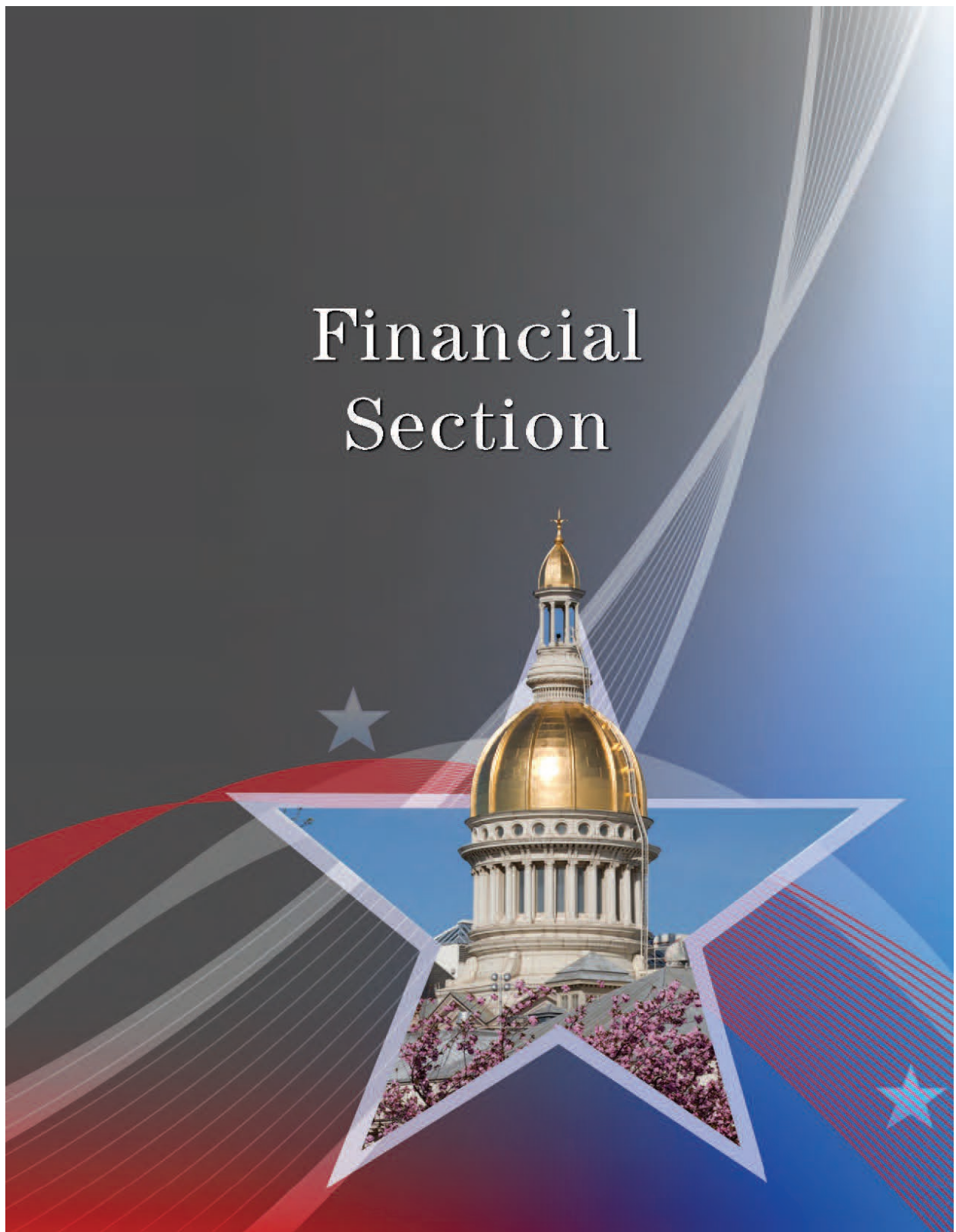


# Financial Section





**SENATE**

Christopher J. Connors  
Kristin M. Corrado  
Nia H. Gill  
Linda R. Greenstein  
Thomas H. Kean, Jr.  
Joseph Pennacchio  
Stephen M. Sweeney  
Loretta Weinberg

**GENERAL ASSEMBLY**

Jon M. Bramnick  
John J. Burzichelli  
Craig J. Coughlin  
John DiMaio  
Louis D. Greenwald  
Nancy F. Munoz  
Verlina Reynolds-Jackson  
Harold J. Wirths



*NEW JERSEY STATE LEGISLATURE*  
★ *Office of LEGISLATIVE SERVICES* ★

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Stephen M. Eells  
*State Auditor*

