revenues	<u>15,600,983,180</u>	<u>15,379,261,887</u>	<u>(221,721,293)</u>
OTHER FINANCING SOURCES			
Transfers from other funds	1,284,463,181	1,315,749,555	31,286,374
Other	--	94,000,000	94,000,000
Total Other Financing Sources	<u>1,284,463,181</u>	<u>1,409,749,555</u>	<u>125,286,374</u>
Total Revenues and Other Financing Sources	<u>16,885,446,361</u>	<u>16,789,011,442</u>	<u>(96,434,919)</u>
EXPENDITURES			
Public safety and criminal justice	1,884,729,033	1,661,849,542	222,879,491
Physical and mental health	5,548,169,704	5,084,795,170	463,374,534
Educational, cultural and intellectual development	3,746,222,171	3,576,695,883	169,526,288
Community development and environmental management	954,667,190	542,243,109	412,424,081
Economic planning, development and security	2,696,873,433	2,222,348,566	474,524,867
Transportation programs	402,061,276	340,096,194	61,965,082
Government direction, management and control	2,649,995,517	2,456,675,524	193,319,993
Special government services	214,900,186	189,561,418	25,338,768
Total Expenditures	<u>18,097,618,510</u>	<u>16,074,265,406</u>	<u>2,023,353,104</u>
OTHER FINANCING USES			
Transfers to other funds	1,216,422,732	1,216,422,732	--
Total Other Financing Uses	<u>1,216,422,732</u>	<u>1,216,422,732</u>	<u>--</u>
Total Expenditures and Other Financing Uses	<u>19,314,041,242</u>	<u>17,290,688,138</u>	<u>2,023,353,104</u>
Net Increase (Decrease) in Fund Balances for the Year	<u>\$ (2,428,594,881)</u>	<u>\$ (501,676,696)</u>	<u>\$ 1,926,918,185</u>

BUDGETED SPECIAL REVENUE FUNDS

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 4,878,200,000	\$ 5,037,086,071	\$ 158,886,071
--	--	--
51,226,000	52,418,186	1,192,186
--	--	--
2,500,000	2,915,874	415,874
36,093,794	35,482,968	(610,826)
<u>4,968,019,794</u>	<u>5,127,903,099</u>	<u>159,883,305</u>
1,500,000	1,500,000	--
<u>--</u>	<u>--</u>	<u>--</u>
1,500,000	1,500,000	--
<u>4,969,519,794</u>	<u>5,129,403,099</u>	<u>159,883,305</u>
29,151,000	28,176,312	974,688
223,742,397	219,178,602	4,563,795
3,598,323,000	3,559,623,208	38,699,792
784,624,000	784,529,533	94,467
50,401,398	49,533,306	868,092
35,005,018	30,180,981	4,824,037
423,462,463	418,997,841	4,464,622
92,000	41,807	50,193
<u>5,144,801,276</u>	<u>5,090,261,590</u>	<u>54,539,686</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>5,144,801,276</u>	<u>5,090,261,590</u>	<u>54,539,686</u>
<u>\$ (175,281,482)</u>	<u>\$ 39,141,509</u>	<u>\$ 214,422,991</u>

STATE OF NEW JERSEY NOTES TO FINANCIAL STATEMENTS

NOTE 1 - 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). The financial statements for the College and University Funds have been prepared in conformity with the American Institute of Certified Public Accountants' "Industry Audit Guide - Audits of Colleges and Universities."

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 independent accounting systems maintained by them.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, account groups, 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 New Jersey Building Authority and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Their activities are reported in a special revenue fund, debt service fund and general long-term debt account group. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Additional pertinent information related to the discretely presented component units is reported separately from the notes of the primary government in Notes 18 and 19, respectively.

AUTHORITIES

Casino Reinvestment Development Authority
Hackensack Meadowlands Development Commission
New Jersey Building 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 Higher Education Assistance Authority-NJ Class
New Jersey Highway Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Sports and Exposition Authority

New Jersey Transit Corporation
New Jersey Transportation Trust Fund Authority
New Jersey Turnpike Authority
New Jersey Urban Development Corporation
New Jersey Wastewater Treatment Trust
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority

COLLEGES AND UNIVERSITIES

The College of New Jersey (formerly Trenton State College)
Thomas A. Edison State College
Jersey City State College
Kean College of New Jersey
Montclair State University
New Jersey Institute of Technology
The William Paterson College of New Jersey
Ramapo College of New Jersey
Rowan College of New Jersey
Rutgers, the State University
Richard Stockton College of New Jersey
University of Medicine and Dentistry of New Jersey

C. Fund Accounting

The State uses funds, account groups, and component units to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain 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. State funds are classified into two categories: governmental and fiduciary. Each category is then divided into separate "Fund Types".

1. Governmental Fund Types

- a. General Fund - The fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes and 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. Special Revenue Funds - Are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specific purposes.
- c. 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.
- d. Capital Project Funds - Account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds. Various capital project funds include funds both for capital facilities for State use and for grants to other units of government.

2. Fiduciary Fund Types

- a. Expendable Trust Funds - Account for assets held by the State as a legal trustee when both principal and interest may be expended for designated purposes.
- b. Non-expendable Trust Fund - Accounts for assets held by the State as legal trustee in situations requiring that the principal be preserved intact and only the interest be expended as designated.
- c. Pension Trust Funds - Account for monies received for, expenses incurred by, and net assets available for plan benefits of the various public employee retirement systems.
- d. Agency Funds - Account for monies held by the State for custodial purposes only.

3. Account Groups

- a. General Long-Term Debt Account Group - Accounts for the unmatured general long-term liabilities of the State.
- b. General Fixed Assets Account Group - Accounts for the State's fixed assets acquired or constructed for general government purposes. The State acquires and retains title to certain property shown in the college and university funds and would be entitled to any proceeds from the ultimate disposition of such property.

4. Component Units

Accounts for the activities of legally separate organizations for which the elected officials of the State are financially accountable. The activities of blended component units are reported in special revenue funds, the debt service fund and general long-term debt account group. The activities of boards, commissions and authorities other than those blended are discretely presented as Component Units - Authorities. Colleges and universities for which the State is financially accountable are discretely presented as Component Units - College and University Funds and are recorded in funds as follows:

- a. Current Funds - Account for economic resources of the institution which are expendable for any purpose in performing the primary objectives of the institution and which have not been designated by the governing body for any other purpose; and for resources restricted for specific current operating purposes by a donor or other external agency.
- b. Fiduciary Funds - Account for assets held by loan, endowment, life income, and agency funds in which the universities act in a fiduciary capacity.
- c. Plant Funds - Account for institutional property acquisition, renewal, replacement, debt service, and investment.

D. 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 revenues. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenue. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to Legislative override. Once passed and signed, the Budget becomes the State's financial plan for the coming year. During the year, the Budget may be revised by supplemental appropriations approved by both the Legislature and the Governor.

Budgetary control is maintained at the department level. Budget revisions during the year, reflecting program changes or interdepartmental transfers of an administrative nature, may be effected with certain executive and legislative branch approval. 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 year end, unless otherwise specified by the Appropriations Act.

The State's budgetary basis of accounting differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis 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. A reconciliation of the differences between the budgetary and GAAP basis are presented in Note 2.

E. Bond Fund Appropriations

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 shall have 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. In accordance with generally accepted accounting principles, the financial statements reflect such appropriations only to the extent of the bonds which have been sold.

F. Basis of Accounting

All of the governmental funds and expendable trust and agency funds are accounted for on the modified accrual basis of accounting. In accordance with this 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. Those revenues which are considered to be susceptible to accrual include amounts received during the 12 month period subsequent to June 30 that were earned as of June 30 and on deposit with receiving agents.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement, only current assets and liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Agency funds are accounted for and reported in the same manner as governmental funds; however, since they are custodial in nature they do not involve measurement of results of operations.

All non-expendable trust funds and pension trust funds use the accrual basis of accounting and are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases and decreases in net total assets.

Significant revenue sources which are susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other miscellaneous revenue are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities on the combined balance sheet.

Expenditures are recorded on an accrual basis when the related liability is incurred. 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.

The activities of Component Units - College and University Funds are accounted for on the accrual basis of accounting including student tuition and fees when a semester covers more than one fiscal period. This revenue is deferred to the period in which earned.

The activities of Component Units - Authorities are accounted for using both the modified accrual basis and the accrual basis. Activities that are accounted for using the modified accrual basis are presented in a column in the combined statement of revenues, expenditures and changes in fund balance. Activities that are accounted for using the accrual basis are presented in a column in the combined statement of revenues, expenses and changes in retained earnings/fund equity and in the combined statement of cash flows. For balance sheet purposes, however, the activities of all Authorities are shown together in a separate column on the combined balance sheet.

The General Long-Term Debt Account Group and General Fixed Asset Account Group are not funds. An account group is concerned only with the measurement of financial position and does not involve measurement of results of operations.

G. Assets and Other Debits

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including money market accounts with financial institutions and 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

All securities are recorded at cost and amortized for premium or discount except for investments of the Deferred Compensation Fund and Supplemental Annuity Collective Trust which are recorded at market value. 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 (participation in the Cash Management Fund is reflected as part of due from other funds in the Balance Sheet for governmental and fiduciary funds and as investments for the Component Units - Authorities and Component Units - College and University Funds). See Notes 4, 18, and 19 for details.

3. Receivables

Receivables in the State's governmental and fiduciary funds primarily consist of federal revenues, taxes, loans, mortgages and other receivables. See Note 5 for details.

4. Fixed Assets

General fixed assets are reported at cost or estimated historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are stated at market value at the date of donation. The State's general fixed assets consist of:

- a. All land, including parks and forests.
- b. All general governmental buildings, including hospitals, care and correctional facilities.
- c. Land improvements and machinery and equipment with a unit cost of \$25,000 and \$20,000 or more, respectively, used in general operations.
- d. Capital projects in the process of construction. Certain public domain fixed assets (including highways, bridges, highways lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets.

In the Component Units - Authorities which use the accrual basis of accounting, fixed assets are generally recorded at cost and depreciated over the respective lives of the various assets.

The South Jersey Transportation Authority, New Jersey Highway Authority and New Jersey Turnpike Authority report under the bond resolution basis of accounting. For presentation purposes the maintenance reserve expense of the New Jersey Turnpike Authority has been reclassified from non-operating to operating expense in an amount equal to the estimated depreciation. A similar adjustment was made for the New Jersey Highway Authority and the South Jersey Transportation Authority.

In the Component Units - College and University Funds, fixed assets are generally recorded at cost at date of acquisition or fair value at date of donation in the case of gifts. Certain colleges and universities include the recognition of depreciation in their general fixed assets.

Capital leases are classified as fixed assets in amounts equal to the lesser of the fair market value of the asset or the present value of the net minimum lease payments at the inception of the lease. See Note 6 for details.

5. Other Assets

- a. Due from Other Funds - 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 and service debt. The accompanying financial statements generally reflect such transactions as transfers. 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 reimbursements of expenses. See Note 7 for details.
- b. Due from Intergovernmental Agencies - Includes any receivable or payable and due to or due from Component Units - Authorities that relates to federal or other governmental agencies.
- c. Advance to Other Funds - Noncurrent portions of long-term interfund receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

H. Equity and Other Credits

1. **Contributed Capital** - Equity provided by other funds or governmental units for property, plant, and equipment or for original start up costs of Component Units - Authorities.
2. **Investment in General Fixed Assets** - Used to record the net investment in fixed assets, including land and land improvements, buildings, equipment and construction in progress, as accounted for in the General Fixed Asset Account Group.
3. **Cost of Investment in Facilities** - Used to record the net investment in fixed assets, including land and land improvements, buildings, equipment and construction in progress.
4. **Retained Earnings**
 - a. Reserved - Used to earmark a portion of the retained earnings currently unavailable for expense, or a restriction on current retained earnings.
 - b. Unreserved - An equity account reflecting the accumulated unrestricted earnings of Component Units - Authorities.
5. **Fund Balance**
 - a. Reserved for Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
 - b. Reserved for Higher Education Programs - Used to record the portion of fund balance set aside for instruction, research, loans to students, and current operations.
 - c. Reserved for Pension Benefits - Used to accumulate all active member, State and other

employer contributions and investment income from which all benefit payments are made.

- d. Reserved-Surplus Revenue - Used to identify that portion of fund balance, commonly called the "Rainy Day Fund," which represents excess revenues that have been set aside pursuant to P.L. 1990, c.44.
- e. 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.
- f. Unreserved-Designated for continuing appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature.
- g. Unreserved-Designated for Debt Service - Used to identify that portion of the fund balance of the New Jersey Transportation Trust Fund which is made available to satisfy the debt service requirements of the subsequent period.
- h. Unreserved-Undesignated - Used to represent that portion of fund balance resources available for appropriation.

I. Fiscal Year End Differences

The following funds have fiscal years that end on December 31, 1995:

Special Revenue Funds

Disciplinary Oversight Committee (formerly Ethics Financial Committee)
New Jersey Building Authority
New Jersey Lawyers' Fund for Client Protection

Component Units - Authorities

Casino Reinvestment Development Authority
Hackensack Meadowlands Development 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 Health Care Facilities Financing Authority
New Jersey Highway Authority
New Jersey Sports and Exposition Authority
New Jersey Turnpike Authority
New Jersey Urban Development Corporation
South Jersey Port Corporation
South Jersey Transportation Authority

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Name Changes

Special Revenue Funds

Disciplinary Oversight Committee Fund (formerly Ethics Financial Committee)

Component Units - Colleges

The College of New Jersey (formerly Trenton State College)

B. Deficit Fund Balances

The following funds have deficit fund balances. It is anticipated that bond sales during fiscal year 1997 will relieve most of these deficits (expressed in millions).

Capital Project Funds

New Jersey Bridge Rehabilitation and Improvement and Railroad Right of Way Preservation Fund	\$ 4.3
Transportation Rehabilitation and Improvement Fund	\$ 0.3

Special Revenue Funds

Hazardous Discharge Fund of 1981	\$ 3.2
Hazardous Discharge Fund of 1986	\$32.9
Jobs, Education and Competitiveness Fund	\$ 1.7
1992 New Jersey Green Acres Fund	\$ 8.4

C. Revenue and Expenditure Budgets

1. The General Fund and four special revenue funds consisting of the Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds operate under a budgetary control system comprised of:
 - (a) The Annual Appropriations Act approved June 30, 1995 for fiscal year 1996 and various supplemental appropriations approved during the fiscal year.
 - (b) Other authorized appropriations which include reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year and estimated receipts.
 - (c) Appropriated Revenues (authorized by the Annual Appropriations Act) which established certain revenues as appropriations.

The above items provided the following amounts for the fiscal year 1996 budget:

	Revenue and Other Increases (In Millions)	
	General Fund	Special Revenue Funds
Annual Appropriations Act	\$ 10,644.7	\$ 4,933.4
Other Authorized Appropriations	--	--
Appropriated Revenue	6,240.7	36.1
Totals	\$ 16,885.4	\$ 4,969.5

	Expenditures and Other Decreases (In Millions)	
	General Fund	Special Revenue Funds
Annual Appropriations Act	\$ 11,217.0	\$ 5,091.8
Other Authorized Appropriations	1,856.3	16.9
Appropriated Revenue	<u>6,240.7</u>	<u>36.1</u>
Totals	<u>\$ 19,314.0</u>	<u>\$ 5,144.8</u>

The fiscal year 1996 expenditure budget includes as other authorized appropriations all estimated federal entitlements. In prior years the expenditure budget included only that portion of federal funds that were expended.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis presents comparisons of the legally adopted budget with actual data on a budgetary basis.

There were no expenditures in excess of appropriations for those funds operating under an annual budgetary control system. The following presents a reconciliation of the budgetary basis to the GAAP basis of reporting:

**Actual on Budgetary Basis to GAAP Basis
June 30, 1996
(In Millions)**

	General Fund	Special Revenue Funds
Budgeted Funds:		
Budgetary basis - net increase (decrease) in fund balances for the fiscal year	\$ (501.7)	\$ 39.1
Federal revenue and other financing sources	1,061.2	--
Prior year expenditures and other financing uses	(1,353.7)	(22.7)
Encumbrances	<u>470.0</u>	<u>34.0</u>
GAAP basis - net increase (decrease) in fund balances for the fiscal year	(324.2)	50.4
Non-Budgeted Funds:		
GAAP basis - net increase (decrease) in fund balances for the fiscal year	<u>--</u>	<u>(64.5)</u>
Total All Funds:		
GAAP basis - net increase (decrease) in fund balances for the fiscal year	<u>\$ (324.2)</u>	<u>\$ (14.1)</u>

- Other special revenue funds, capital projects funds, and trust funds do not operate under an annual budgetary control system, but expenditures are authorized by the enabling legislation. Accordingly, the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual - Budgetary Basis does not include these funds.

- The State Lottery operates under an informal budgetary control system approved by the New Jersey State Lottery Commission which for fiscal year 1996 resulted in the Governor's revenue certification of \$666.5 million representing transfers from the State Lottery Fund to the General Fund for administration (\$21.0 million) and for state institutions and education (\$645.5 million).

D. Joint Ventures

**The Port Authority of New York and New Jersey
One World Trade Center
New York, NY 10048**

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. 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 his 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 for the fiscal year ended December 31, 1995 disclosed the following (expressed in thousands):

	Financial Position		
	<u>Port Authority</u>	<u>PFC Program</u>	<u>Combined Total</u>
Total Assets	\$ 10,141,327	\$ 316,437	\$ 10,457,764
Total Liabilities	<u>7,156,670</u>	<u>--</u>	<u>7,156,670</u>
Net Assets	<u>\$ 2,984,657</u>	<u>\$ 316,437</u>	<u>\$ 3,301,094</u>
	Operating Results		
Operating Revenues	\$ 2,082,624	\$ 97,346	\$ 2,179,970
Operating Expenses	(1,469,881)	--	(1,469,881)
Depreciation and Amortization	<u>(327,141)</u>	<u>--</u>	<u>(327,141)</u>
Income from Operations	285,602	97,346	382,948
Financial Income (Expense), Net	<u>(217,305)</u>	<u>11,781</u>	<u>(205,524)</u>
Net Income	<u>\$ 68,297</u>	<u>\$ 109,127</u>	<u>\$ 177,424</u>

	Changes in Net Assets		
Balance January 1, 1994	\$ 2,876,349	\$ 207,310	\$ 3,083,659
Net Income	68,297	109,127	177,424
Government Contributions in Aid of Construction	<u>40,011</u>	<u>--</u>	<u>40,011</u>
Balance December 31, 1995	<u>\$ 2,984,657</u>	<u>\$ 316,437</u>	<u>\$ 3,301,094</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, 1995, Port Authority debt consisted of the following (expressed in thousands):

Bonds, Notes and Other Obligations

Consolidated Bonds and Notes	\$ 4,795,207
Special Project Bonds	472,675
Operating Asset Financing	409,998
Capital Asset Financing	<u>770,155</u>
	6,448,035
Less: Amortized Cost of Purchased Bonds	(962)
One Hundred Third Series	(87,000)
Unamortized Discount and Premium	<u>(132,546)</u>
Total	<u><u>\$ 6,227,527</u></u>

E. Other

In accordance with Governmental Accounting and Financial Reporting Standards (GASB) Codification L20.126, leases between State and Local Governments and Public Authorities, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$332.5 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 1995.

GASB Statement 24, "Accounting and Financial Reporting for certain Grants and Other Financial Assistance" was adopted during FY96 resulting in recording an additional \$514.7 million in federal grant revenues and economic planning, development and security expenditures and \$142.9 million in other assets and deferred revenues relating to the State's food stamp program.

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.

New Jersey Revised Statutes (52:18-16.1) sets 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 as well as certificates of deposit 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 are 100% and 120% of collateral, respectively, of the highest daily balance of each account. 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 amount of collateral required for certificates of deposit is 120% of par value minus FDIC coverage.

The State Department of 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	\$ 102.1	\$ --	\$ 14.4	\$ 116.5	\$ 81.1
Certificates of deposit and related items	<u>797.4</u>	<u>--</u>	<u>0.0</u>	<u>797.4</u>	<u>797.4</u>
Total	<u>\$ 899.5</u>	<u>\$ --</u>	<u>\$ 14.4</u>	<u>\$ 913.9</u>	<u>\$ 878.5</u>

Negative book balances of \$443.6 million representing a managed overdraft have been reclassified and are included in the accounts payable balance on the balance sheet as follows:

<u>Funds</u>	<u>Amount (In Millions)</u>
General Fund	\$ 328.6
Special Revenue Funds	14.6
Capital Projects Funds	0.7
Trust and Agency Funds	<u>99.7</u>
Total	<u>\$ 443.6</u>

NOTE 4 - INVESTMENTS

All securities purchased are recorded at cost and amortized for premium or discount except for investments of the Deferred Compensation Fund and the Supplemental Annuity Collective Trust Fund which are recorded at market value totaling \$464.3 million. At June 30, 1996 the book value of these funds is \$342.8 million. Securities received as donations and from settlement of claims are recorded at market value when received, and any difference between that and the par value is amortized. Investments of Common Pension Fund A, Common Pension Fund B and Common Pension Fund D totaling \$30.2 billion are recorded at cost. The market value of these investments at June 30, 1996 is \$40.6 billion.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund, a large scale investment program, which includes participation by other non-state units of government. The State's participation in the State of New Jersey Cash Management Fund for other fund types is reflected as part of Due from other funds on the Balance Sheet and consists of the following:

<u>Funds</u>	<u>Amount Invested</u> <u>(In Millions)</u>
Debt Service	\$ 26.8
General Fund	1,327.6
Special Revenue Funds	1,297.2
Capital Projects Funds	76.7
Trust and Agency Funds	4,230.6
Total	<u>\$ 6,958.9</u>

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.

The value of the Cash Management Fund at the balance sheet date approximates market value.

Approximately \$1.2 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. An agency fund has been established to record the deposit fund contracts and related liabilities at present value. 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. Face value of deposit fund contracts approximates \$2.0 billion.

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, and 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 things 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.

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 counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments for all funds are classified as Category 1 and are detailed below (expressed in millions):

	<u>Carrying Amount</u>	<u>Market Value</u>
Government bonds and obligations	\$ 16,093.7	\$ 16,283.6
Industrial bonds and commercial paper	3,628.5	3,658.6
Finance companies - senior debt	28.1	29.9
Foreign government bonds and notes	2,186.0	2,343.1
Foreign stock	3,883.5	4,331.1
International bank bonds and notes	154.5	152.9
Telephone bonds	192.7	193.4
Gas, electric and water bonds	382.2	378.6
Common stock	13,487.1	23,173.0
Mortgage - backed certificates	2,233.6	2,228.8
Repurchase agreements	232.8	232.8
Other investments	18.9	23.4
Investments subject to risk categorization	42,521.6	53,029.2
Annuity contracts	1,185.5	1,185.5
Adjustment to carrying amount for Deferred Compensation Fund and Supplemental Annuity Collective Trust Fund reported at market	121.5	
Total	<u>\$ 43,828.6</u>	<u>\$ 54,214.7</u>

NOTE 5 - RECEIVABLES

A. Federal

Federal government grant awards are established against State appropriations. 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 20 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement 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 \$1.9 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 1996.

B. Departmental

Departmental accounts receivable 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 of \$106.8 million.

C. Loans and Other

Loans receivable of \$1,566.9 million are reduced by allowances of \$15.8 million and include \$10.8 million due the Luxury Tax Fund from the Atlantic County Improvement Authority for housing projects, \$742.7 million due from local units of government and other recipients for environmental projects, \$742.2 million representing loans from respective pension funds to participating members of the pension funds, \$29.4 million loaned for economic development within local units of government, and \$18.7 million loaned for housing and mortgage assistance.

Other receivables totaling \$1,922.8 million are reduced by allowances of \$440.7 million and include \$402.1 million of accrued interest and dividends on investments, contributions due from employers and members to the respective pension funds of \$710.2 million, contributions due from employers and members to the Health Benefits Fund of \$39.0 million, \$196.4 million due from the Port Authority of New York and New Jersey, and \$49.0 million due from various companies.

Loans and Other

Fund	Amount (In Millions)			
	Loans	Other	Allowance	Net
General Fund	\$ 2.8	\$ 300.7	\$ 104.3	\$ 199.2
Special Revenue Funds	807.1	248.8	203.2	852.7
Capital Projects Funds	0.0	0.1	0.0	0.1
Trust and Agency Funds	757.0	1,373.2	149.0	1,981.2
Total	\$ 1,566.9	\$ 1,922.8	\$ 456.5	\$ 3,033.2

NOTE 6 - FIXED ASSETS

A. Summary of Fixed Assets

A summary of fixed assets by category at June 30, 1996 is as follows (in millions):

	General Fixed Assets Account Group
Land	\$ 325.2
Land improvements	62.3
Building and improvements	1,338.0
Machinery and equipment	299.0
Construction in progress	241.2
Total	\$ 2,265.7

B. Changes in Fixed Assets

A summary reflecting changes in the General Fixed Assets Account Group and the resulting June 30, 1996 balances follows (expressed in millions):

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
Land	\$ 287.8	\$ 37.4	\$ 0.0	\$ 325.2
Land improvements	59.8	2.5	0.0	62.3
Buildings and improvements	1,277.1	64.6	3.7	1,338.0
Machinery and equipment	291.3	16.9	9.2	299.0
Construction in progress	199.0	96.2	54.0	241.2
Total	\$ 2,115.0	\$ 217.6	\$ 66.9	\$ 2,265.7

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES/TRANSFERS FROM AND TO

A. Due From/Due To Other Funds

Interfund receivables and payables are referred to respectively as due from other funds and due to other funds on the balance sheet. A schedule of interfund receivables and payables at June 30, 1996 is presented below (expressed in thousands):

<u>Interfund Receivables and Payables</u>	<u>Due From</u>	<u>Due To</u>
<u>General Fund</u>	\$ 600,808	\$ 230,278
Participation in State of New Jersey Cash Management Fund	1,327,648	--
Total General Fund	1,928,456	230,278
<u>Debt Service</u>	54,813	--
Participation in State of New Jersey Cash Management Fund	26,808	--
Total Debt Service Fund	81,621	--
<u>Special Revenue Funds</u>		
Casino Control Fund	10,949	--
Casino Revenue Fund	40,053	--
Cultural Centers and Historic Preservation Fund	197	6,315
Hazardous Discharge Fund of 1981	--	8,486
Hazardous Discharge Fund of 1986	--	33,967
Hazardous Discharge Site Cleanup Fund	15,961	18,376
Health Care Subsidy Fund	--	181,463
Higher Education Facility Renovation and Rehabilitation Fund	9,894	--
Jobs, Education and Competitiveness Fund	--	13,430
1989 New Jersey Green Acres Fund	9,465	2,568
1992 New Jersey Green Acres Fund	--	8,119
1989 New Jersey Green Trust Fund	--	21,300
New Jersey Spill Compensation Fund	--	21,806
New Jersey Transportation Trust Fund Authority	--	54,813

New Jersey Workforce Development Partnership Fund	504	12,353
Property Tax Relief Fund	13,842	--
State Lottery Fund	--	83,195
Unemployment Compensation Auxiliary Fund	10	19,431
Wastewater Treatment Fund	15,446	7,766
Water Supply Fund	6,526	15,966
Other Special Revenue Funds under \$5 million	15,253	24,511
Participation in State of New Jersey Cash Management Fund	<u>1,297,232</u>	<u>--</u>
Total Special Revenue Funds	<u>1,435,332</u>	<u>533,865</u>
<u>Capital Projects Funds</u>		
Special Transportation Fund	--	92,842
Other Capital Projects Funds under \$5 million	1,745	11,742
Participation in State of New Jersey Cash Management Fund	<u>76,717</u>	<u>--</u>
Total Capital Projects Funds	<u>78,462</u>	<u>104,584</u>
<u>Trust and Agency Funds</u>		
Trust Funds		
Fund for Support of Free Public Schools	188	7,023
Health Benefits Program Fund	37,563	1,665
State Disability Benefit Fund	116,965	16,874
Unclaimed Personal Property Trust Fund	1,127	49,967
Pension Trust Funds		
Judicial Retirement System	126,962	58
Police and Firemen's Retirement System	6,162,138	1,406
Public Employees' Retirement System	11,000,254	3,037
State Police Retirement System	770,834	154
Teachers' Pension and Annuity Fund	13,315,638	2,603
Agency Funds		
Common Pension Fund "A"	--	13,678,650
Common Pension Fund "B"	--	11,269,038
Common Pension Fund "D"	--	6,410,892
Judiciary Superior Court-Miscellaneous Fund	--	11,645
State of New Jersey Cash Management Fund	--	6,958,959
Wastewater Treatment Trust Fund	7,000	--
Other Trust and Agency Funds under \$5 million	8,562	20,958
Participation in State of New Jersey Cash Management Fund	<u>4,230,554</u>	<u>--</u>
Total Trust and Agency Funds	<u>35,777,785</u>	<u>38,432,929</u>
Total All Funds	<u>\$ 39,301,656</u>	<u>\$ 39,301,656</u>

B. Transfer From/To Other Funds

Transfers from and Transfers to other funds in the Statement of Revenues, Expenditures and Changes in Fund Balance represent transfers between fund groups. A schedule of transfers from and transfers to at June 30, 1996 is presented below (expressed in thousands):

	<u>Transfers From</u>	<u>Transfers To</u>
General Fund	\$ 1,315,750	\$ 1,216,423
Debt Service Fund	<u>1,860,105</u>	<u>--</u>
Special Revenue Funds		
Cultural Centers and Historic Preservation Fund	--	6,908
Hazardous Discharge Fund of 1986	--	5,649
Hazardous Discharge Site Cleanup Fund	5,674	18,991
Health Care Subsidy Fund	--	385,988
New Jersey Spill Compensation Fund	--	21,806
New Jersey Transportation Trust Fund Authority	196,600	2,129,677
New Jersey Workforce Development Partnership Fund	--	7,726
Sanitary Landfill Facility Contingency Fund	--	10,588
State Lottery Fund	--	684,195
Unemployment Compensation Auxiliary Fund	--	19,157
Water Supply Fund	--	13,296
Water Supply Replacement Trust Fund	--	11,719
Other Special Revenue Funds under \$5 million	<u>10,859</u>	<u>33,857</u>
Total Special Revenue Funds	<u>213,133</u>	<u>3,349,557</u>
Capital Projects Fund		
Special Transportation Fund	722,924	--
Other Capital Projects Funds under \$5 million	<u>--</u>	<u>3,706</u>
Total Capital Projects Fund	<u>722,924</u>	<u>3,706</u>
Expendable Trust Funds		
Dental Expense Program Fund	17,947	--
Fund for Support of Free Public Schools	--	10,405
Health Benefits Program Fund	485,629	--
Higher Education Assistance Fund	--	10,566
Prescription Drug Program Fund	62,896	--
State Disability Benefit Fund	--	28,561
Unclaimed Personal Property Trust Fund	--	52,296
Other Trust Funds under \$5 million	<u>--</u>	<u>6,870</u>
Total Expendable Trust Funds	<u>566,472</u>	<u>108,698</u>
Total All Funds	<u>\$ 4,678,384</u>	<u>\$ 4,678,384</u>

NOTE 8 - DEFERRED REVENUE

Deferred revenue represents amounts received but not earned as of June 30. These amounts will be earned in subsequent fiscal years.

Deferred revenue at June 30, 1996 in the General Fund (\$447.9 million) consists principally of amounts due from the Port Authority of New York and New Jersey, motor vehicle licenses and registrations, insurance licensing, professional board licenses and fees and food stamp inventory (in accordance with the provisions of GASB Statement 24). The amount at June 30, 1996 in the Petroleum Overcharge Reimbursement Fund (\$22.7 million) represents oil overcharge monies, which have been received, but remain unexpended. In addition, the Health Benefit Program Fund reflects deferred revenue of \$17.0 million representing premiums received in June 1996 for July 1996 coverage.

NOTE 9 - LONG-TERM OBLIGATIONS

A. Summary of Long-Term Obligations

A summary of long-term obligations at June 30, 1996 is shown below:

<u>General Long-Term Debt</u>	<u>Amount In Thousands</u>
General obligation bonds	\$ 3,688,361
Revenue bonds	2,371,955
Accumulated sick and vacation payable	412,836
Capital leases	58,483
Installment obligations	1,684,243
Certificates of participation	35,260
Loans payable	<u>960,000</u>
Total General Long-Term Debt	<u>\$ 9,211,138</u>

B. Debt Service Payments

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

	<u>General Long-Term Debt Account Group</u>		
	<u>State Bonded Debt</u>	<u>Revenue Bonds</u>	<u>Total</u>
First	\$ 250,911	\$ 59,180	\$ 310,091
Second	287,675	69,520	357,195
Third	285,985	81,629	367,614
Fourth	285,630	85,222	370,852
Fifth	286,860	89,197	376,057
Thereafter	<u>2,291,300</u>	<u>1,987,207</u>	<u>4,278,507</u>
Total	<u>\$ 3,688,361</u>	<u>\$ 2,371,955</u>	<u>\$ 6,060,316</u>

The general obligation bonded debt outstanding as of June 30, 1996 is \$3.7 billion which is secured by the full faith and credit of the State (the General Fund). The amount to be provided for retirement of general obligation bonds on the balance sheet represents appropriations to be provided in the future from the General Fund for principal payments.

Outstanding bonded debt of the State as of June 30, 1996 was \$3.7 billion. The New Jersey Transportation Trust Fund issued \$804.5 million in new bonds on August 3, 1995, \$788.2 million in new bonds on August 24, 1995 and \$344.1 million in new bonds on February 29, 1996.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 1996 was \$453.4 million. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances as a Transfer to other funds in the General Fund and a Transfer from other funds in the Debt Service Fund.

On May 16, 1996, the State issued general obligation bonds of \$526.8 million with an interest rate of 5.15 percent to advance refund general obligation serial bonds with coupons ranging from 5.30 percent to 7.95 percent. The general obligation refunding bonds were issued above par. The net proceeds from the issuance of the general obligation refunding bonds were used to purchase United States Treasury Obligations--State and Local Government Series. The securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments on the refunded bonds until either their call date or their maturity date. The advance refunding met the requirements of an in-substance debt defeasance and the related general obligation serial bonds have been removed from the State's General Long-Term Debt Account Group.

As a result of the advanced refunding, the State realized a present value savings of \$15.7 million.

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 General Long-Term Debt Account Group. As of June 30, 1996, the amount of defeased debt outstanding but removed from the General Long-Term Debt Account Group amounted to \$1,309.7 million.

In addition, the State (the General Fund) has guaranteed the principal and interest payments on certain bonds issued by the New Jersey Sports and Exposition Authority. The amount outstanding on these bonds as of December 31, 1995 is \$467.4 million. 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 State has contracted with the Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on certain other bonds issued by the Authority (State Contract Bonds). At June 30, 1996, the amount outstanding was \$463.3 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.

The New Jersey Housing and Mortgage Finance Agency has not had a deficiency in a 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. In January 1996, the Corporation certified that it would be unable to provide sufficient funds from operations for debt reserve and would, therefore, require a State appropriation for 1996 in the amount of \$5.4 million.

C. Changes in Long-Term Debt

The following schedule represents the changes in the General Long-Term Debt Account Group (expressed in thousands):

	<u>Outstanding July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 1996</u>
General Obligation Bonds	\$ 3,646,891	\$ 796,800	\$ 755,330	\$ 3,688,361
Revenue Bonds	1,627,105 *	1,926,765	1,181,915	2,371,955
Accumulated Sick and Vacation Payable	292,412	120,424	--	412,836
Capital Leases	61,718	8,984	12,219	58,483
Installment Obligations	1,739,108 *	--	54,865	1,684,243
Certificates of participation	59,095	--	23,835	35,260
Loans Payable	800,000	160,000	--	960,000
Total	<u>\$ 8,226,329</u>	<u>\$ 3,012,973</u>	<u>\$ 2,028,164</u>	<u>\$ 9,211,138</u>

*Opening balances have been restated based on reclassification of Installment Obligations as Revenue Bonds.

D. 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, 1996 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Obligations</u>
1997	\$ 16,288
1998	13,823
1999	12,413
2000	11,916
2001	11,229
Thereafter	<u>112,692</u>
Total minimum lease payments	178,361
Less: Amount representing interest	<u>119,878</u>
Present value of lease principal payments	<u>\$ 58,483</u>

Installment purchases represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State. The State agrees to make rental 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 purposes. 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, 1996 (expressed in thousands) for both installment purchases as well as various other installment obligations of the State:

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>
1997	\$ 139,863
1998	168,524
1999	153,324
2000	156,301
2001	157,548
Thereafter	<u>2,256,368</u>
Total minimum installment payments	3,031,928
Less: Amount representing interest	<u>1,347,685</u>
Present value of installments principal payments	<u>\$ 1,684,243</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 aggregate payments on the equipment that approximate the interest and principal payments to be made by the trustee to certified holders. On September 15, 1992 an issue was sold of which \$124,525,000 of the proceeds was used to refund several prior issues and which also contained \$21,900,000 in new certificates. Details of the various agreements are as follows (expressed in thousands):

<u>Original Issues</u>		
<u>Effective Date</u>	<u>Principal</u>	<u>Interest</u>
September 15, 1992	<u>\$ 146,485</u>	<u>\$ 18,128</u>
Total Certificates of Participation Issued	<u>\$ 146,485</u>	<u>\$ 18,128</u>

The following is a schedule, by fiscal year, of future minimum payments for outstanding certificates of participation as of June 30, 1996 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>
1997	\$ 20,482
1998	16,682
1999	--
2000	--
2001	--
Thereafter	<u>--</u>
Total minimum certificates of participation payments	37,164
Less: Amount representing interest	<u>1,904</u>
Present value of certificates of participation principal payments	<u>\$ 35,260</u>

E. Loans Payable

In addition, the New Jersey Automobile Insurance Guaranty Fund has received a loan of \$960.0 million from the New Jersey Property-Liability Insurance Guaranty Association. This loan will be repaid to the Association when the financial obligations of the Joint Underwriters Association (JUA) have been fully satisfied.

NOTE 10 - OTHER LIABILITIES

Other liabilities at June 30, 1996 include the following:

Deposits and accumulated earnings on investments of \$2.8 billion are due to local units of government and school districts from the State of New Jersey Cash Management Fund. In the General Fund, \$69.3 million of other liabilities and in the Property Tax Relief Fund \$49.3 million of other liabilities consists principally of revenue refunds payable. In Common Pension Fund D \$1.9 billion represents contracts entered into by the Fund to hedge its investment portfolio denominated in foreign currencies.

NOTE 11 - FUND BALANCE RESERVED-OTHER

The following portions of fund balances have been reserved:

General Fund

The \$35.5 million reservation in the General Fund, consists principally of long-term advances and receivables due from individuals, estates, municipalities, railroads and other funds that are considered not currently available for appropriation.

Special Revenue Funds

Beaches and Harbor Fund

\$1.3 million represents amounts in escrow.

Boarding House Rental Assistance Fund

\$5.4 million represents unpaid balances of loan commitments entered into by the New Jersey Housing and Mortgage Finance Agency as of June 30, 1996.

Green Trust Fund

\$62.7 million represents loans due from various municipalities for land acquisition and development.

Hazardous Discharge Site Cleanup Fund

\$11.6 million represents receivables from responsible parties for cleanup.

Housing Assistance Fund

\$6.5 million represents loans receivable from the New Jersey Housing and Mortgage Finance Agency which are to be repaid over a period of years based on repayments to that agency of mortgage loans made to borrowers.

Mortgage Assistance Fund

\$12.1 million represents loans receivable from the New Jersey Housing and Mortgage Finance Agency which will subsequently be repaid over a period of years based on repayments to that agency by borrowers.

New Jersey Automobile Insurance Guaranty Fund

\$1.5 million represents an escrow reserve established pursuant to litigation.

1989 New Jersey Green Trust Fund

\$53.7 million represents loans made to various municipalities for land acquisition and development.

1992 New Jersey Green Trust Fund

\$4.4 million represents loans made to various municipalities for land acquisition and development.

New Jersey Local Development Financing Fund

\$29.4 million represents loans made to various municipalities for economic development which will be repaid during a subsequent period of years.

New Jersey Transportation Trust Fund Authority

\$55.6 million represents amounts reserved for State transportation costs.

Pinelands Infrastructure Trust Fund

\$6.0 million represents loans to local units of government in the pinelands area for infrastructure capital projects necessary to accommodate development in the regional growth area.

Resource Recovery and Solid Waste Disposal Facility Fund

\$97.8 million represents loans made to various counties for the design, acquisition, and construction of resource recovery facilities.

Shore Protection Fund

\$2.8 million represents loans for shore protection projects to various municipalities.

State Lottery Fund

Of the \$9.6 million reserved, \$.2 million is reserved for bond insurance and \$9.4 million is for prizes.

State Recycling Fund

\$9.4 million represents low interest loans to recycling businesses which will be repaid in future years.

Volunteer Emergency Service Organizations Loan Fund

\$1.6 million represents loans to volunteer emergency service organizations.

Wastewater Treatment Fund

\$370.7 million represents loans to local governments which will be repaid in future years.

Water Conservation Fund

\$0.9 million represents sewage facility planning loans and contaminated wellfield loans.

Water Supply Fund

\$134.3 million represents loans to the New Jersey Water Supply Authority which will be repaid over a 10 year period commencing on May 1, 1986, and rehabilitation loans made to various municipalities.

Trust Funds

Fund for Support of Free Public Schools

New Jersey Statutes provide for the establishment of a School Bond Reserve within this fund, in an amount equal to at least one and one-half percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of the debt service for bonds as provided by State appropriations. Accordingly, \$40.4 million of this fund balance has been reserved at June 30, 1996.

Higher Education Assistance Fund

\$2.5 million represents loans to students that will be paid over an extended period of time.

Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF)

\$79.3 million and \$61.5 million respectively, has been reserved as part of the Contributory Group Insurance Premium Fund. The Contributory Group Insurance Premium Fund represents the accumulation of member contributions in excess of premiums disbursed to the insurance carrier since the inception of the contributory death benefit program plus reserves held by the insurance carrier.

Members are required by statute to participate in the contributory group insurance plan in their first year of membership and may cancel the contributory coverage thereafter. The current contribution rate for this coverage is .55 of 1% of salary for PERS, and .40 of 1% of salary for TPAF.

Unsatisfied Claim and Judgment Fund

\$4.9 million represents receivables to be paid to the fund over an extended period of years.

NOTE 12 - OTHER FINANCING SOURCES/USES - OTHER

Major items are as follows:

Special Revenue Funds

New Jersey Automobile Insurance Guaranty Fund

\$160.0 million in Other Financing Sources-Other represents long-term financing from the New Jersey Property-Liability Insurance Guaranty Association.

General Fund

\$546.3 million in Other Financing Sources/Uses-Other represents proceeds from refunding bond sale and the corresponding deposit with the escrow agent. In addition, \$94.0 million in Other Financing Sources-Other represents the transfer of surplus market transition facility funds.

NOTE 13 - 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 noncancellable operating leases as of June 30, 1996 are as follows (expressed in thousands):

Fiscal Year Ending June 30	
1997	\$ 67,408
1998	55,886
1999	49,821
2000	47,138
2001	41,510
Thereafter	<u>448,373</u>
Total Future Minimum Lease Payments	<u>\$ 710,136</u>

NOTE 14 - 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.

At June 30, 1996, accumulated employee sick leave balances had an estimated value of \$318.2 million which is reflected in the General Long-Term Debt Account Group. Cash payments for sick leave at retirement are made from annual legislative appropriations for salaries and wages 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 during illness or injury.

As of June 30, 1996, the liability for accumulated vacation pay of approximately \$94.6 million is reflected in the General Long-Term Debt Account Group. 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.

NOTE 15 - DEFERRED COMPENSATION

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by the Division of Pensions, 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 unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with the amounts, and all income attributable to these amounts are solely the property and rights of the State, subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account of each participant. 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 believes it is unlikely that the plan assets will be used to satisfy future claims of general creditors.

NOTE 16 - RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems which have been established by State statutes. All of the systems are single-employer plans except for CPFPPF, PERS and PFRS, which are cost-sharing multiple employer plans. The systems have elected to report in conformity with National Council on Governmental Accounting (NCGA) Statement No. 1 which represents an acceptable reporting alternative under generally accepted accounting principles (GAAP) for retirement systems along with Financial Accounting Standards Board (FASB) Statement No. 35 and NCGA Statement No. 6. The effective dates of the aforementioned statements were deferred indefinitely to allow the GASB to formulate GAAP for public employee retirement systems.

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. Members are eligible to retire at age 60 after 25 years of service. Pension benefits are equal to 60 percent of the member's final compensation plus one percent for each year of creditable service in excess of 25 years, but not more than 30 years. Under State statutes, contributions are required by State-related employers and the State.

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 five years of successive service as a judge and 10 years in the aggregate of public service. Retirement benefits vary up to 75 percent of final compensation, depending on age and combinations of length of service as judge and public servant. Prior to January 18, 1982 the Plan was non-contributory. Subsequent thereto members are required to contribute three percent of the difference in the salary of their current position and the salary of that position at January 18, 1982.

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. A member may retire at age 55 with a benefit equal to two percent of average compensation for each year of creditable service up to 30 years, plus one percent for each year of creditable service in excess of 30 years.

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. New employees are enrolled in the Police and Firemen's Retirement System. All active members have vested rights. Members are eligible for retirement after 25 years of service or at age 55 with 20 years of service. The benefit is calculated as a percentage of three-year average final compensation and adjusted for service over 30 years or 50 percent of final pay, whichever is higher.

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. Members are eligible for retirement at age 60 with a benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service.

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. Members are eligible for retirement after 20 years of service with a mandatory retirement age of 55. The retirement benefit is 50 percent of the member's final compensation plus an additional two percent of final compensation for each year in excess of 20 years of creditable service but not over 25. Special retirement is available to members establishing 25 years of service and is calculated as 60 percent of final compensation plus one percent of final compensation for each year of creditable service over 25 years, to a maximum of 70 percent of final compensation.

