

*Required
Supplementary
Information*

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR JUNE 30, 2015**

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 15,411,163,000	\$ 15,427,767,000	\$ 15,330,177,188	\$ (97,589,812)
Federal and other grants	16,251,559,797	16,366,551,908	13,848,201,139	(2,518,350,769)
Licenses and fees	1,125,822,303	1,106,470,865	1,263,178,816	156,707,951
Services and assessments	2,039,939,366	1,923,874,437	1,778,665,794	(145,208,643)
Investment earnings	5,000	140,399	2,257,934	2,117,535
Other	3,868,772,577	3,357,670,123	2,941,859,282	(415,810,841)
Total Revenues	<u>38,697,262,043</u>	<u>38,182,474,732</u>	<u>35,164,340,153</u>	<u>(3,018,134,579)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	<u>2,439,046,000</u>	<u>2,458,190,947</u>	<u>2,455,776,233</u>	<u>(2,414,714)</u>
Total Other Financing Sources	<u>2,439,046,000</u>	<u>2,458,190,947</u>	<u>2,455,776,233</u>	<u>(2,414,714)</u>
Total Revenues and Other Financing Sources	<u>41,136,308,043</u>	<u>40,640,665,679</u>	<u>37,620,116,386</u>	<u>(3,020,549,293)</u>
EXPENDITURES				
Public safety and criminal justice	3,771,750,391	3,691,186,953	3,246,467,075	444,719,878
Physical and mental health	14,898,905,991	14,902,256,845	14,199,584,763	702,672,082
Educational, cultural, and intellectual development	4,682,827,180	4,075,920,810	3,889,537,659	186,383,151
Community development and environmental management	3,923,948,096	3,846,220,309	2,988,883,030	857,337,279
Economic planning, development, and security	4,686,557,711	4,583,010,727	4,086,197,860	496,812,867
Transportation programs	822,716,935	736,073,026	630,650,256	105,422,770
Government direction, management, and control	6,176,043,873	6,251,055,087	5,925,538,762	325,516,325
Special government services	898,989,003	887,845,059	707,786,117	180,058,942
Total Expenditures	<u>39,861,739,180</u>	<u>38,973,568,816</u>	<u>35,674,645,522</u>	<u>3,298,923,294</u>
OTHER FINANCING USES				
Transfers to other funds	<u>1,434,169,864</u>	<u>1,434,169,864</u>	<u>1,434,169,864</u>	<u>-</u>
Total Other Financing Uses	<u>1,434,169,864</u>	<u>1,434,169,864</u>	<u>1,434,169,864</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>41,295,909,044</u>	<u>40,407,738,680</u>	<u>37,108,815,386</u>	<u>3,298,923,294</u>
Net Change in Fund Balance	<u>(159,601,001)</u>	<u>232,926,999</u>	<u>511,301,000</u>	<u>278,374,001</u>
Fund Balances - July 1, 2014	<u>300,000,000</u>	<u>295,104,000</u>	<u>295,104,000</u>	<u>-</u>
Fund Balances - June 30, 2015	<u>\$ 140,398,999</u>	<u>\$ 528,030,999</u>	<u>\$ 806,405,000</u>	<u>\$ 278,374,001</u>

Property Tax Relief Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 13,314,643,349	\$ 14,073,013,349	\$ 13,949,322,918	\$ (123,690,431)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	137,500	137,500
<u>13,314,643,349</u>	<u>14,073,013,349</u>	<u>13,949,460,418</u>	<u>(123,552,931)</u>
-	-	-	-
-	-	-	-
<u>13,314,643,349</u>	<u>14,073,013,349</u>	<u>13,949,460,418</u>	<u>(123,552,931)</u>
24,500,000	22,974,954	23,366,006	(391,052)
112,466,518	105,465,841	108,519,777	(3,053,936)
11,386,859,395	11,365,745,897	12,086,818,249	(721,072,352)
258,132,590	242,064,672	256,532,987	(14,468,315)
51,903,000	48,672,206	51,929,086	(3,256,880)
-	170,671,089	182,091,472	(11,420,383)
1,233,366,846	1,170,017,689	1,231,108,840	(61,091,151)
-	-	-	-
<u>13,067,228,349</u>	<u>13,125,612,348</u>	<u>13,940,366,417</u>	<u>(814,754,069)</u>
-	849,662,000	-	849,662,000
-	849,662,000	-	849,662,000
<u>13,067,228,349</u>	<u>13,975,274,348</u>	<u>13,940,366,417</u>	<u>34,907,931</u>
247,415,000	97,739,001	9,094,001	(88,645,000)
-	1,084,000	1,084,000	-
<u>\$ 247,415,000</u>	<u>\$ 98,823,001</u>	<u>\$ 10,178,001</u>	<u>\$ (88,645,000)</u>

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**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE FISCAL YEAR JUNE 30, 2015**