David J. Kaschak  
*Assistant State Auditor*

Thomas Troutman  
*Assistant State Auditor*

INDEPENDENT AUDITOR'S REPORT

The Honorable Philip D. Murphy  
Governor of New Jersey

The Honorable Stephen M. Sweeney  
President of the Senate

The Honorable Craig J. Coughlin  
Speaker of the General Assembly

Ms. Peri A. Horowitz  
Executive Director  
Office of Legislative Services

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey which represent 90 percent, 92 percent, and 43 percent, respectively, of the assets, net position and fund balance, and revenues of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2D of the basic financial statements. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the pensions and other employee benefits trust funds and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors. In addition, we did not audit the financial statements of the discretely presented component units. Our opinion on the aggregate discretely presented component units is based solely upon audit reports prepared by other auditors and furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free from material misstatement. The financial statements of the pensions and other employee benefits trust funds, and two discretely presented component units, the Higher Education Student Assistance Authority and the Casino Reinvestment Development Authority, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### *Adoption of New Accounting Pronouncements*

As discussed in Note 2A, the State of New Jersey adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion was not modified with respect to these matters.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

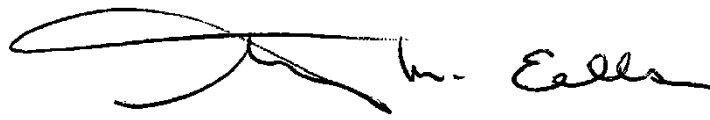
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, combining financial statements and schedules section, other information section, and statistical section, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and schedules section and the other information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining financial statements section and the other information section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of New Jersey's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of New Jersey's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stephen M. Eells". The signature is fluid and cursive, with a large, sweeping initial "S" that loops back under the rest of the name.

Stephen M. Eells  
State Auditor  
March 30, 2020

*Management's  
Discussion  
and  
Analysis*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2019. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

### FINANCIAL HIGHLIGHTS

#### Government-wide

- The primary government's assets and deferred outflows of resources totaled \$73.8 billion, an increase of \$0.7 billion from the prior fiscal year after restatements that resulted in a \$0.4 billion increase in net position. Restatements were made to increase capital assets. As of June 30, 2019, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$198.7 billion. The State's unrestricted net position, which represents net position that has no statutory commitments and is available for discretionary use, totaled a negative \$216.9 billion. The negative balance is primarily a result of the State implementing, in Fiscal Year 2015, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (See Note 16 – Retirement Systems) and the State implementing in Fiscal Year 2018, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (See Note 17 – Other Postemployment Benefits and Active Employee Health Benefits). Financing activities that have contributed to the State's negative unrestricted net position include liabilities from pension obligation bonds, the funding of a portion of local elementary and high school construction, and the securitization of a major portion of annual tobacco master settlement agreement receipts with no corresponding assets.
- June 30, 2019 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$16.8 billion. Total component unit assets and deferred outflows of resources totaled \$54.1 billion, no change from prior year.

#### Fund Level

- The State's governmental funds reported June 30, 2019 combined ending fund balances of \$12.4 billion, an increase of \$0.8 billion when compared to the prior fiscal year. Fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned. The nonspendable fund balance classification (\$20.4 million) includes amounts that are legally required to remain intact. The restricted fund balance classification (\$7.1 billion) is used when constraints have been placed upon the use of resources through enabling legislation initiated by voter referendum, constitutional provisions, debt covenants, or other external parties such as the federal government. The committed fund balance classification (\$3.5 billion) includes amounts that can only be used for purposes specified in enabling legislation with the consent of both the legislative and executive branches. In contrast to the restricted fund balance classification, amounts in this category may be redeployed for other purposes with appropriate due process. Finally, the unassigned fund balance (\$1.7 billion) represents the fund balance amount that has not been restricted or committed to a specific purpose within the General Fund.
- During the fiscal year, the proprietary funds' net position increased by \$300.0 million resulting in net position of \$3.4 billion as of June 30, 2019.

#### Long-term Obligations

- The State's governmental long-term obligations decreased 8.9 percent to \$217.7 billion, which includes a net decrease in bonded obligations of \$0.7 billion. During the fiscal year, the State issued \$4.7 billion in bonds. New money issuances represented \$1.1 billion primarily for transportation program improvements, while \$3.6 billion represented refunding transactions that provided the State with \$340.2 million in net present value savings. During Fiscal Year 2019, the State paid \$4.4 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$173.3 billion. This amount represents a \$20.6 billion decrease from the prior fiscal year and is mainly attributable to decreases in the Net Pension Liability and Other Postemployment Benefits (OPEB) Liability of \$5.9 billion and \$14.5 billion, respectively, resulting from changes in actuarial assumptions relating to the pensions and OPEB plans.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The State’s basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This Comprehensive Annual Financial Report also contains required supplementary information (RSI) and other information, in addition to the basic financial statements.