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 public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 60 with a benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service.

Other Pension Systems:

In addition to the above retirement systems, the State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several 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 non-contributory defined benefit plan for the pension allowances established by various State statutes related to special groups not included in other State-administered systems. Each of the various statutes governing the CPF prescribes the condition for payment of such pension and designates the agencies or officers having the authority to grant pensions thereunder. The Fund is not actuarially reserved nor does the State receive actuarial valuations for this system. The State funds the plan as benefit allowances become payable, and there are no active members in the plan.

The State also administers the Pension Adjustment Program which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems. In the CPF and POPF, 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.

Pension Benefit Obligation

The "pension benefit obligation" is a standardized disclosure measure representing the present value of pension benefits adjusted for the effects of projected salary increases estimated to be payable in the future based on employee service credited to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the funding status of the Systems on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among employers. This measure is independent of the actuarial funding method used to determine employer contributions to the Systems discussed under the "contributions required and contributions made" section.

The unfunded pension benefit obligations were determined as part of the most recent actuarial valuations as noted in the table. The liabilities for PERS and TPAF were determined as of March 31, 1995 and projected forward to June 30, 1995 allowing for increases in benefits and variations in the population during the three month period.

The current membership and unfunded pension benefit obligation as of the date of the most recent actuarial valuation for each respective plan are as follows (expressed in thousands except for membership data):

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>	<u>POPF</u>
Most recent actuarial valuation date	7/1/95	7/1/95	7/1/95	7/1/95
Current membership:				
Number of retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	2,497	326	18,387	307
Fully vested, partially vested and nonvested active employees under the plan	--	396	38,450	--
Pension benefit obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 82,102	\$ 136,641	\$ 5,637,224	\$ 19,594
Current employees:				
Accumulated employee contributions with interest	N/A	4,954	1,143,145	N/A
Employer financed-vested	--	102,312	3,800,828	--
Employer financed-nonvested	--	13,989	483,511	--
Total pension benefit obligation	82,102	257,896	11,064,708	19,594
Actuarial value of assets	<u>50,406</u>	<u>163,907</u>	<u>8,891,960</u>	<u>3,339</u>
Unfunded pension benefit obligations	<u>\$ 31,696</u>	<u>\$ 93,989</u>	<u>\$ 2,172,748</u>	<u>\$ 16,255</u>
Valuation assets available as a percentage of the pension benefit obligation	61.39%	63.56%	80.36%	17.04%
Market value of net assets	<u>\$ 50,406</u>	<u>\$ 172,169</u>	<u>\$ 9,344,492</u>	<u>\$ 2,689</u>
Net assets at cost	<u>\$ 36,331</u>	<u>\$ 121,354</u>	<u>\$ 7,200,188</u>	<u>\$ 541</u>
The following significant actuarial assumptions were used in the actuarial computation:				
Assumed discount rate	8.75%	8.75%	8.75%	5.0%
Cost of living adjustment	N/A	2.40%	2.40%	N/A
Projected salary increases (which includes inflation, merit and productivity)	N/A	5.95%	5.95%	N/A

Mortality, vesting, retirement and withdrawals estimates are based on tables furnished by the actuary

	<u>PERS</u>	<u>SPRS</u>	<u>TPAF</u>	<u>TOTAL</u>
Most recent actuarial valuation date	3/31/95	7/1/95	3/31/95	N/A
Current membership:				
Number of retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	87,728	1,430	43,905	154,580
Fully vested, partially vested and nonvested active employees under the plan	274,510	2,576	117,399	433,331
Pension benefit obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 6,134,270	\$ 521,502	\$ 7,356,360	\$ 19,887,693
Current employees:				
Accumulated employee contributions with interest	3,360,910	78,122	3,142,540	7,729,671
Employer financed-vested	4,370,530	467,510	8,001,930	16,743,110
Employer financed-nonvested	608,150	74,122	389,720	1,569,492
Total pension benefit obligation	14,473,860	1,141,256	18,890,550	45,929,966
Actuarial value of assets	14,066,827	940,201	16,350,161	40,466,801
Unfunded pension benefit obligations	<u>\$ 407,033</u>	<u>\$ 201,055</u>	<u>\$ 2,540,389</u>	<u>\$ 5,463,165</u>
Valuation assets available as a percentage of the pension benefit obligation	97.19%	82.38%	86.55%	88.11%
Market value of net assets	<u>\$ 14,606,339</u>	<u>\$ 993,784</u>	<u>\$ 17,346,357</u>	<u>\$ 42,516,236</u>
Net assets at cost	<u>\$ 11,294,956</u>	<u>\$ 733,746</u>	<u>\$ 13,517,197</u>	<u>\$ 32,904,313</u>
The following significant actuarial assumptions were used in the actuarial computation:				
Assumed discount rate	8.75%	8.75%	8.75%	
Cost of living adjustment	2.40%	2.40%	2.40%	
Projected salary increases (which includes inflation, merit and productivity)	6.90% at age 25 to 4.65% at age 69	5.95%	6.90% at age 25 to 4.65% at age 70	

Mortality, vesting, retirement and withdrawals estimates are based on tables furnished by the actuary

Contribution Required and Contribution Made

The Systems provide for employee contributions based on percentages ranging from 4.00 percent to 8.5 percent of employees' annual compensation. Funding by State and State-related employers are based upon annual actuarially determined percentages of total compensation of all active members. The amount necessary to provide the Systems with assets sufficient to meet benefits is determined annually. The State appropriation for the June 30, 1996 fiscal year end, due on or before June 30, 1996, is based on 1994 actuarial valuations and the State-related employer contributions are payable and accrued on June 30, 1996 based on the most recent 1995 actuarial valuations. The State's annual contribution approximates the actuarially determined pension cost for the year.

The total State payroll for fiscal year 1996 was \$3.3 billion.

All systems, except CPFPF and POPF, use the Projected Unit Credit method of funding. Under this method, employers are required to make a normal contribution and an accrued liability contribution, if necessary, to meet the cost of basic pension benefits, cost of living adjustments, noncontributory death benefits and post-retirement medical premiums (in PERS and TPAF only). The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

The unfunded accrued liabilities of the various retirement systems, based on the 1995 actuarial valuations, total \$4.3 billion. This amount is being amortized over periods ranging from 4 to 37 years.

Actuarially determined contributions and actual contributions are presented in the following table:

	<u>CPFPF</u>		<u>JRS</u>		<u>PFRS</u>	
Actuarially determined contribution requirements:						
Employer normal cost	\$ --	N/A	\$ 11,959,492	30.02%	\$ 210,336,398	11.41%
Employee normal cost	--	N/A	526,438	1.32%	158,142,099	8.58%
Amortized unfunded actuarial accrued liability	<u>9,178,590</u>	N/A	<u>3,599,618</u>	9.04%	<u>46,528,826</u>	2.52%
	<u>\$ 9,178,590</u>		<u>\$ 16,085,548</u>		<u>\$ 415,007,323</u>	
Actual contributions:						
State	\$ 9,178,590	N/A	15,726,316	39.47%	93,124,953	5.05%
State-related employers	--	N/A	--	N/A	245,808,518	13.33%
Employees	--	N/A	965,657	2.42%	178,207,388	9.67%
	<u>\$ 9,178,590</u>		<u>\$ 16,691,973</u>		<u>\$ 517,140,859</u>	
State contributions as a percentage of actuarially determined contribution for all employers	100.00%		101.07%		36.25%	
Total Covered Payroll	<u>\$ N/A</u>		<u>\$ 39,841,000</u>		<u>\$ 1,843,746,000</u>	

	<u>POPF</u>		<u>PERS</u>		<u>SPRS</u>	
Actuarially determined contribution requirements:						
Employer normal cost	\$ --	N/A	\$ 173,129,487	2.29%	\$ 25,924,209	19.37%
Employee normal cost	--	N/A	351,085,215	4.65%	10,049,616	7.51%
Amortized unfunded actuarial accrued liability	2,798,192	N/A	(42,988,853)	N/A	3,893,275	2.91%
	<u>\$ 2,798,192</u>		<u>\$ 481,225,849</u>		<u>\$ 39,867,100</u>	
Actual contributions:						
State	\$ 2,798,192	N/A	93,826,834	1.24%	29,817,484	22.27%
State-related employers	--	N/A	66,905,315	.89%	--	N/A
Employees	--	N/A	330,605,475	4.37%	10,540,032	7.87%
	<u>\$ 2,798,192</u>		<u>\$ 491,337,624</u>		<u>\$ 40,357,516</u>	
State contributions as a percentage of actuarially determined contribution for all employers	100.00%		72.10%		100.00%	
Total Covered Payroll	<u>\$ N/A</u>		<u>\$ 7,557,609,010</u>		<u>\$ 133,868,000</u>	
			TOTAL SINGLE EMPLOYER		TOTAL MULTI EMPLOYER	
Actuarially determined contribution requirements:						
Employer normal cost	\$ 196,645,073	3.51%	\$ 234,528,774	4.05%	\$ 383,465,885	4.08%
Employee normal cost	267,944,694	4.78%	278,520,748	4.82%	509,227,314	5.42%
Amortized unfunded actuarial accrued liability	(7,227,183)	N/A	3,063,902	.05%	12,718,563	.14%
	<u>\$ 457,362,584</u>		<u>\$ 516,113,424</u>		<u>\$ 905,411,762</u>	
Actual contributions:						
State	\$ 194,881,707	3.47%	\$ 243,223,699	4.21%	\$ 196,130,377	2.09%
State-related employers	--	N/A	0	N/A	312,713,833	3.33%
Employees	264,852,629	4.72%	276,358,318	4.78%	508,812,863	5.41%
	<u>\$ 459,734,336</u>		<u>\$ 519,582,017</u>		<u>\$ 1,017,657,073</u>	
State contributions as a percentage of actuarially determined contribution for all employers	102.88%		102.37%		49.51%	
Total Covered Payroll	<u>\$ 5,610,122,000</u>		<u>\$ 5,783,831,000</u>		<u>\$ 9,401,355,010</u>	

NOTE: Figures in parentheses represents contributions as a percentage of covered payroll utilized in the most recent actuarial valuation.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The ten year historical trend information may be found in the annual financial statements of the individual retirement systems. Required three year trend information for each plan is presented below (dollars expressed in thousands):

	Most Recent Actuarial Valuation for Plan Fiscal Year Ending	Annual Covered Payroll (in 000's)	Net Assets Available as a Percentage of the Pension Benefit Obligation (NOTE)	Unfunded Pension Benefit Obligation as a Percentage of Annual Covered Payroll (NOTE)	Actuarially Determined Employer Contributions as a Percentage of Annual Covered Payroll	State Contributions as a Percentage of Annual Covered Payroll
CPFPF	1996	\$ N/A	61.4%	N/A	N/A	N/A
	1995	N/A	60.0%	N/A	N/A	N/A
	1994	N/A	68.2%	N/A	N/A	N/A
JRS	1996	\$ 39,900	63.6%	235.6%	39.0%	39.5%
	1995	41,000	64.2%	202.7%	27.5%	27.9%
	1994	41,400	78.6%	92.2%	21.8%	23.3%
PFRS	1996	\$ 1,843,700	80.4%	117.8%	13.9%	5.1%
	1995	1,805,100	80.9%	105.6%	11.0%	3.9%
	1994	1,631,300	87.1%	66.5%	9.5%	3.2%
POPF	1996	\$ N/A	17.0%	N/A	N/A	N/A
	1995	N/A	12.9%	N/A	N/A	N/A
	1994	67	13.8%	N/A	N/A	N/A
PERS	1996	\$ 7,557,600	97.2%	5.4%	1.7%	1.2%
	1995	7,197,900	97.1%	5.4%	1.3%	0.9%
	1994	6,888,700	105.2%	N/A	1.3%	0.9%
SPRS	1996	\$ 133,868	82.4%	150.2%	22.3%	22.3%
	1995	117,133	89.8%	83.2%	23.9%	23.9%
	1994	115,933	91.1%	66.8%	11.9%	12.8%
TPAF	1996	\$ 5,610,100	86.6%	45.3%	3.4%	3.5%
	1995	5,410,600	87.7%	40.0%	1.1%	1.3%
	1994	5,103,400	87.6%	40.2%	2.3%	2.7%

NOTE: These percentages do not include the post-retirement medical premiums obligation for TPAF and PERS amounting to \$2.7 billion and \$1.0 billion, respectively at June 30, 1995 in which the market value of assets amounts to \$284.3 million for TPAF and \$53.6 million for PERS.

Systems investments at June 30, 1996, by major class, (expressed in thousands) were as follows:

	CPF		CPFPF		JRS	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value
U.S. and Municipal						
Government Bonds	\$ --	\$ --	\$ 13,976 *	\$ 14,147 *	\$ --	\$ --
Corporate equity securities	--	--	--	--	--	--
Corporate debt securities	--	--	--	--	--	--
Common Pension Fund A	--	--	--	--	46,833 *	76,554 *
Common Pension Fund B	--	--	--	--	47,925 *	48,573 *
Common Pension Fund D	--	--	--	--	27,761 *	33,119 *
State of New Jersey Cash Management Fund	--	--	12,987	12,987	17,111	17,111
Other	--	--	5,300	5,356	2,422	2,470
Total	\$ --	\$ --	\$ 32,263	\$ 32,490	\$ 142,052	\$ 177,827

	PFRS		POPF		PERS	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value
U.S. and Municipal						
Government Bonds	\$ --	\$ --	\$ --	\$ --	\$ 34,192	\$ 34,746
Corporate equity securities	--	--	--	--	--	--
Corporate debt securities	450	447	--	--	899	901
Common Pension Fund A	2,820,312 *	4,821,740 *	--	--	4,738,866 *	8,079,424 *
Common Pension Fund B	1,997,583 *	2,030,135 *	--	--	4,022,725 *	4,129,313 *
Common Pension Fund D	1,119,550 *	1,403,110 *	--	--	1,819,475 *	2,320,473 *
State of New Jersey Cash Management Fund	482,742	482,742	1,460	1,460	658,709	658,709
Other	810,253	810,475	--	--	602,369	596,269
Total	\$ 7,230,890	\$ 9,548,649	\$ 1,460	\$ 1,460	\$ 11,877,235	\$ 15,819,835

	SPRS		SACT		TPAF	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value
U.S. and Municipal						
Government Bonds	\$ --	\$ --	\$ --	\$ --	\$ 29,450	\$ 29,895
Corporate equity securities	--	--	90,143	144,695	--	--
Corporate debt securities	--	--	--	--	2,000	1,996
Common Pension Fund A	304,524 *	517,020 *	--	--	5,647,480 *	9,596,296 *
Common Pension Fund B	293,582 *	299,948 *	--	--	4,712,661 *	4,786,811 *
Common Pension Fund D	142,050 *	180,861 *	--	--	2,421,291 *	3,109,268 *
State of New Jersey Cash Management Fund	51,572	51,572	2,947	2,947	790,219	790,219
Other	15,762	15,142	--	--	793,953	795,608
Total	\$ 807,490	\$ 1,064,543	\$ 93,090	\$ 147,642	\$ 14,397,054	\$ 19,110,093

	<u>Grand Total Amortized Cost</u>	<u>Market Value</u>
U.S. and Municipal		
Government Bonds	\$ 77,618	\$ 78,788
Corporate equity securities	90,143	144,695
Corporate debt securities	3,349	3,344
Common Pension Fund A	13,558,015 *	23,091,034 *
Common Pension Fund B	11,074,476 *	11,294,780 *
Common Pension Fund D	5,530,127 *	7,046,831 *
State of New Jersey Cash Management Fund	2,017,747	2,017,747
Other	<u>2,230,059</u>	<u>2,225,320</u>
Total	<u>\$ 34,581,534</u>	<u>\$ 45,902,539</u>

* Represents single investments of 5% or more of "combined" net assets.

NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service. As of June 30, 1996, there were 37,995 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 which will increase the medical reserve by one half of 1% of payroll.

The State contributed \$55.6 million to the PERS and \$122.5 million to the TPAF in fiscal year 1996 to meet the cost of current year's anticipated medical premiums.

The unfunded obligation for post-retirement medical benefits as of June 30, 1995 for each of the funds is as follows (expressed in millions):

	<u>TPAF</u>	<u>PERS</u>
Post-retirement medical benefit obligations:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 1,174	\$ 405
Current employees:		
Employer financed-vested	1,403	468
Employer financed-nonvested	89	81
Total post-retirement medical benefit obligation	2,666	954
Net assets available for benefits at cost	<u>284</u>	<u>54</u>
Unfunded post-retirement medical benefit obligation	<u>\$ 2,382</u>	<u>\$ 900</u>

The actuarial cost method and assumptions used to determine the unfunded post-retirement medical benefit obligation are the same as those used to determine the pension benefit obligation described in Note 16.

In addition, chapter 136, P.L. 1977 provides for the State to pay health benefits coverage of retired state employees regardless of retirement date whose pensions are based upon 25 years or more of credited service (except those who elect a deferred retirement) or a disability retirement regardless of years of service. Excluded from these benefits are retirees from the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund which finance the cost of providing the same health benefits coverage to the retirees.

These benefits are funded by the State on a "pay as you go" basis. For fiscal year 1996, the State contributed \$11.83 million for 2,864 eligible retired members.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF and ABP who retired from a board of education or county college with 25 years of service. In fiscal year 1996, the State paid \$11.45 million toward Chapter 126 benefits for 3,391 eligible retired members.

NOTE 18 - COMPONENT UNITS - 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 New Jersey Building Authority and the New Jersey Transportation Trust Fund Authority have been blended into the financial activities of the State as special revenue funds, debt service fund and general long-term account group. All other Authorities have been discretely presented as component units in the State's financial statements in accordance with GASB Statement 14. Accordingly, the statements of these Authorities have been discretely presented in separate columns in the State's financial statements.

The Authorities are managed independently, outside the appropriated budget process and their powers generally are vested in the governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing, public transportation, low cost housing, environmental protection and capital development for health and education purposes. 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 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.

Descriptions of the discretely presented Authorities and addresses from which complete financial statements of the respective Authority may be obtained is provided at the conclusion of Note 18.

The following pages represent condensed financial statements for each major discretely presented Authority included in the component unit column in the general purpose financial statements (GPFS). All nonmajor discretely presented Authorities are presented in the aggregate.

**STATE OF NEW JERSEY
CONDENSED BALANCE SHEET
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996
(In Thousands)**

	New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	New Jersey Highway Authority	New Jersey Housing And Mortgage Finance Agency
Assets:				
Current assets	\$ 483,824	\$ 794,907	\$ 272,261	\$ 1,027,531
Receivables, net	1,227,377	2,769,358	2,972	2,349,580
Fixed asset, net	187	625	1,380,466	14,547
Amount to be provided for:				
Bonds and notes	1,246,683	3,427,838	--	--
Total Assets	\$ 2,958,071	\$ 6,992,728	\$ 1,655,699	\$ 3,391,658
Liabilities:				
Current liabilities	\$ 33,896	\$ 104,264	\$ 106,472	\$ 369,759
Revenue bonds and notes payable	1,246,683	3,437,068	625,515	2,475,904
Capital leases	--	--	--	--
Total Liabilities	1,280,579	3,541,332	731,987	2,845,663
Fund Equity:				
Contributed capital	--	--	--	--
Investment in general fixed assets	187	625	--	--
Retained earnings:				
Reserved	--	--	--	391,408
Unreserved	--	--	923,712	154,587
Fund balances:				
Reserved - Other	1,651,038	2,699,354	--	--
Unreserved-Undesignated	26,267	751,417	--	--
Total Fund Equity	1,677,492	3,451,396	923,712	545,995
Total Liabilities and Fund Equity	\$ 2,958,071	\$ 6,992,728	\$ 1,655,699	\$ 3,391,658

STATE OF NEW JERSEY
CONDENSED BALANCE SHEET (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996
(In Thousands)

	New Jersey Transit Corporation	New Jersey Turnpike Authority	All Other Component Units Authorities	Total Component Units Authorities
Assets:				
Current assets	\$ 582,250	\$ 838,810	\$ 1,820,360	\$ 5,819,943
Receivables, net	65,200	10,918	2,322,457	8,747,862
Fixed asset, net	2,731,874	3,100,344	1,076,157	8,304,200
Amount to be provided for:				
Bonds and notes	--	--	707,489	5,382,010
Total Assets	\$ 3,379,324	\$ 3,950,072	\$ 5,926,463	\$ 28,254,015
Liabilities:				
Current liabilities	\$ 563,717	\$ 142,621	\$ 741,949	\$ 2,062,678
Revenue bonds and notes payable	--	2,781,133	3,082,920	13,649,223
Capital leases	368,669	--	60	368,729
Total Liabilities	932,386	2,923,754	3,824,929	16,080,630
Fund Equity:				
Contributed capital	2,539,601	--	96,811	2,636,412
Investment in general fixed assets	--	--	707	1,519
Retained earnings:				
Reserved	--	64,010	92,237	547,655
Unreserved	(92,663)	962,308	969,026	2,916,970
Fund balances:				
Reserved - Other	--	--	151,929	4,502,321
Unreserved-Undesignated	--	--	790,824	1,568,508
Total Fund Equity	2,446,938	1,026,318	2,101,534	12,173,385
Total Liabilities and Fund Equity	\$ 3,379,324	\$ 3,950,072	\$ 5,926,463	\$ 28,254,015

STATE OF NEW JERSEY
CONDENSED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996
(In Thousands)

Governmental Fund Type

	New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	All Other Component Units Authorities	Total Component Units Authorities
Revenues:				
Operating	\$ 125,086	\$ 404,512	\$ 91,376	\$ 620,974
Expenditures:				
Operating	\$ 277,570	\$ 544,377	\$ 83,083	\$ 905,030
Operating Income (Loss)	(152,484)	(139,865)	8,293	(284,056)
Other financing sources	543,300	36,605	64,114	644,019
Other financing uses	--	1,903	--	1,903
Net Increase (Decrease) in Fund Balance for the Year	390,816	(105,163)	72,407	358,060
Fund Balance Beginning of Year	1,286,676	3,556,559	871,054	5,714,289
Fund Balance End of Year	\$ 1,677,492	\$ 3,451,396	\$ 943,461	\$ 6,072,349

STATE OF NEW JERSEY
CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996
(In Thousands)

Proprietary Fund Types

	New Jersey Highway Authority	New Jersey Housing And Mortgage Finance Agency	New Jersey Transit Corporation
Operating Revenues	\$ 200,072	\$ 239,353	\$ 418,931
Operating Expenses:			
Depreciation & Amortization	15,958	1,360	166,653
Other	116,079	201,995	841,305
Operating Income (Loss)	68,035	35,998	(589,027)
Governmental Subsidies and Grants	(10,000)	--	543,886
Capital Contribution	--	--	231,972
Other Nonoperating Revenues (Expenses)	(22,789)	(1,930)	27,950
Income(Loss) before Operating Transfers	35,246	34,068	214,781
Operating Transfers In (Out)	--	--	--
Net Income	35,246	34,068	214,781
Fund Equity Beginning of Year	888,466	511,927	2,232,157
Fund Equity End of Year	\$ 923,712	\$ 545,995	\$ 2,446,938

STATE OF NEW JERSEY
CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996
(In Thousands)

	New Jersey Turnpike Authority	All Other Component Units Authorities	Total Component Units Authorities
Operating Revenues	\$ 340,533	\$ 356,849	\$ 1,555,738
Operating Expenses:			
Depreciation & Amortization	23,128	33,403	240,502
Other	173,552	287,196	1,620,127
Operating Income (Loss)	143,853	36,250	(304,891)
Governmental Subsidies and Grants	(12,000)	(252,390)	269,496
Capital Contribution	--	12,968	244,940
Other Nonoperating Revenues (Expenses)	(53,180)	(51,303)	(101,252)
Income(Loss) before Operating Transfers	78,673	(254,475)	108,293
Operating Transfers In (Out)	--	--	--
Net Income	78,673	(254,475)	108,293
Fund Equity Beginning of Year	947,645	1,412,548	5,992,743
Fund Equity End of Year	\$ 1,026,318	\$ 1,158,073	\$ 6,101,036

A. Restatements

The following governmental authorities fund balance have been restated to properly reflect an amount to be provided for retirement of revenue bonds and notes (expressed in millions).

<u>Authority</u>	<u>From</u>	<u>To</u>
Casino Reinvestment Development Authority	\$ 79.9	\$ 115.0
New Jersey Educational Facilities Authority	\$276.5	\$1,286.7
New Jersey Health Care Facilities Financing Authority	\$ 14.2	\$3,556.6
New Jersey Higher Education Assistance Authority	\$ 1.8	\$ 89.0
New Jersey Wastewater Treatment Trust	\$ 97.5	\$ 641.0

B. Cash and Cash Equivalents

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.

The Component Units - Authorities generally classify as cash and cash equivalents all highly liquid investments with an original maturity of three months or less.

Cash and cash equivalents are categorized below for all discretely presented Authorities (expressed in thousands):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>
Cash	\$ 25,331	\$ 80,502	\$ 3,765	\$ 109,598	\$ 91,190
Certificates of deposits and related items	--	352,244	1,152	353,396	353,396
Total	<u>\$ 25,331</u>	<u>\$ 432,746</u>	<u>\$ 4,917</u>	<u>\$ 462,994</u>	<u>\$ 444,586</u>

Cash and cash equivalents for proprietary and governmental component units total \$169.7 million and \$274.9 million respectively.

C. Investments

The Authorities primarily invest in U.S. Government Securities, other Government bonds and securities, and mortgage backed certificates. Governmental Accounting Standards Board Statement 3 requires investments to 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 counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments are categorized below for all discretely presented Authorities (expressed in thousands):

	<u>Carrying Amount</u>			<u>Total</u>	<u>Market Value</u>
	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>		
Government bonds and obligations	\$ 163,987	\$ 879,526	\$ 1,220,456	\$ 2,263,969	\$ 2,302,835
Repurchase agreements	70,582	55,764	332,775	459,121	478,698
Other	2,482	6,803	762,127	771,412	749,170
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investments subject to risk categorization	<u>\$ 237,051</u>	<u>\$ 942,093</u>	<u>\$ 2,315,358</u>	<u>\$ 3,494,502</u>	<u>\$ 3,530,703</u>
Participation in State of New Jersey					
Cash Management Fund				1,229,188	1,229,188
Annuity Contracts				31,651	31,651
				<u> </u>	<u> </u>
Total reported as investments				<u>\$ 4,755,341</u>	<u>\$ 4,791,542</u>

D. Receivables

Other receivables in the Casino Reinvestment Development Authority (\$71.8 million), the New Jersey Economic Development Authority (\$1.6 billion) the New Jersey Health Care Facilities Financing Authority (\$78.6 million), the New Jersey Higher Education Assistance Authority (\$69.4 million), and the New Jersey Transit Corporation (\$65.2 million), represent notes receivable due from various companies or individuals.

E. Fixed Assets

A summary reflecting changes in the discretely presented Authorities fixed assets and the resulting June 30, 1996 balances follows (expressed in thousands):

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 1996</u>
Land	\$ 725,024	\$ 28,667	\$ 138	\$ 753,553
Land improvements	3,632,000	234,983	4,030	3,862,953
Buildings and improvements	1,638,505	279,094	86,190	1,831,409
Machinery and equipment	972,544	34,866	107,713	899,697
Construction in progress	699,742	281,713	24,867	956,588
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 7,667,815</u>	<u>\$ 859,323</u>	<u>\$ 222,938</u>	<u>\$ 8,304,200</u>

Depreciation Method

Depreciation is calculated using the straight line method over the following useful life:

Land Improvements	10 - 100 yrs.
Buildings	15 - 60 yrs.
Machinery and Equipment	2 - 25 yrs.

The following table reflects the accumulated depreciation for the major classes of fixed assets reported by the discretely presented Authorities which use proprietary fund accounting (expressed in thousands):

	Accumulated Depreciation
Land	\$ --
Land improvements	39,366
Building and improvements	807,228
Machinery and equipment	918,472
Construction in progress	--
	<hr/>
Total	\$ 1,765,066
	<hr/> <hr/>

F. Long-Term Obligations

A summary of long-term obligations for the discretely presented Authorities at June 30, 1996 is shown below:

	Proprietary Amount In Thousands
Revenue bonds and notes	\$ 8,257,983
Capital leases and installment obligations	368,729
	<hr/>
Total Long-Term Debt	\$ 8,626,712
	<hr/> <hr/>
	Governmental Amount In Thousands
Revenue bonds and notes	\$ 5,391,240
Capital leases and installment obligations	--
	<hr/>
Total Long-Term Debt	\$ 5,391,240
	<hr/> <hr/>

Certain Authorities issue their own revenue bonds and bond anticipation notes. Bond anticipation notes are generally repaid from the proceeds of revenue bonds to be issued from renewal of the notes, Federal or State aid or other sources relative to the purpose of the issuance. Revenue bonds, except as disclosed, are not obligations of the State of New Jersey. The State of New Jersey has entered into an agreement with the New Jersey Economic Development Authority whereby the State has agreed to annually pay to the Economic Recovery Fund, maintained by the Authority, an amount equivalent to the amount due to the State each year by the Port Authority of New York and New Jersey pursuant to the regional economic development agreement subject to and dependent upon appropriations being made for such purposes by the State Legislature.

1. Debt Service Payments

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

	<u>Fiscal Year</u>	<u>Proprietary Amount</u>
First		\$ 681,997
Second		711,614
Third		711,601
Fourth		711,374
Fifth		714,479
Thereafter		12,322,215
Total minimum debt service payments		15,853,280
Less: Amount representing interest		(7,676,013)
Present value of debt service payments		<u>\$ 8,177,267</u>

	<u>Fiscal Year</u>	<u>Governmental Amount</u>
First		\$ 515,213
Second		523,649
Third		519,490
Fourth		519,097
Fifth		513,917
Thereafter		6,939,635
Total minimum debt service payments		9,531,001
Less: Amount representing interest		(4,123,987)
Present value of debt service payments		<u>\$ 5,407,014</u>

2. Changes in Long Term Debt

The following schedule represents the changes in the discretely presented Authorities long term debt (expressed in thousands):

	<u>Proprietary</u>			
	<u>Outstanding July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 1996</u>
Revenue Bonds and Notes	\$ 8,224,463	\$ 493,023	\$ 459,503	\$ 8,257,983
Capital Leases and Installment Obligations	128,857	251,298	11,426	368,729
Total	<u>\$ 8,353,320</u>	<u>\$ 744,321</u>	<u>\$ 470,929</u>	<u>\$ 8,626,712</u>

	<u>Governmental</u>			
	<u>Outstanding July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 1996</u>
Revenue Bonds and Notes	\$ 5,218,330	\$ 404,602	\$ 231,692	\$ 5,391,240
Total	<u>\$ 5,218,330</u>	<u>\$ 404,602</u>	<u>\$ 231,692</u>	<u>\$ 5,391,240</u>

3. Capital Lease and Installment Obligations

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, 1996 (expressed in thousands):

<u>Fiscal Year</u>	Proprietary	<u>Amount</u>
First		\$ 26,458
Second		38,666
Third		23,010
Fourth		27,594
Fifth		20,890
Thereafter		<u>319,027</u>
Total minimum lease payments		455,645
Less: Amount representing interest		<u>(86,862)</u>
Present value of lease principal payments		<u>\$ 368,783</u>

G. Fund Balance/Retained Earnings-Reserved-Other

The following significant fund balances have been reserved:

New Jersey Educational Facilities Authority

The reserve of \$1.6 billion represents \$0.4 billion reserved for debt service and construction projects and \$1.2 billion reserved for mortgage receivables.

New Jersey Health Care Facilities Financing Authority

\$2.6 billion is reserved for mortgage receivables.

New Jersey Housing and Mortgage Finance Agency

The reserve of \$391.4 million includes \$278.5 million reserved in accordance with the Agency's bond resolution, \$102.9 million reserved for their administrative fund, and \$10.0 million reserved for new mortgage loan programs.

New Jersey Wastewater Treatment Trust

\$91.7 million is reserved for debt service payments.

H. Description of Authorities

**Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
1014 Atlantic Avenue
Atlantic City, New Jersey 08401
Fiscal Year Ending December 31, 1995**

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.

Hackensack Meadowlands Development Commission (N.J.S.A. 13:17-5)
1 De Korte Park Plaza
Lyndhurst, New Jersey 07071
Fiscal Year Ending December 31, 1995

The Hackensack Meadowlands Development 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. Pursuant to the Act, the Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development and redevelopment of the 19,730 acre Meadowlands District. The agency also has the responsibility to provide garbage disposal facilities for 118 communities in Bergen, Essex, Hudson and Passaic counties.

The District consists of waterways, tidal flow lands, woodlands, marsh and meadows contained within portions of 14 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 Development Authority For Small Businesses, Minorities And Women's Enterprise
(N.J.S.A. 34:1B-49)
200 South Warren Street
CN 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1995

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprise, established in, but not of, the Department of Commerce and Economic Development, was created pursuant to Chapter 386 of P.L. 1985. 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)
Capital Place One
200 South Warren Street
CN 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1995

The New Jersey Economic Development Authority, created in 1974 as a public body corporate and politic, 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 the tax base of state and local governments in the State of New Jersey.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)
133 Franklin Corner Road - Suite 205
Lawrenceville, New Jersey 08648
Fiscal Year Ending December 31, 1995

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 the independent institutions of higher education.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)
Station Plaza Bldg. #4
South Clinton and Yard Avenue
CN 366
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1995

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 Assistance Authority - NJ Class (N.J.S.A. 18A:72-10)
Office of Accounting
CN 542
Trenton, New Jersey 08625
Fiscal Year Ending June 30, 1996

This authority was established because there was found to be a need for a State program to make State sponsored student loans available to students who cannot obtain Federally guaranteed loans, either because those loans are not available, because the student does not meet the program eligibility requirements as defined by the federal government, or because the student has additional financial need unmet by Federally guaranteed student loans.

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, 1995

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 Garden State Arts Center.

New Jersey Housing And Mortgage Finance Agency (N.J.S.A. 55:14K-4)
637 South Clinton Avenue
PO Box 18550
Trenton, New Jersey 08650-2085
Fiscal Year Ending June 30, 1996

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 Sports And Exposition Authority (N.J.S.A. 5:10-4)
PO Box C-200
East Rutherford, New Jersey 07073
Fiscal Year Ending December 31, 1995

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Brendan Byrne Arena which opened in July, 1981. The Authority is charged with the responsibility for providing facilities in the Hackensack Meadowlands for athletic and entertainment events, trade shows and other expositions, and is authorized to issue bonds and notes and provides 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, 1996

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 Urban Mass Transportation Administration (UMTA). 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 maintenance of certain NJ TRANSIT rolling stock and 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)
PO Box 1121
New Brunswick, New Jersey 08903
Fiscal Year Ending December 31, 1995

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 of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority.

New Jersey Urban Development Corporation (N.J.S.A 55:19-1)
200 South Warren Street
CN 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1995

The New Jersey Urban Development Corporation was created pursuant to Chapter 227 of P.L. 1985, effective July 8, 1985, to provide assistance in the redevelopment and revitalization of New Jersey cities and to create employment opportunities for the jobless. The Corporation 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 Wastewater Treatment Trust (N.J.S.A. 58:11B-4)
CN 029
Trenton, New Jersey 08625
Fiscal Year Ending June 30, 1996

The New Jersey Wastewater Treatment 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 to and guarantee debt incurred by local government units to finance 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 purpose.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)
PO Box 5196
Clinton, New Jersey 08809
Fiscal Year Ending June 30, 1996

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, 1995

The South Jersey Port Corporation, an entity of the State's Department of Commerce and Economic Development, 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
PO Box 351
Hammonton, New Jersey 08037
Fiscal Year Ending December 31, 1995

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

NOTE 19 - COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS

Effective July 1, 1987, nine State colleges whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status as a result of Chapters 42 and 88 of Public Law of 1988.

The financial statements of the colleges and universities have been prepared in accordance with the American Institute of Certified Public Accountants' "Industry Audit Guide - Audits of Colleges and Universities" and Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity." Accordingly, the statements of these funds have been discretely presented in a separate column in the combined balance sheet. Additionally, the statement of changes in fund balances and statement of current funds, revenues, expenditures, and other changes have been presented in separate statements. The financial statements do not include the financial activity related to foundations and similar organizations within the colleges and universities.

Descriptions of the colleges and universities as well as addresses from which audit reports of the individual college and universities can be obtained is provided at the conclusion of this note.

A. Fund Accounting

The financial activities of the colleges and universities are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for higher education programs and higher education general endowment and similar funds. The financial statements presented here are an aggregation of these fund types. Data regarding these funds can be obtained in the audit reports of the individual college and university funds for the year ended June 30, 1996.

B. Restatements

The beginning balances for the following funds were changed as follows:

Unrestricted Fund - There was a net increase of \$12,884 from changes in Rutgers's and Montclair's beginning balances.

Restricted Fund - Rutgers increased the beginning balance in the amount of \$8.9 million.

Plant Fund - Changes for Rutgers and Ramapo resulted in an \$8.1 million increase in the beginning balance.

Endowment Fund - Rutgers increased the beginning balance in the amount of \$11.9 million.

C. Cash and Cash Equivalents

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 college and university funds (expressed in millions):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>
Cash	\$ 23.6	\$ 0.0	\$ 3.6	\$ 27.2	\$ 28.5
Cash with fiscal agents	51.7	6.9	1.6	60.2	58.6
Certificates of deposit and related items	1.8	5.9	105.0	112.7	115.9
Total	<u>\$ 77.1</u>	<u>\$ 12.8</u>	<u>\$ 110.2</u>	<u>\$ 200.1</u>	<u>\$ 203.0</u>

Negative cash balances in the Current Unrestricted Funds of The William Paterson College of New Jersey, The Richard Stockton College of New Jersey, and The University of Medicine and Dentistry of New Jersey in the respective amounts of \$1.2, \$10.9 and \$27.4 million have been reclassified to accounts payable. In addition, a negative cash balance in the Current Restricted Fund of the University of Medicine and Dentistry in the amount of \$17.6 million as well as minor negative cash balances in the Restricted, Loan and Endowment Funds of the William Paterson College of New Jersey aggregating \$.2 million were also reclassified to accounts payable.

D. Investments

Investments of the colleges and universities are stated at cost, adjusted for amortization of premiums and accretion of discounts. Donated securities are carried at market value at the date of gift. Governmental Accounting Standards Board Statement 3 requires investments to 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 counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments of the colleges and universities are in accordance with the statutes of the State of New Jersey (see Note 4), regulations of governing boards or applicable limitations set forth in gift instruments. Investments for all colleges and universities are detailed below (expressed in millions):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Government and Other	625.0	4.8	--	629.8	623.5
Repurchase agreements	35.3	0.0	--	35.3	35.3
Ind bonds and commercial paper	20.2	2.5	--	22.7	23.0
Telephone bonds	3.7	0.0	--	3.7	3.5
Utility bonds	3.4	0.3	--	3.7	3.6
Fin Co's - senior debt	6.5	36.0	--	42.5	41.6
Common stock	6.3	95.8	--	102.1	134.9
Other	2.4	0.9	--	3.3	3.4
Investments subject to risk categorization	<u>\$ 702.8</u>	<u>\$ 140.3</u>	<u>\$ --</u>	\$ 843.1	\$ 868.8
Participation in State of New Jersey Cash Management Fund				212.3	212.3
Total reported as investments				<u>\$ 1,055.4</u>	<u>\$ 1,081.1</u>

E. Patient Service Revenues

Patient revenues, which were \$234.0 million during fiscal year 1996, are recognized at the time of service, net of allowances applicable to third-party payers, charity and bad debts.

F. Departmental Receivables

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on historical collection experience and a review of the status of existing receivables.

G. Fixed Assets

Fixed Assets are stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Rutgers, the State University and the University of Medicine and Dentistry have elected to record depreciation in accordance with FASB Statement No. 93, "Recognition of Depreciation by Not-for-Profit Organizations" (expressed in millions):

	College and University Funds
Land	\$ 90.3
Land improvements	65.1
Building and improvements	2,436.2
Machinery and equipment	956.6
Construction in progress	<u>163.3</u>
	3,711.5
Less accumulated depreciation	<u>910.7</u>
Total	<u><u>\$ 2,800.8</u></u>

H. Pension and Retirement Benefits

Retirement benefits for the majority of eligible full-time employees are provided under various pension agreements, namely the Public Employees' Retirement System (Note 16), the Teachers' Pension and Annuity Fund, and the Teachers Insurance and Annuity Association College and Retirement Equity Fund. Under these arrangements, the plan participants make annual contributions and the State provides the employer portion of the contribution directly. Contributions made by the State in fiscal year 1996 amounted to \$68.5 million. In addition to the above major plans, some employees of Kean College of New Jersey, Montclair State University of New Jersey, Rowan College of New Jersey and The College of New Jersey are covered by the Police and Fireman's Retirement System and some employees of the University of Medicine and Dentistry are covered under retirement systems of the city of Newark.

I. Notes Payable

Notes payable consists mainly of \$2.3 million for Rutgers, the State University.

J. Bonds Payable and Other Debt

A summary of bonds issued and outstanding for Rutgers, the State University at June 30, 1996 is as follows (expressed in thousands):

	Date of Series	Original Amount	Outstanding June 30, 1996
Revenue refunding bonds:			
Series A, 3.125%, due serially to May 1, 2001	5/1/67	\$ 5,025	\$ 1,015
Series B, 2.875%, due serially to May 1, 1999	5/1/67	575	70
Series C, 2.75%, due serially to May 1, 1999	5/1/67	2,190	300
Series D, 4.4%, due serially to May 1, 1999 to May 1, 1999	5/1/67	1,920	150
Series Q, 6.92% effective, due serially to May 1, 2001 and term bonds due May 1, 2013	3/15/91	5,475	4,885
Series R, 6.51 % effective, due serially to May 1, 2009 and term bonds due May 1, 2018	2/1/92	90,655	82,265
Series S, 5.1 1 % effective, due serially to May 1, 2014	4/15/93	35,170	30,545
Series T, 5.34% effective, due serially to May 1, 2016	4/15/93	36,270	33,525
Total revenue refunding bonds		<u>177,280</u>	<u>152,755</u>
Revenue bonds:			
Series E, 3.75%, due serially to May 1, 2016	5/1/67	1,200	755
Series F, 3%, due serially to May 1, 2016	11/1/67	2,350	1,390
Series H, 5.9% effective, due serially to May 1, 2007	11/1/70	8,300	4,775
Series J, 5.8% effective, due serially to May 1, 2003 and term bonds due May 1, 2013	11/1/76	11,200	8,090
Series P 6.86% effective, due serially to May 1, 2007 and term bonds due May 1, 2021	3/15/91	28,325	26,760
Total revenue bonds		<u>51,375</u>	<u>41,770</u>
General obligations refunding bonds:			
1992 Series A, 6.51 % effective, due serially to May 1, 2007 and term bonds due May 1, 2018	2/1/92	94,370	87,390
1993 Series 1, 5.32% effective, due serially to May 1, 2015	4/15/93	10,275	9,415
1993 Series A, 5.12% effective, due serially to May 1, 2014 and term bonds due May 1, 2019	10/1/93	81,600	74,850
Total general obligation refunding bonds		<u>186,245</u>	<u>171,655</u>
General obligations bonds:			
1993 Series B, 5.37% effective, due serially to May 1, 2016	4/15/93	28,020	27,155
Total general obligation bonds		<u>28,020</u>	<u>27,155</u>
TOTAL BONDS		<u>\$ 442,920</u>	<u>\$ 393,335</u>

Rutgers, the State University entered into an open-ended indenture dated May 1, 1967 to provide a means of financing construction of auxiliary enterprise facilities and to consolidate previously outstanding bond indebtedness. This was accomplished through the issuance of Revenue Refunding Bonds, Series A-D and Q-T and the Revenue Bonds, Series E, H, J and P. Under the terms of the indenture, all bonds issued are direct and general obligations of the University and are in no way an obligation of the State of New Jersey. All revenues from auxiliary enterprise facilities constructed from the proceeds of the bonds together with revenues from certain other such facilities are pledged to secure the indebtedness and must be applied to (1) annual interest and amortization payments, (2) debt service reserve deficiency, if any, (3) operating and maintenance expenses, and (4) the funding of repair and replacement reserves. The excess of funds, after satisfying these

requirements, is available to the University. The University has covenanted that so long as the bonds are outstanding, it will not incur any other indebtedness secured by a pledge of the facility revenues, nor sell, mortgage or otherwise dispose of such facilities.

The General Obligation Refunding Bonds, 1992 and 1993 Series A, and General Obligation Bonds, 1993 Series B, were issued under an open-ended indenture of trust, dated May 1, 1987, as supplemented; the General Obligation Refunding Bonds, 1993 Series 1, were issued under an indenture of trust, dated May 1, 1986. These bonds were issued to finance a portion of the cost of the renovation, construction and equipping of certain academic, research, support and other facilities, as well as infrastructure development and land acquisitions of the University. Under the terms of the indentures, all bonds issued are direct and general obligations of the University and are in no way an obligation of the State of New Jersey.

