



FINANCIAL STATE OF THE STATE

New Jersey's constitution and statutes require our legislature to pass a balanced budget. To sensible people that means the State's spending should not be great than the revenues collected. Citizens expect our elected officials to follow the intent of the law and not overspend . . . Right?

The Truth is decades of balanced budgets have brought about approximately **\$108 billion of debt**. This occurs because the State uses ancient budgeting and accounting methods that simply do not recognize the realities of a modern government.

The handling of pension promises demonstrates how State officials take advantage of antiquated budgeting and accounting rules. Truthful accounting recognizes that employees earn a portion of their pensions every year they work. Accurate accounting provides that these real and certain expenses be reported on the State's balance sheet and income statement when earned, not when paid.

Not in New Jersey. Because these pensions are not immediately payable *in cash*, New Jersey's politicians ignore some of these costs when calculating a "balanced" budget. These costs and others, that have been pushed into the future thus onto our children's and grandchildren's backs, now total **\$143 billion**.

But New Jersey has no unrestricted assets to pay these bills. In fact to pay past bills the State has already used more than **\$33 billion** of assets that were supposed to be set aside to met statutory and contractual requirements. To pay bills and obligations that past legislators should have already covered, current and future taxpayers will have to come up with **\$176 billion—\$66,200 per family**.

You should DEMAND your elected officials use honest budgeting and accounting, so you know the **true** cost of the government and New Jersey's **True Debt of \$107 billion**.

WHAT DO WE OWE... AND WHERE DO WE STAND? As of June 30, 2009

What do we own	
Capital Assets	\$20,628,500,000
Other Assets	\$14,662,800,000
OUR ASSETS	\$35,291,300,000

What do we owe	
State Bonds	\$35,513,000,000
Amounts Due Pension Funds	\$30,726,745,000
Retirees' Health Care Benefits (OPEB)	\$68,900,000,000
Other Liabilities	\$7,925,800,000
OUR LIABILITIES	\$143,065,545,000

Where we stand	
Financial Position	(\$107,774,245,000)

Do we have enough to pay our bills	
Our bills	(\$143,065,545,000)
Unrestricted funds	(\$33,131,100,000)
Short fall	(\$176,196,645,000)
Per family	(\$66,200)

State employees and teachers have been promised **\$150 billion** in retirement benefits, but only **\$50 billion** has been set aside to fund these benefits. Now the Governor has stated he will shortchange the pension systems again this year by not paying **\$3 billion** of the annual required contribution.

Our budget will not be truly balanced if we do not pay our current bills and adequately fund our retirement systems every

WHAT DO WE **OWE** . . .
WHERE DO WE STAND?

*We Have **\$143 Billion** of Bills.
We Have Already Used
\$33 Billion of Restricted Funds
To Pay Past Bills.*

*Now We Need To Come
Up With **\$176 Billion**
To Pay Our Creditors
And Retirees.*

Shouldn't We Fund
Our Teachers' and State
Employees' Retirement
Promises?

For more
information, visit
www.truthinaccounting.org
www.NewJersey.StateBudgetWatch.org



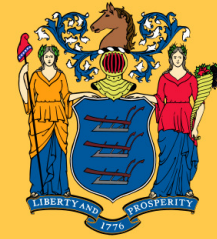
The Institute for Truth in Accounting (IFTA) is an organization dedicated to promoting honest, accurate and transparent accounting at all levels of government. As a non-partisan, non-profit organization, the IFTA works to expose budgeting and accounting deficiencies. The IFTA also promotes better, more accessible delivery of accurate governmental financial data, which is a foundation for informed public policy.

Institute for Truth in Accounting

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