**Major Features of the Basic Financial Statements**

<b>Features</b>	<b>Government-wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire State government (except fiduciary funds) and the State's component units	State activities that are not proprietary or fiduciary	State activities that are operated similar to a private business	Instances in which the State is the trustee or agent for someone else's resources
<b>Required Financial Statements</b>	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Types of Asset/Liability Information</b>	All assets and deferred outflows of resources and all liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<b>Types of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the fiscal year Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## **Government-wide Financial Statements**

Government-wide financial statements provide a broad view of the State's operations in a manner similar to private sector business standards, as well as both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The government-wide financial statements include the following two statements:

- **Statement of Net Position**

Presents all of the State's assets and deferred outflows of resources and liabilities and deferred inflows of resources and calculates net position. Increases or decreases in the State's net position over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.

- **Statement of Activities**

Presents how the State's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

Both the Statement of Net Position and the Statement of Activities have separate sections that report three activities:

- **Governmental Activities**

The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.

- **Business-type Activities**

These operations, consisting of the State Lottery Fund and the Unemployment Compensation Fund, are legislatively able to charge fees to external users to recover all or a portion of the cost of the services provided and are, therefore, classified as business-type activities.

- **Component Units**

Legally separate operations and organizations for which the State has financial accountability are considered component units. Operating as business-type activities, financial statements of component units are presented discretely in either the major or non-major categories in both the Statement of Net Position and the Statement of Activities based upon the relative size of assets, liabilities, revenues, and expenses in relation to the total. The State's component units for the period covered by the Comprehensive Annual Financial Report, consist of 11 senior public institutions of higher education as well as 20 authorities; of the latter 20, five (Garden State Preservation Trust, New Jersey Building Authority, New Jersey Schools Development Authority, New Jersey Transportation Trust Fund Authority, and Tobacco Settlement Financing Corporation) are blended into governmental activities. A complete list of the State's component units is shown in Note 1 – Summary of Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units. Audit reports of the individual component units may be obtained from their respective administrative offices or websites.

## **Reconciliation of Government-wide and Governmental Funds Financial Statements**

This Comprehensive Annual Financial Report includes two schedules that reconcile the amount reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

- Capital assets used in governmental activities are not reported on governmental funds financial statements.
- Deferred outflows and certain deferred inflows of resources on the government-wide financial statements are not reported on the governmental funds financial statements.
- Capital outlay spending results in capital assets on the government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.
- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

For more detailed information, which is essential to a full understanding of the data provided in the government-wide financial statements and governmental funds financial statements, see “Notes to the Financial Statements.”

### **Fund Financial Statements**

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The State’s fund financial statements reflect financial reporting practices in accordance with this definition. The State’s funds, which exclude discretely presented component units, are divided into three categories: governmental, proprietary, and fiduciary.

- **Governmental Funds Financial Statements**

Most direct State services are financed through governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental funds financial statements focus on current inflows and outflows of expendable resources and the unexpended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

The State’s governmental funds are the General Fund, Special Revenue Funds, and Capital Projects Funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

- **Proprietary Funds Financial Statements**

Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.

- **Fiduciary Funds Financial Statements**

Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

### **Notes to the Financial Statements**

The Notes to the Financial Statements provide additional background information that assists the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

### **Required Supplementary Information**

The basic financial statements are followed by a required supplementary information section. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also, there are various schedules relating to the State’s Net Pension Liability, Related Ratios, Employer Contributions, and Schedules of Changes in the State’s OPEB Liability and Related Ratios.

### **Combining Financial Statements**

Combining financial statements are presented for non-major governmental, proprietary, and fiduciary funds. Non-major funds are shown in the aggregate in the basic financial statements. Combining schedules are presented for the General Fund.

### **Other Information**

Information on New Jersey’s capital assets, long-term obligations, and non-major budgetary comparison schedules are displayed in this section. Schedules of Anticipated and Appropriated Revenues provide detailed information on major and miscellaneous taxes, fees, and other revenues. The Schedule of Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation. The Schedule of Appropriations and Expenditures details the comparison of expenditures at the legal level of control to the final budget.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

The State ended Fiscal Year 2019 with combined net position for the primary government totaling a negative \$198.7 billion. This amount represents a reduction of net position of \$1.0 billion from the prior fiscal year after restatements. Restricted net position includes funds used to pay unemployment claims and open space preservation. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently, these assets are not available for future spending. Net investment in capital assets includes land, land easements, land improvements, buildings and improvements, equipment and software, infrastructure (roads, bridges, and other immovable assets), and construction in progress. The deficit in unrestricted governmental net position arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities, including but not limited to the Net Pension Liability and the OPEB Liability, that are required to be included in the government-wide financial statements.

