

*Required  
Supplementary  
Information*

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**STATE OF NEW JERSEY  
REQUIRED SUPPLEMENTARY INFORMATION  
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**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 16,923,111,000	\$ 16,938,538,000	\$ 16,499,163,603	\$ (439,374,397)
Federal and other grants	15,603,626,489	15,595,694,060	13,667,656,635	(1,928,037,425)
Licenses and fees	1,388,152,009	1,480,832,452	1,375,016,045	(105,816,407)
Port Authority and Component Units	267,856,000	267,856,000	349,976,882	82,120,882
Services and assessments	2,289,996,427	2,328,598,673	1,754,959,023	(573,639,650)
Investment earnings	-	3,953,457	32,664,740	28,711,283
Other	4,535,731,187	2,332,208,739	1,717,209,673	(614,999,066)
<b>Total Revenues</b>	<u>41,008,473,112</u>	<u>38,947,681,381</u>	<u>35,396,646,601</u>	<u>(3,551,034,780)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>1,953,252,000</u>	<u>1,987,358,749</u>	<u>1,728,831,659</u>	<u>(258,527,090)</u>
<b>Total Other Financing Sources</b>	<u>1,953,252,000</u>	<u>1,987,358,749</u>	<u>1,728,831,659</u>	<u>(258,527,090)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>42,961,725,112</u>	<u>40,935,040,130</u>	<u>37,125,478,260</u>	<u>(3,809,561,870)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,798,699,893	3,559,671,986	3,196,010,648	363,661,338
Physical and mental health	16,155,952,742	15,125,947,465	13,361,205,916	1,764,741,549
Educational, cultural, and intellectual development	4,084,708,467	3,951,277,408	4,099,252,758	(147,975,350)
Community development and environmental management	2,796,436,382	2,696,649,778	1,964,159,703	732,490,075
Economic planning, development, and security	4,858,252,196	4,575,138,118	3,971,919,647	603,218,471
Transportation programs	1,891,146,706	1,651,073,932	861,334,205	789,739,727
Government direction, management, and control	5,939,182,490	5,657,501,333	5,188,488,876	469,012,457
Special government services	436,446,903	402,562,777	343,033,547	59,529,230
<b>Total Expenditures</b>	<u>39,960,825,779</u>	<u>37,619,822,797</u>	<u>32,985,405,300</u>	<u>4,634,417,497</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	<u>3,326,799,333</u>	<u>3,326,799,333</u>	<u>3,864,677,025</u>	<u>(537,877,692)</u>
<b>Total Other Financing Uses</b>	<u>3,326,799,333</u>	<u>3,326,799,333</u>	<u>3,864,677,025</u>	<u>(537,877,692)</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>43,287,625,112</u>	<u>40,946,622,130</u>	<u>36,850,082,325</u>	<u>4,096,539,805</u>
<b>Net Change in Fund Balance</b>	<u>(325,900,000)</u>	<u>(11,582,000)</u>	<u>275,395,935</u>	<u>286,977,935</u>
<b>Fund Balances - July 1, 2017</b>	<u>434,600,000</u>	<u>783,779,000</u>	<u>715,212,000</u>	<u>(68,567,000)</u>
<b>Fund Balances - June 30, 2018</b>	<u>\$ 108,700,000</u>	<u>\$ 772,197,000</u>	<u>\$ 990,607,935</u>	<u>\$ 218,410,935</u>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Property Tax Relief Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 15,166,059,000	\$ 15,920,582,000	\$ 15,806,769,794	\$ (113,812,206)
Federal and other grants	-	-	-	-
Licenses and fees	-	-	-	-
Port Authority and Component Units	-	-	-	-
Services and assessments	-	-	-	-
Investment earnings	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>15,166,059,000</u>	<u>15,920,582,000</u>	<u>15,806,769,794</u>	<u>(113,812,206)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Financing Sources</b>	<u>15,166,059,000</u>	<u>15,920,582,000</u>	<u>15,806,769,794</u>	<u>(113,812,206)</u>
<b>EXPENDITURES</b>				
Public safety and criminal justice	24,576,166	24,970,796	24,001,448	969,348
Physical and mental health	121,318,286	123,266,351	109,966,749	13,299,602
Educational, cultural, and intellectual development	13,319,251,618	13,452,937,771	13,128,794,789	324,142,982
Community development and environmental management	301,438,578	312,002,839	303,507,812	8,495,027
Economic planning, development, and security	78,679,840	79,943,240	78,085,988	1,857,252
Transportation programs	-	18,143,067	17,721,565	421,502
Government direction, management, and control	1,020,494,512	1,912,024,936	1,860,195,672	51,829,264
Special government services	-	-	-	-
<b>Total Expenditures</b>	<u>14,865,759,000</u>	<u>15,923,289,000</u>	<u>15,522,274,023</u>	<u>401,014,977</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	-	-	287,202,771	(287,202,771)