Debt service payments over the next five years for the following bonds outstanding at June 30, 1996, are as follows (expressed in thousands):

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Series A-F, H, J, P-T					
Principal	\$ 6,310	\$ 6,610	\$ 6,910	\$ 6,915	\$ 7,260
Interest*	11,167	10,875	10,558	10,215	9,854
1993 Series 1					
Principal	315	325	340	355	370
Interest	475	462	448	433	417
1992 and 1993 Series A					
Principal	3,840	4,025	4,230	4,445	4,675
Interest	9,109	8,929	8,736	8,530	8,307
1993 Series B					
Principal	815	855	890	935	980
Interest	<u>1,423</u>	<u>1,382</u>	<u>1,340</u>	<u>1,295</u>	<u>1,248</u>
Total	<u>\$ 33,454</u>	<u>\$ 33,463</u>	<u>\$ 33,452</u>	<u>\$ 33,123</u>	<u>\$ 33,111</u>

* Net of interest subsidy of \$69,000 on Series H Bonds

The New Jersey Institute of Technology entered into an agreement with the New Jersey Educational Facilities Authority (NJEFA) in May of 1994, under which the NJEFA issued \$56.5 million of revenue bonds, Issue 1994 Series A (the "1994 Series A Bonds"). The University advance refunded the 1986 Series A, 1986 Series B, 1989 Series A and 1991 Series D bonds which increased its total debt service payments over the next 30 years by approximately \$30 million and resulted in an economic gain (difference between the present value of the debt service payment on the old and the new bonds) of approximately \$4 million. The University obligation under this agreement is as follows:

	<u>Amount</u> <u>(In Thousands)</u>
1994 Series A serial bonds 5.65-5.95% (due to the New Jersey Educational Facilities Authority to 2009)	\$ 16,175
1994 Series A term bonds 6.00% (due to the New Jersey Educational Facilities Authority on July 1, 2015)	11,940
1994 Series A term bonds 6.00% (due to the New Jersey Educational Facilities Authority on July 1, 2024)	27,905
Discount on Bonds	(1,051)
Total	<u>\$ 54,969</u>

In November of 1995, the University entered into an agreement with the NJEFA under which the NJEFA issued \$33.2 million of Revenue Bonds, Issue 1995 Series E. The University obligation under this agreement is as follows:

	Amount (In Thousands)
1995 Series E serial bonds 5.25-5.375% (due to the New Jersey Educational Facilities Authority to 2013)	\$ 12,585
1995 Series E term bonds 5.375% (due to the New Jersey Educational Facilities Authority on July 1, 2016)	3,935
1995 Series E term bonds 5.375% (due to the New Jersey Educational Facilities Authority on July 1, 2020)	6,390
1995 Series E term bonds 5.375% (due to the New Jersey Educational Facilities Authority on July 1, 2025)	10,320
Discount on Bonds	(654)
Total	\$ 32,576

The agreement with NJEFA requires the pledging of certain revenues to meet the sinking fund requirements of the issue. Deposits held with the trustees represent restricted funds held by the First Fidelity Bank, National Association, New Jersey under terms of the agreement with NJEFA. The funds consist principally of cash and U.S. Government securities. Of the total deposits held at June 30, 1996, approximately \$4.3 million is required to be maintained in accordance with mortgage bond indenture agreements. In August 1995 the final payment was made to the Internal Revenue Service for arbitrage rebate in the amount of \$.2 million by the bond trustee.

Remaining aggregate principal repayments required under the term of the mortgage bond are:

<u>Fiscal Year</u>	<u>Amount</u> <u>(In Thousands)</u>
1997	\$ 1,947
1998	1,202
1999	1,842
2000	1,921
2001	2,006
Thereafter	81,940
	\$ 90,858
Less amts. represent- ing interest	(184)
	<u>\$ 90,674</u>

On August 1, 1994, the University, along with other colleges and universities, entered into a lease agreement with the NJEFA whereby NJEFA issued bonds to purchase equipment and each college and university pays rental payments to service its portion of the debt service. At the end of the lease, the equipment title will transfer to the University. The University acquired equipment in the amount of \$1.2 million during fiscal year 1996 under the Equipment Leasing Fund ("ELF") program. At June 30, 1996 future principal and interest commitments under the ELF program are \$1.4 and \$.2 million respectively.

At June 30, 1996, long-term debt of University of Medicine and Dentistry of New Jersey consisted of the following (excluding debt relating to Raritan Valley Hospital):

University of Medicine and Dentistry of New Jersey, Series A Tax Exempt Revenue Bonds of December 1995 issued in the amount of \$12,335,000. (\$3,350,000 of serial bonds and \$5,095,000 of 8.9% term bonds were retired with the issuance of Series D Bonds on July 1, 1991). The issue was collateralized by certain University revenues	\$	--
University of Medicine and Dentistry of New Jersey, Series B Tax Exempt Revenue Bonds of August 1986 issued in the amount of \$56,840,000. Serial bonds in the amount of \$3,510,000 bearing interest at rates of 6.75-6.85% are payable in equal annual installments of interest and principal through 1997; \$19,685,000 of term bonds bearing interest of 5.0% are due through 2011. (\$8,595,000 of serial bonds and \$14,605,000 of 7% term bonds were retired with the issuance of series 1995 B Bonds. The issue is collateralized by certain University revenue.		23,195,000
University of Medicine and Dentistry of New Jersey Series C Tax Exempt Revenue Bonds of October 1989 issued in the amount of \$55,875,000. Serial bonds in the amount of \$5,425,000 bearing interest at rates of 6.6-7.0 % are payable in equal annual installments of interest and principal through 2000. (\$5,380,000 of serial bonds and \$41,760,000 7.2% term bonds were retired with the issuance of Series 1995 B Bonds.) The issue is collateralized by certain University revenue.		5,425,000
University of Medicine and Dentistry of New Jersey, Series D Tax Exempt Refunding Bonds of July 1991 issued in the amount of \$9,750,000. Serial bonds bearing interest at rates of 5.7-6.5% are payable in equal installments of interest and principal through 2003. (\$2,265,000 of serial bonds were retired with the issuance of Series 1995 B Bonds.) The issue is collateralized by certain University revenue.		6,795,000
University of Medicine and Dentistry of New Jersey Series E Tax Exempt Revenue Bonds of February 1992 issued in the amount of \$68,605,000. Serial bonds in the amount of \$10,610,000 bearing interest at rates of 5.2-6.2% are payable in equal installments of interest and principal through 2003; \$12,695,000 of 6.5% term bonds are due in 2012; (\$3,540,000 of 6.5% serial bonds and \$40,210,000 of 6.6-6.73% term bonds were retired with issuance of series 1995 B Bonds.) The issue is collateralized by certain University revenue.		23,305,000
University of Medicine and Dentistry of New Jersey Series 1995 B Tax Exempt Revenue Bonds of December 1995 issued in the amount of \$143,645,000. Serial bonds in the amount of \$106,075,000, bearing interest at rates of 5.1-5.25% are payable in equal installments of interest an principle through 2025. The issue is collateralized by certain University revenue.		143,645,000
University of Medicine and Dentistry of New Jersey, Certificates of Participation:		
Series C and D		12,225,000
Equipment leasing fund		<u>2,191,000</u>
LESS: Unamortized discount of Series B, D and E		216,781,000
Tax Exempt Revenue Bonds		<u>3,588,000</u>
Total	\$	<u><u>213,193,000</u></u>

In November 1989, the University entered into a Master Lease Agreement whereby the University may borrow up to \$26.3 million under Series B, C and D Certificates of Participation ("the Certificates") for equipment and facilities acquisition and renovation. These certificates bear interest at 6.5-6.8 percent and, at June 30, 1996, are due serially from December 1996 to December 1999; \$9.6 million of term certificates bearing interest at 6.75 percent are due December 2009. The recognition of debt occurs upon reimbursement to the University. Title to all equipment and facilities purchased under these lease agreements vests with the University and the leases are secured by the assets acquired.

In August 1994, the University participated in the Equipment Leasing Fund Program with the New Jersey Educational Facilities Authority to fund specific equipment needs. The University's allocation was \$10.1 million of which 25 percent (\$2.5 million), bearing an interest rate of 5 percent, is the obligation of the University and the remaining 75 percent is the obligation of the State of New Jersey. Lease payments will be made through August 2000 at approximately \$.5 million per year, at which time title to the equipment passes to the University.

Repayments of principal amounts of long-term debt exclusive of the debt related to Raritan Valley Hospital for the next five years and thereafter are as follows:

<u>Fiscal Year</u>	<u>Amount</u> <u>(In Thousands)</u>
1997	\$ 5,871
1998	6,516
1999	4,982
2000	6,529
2001	7,658
Thereafter	<u>185,225</u>
	<u>\$ 216,781</u>

K. Capitalized Lease Obligations

At June 30, 1996, Jersey City State College, Kean College of New Jersey, Montclair State University of New Jersey, William Paterson College of New Jersey, Ramapo State College of New Jersey, Rutgers the State University, and Richard Stockton College of New Jersey had future lease payments as shown in the following schedule:

<u>Year</u>	<u>Amount</u> <u>(In Millions)</u>
1997	\$ 25.3
1998	24.4
1999	24.3
2000	24.2
2001	23.7
Thereafter	<u>312.3</u>
Total lease payments	434.2
Less: Amount representing interest	<u>180.9</u>
Present value of lease payments	<u>\$ 253.3</u>

Pursuant to the terms of a lease and agreement dated September 1, 1971 between the University and the New Jersey Educational Facilities Authority ("Authority"), the University transferred to the Authority title to certain land, upon which dormitories have been constructed. In 1974, the Authority issued bonds in the aggregate amount of \$6.7 million at an effective interest cost of 5.95% per annum, for the purpose of providing long-term financing for the aforementioned facilities. Such bonds mature serially through 2008. In accordance with the agreement, the University is required to pay an annual rental to the Authority over the life of the agreement in amounts necessary to retire the bonds, including interest, provide sinking fund and reserve account requirements and reimburse the Authority for its administrative costs. As security for its obligation under the agreement, the University has pledged the revenues arising from the financed facilities. Upon retirement of the bonds, title to the land and facilities will revert to the University; accordingly, the land and facilities have been capitalized with a corresponding liability classified as a capitalized lease obligation. At June 30, 1996, this liability is \$3.9 million (\$4.1 million in 1995).

In accordance with the Higher Education Equipment Leasing Fund Act of 1993, the University entered into a capital lease agreement with the Facilities Authority, dated August 1, 1994, for equipment purchases required for the University's laboratory and instructional facilities. The capital lease agreement was financed through the issuance of Facilities Authority bonds, the University's portion of which amounted to \$19.6 million. The bonds were issued on August 17, 1994 and bear interest at a rate of 5.00 percent annum and mature on September 1, 2000. In accordance with the agreement, the University is required to make annual lease payments to retire 25 percent of the bonds, representing the University's portion, including interest. The State of New Jersey is obligated to pay the remaining 75 percent of the annual debt service. Title to all equipment purchased under this lease agreement will be transferred to the University at the conclusion of the lease. At June 30, 1996, the University had a capital lease obligation of \$4.2 million (\$2.4 million in 1995) for equipment purchased under the terms of this agreement.

In connection with a redevelopment project undertaken by the Housing and Urban Development Authority of the City of New Brunswick (the "Housing Authority"), a series of agreements were entered into by the University, the Housing Authority and Robert Wood Johnson University Hospital, Inc., the outcome of which was the construction of a student apartment complex, parking deck, health club facility and multi-unit retail center. Pursuant to the terms of the capital lease and agreement dated July 1, 1992 between the University and the Housing Authority, the Housing Authority issued bonds in the aggregate amount of \$55.3 million on July 23, 1992, at an effective interest rate of 6.23% per annum, for the purpose of providing long-term financing for the project. Such bonds mature serially through 2024. In accordance with the agreement, the University is required to pay an annual rental to the Housing Authority over the life of the agreement in amounts necessary to retire the University's portion of the bonds, including interest, to provide for sinking fund and reserve account requirements and to reimburse the Housing Authority for its administrative costs. Upon retirement of the bonds, title to the student apartment complex, parking deck, health club facility and the related common space will be transferred to the University; accordingly, the land and facilities have been capitalized with a corresponding liability classified as a capital lease obligation. At June 30, 1996, this liability (net of the present value of the hospital sublease payments discussed below) was \$39.6 million (\$40.3 million in 1995).

In conjunction with the Housing Authority capital lease and agreement, the University simultaneously entered into a sublease and agreement with the Robert Wood Johnson University Hospital, Inc. (the "Hospital"), dated July 1, 1992, whereby the Hospital agreed to lease a portion of the parking facility from the University. The sublease provides for an initial term of two years which commenced July 1992, renewable in six consecutive five year terms. In accordance with the sublease, the Hospital is required to pay an annual rental to the University over the life of the agreement, subject to termination payments to the University should the options to renew not be exercised. The payments received under this sublease will be used by the University to cover a proportional amount of the lease payments due to the Housing Authority. Upon retirement of the bonds, title to the Hospital's portion of the parking deck will be transferred to the Hospital. At June 30, 1996, the estimated present value of the Hospital lease over the full lease term, including renewal periods, amounted to \$8.6 million (\$8.7 million in 1995). Payments required under the lease and agreement between the University and the Housing Authority are in no way conditional upon the receipt of payments from the Hospital under the sublease and agreement.

The University has entered into certain lease-purchase agreements for equipment which are principally for a duration of one to five years depending on the application and financial advantage to the University. Such agreements are essential to the normal operation of the University and it is expected that these arrangements, where applicable, would be renegotiated when financially advantageous. The payments of these agreements include a charge for interest at various rates depending on each agreement. At June 30, 1996, the aggregate capitalized lease obligation associated with these agreements, which excludes future interest payments, is approximately \$2.7 million, (\$2.9 in 1995). The annual rentals for these capitalized lease obligations are provided for in the University's operating budget and in the aggregate are not considered material.

The Plant Funds of the University of Medicine and Dentistry include the assets, liabilities and fund balance related to Raritan Valley Hospital (RVH). From August 1975 until May 1981, the University leased RVH from the New Jersey Health Care Facilities Financing Authority (Authority) and operated the facility as an acute care hospital and ambulatory care center. Effective May 1, 1981, the University was discharged from its obligations under the Authority lease and possession of RVH was transferred to the Division of Mental Retardation (DMR). The RVH accounts will be formally transferred to DMR when the appropriate authorizing legislation is enacted. At June 30, 1996, RVH assets and long-term debt are \$9.0 million and \$1.1 million, respectively, and are reflected in the Plant Fund balance sheet.

L. Self Insurance Reserve Fund

The University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund is accounted for within a trust fund maintained by the State of New Jersey.

M. Commitments and Contingencies

The University is a party to various legal actions arising in the ordinary course of its operations. While it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the University's financial statements.

N. Description of Colleges and Universities

**The College of New Jersey (N.J.S.A. 18A:62-1)
Hillwood Lakes
Trenton, New Jersey 08625**

The College of New Jersey (formerly Trenton State College), founded in 1855, came under the general policy control of the State Board of Higher Education effective July 1, 1967. Operation and management are vested in a nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

The College offers over 60 undergraduate degrees and more than 20 graduate degree and certification programs through five schools: Arts and Sciences, Business, Education, Nursing and Technology. Other programs offered are the cooperative education program, international/national study options, continuing education and the Institute for Public and Private Service.

The College is located in Ewing Township, Mercer County, on 255 acres. Its 36 buildings include the 550,000 volume Roscoe L. West Library, the Holman Hall Art Gallery, the Brower Student Center, 13 academic computer laboratories, and the collegiate recreation and athletic facilities complex.

**Thomas A. Edison State College (N.J.S.A. 18A:62-1)
101 West State Street
Trenton, New Jersey 08625**

Thomas A. Edison State College was founded by the State Board of Higher Education on July 1, 1972, and was officially established as the ninth State college under the terms of the State College Law (N.J.S.A. 18A:62-1 et seq.) on May 18, 1973. The operations and management of the College were vested in its Board of Trustees, appointed by the State Board of Higher Education, with the approval of the Governor.

The mission of the College is to evaluate college-level learning, regardless of its source. To achieve this mission, the College has been authorized:

1. To award college credit through college proficiency examinations, the assessment of prior learning and/or the evaluation of transfer credits and special credentials, and to award associate and baccalaureate degrees to individuals who have met the degree requirements as established by the Academic Council of the College.
2. To develop and administer the Thomas A. Edison State College examination and Portfolio Assessment Programs as basic means through which Edison students may satisfy degree requirements.
3. To encourage the availability of college-level learning opportunities through cooperation with all types of institutions that are now providing, or have the potential to provide, college-level learning experiences outside the traditional modes of higher education. In developing these cooperative arrangements, the College will not provide instruction directly but will award credit for such educational experiences either through the evaluation of noncollegiate programs or the direct testing of student learning outcomes.
4. To develop linkages with or create educational delivery systems built around contemporary telecommunications technology which will provide the distant learner with information and guidance on educational opportunities, modes of support for independent study and assessment, and access to media-based instruction and testing.

The College maintains three permanent educational counseling centers in East Orange, Trenton, and Cherry Hill which are open to all residents who wish information and advice concerning educational opportunities available to them within the State system of higher education.

Jersey City State College (N.J.S.A. 18A:62-1)
2039 Kennedy Boulevard
Jersey City, New Jersey 07305

Jersey City State College, located in Hudson County, is dedicated to urban programs designed to meet the complex economic, social and educational problems of the "inner" cities of metropolitan New Jersey. The urban mission is unique among the State colleges, and in order to strengthen this mission, the College has embarked on a three-year plan designed to make it the premier Cooperative Education College in the State. The College serves thousands of residents of the northeast corner of the State. Ten percent of the student population is comprised of men and women from the other areas of New Jersey, adjacent states and foreign countries. The operation and management of the College is vested in its nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

Special features of the campus include the A. Harry Moore Laboratory School for Special Education, the Peter W. Rodino, Jr. Institute of Criminal Justice, the Center for the Advancement of Teaching and Learning (CATALYST), the Center for Occupational Education, the Adult Education Center, the Media Arts Center, and the Margaret Williams Theater for the Performing Arts. The College has 15 acres of athletic fields, three gymnasiums, a swimming pool, a modern dance studio and three auditoriums, in addition to its 110 classrooms and laboratories.

Kean College Of New Jersey (N.J.S.A. 18A:62-1)
Morris Avenue
Union, New Jersey 07083

Kean College of New Jersey is a public, State-supported, four-year, co-educational institution of higher education. It is located in Union Township, and is situated on a 120-acre campus, which includes a six-acre woodlands preserve. The College traces its history to 1855 when it was founded by and in the City of Newark. For more than a century, its accomplishments and reputation were primarily associated with contributions made in the area of teacher education. In 1913 the College became a State institution, and in 1958 moved to its present location on property which had been a part of the Kean Estate. The operation and management of the College is vested in its nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

The campus currently contains 26 structures, including modern classroom buildings, a science complex, a 1,000-seat theatre for the performing arts, a library, a child study institute, athletic and recreational facilities, student apartments, and a student center. The 28-acre east campus, one quarter mile from the main campus, includes athletic fields, recreation facilities, and certain student and academic support programs.

Montclair State University (N.J.S.A. 18A:62-1)
Valley Road
Upper Montclair, New Jersey 07043

Montclair State University (the University) is recognized as a public institution of higher education by the State of New Jersey (the "State"). This recognition is supported by annual appropriations from the State to support the University. On April 27, 1994 the institution obtained university status.

The University, which began in 1908 as a two-year Normal School, came under the general policy control of the State Board of Higher Education on July 1, 1967. The operation and management of the University is vested in its own nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor. The University offers a broad spectrum of general liberal arts education and professional studies for more than 12,000 students for both full-time and part-time undergraduate and graduate programs.

The main campus of the University has 202 acres divided between the town of Montclair in Essex County and the municipalities of Little Falls and Clifton in Passaic County. Presently over 40 buildings comprise the physical plant, including campus housing for nearly 2,000 students, and a Student Center Annex.

The University also operates a 30-acre nature preserve at Lake Valhalla (Morris County) and, as part of the University's School of Conservation, a 240-acre environmental education center in Stokes State Forest (Sussex County).

**New Jersey Institute Of Technology (N.J.S.A. 18A:64E-4)
323 Dr. Martin Luther King Jr. Boulevard
Suite 22E
Newark, New Jersey 07102**

The Institute is recognized as a public institution of higher education by the State of New Jersey. The recognition is supported by an annual contract between the Institute and the State whereby the Institute agrees to render services of public higher education for the State of New Jersey. In return, the State appropriates funds to support the Institute.

The Institute was founded in 1881 (N.J.S.A. 18A:64E-1 et seq.). For more than three decades, the State Board of Education contracted annually with the New Jersey Institute of Technology, formerly Newark College of Engineering, for services in public higher education. Effective July 1, 1967, the contractual relationship is with the State Board of Higher Education (N.J.S.A. 18A:3-14).

The physical plant is located in Newark on 34 acres and is comprised of 16 buildings, including classroom-laboratory buildings, gymnasium, library, theatre, residence hall, maintenance building, parking lots and playing fields.

**The William Paterson College Of New Jersey (N.J.S.A. 18A:62-1)
300 Pompton Road
Wayne, New Jersey 07470**

The William Paterson College of New Jersey, founded in Paterson in 1855, was relocated in 1951 to the Boroughs of Wayne, Haledon and North Haledon, Passaic County. Effective July 1, 1967, the State Board of Higher Education became responsible for general oversight of the College, but the operation and management of the College is vested in its own nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

The College offers 33 baccalaureate and 13 master's degree programs through seven schools: The Arts and Communication, Education and Community Services, Health Professions and Nursing, Humanities, Management, Science and Social Science.

The College is located on 250 acres and has 20 major buildings. Academic buildings include color television studios, modern facilities and science laboratories, fine arts studios, a 1,000-seat theatre, classrooms, and academic/administrative computer center, a gymnasium and pool, and a library. Other facilities include a student center, a multipurpose recreation center, athletic fields, dormitory and apartments for 1,551 students.

**Ramapo College Of New Jersey (N.J.S.A. 18A:62-1)
505 Ramapo Valley Road
Mahwah, New Jersey 07430**

Ramapo College of New Jersey was established by the Legislature in 1968 and opened in September, 1971. Responsibility for the operation and management of the College is vested in its own nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor. The College is located in the foothills of the Ramapo Mountains in Northwest Bergen County, close to the New York State border. The wooded, almost rural setting is enhanced by the award winning barrier-free modern buildings and the student apartments. Facilities include modern academic buildings, library, science building, student center, and an athletic complex which includes a gymnasium, an NCAA-size swimming pool, tennis courts and a variety of playing fields.

**Rowan College of New Jersey (N.J.S.A. 18A:62-1)
Linden Hall
Glassboro, New Jersey 08028**

Rowan College of New Jersey was founded in 1923 and effective July 1, 1967, came under the general policy control of the State Board of Higher Education. Under the Higher Education Act of 1966, the College and all the other State colleges became multipurpose institutions with emphasis on the liberal arts and sciences and various professional areas. The College offers a full range of baccalaureate degree programs and selected master's degree programs through its Schools of Liberal Arts and Sciences, Business Administration, Fine and Performing Arts and Professional Studies. The operation and management of the College is vested in the College Board of Trustees (N.J.S.A. 18A:64-1 et seq.). The work of the College is centered on the main campus in Glassboro and the branch campus in Camden; courses are offered at several off-campus locations.

The College is located in Glassboro, Gloucester County, on 200 acres and in 1987 included 48 buildings comprised of administrative offices, library, dormitories, apartments, classrooms, gymnasium, athletic team house, theatre/auditorium, maintenance shop, heating plant, student center, bookstore, and Holly Bush (the Whitney Mansion that was the site of the Johnson-Kosygin Summit Conference in 1967).

Rutgers, The State University (N.J.S.A. 18A:65-12)
Administration Building -- Room 308
Davidson Road
Piscataway, New Jersey 08855

Founded in 1766 as one of the colonial colleges, Rutgers became The State University in 1956 (N.J.S.A. 18A:65-1 et seq. as amended) with a reorganized Board of Trustees and a newly created Board of Governors. The membership of the Board of Governors consists of ex-officio members, the Chancellor of the Department of Higher Education of New Jersey, the President of the Corporation and 11 voting members, six of whom are appointed by the Governor of the State with the advice and consent of the Senate, and five of whom are appointed by the Board of Trustees from among its members. The Board of Governors has general supervision over the University's operations. The Board of Trustees acts in overall advisory capacity and controls certain properties, funds and trusts. The State Board of Higher Education (N.J.S.A. 18A:62-1 et seq.) is responsible for the coordination and general financial oversight of Rutgers as a part of the State's system of higher education.

The University provides instruction to approximately 90,000 full and part-time students enrolled in instructional programs in its graduate and undergraduate colleges, schools, summer session, and continuing education programs.

Research, the second major area of University responsibility, has earned the support of commerce, industry, State and Federal governments, societies, and philanthropic organizations, as well as financing from the University's funds.

Extension services, designed to take the University's teaching function directly to the people of the State, is a major responsibility. Such services range from the work of the county agricultural, home economics and 4-H Club agents to non-credit courses, including postgraduate work in technical and professional fields.

Richard Stockton College of New Jersey (N.J.S.A. 18A:62-1)
Administration and Finance Building
Pomona, New Jersey 08240

Richard Stockton College of New Jersey was authorized in the 1968 Bond Referendum and admitted its first students in September, 1971. The operation and management of the College are vested in a ten-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor. The College is under the general policy direction of the State Board of Higher Education.

The College is located on a 1,600-acre campus in Galloway Township in the pine barrens of New Jersey. Academic facilities accommodate approximately 4,000 full-time equivalent students. Campus housing is available for 1,830 students, with both apartment and dormitory style living arrangements. The College is the only four-year academic institution in the rapidly developing region of South Jersey.

University Of Medicine And Dentistry Of New Jersey (N.J.S.A. 18A:64G-4)
30 Bergen Street
Newark, New Jersey 07107

The University of Medicine and Dentistry of New Jersey is governed and managed by a Board of Trustees appointed by the Governor with Senate confirmation and administered by a President as the Chief Executive Officer. The primary purposes of the institution are the education of health care personnel including physicians, dentists and allied health professionals, medical and dental research, and the provision of health care to the people of New Jersey.

The University is composed of three medical schools (two Allopathic and one Osteopathic), a dental school, a graduate school of biomedical sciences and a school of allied health professions. Its medical programs are centered in Newark, Piscataway and Camden. It operates a hospital and two community mental health care centers which serve as both health care and teaching facilities.

In addition to its wholly owned facilities, the University is affiliated for teaching purposes at either, or both, the undergraduate and graduate level with 54 community hospitals and health care agencies, five community colleges, five State colleges, Rutgers University, New Jersey Institute of Technology and three independent universities.

NOTE 20 - CONTINGENT LIABILITIES

General Fund

The State is involved in a number of legal actions wherein the State of New Jersey has the potential for either loss of revenue or unanticipated expenditure. As of June 30, 1996, the exact amount involved in these legal proceedings is not fully determinable.

Special Revenue Funds

New Jersey Automobile Insurance Guaranty Fund

The Medical Inter-Insurance Exchange of New Jersey (MIIX) brought suit against the Commissioner of Insurance, the Director of the Division of Taxation, as well as others, alleging that it was entitled to interest on monies refunded to it following the enactment of P.L. 1992, c. 191 which eliminated MIIX's assessment under the New Jersey Automobile Insurance Reform Act (FAIR Act). A final decision is still pending.

Additionally, various insurers licensed to write property and casualty insurance in the State have filed suit against the State contending that their assessments are being used to retire debt of the Market Transition Fund (MTF). The plaintiffs contend that assessments dating back to 1990 are in dispute and challenge the constitutionality of the assessments and legislation which allow the assessment and request that the monies assessed since 1990 be returned. The ultimate disposition of this suit is not determinable at this time.

New Jersey Spill Compensation Fund

As of June 30, 1996, claims totaling \$22.8 million 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.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately \$15.0 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.

Capital Project and Special Revenue Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the following funds (expressed in millions):

Clean Waters Fund	\$ 0.5
Correctional Facilities Construction Fund of 1987	2.7
Public Purpose Buildings Construction Fund	3.4
Special Transportation Fund	8.7
State Recreation and Conservation Land Acquisition and Development Fund of 1974	0.1

Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which these funds will be liable.

Trust Funds

New Home Warranty Security Fund

Due to deficiencies in fire retardant plywood, homeowners faced with emergent needs may file claims against the Fund as a means of immediate remediation. The amount of these claims is not determinable at this time. The law also allows the State to pursue claims against any party responsible for the defective plywood in order to recover costs of remediation.

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, 1996, there were various cases pending with a maximum possible exposure to the Fund of approximately \$.6 million. The ultimate disposition of these claims is not determinable at this time.

University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund

As of June 30, 1996, an independent study was performed which estimated an aggregate potential exposure for tort and medical malpractice claims of approximately \$86.8 million. The State has the ultimate liability for any claims in excess of the resources of the fund.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 1996, audits of expenditures for fiscal year 1996 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 1996, it is management's opinion that disallowances, if any, would not be material.

Pension Funds

New Jersey Education Association et al. v. State of New Jersey et al. This case represents a challenge to amendments to the pension laws enacted on June 30, 1994 (P.L. 1994, Chapter 62), which concerned the funding of various pension funds. The statute, P.L. 1994, Chapter 62, as enacted, made several changes affecting these retirement systems. Plaintiffs seek to permanently enjoin the State from administering, enforcing, or otherwise implementing Chapter 62. The ultimate disposition of this suit is not determinable at this time.

Teaneck Board of Education has filed an action against the Teachers Pension and Annuity Fund (TPAF) seeking compensatory damages as well as declaratory relief. The basis for the lawsuit is Teaneck's contention that its initial per annum cost for participating in an early retirement incentive program for teachers should be approximately \$210,000 less than was actually calculated. Teaneck alleges a violation of due process, breach of contract, and three counts of negligence against the State. If Teaneck prevails, the impact could approach \$3.5 million in reduced employer contributions over the twenty-eight year period of the retirement program. Further, if Teaneck prevails and similarly situated school boards file like claims for relief, the impact could well exceed tens of millions of dollars over the period at issue. The ultimate disposition of this suit is not determinable at this time.

NOTE 21 - SUBSEQUENT EVENTS

Subsequent to June 30, 1996, the State issued \$550 million of short term notes in the form of commercial paper. Final maturity of the notes is June 13, 1997.

**COMBINING
FINANCIAL STATEMENTS**

SPECIAL REVENUE FUNDS

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Alcohol Education, Rehabilitation And Enforcement Fund</u>	<u>Beaches And Harbor Fund</u>	<u>Board of Bar Examiners</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 15,880	\$ 24,674	\$ 427,998
INVESTMENTS	--	--	1,320,845
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	154,751	74,669	8,766
OTHER ASSETS			
Due from other funds	5,465,030	1,383,220	--
Deferred charges	--	--	--
Other	--	1,348,353	--
Total Assets	<u>\$ 5,635,661</u>	<u>\$ 2,830,916</u>	<u>\$ 1,757,609</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,490,875	\$ --	\$ 417,395
Deferred revenue	--	--	--
Due to other funds	1,530,279	153,480	--
Other	--	--	--
Total Liabilities	<u>3,021,154</u>	<u>153,480</u>	<u>417,395</u>
FUND BALANCES			
Reserved for:			
Encumbrances	592,831	--	--
Other	--	1,348,353	--
Unreserved:			
Designated-continuing appropriations	--	869,743	--
Undesignated	2,021,676	459,340	1,340,214
Total Fund Balances	<u>2,614,507</u>	<u>2,677,436</u>	<u>1,340,214</u>
Total Liabilities and Fund Balances	<u>\$ 5,635,661</u>	<u>\$ 2,830,916</u>	<u>\$ 1,757,609</u>

Boarding House Rental Assistance Fund	Casino Control Fund	Casino Revenue Fund	Casino Simulcasting Fund
\$ --	\$ 51,000	\$ --	\$ 77,192
--	--	--	--
--	--	--	--
--	5,825,987	35,588,759	68,250
--	--	--	--
--	--	--	--
8,960,140	10,949,307	40,052,654	1,727,379
--	--	--	--
--	--	--	--
<u>\$ 8,960,140</u>	<u>\$ 16,826,294</u>	<u>\$ 75,641,413</u>	<u>\$ 1,872,821</u>
\$ 334,314	\$ 2,392,019	\$ 24,453,267	\$ --
--	8,526,838	--	--
485,000	--	--	--
--	--	--	--
<u>819,314</u>	<u>10,918,857</u>	<u>24,453,267</u>	<u>--</u>
--	3,445,423	38,360,118	--
5,405,461	--	--	--
--	2,281,936	--	--
<u>2,735,365</u>	<u>180,078</u>	<u>12,828,028</u>	<u>1,872,821</u>
<u>8,140,826</u>	<u>5,907,437</u>	<u>51,188,146</u>	<u>1,872,821</u>
<u>\$ 8,960,140</u>	<u>\$ 16,826,294</u>	<u>\$ 75,641,413</u>	<u>\$ 1,872,821</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 141,842	\$ 242,822	\$ 53,433
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	574,697	2,094,889	68,755
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	2,507,537	15,239,873	7,754,700
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 3,224,076</u>	<u>\$ 17,577,584</u>	<u>\$ 7,876,888</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 576,145	\$ 23,640
Deferred revenue	--	--	--
Due to other funds	--	759,767	364,611
Other	--	--	--
Total Liabilities	<u>--</u>	<u>1,335,912</u>	<u>388,251</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	41,912	5,023
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	3,224,076	16,199,760	7,483,614
Total Fund Balances	<u>3,224,076</u>	<u>16,241,672</u>	<u>7,488,637</u>
Total Liabilities and Fund Balances	<u>\$ 3,224,076</u>	<u>\$ 17,577,584</u>	<u>\$ 7,876,888</u>

<u>Clean Waters Fund</u>	<u>Cultural Centers And Historic Preservation Fund</u>	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>	<u>Developmental Disabilities Waiting List Reduction Fund</u>
\$ 31,120	\$ --	\$ 32,375	\$ 43,955
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
2,418,764	24,353,321	3,433,147	9,286,437
--	--	--	--
--	--	--	--
<u>\$ 2,449,884</u>	<u>\$ 24,353,321</u>	<u>\$ 3,465,522</u>	<u>\$ 9,330,392</u>
\$ 5,118	\$ 53,661	\$ 10,063	\$ 1,118
--	--	--	--
876,830	6,314,600	399,005	141,889
9	--	1,876	4,547
<u>881,957</u>	<u>6,368,261</u>	<u>410,944</u>	<u>147,554</u>
1,906,784	12,645,315	115,865	406,787
--	--	--	--
--	5,339,745	2,938,713	8,776,051
<u>(338,857)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,567,927</u>	<u>17,985,060</u>	<u>3,054,578</u>	<u>9,182,838</u>
<u>\$ 2,449,884</u>	<u>\$ 24,353,321</u>	<u>\$ 3,465,522</u>	<u>\$ 9,330,392</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Disciplinary Oversight Committee</u>	<u>Division of Motor Vehicles Surcharge Fund</u>	<u>Emergency Flood Control Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 634,307	\$ 181,976	\$ 4,492
INVESTMENTS	2,954,468	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	528,277	1,440,547
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 3,588,775</u>	<u>\$ 710,253</u>	<u>\$ 1,445,039</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,441,031	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	289,590
Other	--	--	--
Total Liabilities	<u>1,441,031</u>	<u>--</u>	<u>289,590</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	133,467
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	730,907
Undesignated	2,147,744	710,253	291,075
Total Fund Balances	<u>2,147,744</u>	<u>710,253</u>	<u>1,155,449</u>
Total Liabilities and Fund Balances	<u>\$ 3,588,775</u>	<u>\$ 710,253</u>	<u>\$ 1,445,039</u>

Emergency Medical Technician Training Fund	Enterprise Zone Assistance Fund	Farmland Preservation Fund	1989 Farmland Preservation Fund
\$ 89,943	\$ 571,880	\$ 4,645	\$ 534,936
--	--	--	--
--	--	--	--
--	5,184,165	--	--
--	--	--	--
--	--	5,251	--
3,915,599	83,169,840	645,612	1,926,777
--	--	--	--
--	--	--	--
<u>\$ 4,005,542</u>	<u>\$ 88,925,885</u>	<u>\$ 655,508</u>	<u>\$ 2,461,713</u>
\$ --	\$ 1,101,717	\$ 185,222	\$ --
--	--	--	--
114,136	633,855	116,731	217,000
--	--	--	--
<u>114,136</u>	<u>1,735,572</u>	<u>301,953</u>	<u>217,000</u>
--	44,244,677	--	--
--	--	--	--
3,891,406	42,945,636	353,555	2,244,713
--	--	--	--
<u>3,891,406</u>	<u>87,190,313</u>	<u>353,555</u>	<u>2,244,713</u>
<u>\$ 4,005,542</u>	<u>\$ 88,925,885</u>	<u>\$ 655,508</u>	<u>\$ 2,461,713</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>1992 Farmland Preservation Fund</u>	<u>Green Trust Fund</u>	<u>Gubernatorial Elections Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 324,782	\$ 127,607	\$ --
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	175,779
Loans	--	62,710,269	--
Other	--	291,918	--
OTHER ASSETS			
Due from other funds	3,727,895	10,447,428	1,810,067
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 4,052,677</u>	<u>\$ 73,577,222</u>	<u>\$ 1,985,846</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 20,396	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	325,648	--	--
Other	--	--	--
Total Liabilities	<u>346,044</u>	<u>--</u>	<u>--</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	15,228,484	--
Other	--	62,710,269	--
Unreserved:			
Designated-continuing appropriations	3,706,633	--	--
Undesignated	--	(4,361,531)	1,985,846
Total Fund Balances	<u>3,706,633</u>	<u>73,577,222</u>	<u>1,985,846</u>
Total Liabilities and Fund Balances	<u>\$ 4,052,677</u>	<u>\$ 73,577,222</u>	<u>\$ 1,985,846</u>

Hazardous Discharge Fund Of 1981	Hazardous Discharge Fund Of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Higher Education Facility Renovation and Rehabilitation Fund
\$ 50,571	\$ --	\$ 245,723	\$ --	\$ 20,505
--	--	--	--	--
--	--	--	--	--
--	--	--	199,926,955	--
--	--	11,571,883	--	--
5,251,038	3,451,093	47,306,630	55,883,950	10,522,301
--	--	--	--	--
--	--	--	--	--
<u>\$ 5,301,609</u>	<u>\$ 3,451,093</u>	<u>\$ 59,124,236</u>	<u>\$ 255,810,905</u>	<u>\$ 10,542,806</u>
\$ --	\$ 2,384,332	\$ 2,115,304	\$ 8,168,790	\$ --
--	--	--	--	4,459
8,485,768	33,967,620	18,376,479	181,462,914	--
1,419	10,434	--	--	--
<u>8,487,187</u>	<u>36,362,386</u>	<u>20,491,783</u>	<u>189,631,704</u>	<u>4,459</u>
--	27,065,222	39,163,984	--	4,883,868
--	--	11,571,883	--	--
--	--	--	--	5,442,178
<u>(3,185,578)</u>	<u>(59,976,515)</u>	<u>(12,103,414)</u>	<u>66,179,201</u>	<u>212,301</u>
<u>(3,185,578)</u>	<u>(32,911,293)</u>	<u>38,632,453</u>	<u>66,179,201</u>	<u>10,538,347</u>
<u>\$ 5,301,609</u>	<u>\$ 3,451,093</u>	<u>\$ 59,124,236</u>	<u>\$ 255,810,905</u>	<u>\$ 10,542,806</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Housing Assistance Fund</u>	<u>Jobs, Education And Competitiveness Fund</u>	<u>Jobs, Science And Technology Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 141,274	\$ 906,151	\$ 30,740
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	6,544,617	--	--
Other	33,473	--	--
OTHER ASSETS			
Due from other funds	429,261	11,281,595	617,195
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 7,148,625</u>	<u>\$ 12,187,746</u>	<u>\$ 647,935</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 2,035	\$ --
Deferred revenue	--	469,411	--
Due to other funds	92,820	13,429,747	55,193
Other	--	35,025	--
Total Liabilities	<u>92,820</u>	<u>13,936,218</u>	<u>55,193</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	7,849,519	510,000
Other	6,544,617	--	--
Unreserved:			
Designated-continuing appropriations	--	--	82,742
Undesignated	511,188	(9,597,991)	--
Total Fund Balances	<u>7,055,805</u>	<u>(1,748,472)</u>	<u>592,742</u>
Total Liabilities and Fund Balances	<u>\$ 7,148,625</u>	<u>\$ 12,187,746</u>	<u>\$ 647,935</u>

Medical Education Facilities Fund	Mortgage Assistance Fund	Natural Resources Fund	New Jersey Automobile Insurance Guaranty Fund	New Jersey Building Authority
\$ 2,402	\$ 31,904	\$ 9,306	\$ 150,015	\$ 87,049
--	--	--	--	232,806,798
--	--	--	--	--
--	--	--	--	6,399
--	12,116,294	49,970	--	--
--	296,314	30,977	20,702,061	548,311
542,644	7,166,787	7,882,578	180,499,824	131,810
--	--	--	--	9,411,161
--	--	561,220	--	--
<u>\$ 545,046</u>	<u>\$ 19,611,299</u>	<u>\$ 8,534,051</u>	<u>\$ 201,351,900</u>	<u>\$ 242,991,528</u>
\$ --	\$ --	\$ --	\$ 408,941	\$ 17,963,412
--	--	--	--	6,399
30,101	1,108,965	651,891	--	--
--	--	14	--	--
<u>30,101</u>	<u>1,108,965</u>	<u>651,905</u>	<u>408,941</u>	<u>17,969,811</u>
--	--	11,002,815	--	--
--	12,116,294	49,970	1,500,000	--
508,593	3,580,440	--	--	225,021,717
6,352	2,805,600	(3,170,639)	199,442,959	--
<u>514,945</u>	<u>18,502,334</u>	<u>7,882,146</u>	<u>200,942,959</u>	<u>225,021,717</u>
<u>\$ 545,046</u>	<u>\$ 19,611,299</u>	<u>\$ 8,534,051</u>	<u>\$ 201,351,900</u>	<u>\$ 242,991,528</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>1983 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Acres Fund</u>	<u>1992 New Jersey Green Acres Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ --	\$ --
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	117,961	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	789	48,615	--
OTHER ASSETS			
Due from other funds	22,289,973	10,381,230	778,634
Deferred charges	--	--	--
Other	19,165	--	--
Total Assets	<u>\$ 22,427,888</u>	<u>\$ 10,429,845</u>	<u>\$ 778,634</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 33,417	\$ 583,541	\$ 1,019,739
Deferred revenue	--	--	--
Due to other funds	1,262,302	2,568,539	8,118,716
Other	--	12,405	9,976
Total Liabilities	<u>1,295,719</u>	<u>3,164,485</u>	<u>9,148,431</u>
FUND BALANCES			
Reserved for:			
Encumbrances	231,589	4,658,013	4,152,067
Other	19,165	--	--
Unreserved:			
Designated-continuing appropriations	4,381,415	2,607,347	--
Undesignated	16,500,000	--	(12,521,864)
Total Fund Balances	<u>21,132,169</u>	<u>7,265,360</u>	<u>(8,369,797)</u>
Total Liabilities and Fund Balances	<u>\$ 22,427,888</u>	<u>\$ 10,429,845</u>	<u>\$ 778,634</u>

1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund	New Jersey Lawyers' Fund for Client Protection	New Jersey Local Development Financing Fund	New Jersey Spill Compensation Fund
\$ 183,178	\$ 315,372	\$ 716,064	\$ 147,561	\$ 42,775
--	--	11,610,779	--	--
--	--	--	--	--
--	--	--	--	13,127
53,722,346	4,354,214	--	29,405,593	--
162,541	20,749	176,945	195,632	6,474,849
9,130,450	7,477,591	--	3,653,405	41,821,089
--	--	--	--	--
--	--	2,659	119,750	--
\$ 63,198,515	\$ 12,167,926	\$ 12,506,447	\$ 33,521,941	\$ 48,351,840
\$ --	\$ --	\$ 169,835	\$ --	\$ 1,053,303
--	--	--	--	--
21,300,155	2,741,399	--	289,805	21,806,197
10,323	8,802	--	--	--
21,310,478	2,750,201	169,835	289,805	22,859,500
33,908,900	21,031,035	--	--	13,665,421
53,722,346	4,354,214	--	29,405,593	--
--	--	--	3,826,543	--
(45,743,209)	(15,967,524)	12,336,612	--	11,826,919
41,888,037	9,417,725	12,336,612	33,232,136	25,492,340
\$ 63,198,515	\$ 12,167,926	\$ 12,506,447	\$ 33,521,941	\$ 48,351,840

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ --	\$ 163,600
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	29,126,514	16,482,162	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	144,090,356	82,762,364	30,149,462
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 173,216,870	\$ 99,244,526	\$ 30,313,062
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 62,685,809	\$ 17,527,745	\$ 277,903
Deferred revenue	--	--	22,698,674
Due to other funds	54,813,173	12,352,798	--
Other	--	--	--
Total Liabilities	117,498,982	29,880,543	22,976,577
FUND BALANCES			
Reserved for:			
Encumbrances	--	19,355,786	--
Other	55,638,098	--	--
Unreserved:			
Designated-continuing appropriations	79,790	--	4,193,353
Undesignated	--	50,008,197	3,143,132
Total Fund Balances	55,717,888	69,363,983	7,336,485
Total Liabilities and Fund Balances	\$ 173,216,870	\$ 99,244,526	\$ 30,313,062

Pinelands Infrastructure Trust Fund	Pollution Prevention Fund	Property Tax Relief Fund	Resource Recovery And Solid Waste Disposal Facility Fund	Safe Drinking Water Fund
\$ 228,775	\$ 192,625	\$ --	\$ 54,433	\$ 151,274
--	--	--	--	--
--	--	--	--	--
--	998,679	215,600,432	--	435,330
6,042,967	--	--	97,806,196	--
90,208	--	--	--	--
4,193,882	2,872,891	13,842,415	23,657,533	6,459,900
--	--	--	--	--
--	--	--	--	--
\$ 10,555,832	\$ 4,064,195	\$ 229,442,847	\$ 121,518,162	\$ 7,046,504
\$ --	\$ 5,945	\$ 25,274,375	\$ --	\$ 90,103
--	--	--	--	--
--	1,624,564	--	128,908	2,379,700
--	--	49,311,069	--	--
--	1,630,509	74,585,444	128,908	2,469,803
2,275,022	--	1,886,662	--	376,210
6,042,967	--	--	97,806,196	--
2,237,843	--	57,697	23,583,058	--
--	2,433,686	152,913,044	--	4,200,491
10,555,832	2,433,686	154,857,403	121,389,254	4,576,701
\$ 10,555,832	\$ 4,064,195	\$ 229,442,847	\$ 121,518,162	\$ 7,046,504