**Net Position  
For Fiscal Year Ended June 30  
(Expressed in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018*	2019	2018	2019	2018*
Current and other noncurrent assets	\$ 17,320.8	\$ 16,456.3	\$ 4,043.1	\$ 3,678.5	\$ 21,363.9	\$ 20,134.8
Capital assets, net	28,957.0	28,674.4	-	-	28,957.0	28,674.4
<b>Total Assets</b>	<b>46,277.8</b>	<b>45,130.7</b>	<b>4,043.1</b>	<b>3,678.5</b>	<b>50,320.9</b>	<b>48,809.2</b>
Deferred outflows of resources	23,462.5	24,317.7	-	-	23,462.5	24,317.7
<b>Total Assets and Deferred Outflows of Resources</b>	<b>69,740.3</b>	<b>69,448.4</b>	<b>4,043.1</b>	<b>3,678.5</b>	<b>73,783.4</b>	<b>73,126.9</b>
Current liabilities	7,181.9	7,742.7	437.3	378.4	7,619.2	8,121.1
Noncurrent liabilities	214,437.4	235,507.1	213.7	208.0	214,651.1	235,715.1
<b>Total Liabilities</b>	<b>221,619.3</b>	<b>243,249.8</b>	<b>651.0</b>	<b>586.4</b>	<b>222,270.3</b>	<b>243,836.2</b>
Deferred inflows of resources	50,185.2	26,961.5	-	-	50,185.2	26,961.5
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>271,804.5</b>	<b>270,211.3</b>	<b>651.0</b>	<b>586.4</b>	<b>272,455.5</b>	<b>270,797.7</b>
Net Position:						
Net investment in capital assets	8,938.8	8,559.2	-	-	8,938.8	8,559.2
Restricted	5,885.8	4,771.1	3,392.1	3,092.1	9,277.9	7,863.2
Unrestricted	(216,888.8)	(214,093.2)	-	-	(216,888.8)	(214,093.2)
<b>Total Net Position</b>	<b>\$ (202,064.2)</b>	<b>\$ (200,762.9)</b>	<b>\$ 3,392.1</b>	<b>\$ 3,092.1</b>	<b>\$ (198,672.1)</b>	<b>\$ (197,670.8)</b>

\* Net Position was restated to reflect prior period adjustments for an increase in capital assets of \$531.3 million and an increase in accumulated depreciation of \$96.0 million.

**Changes in Net Position**

The State's Fiscal Year 2019 net position decreased by \$1.0 billion after restatements. Approximately 54.1 percent of the State's total revenues came from general taxes, while 27.1 percent was derived from operating grants. Charges for services amounted to 16.9 percent of total revenues, while other items such as capital grants, miscellaneous revenues, and interest earnings accounted for the remainder. State expenses cover a range of services. The largest expense, 28.1 percent, was for educational, cultural, and intellectual development, which includes approximately \$354.8 million disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction; physical and mental health amounted to 23.3 percent; and government direction, management, and control amounted to 15.7 percent. Other major expenditures focused on economic planning, development, and security; State Lottery Fund; and public safety and criminal justice. During Fiscal Year 2019, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$36.5 billion of general revenues (mostly taxes). The remaining \$1.3 billion resulted in a decrease in net position. Offsetting the governmental net position decrease, Business-type Activities reflected a net position increase of \$300.0 million primarily because the Unemployment Compensation Fund's available resources exceeded the need to pay claims.