<b>Total Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>287,202,771</u>	<u>(287,202,771)</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>14,865,759,000</u>	<u>15,923,289,000</u>	<u>15,809,476,794</u>	<u>113,812,206</u>
<b>Net Change in Fund Balance</b>	<u>300,300,000</u>	<u>(2,707,000)</u>	<u>(2,707,000)</u>	<u>-</u>
<b>Fund Balances - July 1, 2017</b>	<u>-</u>	<u>2,707,000</u>	<u>2,707,000</u>	<u>-</u>
<b>Fund Balances - June 30, 2018</b>	<u>\$ 300,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Total Major Governmental Funds</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 32,089,170,000	\$ 32,859,120,000	\$ 32,305,933,397	\$ (553,186,603)
Federal and other grants	15,603,626,489	15,595,694,060	13,667,656,635	(1,928,037,425)
Licenses and fees	1,388,152,009	1,480,832,452	1,375,016,045	(105,816,407)
Port Authority and Component Units	267,856,000	267,856,000	349,976,882	82,120,882
Services and assessments	2,289,996,427	2,328,598,673	1,754,959,023	(573,639,650)
Investment earnings	-	3,953,457	32,664,740	28,711,283
Other	4,535,731,187	2,332,208,739	1,717,209,673	(614,999,066)
<b>Total Revenues</b>	<b>56,174,532,112</b>	<b>54,868,263,381</b>	<b>51,203,416,395</b>	<b>(3,664,846,986)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	1,953,252,000	1,987,358,749	1,728,831,659	(258,527,090)
<b>Total Other Financing Sources</b>	<b>1,953,252,000</b>	<b>1,987,358,749</b>	<b>1,728,831,659</b>	<b>(258,527,090)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>58,127,784,112</b>	<b>56,855,622,130</b>	<b>52,932,248,054</b>	<b>(3,923,374,076)</b>
<b>EXPENDITURES</b>				
Public safety and criminal justice	3,823,276,059	3,584,642,782	3,220,012,096	364,630,686
Physical and mental health	16,277,271,028	15,249,213,816	13,471,172,665	1,778,041,151
Educational, cultural, and intellectual development	17,403,960,085	17,404,215,179	17,228,047,547	176,167,632
Community development and environmental management	3,097,874,960	3,008,652,617	2,267,667,515	740,985,102
Economic planning, development, and security	4,936,932,036	4,655,081,358	4,050,005,635	605,075,723
Transportation programs	1,891,146,706	1,669,216,999	879,055,770	790,161,229
Government direction, management, and control	6,959,677,002	7,569,526,269	7,048,684,548	520,841,721
Special government services	436,446,903	402,562,777	343,033,547	59,529,230
<b>Total Expenditures</b>	<b>54,826,584,779</b>	<b>53,543,111,797</b>	<b>48,507,679,323</b>	<b>5,035,432,474</b>
<b>OTHER FINANCING USES</b>				
Transfers to other funds	3,326,799,333	3,326,799,333	4,151,879,796	(825,080,463)
<b>Total Other Financing Uses</b>	<b>3,326,799,333</b>	<b>3,326,799,333</b>	<b>4,151,879,796</b>	<b>(825,080,463)</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>58,153,384,112</b>	<b>56,869,911,130</b>	<b>52,659,559,119</b>	<b>4,210,352,011</b>
<b>Net Change in Fund Balance</b>	<b>(25,600,000)</b>	<b>(14,289,000)</b>	<b>272,688,935</b>	<b>286,977,935</b>
<b>Fund Balances - July 1, 2017</b>	<b>434,600,000</b>	<b>786,486,000</b>	<b>717,919,000</b>	<b>(68,567,000)</b>
<b>Fund Balances - June 30, 2018</b>	<b>\$ 409,000,000</b>	<b>\$ 772,197,000</b>	<b>\$ 990,607,935</b>	<b>\$ 218,410,935</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Sources/inflows of resources:</b>		
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 37,125,478,260	\$ 15,806,769,794
Differences - budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB Statement No. 24).	1,045,354,353	-
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.	1,690,687,560	-
Additions to other debt are not inflows of budgetary resources but are financing sources for financial reporting purposes.	93,315,503	-
Subfund activity: revenues, bonds, notes, installment obligations, COPS issued, capital lease acquisitions, refunding bonds issued, premiums/discounts and transfers from other funds.	40,450,655	-
<b>Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>\$ 39,995,286,331</b>	<b>\$ 15,806,769,794</b>
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 36,406,974,967	\$ 15,806,769,794
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	818,995,503	-
Refunding bonds issued	856,400,000	-
Premiums/discounts	108,607,560	-
Transfers from other funds	1,804,308,301	-
<b>Total revenues and other financing sources</b>	<b>\$ 39,995,286,331</b>	<b>\$ 15,806,769,794</b>