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>Shore Protection Fund</u>	<u>State Land Acquisition And Development Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 138,348	\$ 8,883	\$ 14,666
INVESTMENTS	31,241,471	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	119,738	--	--
Loans	--	2,707,545	--
Other	492,428	61,811	--
OTHER ASSETS			
Due from other funds	3,739,426	9,953,018	2,895,996
Deferred charges	--	--	--
Other	--	85,688	--
Total Assets	<u>\$ 35,731,411</u>	<u>\$ 12,816,945</u>	<u>\$ 2,910,662</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 37,000
Deferred revenue	--	--	--
Due to other funds	338,213	471,728	919,498
Other	--	473	4,264
Total Liabilities	<u>338,213</u>	<u>472,201</u>	<u>960,762</u>
FUND BALANCES			
Reserved for:			
Encumbrances	25,080	379,327	6,222,728
Other	--	2,793,234	--
Unreserved:			
Designated-continuing appropriations	--	3,346,337	--
Undesignated	35,368,118	5,825,846	(4,272,828)
Total Fund Balances	<u>35,393,198</u>	<u>12,344,744</u>	<u>1,949,900</u>
Total Liabilities and Fund Balances	<u>\$ 35,731,411</u>	<u>\$ 12,816,945</u>	<u>\$ 2,910,662</u>

<u>State Lottery Fund</u>	<u>State Recreation And Conservation Land Acquisition Fund 1971</u>	<u>State Recreation And Conservation Land Acquisition And Development Fund 1974</u>	<u>State Recycling Fund</u>	<u>Stormwater Management And Combined Sewer Overflow Abatement Fund</u>
\$ 1,771,381	\$ 4,867	\$ 4,481	\$ --	\$ 4,003
--	--	--	--	--
--	--	--	--	--
--	--	--	407,254	--
--	--	--	9,415,776	--
14,063,125	--	--	592,424	--
140,008,727	220,735	2,575,281	13,445,317	15,704,688
5,851,654	--	--	--	--
--	--	--	--	--
<u>\$ 161,694,887</u>	<u>\$ 225,602</u>	<u>\$ 2,579,762</u>	<u>\$ 23,860,771</u>	<u>\$ 15,708,691</u>
\$ 67,487,598	\$ 114	\$ --	\$ 1,358,609	\$ --
1,452,705	--	--	--	--
83,195,090	12,657	174,133	1,596,032	719,688
--	--	1,420	--	--
<u>152,135,393</u>	<u>12,771</u>	<u>175,553</u>	<u>2,954,641</u>	<u>719,688</u>
--	14,200	1,978,300	936,073	1,167,003
9,559,494	--	--	9,415,776	--
--	198,631	425,909	--	--
--	--	--	10,554,281	13,822,000
<u>9,559,494</u>	<u>212,831</u>	<u>2,404,209</u>	<u>20,906,130</u>	<u>14,989,003</u>
<u>\$ 161,694,887</u>	<u>\$ 225,602</u>	<u>\$ 2,579,762</u>	<u>\$ 23,860,771</u>	<u>\$ 15,708,691</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Superior Court Of New Jersey Trust Fund</u>	<u>Trial Attorney Certification Program</u>	<u>Unemployment Compensation Auxiliary Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 2,055,995	\$ 15,518	\$ 126,574
INVESTMENTS	108,825,810	155,243	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	2,141,646	1,842	--
OTHER ASSETS			
Due from other funds	--	--	22,677,470
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 113,023,451</u>	<u>\$ 172,603</u>	<u>\$ 22,804,044</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 111,864,975	\$ 55,631	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	19,431,533
Other	--	--	99,237
Total Liabilities	<u>111,864,975</u>	<u>55,631</u>	<u>19,530,770</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	1,158,476	--	--
Undesignated	--	116,972	3,273,274
Total Fund Balances	<u>1,158,476</u>	<u>116,972</u>	<u>3,273,274</u>
Total Liabilities and Fund Balances	<u>\$ 113,023,451</u>	<u>\$ 172,603</u>	<u>\$ 22,804,044</u>

Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	Water Conservation Fund	Water Supply Fund
\$ 114,565	\$ 228,180	\$ 285,937	\$ 72,369	\$ --
--	--	--	--	--
--	--	765,948	--	--
--	--	--	--	--
--	1,591,435	370,660,345	898,306	134,326,455
--	--	--	16,661	2,093,727
--	590,349	151,325,887	791,351	87,220,389
--	--	--	--	--
--	--	--	--	--
<u>\$ 114,565</u>	<u>\$ 2,409,964</u>	<u>\$ 523,038,117</u>	<u>\$ 1,778,687</u>	<u>\$ 223,640,571</u>
\$ --	\$ --	\$ --	\$ 36,272	\$ 43,112
--	--	--	--	--
--	--	7,765,948	850,162	15,965,696
--	--	--	947	--
--	--	7,765,948	887,381	16,008,808
--	50,000	8,611,013	680,591	16,542,180
--	1,591,435	370,660,345	898,306	134,326,455
--	--	108,762,868	--	56,763,128
114,565	768,529	27,237,943	(687,591)	--
114,565	2,409,964	515,272,169	891,306	207,631,763
<u>\$ 114,565</u>	<u>\$ 2,409,964</u>	<u>\$ 523,038,117</u>	<u>\$ 1,778,687</u>	<u>\$ 223,640,571</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1996**

	<u>Water Supply Replacement Trust Fund</u>	<u>Worker And Community Right To Know Fund</u>	<u>Total Special Revenue Funds</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 42,385	\$ 91,416	\$ 12,467,724
INVESTMENTS	--	--	388,915,414
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	883,909
Departmental accounts	--	1,285,682	513,983,553
Loans	--	--	792,352,328
Other	--	--	60,352,366
OTHER ASSETS			
Due from other funds	5,353,078	3,159,389	1,435,332,533
Deferred charges	--	--	15,262,815
Other	--	--	2,136,835
Total Assets	<u>\$ 5,395,463</u>	<u>\$ 4,536,487</u>	<u>\$ 3,221,687,477</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 398,740	\$ 6,030	\$ 353,558,591
Deferred revenue	--	--	33,158,486
Due to other funds	--	2,654,030	533,864,583
Other	--	--	49,512,240
Total Liabilities	<u>398,740</u>	<u>2,660,060</u>	<u>970,093,900</u>
FUND BALANCES			
Reserved for:			
Encumbrances	70,000	--	345,819,294
Other	--	--	877,480,471
Unreserved:			
Designated-continuing appropriations	4,926,723	--	525,263,826
Undesignated	--	1,876,427	503,029,986
Total Fund Balances	<u>4,996,723</u>	<u>1,876,427</u>	<u>2,251,593,577</u>
Total Liabilities and Fund Balances	<u>\$ 5,395,463</u>	<u>\$ 4,536,487</u>	<u>\$ 3,221,687,477</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Alcohol Education, Rehabilitation And Enforcement Fund</u>	<u>Beaches And Harbor Fund</u>	<u>Board of Bar Examiners</u>
REVENUES			
Taxes	\$ 11,000,000	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	1,606,623	--	1,437,783
Services and assessments	--	--	--
Investment earnings	304,381	153,480	59,585
Contributions	--	--	--
Other	--	--	18,956
	<hr/>	<hr/>	<hr/>
Total Revenues	12,911,004	153,480	1,516,324
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	<hr/> 12,911,004	<hr/> 153,480	<hr/> 1,516,324
EXPENDITURES			
Current:			
Public safety and criminal justice	2,284,323	--	1,353,491
Physical and mental health	11,775,227	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	219,469	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
	<hr/>	<hr/>	<hr/>
Total Expenditures	14,059,550	219,469	1,353,491
OTHER FINANCING USES			
Transfers to other funds	1,530,279	153,480	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	1,530,279	153,480	--
Total Expenditures and Other Financing Uses	<hr/> 15,589,829	<hr/> 372,949	<hr/> 1,353,491
Net Increases (Decreases) in Fund Balances for the Year	(2,678,825)	(219,469)	162,833
FUND BALANCES-JULY 1, 1995	<hr/> 5,293,332	<hr/> 2,896,905	<hr/> 1,177,381
FUND BALANCES-JUNE 30, 1996	<hr/> \$ 2,614,507	<hr/> \$ 2,677,436	<hr/> \$ 1,340,214

Boarding House Rental Assistance Fund	Casino Control Fund	Casino Revenue Fund	Casino Simulcasting Fund
\$ --	\$ --	\$ 303,299,971	\$ --
--	--	--	--
--	52,418,185	--	--
--	--	--	--
519,038	523,190	2,392,684	61,848
--	--	--	--
--	--	34,593,794	667,663
<u>519,038</u>	<u>52,941,375</u>	<u>340,286,449</u>	<u>729,511</u>
--	--	1,500,000	--
--	--	--	--
--	--	--	--
--	--	1,500,000	--
<u>519,038</u>	<u>52,941,375</u>	<u>341,786,449</u>	<u>729,511</u>
--	28,294,064	--	--
--	--	219,025,145	--
--	--	24,488,121	--
1,208,511	--	--	--
--	--	49,933,102	--
--	--	19,296,117	--
--	22,392,700	17,180,000	--
--	--	41,807	--
<u>1,208,511</u>	<u>50,686,764</u>	<u>329,964,292</u>	<u>--</u>
485,000	--	--	--
--	--	--	--
<u>485,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,693,511</u>	<u>50,686,764</u>	<u>329,964,292</u>	<u>--</u>
(1,174,473)	2,254,611	11,822,157	729,511
<u>9,315,299</u>	<u>3,652,826</u>	<u>39,365,989</u>	<u>1,143,310</u>
<u>\$ 8,140,826</u>	<u>\$ 5,907,437</u>	<u>\$ 51,188,146</u>	<u>\$ 1,872,821</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ --	\$ --	\$ 11,712,671
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	5,857,975	--
Investment earnings	216,873	879,296	350,903
Contributions	--	--	--
Other	6,539,677	--	--
	<u>6,756,550</u>	<u>6,737,271</u>	<u>12,063,574</u>
Total Revenues	<u>6,756,550</u>	<u>6,737,271</u>	<u>12,063,574</u>
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources	<u> </u>	<u> </u>	<u> </u>
Total Revenues and Other Financing Sources	<u>6,756,550</u>	<u>6,737,271</u>	<u>12,063,574</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	7,229,763	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	8,707,043
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	6,385,865	--
Special government services	--	--	--
	<u>7,229,763</u>	<u>6,385,865</u>	<u>8,707,043</u>
Total Expenditures	<u>7,229,763</u>	<u>6,385,865</u>	<u>8,707,043</u>
OTHER FINANCING USES			
Transfers to other funds	--	759,767	364,611
Other	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Uses	<u> </u>	<u>759,767</u>	<u>364,611</u>
Total Expenditures and Other Financing Uses	<u>7,229,763</u>	<u>7,145,632</u>	<u>9,071,654</u>
Net Increases (Decreases) in Fund Balances for the Year	(473,213)	(408,361)	2,991,920
FUND BALANCES-JULY 1, 1995	<u>3,697,289</u>	<u>16,650,033</u>	<u>4,496,717</u>
FUND BALANCES-JUNE 30, 1996	<u>\$ 3,224,076</u>	<u>\$ 16,241,672</u>	<u>\$ 7,488,637</u>

Clean Waters Fund	Cultural Centers And Historic Preservation Fund	1992 Dam Restoration and Clean Waters Trust Fund	Developmental Disabilities Waiting List Reduction Fund
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	--	--
215,122	1,850,448	198,950	146,437
--	--	--	--
--	197,116	--	--
<u>215,122</u>	<u>2,047,564</u>	<u>198,950</u>	<u>146,437</u>
--	--	--	--
2,000,000	--	4,000,000	11,000,000
22,172	--	41,798	121,855
<u>2,022,172</u>	<u>--</u>	<u>4,041,798</u>	<u>11,121,855</u>
<u>2,237,294</u>	<u>2,047,564</u>	<u>4,240,748</u>	<u>11,268,292</u>
--	--	--	--
--	--	--	--
--	3,836,479	--	1,817,163
2,065,165	2,681,570	374,269	--
--	--	--	--
--	--	--	--
109,854	--	222,569	97,072
--	--	--	--
<u>2,175,019</u>	<u>6,518,049</u>	<u>596,838</u>	<u>1,914,235</u>
127,432	6,907,889	37,353	166,672
9	--	1,876	4,547
<u>127,441</u>	<u>6,907,889</u>	<u>39,229</u>	<u>171,219</u>
<u>2,302,460</u>	<u>13,425,938</u>	<u>636,067</u>	<u>2,085,454</u>
(65,166)	(11,378,374)	3,604,681	9,182,838
<u>1,633,093</u>	<u>29,363,434</u>	<u>(550,103)</u>	<u>--</u>
<u>\$ 1,567,927</u>	<u>\$ 17,985,060</u>	<u>\$ 3,054,578</u>	<u>\$ 9,182,838</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Disciplinary Oversight Committee</u>	<u>Division of Motor Vehicles Surcharge Fund</u>	<u>Emergency Flood Control Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	5,961,698	--	--
Services and assessments	--	36,421,976	--
Investment earnings	178,250	277	100,617
Contributions	--	--	--
Other	86,030	--	--
Total Revenues	<u>6,225,978</u>	<u>36,422,253</u>	<u>100,617</u>
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>6,225,978</u>	<u>36,422,253</u>	<u>100,617</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	4,663,131	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	604,855
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	35,712,000	--
Special government services	--	--	--
Total Expenditures	<u>4,663,131</u>	<u>35,712,000</u>	<u>604,855</u>
OTHER FINANCING USES			
Transfers to other funds	--	--	289,590
Other	--	--	--
Total Other Financing Uses	<u>--</u>	<u>--</u>	<u>289,590</u>
Total Expenditures and Other Financing Uses	<u>4,663,131</u>	<u>35,712,000</u>	<u>894,445</u>
Net Increases (Decreases) in Fund Balances for the Year	1,562,847	710,253	(793,828)
FUND BALANCES-JULY 1, 1995	<u>584,897</u>	<u>--</u>	<u>1,949,277</u>
FUND BALANCES-JUNE 30, 1996	<u>\$ 2,147,744</u>	<u>\$ 710,253</u>	<u>\$ 1,155,449</u>

Emergency Medical Technician Training Fund	Enterprise Zone Assistance Fund	Farmland Preservation Fund	1989 Farmland Preservation Fund
\$ --	\$ 40,332,272	\$ --	\$ --
--	--	--	--
--	89,000	--	--
1,807,284	3,101,841	--	--
199,847	3,001,572	41,731	149,118
--	--	--	--
--	880,917	--	405,528
<u>2,007,131</u>	<u>47,405,602</u>	<u>41,731</u>	<u>554,646</u>
--	--	--	--
--	--	--	--
--	--	--	--
<u>2,007,131</u>	<u>47,405,602</u>	<u>41,731</u>	<u>554,646</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	186,358	1,784,672
--	17,452,183	--	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>17,452,183</u>	<u>186,358</u>	<u>1,784,672</u>
1,714,136	633,856	116,731	287,571
--	--	--	--
<u>1,714,136</u>	<u>633,856</u>	<u>116,731</u>	<u>287,571</u>
<u>1,714,136</u>	<u>18,086,039</u>	<u>303,089</u>	<u>2,072,243</u>
292,995	29,319,563	(261,358)	(1,517,597)
<u>3,598,411</u>	<u>57,870,750</u>	<u>614,913</u>	<u>3,762,310</u>
<u>\$ 3,891,406</u>	<u>\$ 87,190,313</u>	<u>\$ 353,555</u>	<u>\$ 2,244,713</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	1992 Farmland Preservation Fund	Green Trust Fund	Gubernatorial Elections Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	277,527	243,297	--
Contributions	--	--	--
Other	--	929,732	889,174
Total Revenues	277,527	1,173,029	889,174
OTHER FINANCING SOURCES			
Transfers from other funds	--	4,151,951	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	4,151,951	--
Total Revenues and Other Financing Sources	277,527	5,324,980	889,174
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	2,789,283	3,098,722	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
Total Expenditures	2,789,283	3,098,722	--
OTHER FINANCING USES			
Transfers to other funds	369,076	4,000,000	--
Other	--	--	--
Total Other Financing Uses	369,076	4,000,000	--
Total Expenditures and Other Financing Uses	3,158,359	7,098,722	--
Net Increases (Decreases) in Fund Balances for the Year	(2,880,832)	(1,773,742)	889,174
FUND BALANCES-JULY 1, 1995	6,587,465	75,350,964	1,096,672
FUND BALANCES-JUNE 30, 1996	\$ 3,706,633	\$ 73,577,222	\$ 1,985,846

Hazardous Discharge Fund Of 1981	Hazardous Discharge Fund Of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Higher Education Facility Renovation and Rehabilitation Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	14,510,529	235,312,245	--
190,732	411,557	1,487,984	4,425,326	118,724
--	--	--	--	--
--	--	--	--	--
<u>190,732</u>	<u>411,557</u>	<u>15,998,513</u>	<u>239,737,571</u>	<u>118,724</u>
614,370	--	5,673,550	--	--
3,000,000	27,000,000	--	--	--
33,296	298,989	--	--	--
<u>3,647,666</u>	<u>27,298,989</u>	<u>5,673,550</u>	<u>--</u>	<u>--</u>
<u>3,838,398</u>	<u>27,710,546</u>	<u>21,672,063</u>	<u>239,737,571</u>	<u>118,724</u>
--	--	--	--	--
--	--	--	47,622,397	--
--	--	--	--	2,266,110
--	6,983,913	1,232,639	--	--
--	--	--	--	--
--	--	--	--	--
37,149	34,767,911	--	--	--
--	--	--	--	--
<u>37,149</u>	<u>41,751,824</u>	<u>1,232,639</u>	<u>47,622,397</u>	<u>2,266,110</u>
186,878	5,648,525	18,990,850	385,987,747	--
1,419	10,434	--	2,335,026	--
<u>188,297</u>	<u>5,658,959</u>	<u>18,990,850</u>	<u>388,322,773</u>	<u>--</u>
<u>225,446</u>	<u>47,410,783</u>	<u>20,223,489</u>	<u>435,945,170</u>	<u>2,266,110</u>
3,612,952	(19,700,237)	1,448,574	(196,207,599)	(2,147,386)
<u>(6,798,530)</u>	<u>(13,211,056)</u>	<u>37,183,879</u>	<u>262,386,800</u>	<u>12,685,733</u>
<u>\$ (3,185,578)</u>	<u>\$ (32,911,293)</u>	<u>\$ 38,632,453</u>	<u>\$ 66,179,201</u>	<u>\$ 10,538,347</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Housing Assistance Fund	Jobs, Education And Competitiveness Fund	Jobs, Science And Technology Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	25,875	419,060	55,193
Contributions	--	--	--
Other	66,945	281,046	--
Total Revenues	92,820	700,106	55,193
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	75,000,000	--
Other	1,195,672	830,994	--
Total Other Financing Sources	1,195,672	75,830,994	--
Total Revenues and Other Financing Sources	1,288,492	76,531,100	55,193
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	23,767,891	1,044,474
Community development and environmental management	--	--	--
Economic planning, development and security	--	2,723,000	--
Transportation programs	--	--	--
Government direction, management and control	--	2,861,755	--
Special government services	--	--	--
Total Expenditures	--	29,352,646	1,044,474
OTHER FINANCING USES			
Transfers to other funds	92,820	747,661	55,193
Other	4,710,448	35,025	--
Total Other Financing Uses	4,803,268	782,686	55,193
Total Expenditures and Other Financing Uses	4,803,268	30,135,332	1,099,667
Net Increases (Decreases) in Fund Balances for the Year	(3,514,776)	46,395,768	(1,044,474)
FUND BALANCES-JULY 1, 1995	10,570,581	(48,144,240)	1,637,216
FUND BALANCES-JUNE 30, 1996	\$ 7,055,805	\$ (1,748,472)	\$ 592,742

Medical Education Facilities Fund	Mortgage Assistance Fund	Natural Resources Fund	New Jersey Automobile Insurance Guaranty Fund	New Jersey Building Authority
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	145,761,307	--
--	--	--	63,310,440	--
30,101	228,765	449,221	6,949,196	14,173,466
--	--	--	--	--
--	4,380,201	60,773	217,792	14,875,324
<u>30,101</u>	<u>4,608,966</u>	<u>509,994</u>	<u>216,238,735</u>	<u>29,048,790</u>
--	--	--	--	--
--	--	3,000,000	--	--
--	--	33,203	160,000,000	--
--	--	<u>3,033,203</u>	<u>160,000,000</u>	--
<u>30,101</u>	<u>4,608,966</u>	<u>3,543,197</u>	<u>376,238,735</u>	<u>29,048,790</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	903,739	--	--
--	--	--	345,000,000	--
--	--	--	--	--
--	--	164,780	--	85,747,392
--	--	--	--	--
--	--	<u>1,068,519</u>	<u>345,000,000</u>	<u>85,747,392</u>
30,101	1,108,965	681,760	--	--
--	--	14	132,015	--
<u>30,101</u>	<u>1,108,965</u>	<u>681,774</u>	<u>132,015</u>	--
<u>30,101</u>	<u>1,108,965</u>	<u>1,750,293</u>	<u>345,132,015</u>	<u>85,747,392</u>
--	3,500,001	1,792,904	31,106,720	(56,698,602)
<u>514,945</u>	<u>15,002,333</u>	<u>6,089,242</u>	<u>169,836,239</u>	<u>281,720,319</u>
<u>\$ 514,945</u>	<u>\$ 18,502,334</u>	<u>\$ 7,882,146</u>	<u>\$ 200,942,959</u>	<u>\$ 225,021,717</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	1983 New Jersey Green Acres Fund	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	364,724	306,991	341,115
Contributions	--	--	--
Other	897,578	465,183	2,435,554
Total Revenues	1,262,302	772,174	2,776,669
OTHER FINANCING SOURCES			
Transfers from other funds	4,000,000	593,288	--
Proceeds from sale of bonds	--	29,000,000	25,000,000
Other	--	321,307	276,440
Total Other Financing Sources	4,000,000	29,914,595	25,276,440
Total Revenues and Other Financing Sources	5,262,302	30,686,769	28,053,109
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	450,852	6,605,005	15,570,993
Economic planning, development and security	--	--	--
Transportation programs	31,270	3,557	--
Government direction, management and control	--	1,560,380	1,345,380
Special government services	--	--	--
Total Expenditures	482,122	8,168,942	16,916,373
OTHER FINANCING USES			
Transfers to other funds	1,262,302	289,085	2,105,529
Other	--	12,405	9,976
Total Other Financing Uses	1,262,302	301,490	2,115,505
Total Expenditures and Other Financing Uses	1,744,424	8,470,432	19,031,878
Net Increases (Decreases) in Fund Balances for the Year	3,517,878	22,216,337	9,021,231
FUND BALANCES-JULY 1, 1995	17,614,291	(14,950,977)	(17,391,028)
FUND BALANCES-JUNE 30, 1996	\$ 21,132,169	\$ 7,265,360	\$ (8,369,797)

1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund	New Jersey Lawyers' Fund for Client Protection	New Jersey Local Development Financing Fund	New Jersey Spill Compensation Fund
\$ --	\$ --	\$ --	\$ --	\$ 15,431,754
--	--	--	--	--
--	--	2,239,462	--	15,793,211
--	--	--	--	--
216,244	230,561	644,510	148,328	2,435,732
--	--	--	--	--
794,688	109,296	669,976	1,053,002	150,231
<u>1,010,932</u>	<u>339,857</u>	<u>3,553,948</u>	<u>1,201,330</u>	<u>33,810,928</u>
--	--	--	--	--
22,000,000	19,000,000	--	--	--
243,751	213,744	--	--	--
<u>22,243,751</u>	<u>19,213,744</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>23,254,683</u>	<u>19,553,601</u>	<u>3,553,948</u>	<u>1,201,330</u>	<u>33,810,928</u>
--	--	2,217,634	--	--
--	--	--	--	--
--	--	--	--	--
4,177,470	5,373,439	--	--	7,718,627
--	--	--	39,823	--
--	--	--	--	--
1,670,457	591,429	--	--	--
--	--	--	--	--
<u>5,847,927</u>	<u>5,964,868</u>	<u>2,217,634</u>	<u>39,823</u>	<u>7,718,627</u>
219,306	2,049,499	--	289,805	21,806,197
10,323	8,802	--	3,608,250	7,980,849
<u>229,629</u>	<u>2,058,301</u>	<u>--</u>	<u>3,898,055</u>	<u>29,787,046</u>
<u>6,077,556</u>	<u>8,023,169</u>	<u>2,217,634</u>	<u>3,937,878</u>	<u>37,505,673</u>
17,177,127	11,530,432	1,336,314	(2,736,548)	(3,694,745)
<u>24,710,910</u>	<u>(2,112,707)</u>	<u>11,000,298</u>	<u>35,968,684</u>	<u>29,187,085</u>
<u>\$ 41,888,037</u>	<u>\$ 9,417,725</u>	<u>\$ 12,336,612</u>	<u>\$ 33,232,136</u>	<u>\$ 25,492,340</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	2,346,533
Licenses and fees	--	--	--
Services and assessments	--	58,605,559	--
Investment earnings	9,925,678	4,131,245	1,437,762
Contributions	--	--	--
Other	--	--	--
Total Revenues	9,925,678	62,736,804	3,784,295
OTHER FINANCING SOURCES			
Transfers from other funds	196,600,000	--	--
Proceeds from sale of bonds	1,952,747,669	--	--
Other	--	--	--
Total Other Financing Sources	2,149,347,669	--	--
Total Revenues and Other Financing Sources	2,159,273,347	62,736,804	3,784,295
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	3,023,882	--
Community development and environmental management	--	--	2,229,430
Economic planning, development and security	--	30,286,120	117,103
Transportation programs	52,552,718	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
Total Expenditures	52,552,718	33,310,002	2,346,533
OTHER FINANCING USES			
Transfers to other funds	2,129,676,924	7,725,715	--
Other	--	--	--
Total Other Financing Uses	2,129,676,924	7,725,715	--
Total Expenditures and Other Financing Uses	2,182,229,642	41,035,717	2,346,533
Net Increases (Decreases) in Fund Balances for the Year	(22,956,295)	21,701,087	1,437,762
FUND BALANCES-JULY 1, 1995	78,674,183	47,662,896	5,898,723
FUND BALANCES-JUNE 30, 1996	\$ 55,717,888	\$ 69,363,983	\$ 7,336,485

Pinelands Infrastructure Trust Fund	Pollution Prevention Fund	Property Tax Relief Fund	Resource Recovery And Solid Waste Disposal Facility Fund	Safe Drinking Water Fund
\$ --	\$ --	\$ 4,733,786,100	\$ --	\$ 2,728,056
--	--	--	--	--
--	--	--	--	--
--	2,382,693	--	--	--
415,016	128,487	--	1,543,089	333,304
--	--	--	--	--
207,235	--	--	--	--
<u>622,251</u>	<u>2,511,180</u>	<u>4,733,786,100</u>	<u>1,543,089</u>	<u>3,061,360</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>622,251</u>	<u>2,511,180</u>	<u>4,733,786,100</u>	<u>1,543,089</u>	<u>3,061,360</u>
--	--	--	--	--
--	--	--	--	--
--	--	3,533,502,448	--	--
2,698,366	--	784,560,783	--	191,772
--	--	--	--	--
--	--	--	--	--
--	--	380,321,314	--	--
--	--	--	--	--
<u>2,698,366</u>	<u>--</u>	<u>4,698,384,545</u>	<u>--</u>	<u>191,772</u>
--	1,624,564	--	128,908	2,588,049
--	--	--	--	--
--	<u>1,624,564</u>	--	<u>128,908</u>	<u>2,588,049</u>
<u>2,698,366</u>	<u>1,624,564</u>	<u>4,698,384,545</u>	<u>128,908</u>	<u>2,779,821</u>
(2,076,115)	886,616	35,401,555	1,414,181	281,539
<u>12,631,947</u>	<u>1,547,070</u>	<u>119,455,848</u>	<u>119,975,073</u>	<u>4,295,162</u>
<u>\$ 10,555,832</u>	<u>\$ 2,433,686</u>	<u>\$ 154,857,403</u>	<u>\$ 121,389,254</u>	<u>\$ 4,576,701</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>Shore Protection Fund</u>	<u>State Land Acquisition And Development Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	1,515,720	--	--
Investment earnings	1,966,064	414,608	206,921
Contributions	--	--	--
Other	164,635	57,593	--
	<u>3,646,419</u>	<u>472,201</u>	<u>206,921</u>
Total Revenues	3,646,419	472,201	206,921
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	1,000,000	10,000,000
Other	--	11,236	110,874
	<u>--</u>	<u>1,011,236</u>	<u>10,110,874</u>
Total Other Financing Sources	--	1,011,236	10,110,874
Total Revenues and Other Financing Sources	<u>3,646,419</u>	<u>1,483,437</u>	<u>10,317,795</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	27,734	--	1,642,377
Economic planning, development and security	--	--	--
Transportation programs	--	--	8,160
Government direction, management and control	--	1,112	542,998
Special government services	--	--	--
	<u>27,734</u>	<u>1,112</u>	<u>2,193,535</u>
Total Expenditures	27,734	1,112	2,193,535
OTHER FINANCING USES			
Transfers to other funds	10,588,213	481,852	99,763
Other	--	473	4,264
	<u>10,588,213</u>	<u>482,325</u>	<u>104,027</u>
Total Other Financing Uses	10,588,213	482,325	104,027
Total Expenditures and Other Financing Uses	<u>10,615,947</u>	<u>483,437</u>	<u>2,297,562</u>
Net Increases (Decreases) in Fund Balances for the Year	(6,969,528)	1,000,000	8,020,233
FUND BALANCES-JULY 1, 1995	<u>42,362,726</u>	<u>11,344,744</u>	<u>(6,070,333)</u>
FUND BALANCES-JUNE 30, 1996	<u>\$ 35,393,198</u>	<u>\$ 12,344,744</u>	<u>\$ 1,949,900</u>

State Lottery Fund	State Recreation And Conservation Land Acquisition Fund 1971	State Recreation And Conservation Land Acquisition And Development Fund 1974	State Recycling Fund	Stormwater Management And Combined Sewer Overflow Abatement Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
4,887,235	12,657	97,172	6,704,569	--
--	--	--	693,901	554,483
1,618,499,651	--	--	460,838	168,417
<u>1,623,386,886</u>	<u>12,657</u>	<u>97,172</u>	<u>7,859,308</u>	<u>722,900</u>
--	--	--	--	--
--	--	3,000,000	--	--
--	--	33,296	--	--
--	--	<u>3,033,296</u>	--	--
<u>1,623,386,886</u>	<u>12,657</u>	<u>3,130,468</u>	<u>7,859,308</u>	<u>722,900</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	6,899	144,653	5,671,010	--
--	--	--	--	--
--	--	--	--	--
938,603,998	--	148,488	--	3,212
--	--	--	--	--
<u>938,603,998</u>	<u>6,899</u>	<u>293,141</u>	<u>5,671,010</u>	<u>3,212</u>
684,195,090	12,657	29,962	1,596,032	719,688
--	--	1,420	--	--
<u>684,195,090</u>	<u>12,657</u>	<u>31,382</u>	<u>1,596,032</u>	<u>719,688</u>
<u>1,622,799,088</u>	<u>19,556</u>	<u>324,523</u>	<u>7,267,042</u>	<u>722,900</u>
587,798	(6,899)	2,805,945	592,266	--
<u>8,971,696</u>	<u>219,730</u>	<u>(401,736)</u>	<u>20,313,864</u>	<u>14,989,003</u>
<u>\$ 9,559,494</u>	<u>\$ 212,831</u>	<u>\$ 2,404,209</u>	<u>\$ 20,906,130</u>	<u>\$ 14,989,003</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Superior Court Of New Jersey Trust Fund</u>	<u>Trial Attorney Certification Program</u>	<u>Unemployment Compensation Auxiliary Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	152,892	--
Services and assessments	--	--	--
Investment earnings	7,102,336	7,158	1,077,445
Contributions	--	--	--
Other	--	1,953	14,200,257
	<hr/>	<hr/>	<hr/>
Total Revenues	7,102,336	162,003	15,277,702
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	--
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	7,102,336	162,003	15,277,702
EXPENDITURES			
Current:			
Public safety and criminal justice	7,094,374	159,249	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	304,862
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
	<hr/>	<hr/>	<hr/>
Total Expenditures	7,094,374	159,249	304,862
OTHER FINANCING USES			
Transfers to other funds	--	--	19,157,328
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	--	--	19,157,328
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	7,094,374	159,249	19,462,190
Net Increases (Decreases) in Fund Balances for the Year	7,962	2,754	(4,184,488)
FUND BALANCES-JULY 1, 1995	1,150,514	114,218	7,457,762
FUND BALANCES-JUNE 30, 1996	\$ 1,158,476	\$ 116,972	\$ 3,273,274

Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	Water Conservation Fund	Water Supply Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	50,565,148	--	--
--	--	--	--	--
--	--	--	--	--
--	28,351	4,111,015	52,974	1,036,908
189,038	--	--	--	--
--	33,417	3,826,853	47,677	10,061,372
<u>189,038</u>	<u>61,768</u>	<u>58,503,016</u>	<u>100,651</u>	<u>11,098,280</u>
--	--	--	--	--
--	--	--	2,000,000	--
--	--	--	22,176	--
--	--	--	2,022,176	--
<u>189,038</u>	<u>61,768</u>	<u>58,503,016</u>	<u>2,122,827</u>	<u>11,098,280</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	2,150,968	28,716	323,972
--	--	--	--	--
--	--	--	--	--
--	--	--	76,367	--
246,230	--	--	--	--
<u>246,230</u>	<u>--</u>	<u>2,150,968</u>	<u>105,083</u>	<u>323,972</u>
--	--	3,070,794	696,160	13,296,223
--	--	--	947	--
--	--	3,070,794	697,107	13,296,223
<u>246,230</u>	<u>--</u>	<u>5,221,762</u>	<u>802,190</u>	<u>13,620,195</u>
(57,192)	61,768	53,281,254	1,320,637	(2,521,915)
<u>171,757</u>	<u>2,348,196</u>	<u>461,990,915</u>	<u>(429,331)</u>	<u>210,153,678</u>
<u>\$ 114,565</u>	<u>\$ 2,409,964</u>	<u>\$ 515,272,169</u>	<u>\$ 891,306</u>	<u>\$ 207,631,763</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Water Supply Replacement Trust Fund</u>	<u>Worker And Community Right To Know Fund</u>	<u>Total Special Revenue Funds</u>
REVENUES			
Taxes	\$ --	\$ --	\$ 5,118,290,824
Federal and other grants	--	--	52,911,681
Licenses and fees	--	5,100	225,465,261
Services and assessments	--	2,955,878	432,486,709
Investment earnings	455,031	171,394	86,508,110
Contributions	--	--	189,038
Other	--	--	1,719,396,074
	<hr/>	<hr/>	<hr/>
Total Revenues	455,031	3,132,372	7,635,247,697
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	213,133,159
Proceeds from sale of bonds	--	--	2,188,747,669
Other	--	--	163,810,803
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	2,565,691,631
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	455,031	3,132,372	10,200,939,328
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	53,296,029
Physical and mental health	--	--	278,422,769
Educational, cultural and intellectual development	--	--	3,593,746,568
Community development and environmental management	129,390	--	872,542,664
Economic planning, development and security	--	--	445,856,193
Transportation programs	--	--	71,891,822
Government direction, management and control	--	--	1,530,544,182
Special government services	--	--	288,037
	<hr/>	<hr/>	<hr/>
Total Expenditures	129,390	--	6,846,588,264
OTHER FINANCING USES			
Transfers to other funds	11,719,000	2,654,030	3,349,556,618
Other	--	--	18,868,522
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	11,719,000	2,654,030	3,368,425,140
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	11,848,390	2,654,030	10,215,013,404
	<hr/>	<hr/>	<hr/>
Net Increases (Decreases) in Fund Balances for the Year	(11,393,359)	478,342	(14,074,076)
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JULY 1, 1995	16,390,082	1,398,085	2,265,667,653
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JUNE 30, 1996	\$ 4,996,723	\$ 1,876,427	\$ 2,251,593,577
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STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-BUDGETARY BASIS
BUDGETED SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

CASINO CONTROL FUND

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Licenses and fees	51,226,000	52,418,186	1,192,186
Investment earnings	--	523,190	523,190
Other	--	--	--
Total Revenues	<u>51,226,000</u>	<u>52,941,376</u>	<u>1,715,376</u>
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>51,226,000</u>	<u>52,941,376</u>	<u>1,715,376</u>
EXPENDITURES			
Public safety and criminal justice	29,151,000	28,176,312	974,688
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	23,778,463	21,496,527	2,281,936
Special government services	--	--	--
Total Expenditures	<u>52,929,463</u>	<u>49,672,839</u>	<u>3,256,624</u>
Net Increase (Decrease) in Fund Balances for the Year	<u>\$ (1,703,463)</u>	<u>\$ 3,268,537</u>	<u>\$ 4,972,000</u>

CASINO REVENUE FUND

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 298,200,000	\$ 303,299,971	\$ 5,099,971
--	--	--
2,500,000	2,392,684	(107,316)
<u>34,593,794</u>	<u>34,593,794</u>	<u>--</u>
<u>335,293,794</u>	<u>340,286,449</u>	<u>4,992,655</u>
<u>1,500,000</u>	<u>1,500,000</u>	<u>--</u>
<u>1,500,000</u>	<u>1,500,000</u>	<u>--</u>
<u>336,793,794</u>	<u>341,786,449</u>	<u>4,992,655</u>
--	--	--
223,742,397	219,178,602	4,563,795
24,521,000	24,389,315	131,685
--	--	--
50,401,398	49,533,306	868,092
35,005,018	30,180,981	4,824,037
17,180,000	17,180,000	--
<u>92,000</u>	<u>41,807</u>	<u>50,193</u>
<u>350,941,813</u>	<u>340,504,011</u>	<u>10,437,802</u>
<u>\$ (14,148,019)</u>	<u>\$ 1,282,438</u>	<u>\$ 15,430,457</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
BUDGET AND ACTUAL-BUDGET BASIS
BUDGETED SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

GUBERNATORIAL ELECTIONS FUND

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Licenses and fees	--	--	--
Investment earnings	--	--	--
Other	1,500,000	889,174	(610,826)
Total Revenues	<u>1,500,000</u>	<u>889,174</u>	<u>(610,826)</u>
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>1,500,000</u>	<u>889,174</u>	<u>(610,826)</u>
EXPENDITURES			
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	--	--	--
Special government services	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Fund Balances for the Year	<u>\$ 1,500,000</u>	<u>\$ 889,174</u>	<u>\$ (610,826)</u>

PROPERTY TAX RELIEF FUND

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 4,580,000,000	\$ 4,733,786,100	\$ 153,786,100
--	--	--
--	--	--
--	--	--
<u>4,580,000,000</u>	<u>4,733,786,100</u>	<u>153,786,100</u>
--	--	--
--	--	--
<u>4,580,000,000</u>	<u>4,733,786,100</u>	<u>153,786,100</u>
--	--	--
--	--	--
3,573,802,000	3,535,233,893	38,568,107
784,624,000	784,529,533	94,467
--	--	--
--	--	--
382,504,000	380,321,314	2,182,686
--	--	--
<u>4,740,930,000</u>	<u>4,700,084,740</u>	<u>40,845,260</u>
<u>\$ (160,930,000)</u>	<u>\$ 33,701,360</u>	<u>\$ 194,631,360</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
BUDGET AND ACTUAL-BUDGET BASIS
BUDGETED SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	TOTAL		
	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes	\$ 4,878,200,000	\$ 5,037,086,071	\$ 158,886,071
Licenses and fees	51,226,000	52,418,186	1,192,186
Investment earnings	2,500,000	2,915,874	415,874
Other	36,093,794	35,482,968	(610,826)
Total Revenues	4,968,019,794	5,127,903,099	159,883,305
OTHER FINANCING SOURCES			
Transfers from other funds	1,500,000	1,500,000	--
Total Other Financing Sources	1,500,000	1,500,000	--
Total Revenues and Other Financing Sources	4,969,519,794	5,129,403,099	159,883,305
EXPENDITURES			
Public safety and criminal justice	29,151,000	28,176,312	974,688
Physical and mental health	223,742,397	219,178,602	4,563,795
Educational, cultural and intellectual development	3,598,323,000	3,559,623,208	38,699,792
Community development and environmental management	784,624,000	784,529,533	94,467
Economic planning, development and security	50,401,398	49,533,306	868,092
Transportation programs	35,005,018	30,180,981	4,824,037
Government direction, management and control	423,462,463	418,997,841	4,464,622
Special government services	92,000	41,807	50,193
Total Expenditures	5,144,801,276	5,090,261,590	54,539,686
Net Increase (Decrease) in Fund Balances for the Year	\$ (175,281,482)	\$ 39,141,509	\$ 214,422,991

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
DESCRIPTION OF FUNDS**

Alcohol Education, Rehabilitation And Enforcement Fund (N.J.S.A. 54:32C)

Annual deposits of \$11.0 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.

Beaches And Harbor Fund (P.L. 1977, c.208)

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)

The Fund was established for the purposes of drafting bar essay examination questions, reviewing applications, preparing for and administering bar examinations 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. 55:14J)

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.

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

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)

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)

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)

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)

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 \$1.00 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

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

Revenues are generated from taxes levied on manufacturers, wholesalers, distributors and retailers of litter-generating products. Interest earnings are credited to the Fund. Monies shall be used to provide grants to eligible municipalities and counties for litter pickup and trash removal programs.

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

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

Cultural Centers And Historic Preservation Fund (P.L. 1987, c.265)

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 and 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)

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.

Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

An act authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the aggregate principal amount of \$160,000,000 for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation and equipment of community based residential facilities for clients on the Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)

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.

Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)

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, interest and premium on the Market Transition Facility bonds.

Emergency Flood Control Fund (P.L. 1978, c.78)

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)

This Fund was established to annually reimburse any private agency, organization or entity which is certified by the Commissioner of Health to provide training and testing for volunteer ambulance, first aid and rescue squad personnel who are seeking emergency medical tech-ambulance, defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

Enterprise Zone Assistance Fund (P.L. 1983, c.303)

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. No more than 27 enterprise zones may be in existence at any one time. No more than two may be designated in any one year.

Farmland Preservation Fund (P.L. 1981, c.276)

An amount of \$50 million was authorized for the purpose of the retention and development of farmland for agricultural use and production.

1989 Farmland Preservation Fund (P.L. 1989, c.183)

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)

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 and agricultural production.

Green Trust Fund (P.L. 1983, c.354)

See 1983 New Jersey Green Acres Fund.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)

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)

An amount of \$100 million has been authorized for the identification and cleanup and removal of hazardous discharges.

Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)

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)

The 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. \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Care Subsidy Fund (P.L. 1992, c.160)

This Fund is comprised of revenues from employee and employer contributions, hospital assessments and 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 SHIELD program; and provide financial assistance for hospitals and other health care initiatives and hospital bond assistance.

Higher Education Facility Renovation And Rehabilitation Fund (P.L. 1990, c.126)

The sum of \$45 million has been 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 State colleges, Rutgers, the New Jersey Institute of Technology and the University of Medicine and Dentistry of New Jersey.

Housing Assistance Fund (P.L. 1968, c.127)

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, constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Jobs, Education And Competitiveness Fund (P.L. 1988, c.78)

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)

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. Net earnings received from the investment or deposit of this Fund are to be paid into the General Fund.

Medical Education Facilities Fund (P.L. 1977, c.235)

An amount of \$120 million was authorized to refinance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, so as to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. Such authorization also provided substantial savings (\$25 million) which are available for the construction of other medical facilities.

Mortgage Assistance Fund (P.L. 1976, c.94)

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.

Natural Resources Fund (P.L. 1980, c.70)

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 Jersey Automobile Insurance Guaranty Fund (P.L. 1990, c.8)

This Fund shall be 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.

New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

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.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)

An amount of \$135 million was authorized for public acquisition and development of lands 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 lands by the State. \$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)

An amount of \$110 million has been authorized from the 1989 Open Space Preservation Bonds to provide monies for state grants to assist local government units to acquire and develop lands for recreation and conservation purposes.

1992 New Jersey Green Acres Fund (P.L. 1992, c.88)

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 lands by the State for recreation and conservation purposes.

1989 New Jersey Green Trust Fund (P.L. 1989, c.183)

An amount of \$120 million has been authorized from the 1989 Open Space Preservation Bonds to provide monies for public acquisition and development of lands for recreation and conservation purposes.

1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

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 lands for recreation and conservation.

New Jersey Lawyers' Fund For Client Protection (R. 1:28-7)

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)

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 Spill Compensation Fund (N.J.S.A. 58:10-23.11i)

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 Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)

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)

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 and ending December 31, 1997, each worker and employer shall contribute to the fund an amount equal to 0.025% of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)

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)

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.

Pollution Prevention Fund (P.L. 1991, c.235)

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 all fees imposed upon employers and collected by the Department of Labor.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)

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.

Resource Recovery And Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

An amount of \$85 million has been authorized to provide funds for loans to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

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)

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)

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 has been allocated for state shore protection projects and for state grants to counties and municipalities. The remaining \$10 million has been allocated for state loans to counties and municipalities. Net earnings received from the investment or deposit of this fund are to be paid into the General Fund.

State Land Acquisition And Development Fund (P.L. 1978, c.118)

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)

This Fund includes the monies from the sale of state lottery tickets. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets or shares and for administrative expenses of the Division of State Lottery. The balance of funds are paid over to the General Fund in support of the amounts annually appropriated for state institutions and for education.