**Statement of Activities**  
**For Fiscal Year Ended June 30**  
**(Expressed in Millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Primary Government Total</b>	
	<b>2019</b>	<b>2018*</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018*</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 5,494.3	\$ 5,399.5	\$ 5,659.1	\$ 5,601.0	\$ 11,153.4	\$ 11,000.5
Operating grants	17,816.4	17,528.0	82.5	70.9	17,898.9	17,598.9
Capital grants	398.7	212.6	-	-	398.7	212.6
General revenues						
General taxes	35,700.8	32,683.4	-	-	35,700.8	32,683.4
Interest earnings	81.7	51.3	-	-	81.7	51.3
Miscellaneous	712.0	968.8	-	-	712.0	968.8
<b>Total Revenues</b>	<b>60,203.9</b>	<b>56,843.6</b>	<b>5,741.6</b>	<b>5,671.9</b>	<b>65,945.5</b>	<b>62,515.5</b>
<b>Expenses</b>						
Public safety and criminal justice	3,505.1	3,221.5	-	-	3,505.1	3,221.5
Physical and mental health	15,593.7	15,222.5	-	-	15,593.7	15,222.5
Educational, cultural, and intellectual development	18,805.9	17,734.1	-	-	18,805.9	17,734.1
Community development and environmental management	2,141.5	2,234.1	-	-	2,141.5	2,234.1
Economic planning, development, and security	6,180.8	6,062.8	-	-	6,180.8	6,062.8
Transportation programs	3,189.7	2,077.3	-	-	3,189.7	2,077.3
Government direction, management, and control	10,507.8	15,207.1	-	-	10,507.8	15,207.1
Special government services	380.1	339.5	-	-	380.1	339.5
Interest expense	1,215.8	1,768.5	-	-	1,215.8	1,768.5
State Lottery Fund	-	-	3,534.3	3,302.5	3,534.3	3,302.5
Unemployment Compensation Fund	-	-	1,907.3	1,967.8	1,907.3	1,967.8
<b>Total Expenses</b>	<b>61,520.4</b>	<b>63,867.4</b>	<b>5,441.6</b>	<b>5,270.3</b>	<b>66,962.0</b>	<b>69,137.7</b>
Excess (Deficiency) Before Transfers	(1,316.5)	(7,023.8)	300.0	401.6	(1,016.5)	(6,622.2)
Transfers	15.2	76.3	-	(52.7)	15.2	23.6
<b>Increase (Decrease) in Net Position</b>	<b>(1,301.3)</b>	<b>(6,947.5)</b>	<b>300.0</b>	<b>348.9</b>	<b>(1,001.3)</b>	<b>(6,598.6)</b>
<b>Net Position - July 1 (Restated)</b>	<b>(200,762.9)</b>	<b>(193,815.4)</b>	<b>3,092.1</b>	<b>2,743.2</b>	<b>(197,670.8)</b>	<b>(191,072.2)</b>
<b>Net Position - June 30</b>	<b>\$ (202,064.2)</b>	<b>\$ (200,762.9)</b>	<b>\$ 3,392.1</b>	<b>\$ 3,092.1</b>	<b>\$ (198,672.1)</b>	<b>\$ (197,670.8)</b>

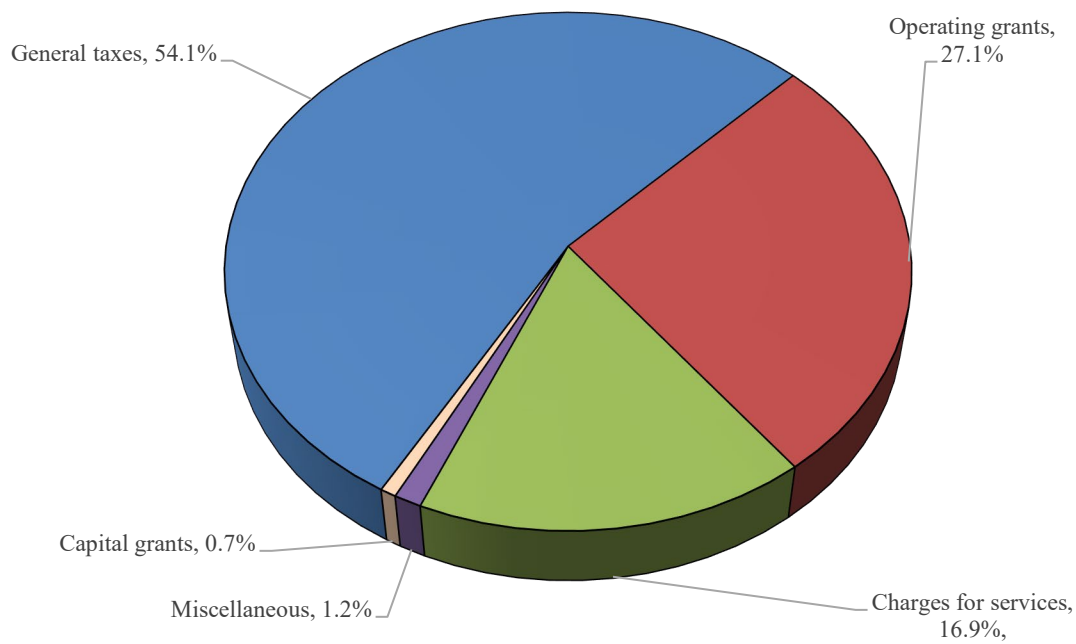
\* Net Position was restated to reflect prior period adjustments for an increase in capital assets of \$531.3 million and an increase in accumulated depreciation of \$96.0 million.

**Primary Government – Fiscal Year 2019 Revenues and Expenses**

During Fiscal Year 2019, State revenues, including transfers, totaled \$66.0 billion or an increase of \$3.4 billion when compared to the prior fiscal year after restatements. This increase is primarily attributable to higher general taxes and operating grants. General taxes totaled \$35.7 billion and accounted for 54.1 percent of total State revenues for Fiscal Year 2019. The State’s Gross Income Tax totaled \$15.9 billion, the Sales and Use Tax totaled \$10.0 billion, and the Corporation Business Tax totaled \$4.1 billion. The State’s three major taxes comprised 84.0 percent of the total general taxes that were collected during Fiscal Year 2019. General taxes increased by \$3.0 billion when compared to Fiscal Year 2018.