**STATE OF NEW JERSEY  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

	<b>General Fund</b>	<b>Property Tax Relief Fund</b>
<b>Uses/outflows of resources:</b>		
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 36,850,082,235	\$ 15,809,476,794
Differences - budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,807,106,998)	(19,233,591)
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.	980,480,836	15,830,624
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB Statement No. 24).	1,045,354,353	-
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.	1,690,687,560	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	93,315,503	-
Subfund activity: expenditures, payment to bond escrow agents and transfers to other funds	193,245,102	-
<b>Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>\$ 39,046,058,591</b>	<b>\$ 15,806,073,827</b>
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 34,216,874,006	\$ 15,518,871,056
Payment to bond escrow agents	3,864,177,025	287,202,771
Transfers to other funds	965,007,560	-
<b>Total expenditures and other financing uses</b>	<b>\$ 39,046,058,591</b>	<b>\$ 15,806,073,827</b>



**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 unassigned 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.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS\***  
**SINGLE-EMPLOYER PENSION PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**Consolidated Police and Firemen's Pension Fund**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability:</b>				
Interest on the total pension liability	\$ 260,211	\$ 352,889	\$ 504,066	\$ 632,080
Effect of economic/demographic (gains) or losses	(984,588)	(71,313)	(993,528)	-
Effect of assumptions changes or inputs	(236,022)	1,273,909	193,719	163,528
Benefit payments	(1,535,623)	(1,881,252)	(2,445,627)	(2,942,035)
<b>Net change in total pension liability</b>	<u>(2,496,022)</u>	<u>(325,767)</u>	<u>(2,741,370)</u>	<u>(2,146,427)</u>
<b>Total pension liability - Beginning</b>	<u>9,892,635</u>	<u>10,218,402</u>	<u>12,959,772</u>	<u>15,106,199</u>
<b>Total pension liability - Ending</b>	<u>\$ 7,396,613</u>	<u>\$ 9,892,635</u>	<u>\$ 10,218,402</u>	<u>\$ 12,959,772</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 1,539,280	\$ 1,344,017	\$ 1,577,751	\$ 1,900,831
Net investment income	10,099	10,856	198	585
Benefit payments, including refunds of employee contributions	(1,535,623)	(1,881,252)	(2,445,627)	(2,942,035)
Administrative expense	(4,188)	(6,643)	(8,003)	(9,566)
<b>Net change in plan fiduciary net position</b>	<u>9,568</u>	<u>(533,022)</u>	<u>(875,681)</u>	<u>(1,050,185)</u>
<b>Plan fiduciary net position - Beginning</b>	<u>1,894,928</u>	<u>2,427,950</u>	<u>3,303,631</u>	<u>4,353,816</u>
<b>Plan fiduciary net position - Ending</b>	<u>\$ 1,904,496</u>	<u>\$ 1,894,928</u>	<u>\$ 2,427,950</u>	<u>\$ 3,303,631</u>
<b>Net pension liability - Ending</b>	<u>\$ 5,492,117</u>	<u>\$ 7,997,707</u>	<u>\$ 7,790,452</u>	<u>\$ 9,656,141</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	25.75%	19.15%	23.76%	25.49%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A
<b>State's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A