State Recreation And Conservation Land Acquisition Fund (P.L. 1971, c.165)

An amount of \$80 million was authorized to enable the State to acquire lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire lands for recreation and conservation purposes.

State Recreation And Conservation Land Acquisition And Development Fund (P.L. 1974, c.102)

An amount of \$200 million was authorized to enable the State to acquire and develop lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire and develop lands for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)

Receipts from taxes and penalties levied upon each owner or operator of a sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of all solid waste accepted for disposal at the facility. Grants are made to seek solutions to energy, environmental and economic problems.

Stormwater Management And Combined Sewer Overflow Abatement Fund (P.L. 1989,c.181)

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)

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.

Trial Attorney Certification Program (R. 1:39-1(h))

The 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 have been approved by the Supreme Court of New Jersey.

Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)

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.

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

This Fund receives monies from donations and appropriations 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)

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.

Wastewater Treatment Fund (P.L. 1985, c.329)

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.

Water Conservation Fund (P.L. 1969, c.127)

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)

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. Earnings from investments shall be paid into the General Fund.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)

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)

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 to be allocated on a percentage basis for expenses incurred in connection with the Act's provisions by the Department of Health, Department of Environmental Protection, Department of Labor and the Department of the Treasury.

CAPITAL PROJECTS FUNDS

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
JUNE 30, 1996**

	<u>Correctional Facilities Construction Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>	<u>Energy Conservation Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 17,556	\$ 34,868	\$ 36,149
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	<u>5,047,588</u>	<u>24,730,314</u>	<u>5,632,964</u>
Total Assets	<u>\$ 5,065,144</u>	<u>\$ 24,765,182</u>	<u>\$ 5,669,113</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 402,532	\$ --
Due to other funds	282,611	851,974	385,459
Other	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>282,611</u>	<u>1,254,506</u>	<u>385,459</u>
FUND BALANCES			
Reserved for:			
Encumbrances	42,155	1,680,940	75,675
Unreserved:			
Designated-continuing appropriations	4,723,530	21,829,736	5,207,979
Undesignated	<u>16,848</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>4,782,533</u>	<u>23,510,676</u>	<u>5,283,654</u>
Total Liabilities and Fund Balances	<u>\$ 5,065,144</u>	<u>\$ 24,765,182</u>	<u>\$ 5,669,113</u>

<u>Higher Education Buildings Construction Fund</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>
\$ 38,662	\$ 15,540	\$ 3,013	\$ 6,508	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>55,704</u>	<u>3,386,304</u>	<u>10,316</u>	<u>9,752</u>	<u>131,394</u>
<u>\$ 94,366</u>	<u>\$ 3,401,844</u>	<u>\$ 13,329</u>	<u>\$ 16,260</u>	<u>\$ 131,394</u>
\$ --	\$ 34,828	\$ --	\$ --	\$ 994,292
3,090	328,387	3,681	950	3,386,391
--	2,129	--	--	4,721
<u>3,090</u>	<u>365,344</u>	<u>3,681</u>	<u>950</u>	<u>4,385,404</u>
--	642,015	13	8,494	19,521,192
91,276	2,394,485	9,635	6,816	--
--	--	--	--	(23,775,202)
<u>91,276</u>	<u>3,036,500</u>	<u>9,648</u>	<u>15,310</u>	<u>(4,254,010)</u>
<u>\$ 94,366</u>	<u>\$ 3,401,844</u>	<u>\$ 13,329</u>	<u>\$ 16,260</u>	<u>\$ 131,394</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
CAPITAL PROJECT FUNDS
JUNE 30, 1996**

	<u>New Jersey Bridge Rehabilitation And Improvement Fund</u>	<u>Public Buildings Construction Fund</u>	<u>Public Purpose And Community-Based Facilities Construction Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 1,582	\$ --
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	5,707	--	--
Departmental accounts	--	--	--
Other	59,724	--	--
OTHER ASSETS			
Due from other funds	<u>16,659,585</u>	<u>3,890</u>	<u>19,517,157</u>
Total Assets	<u>\$ 16,725,016</u>	<u>\$ 5,472</u>	<u>\$ 19,517,157</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 71,146	\$ --	\$ 591,878
Due to other funds	4,693,202	578	947,157
Other	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>4,764,348</u>	<u>578</u>	<u>1,539,035</u>
FUND BALANCES			
Reserved for:			
Encumbrances	4,007,554	69	5,842,968
Unreserved:			
Designated-continuing appropriations	7,953,114	4,825	12,135,154
Undesignated	<u>--</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>11,960,668</u>	<u>4,894</u>	<u>17,978,122</u>
Total Liabilities and Fund Balances	<u>\$ 16,725,016</u>	<u>\$ 5,472</u>	<u>\$ 19,517,157</u>

<u>Public Purpose Buildings Construction Fund</u>	<u>Special Transportation Fund</u>	<u>State Facilities For Handicapped Fund</u>	<u>Transportation Rehabilitation And Improvement Fund</u>	<u>Total Capital Projects Funds</u>
\$ 11,185	\$ --	\$ 25,468	\$ 13,916	\$ 204,447
--	67,081,676	--	--	67,087,383
--	66,065,527	--	--	66,065,527
--	--	--	--	59,724
<u>2,517,005</u>	<u>--</u>	<u>418,802</u>	<u>341,070</u>	<u>78,461,845</u>
<u>\$ 2,528,190</u>	<u>\$ 133,147,203</u>	<u>\$ 444,270</u>	<u>\$ 354,986</u>	<u>\$ 211,878,926</u>
\$ 46,119	\$ 40,304,763	\$ 13,879	\$ --	\$ 42,459,437
206,364	92,842,440	--	651,750	104,584,034
--	--	--	7,098	13,948
<u>252,483</u>	<u>133,147,203</u>	<u>13,879</u>	<u>658,848</u>	<u>147,057,419</u>
866,942	--	221,532	66,483	32,976,032
1,408,765	--	208,859	--	55,974,174
--	--	--	(370,345)	(24,128,699)
<u>2,275,707</u>	<u>--</u>	<u>430,391</u>	<u>(303,862)</u>	<u>64,821,507</u>
<u>\$ 2,528,190</u>	<u>\$ 133,147,203</u>	<u>\$ 444,270</u>	<u>\$ 354,986</u>	<u>\$ 211,878,926</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
REVENUES			
Federal and other grants	\$ --	\$ --	\$ --
Investment earnings	282,611	587,093	385,459
Other	--	742,185	--
Total Revenues	282,611	1,329,278	385,459
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	282,611	1,329,278	385,459
EXPENDITURES			
Capital Outlay:			
Public safety and criminal justice	52,090	1,841,101	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Economic Planning, development and and security	--	--	2,725,313
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Total Expenditures	52,090	1,841,101	2,725,313
OTHER FINANCING USES			
Transfers to other funds	282,611	851,974	385,459
Other	--	--	--
Total Other Financing Uses	282,611	851,974	385,459
Total Expenditures and Other Financing Uses	334,701	2,693,075	3,110,772
Net Increase (Decrease) in Fund Balances for the Year	(52,090)	(1,363,797)	(2,725,313)
FUND BALANCES-JULY 1, 1995	4,834,623	24,874,473	8,008,967
FUND BALANCES-JUNE 30, 1996	\$ 4,782,533	\$ 23,510,676	\$ 5,283,654

Higher Education Buildings Construction Fund	Human Services Facilities Construction Fund	Institutional Construction Fund	Institutions Construction Fund	New Jersey Bridge Rehabilitation And Improvement And Railroad Right-of-Way Preservation Fund
\$ --	\$ --	\$ --	\$ --	\$ --
3,090	214,703	3,681	950	101,394
--	--	--	--	302,580
<u>3,090</u>	<u>214,703</u>	<u>3,681</u>	<u>950</u>	<u>403,974</u>
--	--	--	--	--
--	4,500,000	--	--	10,000,000
--	49,813	--	--	110,651
--	<u>4,549,813</u>	--	--	<u>10,110,651</u>
<u>3,090</u>	<u>4,764,516</u>	<u>3,681</u>	<u>950</u>	<u>10,514,625</u>
--	--	3,043	--	--
--	--	--	--	--
--	883,077	70,852	7,191	--
--	--	--	--	--
--	--	--	--	14,367,952
--	<u>241,694</u>	--	--	<u>397,503</u>
--	<u>1,124,771</u>	<u>73,895</u>	<u>7,191</u>	<u>14,765,455</u>
3,090	44,813	3,681	950	99,540
--	2,129	--	--	4,721
<u>3,090</u>	<u>46,942</u>	<u>3,681</u>	<u>950</u>	<u>104,261</u>
<u>3,090</u>	<u>1,171,713</u>	<u>77,576</u>	<u>8,141</u>	<u>14,869,716</u>
--	3,592,803	(73,895)	(7,191)	(4,355,091)
91,276	(556,303)	83,543	22,501	101,081
<u>\$ 91,276</u>	<u>\$ 3,036,500</u>	<u>\$ 9,648</u>	<u>\$ 15,310</u>	<u>\$ (4,254,010)</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	New Jersey Bridge Rehabilitation And Improvement Fund	Public Buildings Construction Fund	Public Purpose And Community-Based Facilities Construction Fund
REVENUES			
Federal and other grants	\$ 838,455	\$ --	\$ --
Investment earnings	701,713	578	839,043
Other	28,994	--	108,114
Total Revenues	1,569,162	578	947,157
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	1,569,162	578	947,157
EXPENDITURES			
Capital Outlay:			
Public safety and criminal justice	--	--	91,540
Physical and mental health	--	--	2,783,479
Educational, cultural and intellectual development	--	39,735	6,158,341
Economic planning, development and and security	--	--	509,826
Transportation programs	1,909,408	--	--
Government direction, management and control	--	--	--
Total Expenditures	1,909,408	39,735	9,543,186
OTHER FINANCING USES			
Transfers to other funds	730,202	578	947,157
Other	--	--	--
Total Other Financing Uses	730,202	578	947,157
Total Expenditures and Other Financing Uses	2,639,610	40,313	10,490,343
Net Increase (Decrease) in Fund Balances for the Year	(1,070,448)	(39,735)	(9,543,186)
FUND BALANCES-JULY 1, 1995	13,031,116	44,629	27,521,308
FUND BALANCES-JUNE 30, 1996	\$ 11,960,668	\$ 4,894	\$ 17,978,122

<u>Public Purpose Buildings Construction Fund</u>	<u>Special Transportation Fund</u>	<u>State Facilities For Handicapped Fund</u>	<u>Transportation Rehabilitation And Improvement Fund</u>	<u>Total Capital Projects Funds</u>
\$ --	\$ 485,761,356	\$ --	\$ 33,322	\$ 486,633,133
206,364	--	54,423	44,985	3,426,087
--	20,769,481	--	--	21,951,354
<u>206,364</u>	<u>506,530,837</u>	<u>54,423</u>	<u>78,307</u>	<u>512,010,574</u>
--	722,923,551	--	--	722,923,551
--	--	--	15,000,000	29,500,000
--	--	--	166,157	326,621
<u>--</u>	<u>722,923,551</u>	<u>--</u>	<u>15,166,157</u>	<u>752,750,172</u>
<u>206,364</u>	<u>1,229,454,388</u>	<u>54,423</u>	<u>15,244,464</u>	<u>1,264,760,746</u>
136,870	--	--	--	2,124,644
--	--	--	--	2,783,479
1,747,675	--	1,398,545	--	10,305,416
--	--	--	--	3,235,139
--	1,229,454,388	--	400,470	1,246,132,218
<u>--</u>	<u>--</u>	<u>--</u>	<u>668,417</u>	<u>1,307,614</u>
<u>1,884,545</u>	<u>1,229,454,388</u>	<u>1,398,545</u>	<u>1,068,887</u>	<u>1,265,888,510</u>
206,364	--	--	149,490	3,705,909
--	--	--	7,098	13,948
<u>206,364</u>	<u>--</u>	<u>--</u>	<u>156,588</u>	<u>3,719,857</u>
<u>2,090,909</u>	<u>1,229,454,388</u>	<u>1,398,545</u>	<u>1,225,475</u>	<u>1,269,608,367</u>
(1,884,545)	--	(1,344,122)	14,018,989	(4,847,621)
<u>4,160,252</u>	<u>--</u>	<u>1,774,513</u>	<u>(14,322,851)</u>	<u>69,669,128</u>
<u>\$ 2,275,707</u>	<u>\$ --</u>	<u>\$ 430,391</u>	<u>\$ (303,862)</u>	<u>\$ 64,821,507</u>

**STATE OF NEW JERSEY
CAPITAL PROJECT FUNDS
DESCRIPTION OF FUNDS**

Correctional Facilities Construction Fund (P.L. 1982, c.120)

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)

An amount of \$198 million was authorized for state and county correctional facilities, their planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment.

Energy Conservation Fund (P.L. 1980, c.68)

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.

Higher Education Buildings Construction Fund (P.L. 1971, c.164)

An amount of \$155 million was authorized for the acquisition, construction, reconstruction, development, improvement, and equipment for state institutions of higher education and for county colleges.

Human Services Facilities Construction Fund (P.L. 1984, c.157)

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)

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)

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.

New Jersey Bridge Rehabilitation And Improvement And Railroad Right-Of-Way Preservation Fund (P.L. 1989, c.180)

An amount of \$115 million has been authorized for the purpose 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)

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.

Public Buildings Construction Fund (P.L. 1968, c.128)

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 Purpose Buildings And Community-Based Facilities Construction Fund (P.L. 1989, c.184)

An amount of \$125 million has been 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)

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.

\$10 million of the proceeds 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.

Special Transportation Fund (N.J.S.A. 27:1B-21)

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 pursuant to appropriations or authorizations made by the Legislature for the purpose of the Transportation Trust Fund Authority Act.

State Facilities For Handicapped Fund (P.L. 1973, c.149)

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.

Transportation Rehabilitation And Improvement Fund (P.L. 1979, c.165)

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.

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TRUST AND AGENCY FUNDS

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 1996**

	<u>Alternate Benefit Long-Term Disability Fund</u>	<u>Community Development Bond Fund</u>	<u>Dental Expense Program Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 38,314	\$ 2,659,222
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	877,101	10,990,462	14,657,488
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 877,101</u>	<u>\$ 11,028,776</u>	<u>\$ 17,316,710</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 4,367,389
Deferred revenue	--	--	401,752
Due to other funds	--	394,083	--
Other	--	2,129	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>--</u>	<u>396,212</u>	<u>4,769,141</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	10,632,564	--
Undesignated	877,101	--	12,547,569
Total Fund Balances	<u>877,101</u>	<u>10,632,564</u>	<u>12,547,569</u>
Total Liabilities and Fund Balances	<u>\$ 877,101</u>	<u>\$ 11,028,776</u>	<u>\$ 17,316,710</u>

EXPENDABLE TRUST FUNDS

<u>Emergency Services Fund</u>	<u>Fund For Support Of Free Public Schools</u>	<u>Health Benefits Program Fund</u>	<u>Higher Education Assistance Fund</u>	<u>Insurance Annuity Trust Fund</u>
\$ 156,169	\$ 57,140	\$ --	\$ 287,910	\$ 3,500
--	76,806,762	39,670,863	--	--
--	--	--	16,246,280	--
--	--	--	--	--
--	--	--	2,514,179	--
--	930,766	40,838,936	191,997	--
4,834,705	11,022,294	420,201,664	42,864,465	25,421
--	--	--	--	--
--	--	--	--	--
<u>\$ 4,990,874</u>	<u>\$ 88,816,962</u>	<u>\$ 500,711,463</u>	<u>\$ 62,104,831</u>	<u>\$ 28,921</u>
\$ --	\$ 5,319	\$ 266,766,592	\$ 3,189,214	\$ --
--	--	16,967,414	--	--
--	7,022,895	1,665,042	2,018,873	--
--	--	--	7,391,315	--
--	--	--	--	--
--	7,028,214	285,399,048	12,599,402	--
1,618	--	--	931,410	--
--	--	--	--	--
--	40,363,607	--	2,514,179	--
4,989,256	--	--	--	--
--	41,425,141	215,312,415	46,059,840	28,921
4,990,874	81,788,748	215,312,415	49,505,429	28,921
<u>\$ 4,990,874</u>	<u>\$ 88,816,962</u>	<u>\$ 500,711,463</u>	<u>\$ 62,104,831</u>	<u>\$ 28,921</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	Motor Vehicle Security Responsibility Fund	Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 150,981	\$ 93,260	\$ --
INVESTMENTS	--	500,116	24,568,128
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	8,233	382,006
OTHER ASSETS			
Due from other funds	142,458	7,107,215	39,732,495
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 293,439	\$ 7,708,824	\$ 64,682,629
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 285,538	\$ --	\$ 155,419
Deferred revenue	--	--	--
Due to other funds	7,901	--	4,770,470
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	293,439	--	4,925,889
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	7,708,824	59,756,740
Total Fund Balances	--	7,708,824	59,756,740
Total Liabilities and Fund Balances	\$ 293,439	\$ 7,708,824	\$ 64,682,629

EXPENDABLE TRUST FUNDS

New Jersey Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund	Prescription Drug Program Fund	Real Estate Guaranty Fund	State Disability Benefit Fund
\$ 508	\$ 52,166	\$ --	\$ 13,607	\$ 8,014
--	--	--	--	44,478,097
--	--	--	--	--
--	--	--	--	114,958,308
--	--	--	--	--
--	--	609,283	--	723,528
870,006	42,754,666	21,220,910	1,351,511	231,594,769
--	--	--	--	97,664
--	--	--	--	1,203,707
<u>\$ 870,514</u>	<u>\$ 42,806,832</u>	<u>\$ 21,830,193</u>	<u>\$ 1,365,118</u>	<u>\$ 393,064,087</u>
\$ --	\$ --	\$ 7,236,863	\$ --	\$ 29,524,087
--	--	--	--	--
--	--	--	--	16,874,145
--	--	--	--	119,709
--	--	--	--	--
--	--	7,236,863	--	46,517,941
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
870,514	--	--	--	--
--	42,806,832	14,593,330	1,365,118	346,546,146
<u>870,514</u>	<u>42,806,832</u>	<u>14,593,330</u>	<u>1,365,118</u>	<u>346,546,146</u>
<u>\$ 870,514</u>	<u>\$ 42,806,832</u>	<u>\$ 21,830,193</u>	<u>\$ 1,365,118</u>	<u>\$ 393,064,087</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	<u>Stock Workers' Compensation Security Fund</u>	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed County Deposits Trust Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 18,991	\$ 6,948	\$ 17,043
INVESTMENTS	6,003,179	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	71,639	--	--
OTHER ASSETS			
Due from other funds	62,885,121	--	2,301,227
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 68,978,930</u>	<u>\$ 6,948</u>	<u>\$ 2,318,270</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	68,978,930	6,948	2,318,270
Total Fund Balances	<u>68,978,930</u>	<u>6,948</u>	<u>2,318,270</u>
Total Liabilities and Fund Balances	<u>\$ 68,978,930</u>	<u>\$ 6,948</u>	<u>\$ 2,318,270</u>

EXPENDABLE TRUST FUNDS

Unclaimed Personal Property Trust Fund	Unemployment Compensation Fund	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Unsatisfied Claim And Judgment Fund	Sub-Total Expendable Trust Funds
\$ --	\$ 3,658,674	\$ --	\$ --	\$ 7,222,447
47,272,338	--	83,545,680	--	322,845,163
--	2,200,010,118	--	--	2,216,256,398
--	328,670,753	--	--	443,629,061
--	--	--	--	2,514,179
22,104	13,344,679	3,373,966	49,030,405	109,527,542
63,140,964	19,065,960	5,809,375	300,148,581	1,303,598,858
--	--	--	--	97,664
--	--	--	--	1,203,707
<u>\$ 110,435,406</u>	<u>\$ 2,564,750,184</u>	<u>\$ 92,729,021</u>	<u>\$ 349,178,986</u>	<u>\$ 4,406,895,019</u>
\$ 15,327,964	\$ 120,817,297	\$ 995,422	\$ 58,935,359	\$ 507,606,463
--	--	--	--	17,369,166
49,967,105	1,233,046	--	1,652,793	85,606,353
--	--	--	--	7,513,153
--	--	--	--	--
<u>65,295,069</u>	<u>122,050,343</u>	<u>995,422</u>	<u>60,588,152</u>	<u>618,095,135</u>
690,471	--	--	--	1,623,499
--	--	--	--	--
--	--	--	4,899,075	47,776,861
--	--	--	--	16,492,334
<u>44,449,866</u>	<u>2,442,699,841</u>	<u>91,733,599</u>	<u>283,691,759</u>	<u>3,722,907,190</u>
<u>45,140,337</u>	<u>2,442,699,841</u>	<u>91,733,599</u>	<u>288,590,834</u>	<u>3,788,799,884</u>
<u>\$ 110,435,406</u>	<u>\$ 2,564,750,184</u>	<u>\$ 92,729,021</u>	<u>\$ 349,178,986</u>	<u>\$ 4,406,895,019</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	<u>Central Pension Fund</u>	<u>Consolidated Police and Firemen's Pension Fund</u>	<u>Judicial Retirement System</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 27,508	\$ 349,260	\$ 151,984
INVESTMENTS	--	19,276,840	2,421,933
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	36,479
Other	35	460,710	15,373
OTHER ASSETS			
Due from other funds	18,941	15,913,068	144,072,499
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 46,484</u>	<u>\$ 35,999,878</u>	<u>\$ 146,698,268</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 43,907	\$ 2,943,097	\$ 1,579,430
Deferred revenue	--	--	--
Due to other funds	2,577	45,059	58,299
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>46,484</u>	<u>2,988,156</u>	<u>1,637,729</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	33,011,722	145,060,539
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>33,011,722</u>	<u>145,060,539</u>
Total Liabilities and Fund Balances	<u>\$ 46,484</u>	<u>\$ 35,999,878</u>	<u>\$ 146,698,268</u>

PENSION TRUST FUNDS

Police and Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System	Supplemental Annuity Collective Trust
\$ --	\$ 37,597	\$ --	\$ --	\$ 4,919
810,702,687	--	637,460,421	15,761,676	144,694,918
--	--	--	--	--
--	--	--	--	--
267,749,141	--	276,028,235	17,367,370	--
521,890,197	297	120,136,217	252,507	625,027
6,644,879,783	1,578,891	11,658,962,989	822,406,011	2,984,843
--	--	--	--	--
--	--	--	--	--
<u>\$ 8,245,221,808</u>	<u>\$ 1,616,785</u>	<u>\$ 12,692,587,862</u>	<u>\$ 855,787,564</u>	<u>\$ 148,309,707</u>
\$ 43,316,598	\$ 317,527	\$ 75,057,215	\$ 3,699,929	\$ 442,947
--	--	--	--	--
1,406,141	4,990	3,036,851	154,191	5,001
--	--	--	--	--
--	--	--	--	--
<u>44,722,739</u>	<u>322,517</u>	<u>78,094,066</u>	<u>3,854,120</u>	<u>447,948</u>
--	--	--	--	--
8,200,499,069	1,294,268	12,535,160,673	851,933,444	147,861,759
--	--	79,333,123	--	--
--	--	--	--	--
--	--	--	--	--
<u>8,200,499,069</u>	<u>1,294,268</u>	<u>12,614,493,796</u>	<u>851,933,444</u>	<u>147,861,759</u>
<u>\$ 8,245,221,808</u>	<u>\$ 1,616,785</u>	<u>\$ 12,692,587,862</u>	<u>\$ 855,787,564</u>	<u>\$ 148,309,707</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	<u>Teachers' Pension and Annuity Fund</u>	<u>Sub-Total Pension Trust Funds</u>	<u>NON-EXPENDABLE TRUST FUNDS</u> <u>State of New Jersey-Tischler Memorial Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 571,268	\$ 366
INVESTMENTS	825,403,075	2,455,721,550	446,984
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	181,061,069	742,242,294	--
Other	85,825,537	729,205,900	7,549
OTHER ASSETS			
Due from other funds	14,105,857,276	33,396,674,301	231,712
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 15,198,146,957</u>	<u>\$ 37,324,415,313</u>	<u>\$ 686,611</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 80,155,954	\$ 207,556,604	\$ --
Deferred revenue	--	--	--
Due to other funds	2,602,861	7,315,970	--
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>82,758,815</u>	<u>214,872,574</u>	<u>--</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	91
Pension benefits	15,053,845,558	36,968,667,032	--
Other	61,542,584	140,875,707	416,073
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	270,447
Total Fund Balances	<u>15,115,388,142</u>	<u>37,109,542,739</u>	<u>686,611</u>
Total Liabilities and Fund Balances	<u>\$ 15,198,146,957</u>	<u>\$ 37,324,415,313</u>	<u>\$ 686,611</u>

AGENCY FUNDS

<u>Alternate Benefit Program Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Tourism Promotion Fund</u>	<u>Capital City Redevelopment Loan and Grant Fund</u>	<u>Common Pension Fund "A"</u>
\$ --	\$ 23,036	\$ 81,821	\$ 23,424	\$ 141
--	--	--	--	13,182,706,223
--	--	--	--	--
--	1,386,871	695,822	--	--
--	--	--	374,327	--
19,249	--	--	--	34,216,169
17,346,175	1,792,313	142,544	2,824,722	461,727,480
--	--	--	--	--
--	--	--	--	--
<u>\$ 17,365,424</u>	<u>\$ 3,202,220</u>	<u>\$ 920,187</u>	<u>\$ 3,222,473</u>	<u>\$ 13,678,650,013</u>
\$ 15,609,329	\$ 3,202,220	\$ 920,187	\$ 3,222,473	\$ --
--	--	--	--	--
1,756,095	--	--	--	13,678,650,013
--	--	--	--	--
--	--	--	--	--
<u>17,365,424</u>	<u>3,202,220</u>	<u>920,187</u>	<u>3,222,473</u>	<u>13,678,650,013</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 17,365,424</u>	<u>\$ 3,202,220</u>	<u>\$ 920,187</u>	<u>\$ 3,222,473</u>	<u>\$ 13,678,650,013</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	<u>Common Pension Fund "B"</u>	<u>Common Pension Fund "D"</u>	<u>General Trust Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 999,631	\$ 7,992,752	\$ 7,059
INVESTMENTS	10,838,030,420	6,217,037,513	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	200,688,257	102,983,933	--
OTHER ASSETS			
Due from other funds	229,319,505	86,062,980	15,562
Deferred charges	--	--	--
Other	--	1,887,561,993	--
Total Assets	<u>\$ 11,269,037,813</u>	<u>\$ 8,301,639,171</u>	<u>\$ 22,621</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 3,872,763	\$ 21,759
Deferred revenue	--	--	--
Due to other funds	11,269,037,813	6,410,892,079	862
Other	--	1,886,874,329	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>11,269,037,813</u>	<u>8,301,639,171</u>	<u>22,621</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 11,269,037,813</u>	<u>\$ 8,301,639,171</u>	<u>\$ 22,621</u>

AGENCY FUNDS

Judiciary Bail Fund	Judiciary Child Support And Paternity Fund	Judiciary Probation Fund	Judiciary Special Civil Fund	Judiciary Superior Court Miscellaneous Fund
\$ 74,229	\$ 2,098,953	\$ 17,890	\$ 111,991	\$ 891,400
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	128,015
35,222,825	25,800,829	3,906,989	2,814,118	11,516,990
--	--	--	--	--
--	--	--	--	--
<u>\$ 35,297,054</u>	<u>\$ 27,899,782</u>	<u>\$ 3,924,879</u>	<u>\$ 2,926,109</u>	<u>\$ 12,536,405</u>
\$ 33,211,152	\$ 26,533,953	\$ 3,767,746	\$ 2,821,405	\$ 891,176
--	--	--	--	--
2,085,902	1,365,829	157,133	104,704	11,645,229
--	--	--	--	--
--	--	--	--	--
<u>35,297,054</u>	<u>27,899,782</u>	<u>3,924,879</u>	<u>2,926,109</u>	<u>12,536,405</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 35,297,054</u>	<u>\$ 27,899,782</u>	<u>\$ 3,924,879</u>	<u>\$ 2,926,109</u>	<u>\$ 12,536,405</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	<u>Luxury Tax Development Fund</u>	<u>Luxury Tax Fund</u>	<u>New Jersey Medical Malpractice Reinsurance Recovery Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 4,384	\$ 140,731	\$ 29,995
INVESTMENTS	--	--	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	1,447,972	--
Loans	--	10,840,015	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	2,143,897	283,235	22,519,273
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 2,148,281</u>	<u>\$ 12,711,953</u>	<u>\$ 22,549,268</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 2,148,281	\$ 12,711,953	\$ 22,549,268
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>2,148,281</u>	<u>12,711,953</u>	<u>22,549,268</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 2,148,281</u>	<u>\$ 12,711,953</u>	<u>\$ 22,549,268</u>

AGENCY FUNDS

New Jersey State Employees' Deferred Compensation Plan	Pension Adjustment Fund	Resource Recovery Investment Tax Fund	Safe Neighborhood Services Fund	Solid Waste Service Tax Fund
\$ 62,014	\$ 95,077	\$ 196,396	\$ --	\$ 155,564
319,564,659	--	--	--	--
--	--	--	--	--
--	--	--	--	286,024
--	--	--	--	--
2,647,780	5,752,385	--	--	--
119,229,966	1,892,055	18,223,948	12,809,687	11,751,323
--	--	--	--	--
--	--	--	--	--
\$ 441,504,419	\$ 7,739,517	\$ 18,420,344	\$ 12,809,687	\$ 12,192,911
\$ 1,860,940	\$ --	\$ 18,205,130	\$ 12,609,873	\$ 12,118,202
--	--	--	--	--
--	3,627,023	215,214	199,814	74,709
161,694	4,112,494	--	--	--
439,481,785	--	--	--	--
441,504,419	7,739,517	18,420,344	12,809,687	12,192,911
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ 441,504,419	\$ 7,739,517	\$ 18,420,344	\$ 12,809,687	\$ 12,192,911

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
ALL TRUST AND AGENCY FUNDS
JUNE 30,1996**

	<u>State Lottery Agency Fund</u>	<u>State of New Jersey Cash Management Fund</u>	<u>Tourism Improvement Development Act</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 807,536,471	\$ 100,097
INVESTMENTS	1,185,501,995	8,917,839,116	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	278,168
Loans	--	--	--
Other	--	40,080,946	--
OTHER ASSETS			
Due from other funds	--	--	12,616
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 1,185,501,995</u>	<u>\$ 9,765,456,533</u>	<u>\$ 390,881</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,185,501,995	\$ 12,414,840	\$ 390,881
Deferred revenue	--	--	--
Due to other funds	--	6,958,958,670	--
Other	--	2,794,083,023	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>1,185,501,995</u>	<u>9,765,456,533</u>	<u>390,881</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 1,185,501,995</u>	<u>\$ 9,765,456,533</u>	<u>\$ 390,881</u>

AGENCY FUNDS

Unclaimed Insurance Payments on Deposit Accounts Fund	Wage and Hour Trust Fund	Wastewater Treatment Trust Fund	Sub-Total Agency Funds	Total Trust and Agency Funds
\$ --	\$ 319,040	\$ 6,863	\$ 820,968,959	\$ 828,763,040
--	--	--	40,660,679,926	43,439,693,623
--	--	--	--	2,216,256,398
--	--	--	4,094,857	447,723,918
--	--	--	11,214,342	755,970,815
--	--	--	386,516,734	1,225,257,725
176,082	1,843,386	7,901,970	1,077,280,470	35,777,785,341
--	--	--	--	97,664
--	--	--	1,887,561,993	1,888,765,700
<u>\$ 176,082</u>	<u>\$ 2,162,426</u>	<u>\$ 7,908,833</u>	<u>\$ 44,848,317,281</u>	<u>\$ 86,580,314,224</u>
\$ 176,082	\$ 926,704	\$ 7,908,833	\$ 1,383,597,145	\$ 2,098,760,212
--	--	--	--	17,369,166
--	1,235,722	--	38,340,006,811	38,432,929,134
--	--	--	4,685,231,540	4,692,744,693
--	--	--	439,481,785	439,481,785
<u>176,082</u>	<u>2,162,426</u>	<u>7,908,833</u>	<u>44,848,317,281</u>	<u>45,681,284,990</u>
--	--	--	--	1,623,590
--	--	--	--	36,968,667,032
--	--	--	--	189,068,641
--	--	--	--	16,492,334
--	--	--	--	3,723,177,637
--	--	--	--	40,899,029,234
<u>\$ 176,082</u>	<u>\$ 2,162,426</u>	<u>\$ 7,908,833</u>	<u>\$ 44,848,317,281</u>	<u>\$ 86,580,314,224</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Alternate Benefit Long-Term Disability Fund</u>	<u>Community Development Bond Fund</u>	<u>Dental Expense Program Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	94,286	396,212	799,755
Contributions	--	--	17,900,477
Other	--	--	--
Total Revenues	<u>94,286</u>	<u>396,212</u>	<u>18,700,232</u>
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	17,946,796
Proceeds from sale of bonds	--	4,500,000	--
Other	--	49,813	--
Total Other Financing Sources	<u>--</u>	<u>4,549,813</u>	<u>17,946,796</u>
Total Revenues and Other Financing Sources	<u>94,286</u>	<u>4,946,025</u>	<u>36,647,028</u>
EXPENDITURES			
Current:			
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	465,000	--
Government direction, management and control	--	5,000	39,748,463
Total Expenditures	<u>--</u>	<u>470,000</u>	<u>39,748,463</u>
OTHER FINANCING USES			
Transfers to other funds	--	438,896	--
Other	503,400	2,129	--
Total Other Financing Uses	<u>503,400</u>	<u>441,025</u>	<u>--</u>
Total Expenditures and Other Financing Uses	<u>503,400</u>	<u>911,025</u>	<u>39,748,463</u>
Net Increase (Decrease) in Fund Balances for the Year	(409,114)	4,035,000	(3,101,435)
FUND BALANCES-JULY 1, 1995	<u>1,286,215</u>	<u>6,597,564</u>	<u>15,649,004</u>
FUND BALANCES-JUNE 30, 1996	<u>\$ 877,101</u>	<u>\$ 10,632,564</u>	<u>\$ 12,547,569</u>

<u>Emergency Services Fund</u>	<u>Fund For Support Of Free Public Schools</u>	<u>Health Benefits Program Fund</u>	<u>Higher Education Assistance Fund</u>	<u>Insurance Annuity Trust Fund</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	33,441,604	--
--	3,570,284	--	2,221,513	--
--	--	--	--	--
263,424	7,022,895	21,942,289	2,312,221	421
--	--	805,354,375	--	--
--	--	13,967,751	13,775,804	6,000
<u>263,424</u>	<u>10,593,179</u>	<u>841,264,415</u>	<u>51,751,142</u>	<u>6,421</u>
--	--	485,628,568	--	--
--	--	--	--	--
--	--	--	526,272	--
--	--	485,628,568	526,272	--
<u>263,424</u>	<u>10,593,179</u>	<u>1,326,892,983</u>	<u>52,277,414</u>	<u>6,421</u>
--	--	--	38,170,705	--
--	--	--	--	--
--	--	--	--	--
--	--	1,251,210,304	--	--
--	--	1,251,210,304	38,170,705	--
--	10,404,842	--	10,565,684	--
--	--	--	--	--
--	10,404,842	--	10,565,684	--
--	10,404,842	1,251,210,304	48,736,389	--
263,424	188,337	75,682,679	3,541,025	6,421
4,727,450	81,600,411	139,629,736	45,964,404	22,500
<u>\$ 4,990,874</u>	<u>\$ 81,788,748</u>	<u>\$ 215,312,415</u>	<u>\$ 49,505,429</u>	<u>\$ 28,921</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Motor Vehicle Security Responsibility Fund</u>	<u>Mutual Workers' Compensation Security Fund</u>	<u>New Home Warranty Security Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	1,292,876
Licenses and fees	--	--	631,014
Services and assessments	--	1,455,626	3,831,515
Investment earnings	7,901	382,834	3,859,929
Contributions	--	--	--
Other	--	--	79,934
	<hr/>	<hr/>	<hr/>
Total Revenues	7,901	1,838,460	9,695,268
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	--
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	7,901	1,838,460	9,695,268
EXPENDITURES			
Current:			
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	6,261,272
Economic planning, development and security	--	1,245,755	--
Government direction, management and control	--	--	--
	<hr/>	<hr/>	<hr/>
Total Expenditures	--	1,245,755	6,261,272
OTHER FINANCING USES			
Transfers to other funds	7,901	--	4,770,470
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	7,901	--	4,770,470
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	7,901	1,245,755	11,031,742
Net Increase (Decrease) in Fund Balances for the Year	--	592,705	(1,336,474)
FUND BALANCES-JULY 1, 1995	--	7,116,119	61,093,214
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JUNE 30, 1996	\$ --	\$ 7,708,824	\$ 59,756,740
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

New Jersey Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund	Prescription Drug Program Fund	Real Estate Guaranty Fund	State Disability Benefit Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	58,165	--
--	--	--	--	19,942,332
47,401	2,329,542	1,333,283	74,081	7,370,877
--	--	13,326,756	--	369,683,660
--	--	--	--	6,577,321
<u>47,401</u>	<u>2,329,542</u>	<u>14,660,039</u>	<u>132,246</u>	<u>403,574,190</u>
--	--	62,895,743	--	--
--	--	--	--	--
--	--	--	--	943,876
--	--	62,895,743	--	943,876
<u>47,401</u>	<u>2,329,542</u>	<u>77,555,782</u>	<u>132,246</u>	<u>404,518,066</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	100,871	324,969,201
--	--	85,129,041	--	--
--	--	85,129,041	100,871	324,969,201
--	--	--	--	28,560,655
--	--	--	--	4,803,799
--	--	--	--	33,364,454
--	--	85,129,041	100,871	358,333,655
47,401	2,329,542	(7,573,259)	31,375	46,184,411
<u>823,113</u>	<u>40,477,290</u>	<u>22,166,589</u>	<u>1,333,743</u>	<u>300,361,735</u>
<u>\$ 870,514</u>	<u>\$ 42,806,832</u>	<u>\$ 14,593,330</u>	<u>\$ 1,365,118</u>	<u>\$ 346,546,146</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Stock Workers' Compensation Security Fund</u>	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed County Deposits Trust Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	1,649,887	--	--
Investment earnings	3,698,004	--	127,152
Contributions	--	--	--
Other	--	12,242	519,450
	<hr/>	<hr/>	<hr/>
Total Revenues	5,347,891	12,242	646,602
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	--
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	5,347,891	12,242	646,602
EXPENDITURES			
Current:			
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	2,664,114	--	--
Government direction, management and control	--	5,294	507,030
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,664,114	5,294	507,030
OTHER FINANCING USES			
Transfers to other funds	--	--	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	--	--	--
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	2,664,114	5,294	507,030
Net Increase (Decrease) in Fund Balances for the Year	2,683,777	6,948	139,572
FUND BALANCES-JULY 1, 1995	66,295,153	--	2,178,698
FUND BALANCES-JUNE 30, 1996	\$ 68,978,930	\$ 6,948	\$ 2,318,270

Unclaimed Personal Property Trust Fund	Unemployment Compensation Fund	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Unsatisfied Claim And Judgment Fund	Total Expendable Trust Funds
\$ --	\$ 1,556,890,989	\$ --	\$ --	\$ 1,556,890,989
--	29,167,595	--	--	63,902,075
--	--	--	1,500	6,482,476
--	--	20,951,222	175,888,932	223,719,514
3,853,154	138,217,235	4,591,333	14,132,432	212,856,661
--	--	--	--	1,206,265,268
80,606,372	208,029	--	428,500	116,181,403
<u>84,459,526</u>	<u>1,724,483,848</u>	<u>25,542,555</u>	<u>190,451,364</u>	<u>3,386,298,386</u>
--	--	--	--	566,471,107
--	--	--	--	4,500,000
--	--	--	--	1,519,961
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>572,491,068</u>
<u>84,459,526</u>	<u>1,724,483,848</u>	<u>25,542,555</u>	<u>190,451,364</u>	<u>3,958,789,454</u>
--	--	--	--	38,170,705
--	--	--	--	6,261,272
--	1,415,103,644	12,650,520	179,404,504	1,936,603,609
<u>2,229,178</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,378,834,310</u>
<u>2,229,178</u>	<u>1,415,103,644</u>	<u>12,650,520</u>	<u>179,404,504</u>	<u>3,359,869,896</u>
52,295,873	--	--	1,652,793	108,697,114
--	28,447,905	--	3,763,576	37,520,809
<u>52,295,873</u>	<u>28,447,905</u>	<u>--</u>	<u>5,416,369</u>	<u>146,217,923</u>
<u>54,525,051</u>	<u>1,443,551,549</u>	<u>12,650,520</u>	<u>184,820,873</u>	<u>3,506,087,819</u>
29,934,475	280,932,299	12,892,035	5,630,491	452,701,635
<u>15,205,862</u>	<u>2,161,767,542</u>	<u>78,841,564</u>	<u>282,960,343</u>	<u>3,336,098,249</u>
<u>\$ 45,140,337</u>	<u>\$ 2,442,699,841</u>	<u>\$ 91,733,599</u>	<u>\$ 288,590,834</u>	<u>\$ 3,788,799,884</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	Central Pension Fund	Consolidated Police and Firemen's Pension Fund	Judicial Retirement System
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Contributions	\$ 473,019	\$ 27,077,947	\$ 16,691,973
Investment income	--	2,097,881	24,190,412
Other	--	958	--
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>473,019</u>	<u>29,176,786</u>	<u>40,882,385</u>
EXPENSES			
Benefit payments	473,019	32,356,142	16,528,693
Other	--	139,934	646,718
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>473,019</u>	<u>32,496,076</u>	<u>17,175,411</u>
Excess of Revenues Over Expenses	--	(3,319,290)	23,706,974
FUND BALANCES - July 1, 1995	<u> </u>	<u>36,331,012</u>	<u>121,353,565</u>
FUND BALANCES-June 30, 1996	<u>\$ --</u>	<u>\$ 33,011,722</u>	<u>\$ 145,060,539</u>

Police and Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
\$ 501,996,720	\$ 4,263,867	\$ 527,916,610	\$ 40,357,516
998,719,216	128,100	1,732,810,971	121,753,706
15,144,139	--	32,204	401
<u>1,515,860,075</u>	<u>4,391,967</u>	<u>2,260,759,785</u>	<u>162,111,623</u>
487,442,506	3,618,375	722,985,106	43,251,192
28,106,845	20,508	218,236,644	673,444
<u>515,549,351</u>	<u>3,638,883</u>	<u>941,221,750</u>	<u>43,924,636</u>
1,000,310,724	753,084	1,319,538,035	118,186,987
<u>7,200,188,345</u>	<u>541,184</u>	<u>11,294,955,761</u>	<u>733,746,457</u>
<u>\$ 8,200,499,069</u>	<u>\$ 1,294,268</u>	<u>\$ 12,614,493,796</u>	<u>\$ 851,933,444</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (Continued)
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension Trust Funds
REVENUES			
Contributions	\$ 5,950,325	\$ 481,183,877	\$ 1,605,911,854
Investment income	28,887,104	2,091,699,262	5,000,286,652
Other	2,717	9,582	15,190,001
Total Revenues	34,840,146	2,572,892,721	6,621,388,507
EXPENSES			
Benefit payments	12,943,378	806,878,073	2,126,476,484
Other	--	167,823,892	415,647,985
Total Expenses	12,943,378	974,701,965	2,542,124,469
Excess of Revenues Over Expenses	21,896,768	1,598,190,756	4,079,264,038
FUND BALANCES - July 1, 1995	125,964,991	13,517,197,386	33,030,278,701
FUND BALANCES-June 30, 1996	\$ 147,861,759	\$ 15,115,388,142	\$ 37,109,542,739

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
ALTERNATE BENEFIT PROGRAM FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ 9,253,965	\$ 9,253,965	\$ --
Receivables - Other	10,766	19,249	10,766	19,249
Due from other funds	16,269,439	97,010,875	95,934,139	17,346,175
Total Assets	\$ 16,280,205	\$ 106,284,089	\$ 105,198,870	\$ 17,365,424
<u>LIABILITIES</u>				
Accounts Payable	\$ 16,280,205	\$ 15,033,279	\$ 15,704,155	\$ 15,609,329
Due to other funds	--	1,756,095	--	1,756,095
Total Liabilities	\$ 16,280,205	\$ 16,789,374	\$ 15,704,155	\$ 17,365,424
ATLANTIC CITY PARKING FEES FUND				
<u>ASSETS</u>				
Cash	\$ 53,376	\$ 52,224,809	\$ 52,255,149	\$ 23,036
Receivables - Departmental accounts	1,339,561	1,386,871	1,339,561	1,386,871
Due from other funds	6,414,097	16,303,216	20,925,000	1,792,313
Total Assets	\$ 7,807,034	\$ 69,914,896	\$ 74,519,710	\$ 3,202,220
<u>LIABILITIES</u>				
Accounts Payable	\$ 7,807,034	\$ 39,229,178	\$ 43,833,992	\$ 3,202,220
Total Liabilities	\$ 7,807,034	\$ 39,229,178	\$ 43,833,992	\$ 3,202,220
ATLANTIC CITY TOURISM PROMOTION FUND				
<u>ASSETS</u>				
Cash	\$ 15,927	\$ 15,872,852	\$ 15,806,958	\$ 81,821
Receivables - Departmental accounts	1,060,232	695,822	1,060,232	695,822
Due from other funds	1,312,907	7,609,637	8,780,000	142,544
Total Assets	\$ 2,389,066	\$ 24,178,311	\$ 25,647,190	\$ 920,187
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,389,066	\$ 16,654,681	\$ 18,123,560	\$ 920,187
Total Liabilities	\$ 2,389,066	\$ 16,654,681	\$ 18,123,560	\$ 920,187