The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2019:

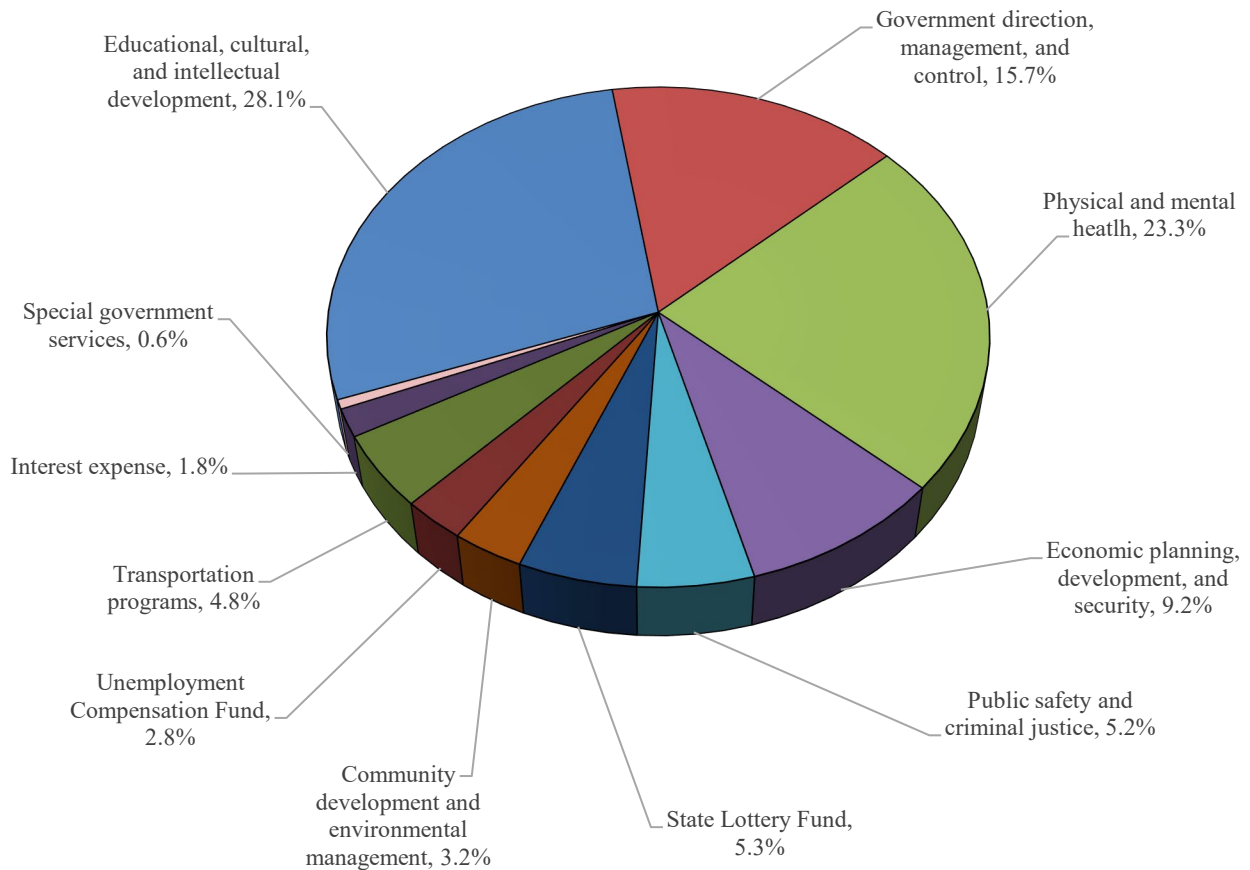
**Revenues – Primary Government  
Fiscal Year Ended June 30, 2019**



Fiscal Year 2019 expenses totaled \$67.0 billion, a decrease of \$2.2 billion after restatements in comparison to the prior fiscal year. State spending decreased by \$4.7 billion in government direction, management, and control mainly due to decreases in pension and OPEB expenses resulting from changes in actuarial assumptions. Partially offsetting these spending decreases, were spending increases in transportation programs, \$1.1 billion, and education, cultural, and intellectual development, \$1.1 billion.

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2019:

**Expenses – Primary Government  
Fiscal Year Ended June 30, 2019**



Please see the Statistical Section for current and prior fiscal year revenue and expense comparisons.

**Component Units**

Combined operating revenues and expenses for the State’s component units for Fiscal Year 2019 amounted to \$16.9 billion and \$17.4 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net position at fiscal year end of \$16.8 billion. The component units received \$1.2 billion in State appropriations during Fiscal Year 2019.



## **MAJOR GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The focus of the State's governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending. The State's governmental funds reported June 30, 2019 fund balances of \$12.4 billion, a \$0.8 billion increase from the prior fiscal year.