**Note:**

\*Schedule is intended to show information for ten years.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS\***  
**SINGLE-EMPLOYER PENSION PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**Judicial Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability:</b>				
Service cost	\$ 37,224,230	\$ 33,333,864	\$ 30,702,986	\$ 32,123,341
Interest on the total pension liability	30,788,977	36,471,524	41,473,055	40,332,123
Effect of economic/demographic (gains) or losses	14,120,673	254,822	(1,733,197)	-
Effect of assumptions changes or inputs	(70,235,370)	85,677,552	(41,873,530)	26,907,821
Transfers from other systems	1,121,097	726,284	2,081,523	-
Benefit payments	(56,365,718)	(54,686,521)	(52,430,016)	(49,604,080)
<b>Net change in total pension liability</b>	<u>(43,346,111)</u>	<u>101,777,525</u>	<u>(21,779,179)</u>	<u>49,759,205</u>
<b>Total pension liability - Beginning</b>	980,742,106	878,964,581	900,743,760	850,984,555
<b>Total pension liability - Ending</b>	<u>\$ 937,395,995</u>	<u>\$ 980,742,106</u>	<u>\$ 878,964,581</u>	<u>\$ 900,743,760</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 20,341,379	\$ 14,794,774	\$ 17,031,026	\$ 15,874,857
Contributions - employee	10,348,191	9,271,869	6,310,124	5,096,577
Net investment (loss) income	20,031,152	(2,721,949)	8,475,641	34,448,036
Transfers from other systems	1,121,097	726,284	2,081,523	-
Benefit payments, including refunds of employee contributions	(56,365,718)	(54,686,521)	(52,430,016)	(49,604,080)
Administrative expense	(150,588)	(168,008)	(168,762)	(162,372)
<b>Net change in plan fiduciary net position</b>	<u>(4,674,487)</u>	<u>(32,783,551)</u>	<u>(18,700,464)</u>	<u>5,653,018</u>
<b>Plan fiduciary net position - Beginning</b>	179,999,820	212,783,371	231,483,835	225,830,817
<b>Plan fiduciary net position - Ending</b>	<u>\$ 175,325,333</u>	<u>\$ 179,999,820</u>	<u>\$ 212,783,371</u>	<u>\$ 231,483,835</u>
<b>Net pension liability - Ending</b>	<u>\$ 762,070,662</u>	<u>\$ 800,742,286</u>	<u>\$ 666,181,210</u>	<u>\$ 669,259,925</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	18.70%	18.35%	24.21%	25.70%
<b>Covered payroll</b>	\$ 68,062,584	\$ 67,097,166	\$ 66,028,491	\$ 67,810,110
<b>State's net pension liability as a percentage of covered payroll</b>	1,119.66%	1,193.41%	1,008.93%	986.96%

**Note:**

\*Schedule is intended to show information for ten years.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS\***  
**SINGLE-EMPLOYER PENSION PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**Prison Officers' Pension Fund**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability:</b>				
Interest on the total pension liability	\$ 198,788	\$ 251,254	\$ 331,362	\$ 401,659
Effect of economic/demographic (gains) or losses	82,047	96,657	(296,620)	-
Effect of assumptions changes or inputs	(240,233)	1,171,953	163,490	129,449
Benefit payments	(1,069,209)	(1,240,307)	(1,377,505)	(1,583,408)
<b>Net change in total pension liability</b>	<u>(1,028,607)</u>	<u>279,557</u>	<u>(1,179,273)</u>	<u>(1,052,300)</u>
<b>Total pension liability - Beginning</b>	<u>7,505,870</u>	<u>7,226,313</u>	<u>8,405,586</u>	<u>9,457,886</u>
<b>Total pension liability - Ending</b>	<u>\$ 6,477,263</u>	<u>\$ 7,505,870</u>	<u>\$ 7,226,313</u>	<u>\$ 8,405,586</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 552,131	\$ 634,217	\$ 698,360	\$ 793,174
Net investment income	30,847	18,067	6,355	7,368
Benefit payments, including refunds of employee contributions	(1,069,209)	(1,240,307)	(1,377,505)	(1,583,408)
Administrative expense	(4,134)	(5,312)	(5,843)	(5,853)
<b>Net change in plan fiduciary net position</b>	<u>(490,365)</u>	<u>(593,335)</u>	<u>(678,633)</u>	<u>(788,719)</u>
<b>Plan fiduciary net position - Beginning</b>	<u>6,111,233</u>	<u>6,704,568</u>	<u>7,383,201</u>	<u>8,171,920</u>
<b>Plan fiduciary net position - Ending</b>	<u>\$ 5,620,868</u>	<u>\$ 6,111,233</u>	<u>\$ 6,704,568</u>	<u>\$ 7,383,201</u>
<b>Net pension liability - Ending</b>	<u>\$ 856,395</u>	<u>\$ 1,394,637</u>	<u>\$ 521,745</u>	<u>\$ 1,022,385</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.78%	81.42%	92.78%	87.84%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A
<b>State's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A