	Total Major Governmental Funds			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 28,725,806,349	\$ 29,500,780,349	\$ 29,279,500,106	\$ (221,280,243)
Federal and other grants	16,251,559,797	16,366,551,908	13,848,201,139	(2,518,350,769)
Licenses and fees	1,125,822,303	1,106,470,865	1,263,178,816	156,707,951
Services and assessments	2,039,939,366	1,923,874,437	1,778,665,794	(145,208,643)
Investment earnings	5,000	140,399	2,257,934	2,117,535
Other	3,868,772,577	3,357,670,123	2,941,996,782	(415,673,341)
Total Revenues	52,011,905,392	52,255,488,081	49,113,800,571	(3,141,687,510)
OTHER FINANCING SOURCES				
Transfers from other funds	2,439,046,000	2,458,190,947	2,455,776,233	(2,414,714)
Total Other Financing Sources	2,439,046,000	2,458,190,947	2,455,776,233	(2,414,714)
Total Revenues and Other Financing Sources	54,450,951,392	54,713,679,028	51,569,576,804	(3,144,102,224)
EXPENDITURES				
Public safety and criminal justice	3,796,250,391	3,714,161,907	3,269,833,081	444,328,826
Physical and mental health	15,011,372,509	15,007,722,686	14,308,104,540	699,618,146
Educational, cultural, and intellectual development	16,069,686,575	15,441,666,707	15,976,355,908	(534,689,201)
Community development and environmental management	4,182,080,686	4,088,284,981	3,245,416,017	842,868,964
Economic planning, development, and security	4,738,460,711	4,631,682,933	4,138,126,946	493,555,987
Transportation programs	822,716,935	906,744,115	812,741,728	94,002,387
Government direction, management, and control	7,409,410,719	7,421,072,776	7,156,647,602	264,425,174
Special government services	898,989,003	887,845,059	707,786,117	180,058,942
Total Expenditures	52,928,967,529	52,099,181,164	49,615,011,939	2,484,169,225
OTHER FINANCING USES				
Transfers to other funds	1,434,169,864	2,283,831,864	1,434,169,864	849,662,000
Total Other Financing Uses	1,434,169,864	2,283,831,864	1,434,169,864	849,662,000
Total Expenditures and Other Financing Uses	54,363,137,393	54,383,013,028	51,049,181,803	3,333,831,225
Net Change in Fund Balance	87,813,999	330,666,000	520,395,001	189,729,001
Fund Balances - July 1, 2014	300,000,000	296,188,000	296,188,000	-
Fund Balances - June 30, 2015	\$ 387,813,999	\$ 626,854,000	\$ 816,583,001	\$ 189,729,001

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	General Fund	Property Tax Relief Fund
Sources/inflows of resources:		
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 37,620,116,386	\$ 13,949,460,418
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	1,316,228,042	-
Proceeds and premiums from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	830,759,140	-
Additions to general obligation debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	588,248,469	-
Proceeds and premiums from the sale of installment obligation bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes	221,407,463	-
Additions to other debt are not inflows of budgetary resources but are financing sources for financial reporting purposes	78,706,406	-
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 40,655,465,906	\$ 13,949,460,418
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 36,569,165,992	\$ 13,949,460,418
Transfers from other funds	2,455,776,235	-
Other sources	1,630,523,679	-
Total revenues and other financing sources	\$ 40,655,465,906	\$ 13,949,460,418

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 37,108,815,386	\$ 13,940,366,417
Differences - budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(2,216,244,567)	(9,052,134)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	1,921,843,061	(4,456,159)
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	1,316,228,042	-
School construction bonds proceeds distributed to the New Jersey Schools Development Authority are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	830,759,140	-
General obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	588,248,469	-
Installment obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	221,407,463	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	78,706,406	-
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 39,849,763,400	\$ 13,926,858,124
 GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 37,043,307,084	\$ 13,926,858,124
Transfers to other funds	2,022,716,316	-
Other uses	783,740,000	-
Total expenditures and other financing uses	\$ 39,849,763,400	\$ 13,926,858,124

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

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

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

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

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

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDING JUNE 30, 2014

	Consolidated Police and Firemen's Pension Fund	Judicial Retirement System
Total pension liability		
Service cost	\$ -	\$ 30,628,662
Interest on the total pension liability	154,758	41,826,802
Effect of economic/demographic (gains) or losses	-	-
Benefit payments	(1,052,944)	(49,604,080)
Effect of assumptions changes or inputs	73,637	26,907,821
Net change in total pension liability	(824,549)	49,759,205
Total pension liability - July 1, 2013	5,877,680	850,984,555
Total pension liability - June 30, 2014	\$ 5,053,131	\$ 900,743,760
 Plan fiduciary net position		
Contributions - employer	\$ -	\$ 15,874,857
Contributions - employee	-	5,096,577
Net investment income	12,325	34,448,036
Benefit payments, including refunds of employee contributions	(1,052,944)	(49,604,080)
Administrative expense	(9,566)	(162,372)
Net change in plan fiduciary net position	(1,050,185)	5,653,018
Plan fiduciary net position - July 1, 2013	4,353,816	225,830,817
Plan fiduciary net position - June 30, 2014	\$ 3,303,631	\$ 231,483,835
Net pension liability/(asset) - June 30, 2014	\$ 1,749,500	\$ 669,259,925
 Plan fiduciary net position as a percentage of the total pension liability	65.38%	25.70%
Covered-employee payroll	N/A	\$ 67,810,110
 State's net pension liability as a percentage of covered employee payroll	N/A	986.96%