### **General Fund**

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's ending fund balance totaled \$6.6 billion of which \$1.7 billion represented unassigned fund balance. During Fiscal Year 2019, unassigned fund balance increased by \$716.0 million. The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the General Fund revenues certified by the Governor at the time of the approval of the annual Appropriations Act and the amount of revenue reported from the annual financial report of the General Fund for the fiscal year. Any General Fund excess is then subtracted by the amount of revenue reported from the annual financial report of the Property Tax Relief Fund that is less than revenue amounts certified by the Governor at the time of the approval of the annual Appropriations Act. During Fiscal Year 2019, the State deposited \$420.6 million into the Surplus Revenue Fund, the first such deposit since Fiscal Year 2008.

On a budgetary basis, general revenues of \$37.4 billion were \$0.3 billion lower than the final budget. The negative variance was primarily the result of unearned federal and other grant revenues of \$0.9 billion, offset with positive variances in services and assessments and licenses and fees of \$0.3 billion and \$0.3 billion, respectively. Federal and other grant revenues are not earned unless there has been a grant award and eligible grant expenses incurred. To the extent that federal and grant appropriations are made in anticipation of grant awards and the incurrence of grant expenditures, grant revenues are budgeted.

Total expenditures were \$2.1 billion lower than original appropriations as set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under-spending resulted from the overestimate of federal funds. This practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2019, the State's appropriation of federal funds and other grants exceeded expenditures by \$0.9 billion. These excess appropriations are available for use in future years. From a Fiscal Year 2019 program perspective, under-spending transpired in government direction, management, and control (\$1.6 billion); transportation programs (\$704.9 million); community development and environmental management (\$555.9 million); economic planning, development, and security (\$137.1 million); public safety and criminal justice (\$39.1 million); special government services (\$20.9 million); and offset by over-spending in physical and mental health (\$513.9 million) and educational, cultural, and intellectual development (\$457.2 million).

### **Property Tax Relief Fund**

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax and one-half percent of the Sales and Use Tax that is constitutionally dedicated for property tax relief. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2019, \$16.5 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2019 ending fund balance was \$29.5 million.

## **PROPRIETARY FUNDS FINANCIAL ANALYSIS**

### **State Lottery Fund (Common Pension Fund L)**

During the term of the Lottery contribution monies derived from the sale of State lottery tickets are deposited into Common Pension Fund L pursuant to the Lottery Enterprise Contribution Act (LECA). Disbursements are authorized for the payment of prizes to holders of winning lottery tickets, vendor fees in the production and distribution of lottery tickets, and for the administrative expenses of the Division of the State Lottery. In accordance with the LECA, remaining balances are contributed to Teachers' Pension and Annuity Fund (77.78%), Public Employees' Retirement System (21.02%), and Police and Firemen's Retirement System (1.20%) for a 30 year term effective as of June 30, 2017. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts and United States Government Treasury securities, are accounted for in this fund.

For Fiscal Year 2019, gross revenues totaled \$3.5 billion of which \$2.1 billion was returned in prizes; \$1.1 billion was transferred to pension funds; \$259.9 million was paid to sales agents and ticket vendors; and \$56.6 million covered Lottery operational and promotional expenses. As of June 30, 2019, the State Lottery, since its inception, has generated over \$77.4 billion in gross revenues, \$42.7 billion in prizes, contributed \$26.0 billion to the State, and \$2.1 billion in pension contributions.

## Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers' and employees' contributions for unemployment compensation, amounts credited or advances made by the federal government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund. Total unemployment claims paid decreased by \$60.5 million in Fiscal Year 2019.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Department of the Treasury is responsible for ensuring all departments record their capital assets in the State's capital asset system. In addition to New Jersey's Department of Transportation identifying significant requirements for bridge repair and maintenance, the New Jersey Commission on Capital Budgeting and Planning has identified a significant amount of capital investment requirements for State facilities. The State's annual budget and planning process prioritizes these requirements and recommends funding, as can be accommodated within available resources.

The Fiscal Year 2019 capital appropriation included \$3.7 billion of State and matching federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority, produced \$809.9 million for State highway infrastructure, \$430.2 million for local highways, and \$759.9 million for mass transit. During Fiscal Year 2019, the New Jersey Economic Development Authority issued \$350.0 million of School Facilities Construction Bonds, net of refundings, to help fund the New Jersey Schools Development Authority's program. Accordingly, as of June 30, 2019, a total of \$11.2 billion of the \$12.6 billion school facilities construction bond program has been issued. The constitutional dedication of 4.0 percent of the Corporation Business Tax was appropriated and/or reserved to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital asset data is shown below. The State's investment in capital assets, net of accumulated depreciation, totaled \$29.0 billion as of June 30, 2019. Depreciation expense charges for Fiscal Year 2019 totaled \$1.1 billion. More detailed information on capital asset activity can be found in Note 7 – Capital Assets.