**Note:**

\*Schedule is intended to show information for ten years.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS\***  
**SINGLE-EMPLOYER PENSION PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**State Police Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability:</b>				
Service cost	\$ 139,506,057	\$ 113,546,510	\$ 93,740,921	\$ 93,623,020
Interest on the total pension liability	202,545,532	221,675,495	216,980,562	209,010,706
Effect of economic/demographic (gains) or losses	23,786,696	(17,580,385)	35,245,543	-
Effect of assumptions changes or inputs	(697,970,471)	747,941,075	435,691,094	92,686,900
Transfers from other systems	3,925	54,000	222,557	-
Benefit payments	(217,303,946)	(213,436,150)	(206,493,624)	(197,958,938)
<b>Net change in total pension liability</b>	<u>(549,432,207)</u>	<u>852,200,545</u>	<u>575,387,053</u>	<u>197,361,688</u>
<b>Total pension liability - Beginning</b>	<u>5,673,706,321</u>	<u>4,821,505,776</u>	<u>4,246,118,723</u>	<u>4,048,757,035</u>
<b>Total pension liability - Ending</b>	<u>\$ 5,124,274,114</u>	<u>\$ 5,673,706,321</u>	<u>\$ 4,821,505,776</u>	<u>\$ 4,246,118,723</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 53,006,614	\$ 37,435,541	\$ 38,527,297	\$ 36,436,923
Contributions - employee	23,721,785	22,818,295	22,315,431	24,034,496
Net investment (loss) income	207,401,590	(19,284,054)	75,532,779	287,098,217
Transfers from other systems	3,925	54,000	222,557	-
Benefit payments, including refunds of employee contributions	(217,303,946)	(213,436,150)	(206,493,624)	(197,958,938)
Administrative expense	(294,745)	(334,630)	(351,724)	(280,026)
<b>Net change in plan fiduciary net position</b>	<u>66,535,223</u>	<u>(172,746,998)</u>	<u>(70,247,284)</u>	<u>149,330,672</u>
<b>Plan fiduciary net position - Beginning</b>	<u>1,694,962,112</u>	<u>1,867,709,110</u>	<u>1,937,956,394</u>	<u>1,788,625,722</u>
<b>Plan fiduciary net position - Ending</b>	<u>\$ 1,761,497,335</u>	<u>\$ 1,694,962,112</u>	<u>\$ 1,867,709,110</u>	<u>\$ 1,937,956,394</u>
<b>Net pension liability - Ending</b>	<u>\$ 3,362,776,779</u>	<u>\$ 3,978,744,209</u>	<u>\$ 2,953,796,666</u>	<u>\$ 2,308,162,329</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	34.38%	29.87%	38.74%	45.64%
<b>Covered payroll</b>	\$ 277,771,135	\$ 275,477,457	\$ 262,496,289	\$ 262,063,829
<b>State's net pension liability as a percentage of covered payroll</b>	1,210.63%	1,444.31%	1,125.27%	880.76%

**Note:**

\*Schedule is intended to show information for ten years.

**STATE OF NEW JERSEY**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**SINGLE-EMPLOYER PENSION PLANS<sup>1</sup>**  
**AS OF THE MEASUREMENT DATE JUNE 30**  
**(Expressed in Millions)**

<b>Consolidated Police and Firemen's Pension Fund (CPFPF)</b>						
<b>Year<sup>2</sup></b>	<b>Statutorily actuarially determined contribution</b>	<b>Actual employer contribution</b>	<b>Difference (unfunded)</b>	<b>Covered payroll</b>	<b>Actual employer contribution as a percentage of covered payroll</b>	
2017	\$ 0.9	\$ 0.6	\$ (0.3)	N/A	N/A	
2016	0.5	0.2	(0.3)	N/A	N/A	
2015	-	-	-	N/A	N/A	
2014	0.9	-	(0.9)	N/A	N/A	