<u>Prison Officers' Pension Fund</u>	<u>State Police Retirement System</u>
\$ -	\$ 88,919,195
217,931	213,714,531
-	-
(790,233)	(197,958,938)
-	92,686,900
<u>(572,302)</u>	<u>197,361,688</u>
4,748,938	4,048,757,035
<u>\$ 4,176,636</u>	<u>\$ 4,246,118,723</u>
\$ -	\$ 36,436,923
-	24,034,496
7,368	287,098,217
(790,233)	(197,958,938)
<u>(5,853)</u>	<u>(280,026)</u>
<u>(788,718)</u>	<u>149,330,672</u>
8,171,919	1,788,625,722
<u>\$ 7,383,201</u>	<u>\$ 1,937,956,394</u>
<u>\$ (3,206,565)</u>	<u>\$ 2,308,162,329</u>
176.77%	45.64%
N/A	\$ 262,063,829
N/A	880.76%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDING JUNE 30, 2014
(Expressed in Millions)

	<u>Consolidated Police and Firemen's Pension Fund</u>	<u>Judicial Retirement System</u>	<u>State Police Retirement System</u>
Actuarially determined contribution	\$ 0.9	\$ 43.9	\$ 105.1
Actual employer contributions received	-	15.9	36.4
Difference (unfunded)	<u>\$ (0.9)</u>	<u>\$ (28.0)</u>	<u>\$ (68.7)</u>
Covered payroll	\$ N/A	\$ 67.8	\$ 262.1
Actual employer contributions received as a percentage of covered payroll	N/A	23.45%	13.89%

Notes: There are no active members in the Prison Officers' Pension Fund. Based on the recent actuarial valuation, there was no normal cost or accrued liability contribution required by the State for the fiscal year ended June 30, 2014.

Assumptions used in calculating actuarially determined contribution are presented in Note 17.

**STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY
COST-SHARING EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDING JUNE 30, 2014
(Expressed in Millions)**

	<u>Public Employees' Retirement System</u>	<u>Special Funding</u>	
		<u>Police and Firemen's Retirement System</u>	<u>Teachers' Pension and Annuity Fund</u>
Employer's proportion of the collective net pension liability	44.46%	19.51%	0.68%
Employer's proportionate share of the collective net pension liability	\$ 17,274.1	\$ 3,412.1	\$ 366.3
Nonemployer proportionate share of the collective net pension liability	N/A	0.81%	99.32%
Total proportionate share of the collective net pension liability	\$ 17,274.1	\$ 3,553.1	\$ 53,813.1
Employer's covered payroll	\$ 4,556.7	\$ 510.8	\$ 10,038.8
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	379.09%	667.99%	3.65%
Plan fiduciary net position as a percentage of the total pension liability	42.74%	58.86%	33.64%

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDING JUNE 30, 2014
(Expressed in Millions)**

	<u>Special Funding</u>		
	<u>Public Employees' Retirement System</u>	<u>Police and Firemen's Retirement System</u>	<u>Teachers' Pension and Annuity Fund</u>
Statutorily required employer contribution	\$ 993.1	\$ 389.7	\$ 2,158.3
Actual employer contributions received	141.2	115.6	392.0
Difference (unfunded)	<u>\$ (851.9)</u>	<u>\$ (274.1)</u>	<u>\$ (1,766.3)</u>
Covered payroll	\$ 4,556.7	\$ 510.8	\$ 10,038.8
Actual employer contributions received as a percentage of covered payroll	3.10%	22.63%	3.90%

Note: Assumptions used in calculating the statutorily required employer determined contribution are presented in Note 17.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
HEALTH BENEFITS PROGRAM FUND (OPEB)
(Expressed in Millions)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Actuarial value of assets	\$ -	\$ -	\$ -
Actuarial accrued liability	\$ 65,046.2	\$ 53,000.1	\$ 51,502.6
Unfunded actuarial accrued liability	\$ 65,046.2	\$ 53,000.1	\$ 51,502.6
Funded ratio	-	-	-
Covered payroll	\$ 20,081.7	\$ 20,964.3	\$ 20,513.9
Unfunded actuarial accrued liability as a percentage of covered payroll	323.9%	252.8%	251.1%

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