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1996</u>
CAPITAL CITY REDEVELOPMENT LOAN AND GRANT FUND				
<u>ASSETS</u>				
Cash	\$ 71,203	\$ 661,511	\$ 709,290	\$ 23,424
Receivables - Loans	375,000	374,327	375,000	374,327
Due from other funds	2,934,143	160,125	269,546	2,824,722
Total Assets	\$ 3,380,346	\$ 1,195,963	\$ 1,353,836	\$ 3,222,473
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,180,800	\$ 686,392	\$ 644,719	\$ 3,222,473
Due to other funds	199,546	--	199,546	--
Total Liabilities	\$ 3,380,346	\$ 686,392	\$ 844,265	\$ 3,222,473
COMMON PENSION FUND "A"				
<u>ASSETS</u>				
Cash	\$ 554	\$ 10,529,879,127	\$ 10,529,879,540	\$ 141
Investments	12,656,909,760	6,900,441,420	6,374,644,957	13,182,706,223
Receivables - Other	48,753,643	34,216,169	48,753,643	34,216,169
Due from other funds	317,905,564	3,512,587,543	3,368,765,627	461,727,480
Total Assets	\$ 13,023,569,521	\$ 20,977,124,259	\$ 20,322,043,767	\$ 13,678,650,013
<u>LIABILITIES</u>				
Accounts Payable	\$ --	\$ 4,129,519,803	\$ 4,129,519,803	\$ --
Due to other funds	13,023,569,521	3,903,884,877	3,248,804,385	13,678,650,013
Total Liabilities	\$ 13,023,569,521	\$ 8,033,404,680	\$ 7,378,324,188	\$ 13,678,650,013
COMMON PENSION FUND "B"				
<u>ASSETS</u>				
Cash	\$ 3,113	\$ 22,706,270,265	\$ 22,705,273,747	\$ 999,631
Investments	9,796,160,974	13,327,690,343	12,285,820,897	10,838,030,420
Receivables - Other	190,390,363	201,934,576	191,636,682	200,688,257
Due from other funds	475,619,061	8,888,599,999	9,134,899,555	229,319,505
Total Assets	\$ 10,462,173,511	\$ 45,124,495,183	\$ 44,317,630,881	\$ 11,269,037,813
<u>LIABILITIES</u>				
Accounts Payable	\$ --	\$ 12,738,230,744	\$ 12,738,230,744	\$ --
Due to other funds	10,462,173,511	2,053,116,665	1,246,252,363	11,269,037,813
Total Liabilities	\$ 10,462,173,511	\$ 14,791,347,409	\$ 13,984,483,107	\$ 11,269,037,813

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
COMMON PENSION FUND "D"				
<u>ASSETS</u>				
Cash	\$ 7,743,241	\$ 8,271,801,427	\$ 8,271,551,916	\$ 7,992,752
Investments	4,057,383,860	6,026,904,909	3,867,251,256	6,217,037,513
Receivables - Other	80,629,564	102,983,933	80,629,564	102,983,933
Due from other funds	67,434,420	2,285,473,294	2,266,844,734	86,062,980
Other	2,461,955,604	--	574,393,611	1,887,561,993
Total Assets	<u>\$ 6,675,146,689</u>	<u>\$ 16,687,163,563</u>	<u>\$ 15,060,671,081</u>	<u>\$ 8,301,639,171</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 27,703,848	\$ 5,883,330,802	\$ 5,907,161,887	\$ 3,872,763
Due to other funds	4,210,787,359	2,374,294,084	174,189,364	6,410,892,079
Other	2,436,655,482	--	549,781,153	1,886,874,329
Total Liabilities	<u>\$ 6,675,146,689</u>	<u>\$ 8,257,624,886</u>	<u>\$ 6,631,132,404</u>	<u>\$ 8,301,639,171</u>
GENERAL TRUST FUND				
<u>ASSETS</u>				
Cash	\$ 7,059	\$ 804	\$ 804	\$ 7,059
Due from other funds	15,504	862	804	15,562
Total Assets	<u>\$ 22,563</u>	<u>\$ 1,666</u>	<u>\$ 1,608</u>	<u>\$ 22,621</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 21,759	\$ --	\$ --	\$ 21,759
Due to other funds	804	862	804	862
Total Liabilities	<u>\$ 22,563</u>	<u>\$ 862</u>	<u>\$ 804</u>	<u>\$ 22,621</u>
JUDICIARY BAIL FUND				
<u>ASSETS</u>				
Cash	\$ 91,814	\$ 87,428,603	\$ 87,446,188	\$ 74,229
Due from other funds	33,439,551	7,341,766	5,558,492	35,222,825
Total Assets	<u>\$ 33,531,365</u>	<u>\$ 94,770,369</u>	<u>\$ 93,004,680</u>	<u>\$ 35,297,054</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 32,656,814	\$ 60,577,195	\$ 60,022,857	\$ 33,211,152
Due to other funds	874,551	2,085,902	874,551	2,085,902
Total Liabilities	<u>\$ 33,531,365</u>	<u>\$ 62,663,097</u>	<u>\$ 60,897,408</u>	<u>\$ 35,297,054</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
<u>ASSETS</u>				
Cash	\$ 1,565,911	\$ 1,902,523,876	\$ 1,901,990,834	\$ 2,098,953
Due from other funds	<u>21,897,746</u>	<u>110,040,829</u>	<u>106,137,746</u>	<u>25,800,829</u>
Total Assets	<u>\$ 23,463,657</u>	<u>\$ 2,012,564,705</u>	<u>\$ 2,008,128,580</u>	<u>\$ 27,899,782</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 22,865,911	\$ 1,207,048,091	\$ 1,203,380,049	\$ 26,533,953
Due to other funds	<u>597,746</u>	<u>1,365,829</u>	<u>597,746</u>	<u>1,365,829</u>
Total Liabilities	<u>\$ 23,463,657</u>	<u>\$ 1,208,413,920</u>	<u>\$ 1,203,977,795</u>	<u>\$ 27,899,782</u>
JUDICIARY PROBATION FUND				
<u>ASSETS</u>				
Cash	\$ 48,423	\$ 34,006,514	\$ 34,037,047	\$ 17,890
Due from other funds	<u>1,872,740</u>	<u>11,277,845</u>	<u>9,243,596</u>	<u>3,906,989</u>
Total Assets	<u>\$ 1,921,163</u>	<u>\$ 45,284,359</u>	<u>\$ 43,280,643</u>	<u>\$ 3,924,879</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,870,423	\$ 25,698,630	\$ 23,801,307	\$ 3,767,746
Due to other funds	<u>50,740</u>	<u>157,133</u>	<u>50,740</u>	<u>157,133</u>
Total Liabilities	<u>\$ 1,921,163</u>	<u>\$ 25,855,763</u>	<u>\$ 23,852,047</u>	<u>\$ 3,924,879</u>
JUDICIARY SPECIAL CIVIL FUND				
<u>ASSETS</u>				
Cash	\$ 131,140	\$ 42,565,888	\$ 42,585,037	\$ 111,991
Due from other funds	<u>2,082,803</u>	<u>7,524,118</u>	<u>6,792,803</u>	<u>2,814,118</u>
Total Assets	<u>\$ 2,213,943</u>	<u>\$ 50,090,006</u>	<u>\$ 49,377,840</u>	<u>\$ 2,926,109</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,156,140	\$ 31,934,541	\$ 31,269,276	\$ 2,821,405
Due to other funds	<u>57,803</u>	<u>104,704</u>	<u>57,803</u>	<u>104,704</u>
Total Liabilities	<u>\$ 2,213,943</u>	<u>\$ 32,039,245</u>	<u>\$ 31,327,079</u>	<u>\$ 2,926,109</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
JUDICIARY SUPERIOR COURT-MISCELLANEOUS FUND				
<u>ASSETS</u>				
Cash	\$ 124,879	\$ 89,979,422	\$ 89,212,901	\$ 891,400
Receivables - Other	--	128,015	--	128,015
Due from other funds	16,100,914	31,139,990	35,723,914	11,516,990
Total Assets	\$ 16,225,793	\$ 121,247,427	\$ 124,936,815	\$ 12,536,405
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,848,688	\$ 32,052,113	\$ 33,009,625	\$ 891,176
Due to other funds	14,377,105	22,810,468	25,542,344	11,645,229
Total Liabilities	\$ 16,225,793	\$ 54,862,581	\$ 58,551,969	\$ 12,536,405
LUXURY TAX DEVELOPMENT FUND				
<u>ASSETS</u>				
Cash	\$ 2,211	\$ 383,804	\$ 381,631	\$ 4,384
Due from other funds	1,800,343	443,554	100,000	2,143,897
Total Assets	\$ 1,802,554	\$ 827,358	\$ 481,631	\$ 2,148,281
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,802,554	\$ 458,989	\$ 113,262	\$ 2,148,281
Total Liabilities	\$ 1,802,554	\$ 458,989	\$ 113,262	\$ 2,148,281
LUXURY TAX FUND				
<u>ASSETS</u>				
Cash	\$ 30,086	\$ 29,206,957	\$ 29,096,312	\$ 140,731
Receivables - Departmental accounts	2,311,136	1,447,972	2,311,136	1,447,972
Receivables - Loans	10,840,015	--	--	10,840,015
Due from other funds	327,712	13,635,523	13,680,000	283,235
Total Assets	\$ 13,508,949	\$ 44,290,452	\$ 45,087,448	\$ 12,711,953
<u>LIABILITIES</u>				
Accounts Payable	\$ 13,508,949	\$ 31,972,068	\$ 32,769,064	\$ 12,711,953
Total Liabilities	\$ 13,508,949	\$ 31,972,068	\$ 32,769,064	\$ 12,711,953

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
NEW JERSEY MEDICAL MALPRACTICE REINSURANCE RECOVERY FUND				
<u>ASSETS</u>				
Cash	\$ 469,613	\$ 10,493,028	\$ 10,932,646	\$ 29,995
Due from other funds	17,432,722	8,536,551	3,450,000	22,519,273
Total Assets	\$ 17,902,335	\$ 19,029,579	\$ 14,382,646	\$ 22,549,268
<u>LIABILITIES</u>				
Accounts Payable	\$ 17,902,335	\$ 11,646,933	\$ 7,000,000	\$ 22,549,268
Total Liabilities	\$ 17,902,335	\$ 11,646,933	\$ 7,000,000	\$ 22,549,268
NEW JERSEY STATE EMPLOYEES' DEFERRED COMPENSATION PLAN				
<u>ASSETS</u>				
Cash	\$ 3,203	\$ 107,330,552	\$ 107,271,741	\$ 62,014
Investments	222,781,620	748,304,437	651,521,398	319,564,659
Receivables - Other	1,704,810	14,030,671	13,087,701	2,647,780
Due from other funds	125,917,512	151,126,608	157,814,154	119,229,966
Total Assets	\$ 350,407,145	\$ 1,020,792,268	\$ 929,694,994	\$ 441,504,419
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,971,082	\$ 36,813,053	\$ 36,923,195	\$ 1,860,940
Other	229,466	--	67,772	161,694
Deferred compensation payable	348,206,597	110,881,452	19,606,264	439,481,785
Total Liabilities	\$ 350,407,145	\$ 147,694,505	\$ 56,597,231	\$ 441,504,419
PENSION ADJUSTMENT FUND				
<u>ASSETS</u>				
Cash	\$ 52,417	\$ 21,629,448	\$ 21,586,788	\$ 95,077
Receivables - Other	6,055,847	24,832,889	25,136,351	5,752,385
Due from other funds	2,025,100	21,667,660	21,800,705	1,892,055
Total Assets	\$ 8,133,364	\$ 68,129,997	\$ 68,523,844	\$ 7,739,517
<u>LIABILITIES</u>				
Due to other funds	\$ 3,883,919	\$ 38,455,803	\$ 38,712,699	\$ 3,627,023
Other	4,249,445	--	136,951	4,112,494
Total Liabilities	\$ 8,133,364	\$ 38,455,803	\$ 38,849,650	\$ 7,739,517

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
RESOURCE RECOVERY INVESTMENT TAX FUND				
<u>ASSETS</u>				
Cash	\$ 123,556	\$ 40,415,925	\$ 40,343,085	\$ 196,396
Receivables - Departmental accounts	1,869,041	--	1,869,041	--
Due from other funds	<u>24,829,790</u>	<u>12,637,299</u>	<u>19,243,141</u>	<u>18,223,948</u>
Total Assets	<u>\$ 26,822,387</u>	<u>\$ 53,053,224</u>	<u>\$ 61,455,267</u>	<u>\$ 18,420,344</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 26,379,246	\$ 33,105,484	\$ 41,279,600	\$ 18,205,130
Due to other funds	<u>443,141</u>	<u>421,804</u>	<u>649,731</u>	<u>215,214</u>
Total Liabilities	<u>\$ 26,822,387</u>	<u>\$ 33,527,288</u>	<u>\$ 41,929,331</u>	<u>\$ 18,420,344</u>
SAFE NEIGHBORHOOD SERVICES FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ 32,380,570	\$ 32,380,570	\$ --
Due from other funds	<u>19,660,769</u>	<u>10,048,841</u>	<u>16,899,923</u>	<u>12,809,687</u>
Total Assets	<u>\$ 19,660,769</u>	<u>\$ 42,429,411</u>	<u>\$ 49,280,493</u>	<u>\$ 12,809,687</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 19,460,846	\$ 30,405,145	\$ 37,256,118	\$ 12,609,873
Due to other funds	<u>199,923</u>	<u>199,814</u>	<u>199,923</u>	<u>199,814</u>
Total Liabilities	<u>\$ 19,660,769</u>	<u>\$ 30,604,959</u>	<u>\$ 37,456,041</u>	<u>\$ 12,809,687</u>
SOLID WASTE SERVICE TAX FUND				
<u>ASSETS</u>				
Cash	\$ 179,718	\$ 6,672,796	\$ 6,696,950	\$ 155,564
Receivables - Departmental accounts	286,885	286,024	286,885	286,024
Due from other funds	<u>10,766,716</u>	<u>2,491,959</u>	<u>1,507,352</u>	<u>11,751,323</u>
Total Assets	<u>\$ 11,233,319</u>	<u>\$ 9,450,779</u>	<u>\$ 8,491,187</u>	<u>\$ 12,192,911</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 11,155,967	\$ 5,745,652	\$ 4,783,417	\$ 12,118,202
Due to other funds	<u>77,352</u>	<u>159,412</u>	<u>162,055</u>	<u>74,709</u>
Total Liabilities	<u>\$ 11,233,319</u>	<u>\$ 5,905,064</u>	<u>\$ 4,945,472</u>	<u>\$ 12,192,911</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
STATE LOTTERY AGENCY FUND				
<u>ASSETS</u>				
Investments	\$ 1,105,120,210	\$ 216,971,561	\$ 136,589,776	\$ 1,185,501,995
Total Assets	\$ 1,105,120,210	\$ 216,971,561	\$ 136,589,776	\$ 1,185,501,995

<u>LIABILITIES</u>				
Accounts Payable	\$ 1,105,120,210	\$ 216,971,561	\$ 136,589,776	\$ 1,185,501,995
Total Liabilities	\$ 1,105,120,210	\$ 216,971,561	\$ 136,589,776	\$ 1,185,501,995

**STATE OF NEW JERSEY CASH
MANAGEMENT FUND**

<u>ASSETS</u>				
Cash	\$ 875,323,980	\$ 141,937,714,466	\$ 142,005,501,975	\$ 807,536,471
Investments	9,111,986,743	94,068,463,756	94,262,611,383	8,917,839,116
Receivables - Other	57,734,532	551,288,513	568,942,099	40,080,946
Total Assets	\$ 10,045,045,255	\$ 236,557,466,735	\$ 236,837,055,457	\$ 9,765,456,533

<u>LIABILITIES</u>				
Accounts Payable	\$ 100,684,409	\$ 95,841,210,355	\$ 95,929,479,924	\$ 12,414,840
Due to other funds	7,340,417,876	35,001,485,640	35,382,944,846	6,958,958,670
Other	2,603,942,970	10,744,276,981	10,554,136,928	2,794,083,023
Total Liabilities	\$ 10,045,045,255	\$ 141,586,972,976	\$ 141,866,561,698	\$ 9,765,456,533

TOURISM IMPROVEMENT AND DEVELOPMENT ACT

<u>ASSETS</u>				
Cash	\$ 96,027	\$ 4,036,146	\$ 4,032,076	\$ 100,097
Receivables - Departmental accounts	444,518	278,168	444,518	278,168
Due from other funds	9,344	1,378,272	1,375,000	12,616
Total Assets	\$ 549,889	\$ 5,692,586	\$ 5,851,594	\$ 390,881

<u>LIABILITIES</u>				
Accounts Payable	\$ 549,889	\$ 5,588,488	\$ 5,747,496	\$ 390,881
Total Liabilities	\$ 549,889	\$ 5,588,488	\$ 5,747,496	\$ 390,881

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
UNCLAIMED INSURANCE PAYMENTS ON DEPOSIT ACCOUNTS FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ --	\$ --	\$ --
Due from other funds	--	176,082	--	176,082
Total Assets	\$ --	\$ 176,082	\$ --	\$ 176,082

<u>LIABILITIES</u>				
Accounts Payable	\$ --	\$ 176,082	\$ --	\$ 176,082
Total Liabilities	\$ --	\$ 176,082	\$ --	\$ 176,082

WAGE AND HOUR TRUST FUND

<u>ASSETS</u>				
Cash	\$ 186,928	\$ 3,177,175	\$ 3,045,063	\$ 319,040
Receivables - Other	606,696	--	606,696	--
Due from other funds	--	2,308,386	465,000	1,843,386
Other	1,832,899	--	1,832,899	--
Total Assets	\$ 2,626,523	\$ 5,485,561	\$ 5,949,658	\$ 2,162,426

<u>LIABILITIES</u>				
Accounts Payable	\$ 1,635,652	\$ 1,994,467	\$ 2,703,415	\$ 926,704
Due to other funds	990,871	533,270	288,419	1,235,722
Total Liabilities	\$ 2,626,523	\$ 2,527,737	\$ 2,991,834	\$ 2,162,426

WASTEWATER TREATMENT TRUST FUND

<u>ASSETS</u>				
Cash	\$ 6,863	\$ 730,000	\$ 730,000	\$ 6,863
Due from other funds	8,568,122	63,848	730,000	7,901,970
Total Assets	\$ 8,574,985	\$ 793,848	\$ 1,460,000	\$ 7,908,833

<u>LIABILITIES</u>				
Accounts Payable	\$ 8,574,985	\$ 793,848	\$ 1,460,000	\$ 7,908,833
Total Liabilities	\$ 8,574,985	\$ 793,848	\$ 1,460,000	\$ 7,908,833

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30,1996

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
TOTAL - ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 886,331,242	\$ 185,936,639,930	\$ 186,002,002,213	\$ 820,968,959
Investments	36,950,343,167	121,288,776,426	117,578,439,667	40,660,679,926
Receivables - Departmental accounts	7,311,373	4,094,857	7,311,373	4,094,857
Receivables - Loans	11,215,015	374,327	375,000	11,214,342
Receivables - Other	385,886,221	929,434,015	928,803,502	386,516,734
Due from other funds	1,174,637,019	15,199,584,682	15,296,941,231	1,077,280,470
Other	2,463,788,503	--	576,226,510	1,887,561,993
Total Assets	<u>\$ 41,879,512,540</u>	<u>\$ 323,358,904,237</u>	<u>\$ 320,390,099,496</u>	<u>\$ 44,848,317,281</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,427,526,812	\$ 120,396,877,574	\$ 120,440,807,241	\$ 1,383,597,145
Due to other funds	35,058,701,768	43,400,832,362	40,119,527,319	38,340,006,811
Other	5,045,077,363	10,744,276,981	11,104,122,804	4,685,231,540
Deferred compensation payable	348,206,597	110,881,452	19,606,264	439,481,785
Total Liabilities	<u>\$ 41,879,512,540</u>	<u>\$ 174,652,868,369</u>	<u>\$ 171,684,063,628</u>	<u>\$ 44,848,317,281</u>

**STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
DESCRIPTION OF FUNDS**

EXPENDABLE TRUST FUNDS

Alternate Benefit Long-Term Disability Fund

This Fund was established on October 1, 1986. It is an employer-funded, expendable trust fund 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.

Community Development Bond Fund (P.L. 1981, c.486)

An amount of \$85 million was authorized to capitalize the New Jersey Local Development Financing Fund and to provide support for the revitalization, development and creation of urban industrial parks in the communities. \$45 million is allocated to capitalize the New Jersey Local Development Financing Fund; \$30 million is allocated for low-interest loans and grants to counties, municipalities, and other entities for assisting capital construction projects which will aid in the revitalization of distressed urban areas and in the promotion of the economic and social development of older central commercial districts of rural and developing communities. The remaining \$10 million is allocated to provide financial assistance for the creation and development of urban industrial parks.

Dental Expense Program Fund (N.J.S.A. 52:14-17.29)

This program is available to most State employees who are eligible to participate in the State health benefits program for themselves and their dependents. The cost is borne jointly by the State and the employee. The employee may select either the traditional insurance coverage with an insurance carrier or enrollment in one of the participating dental plan organizations. Under the traditional insurance coverage, each year the covered employee and dependents must satisfy the specified deductible, after which the insurance will pay 80 percent of the additional eligible charges incurred during that particular year. The dental plan organizations provide prepaid plans where the payroll deductions cover all eligible services except for specified co-payments.

Emergency Services Fund (N.J.S.A. 52:14E-5)

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.

Fund For Support Of Free Public Schools (N.J.S.A. 18A:56-1)

This Fund was formerly known as "The School Fund." The constitution of 1844 provided that such funds for the support of free schools remain a perpetual fund (Article VII, Section IV, Paragraph 2).

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 investment. 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. 1980, c.72, enacted on July 16, 1980, known as the "New Jersey School Bond Reserve Act," provides for the establishment of a School Bond Reserve within the School Fund, in an amount equal to at least 1 1/2 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of bonds the debt service for which is provided by state appropriations.

Health Benefits Program Fund (N.J.S.A. 52:14-17.25 et seq.)

This program provides basic health services for employees of State and local governments. Employees may enroll in either a traditional plan with the insurance carrier or a health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, basic and extended medical-surgical benefits, major medical benefits, and for employees between the ages of 65 and 69, the option to select from the traditional program for coverage or the Federal Medicare Program. An HMO provides employees with a wider range of preventive health care. It contemplates less hospitalization and greater use of outpatient facilities. In addition to a prepaid fixed monthly premium, the employee or dependent may be required to pay a small charge when visiting the HMO facility. This plan also provides for hospital services, skilled nursing and home health care treatment.

Higher Education Assistance Fund (N.J.S.A. 18A:72-8)

This Fund accounts for the guaranteed loans made by financial institutions to assist qualified persons in meeting the costs of higher education in certain educational institutions. Defaulted loans are purchased from the financial institutions. A direct loan program was subsequently added to the Fund activities.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County, Docket No. L-081390-83)

This Fund has been 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.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

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 and/or the return to motorist of such unused portion upon release of liability.

Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual or Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

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 Federal-State Rural Rehabilitation Fund (N.J.S.A. 52:18A-1 et seq.)

This Fund was established to receive monies from the Federal government previously accounted for by the Department of Agriculture. The monies are available for loans to farmers in New Jersey.

New Jersey Insurance Development Fund (N.J.S.A. 17:37A-18)

Receipts derived from a surcharge on all basic property insurance premiums paid for insurance policies written in the State, collected by the insurer, and remitted to the State are deposited in this Fund. Payments from the Fund reimburse any insurer or the New Jersey Insurance Underwriting Association for losses sustained. The reimbursement in any given calendar year shall not, however, exceed 5 percent of the insurance premiums written on essential property insurance in the State in the most recent full calendar year.

Prescription Drug Program Fund (N.J.S.A. 52:14-17.29)

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 order 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. All full-time State employees are eligible to enroll for coverage in the program without cost to the employee.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

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.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

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; and from special assessments, fines, penalties, and investment earnings are recorded in the Fund. 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.

Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)

See Mutual Workers' Compensation Security Fund.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

All monies received as abandoned child support shall be deposited into this fund. Each year payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share, within 45 days of the receipt of such funds. 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)

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75% 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 Personal Property Trust Fund (P.L. 1989, c.58)

Amounts received by the State from holders of personal property, presumed abandoned, due and payable to owners of last known address but unclaimed by the owner for more than five years are received into this Fund. Also, any demand, savings, or matured time deposit with a banking or financial organization presumed abandoned for ten years will be received by this Fund. Additionally, this Fund accounts for any unclaimed monies received from insurance companies authorized to write life insurance in the State, due and payable to any person entitled and which has remained unclaimed for a period of five years.

Unless the administrator of the Fund deems it prudent and advisable to do otherwise, 75 percent of all funds received shall be transferred to the General Fund. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

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-need 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.)

This Fund is 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)

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 Repair Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

PENSION TRUST FUNDS

Central Pension 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. The unfunded actuarial liability has not been determined.

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

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.

Judicial Retirement System (N.J.S.A. 43:6A)

This system provides pension benefits to members of the State judiciary. The system is maintained on an actuarial reserve basis.

Police And Firemen's Retirement System (N.J.S.A. 43:16A)

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.

Prison Officers' Pension Fund (N.J.S.A. 43:7)

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

Public Employees' Retirement System (N.J.S.A. 43:15A)

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.

State Police Retirement System (N.J.S.A. 53:5A)

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.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

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.

Teachers' Pension And Annuity Fund (N.J.S.A. 18A:66)

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 Fund. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

NON-EXPENDABLE TRUST FUND

State Of New Jersey--Tischler Memorial Fund (N.J.S.A. 52:18A-1 et seq.)

This Fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey; the principal amount of the Fund is to be invested in a prudent manner and the income from such investment is to be used for library materials.

AGENCY FUNDS

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

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 base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Programs.

Atlantic City Parking Fee Fund (P.L. 1993, c.159)

An act regarding the redevelopment of Atlantic City, establishing minimum charges and imposing fees on casino parking facilities therein, providing for the development of hotel rooms therein amending and supplementing P.L. 1984, c.218 and amending P.L.1977, c.110.

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

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotels providing casino gaming and \$1 per day for each occupied room in any other hotels 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.

Capital City Redevelopment Loan And Grant Fund (P.L. 1987, c.58)

This Fund has been 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 in which to conduct public business and visit historic sites.

Common Pension Fund "A" (N.J.S.A. 52:18A-90.1)

Common Pension Fund "B" (N.J.S.A. 52:18A-90.1)

Common Pension Fund "D" (N.J.S.A. 52:18A-90.1)

The Division of Investment is authorized to establish, maintain and operate common trust funds. Pension deposits from various funds are transferred for investment purposes to these common pension funds. Funds representing original sums plus accumulated earnings are then returned to the Division of Pensions and credited to the respective pension funds.

General Trust Fund (N.J.S.A. 52:18-25.2b)

The principal amount of bonds and coupons unredeemed over two years are withdrawn from bank accounts and deposited in this Fund for investment. When presented for payment, these overdue bonds and coupons are redeemed from this Fund.

Judiciary Bail Fund (R.3:26.)

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)

The purpose of this fund is to serve as a repository for the collection of support obligations and subsequent remittance to the proper recipients.

Judiciary Probation Fund (N.J.S.A. 2C:46-4)

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.

Judiciary Special Civil Fund (R.6.)

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.

Judiciary Superior Court-Miscellaneous Fund (N.J. Court Rules, Parts II, IV, V, VI, & VIII)

The purpose of this fund is to serve as a repository for the collection and disbursement of various fees, fines, and costs collected by court divisions of the Superior Court of New Jersey. These monies are separate and distinct from those included under the Superior Court of New Jersey Trust Fund.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a(B))

The Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a(B)), (P.L. 1991, c.375)

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 construction of Convention Hall facilities, subsidization of Convention Center operating budget deficits and providing housing opportunities for low and moderate income families.

New Jersey Medical Malpractice Reinsurance Recovery Fund (N.J.S.A. 17:30D-9)

The purpose of the Fund is to provide a financial backup for the plan of operation of the New Jersey Medical Malpractice Reinsurance Association and shall be used to reimburse the Association for any deficit sustained in the operation of the Association.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

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.

Pension Adjustment Fund (N.J.S.A. 43:3B)

This 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. This Fund is funded on a pay-as-you-go basis.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

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 Neighborhoods Services Fund (P.L. 1993, c.220)

An Act combining State, Federal and local resources to rapidly place 2,000 police officers in communities throughout the State. The Fund will also provide hard-pressed municipalities with funding to purchase equipment vital to effective police operations.

Solid Waste Service Tax Fund (P.L. 1985, c.38)

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.

State Lottery Agency Fund (N.J.S.A. 5:9-21)

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 (N.J.S.A. 52:18A-90.4)

This is a common trust fund to consolidate monies for investments. Various bond funds, trust funds, and agency funds are used to purchase units of value in the State of New Jersey Cash Management Fund. The law also permits participation in the Fund by municipalities, counties, school districts, or any other public body corporate and politic.

Tourism Improvement and Development Act (P.L. 1992, c.165)

An Act concerning the promotion of tourism improvement and development districts, authorizing the imposition of certain taxes on certain retail receipts therein and of certain municipal fees, creating certain tourism improvement and development authorities and authorizing certain projects thereof and supplementing Title 40 of the Revised Statutes.

Unclaimed Insurance Payments on Deposit Accounts 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).

Wage And Hour Trust Fund (N.J.S.A. 34:11-57)

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 Trust Fund (P.L. 1985, c.329)

This program was enacted under the Wastewater Treatment Bond Act which authorized the sale of \$190 million in State bonds to provide financial assistance to local government units for the construction of wastewater treatment systems. Of the total amount authorized, \$40 million is to be deposited in the Wastewater Treatment Trust Fund and paid to the Wastewater Treatment Trust, an authority established pursuant to law. The Trust authorizes the use of these bond monies to secure local debt and to secure revenue bonds or other debt issued by the Trust, the proceeds of which will be used to make loans or provide loan guarantees to local government units for the construction of wastewater treatment systems.

COMPONENT UNITS - AUTHORITIES

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996**

	Casino Reinvestment Development Authority	Hackensack Meadowlands Development Commission	New Jersey Development Authority for Small Businesses, Minorities' And Women's Enterprises
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 533,914	\$ 3,858,260	\$ 134,249
INVESTMENTS	177,085,231	139,239,279	2,865,370
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	--	--	--
Other	71,829,213	9,894,330	7,632,930
FIXED ASSETS, NET	558,097	9,013,050	23,013
OTHER ASSETS			
Due from intergovernmental agencies	--	1,916,429	--
Deferred charges	--	78,394	--
Other	63,059,406	2,174,930	--
AMOUNT TO BE PROVIDED FOR:			
Retirement of revenue bonds and notes	37,677,064	--	--
Total Assets	\$ 350,742,925	\$ 166,174,672	\$ 10,655,562
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Accounts payable and accrued expenses	\$ 153,010,327	\$ 123,519,151	\$ 6,104,519
Deferred revenue	11,831,558	3,531,523	--
Due to intergovernmental agencies	--	1,916,429	--
Other	3,593,371	954,738	290,000
Revenue bonds payable	37,677,064	2,115,000	--
Notes payable	--	--	--
Capital lease obligations	--	59,930	--
Total Liabilities	206,112,320	132,096,771	6,394,519
FUND EQUITY			
Contributed Capital	--	2,812,066	--
Investment in general fixed assets	558,097	--	23,013
Retained Earnings:			
Reserved	--	28,365,057	--
Unreserved	--	2,900,778	--
Fund Balances:			
Reserved-Other	31,494,575	--	5,487,522
Unreserved-Undesignated	112,577,933	--	(1,249,492)
Total Fund Equity	144,630,605	34,077,901	4,261,043
Total Liabilities and Fund Equity	\$ 350,742,925	\$ 166,174,672	\$ 10,655,562

New Jersey Economic Development Authority	New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	New Jersey Higher Education Assistance Authority NJ Class
\$ 28,415,751	\$ 674,057	\$ 272,226,000	\$ 301,851
681,399,073	482,559,030	513,344,000	35,622,048
--	1,224,149,434	2,690,739,000	--
1,648,503,983	3,227,067	78,619,000	69,416,239
88,927,335	187,474	625,000	--
--	--	--	--
12,846,071	--	--	--
3,213,202	590,665	9,337,000	--
--	1,246,683,434	3,427,838,000	100,081,863
<u>\$ 2,463,305,415</u>	<u>\$ 2,958,071,161</u>	<u>\$ 6,992,728,000</u>	<u>\$ 205,422,001</u>
\$ 42,444,643	\$ 33,895,971	\$ 104,249,000	\$ 2,632,432
135,968,343	--	15,000	--
--	--	--	--
20,637,885	--	--	--
1,299,646,176	1,246,683,434	3,427,838,000	100,081,863
10,550,000	--	9,230,000	--
--	--	--	--
<u>1,509,247,047</u>	<u>1,280,579,405</u>	<u>3,541,332,000</u>	<u>102,714,295</u>
--	--	--	--
--	187,474	625,000	--
--	--	--	--
954,058,368	--	--	--
--	1,651,037,859	2,699,354,000	--
--	26,266,423	751,417,000	102,707,706
<u>954,058,368</u>	<u>1,677,491,756</u>	<u>3,451,396,000</u>	<u>102,707,706</u>
<u>\$ 2,463,305,415</u>	<u>\$ 2,958,071,161</u>	<u>\$ 6,992,728,000</u>	<u>\$ 205,422,001</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996**

	<u>New Jersey Highway Authority</u>	<u>New Jersey Housing And Mortgage Finance Agency</u>	<u>New Jersey Sports And Exposition Authority</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 6,632,130	\$ 6,390,000	\$ 59,079,000
INVESTMENTS	244,007,011	993,291,000	224,919,000
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	--	2,335,138,000	--
Other	2,971,702	14,442,000	22,445,000
FIXED ASSETS, NET	1,380,465,717	14,546,793	640,515,000
OTHER ASSETS			
Due from intergovernmental agencies	--	--	--
Deferred charges	--	21,780,000	875,000
Other	21,622,059	6,070,207	55,367,000
AMOUNT TO BE PROVIDED FOR:			
Retirement of revenue bonds and notes	--	--	--
Total Assets	<u>\$ 1,655,698,619</u>	<u>\$ 3,391,658,000</u>	<u>\$ 1,003,200,000</u>
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Accounts payable and accrued expenses	\$ 77,774,093	\$ 322,103,000	\$ 53,609,000
Deferred revenue	9,203,560	7,545,000	28,097,000
Due to intergovernmental agencies	--	--	--
Other	19,494,046	40,111,000	6,846,000
Revenue bonds payable	625,515,000	2,475,904,000	893,223,000
Notes payable	--	--	325,000
Capital lease obligations	--	--	--
Total Liabilities	<u>731,986,699</u>	<u>2,845,663,000</u>	<u>982,100,000</u>
FUND EQUITY			
Contributed Capital	--	--	15,730,000
Investment in general fixed assets	--	--	--
Retained Earnings:			
Reserved	--	391,408,000	5,370,000
Unreserved	923,711,920	154,587,000	--
Fund Balances:			
Reserved-Other	--	--	--
Unreserved-Undesignated	--	--	--
Total Fund Equity	<u>923,711,920</u>	<u>545,995,000</u>	<u>21,100,000</u>
Total Liabilities and Fund Equity	<u>\$ 1,655,698,619</u>	<u>\$ 3,391,658,000</u>	<u>\$ 1,003,200,000</u>

New Jersey Transit Corporation	New Jersey Turnpike Authority	New Jersey Urban Development Corporation	New Jersey Wastewater Treatment Trust	New Jersey Water Supply Authority
\$ 6,389,000	\$ 33,755,305	\$ 543,702	\$ 435,465	\$ 116,166
210,306,000	796,779,929	914,139	209,711,111	28,325,927
--	--	--	--	--
65,200,000	10,917,822	21,638,770	458,383,345	2,764,560
2,731,874,000	3,100,344,563	80,206	45,093	176,797,558
--	--	--	--	--
--	--	--	8,138,671	887,803
365,555,000	8,274,646	129,660	472,227	29,233,532
--	--	--	569,729,921	--
<u>\$ 3,379,324,000</u>	<u>\$ 3,950,072,265</u>	<u>\$ 23,306,477</u>	<u>\$ 1,246,915,833</u>	<u>\$ 238,125,546</u>
\$ 480,224,000	\$ 80,037,623	\$ 27,300	\$ 8,596,613	\$ 115,566,468
30,500,000	198,625	--	--	450,188
--	--	--	--	--
52,993,000	62,385,064	7,300	--	478,974
--	2,781,133,122	--	569,729,921	29,165,366
--	--	--	--	--
368,669,000	--	--	--	--
<u>932,386,000</u>	<u>2,923,754,434</u>	<u>34,600</u>	<u>578,326,534</u>	<u>145,660,996</u>
2,539,601,000	--	--	--	51,402,335
--	--	80,206	45,093	--
--	64,010,000	--	--	41,062,215
(92,663,000)	962,307,831	--	--	--
--	--	23,191,671	91,755,332	--
--	--	--	576,788,874	--
<u>2,446,938,000</u>	<u>1,026,317,831</u>	<u>23,271,877</u>	<u>668,589,299</u>	<u>92,464,550</u>
<u>\$ 3,379,324,000</u>	<u>\$ 3,950,072,265</u>	<u>\$ 23,306,477</u>	<u>\$ 1,246,915,833</u>	<u>\$ 238,125,546</u>

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1996**

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Authorities
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 383,036	\$ 24,718,332	\$ 444,586,218
INVESTMENTS	14,131,396	841,945	4,755,341,489
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	--	--	6,250,026,434
Other	8,080,424	1,869,613	2,497,835,998
FIXED ASSETS, NET	71,101,431	89,095,701	8,304,200,031
OTHER ASSETS			
Due from intergovernmental agencies	--	--	1,916,429
Deferred charges	--	--	44,605,939
Other	108,670	8,284,530	573,492,734
AMOUNT TO BE PROVIDED FOR:			
Retirement of revenue bonds and notes	--	--	5,382,010,282
Total Assets	\$ 93,804,957	\$ 124,810,121	\$ 28,254,015,554
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES:			
Accounts payable and accrued expenses	\$ 6,330,922	\$ 6,269,085	\$ 1,616,394,147
Deferred revenue	294,096	523,332	228,158,225
Due to intergovernmental agencies	--	--	1,916,429
Other	229,846	8,188,397	216,209,621
Revenue bonds payable	85,395,000	55,011,218	13,629,118,164
Notes payable	--	--	20,105,000
Capital lease obligations	--	--	368,728,930
Total Liabilities	92,249,864	69,992,032	16,080,630,516
FUND EQUITY			
Contributed Capital	--	26,866,982	2,636,412,383
Investment in general fixed assets	--	--	1,518,883
Retained Earnings:			
Reserved	--	17,439,500	547,654,772
Unreserved	1,555,093	10,511,607	2,916,969,597
Fund Balances:			
Reserved-Other	--	--	4,502,320,959
Unreserved-Undesignated	--	--	1,568,508,444
Total Fund Equity	1,555,093	54,818,089	12,173,385,038
Total Liabilities and Fund Equity	\$ 93,804,957	\$ 124,810,121	\$ 28,254,015,554

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Casino Reinvestment Development Authority	New Jersey Development Authority for Small Businesses, Minorities' And Women's Enterprises	New Jersey Educational Facilities Authority
REVENUES			
Federal and other grants	\$ 11,584,536	\$ --	\$ 2,329,158
Licenses and fees	17,942,140	18,405	1,229,189
Services and assessments	--	--	105,067,617
Investment earnings	7,150,059	280,309	16,093,338
Other	1,232,117	13,026	366,951
Total Revenues	37,908,852	311,740	125,086,253
OTHER FINANCING SOURCES			
Proceeds from sale of bonds	--	--	303,883,135
Other	2,630,305	--	239,416,819
Total Other Financing Sources	2,630,305	--	543,299,954
Total Revenue and Other Financing Sources	40,539,157	311,740	668,386,207
EXPENDITURES			
Current:			
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	154,426,436
Community development and environmental management	9,132,255	--	--
Economic planning, development and security	--	741,576	--
Debt Service:			
Principal	--	--	61,198,242
Interest	1,767,131	--	61,945,816
Total Expenditures	10,899,386	741,576	277,570,494
OTHER FINANCING USES			
Other	--	--	--
Total Other Financing Uses	--	--	--
Total Expenditures and Other Financing Uses	10,899,386	741,576	277,570,494
Net Increases (Decreases) in Fund Balances for the Year	29,639,771	(429,836)	390,815,713
FUND BALANCES - JULY 1, 1995	114,990,834	4,690,879	1,286,676,043
FUND BALANCES - JUNE 30, 1996	\$ 144,630,605	\$ 4,261,043	\$ 1,677,491,756

New Jersey Health Care Facilities Financing Authority	New Jersey Higher Education Assistance Authority NJ Class	New Jersey Urban Development Corporation	New Jersey Wastewater Treatment Trust	Total Governmental Authorities
\$ --	\$ --	\$ 2,183,590	\$ 2,880,968	\$ 18,978,252
2,571,000	535,842	35,136	1,607,940	23,939,652
354,799,000	--	--	--	459,866,617
47,125,000	6,563,049	952,598	38,390,185	116,554,538
17,000	142	5,461	--	1,634,697
<u>404,512,000</u>	<u>7,099,033</u>	<u>3,176,785</u>	<u>42,879,093</u>	<u>620,973,756</u>
36,605,000	18,000,000	--	43,483,853	401,971,988
--	--	--	--	242,047,124
<u>36,605,000</u>	<u>18,000,000</u>	<u>--</u>	<u>43,483,853</u>	<u>644,019,112</u>
<u>441,117,000</u>	<u>25,099,033</u>	<u>3,176,785</u>	<u>86,362,946</u>	<u>1,264,992,868</u>
183,125,000	--	--	--	183,125,000
--	1,214,790	--	--	155,641,226
--	--	--	1,379,042	10,511,297
--	--	1,262,973	--	2,004,549
136,671,000	5,089,118	--	17,245,000	220,203,360
224,581,000	5,066,292	--	40,184,578	333,544,817
<u>544,377,000</u>	<u>11,370,200</u>	<u>1,262,973</u>	<u>58,808,620</u>	<u>905,030,249</u>
<u>1,903,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,903,000</u>
<u>1,903,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,903,000</u>
<u>546,280,000</u>	<u>11,370,200</u>	<u>1,262,973</u>	<u>58,808,620</u>	<u>906,933,249</u>
(105,163,000)	13,728,833	1,913,812	27,554,326	358,059,619
<u>3,556,559,000</u>	<u>88,978,873</u>	<u>21,358,065</u>	<u>641,034,973</u>	<u>5,714,288,667</u>
<u>\$ 3,451,396,000</u>	<u>\$ 102,707,706</u>	<u>\$ 23,271,877</u>	<u>\$ 668,589,299</u>	<u>\$ 6,072,348,286</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS/FUND EQUITY
COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Hackensack Meadowlands Development Commission	New Jersey Economic Development Authority	New Jersey Highway Authority
OPERATING REVENUES			
Charges for services and sales	\$ 21,385,400	\$ 14,844,833	\$ 196,110,051
Interest	--	--	--
Investment income	--	--	--
Other	1,415,669	46,885,117	3,961,918
Total Operating Revenues	<u>22,801,069</u>	<u>61,729,950</u>	<u>200,071,969</u>
OPERATING EXPENSES			
Operations	25,379,861	19,546,589	116,079,603
Interest	--	--	--
Depreciation and amortization	93,450	843,956	15,957,847
Other	77,348	--	--
Total Operating Expenses	<u>25,550,659</u>	<u>20,390,545</u>	<u>132,037,450</u>
Operating Income(Loss)	<u>(2,749,590)</u>	<u>41,339,405</u>	<u>68,034,519</u>
NONOPERATING REVENUES(EXPENSES)			
Governmental subsidies and grants	3,294,300	(309,889,743)	(10,000,000)
Capital Contributions	--	--	--
Interest revenue	884,091	65,132,629	14,166,956
Interest expense and fiscal charges	(388,001)	(71,907,823)	(36,455,659)
Other	--	(1,303,105)	(499,950)
Total Nonoperating Revenues (Expenses)	<u>3,790,390</u>	<u>(317,968,042)</u>	<u>(32,788,653)</u>
Income before operating transfers	<u>1,040,800</u>	<u>(276,628,637)</u>	<u>35,245,866</u>
Net income (loss)	1,040,800	(276,628,637)	35,245,866
RETAINED EARNINGS/FUND EQUITY			
Beginning of Year	<u>33,037,101</u>	<u>1,230,687,005</u>	<u>888,466,054</u>
RETAINED EARNINGS/FUND EQUITY			
End of Year	<u>\$ 34,077,901</u>	<u>\$ 954,058,368</u>	<u>\$ 923,711,920</u>