<b>Judicial Retirement System (JRS)</b>						
<b>Year<sup>2</sup></b>	<b>Statutorily actuarially determined contribution</b>	<b>Actual employer contribution</b>	<b>Difference (unfunded)</b>	<b>Covered payroll</b>	<b>Actual employer contribution as a percentage of covered payroll</b>	
2017	\$ 44.8	\$ 20.3	\$ (24.5)	\$ 68.1	29.81 %	
2016	47.3	14.8	(32.5)	67.1	22.06	
2015	45.1	17.0	(28.1)	66.0	25.76	
2014	43.9	15.9	(28.0)	67.8	23.45	

<b>State Police Retirement System (SPRS)</b>						
<b>Year<sup>2</sup></b>	<b>Statutorily actuarially determined contribution</b>	<b>Actual employer contribution</b>	<b>Difference (unfunded)</b>	<b>Covered payroll</b>	<b>Actual employer contribution as a percentage of covered payroll</b>	
2017	\$ 135.0	\$ 53.0	\$ (82.0)	\$ 277.8	19.08 %	
2016	120.8	37.4	(83.4)	275.5	13.58	
2015	110.9	38.5	(72.4)	262.5	14.67	
2014	105.1	36.4	(68.7)	262.1	13.89	

**Notes:**

<sup>1</sup> There are no active members in the Prison Officers' Pension Fund. Based on the recent pension actuarial valuation report, there was no contribution required by the State.

<sup>2</sup> Schedule is intended to show information for ten years.

**STATE OF NEW JERSEY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SINGLE-EMPLOYER PENSION PLANS<sup>1</sup> (Continued)  
AS OF THE MEASUREMENT DATE JUNE 30, 2017**

**Methods and Assumptions Used to Determine Contribution Rates:**

	<u>CPFPF</u>	<u>JRS</u>	<u>SPRS</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of pay	Level percentage of pay	Level percentage of pay
Remaining amortization period	9 years	30 years	30 years
Asset valuation method	Five-year average of market values	Five-year average of market values	Five-year average of market values
Inflation	2.25%	2.25%	2.25%
Investment rate of return	1.00%	7.00%	7.00%
Salary increases:			
Through 2025	N/A	2.00%	2.95%
Thereafter	N/A	3.00%	3.95%
Mortality rate table	RP-2000	RP-2000	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	N/A	July 1, 2011 - June 30, 2014	July 1, 2011 - June 30, 2014

N/A - This is a closed plan. There are no active employees.

Adjustments for mortality improvements are based on Society of Actuaries Scale AA.

**STATE OF NEW JERSEY**  
**SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS**  
**COST-SHARING EMPLOYER PENSION PLANS<sup>1</sup>**  
**AS OF THE MEASUREMENT DATE JUNE 30**  
**(Expressed in Millions)**

<b>Public Employees' Retirement System<sup>2</sup> (PERS)</b>					
<b>Year</b>	<b>Statutorily required employer contribution</b>	<b>Actual employer contribution</b>	<b>Difference (unfunded)</b>	<b>Covered payroll</b>	<b>Actual employer contribution as a percentage of covered payroll</b>
2017	\$ 1,103.7	\$ 459.2	\$ (644.5)	\$ 3,700.5	12.41 %
2016	1,039.4	328.7	(710.7)	3,781.8	8.69
2015	938.1	193.4	(744.7)	3,884.6	4.98
2014	878.0	147.2	(730.8)	3,913.5	3.76

<b>Police and Firemen's Retirement System<sup>2</sup> (PFRS) (Special Funding)</b>					
<b>Year</b>	<b>Statutorily required employer contribution</b>	<b>Actual employer contribution</b>	<b>Difference (unfunded)</b>	<b>Covered payroll</b>	<b>Actual employer contribution as a percentage of covered payroll</b>
2017	\$ 472.8	\$ 198.9	\$ (273.9)	\$ 465.4	42.74 %
2016	450.5	142.8	(307.7)	475.4	30.04
2015	405.1	144.1	(261.0)	487.7	29.55
2014	384.8	124.1	(260.7)	491.2	25.26

<b>Teachers' Pensions and Annuity Fund<sup>2</sup> (TPAF) (Special Funding)</b>					
<b>Year</b>	<b>Statutorily required employer contribution</b>	<b>Actual employer contribution</b>	<b>Difference (unfunded)</b>	<b>Covered payroll</b>	<b>Actual employer contribution as a percentage of covered payroll</b>
2017	\$ 2,776.3	\$ 1,127.0	\$ (1,649.3)	\$ 10,436.2	10.80 %
2016	2,580.4	800.1	(1,780.3)	10,305.5	7.76
2015	2,342.9	540.6	(1,802.3)	10,162.3	5.32
2014	2,192.6	427.7	(1,764.9)	10,038.8	4.26

**Notes:**

<sup>1</sup> Schedule is intended to show information for ten years.

<sup>2</sup> For Years 2014 to 2016 have been restated.



**STATE OF NEW JERSEY  
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS  
COST-SHARING EMPLOYER PENSION PLANS<sup>1</sup> (Continued)  
AS OF THE MEASUREMENT DATE JUNE 30, 2017**

**Methods and Assumptions Used to Determine Contribution Rates:**

	<u>PERS</u>	<u>PFRS</u>	<u>TPAF</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of pay	Level percentage of pay	Level dollar amount
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Five-year average of market value	Five-year average of market value	20.0% of the difference between the expected actuarial value and market value is recognized each year
Inflation	2.25%	2.25%	2.30% until June 30, 2026 / 2.60% thereafter
Investment rate of return	7.00%	7.00%	7.00%
Salary increases:			
Through 2026	1.65% - 4.15% based on age	2.10% - 8.98% based on age	Varies based on experience
Thereafter	2.65% - 5.15% based on age	3.10% - 9.98% based on age	Varies based on experience
Mortality rate table	RP-2000	RP-2000	Based on members' generational mortality improvement
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013	July 1, 2012 - June 30, 2015

Adjustments for mortality improvements are based on Society of Actuaries Scale AA.

**STATE OF NEW JERSEY**  
**SCHEDULE OF NET PENSION LIABILITY <sup>1</sup>**  
**COST-SHARING EMPLOYER PENSIONS PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**

(Expressed in Millions)

**Public Employees' Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Employer's portion of the collective net pension liability</b>	44.61 %	42.52 %	44.06 %	44.46 %
<b>Employer's proportionate share of the collective net pension liability</b>	\$ 21,826.3	\$ 25,092.9	\$ 20,344.6	\$ 17,274.1
<b>Employer's covered payroll <sup>2</sup></b>	\$ 3,700.5	\$ 3,781.8	\$ 3,884.6	\$ 3,913.5
<b>Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll <sup>2</sup></b>	589.82 %	663.52 %	523.72 %	441.40 %
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	36.78 %	31.20 %	38.21 %	42.74 %

**Notes:**

<sup>1</sup> Schedule is intended to show information for ten years.

<sup>2</sup> For Years 2014 to 2016 employer's covered payroll have been restated.

**STATE OF NEW JERSEY**  
**SCHEDULE OF NET PENSION LIABILITY <sup>1</sup>**  
**COST-SHARING EMPLOYER PENSIONS PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**  
**(Expressed in Millions)**

**Police and Firemen's Retirement System (Special Funding)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Employer's portion of the collective net pension liability</b>	19.59 %	17.80 %	18.40 %	19.51 %
<b>Employer's proportionate share of the collective net pension liability</b>	\$ 4,223.8	\$ 4,525.2	\$ 4,122.8	\$ 3,412.1
<b>Nonemployer proportionate share of the collective net pension liability</b>	1,729.2	1,604.1	1,460.7	1,354.6
<b>Total proportionate share of the collective net pension liability</b>	<u>\$ 5,953.0</u>	<u>\$ 6,129.3</u>	<u>\$ 5,583.5</u>	<u>\$ 4,766.7</u>
<b>Employer's covered payroll <sup>2</sup></b>	\$ 465.4	\$ 475.4	\$ 487.7	\$ 491.2
<b>Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll <sup>2</sup></b>	907.56 %	951.87 %	845.36 %	694.65 %
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	54.52 %	48.55 %	52.84 %	58.86 %

**Notes:**

<sup>1</sup> Schedule is intended to show information for ten years.

<sup>2</sup> For Years 2014 to 2016 employer's covered payroll have been restated.