New Jersey Housing And Mortgage Finance Agency	New Jersey Sports And Exposition Authority	New Jersey Transit Corporation	New Jersey Turnpike Authority	New Jersey Water Supply Authority
\$ 10,885,000	\$ 202,805,000	\$ 398,234,000	\$ 338,818,610	\$ 19,979,848
182,805,000	--	--	--	--
44,710,000	--	--	--	--
953,000	--	20,697,000	1,715,162	4,057,723
<u>239,353,000</u>	<u>202,805,000</u>	<u>418,931,000</u>	<u>340,533,772</u>	<u>24,037,571</u>
35,899,000	186,890,000	822,303,000	173,552,232	9,364,864
166,096,000	--	--	--	--
1,360,000	22,830,000	166,653,000	23,128,200	5,372,317
--	9,572,000	19,002,000	--	--
<u>203,355,000</u>	<u>219,292,000</u>	<u>1,007,958,000</u>	<u>196,680,432</u>	<u>14,737,181</u>
<u>35,998,000</u>	<u>(16,487,000)</u>	<u>(589,027,000)</u>	<u>143,853,340</u>	<u>9,300,390</u>
--	49,696,000	543,886,000	(12,000,000)	--
--	6,010,000	231,972,000	--	--
--	12,822,000	14,200,000	11,498,589	1,500,350
(946,000)	(44,334,000)	(8,250,000)	(34,075,475)	(6,533,147)
(984,000)	--	22,000,000	(30,603,889)	88,769
<u>(1,930,000)</u>	<u>24,194,000</u>	<u>803,808,000</u>	<u>(65,180,775)</u>	<u>(4,944,028)</u>
<u>34,068,000</u>	<u>7,707,000</u>	<u>214,781,000</u>	<u>78,672,565</u>	<u>4,356,362</u>
34,068,000	7,707,000	214,781,000	78,672,565	4,356,362
<u>511,927,000</u>	<u>13,393,000</u>	<u>2,232,157,000</u>	<u>947,645,266</u>	<u>88,108,188</u>
<u>\$ 545,995,000</u>	<u>\$ 21,100,000</u>	<u>\$ 2,446,938,000</u>	<u>\$ 1,026,317,831</u>	<u>\$ 92,464,550</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS/FUND EQUITY (Continued)
COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Proprietary Authorities
OPERATING REVENUES			
Charges for services and sales	\$ 14,508,540	\$ 29,474,683	\$ 1,247,045,965
Interest	--	--	182,805,000
Investment income	--	--	44,710,000
Other	577,102	914,235	81,176,926
Total Operating Revenues	15,085,642	30,388,918	1,555,737,891
OPERATING EXPENSES			
Operations	13,255,685	22,668,956	1,424,939,790
Interest	--	--	166,096,000
Depreciation and amortization	2,183,662	2,079,532	240,501,964
Other	--	439,798	29,091,146
Total Operating Expenses	15,439,347	25,188,286	1,860,628,900
Operating Income(Loss)	(353,705)	5,200,632	(304,891,009)
NONOPERATING REVENUES(EXPENSES)			
Governmental subsidies and grants	7,009,408	(2,500,000)	269,495,965
Capital Contributions	--	6,958,289	244,940,289
Interest revenue	529,254	1,588,196	122,322,065
Interest expense and fiscal charges	(5,308,248)	(3,108,667)	(211,307,020)
Other	--	(963,931)	(12,266,106)
Total Nonoperating Revenues (Expenses)	2,230,414	1,973,887	413,185,193
Income before operating transfers	1,876,709	7,174,519	108,294,184
Net income (loss)	1,876,709	7,174,519	108,294,184
RETAINED EARNINGS/FUND EQUITY			
Beginning of Year	(321,616)	47,643,570	5,992,742,568
RETAINED EARNINGS/FUND EQUITY			
End of Year	\$ 1,555,093	\$ 54,818,089	\$ 6,101,036,752

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNITS-AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	Hackensack Meadowlands Development Commission	New Jersey Economic Development Authority	New Jersey Highway Authority
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (Loss)	\$ (2,749,590)	\$ 41,339,405	\$ 68,034,519
Adjustments to reconcile net income (Loss) to net cash provided by operating activities			
Depreciation and amortization	93,450	843,956	15,957,847
Changes in operating assets:			
Decrease (increase) in mortgage receivables	--	--	--
Decrease (increase) in other receivables	(1,651,536)	(73,753,005)	(237,316)
Decrease (increase) in due from intergovernmental agencies	1,895,833	--	--
Decrease (increase) in deferred charges	38,961	2,104,411	--
Decrease (increase) in other assets	266,185	(1,784,289)	(2,954,502)
Changes in operating liabilities:			
Increase (decrease) in account payable and accrued expenses	742,640	8,524,752	2,050,664
Increase (decrease) in deferred revenue	303,846	49,521,212	865,782
Increase (decrease) in due to intergovernmental agencies	(1,895,833)	--	--
Increase (decrease) in other liabilities	(18,091,909)	(2,927,562)	3,695,267
Other changes	--	(1,303,105)	(499,950)
Net cash provided by (used in) operating activities	(21,047,953)	22,565,775	86,912,311
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Governmental subsidies and grants	3,294,300	(309,889,743)	(10,000,000)
Net cash provided by (used in) noncapital financing activities	3,294,300	(309,889,743)	(10,000,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions received	--	--	--
Proceeds from issuance of revenue bonds	--	78,113,129	--
Proceeds from issuance of capital leases	--	--	--
Proceeds from issuance of notes	--	10,550,000	--
Principal payment of revenue bonds	(230,000)	(15,420,000)	(13,745,000)
Principal payment of capital leases	(36,185)	--	--
Principal payment of notes	--	--	--
Interest expense paid	(388,001)	(71,907,823)	(36,455,659)
Acquisition/construction of capital assets	--	(54,943,393)	(36,527,244)
Disposition (acquisition) of fixed assets	(83,363)	--	--
Net cash provided by (used in) capital and related financing activities	(737,549)	(53,608,087)	(86,727,903)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of investments	159,150,581	296,437,742	--
Purchase of investments	(145,066,614)	--	(3,057,301)
Interest revenue received	884,091	65,132,629	14,166,956
Net cash provided by (used in) investing activities	14,968,058	361,570,371	11,109,655
Increase (Decrease) in cash and Cash Equivalents	(3,523,144)	20,638,316	1,294,063
CASH AND CASH EQUIVALENTS, At Beginning of Year	7,381,404	7,777,435	5,338,067
CASH AND CASH EQUIVALENTS, At End of Year	\$ 3,858,260	\$ 28,415,751	\$ 6,632,130

New Jersey Housing And Mortgage Finance Agency	New Jersey Sports And Exposition Authority	New Jersey Transit Corporation	New Jersey Turnpike Authority	New Jersey Water Supply Authority
\$ 35,998,000	\$ (16,487,000)	\$ (589,027,000)	\$ 143,853,540	\$ 9,300,390
1,360,000	22,830,000	166,653,000	23,128,200	5,372,317
(11,493,000)	--	--	--	--
493,000	(6,307,000)	(2,715,000)	(2,109,307)	426,860
--	--	--	--	--
667,000	920,000	--	--	40,314
919,026	(421,000)	(257,985,000)	11,349,570	(2,704,726)
22,379,000	4,897,000	25,292,000	189,527	(1,846,636)
1,178,000	7,576,000	2,600,000	(638)	(251,716)
--	--	--	--	--
1,331,000	2,849,000	13,515,000	(5,201,479)	82,129
(984,000)	--	22,000,000	(30,604,089)	88,769
<u>51,848,026</u>	<u>15,857,000</u>	<u>(619,667,000)</u>	<u>140,605,324</u>	<u>10,507,701</u>
--	49,696,000	543,886,000	(12,000,000)	--
--	49,696,000	543,886,000	(12,000,000)	--
--	6,010,000	231,972,000	--	--
354,340,000	50,020,000	--	--	--
--	--	251,298,000	--	--
--	--	--	--	--
(336,448,000)	(53,432,000)	--	(23,762,387)	(828,841)
--	--	(11,390,000)	--	--
--	(12,033,000)	--	--	--
(946,000)	(44,334,000)	(8,250,000)	(34,075,475)	(6,533,147)
--	(114,795,000)	--	(230,841,718)	--
(9,002,026)	--	(395,864,000)	--	(2,289,683)
<u>7,943,974</u>	<u>(168,564,000)</u>	<u>67,766,000</u>	<u>(288,679,580)</u>	<u>(9,651,671)</u>
895,080,000	160,980,000	--	4,899,747,524	--
(968,944,000)	(18,485,000)	(6,086,000)	(4,752,459,261)	(2,484,259)
--	12,822,000	14,200,000	11,498,589	1,500,350
<u>(73,864,000)</u>	<u>155,317,000</u>	<u>8,114,000</u>	<u>158,786,852</u>	<u>(983,909)</u>
<u>(14,072,000)</u>	<u>52,306,000</u>	<u>99,000</u>	<u>(1,287,404)</u>	<u>(127,879)</u>
<u>20,462,000</u>	<u>6,773,000</u>	<u>6,290,000</u>	<u>35,042,709</u>	<u>244,045</u>
<u>\$ 6,390,000</u>	<u>\$ 59,079,000</u>	<u>\$ 6,389,000</u>	<u>\$ 33,755,305</u>	<u>\$ 116,166</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF CASH FLOWS (Continued)
COMPONENT UNITS-AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Proprietary Authorities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (Loss)	\$ (353,705)	\$ 5,200,632	\$ (304,890,809)
Adjustments to reconcile net income (Loss) to net cash provided by operating activities:			
Depreciation and amortization	2,183,662	2,079,532	240,501,964
Changes in operating assets:			
Decrease (increase) in mortgage receivables	--	--	(11,493,000)
Decrease (increase) in other receivables	272,575	109,910	(85,470,819)
Decrease (increase) in due from intergovernmental agencies	--	--	1,895,833
Decrease (increase) in deferred charges	--	180,184	3,950,870
Decrease (increase) in other assets	41,789	(8,221,443)	(261,494,390)
Changes in operating liabilities:			
Increase (decrease) in account payable and accrued expenses	1,515,519	2,193,931	65,938,397
Increase (decrease) in deferred revenue	(105,189)	(119,206)	61,568,091
Increase (decrease) in due to intergovernmental agencies	--	--	(1,895,833)
Increase (decrease) in other liabilities	135,338	7,520,976	2,907,760
Other changes	--	(963,931)	(12,266,306)
Net cash provided by (used in) operating activities	<u>3,689,989</u>	<u>7,980,585</u>	<u>(300,748,242)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Governmental subsidies and grants	7,009,408	(2,500,000)	269,495,965
Net cash provided by (used in) noncapital financing activities	<u>7,009,408</u>	<u>(2,500,000)</u>	<u>269,495,965</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions received	--	6,958,289	244,940,289
Proceeds from issuance of revenue bonds	--	--	482,473,129
Proceeds from issuance of capital leases	--	--	251,298,000
Proceeds from issuance of notes	--	--	10,550,000
Principal payment of revenue bonds	(2,545,000)	(1,951,854)	(448,363,082)
Principal payment of capital leases	--	--	(11,426,185)
Principal payment of notes	--	--	(12,033,000)
Interest expense paid	(5,308,248)	(3,108,667)	(211,307,020)
Acquisition/construction of capital assets	--	(14,257,124)	(451,364,479)
Disposition (acquisition) of fixed assets	(11,473,207)	--	(418,712,279)
Net cash provided by (used in) capital and related financing activities	<u>(19,326,455)</u>	<u>(12,359,356)</u>	<u>(563,944,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of investments	8,085,786	16,067,740	6,435,549,373
Purchase of investments	--	--	(5,896,582,435)
Interest revenue received	529,254	1,588,196	122,322,065
Net cash provided by (used in) investing activities	<u>8,615,040</u>	<u>17,655,936</u>	<u>661,289,003</u>
Increase (Decrease) in cash and Cash Equivalents	<u>(12,018)</u>	<u>10,777,165</u>	<u>66,092,099</u>
CASH AND CASH EQUIVALENTS, At Beginning of Year	<u>395,054</u>	<u>13,941,167</u>	<u>103,644,881</u>
CASH AND CASH EQUIVALENTS, At End of Year	<u>\$ 383,036</u>	<u>\$ 24,718,332</u>	<u>\$ 169,736,980</u>

**GENERAL FIXED ASSET
ACCOUNT GROUP**

**STATE OF NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 1996**

FUNCTION:	<u>Land</u>	<u>Land Improvements</u>
Public safety and criminal justice	\$ 8,557,488	\$ 38,244,554
Physical and mental health	3,396,885	5,639,388
Educational, cultural, and intellectual development	23,813,650	1,095,016
Community development and environmental management	275,747,959	10,487,207
Economic planning, development and security	1,174,427	869,453
Transportation programs	7,899,797	3,739,352
Government direction, management and control	4,616,204	2,237,865
Special government services	--	--
Construction in progress	--	--
TOTAL GENERAL FIXED ASSETS BY FUNCTION	<u>\$ 325,206,410</u>	<u>\$ 62,312,835</u>

Buildings and Improvements	Machinery and Equipment	Construction in Progress	Total
\$ 516,579,107	\$ 58,226,540	\$ --	\$ 621,607,689
218,973,455	18,258,702	--	246,268,430
34,701,238	8,804,601	--	68,414,505
105,517,742	12,064,877	--	403,817,785
57,357,026	11,483,544	--	70,884,450
88,868,893	68,995,481	--	169,503,523
315,989,838	120,615,463	--	443,459,370
--	605,293	--	605,293
--	--	241,166,345	241,166,345
\$ 1,337,987,299	\$ 299,054,501	\$ 241,166,345	\$ 2,265,727,390

**STATE OF NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1996**

	<u>Land</u>	<u>Land Improvements</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
ACQUIRED ON OR BEFORE JUNE 30, 1988	\$ 188,880,478	\$ 41,250,024
ACQUIRED AFTER JUNE 30, 1988 FROM:		
State revenues	64,559,748	18,262,306
General obligation bonds	64,485,134	--
Federal revenues	6,273,752	--
Donations	--	2,500,000
Other	1,007,298	300,505
Construction in progress	--	--
Total Sources	<u>136,325,932</u>	<u>21,062,811</u>
Total investments in General Fixed Assets	<u><u>\$ 325,206,410</u></u>	<u><u>\$ 62,312,835</u></u>

NOTE: June 30, 1998 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 construction in progress account.

Buildings and Improvements	Machinery and Equipment	Construction in Progress	Total
\$ 846,458,893	\$ 135,298,835	\$ --	\$ 1,211,888,230
491,327,979	148,128,275	--	722,278,308
--	2,186,880	--	66,672,014
--	4,581,335	--	10,855,087
61,200	409,080	--	2,970,280
139,227	8,450,096	--	9,897,126
--	--	241,166,345	241,166,345
<u>491,528,406</u>	<u>163,755,666</u>	<u>241,166,345</u>	<u>1,053,839,160</u>
<u>\$ 1,337,987,299</u>	<u>\$ 299,054,501</u>	<u>\$ 241,166,345</u>	<u>2,265,727,390</u>

**STATE OF NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 1996**

FUNCTION:	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Public safety and criminal justice	\$ 595,006,575	\$ 28,101,479	\$ 1,500,365	\$ 621,607,689
Physical and mental health	241,997,856	4,979,079	708,505	246,268,430
Educational, cultural, and intellectual development	67,742,504	1,000,931	328,930	68,414,505
Community development and environmental management	364,274,594	39,892,531	349,340	403,817,785
Economic planning, development and security	68,685,506	2,198,944	--	70,884,450
Transportation programs	136,254,488	42,028,796	8,779,761	169,503,523
Government direction, management and control	441,473,360	3,219,014	1,233,004	443,459,370
Special government services	605,293	--	--	605,293
Construction in progress	199,009,411	96,234,607	54,077,673	241,166,345
Total General Fixed Assets Allocated To Functions	<u>\$ 2,115,049,587</u>	<u>\$ 217,655,381</u>	<u>\$ 66,977,578</u>	<u>\$ 2,265,727,390</u>

**GENERAL LONG-TERM DEBT
ACCOUNT GROUP**

**STATE OF NEW JERSEY
SCHEDULE OF OUTSTANDING BONDS
JUNE 30, 1996**

	<u>ACT OF</u>	<u>AUTHORIZED</u>
Beaches and Harbors	1977	\$ 30,000,000
Clean Waters	1976	120,000,000
Community Development	1982	85,000,000
Correctional Facilities Construction	1982	170,000,000
Correctional Facilities Construction	1987	198,000,000
Developmentally Disabled 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
Farmland Preservation	1981	50,000,000
Green Acres, Farmland and Historic Preservation and Blue Acres of 1995	1995	340,000,000
Hazardous Discharge	1981	100,000,000
Hazardous Discharge	1986	200,000,000
Higher Education Construction	1971	155,000,000
Human Services Facilities Construction	1984	60,000,000
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	1983	135,000,000
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
New Jersey Open Space Preservation	1989	300,000,000
Pinelands Infrastructure Trust	1985	30,000,000
Public Building Construction	1968	337,500,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	125,000,000
Public Purpose Buildings Construction	1980	159,000,000
Refunding Bonds	1985	2,969,689,598
Resource Recovery and Solid Waste Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Housing Assistance	1968	12,500,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
State Recreation and Conservation Land Acquisition	1971	80,000,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000
State Transportation	1968	640,000,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	50,000,000
Transportation Rehabilitation and Improvement	1979	475,000,000
Wastewater Treatment	1985	190,000,000
Water Conservation	1969	271,000,000
Water Supply	1981	350,000,000
TOTAL		\$ 10,007,689,598

<u>UNISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
\$ --	\$ 25,250,000	\$ 4,750,000
7,000,000	79,380,000	33,620,000
6,600,000	38,655,000	39,745,000
--	167,250,000	2,750,000
--	147,900,000	50,100,000
149,000,000	--	11,000,000
--	19,050,000	5,950,000
6,000,000	37,300,000	6,700,000
--	42,375,000	7,625,000
340,000,000	--	--
54,000,000	32,250,000	13,750,000
169,000,000	--	31,000,000
--	142,800,000	12,200,000
--	43,625,000	16,375,000
--	87,300,000	12,700,000
--	59,360,000	20,640,000
38,000,000	154,200,000	157,800,000
--	78,300,000	11,700,000
--	72,400,000	47,600,000
47,500,000	87,000,000	10,500,000
--	124,000,000	11,000,000
68,000,000	24,600,000	22,400,000
16,500,000	101,775,000	16,725,000
23,500,000	51,725,000	24,775,000
289,000,000	--	56,000,000
121,000,000	72,550,000	106,450,000
8,000,000	16,300,000	5,700,000
--	287,150,000	50,350,000
38,000,000	50,250,000	36,750,000
--	148,905,000	10,095,000
--	466,450,000	2,503,239,598
24,500,000	18,350,000	42,150,000
--	43,250,000	6,750,000
--	12,000,000	500,000
7,000,000	170,000,000	23,000,000
--	17,820,000	7,180,000
--	78,000,000	2,000,000
--	162,190,000	37,810,000
--	572,950,000	67,050,000
35,000,000	10,750,000	4,250,000
--	415,975,000	59,025,000
--	158,625,000	31,375,000
14,500,000	230,875,000	25,625,000
93,400,000	214,944,000	41,656,000
<u>\$ 1,555,500,000</u>	<u>\$ 4,763,829,000</u>	<u>\$ 3,688,360,598</u>

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ACT OF</u>	<u>OUTSTANDING</u> <u>JULY 1, 1995</u>
State Bonded Debt:		
Beaches and Harbors	1977	\$ 5,300,000
Clean Waters	1976	36,590,000
Community Development	1982	42,100,000
Correctional Facilities Construction	1982	11,710,000
Correctional Facilities Construction	1987	101,450,000
Developmentally Disabled Waiting List Reduction and Human Services Facilities Construction	1994	--
Emergency Flood Control	1978	8,600,000
Energy Conservation	1980	13,050,000
Farmland Preservation	1981	16,275,000
Hazardous Discharge	1981	19,350,000
Hazardous Discharge	1986	4,000,000
Higher Education Construction	1971	15,600,000
Human Services Facilities Construction	1984	24,385,000
Institutional Construction	1978	14,400,000
Institutions Construction	1976	23,480,000
Jobs, Education and Competitiveness	1988	163,050,000
Jobs, Science and Technology	1984	28,785,000
Medical Education Facilities	1977	54,400,000
Natural Resources	1980	12,700,000
New Jersey Bridge Rehabilitation and Improvement	1983	31,950,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	24,300,000
New Jersey Green Acres	1983	38,295,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	48,075,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	8,000,000
New Jersey Open Space Preservation	1989	97,450,000
Pinelands Infrastructure Trust	1985	11,900,000
Public Building Construction	1968	65,700,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	72,900,000
Public Purpose Buildings Construction	1980	19,685,000
Refunding Bonds	1985	2,124,284,598
Resource Recovery and Solid Waste Disposal Facility	1985	56,800,000
Shore Protection	1983	14,855,000
State Housing Assistance	1968	1,000,000
State Land Acquisition and Development	1978	23,800,000
State Mortgage Assistance	1976	8,160,000
State Recreation and Conservation Land Acquisition	1971	3,000,000
State Recreation and Conservation Land Acquisition and Development	1974	41,520,000
State Transportation	1968	95,450,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	8,250,000
Transportation Rehabilitation and Improvement	1979	62,355,000
Wastewater Treatment	1985	68,075,000
Water Conservation	1969	36,625,000
Water Supply	1981	89,236,000
Other Debt:		
Revenue Bonds Payable	--	1,627,104,929
Accumulated Sick and Vacation Payable	--	292,411,937
Capital Leases	--	61,718,400
Installment Obligations	--	1,739,108,073
Certificates of Participation	--	59,095,000
Loans Payable	--	800,000,000
TOTAL		\$ 8,226,328,937

<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>OUTSTANDING JUNE 30, 1996</u>
\$ --	\$ 550,000	\$ 4,750,000
2,000,000	4,970,000	33,620,000
4,500,000	6,855,000	39,745,000
--	8,960,000	2,750,000
--	51,350,000	50,100,000
11,000,000	--	11,000,000
--	2,650,000	5,950,000
--	6,350,000	6,700,000
--	8,650,000	7,625,000
3,000,000	8,600,000	13,750,000
27,000,000	--	31,000,000
--	3,400,000	12,200,000
4,500,000	12,510,000	16,375,000
--	1,700,000	12,700,000
--	2,840,000	20,640,000
75,000,000	80,250,000	157,800,000
--	17,085,000	11,700,000
--	6,800,000	47,600,000
3,000,000	5,200,000	10,500,000
--	20,950,000	11,000,000
10,000,000	11,900,000	22,400,000
--	21,570,000	16,725,000
--	23,300,000	24,775,000
48,000,000	--	56,000,000
51,000,000	42,000,000	106,450,000
--	6,200,000	5,700,000
--	15,350,000	50,350,000
--	36,150,000	36,750,000
--	9,590,000	10,095,000
526,800,000	147,845,000	2,503,239,598
--	14,650,000	42,150,000
1,000,000	9,105,000	6,750,000
--	500,000	500,000
10,000,000	10,800,000	23,000,000
--	980,000	7,180,000
--	1,000,000	2,000,000
3,000,000	6,710,000	37,810,000
--	28,400,000	67,050,000
--	4,000,000	4,250,000
15,000,000	18,330,000	59,025,000
--	36,700,000	31,375,000
2,000,000	13,000,000	25,625,000
--	47,580,000	41,656,000
1,926,765,000	1,181,915,000	2,371,954,929
120,424,431	--	412,836,368
8,983,807	12,219,358	58,482,849
--	54,865,000	1,684,243,073
--	23,835,000	35,260,000
160,000,000	--	960,000,000
<u>\$ 3,012,973,238</u>	<u>\$ 2,028,164,358</u>	<u>\$ 9,211,137,817</u>

**REVENUE SCHEDULES
BUDGETARY BASIS**

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
MAJOR TAXES				
Sales	\$ 4,356,000,000	\$ 4,318,372,824	99	\$ (37,627,176)
Corporation Business	1,145,000,000	1,171,509,159	102	26,509,159
Motor Fuels	480,000,000	448,730,936	93	(31,269,064)
Motor Vehicle Fees	420,000,000	417,952,649	100	(2,047,351)
Transfer Inheritance	305,000,000	310,655,978	102	5,655,978
Insurance Premiums	270,000,000	274,161,796	102	4,161,796
Cigarette	245,000,000	245,652,979	100	652,979
Petroleum Products Gross Receipts	213,000,000	192,257,756	90	(20,742,244)
Public Utility Excise	125,000,000	135,402,002	108	10,402,002
Alcoholic Beverage Excise	78,000,000	75,157,676	96	(2,842,324)
Corporation Banks and Financial Institutions	70,000,000	96,860,000	138	26,860,000
Realty Transfer	53,000,000	45,854,799	87	(7,145,201)
Savings Institutions	20,000,000	15,263,926	76	(4,736,074)
Motor Fuel Use - Motor Carrier	9,000,000	12,314,423	137	3,314,423
Tobacco Products Wholesale Sales	4,000,000	5,847,085	146	1,847,085
TOTAL MAJOR TAXES	7,793,000,000	7,765,993,988	100	(27,006,012)
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	181,000	169,385	94	(11,615)
Milk Control Licenses and Fees	360,000	360,745	100	745
Miscellaneous Revenues	1,000	11,760	1,176	10,760
Other Animal Plant Disease and Pest Control Fees	5,000	5,310	106	310
Total Department of Agriculture	547,000	547,200	100	200
Department of Banking:				
Bank Assessments	2,708,000	3,234,268	119	526,268
Examination Fees	3,530,000	2,882,371	82	(647,629)
Licenses and Other Fees	2,632,000	3,706,066	141	1,074,066
Total Department of Banking	8,870,000	9,822,705	111	952,705
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation - Fair Housing	16,325,000	16,325,000	100	--
Boarding Home Fees	240,000	413,060	172	173,060
Construction Fees	5,481,000	5,481,000	100	--
Fire Safety	13,871,000	13,871,000	100	--
Hackensack Meadowlands Development	4,000,000	4,000,000	100	--
Housing Inspection Fees	6,330,000	6,330,000	100	--
Miscellaneous	--	5,293	--	5,293
Planned Real Estate Development Fees	828,000	828,000	100	--
Total Department of Community Affairs	47,075,000	47,253,353	100	178,353

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED TO	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
	JUNE 30, 1996	AMOUNT	PERCENT	
Department of Education:				
Academy for the Advancement of Teaching and Administration	275,000	280,045	102	5,045
Audit Recoveries	1,900,000	2,917,954	154	1,017,954
Audit of Enrollments	16,000,000	5,772,740	36	(10,227,260)
Miscellaneous Revenue	110,000	118,735	108	8,735
Nonpublic Schools Textbook Recoveries	500,000	446,397	89	(53,603)
School Construction Inspection Fees	925,000	925,000	100	--
State Board of Examiners	1,600,000	1,601,575	100	1,575
Total Department of Education	21,310,000	12,062,446	57	(9,247,554)
Department of Environmental Protection:				
Air Pollution Fees and Fines	15,160,000	10,993,215	73	(4,166,785)
Clean Water Enforcement Act	6,000,000	4,256,778	71	(1,743,222)
Coastal Area Development Review Act	380,000	921,610	243	541,610
Endangered Species Tax Checkoff	312,000	135,267	43	(176,733)
Excess Diversion	275,000	219,260	80	(55,740)
Freshwater Wetlands-Fees	1,700,000	1,761,557	104	61,557
Freshwater Wetlands-Fines	10,000	7,139	71	(2,861)
Hazardous Waste Fees	6,000,000	4,841,219	81	(1,158,781)
Hazardous Waste Fines	1,200,000	447,246	37	(752,754)
Hunters' and Anglers' Licenses	10,975,000	10,975,000	100	--
Indirect Cost Recoveries - DEP Other Funds	8,130,000	6,695,796	82	(1,434,204)
Industrial Site Recovery Act	2,000,000	1,555,966	78	(444,034)
Laboratory Certification Fees	500,000	390,814	78	(109,186)
Laboratory Certification Fines	85,000	11,905	14	(73,095)
Marina Rentals	860,000	860,000	100	--
Marine Lands - Preparation and Filing Fees	160,000	137,605	86	(22,395)
Medical Waste	3,800,000	4,515,299	119	715,299
Miscellaneous Revenues	27,000	115,806	429	88,806
New Jersey Pollutant Discharge Elimination	11,200,000	4,446,685	40	(6,753,315)
New Jersey Water Supply Authority Debt Service Repayment	770,000	770,000	100	--
Parks Management Fees and Permits	4,400,000	4,104,849	93	(295,151)
Parks Management Fines	120,000	165,918	138	45,918
Pesticide Control Fees	3,500,000	3,358,238	96	(141,762)
Pesticide Control Fines	120,000	53,203	44	(66,797)
Radiation Protection Fees	3,300,000	3,010,965	91	(289,035)
Radiation Protection Fines	100,000	36,948	37	(63,052)
Radon Testers Certification	312,000	235,262	75	(76,738)
Recycling Fees	400,000	231,450	58	(168,550)
Shellfish and Marine Fisheries	75,000	10,638	14	(64,362)
Solid & Hazardous Waste Disclosure	4,000,000	2,981,758	75	(1,018,242)
Solid Waste-Utility Regulation Assessments	3,200,000	3,076,757	96	(123,243)
Solid Waste-Utility Regulations Fines	800,000	1,476,654	185	676,654
Solid Waste Fines - DEP	500,000	3,130,125	626	2,630,125
Solid Waste Management Fees - DEP	7,000,000	5,097,537	73	(1,902,463)
Spring Meadow Golf Course	500,000	500,000	100	--
Stormwater Permits	1,400,000	1,212,600	87	(187,400)
Stream Encroachment	1,350,000	1,335,563	99	(14,437)
Toxic Catastrophe Prevention - Fees	1,900,000	1,412,825	74	(487,175)
Toxic Catastrophe Prevention - Fines	150,000	54,750	37	(95,250)
Treatment Works	1,100,000	883,851	80	(216,149)
Underground Storage Tanks	2,000,000	2,304,242	115	304,242
Water Allocation	2,250,000	2,014,333	90	(235,667)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED TO	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
	JUNE 30, 1996	AMOUNT	PERCENT	
Water Supply Management	870,000	928,327	107	58,327
Water/Wastewater Operators Licenses	205,000	295,343	144	90,343
Waterfront Development - Fees	750,000	1,048,343	140	298,343
Waterfront Development - Fines	100,000	--	--	(100,000)
Well Permits/Well Drillers/Pump Installers Licenses	300,000	418,920	140	118,920
Wetlands	10,000	147,140	1,471	137,140
Worker Community Right to Know - Fines	100,000	73,215	73	(26,785)
Total Department of Environmental Protection	110,356,000	93,657,921	85	(16,698,079)
Department of Health:				
Animal Control	550,000	445,527	81	(104,473)
Consumer Health Penalties	640,000	640,000	100	--
HealthStart	330,000	--	--	(330,000)
New Jersey Essential Health Services Commission	1,200,000	1,200,000	100	--
Miscellaneous Revenues	--	200,572	--	200,572
Rabies Control	453,000	453,000	100	--
Vital Statistics Registration	150,000	150,378	100	378
Total Department of Health	3,323,000	3,089,477	93	(233,523)
Department of Human Services:				
Child Care Licensing/Adoption Law	120,000	178,526	149	58,526
Commission for the Blind	--	34,662	--	34,662
Emergency Assistance Audits	5,000,000	6,582,482	132	1,582,482
Marriage License Fees	1,409,000	1,358,478	96	(50,522)
Maximization of Federal HCFA Reimbursement	2,715,000	6,907,844	254	4,192,844
Medicaid Uncompensated Care - Acute	195,750,000	183,010,214	93	(12,739,786)
Medicaid Uncompensated Care - Mental Health	12,000,000	15,081,068	126	3,081,068
Medicaid Uncompensated Care - Psychiatric	168,104,000	175,083,766	104	6,979,766
Medicaid Uncompensated Care - UMDNJ	43,989,000	51,651,114	117	7,662,114
Medical Assistance-Recoveries	--	4,110,860	--	4,110,860
Miscellaneous Revenue	--	297,894	--	297,894
Patients' and Residents' Cost Recovery Developmental Disability	17,015,000	14,799,266	87	(2,215,734)
Patients' and Residents' Cost Recovery Psychiatric Hospitals	46,595,000	53,215,940	114	6,620,940
Patients' and Residents' Cost Recovery Special Residential Services	7,812,000	979,603	13	(6,832,397)
Sale of Garden State Health Plan	20,000,000	14,965,458	75	(5,034,542)
School Based Medicaid	85,000,000	4,259,444	5	(80,740,556)
Title XIX Rate Setting and Inspection	--	757,114	--	757,114
Title IV-A Emergency Assistance - Juvenile Initiative	8,500,000	--	--	(8,500,000)
Total Department of Human Services	614,009,000	533,273,733	87	(80,735,267)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Department of Insurance:				
Actuarial Services	269,000	269,000	100	--
Examination Billings	2,840,000	2,564,098	90	(275,902)
FAIR Act Administration	11,500,000	11,500,000	100	--
Insurance Fraud Prevention	11,147,000	9,047,000	81	(2,100,000)
Insurance Licenses & Other Fees	10,771,000	10,118,655	94	(652,345)
Real Estate Commission	3,532,000	3,532,000	100	--
Special Purpose Assessment	12,817,000	11,727,729	92	(1,089,271)
Total Department of Insurance	52,876,000	48,758,482	92	(4,117,518)
Department of Labor:				
Special Compensation Fund	1,540,000	1,540,000	100	--
Workers' Compensation Assessment	11,694,000	11,694,000	100	--
Workplace Standards	2,238,000	2,239,372	100	1,372
Total Department of Labor	15,472,000	15,473,372	100	1,372
Department of Law and Public Safety:				
Beverage Licenses	2,000,000	2,000,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
Legalized Games of Chance Control	1,390,000	1,253,203	90	(136,797)
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,379,495	91	(232,505)
New Jersey Cemetery Board	230,000	105,566	46	(124,434)
Professional Examining Board Fees:				
Architects	904,000	904,000	100	--
Audiology and Speech - Language				
Pathology Advisory	138,000	138,000	100	--
Certified Public Accountants	868,000	930,250	107	62,250
Chiropractic Examiners	325,000	325,000	100	--
Cosmetology and Hairstyling	1,435,000	1,435,000	100	--
Dentistry	877,000	877,000	100	--
Electrical Contractors	461,000	461,000	100	--
Marriage Counselor Examiners	126,000	126,000	100	--
Master Plumbers	342,000	342,000	100	--
Medical Examiners	4,658,000	4,658,000	100	--
Mortuary Science	282,000	282,000	100	--
Nursing	2,264,000	2,264,000	100	--
Occupational Therapists and Assistants	106,000	--	--	(106,000)
Ophthalmic Dispensers and Ophthalmic				
Technicians	218,000	218,000	100	--
Optometrists	244,000	244,000	100	--
Orthotics & Prosthesis	53,000	--	--	(53,000)
Pharmacy	744,000	744,000	100	--
Physical Therapy	288,000	288,000	100	--
Professional Engineers & Land Surveyors	1,046,000	1,046,000	100	--
Professional Planners	256,000	256,130	100	130
Psychological Examiners	271,000	271,000	100	--
Public Movers and Warehousemen	254,000	254,000	100	--
Real Estate Appraisers	587,000	587,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Respiratory Care	287,000	287,000	100	--
Shorthand Reporting	66,000	66,000	100	--
Social Workers	571,000	571,000	100	--
Veterinary Medical Examiners	183,000	183,000	100	--
Division of State Police:				
Fingerprint Fees	1,014,000	1,014,000	100	--
Other Licenses	245,000	161,297	66	(83,703)
Private Detective Licenses	220,000	220,000	100	--
Escheated Estates	7,000,000	117,811	2	(6,882,189)
Escheats Settlement Recoveries	741,000	--	--	(741,000)
Miscellaneous	--	268,939	--	268,939
Other Boating Fees	1,000	1,280	128	280
Pleasure Boat Licenses	1,500,000	2,291,993	153	791,993
Racing Licenses and Fees	1,950,000	2,257,113	116	307,113
Securities Enforcement Fund	5,398,000	5,398,000	100	--
State Medical Examiners	810,000	810,000	100	--
Violent Crime Board Administration	3,500,000	3,500,370	100	370
Total Department of Law and Public Safety	47,518,000	40,589,447	85	(6,928,553)
Department of Military and Veterans' Affairs:				
Soldiers' Homes	17,780,000	19,398,857	109	1,618,857
Total Department of Military and Veterans' Affairs	17,780,000	19,398,857	109	1,618,857
Department of State:				
Commercial Recording - Expedited	2,170,000	2,169,690	100	(310)
Commissions	1,212,000	1,097,571	91	(114,429)
General Revenues - Fees	19,019,000	19,133,244	101	114,244
Total Department of State	22,401,000	22,400,505	100	(495)
Department of Transportation:				
Air Safety Fund	850,000	599,767	71	(250,233)
Applications and Highway Permits	600,000	596,882	99	(3,118)
Auto Body Repair Shop Licensing	315,000	205,750	65	(109,250)
Autonomous Transportation Authorities	24,500,000	24,083,333	98	(416,667)
Drunk Driving Fines	962,000	785,278	82	(176,722)
Federal Commercial Driver License	1,354,000	1,354,000	100	--
Interest on Purchase of Right of Way	144,000	10,370	7	(133,630)
Logo Sign Program Fees	1,250,000	200,000	16	(1,050,000)
Miscellaneous Revenue	--	13,116	--	13,116
Motor Vehicle Security - Responsibility				
Law Administration	9,257,000	10,052,782	109	795,782
Motor Vehicle Surcharge Program	20,000,000	16,186,565	81	(3,813,435)
Motor Vehicle Surcharge - Delinquent	76,000,000	--	--	(76,000,000)
Motor Vehicle Surcharge - Enhanced	43,000,000	--	--	(43,000,000)
Outdoor Advertising	240,000	240,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED TO	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
	JUNE 30, 1996	AMOUNT	PERCENT	
Parking Offenses	367,000	367,000	100	--
Petitions and Motor Carrier Inspections	145,000	145,000	100	--
Photo Licensing	1,000,000	1,000,000	100	--
Salvage Title Program	527,000	467,500	89	(59,500)
Uninsured Motorists Program	3,426,000	3,703,772	108	277,772
Total Department of Transportation	183,937,000	60,011,115	33	(123,925,885)
Department of the Treasury:				
Assessments - Cable TV	2,730,000	2,972,538	109	242,538
Assessments - Public Utility	19,703,000	17,519,605	89	(2,183,395)
Casino Fines	130,000	163,188	126	33,188
Coin Operated Telephones	6,000,000	5,598,267	93	(401,733)
Cost Assessment	--	766,895	--	766,895
Equipment Leasing - Debt Service Recovery	4,826,000	4,825,813	100	(187)
Escrow Interest from Construction Accounts	30,000	470,008	1,567	440,008
Higher Education Bond Interest Recoveries	334,000	333,806	100	(194)
Investment Earnings	--	33,742,837	--	33,742,837
Miscellaneous	--	13,568	--	13,568
Nuclear Emergency Response Assessment	3,911,000	4,511,000	115	600,000
Public Utility Gross Receipts and Franchise Taxes	270,000,000	275,000,000	102	5,000,000
Public Utility Tax - Administration	250,000	57,848	23	(192,152)
Railroad Tax:				
Class II	2,765,000	2,757,071	100	(7,929)
Franchise	3,250,000	3,462,862	107	212,862
Rate Payer Advocate	4,000,000	3,993,000	100	(7,000)
Surplus Property	1,400,000	3,205,245	229	1,805,245
Travel Services	92,000	88,719	96	(3,281)
Total Department of the Treasury	319,421,000	359,482,270	113	40,061,270
Other Sources:				
Miscellaneous Revenue	500,000	3,410,927	682	2,910,927
Total Other Sources	500,000	3,410,927	682	2,910,927
Inter-Departmental Accounts:				
Administration and Investment of Pension Funds Recoveries	38,588,000	37,661,207	98	(926,793)
Employee Maintenance Deduction	1,100,000	1,044,384	95	(55,616)
Fringe Benefit Recoveries from Colleges and Universities	59,000,000	59,787,445	101	787,445
Fringe Benefit Recoveries from School Districts	21,000,000	3,566,098	17	(17,433,902)
Fringe Benefit Recoveries from Federal and Other Funds	92,350,000	88,682,425	96	(3,667,575)
Indirect Cost Recovery - Federal	16,820,000	15,307,490	91	(1,512,510)
Market Transition Facility	--	129,712,000	--	129,712,000
Rent of State Building Space	901,000	1,207,748	134	306,748
Social Security Recoveries from Federal and Other Funds	35,000,000	32,958,104	94	(2,041,896)
Sports and Exposition Authority	1,000,000	--	--	(1,000,000)
Total Inter-Departmental Accounts	265,759,000	369,926,901	139	104,167,901

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED	REALIZED TO JUNE 30, 1996		REALIZATION
	TO	AMOUNT	PERCENT	OVER (UNDER)
	JUNE 30, 1996			ANTICIPATION
Judicial Branch:				
Court Fees	66,351,000	55,311,722	83	(11,039,278)
Court Unification County Reimbursements	178,945,000	179,184,273	100	239,273
Total Judicial Branch	245,296,000	234,495,995	96	(10,800,005)
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	1,976,450,000	1,873,654,706	95	(102,795,294)
INTERFUND TRANSFERS				
Beaches and Harbor Fund	27,000	153,479	568	126,479
Clean Communities Account Fund	291,000	291,000	100	--
Clean Water Fund	160,000	127,431	80	(32,569)
Community Development Bond Fund	45,000	438,896	975	393,896
Correctional Facilities Construction Fund	150,000	282,611	188	132,611
Correctional Facilities Const. Act of 1987	1,000,000	587,093	59	(412,907)
Cultural Center & Historic Preservation Fund 1987	1,920,000	2,091,184	109	171,184
Dam Restoration and Clean Waters Trust Fund 1992	--	37,353	--	37,353
Developmental Disabilities Waiting List Reduction and Human Services Fund	--	166,673	--	166,673
Emergency Flood Control Fund	362,000	289,591	80	(72,409)
Emergency Medical Technicians Training	1,600,000	1,600,000	100	--
Energy Conservation Fund	450,000	385,459	86	(64,541)
Farmland Preservation Fund	24,000	41,731	174	17,731
Farmland Preservation Fund 1989	--	70,571	--	70,571
Farmland Preservation Fund 1992	--	43,428	--	43,428
Fund for Support of Free Public Schools	5,600,000	7,022,895	125	1,422,895
General Trust Fund	1,000	862	86	(138)
Hazardous Discharge Fund	500,000	186,878	37	(313,122)
Hazardous Discharge Fund of 1986	5,377,000	5,645,989	105	268,989
Hazardous Discharge Site Cleanup Fund	14,428,000	14,428,000	100	--
Higher Education Building Construction Fund (Act of 1971)	1,000	3,090	309	2,090
Housing Assistance Fund	20,000	92,820	464	72,820
Human Services Facilities Construction Fund	20,000	44,813	224	24,813
Institutional Construction Fund	3,000	3,681	123	681
Institutions Construction Fund	1,000	950	95	(50)
Jobs, Education and Competitiveness Fund	395,000	747,661	189	352,661
Jobs, Science and Technology Fund	75,000	55,193	74	(19,807)
Judiciary - Bail Fund	--	1,933,884	--	1,933,884
Judiciary - Special Civil Fund	--	104,704	--	104,704
Judiciary - Probation Fund	--	157,133	--	157,133
Judiciary - Child Support Fund	--	1,365,829	--	1,365,829
Judiciary - Superior Court Fund	--	479,990	--	479,990
Medical Education Facilities Fund	14,000	30,101	215	16,101
Mortgage Assistance Fund	125,000	1,108,965	887	983,965
Motor Vehicle Security Responsibility Fund	4,000	7,901	198	3,901
Natural Resources Fund	706,000	681,761	97	(24,239)
New Jersey Bridge Rehabilitation and Improvement Fund	600,000	730,202	122	130,202

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	ANTICIPATED TO	<u>REALIZED TO JUNE 30, 1996</u>		REALIZATION OVER (UNDER)
	<u>JUNE 30, 1996</u>	<u>AMOUNT</u>	<u>PERCENT</u>	<u>ANTICIPATION</u>
New Jersey Bridge Rehabilitation and Improvement and Railroad Right of Way	625,000	99,540	16	(525,460)
New Jersey Green Acres Fund 1983	4,448,000	1,262,302	28	(3,185,698)
New Jersey Green Acres Fund 1989	--	289,085	--	289,085
New Jersey Green Acres Fund 1992	500,000	2,105,528	421	1,605,528
New Jersey Green Trust Fund 1989	--	219,306	--	219,306
New Jersey Green Trust Fund 1992	--	2,049,499	--	2,049,499
New Jersey Spill Compensation Security Fund Administrative Costs	15,501,000	14,808,713	96	(692,287)
Outstanding Checks Account	1,000,000	--	--	(1,000,000)
Pollution Prevention	1,567,000	1,567,000	100	--
Public Building Construction Fund	8,000	578	7	(7,422)
Public Purpose Buildings Construction Fund	400,000	206,364	52	(193,636)
Public Purpose Buildings and Community-Based Facilities Construction Fund	1,900,000	947,158	50	(952,842)
Resource Recovery Investment Fund	440,000	145,214	33	(294,786)
Resource Recovery & Solid Waste	224,000	128,908	58	(95,092)
Safe Drinking Water Fund	1,936,000	1,936,000	100	--
Safe Neighborhood Services Fund	9,000,000	9,000,000	100	--
Sanitary Landfill Facilities Contingency Fund	10,418,000	10,338,213	99	(79,787)
School Fund Investment Account	2,481,000	2,481,000	100	--
Shore Protection Fund	300,000	481,852	161	181,852
Solid Waste Services Tax Fund	150,000	74,709	50	(75,291)
State Disability Benefits Fund	25,767,000	25,767,000	100	--
State Land Acquisition and Development Fund	100,000	99,763	100	(237)
State Lottery Fund	645,500,000	662,119,573	103	16,619,573
State Lottery Fund Administration	19,230,000	22,075,517	115	2,845,517
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974)	20,000	29,962	150	9,962
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1971)	18,000	12,657	70	(5,343)
State Recycling Fund	919,000	919,000	100	--
State of New Jersey Cash Management Fund	2,300,000	1,720,659	75	(579,341)
Stormwater Management and Combined Sewer Overflow Abatement Fund	550,000	719,688	131	169,688
Transportation Rehabilitation and Improvement Fund of 1979	75,000	149,490	199	74,490
Unclaimed Personal Property Trust Fund	41,700,000	43,010,605	103	1,310,605
Unclaimed Personal Property - Acceleration	7,000,000	7,000,000	100	--
Unemployment Compensation Auxiliary Fund	17,911,000	19,011,000	106	1,100,000
Unsatisfied Claim and Judgment Fund	1,965,000	1,652,793	84	(312,207)
Wage and Hour Trust Fund	75,000	100,487	134	25,487
Water Conservation Fund	648,000	647,954	100	(46)
Water Supply Fund	5,967,000	13,296,224	223	7,329,224
Water Supply Replacement Trust Fund	11,719,000	11,719,000	100	--
Worker and Community Right to Know Fund	2,550,000	2,545,244	100	(4,756)
Workforce Development Partnership Fund	6,451,000	6,451,000	100	--
TOTAL INTERFUND TRANSFERS	<u>875,262,000</u>	<u>908,628,387</u>	104	<u>33,366,387</u>
TOTAL REVENUES, GENERAL FUND	<u>\$ 10,644,712,000</u>	<u>\$ 10,548,277,081</u>	99	<u>\$ (96,434,919)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Licenses and Fees	\$ 51,226,000	52,418,185	102	1,192,185
Interest	--	\$ 523,190	--	\$ 523,190
TOTAL CASINO CONTROL FUND	\$ 51,226,000	\$ 52,941,375	103	\$ 1,715,375

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 298,200,000	\$ 303,299,971	102	\$ 5,099,971
Investment Income	2,500,000	2,392,684	96	(107,316)
TOTAL CASINO REVENUE FUND	\$ 300,700,000	\$ 305,692,655	102	\$ 4,992,655

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 1,500,000	\$ 889,174	59	\$ (610,826)
TOTAL GUBERNATORIAL ELECTIONS FUND	\$ 1,500,000	\$ 889,174	59	\$ (610,826)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	ANTICIPATED TO JUNE 30, 1996	REALIZED TO JUNE 30, 1996		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 4,580,000,000	\$ 4,733,786,100	103	\$ 153,786,100
TOTAL PROPERTY TAX RELIEF FUND	\$ 4,580,000,000	\$ 4,733,786,100	103	\$ 153,786,100

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED & REVOLVING</u>	<u>TOTAL</u>
LEGISLATIVE BRANCH:	\$ --	\$ --	\$ 106,335	\$ 106,335
EXECUTIVE BRANCH:				
Chief Executive	--	--	960,000	960,000
Agriculture	352,144	1,241,665	9,738,269	11,332,078
Banking	200,000	--	--	200,000
Commerce and Economic Development	--	160,332	11,719,435	11,879,767
Community Affairs	12,074,612	166,844,863	15,893,219	194,812,694
Corrections	--	600,600	42,143,499	42,744,099
Education	632,247	463,397,138	10,967,198	474,996,583
Environmental Protection	8,413,434	50,177,434	13,037,559	71,628,427
Health	1,920,791	203,526,571	61,261,459	266,708,821
Human Services	62,697,197	3,001,607,831	483,332,723	3,547,637,751
Insurance	1,353,423	--	30,589,668	31,943,091
Labor	11,651,851	306,046,830	156,105,419	473,804,100
Law and Public Safety	51,058,021	45,582,923	50,112,641	146,753,585
Military and Veterans Affairs	636,472	15,816,860	23,900	16,477,232
Personnel	1,267,325	--	--	1,267,325
State	1,910,048	683,667	11,728,949	14,322,664
Transportation	24,278,620	22,993,619	27,746,231	75,018,470
Treasury	15,589,330	(113,011,123)	936,510,362	839,088,569
Interdepartmental	--	--	--	--
Miscellaneous	--	--	--	--
TOTAL EXECUTIVE BRANCH	<u>194,035,515</u>	<u>4,165,669,210</u>	<u>1,861,870,531</u>	<u>6,221,575,256</u>
JUDICIAL BRANCH:	<u>3,466,373</u>	<u>65,886</u>	<u>15,520,511</u>	<u>19,052,770</u>
TOTAL APPROPRIATED REVENUE	<u>\$ 197,501,888</u>	<u>\$ 4,165,735,096</u>	<u>\$ 1,877,497,377</u>	<u>\$ 6,240,734,361</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED & REVOLVING</u>	<u>TOTAL</u>
EXECUTIVE BRANCH:				
Human Services	\$ 34,593,794	\$ --	\$ 1,500,000	\$ 36,093,794
TOTAL APPROPRIATED REVENUE	<u>\$ 34,593,794</u>	<u>\$ --</u>	<u>\$ 1,500,000</u>	<u>\$ 36,093,794</u>

**EXPENDITURE SCHEDULES
BUDGETARY BASIS**

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>DIRECT STATE SERVICES</u>			
Legislative Branch	\$ 52,208,000	\$ 8,292,558	\$ 49,401,418
Executive Branch			
Chief Executive's Office	4,809,000	771,504	4,764,433
Agriculture	8,898,172	777,668	8,979,342
Banking	6,626,000	1,501,082	6,770,281
Commerce and Economic Development	19,855,000	129,439	17,310,170
Community Affairs	25,037,000	4,192,838	28,535,250
Corrections	608,435,000	20,593,667	594,245,671
Education	37,475,000	2,811,468	33,393,760
Environmental Protection	184,059,000	16,982,482	184,939,576
Health	33,287,000	5,073,397	33,441,061
Human Services	596,748,000	41,760,420	602,910,929
Insurance	34,119,000	1,336,867	29,773,229
Labor	59,628,000	10,229,462	65,392,928
Law and Public Safety	256,797,000	70,287,120	306,178,996
Military and Veterans' Affairs	56,964,000	2,131,121	55,494,622
Personnel	28,745,000	2,038,453	30,282,602
State	826,394,000	22,246,741	844,206,105
Transportation	185,211,572	36,693,400	189,673,554
Treasury	225,874,955	31,758,071	221,998,461
Miscellaneous Executive Commissions	2,260,000	243,856	1,959,514
Inter-Departmental Accounts	1,705,885,190	(40,088,175)	1,595,650,763
Total Executive Branch	<u>4,907,107,889</u>	<u>231,470,881</u>	<u>4,855,901,247</u>
Judicial Branch	<u>356,353,000</u>	<u>17,833,683</u>	<u>337,439,448</u>
TOTAL DIRECT STATE SERVICES	<u>\$ 5,315,668,889</u>	<u>\$ 257,597,122</u>	<u>\$ 5,242,742,113</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,515,448	\$ --	\$ 8,583,692
74,348	63,354	678,370
308,877	22,269	365,352
94,184	1,260,959	1,658
1,056,418	1,555,244	62,608
353,124	255,043	86,422
10,226,976	4,059,767	20,496,254
3,219,660	2,251,690	1,421,358
6,246,939	6,716,180	3,138,786
1,370,990	2,144,447	1,403,899
13,698,765	1,250,259	20,648,466
344,428	5,338,210	--
2,536,150	261,478	1,666,906
5,845,658	2,614,086	12,445,381
1,621,139	1,368,120	611,241
344,790	134,032	22,030
472,794	1,082,054	2,879,788
11,132,480	16,201,577	4,897,360
19,071,803	1,698,958	14,863,804
17,142	--	527,200
11,392,641	44,137,821	14,615,790
<u>89,429,306</u>	<u>92,415,548</u>	<u>100,832,673</u>
<u>9,876,296</u>	<u>6,993,456</u>	<u>19,877,483</u>
<u>\$ 101,821,050</u>	<u>\$ 99,409,004</u>	<u>\$ 129,293,848</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>GRANTS-IN-AID</u>			
Executive Branch			
Agriculture	\$ 6,214,000	\$ 84,312	\$ 5,401,461
Commerce and Economic Development	14,684,000	546	14,133,765
Community Affairs	34,320,000	10,068,916	32,291,011
Corrections	126,702,000	(3,818,899)	119,880,906
Education	17,158,000	251,321	12,830,542
Environmental Protection	50,000	--	50,000
Health	101,675,000	724,986	37,930,790
Human Services	2,445,160,000	128,674,455	2,465,730,098
Labor	17,656,000	--	17,404,000
Law and Public Safety	265,000	7,000,000	3,005,523
Military and Veterans' Affairs	1,145,000	29,820	1,039,147
State	45,862,000	(132,574)	42,455,080
Transportation	234,750,000	1,019,514	214,850,963
Treasury	176,843,000	23,421,559	181,833,013
Total Executive Branch	<u>3,222,484,000</u>	<u>167,323,956</u>	<u>3,148,836,299</u>
TOTAL GRANTS-IN-AID	<u>\$ 3,222,484,000</u>	<u>\$ 167,323,956</u>	<u>\$ 3,148,836,299</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 372,635	\$ 524,216	\$ --
8,090	494,500	48,192
1,869,231	854,930	9,373,744
906,008	292,497	1,803,690
3,090,598	1,368,585	119,596
--	--	--
5,764,814	646,235	58,058,147
15,117,700	79,837,075	13,149,581
252,000	--	--
4,259,476	2	--
43,049	37,364	55,260
2,959,897	314,449	--
582,666	20,000,000	335,885
687,118	10,626,295	7,118,133
<u>35,913,282</u>	<u>114,996,148</u>	<u>90,062,228</u>
<u>\$ 35,913,282</u>	<u>\$ 114,996,148</u>	<u>\$ 90,062,228</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>STATE AID</u>			
Executive Branch			
Commerce and Economic Development	\$ 5,482,000	\$ --	\$ 5,482,000
Community Affairs	55,566,000	7,861,210	54,633,424
Education	1,212,107,000	203,350	1,201,037,213
Environmental Protection	7,315,000	1,193,485	4,657,863
Health	18,371,000	--	16,432,869
Human Services	545,875,000	12,564,703	476,356,467
Law and Public Safety	9,100,000	--	5,600,000
State	2,000,000	--	2,000,000
Treasury	139,627,387	--	136,028,823
Total Executive Branch	<u>1,995,443,387</u>	<u>21,822,748</u>	<u>1,902,228,659</u>
TOTAL STATE AID	<u>\$ 1,995,443,387</u>	<u>\$ 21,822,748</u>	<u>\$ 1,902,228,659</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ --
3,449,538	491,529	4,852,719
2,144,281	9,128,856	--
2,968,100	281,551	600,971
1,332,759	605,372	--
2,170,000	53,864,000	26,049,236
--	3,500,000	--
--	--	--
--	3,598,564	--
12,064,678	71,469,872	31,502,926
\$ 12,064,678	\$ 71,469,872	\$ 31,502,926

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>CAPITAL CONSTRUCTION</u>			
Legislative Branch	\$ --	\$ 4,396,918	\$ 559,698
Executive Branch			
Agriculture	--	36,902	1,663
Commerce and Economic Development	--	66,202	54,758
Corrections	--	33,934,875	1,516,760
Education	679,000	482,737	97,691
Environmental Protection	19,250,000	25,189,283	7,517,401
Health	--	591,845	12,000
Human Services	--	17,350,264	3,498,684
Law and Public Safety	--	13,080,089	4,511,928
Military and Veterans' Affairs	--	16,669,984	1,600,658
State	--	12,325,612	4,953,669
Transportation	196,600,000	38,065,643	197,464,416
Treasury	540,000	28,858,486	12,238,485
Miscellaneous Executive Commissions	2,000	--	2,000
Total Executive Branch	<u>217,071,000</u>	<u>186,651,922</u>	<u>233,470,113</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$ 217,071,000</u>	<u>\$ 191,048,840</u>	<u>\$ 234,029,811</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 3,506,920	\$ --	\$ 330,299
26,089	--	9,151
485	--	10,960
7,597,417	6,513,574	18,307,125
137,989	--	926,056
11,123,672	6,781,538	19,016,672
59,981	--	519,864
3,169,401	--	10,682,180
1,187,868	1,000,000	6,380,293
12,938,654	--	2,130,672
198,715	--	7,173,228
84,699	34,870,000	2,246,529
1,415,671	--	15,744,330
--	--	--
<u>37,940,641</u>	<u>49,165,112</u>	<u>83,147,060</u>
<u>\$ 41,447,561</u>	<u>\$ 49,165,112</u>	<u>\$ 83,477,359</u>

STATE OF NEW JERSEY
 SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>DEBT SERVICE</u>			
Executive Branch			
Commerce and Economic Development	\$ 6,338,000	\$ --	\$ 6,335,947
Environmental Protection	112,444,000	--	112,429,203
Treasury	347,548,000	--	334,586,476
Total Executive Branch	<u>466,330,000</u>	<u>--</u>	<u>453,351,626</u>
TOTAL DEBT SERVICE	<u>\$ 466,330,000</u>	<u>\$ --</u>	<u>\$ 453,351,626</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 2,053	\$ --
--	14,797	--
--	<u>12,961,524</u>	--
--	<u>12,978,374</u>	--
<u>\$ --</u>	<u>\$ 12,978,374</u>	<u>\$ --</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>FEDERAL</u>			
Executive Branch			
Agriculture	\$ 1,457,580	\$ 523,856	\$ 1,087,429
Commerce and Economic Development	125,000	--	--
Community Affairs	216,686,368	58,856,853	136,458,176
Corrections	2,239,000	1,947,019	2,840,715
Education	542,617,584	21,280,737	406,494,082
Environmental Protection	267,974,000	21,945,500	29,707,908
Health	239,361,869	26,693,910	138,288,742
Human Services	3,085,963,893	10,259,341	2,842,951,676
Insurance	--	85,201	53,058
Labor	346,546,482	74,176,073	274,533,305
Law and Public Safety	58,385,530	31,257,021	50,989,988
Military and Veterans' Affairs	23,836,878	26,747,549	15,877,176
Personnel	--	847,587	768,463
State	2,016,500	379,304	1,314,683
Transportation	42,145,010	2,307,447	8,977,304
Treasury	16,611,500	(285,598)	12,370,008
Total Executive Branch	<u>4,845,967,194</u>	<u>277,021,800</u>	<u>3,922,712,713</u>
Judicial Branch	<u>51,095,438</u>	<u>3,401,351</u>	<u>40,292,231</u>
TOTAL FEDERAL	<u>\$ 4,897,062,632</u>	<u>\$ 280,423,151</u>	<u>\$ 3,963,004,944</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 3,507	\$ --	\$ 890,499
--	--	125,000
40,041,021	--	99,044,024
52,660	68,000	1,224,644
57,418,642	--	99,985,596
11,048,733	--	249,162,860
54,528,413	--	73,238,624
2,768,340	189,000	250,314,218
396	31,747	--
19,504,445	--	126,684,804
1,802,241	--	36,850,322
19,605,602	100,000	15,001,649
7,542	--	71,581
72,327	111,720	897,074
7,827,713	--	27,647,438
502,748	--	3,453,146
<hr/> 215,184,330	<hr/> 500,467	<hr/> 984,591,479
<hr/> 786,149	<hr/> --	<hr/> 13,418,410
<hr/> \$ 215,970,479	<hr/> \$ 500,467	<hr/> \$ 998,009,889

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>REVOLVING FUNDS</u>			
Legislative Branch	\$ --	\$ 106,385	\$ 104,434
Executive Branch			
Commerce and Economic Development	--	44,061	322
Community Affairs	--	7,970,091	2,613,079
Corrections	--	23,817,111	23,817,782
Education	--	2,380,608	1,805,127
Environmental Protection	--	4,590,757	2,848,032
Health	--	11,176,743	8,559,640
Human Services	--	88,195,287	46,196,701
Labor	--	2,737,903	1,811,069
Law and Public Safety	--	1,526,146	1,223,092
State	--	10,709,552	5,160,258
Transportation	--	743,569	540,211
Treasury	--	179,500,455	152,044,194
Total Executive Branch	--	333,392,283	246,619,507
TOTAL REVOLVING FUNDS	\$ --	\$ 333,498,668	\$ 246,723,941

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 1,951
6,851	--	36,887
3,380,002	750,000	1,227,010
1,346,428	--	(1,347,099)
205,447	--	370,034
221,649	--	1,521,076
495,533	--	2,121,570
20,001	28,942,000	13,036,585
36,131	--	890,703
2,846	--	300,208
240,042	--	5,309,252
16,837	--	186,522
12,918,115	--	14,538,147
<u>18,889,882</u>	<u>29,692,000</u>	<u>38,190,895</u>
<u>\$ 18,889,882</u>	<u>\$ 29,692,000</u>	<u>\$ 38,192,846</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>ALL OTHER</u>			
Legislative Branch	\$ --	\$ 22,655	\$ 4,481
Executive Branch			
Chief Executive's Office	--	1,464,340	821,483
Agriculture	--	14,689,159	9,677,304
Commerce and Economic Development	--	12,934,245	11,102,411
Community Affairs	--	29,800,096	3,597,755
Corrections	--	19,839,497	16,286,905
Education	--	9,996,987	8,785,797
Environmental Protection	--	37,359,290	8,244,330
Health	--	76,092,964	49,758,033
Human Services	--	548,527,297	533,519,073
Insurance	--	36,249,303	30,965,983
Labor	--	243,209,133	106,710,568
Law and Public Safety	--	75,982,818	61,032,585
Military and Veterans' Affairs	--	34,424	9,966
State	--	6,142,920	4,651,087
Transportation	--	21,088,820	10,502,692
Treasury	--	794,928,594	760,083,988
Total Executive Branch	--	1,928,339,887	1,615,749,960
Judicial Branch	--	19,904,306	14,062,945
TOTAL ALL OTHER	\$ --	\$ 1,948,266,848	\$ 1,629,817,386

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 18,174
476	--	642,381
164,500	--	4,847,355
355,998	6,500	1,469,336
11,931,966	--	14,270,375
703,573	--	2,849,019
220,652	--	990,538
8,594,132	70,550	20,450,278
9,064,065	702,933	16,567,932
1,558,481	60,164	13,389,578
--	4,958,193	325,127
--	--	136,498,564
1,756,781	1,500,000	11,693,451
10,141	--	14,317
694,690	--	797,142
1,666,716	1,100,000	7,819,412
6,073,639	(691,701)	29,462,668
<u> 42,795,810</u>	<u> 7,706,639</u>	<u> 262,087,473</u>
<u> 1,050,617</u>	<u> --</u>	<u> 4,790,745</u>
<u>\$ 43,846,427</u>	<u>\$ 7,706,639</u>	<u>\$ 266,896,392</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>GENERAL FUND SUMMARY</u>			
Legislative Branch	\$ 52,208,000	\$ 12,818,516	\$ 50,070,031
Executive Branch			
Chief Executive's Office	4,809,000	2,235,844	5,585,916
Agriculture	16,569,752	16,111,897	25,147,199
Banking	6,626,000	1,501,082	6,770,281
Commerce and Economic Development	46,484,000	13,174,493	54,419,373
Community Affairs	331,609,368	118,750,004	258,128,695
Corrections	737,376,000	96,313,270	758,588,739
Education	1,810,036,584	37,407,208	1,664,444,212
Environmental Protection	591,092,000	107,260,797	350,394,313
Health	392,694,869	120,353,845	284,423,135
Human Services	6,673,746,893	847,331,767	6,971,163,628
Insurance	34,119,000	37,671,371	60,792,270
Labor	423,830,482	330,352,571	465,851,870
Law and Public Safety	324,547,530	199,133,194	432,542,112
Military and Veterans' Affairs	81,945,878	45,612,898	74,021,569
Personnel	28,745,000	2,886,040	31,051,065
State	876,272,500	51,671,555	904,740,882
Transportation	658,706,582	99,918,393	622,009,140
Treasury	907,044,842	1,058,181,567	1,811,183,448
Miscellaneous Executive Commissions	2,262,000	243,856	1,961,514
Inter-Departmental Accounts	1,705,885,190	(40,088,175)	1,595,650,763
Total Executive Branch	<u>15,654,403,470</u>	<u>3,146,023,477</u>	<u>16,378,870,124</u>
Judicial Branch	<u>407,448,438</u>	<u>41,139,340</u>	<u>391,794,624</u>
TOTAL GENERAL FUND SUMMARY	<u>\$ 16,114,059,908</u>	<u>\$ 3,199,981,333</u>	<u>\$ 16,820,734,779</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 6,022,368	\$ --	\$ 8,934,116
74,824	63,354	1,320,751
875,608	546,485	6,112,357
94,184	1,260,959	1,658
1,427,842	2,058,297	1,752,983
61,024,882	2,351,502	128,854,294
20,833,062	10,933,838	43,333,633
66,437,269	12,749,131	103,813,178
40,203,225	13,864,616	293,890,643
72,616,555	4,098,987	151,910,036
38,502,688	164,142,498	347,269,844
344,824	10,328,150	325,127
22,328,726	261,478	265,740,977
14,854,870	8,614,088	67,669,655
34,218,585	1,505,484	17,813,139
352,332	134,032	93,611
4,638,465	1,508,223	17,056,484
21,311,111	72,171,577	43,133,146
40,669,094	28,193,640	85,180,228
17,142	--	527,200
11,392,641	44,137,821	14,615,790
<u>452,217,929</u>	<u>378,924,160</u>	<u>1,590,414,734</u>
<u>11,713,062</u>	<u>6,993,456</u>	<u>38,086,638</u>
<u>\$ 469,953,359</u>	<u>\$ 385,917,616</u>	<u>\$ 1,637,435,488</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$ 29,151,000	\$ --	\$ 26,993,808
Treasury	<u>22,075,000</u>	<u>1,703,463</u>	<u>20,395,546</u>
TOTAL CASINO CONTROL FUND	<u>\$ 51,226,000</u>	<u>\$ 1,703,463</u>	<u>\$ 47,389,354</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Community Affairs	\$ 365,000	\$ 185,000	\$ 550,000
Health	233,000	30,000	223,060
Human Services	10,142,000	--	8,902,897
Law and Public Safety	92,000	--	41,807
GRANTS-IN-AID			
Community Affairs	6,713,000	(185,000)	2,186,097
Health	1,447,000	(30,000)	1,125,806
Human Services	241,931,000	36,093,794	273,826,792
Labor	1,740,000	--	1,740,000
STATE AID			
Transportation	19,865,000	15,140,018	4,785,949
Treasury	<u>17,180,000</u>	<u>--</u>	<u>17,180,000</u>
TOTAL CASINO REVENUE FUND	<u>\$ 299,708,000</u>	<u>\$ 51,233,812</u>	<u>\$ 310,562,408</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,182,504	\$ 974,688	\$ --
1,100,980	--	2,281,936
\$ 2,283,484	\$ 974,688	\$ 2,281,936

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ --
2,018	37,922	--
19,432	1,219,671	--
--	50,193	--
4,104,903	237,000	--
291,194	--	--
129,024	4,068,978	--
--	--	--
25,395,031	4,824,037	--
--	--	--
\$ 29,941,602	\$ 10,437,801	\$ --

**STATE OF NEW JERSEY
 SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
 PROPERTY TAX RELIEF FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Treasury	\$ 324,800,000	\$ --	\$ 324,742,303
STATE AID			
Community Affairs	784,624,000	--	784,529,533
Education	3,573,802,000	--	3,533,477,018
Treasury	57,704,000	--	55,579,012
TOTAL PROPERTY TAX RELIEF FUND	<u>\$ 4,740,930,000</u>	<u>\$ --</u>	<u>\$ 4,698,327,866</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 57,697
--	94,467	--
1,756,876	38,568,107	--
--	2,124,988	--
<u>\$ 1,756,876</u>	<u>\$ 40,787,562</u>	<u>\$ 57,697</u>

STATISTICAL SECTION

**STATE OF NEW JERSEY
TEN-YEAR FINANCIAL SUMMARY*
FOR FISCAL YEARS ENDED JUNE 30
(IN MILLIONS)**

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
REVENUES				
Taxes	\$ 12,387	\$ 11,857	\$ 12,028	\$ 12,476
Federal and other grants	4,907	4,287	3,834	4,373
Licenses and fees	641	657	587	498
Services and assessments	1,228	1,226	1,061	1,776
Investment earnings	48	65	38	53
Other	1,418	1,472	1,492	80
Total Revenues	<u>\$ 20,629</u>	<u>\$ 19,564</u>	<u>\$ 19,040</u>	<u>\$ 19,256</u>
EXPENDITURES				
Public safety and criminal justice	\$ 1,659	\$ 1,497	\$ 1,267	\$ 1,231
Physical and mental health	5,089	4,899	4,635	4,824
Education, cultural and intellectual development	7,102	6,250	6,971	6,920
Community development and environmental management	1,306	1,119	1,126	1,106
Economic planning, development and security	2,741	2,328	2,242	2,258
Transportation programs	339	367	400	407
Government direction, management and control	2,715	3,425	2,785	2,745
Special government services	160	157	144	132
Total Expenditures	<u>\$ 21,111</u>	<u>\$ 20,042</u>	<u>\$ 19,570</u>	<u>\$ 19,623</u>

*Includes General Fund and Property Tax Relief Fund.

<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
\$ 12,370	\$ 11,159	\$ 9,766	\$ 9,870	\$ 9,325	\$ 8,945
4,319	3,234	2,937	2,616	2,375	2,180
481	461	469	460	430	440
1,278	827	858	675	641	700
18	9	8	59	81	60
136	114	100	88	69	68
<u>\$ 18,602</u>	<u>\$ 15,804</u>	<u>\$ 14,138</u>	<u>\$ 13,768</u>	<u>\$ 12,921</u>	<u>\$ 12,393</u>
\$ 1,196	\$ 1,141	\$ 1,075	\$ 1,021	\$ 906	\$ 737
4,703	3,088	2,610	2,299	1,940	1,716
6,709	5,561	5,534	5,075	4,615	4,542
1,085	685	657	703	520	392
2,044	1,848	1,720	1,607	1,560	1,427
383	769	786	783	623	541
3,249	2,557	2,414	2,853	2,660	2,336
131	125	126	119	113	93
<u>\$ 19,500</u>	<u>\$ 15,774</u>	<u>\$ 14,922</u>	<u>\$ 14,460</u>	<u>\$ 12,937</u>	<u>\$ 11,784</u>

**STATE OF NEW JERSEY
FIFTY LARGEST EMPLOYERS**

<u>Rank</u>	<u>Name</u>	<u>Employment 1995</u>
1	American Telephone & Telegraph Company	49,200
2	Pathmark Stores, Incorporated	20,803
3	The Prudential Insurance Company of America	16,853
4	Bell Atlantic-New Jersey Incorporated	14,055
5	Johnson & Johnson	13,000
6	Federated Department Stores	12,222
7	United Parcel Service	11,700
8	Great Atlantic and Pacific Tea Company	11,003
9	Public Service Enterprise Group, Incorporated	10,782
10	Sears, Roebuck and Company	9,860
11	Merrill Lynch & Company, Incorporated	8,800
12	Lockheed Martin	8,320
13	Continental Airlines	8,000
14	Toys "R" Us, Inc	8,000
15	Acme Markets, Incorporated	7,372
16	K-Mart	7,100
17	Trump Taj Mahal Casino Resort	6,556
18	First Fidelity Bancorporation	6,500
19	PNC Bank Corp.	6,400
20	Merck & Company, Inc.	5,900
21	Bellcore	5,743
22	Hoffmann-LaRoche, Incorporated	5,699
23	Federal Express	5,468
24	Bristol-Myers Squibb Company	5,329
25	Automatic Data Processing, Incorporated	5,200
26	Schering-Plough Corporation	5,200
27	UJB Financial Corporation	5,067
28	Marriott Corporation	5,026
29	J. C. Penney Company, Incorporated	4,900
30	General Motors Corporation	4,800
31	American Home Products	4,591
32	General Public Utilities Corporation	4,349
33	The Grand Union Company	4,337
34	Tropworld Casino and Entertainment Resort	4,300
35	Bally's Park Place, Incorporated	4,164
36	Bradlees, Incorporated	4,110
37	Edwards Superfood Stores	3,900
38	Exxon Corporation	3,900
39	Trump Plaza Hotel/Casino	3,831
40	Boardwalk Regency Corp.	3,813
41	Showboat Casino-Hotel	3,800
42	Blue Cross & Blue Shield	3,776
43	National Westminster Bank NJ	3,727
44	Trump Castle Hotel & Casino	3,670
45	Allied Signal Incorporated	3,600
46	The Chubb Corporation	3,593
47	Harrah's Atlantic City, Casino Hotel	3,588
48	Merv Griffin's Resorts Casino Hotel	3,577
49	Rickel Home Centers, Inc.	3,500
50	Sands Hotel & Casino	3,320

Source: "New Jersey Business", New Jersey Business & Industry Association, "The 24th Annual Top 100 Employers, May 1996". Data reprinted with the permission of the New Jersey Business & Industry Association.

STATE OF NEW JERSEY
RATIO OF GENERAL LONG-TERM BONDED DEBT TO
ASSESSED VALUE AND DEBT PER CAPITA
(Expressed in thousands except as indicated)

Fiscal Year	Population	Assessed Value (1)	General Long-Term Debt Outstanding (2)	General Long-Term Debt	
				Ratio to Assessed Value	Per Capita
1986	7,620	\$ 220,189,877	\$ 2,774,440	1.26	\$ 364.10
1987	7,677	272,229,128	2,607,825	0.96	339.69
1988	7,718	314,561,257	2,772,774	0.88	359.26
1989	7,726	343,525,022	2,956,283	0.86	382.64
1990	7,735	365,656,420	3,073,053	0.84	397.29
1991	7,773	387,122,878	3,316,391	0.86	426.66
1992	7,820	398,926,473	3,594,741	0.90	459.69
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

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.

- (1) Includes Real and Personal Property.
- (2) Includes bonded debt only.

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL AND PER CAPITA INCOME
(Expressed in thousands except as indicated)

Year	Population	Assessed Valuation of Real Property	True Valuation of Real Property	Personal Income (millions)	Per Capita Income
1986	7,620	\$ 185,793,541	\$ 246,142,876	\$ 141,919	\$ 18,626
1987	7,677	217,872,199	294,414,862	156,145	20,352
1988	7,718	270,194,943	370,409,335	170,914	22,146
1989	7,726	309,697,842	537,003,305	182,882	23,671
1990	7,735	362,531,101	512,132,134	192,893	24,936
1991	7,773	383,786,011	502,839,850	192,341	24,744
1992	7,820	395,846,856	492,201,955	204,091	26,098
1993	7,879	409,094,683	485,920,335	210,622	26,732
1994	7,904	416,127,649	488,261,504	221,607	28,038
1995	7,945	423,960,677	497,070,641	229,286	28,858

Sources: Department of the Treasury, Annual Report of the Division of Taxation.
N.J. Department of Labor, Office of Demographic & Economic Analysis.

**STATE OF NEW JERSEY
MANUFACTURING AND NON-MANUFACTURING EMPLOYMENT
(Expressed in Thousands)**

	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>Percentage Change from 1985-1995</u>	<u>Percentage of Total Employment 1995</u>
Manufacturing Durable Goods					
Electrical Machinery and Instruments	127.0	90.5	66.8	(47.4)	1.6%
Non-Electric Machinery	59.1	47.7	35.3	(40.3)	0.9%
Fabricated Metals	50.1	39.7	32.2	(35.7)	0.8%
Stone, Clay and Glass	25.2	20.9	17.6	(30.2)	0.4%
Primary Metals	20.9	15.9	12.2	(41.6)	0.3%
Other	55.1	40.9	34.9	(36.7)	0.8%
Total Durable	<u>337.4</u>	<u>255.6</u>	<u>199.0</u>	<u>(41.0)</u>	<u>4.8%</u>
Non-Durable Goods					
Chemicals	120.2	118.4	100.9	(12.6)	2.5%
Apparel	48.6	33.2	28.5	(39.8)	0.7%
Printing and Publishing	65.6	62.9	58.3	(9.1)	1.4%
Food	47.9	45.9	39.6	(15.5)	1.0%
Rubber and Plastics	37.1	31.2	30.0	(20.8)	0.7%
Other	56.1	49.5	43.9	(25.1)	1.1%
Total Non-Durable	<u>375.5</u>	<u>341.1</u>	<u>301.2</u>	<u>(19.8)</u>	<u>7.3%</u>
Total Manufacturing	<u>712.9</u>	<u>596.7</u>	<u>500.2</u>	<u>(29.8)</u>	<u>12.2%</u>
Non-Manufacturing					
Trade	813.3	864.2	850.8	4.6	20.7%
Services	792.7	978.0	1,080.5	36.3	26.3%
Government	531.1	571.6	568.9	7.1	13.9%
Transportation, Communication and Public Utility	226.1	237.3	251.7	11.3	6.1%
Finance, Insurance, and Real Estate	194.9	238.7	228.0	17.0	5.6%
Contract Construction	141.0	146.4	123.7	(12.3)	3.0%
Other	715.0	598.9	502.2	(29.8)	12.2%
Total Non-Manufacturing	<u>3,414.1</u>	<u>3,635.1</u>	<u>3,605.8</u>	<u>5.6</u>	<u>87.8%</u>
Grand Total	<u><u>4,127.0</u></u>	<u><u>4,231.8</u></u>	<u><u>4,106.0</u></u>	<u><u>(0.5)</u></u>	<u><u>100.0%</u></u>

Source: New Jersey Department of Labor "New Jersey Economic Indicators" July 1996, Number 372.

STATE OF NEW JERSEY
AVERAGE HOURLY GROSS DOLLAR EARNINGS OF PRODUCTION WORKERS
ANNUAL AVERAGES

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
TOTAL MANUFACTURING	\$ 10.13	\$ 10.42	\$ 10.88	\$ 11.17	\$ 11.76	\$ 12.17	\$ 12.59	\$ 12.98	\$ 13.38	\$ 13.56
Durable Goods	10.09	10.43	10.79	10.93	11.46	12.05	12.44	12.89	13.23	13.40
Lumber	7.71	8.09	8.91	9.63	10.95	11.48	11.48	11.31	11.51	11.82
Furniture	8.05	8.43	9.23	9.63	10.38	10.21	10.32	10.57	10.80	10.78
Stone, Clay, and Glass	10.19	10.51	10.96	11.48	11.41	11.74	11.96	12.62	13.17	13.39
Primary Metals	9.82	10.01	10.53	10.84	11.48	11.99	12.54	13.00	13.18	13.63
Fabricated Metals	10.16	10.19	10.83	11.00	11.14	12.15	12.45	12.71	13.18	13.48
Non-Electrical Mach.	10.54	10.86	11.12	11.53	12.30	12.93	13.39	13.84	14.26	14.40
Transportation Equip.	13.10	13.45	13.72	13.46	13.95	14.97	16.11	17.82	18.57	18.44
Misc. Manufacturing	8.26	8.49	8.70	9.03	9.69	9.97	10.50	10.91	10.82	11.02
Non-Durable Goods	10.16	10.42	10.97	11.37	12.02	12.26	12.70	13.04	13.48	13.67
Food	10.42	10.43	10.89	11.27	11.41	11.56	12.30	12.97	13.52	13.44
Textiles	8.17	8.37	9.03	9.03	9.53	9.65	9.75	9.79	9.71	10.04
Apparel	6.68	7.05	7.56	7.60	7.97	7.98	7.97	7.96	8.33	8.45
Paper	10.30	10.66	10.58	11.20	11.53	11.91	12.26	12.37	12.84	13.07
Printing and Publishing	10.00	10.82	12.14	12.89	13.35	13.45	13.92	13.80	13.85	14.01
Chemicals	12.45	12.52	12.88	12.93	13.96	14.39	15.17	15.84	16.38	16.90
Petroleum	16.21	17.13	18.14	18.81	20.16	21.43	22.23	23.61	25.24	25.04
Rubber and Plastics	8.41	8.46	9.02	9.23	9.85	9.99	10.52	10.70	11.02	11.30
Leather	6.44	7.12	6.85	7.13	7.50	8.01	8.19	8.38	8.64	8.61

Source: New Jersey Department of Labor, Division of Planning and Research.

STATE OF NEW JERSEY
RETAIL SALES, PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS

<u>Year</u>	<u>Retail Sales</u> <u>(\$ Millions)</u>	<u>Personal Income</u> <u>(\$ Millions)</u>	<u>Per Capita</u> <u>Income</u>	<u>Value of New</u> <u>Dwelling Units</u> <u>Authorized</u> <u>(\$ Thousands)</u>
1986	\$ 50,808	\$ 141,919	\$ 18,626	\$ 4,243,707
1987	53,801	156,145	20,352	4,347,784
1988	59,161	170,914	22,146	3,811,599
1989	61,288	182,882	23,671	3,115,047
1990	63,431	192,893	24,936	2,173,780
1991	65,179	192,341	25,426	1,977,947
1992	65,997	204,091	26,098	2,538,486
1993	67,173	210,622	26,732	3,130,101
1994	72,584	221,607	28,038	3,189,788
1995	74,164	229,286	28,858	2,825,560

Sources: New Jersey Department of Labor and New Jersey Economic Policy Council.

**STATE OF NEW JERSEY
CASH RECEIPTS FROM FARM MARKETINGS
(\$ Millions)**

<u>Year</u>	<u>Livestock and Products</u>	<u>Crops</u>	<u>Total</u>
1986	\$ 202.8	\$ 432.3	\$ 635.1
1987	194.7	437.7	632.4
1988	192.5	452.1	644.6
1989	197.3	461.7	659.0
1990	195.8	454.6	650.4
1991	193.0	465.2	658.2
1992	190.3	463.2	653.5
1993	198.7	507.6	706.3
1994	182.6	585.8	768.4
1995	200.5	572.2	772.7

Source: New Jersey and U. S. Departments of Agriculture.

**STATE OF NEW JERSEY
PUBLIC SCHOOL ENROLLMENTS**

<u>Year</u>	<u>K - 6</u>	<u>7 - 8</u>	<u>9 - 12</u>	<u>Total K - 12</u>	<u>Pre-K</u>	<u>Non- Graded</u>	<u>Special Ed.</u>	<u>Post- Graduate</u>	<u>Total Other Grades</u>	<u>Total All Grades</u>
1986	543,327	153,059	346,996	1,043,382	6,054	3,952	52,837	1,242	64,085	1,107,467
1987	549,715	150,652	328,165	1,028,532	6,320	2,012	54,719	1,399	64,450	1,092,982
1988	557,713	147,942	308,542	1,014,197	6,195	1,727	56,840	1,912	66,674	1,080,871
1989	564,666	149,004	293,273	1,006,943	6,531	762	59,569	2,200	69,062	1,076,005
1990	577,480	151,351	289,007	1,017,838	6,998	716	62,115	1,979	71,808	1,089,646
1991	588,734	154,752	291,788	1,035,274	8,261	835	63,115	2,311	74,522	1,109,796
1992	600,607	157,841	295,337	1,053,785	9,123	1,466	63,683	2,503	76,775	1,130,560
1993	614,559	161,421	288,412	1,064,392	9,225	17,423 (a)	60,113	458	87,219	1,151,611
1994	629,355	164,252	292,488	1,086,095	10,283	18,132	59,602	140	88,157	1,174,252
1995	647,817	166,457	295,219	1,109,493	9,405	17,184	59,541	106	86,236	1,195,729

Source: New Jersey Department of Education, Office of Management Information. (Enrollments--September 30 of year indicated)

(a) Nongraded enrollment became insignificant in 1993 and was replaced with vocational enrollment.

**STATE OF NEW JERSEY
SECTOR SUMMARY OF FALL ENROLLMENT
NEW JERSEY COLLEGES AND UNIVERSITIES, 1994 and 1995**

<u>Full and Part-Time Sector</u>	<u>Undergraduate</u>		<u>Post-Baccalaureate</u>		<u>Total Enrollments</u>	
	<u>1994</u>	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>	<u>1995</u>
Full-Time Enrollment						
Community Colleges	54,676	54,862	--	--	54,676	54,862
State Colleges	39,356	40,265	1,268	1,304	40,624	41,569
Rutgers University	27,738	28,505	4,669	4,650	32,407	33,155
N. J. Inst. of Technology	3,409	3,354	623	646	4,032	4,000
Univ. of Medicine & Dent.	450	413	2,700	2,625	3,150	3,038
Independent Colleges	30,082	30,244	7,127	7,330	37,209	37,574
Total Full-Time	<u>155,711</u>	<u>157,643</u>	<u>16,387</u>	<u>16,555</u>	<u>172,098</u>	<u>174,198</u>
Part-Time Enrollment						
Community Colleges	81,086	78,378	--	--	81,086	78,378
State Colleges	17,871	17,400	10,242	10,031	28,113	27,431
Rutgers University	6,732	6,433	8,635	8,546	15,367	14,979
N. J. Inst. of Technology	1,564	1,688	1,908	2,197	3,472	3,885
T. Edison State College	8,619	8,549	--	--	8,619	8,549
Univ. of Medicine & Dent.	344	433	526	790	870	1,223
Independent Colleges	13,366	12,936	11,780	11,160	25,146	24,096
Total Part-Time	<u>129,582</u>	<u>125,817</u>	<u>33,091</u>	<u>32,724</u>	<u>162,673</u>	<u>158,541</u>
Full and Part-Time						
Community Colleges	135,762	133,240	--	--	135,762	133,240
State Colleges	57,227	57,665	11,510	11,335	68,737	69,000
Rutgers University	34,470	34,938	13,304	13,196	47,774	48,134
N. J. Inst. of Technology	4,973	5,042	2,531	2,843	7,504	7,885
T. Edison State College	8,619	8,962	--	2,625	8,619	11,587
Univ. of Medicine & Dent.	794	30,677	3,226	8,120	4,020	38,797
Independent Colleges	43,448	12,936	18,907	11,160	62,355	24,096
Total Full and Part-Time	<u>285,293</u>	<u>283,460</u>	<u>49,478</u>	<u>49,279</u>	<u>334,771</u>	<u>332,739</u>

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

**STATE OF NEW JERSEY
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

FULL-TIME UNDERGRADUATE ENROLLMENT

<u>Year</u>	<u>Community Colleges</u>	<u>State Colleges</u>	<u>Other Public 4-Year(1)</u>	<u>Independent Colleges</u>	<u>Total</u>
1986	37,347	36,143	31,914	29,098	134,502
1987	37,466	36,618	31,396	28,588	134,068
1988	39,244	36,526	31,213	29,032	136,015
1989	42,398	37,873	31,308	29,801	141,380
1990	45,673	39,457	31,390	29,477	145,997
1991	49,497	39,911	32,147	29,343	150,898
1992	52,584	40,569	32,147	29,148	154,448
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

PART-TIME UNDERGRADUATE ENROLLMENT

1986	69,903	21,359	14,944	12,638	118,844
1987	68,621	20,810	15,150	11,936	116,517
1988	71,428	19,980	16,003	12,773	120,184
1989	76,044	20,383	16,232	13,282	125,941
1990	79,167	20,540	16,526	13,281	129,514
1991	83,132	19,067	16,851	13,299	132,349
1992	86,144	18,958	17,584	13,824	136,510
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

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

- (1) Includes Rutgers University, New Jersey Institute of Technology, the University of Medicine and Dentistry's School of Allied Health Professions, and Thomas A. Edison State College.

**STATE OF NEW JERSEY
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

Fiscal Year	Principal	Interest	Total Debt Service	State Expenditures	Ratio of Debt Service to Total State Expenditures
1987	\$ 150,750,000	\$ 165,576,977	\$ 316,326,977	\$ 9,485,990,227	3.33
1988	166,615,000	181,758,586	348,373,586	10,590,225,915	3.29
1989	185,051,000	171,025,655	356,076,655	11,861,117,648	3.00
1990	178,801,000	187,069,534	365,870,534	12,153,464,061	3.01
1991	198,230,000	196,011,871	394,241,871	12,552,477,202	3.14
1992	207,557,000	202,997,090	410,554,090	15,146,159,738	2.71
1993	93,923,000	115,876,389	209,799,389	14,666,284,793	1.43
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

* Includes only Debt Service on General Obligation Bonded Debt.

CALCULATION OF LEGAL DEBT LIMITS

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 work distinctly specified therein. No such law may take effect until it has 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, 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 in the constitution would prohibit any other method of creating such debt and liability.

**STATE OF NEW JERSEY
CALCULATION OF LEGAL DEBT LIMITS
(EXPRESSED IN THOUSANDS)**

Fiscal Year	Total General Fund Appropriations*	Legal Debt Limit	Outstanding General Obligation Bonded Debt
1987	\$ 6,921,174	\$ 69,212	\$ 2,479,055
1988	7,522,288	75,223	2,607,825
1989	8,392,878	83,929	2,772,774
1990	8,797,697	87,977	2,956,283
1991	9,127,646	91,276	3,073,053
1992	10,233,988	102,340	3,316,391
1993	10,082,054	100,821	3,594,741
1994	10,270,698	102,707	3,591,316
1995	10,471,079	104,711	3,646,891
1996	11,216,997	112,170	3,688,361

Does not include Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund, and Governatorial Elections Fund, the revenues of which are restricted as to use by their respective legislation.

**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>
1986	7,620	3,892	3,696	196	5.0	7.0
1987	7,677	3,966	3,806	160	4.0	6.2
1988	7,718	3,985	3,824	151	3.8	5.5
1989	7,726	3,989	3,826	163	4.1	5.3
1990	7,735	4,048	3,846	202	5.0	5.5
1991	7,773	4,040	3,772	267	6.6	6.7
1992	7,820	4,034	3,697	337	8.4	7.4
1993	7,879	4,001	3,706	295	7.4	6.8
1994	7,904	4,108	3,828	280	6.8	6.1
1995	7,945	4,081	3,830	250	6.4	5.6

Sources: New Jersey Department of Labor, "New Jersey Economic Indicators".
New Jersey Department of Labor, Division of Planning and Research.

MISCELLANEOUS STATISTICAL DATA

In 1787, New Jersey became the third state to ratify the U.S. Constitution.

The State Constitution was adopted on July 2, 1776, subsequently superceded by the State Constitution of 1844 and the current Constitution which was ratified by the State's voters 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 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 area of the State, 7,489.2 square miles, ranks it fifth smallest in size. The estimated population as of July 1, 1995 was 7,945,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,061 people per square mile.

The higher education system in New Jersey includes 24 private colleges, 19 community colleges, as well as the following State institutions:

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

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