**STATE OF NEW JERSEY**  
**SCHEDULE OF NET PENSION LIABILITY <sup>1</sup>**  
**COST-SHARING EMPLOYER PENSIONS PLANS**  
**AS OF THE MEASUREMENT DATE JUNE 30**  
**(Expressed in Millions)**

**Teachers' Pension and Annuity Fund (Special Funding)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Employer's portion of the collective net pension liability</b>	0.36 %	0.46 %	0.59 %	0.68 %
<b>Employer's proportionate share of the collective net pension liability</b>	\$ 246.6	\$ 362.5	\$ 373.6	\$ 366.3
<b>Nonemployer proportionate share of the collective net pension liability</b>	67,423.6	78,666.4	63,204.3	53,446.7
<b>Total proportionate share of the collective net pension liability</b>	<u>\$ 67,670.2</u>	<u>\$ 79,028.9</u>	<u>\$ 63,577.9</u>	<u>\$ 53,813.0</u>
<b>Employer's covered payroll <sup>2</sup></b>	\$ 10,436.2	\$ 10,305.5	\$ 10,162.3	\$ 10,038.8
<b>Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll <sup>2</sup></b>	2.36 %	3.52 %	3.68 %	3.65 %
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	25.41 %	22.33 %	28.71 %	33.64 %

**Notes:**

<sup>1</sup> Schedule is intended to show information for ten years.

<sup>2</sup> For Years 2014 to 2016 employer's covered payroll have been restated.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS <sup>1</sup>**  
**SINGLE-EMPLOYER OPEB PLAN**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**State Health Benefit State Retired Employees Plan <sup>2</sup>**

	<b>2017</b>
<b>Total OPEB liability:</b>	
Service cost	\$ 1,145,173,094
Interest on the total OPEB liability	885,680,293
Changes of assumptions	(3,486,167,293)
Changes in proportion	(6,636,151)
Benefit payments	(685,231,656)
Member and non-employer contributions	42,350,455
Net investment income	(1,825)
Administrative expense	(20,516)
<b>Net change in total OPEB liability</b>	<b>(2,104,853,599)</b>
<b>Total OPEB liability - Beginning</b>	<b>30,256,739,660</b>
<b>Total OPEB liability - Ending</b>	<b>\$ 28,151,886,061</b>
<b>Covered payroll</b>	<b>\$ 6,868,657,246</b>
<b>State's total OPEB liability as a percentage of covered payroll</b>	<b>409.86%</b>

**Notes:**

<sup>1</sup> Schedule is intended to show information for ten years.

<sup>2</sup> Includes the New Jersey Schools Development Authority as part of the State's total OPEB liability.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS <sup>1</sup>**  
**MULTIPLE-EMPLOYER OPEB PLAN**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**State Health Benefit Local Education Retired Employees Plan**

	<b>2017</b>
<b>Total OPEB liability:</b>	
Service cost	\$ 2,391,878,884
Interest on the total OPEB liability	1,699,441,736
Changes of assumptions	(7,086,599,129)
Benefit payments	(1,242,412,566)
Member and non-employer contributions	45,748,749
<b>Net change in total OPEB liability</b>	<b>(4,191,942,326)</b>
<b>Total OPEB liability - Beginning</b>	<b>57,831,784,184</b>
<b>Total OPEB liability - Ending</b>	<b>\$ 53,639,841,858</b>
<b>Covered payroll <sup>2</sup></b>	N/A
<b>State's total OPEB liability as a percentage of covered payroll <sup>2</sup></b>	N/A

**Notes:**

<sup>1</sup> Schedule is intended to show information for ten years.

<sup>2</sup> Covered payroll was not available as of the most recent GASB Statement No. 75 Actuarial Valuation Report.

**STATE OF NEW JERSEY**  
**SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS\***  
**MULTIPLE-EMPLOYER OPEB PLAN**  
**AS OF THE MEASUREMENT DATE JUNE 30**

**State Health Benefit Local Government Retired Employees Plan**

	<u>2017</u>
<b>Total OPEB liability:</b>	
Service cost	\$ 453,398,691
Interest on the total OPEB liability	276,174,004
Changes of assumptions	(1,102,207,386)
Changes in proportion	223,939,633
Benefit payments	(53,064,311)
Member and non-employer contributions	(132,157,062)
Net investment income	(336,921)
Administrative expense	<u>3,788,390</u>
<b>Net change in total OPEB liability</b>	<u>(330,464,962)</u>
<b>Total OPEB liability - Beginning</b>	<u>9,025,878,097</u>
<b>Total OPEB liability - Ending</b>	<u><u>\$ 8,695,413,135</u></u>
<b>Covered payroll</b>	\$ 2,358,000,529
<b>State's total OPEB liability as a percentage of covered payroll</b>	368.76%

**Note:**

\*Schedule is intended to show information for ten years.

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