### **Capital Assets (Net of Accumulated Depreciation) As of June 30 (Expressed in Millions)**

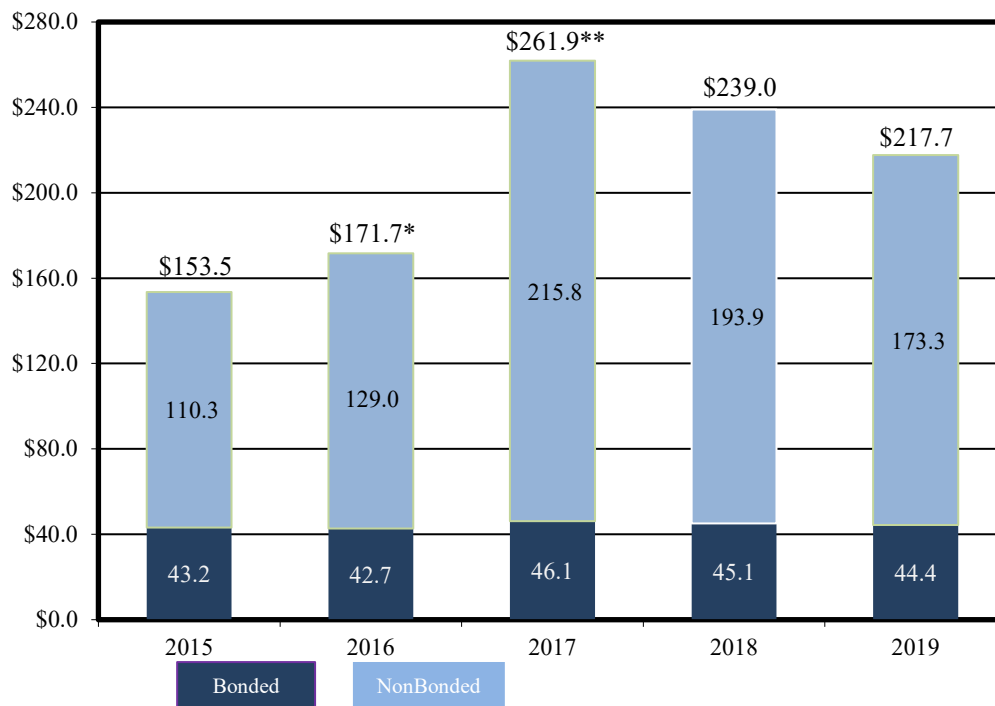
	Total Primary Government	
	2019	2018*
Land and Easements	\$ 5,356.9	\$ 5,316.5
Land Improvements	88.6	91.5
Buildings and Improvements	1,679.9	1,753.3
Equipment and Software	364.5	447.9
Infrastructure	18,413.5	18,332.8
Sub-Total	25,903.4	25,942.0
Construction In Progress	3,053.6	2,732.4
Total	<u>\$ 28,957.0</u>	<u>\$ 28,674.4</u>

\* The July 1, 2018 capital asset balance has been restated by \$531.3 million and the accumulated depreciation balance has been restated by \$96.0 million across construction in progress, buildings and improvements, equipment and software, and infrastructure.

**Debt Administration**

As of June 30, 2019, New Jersey’s outstanding long-term obligations for governmental activities totaled \$217.7 billion, a \$21.3 billion decrease relative to the prior fiscal year. Of the \$21.3 billion decrease, \$20.4 billion is attributable to decreases in the Net Pension Liability and OPEB Liability. Additionally, there was a decrease of \$0.7 billion in bonded debt and a \$0.2 billion decrease in other non-bonded debt. Long-term bonded obligations totaled \$44.4 billion, while other long-term non-bonded obligations totaled \$173.3 billion. In addition, the State has \$14.5 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2019, the legislatively authorized but unissued debt decreased by \$0.6 billion from the prior fiscal year (See Statistical Section – Legislatively Authorized But Unissued Debt, 2019 and 2018).

**Long-Term Bonded and Non-Bonded Obligations  
Fiscal Year 2015 to Fiscal Year 2019  
(Expressed in Billions)**



\* Restated to reflect State Health Benefits claims incurred but not reported (IBNR) of \$158.1 million.

\*\* Restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of implementing GASB No. 75, the Net OPEB Obligation of \$36,493,600,000 was removed and replaced with the OPEB Liability of \$97,114,401,941.

For more detailed information about the State’s long-term debt activity, see Note 11 – Long-Term Obligations.

## **ECONOMIC CONDITION AND OUTLOOK**

The State's labor market added 52,400 jobs in 2019, the ninth consecutive year of employment gains. Job growth reached 1.3 percent, accelerating over 2018's 0.8 percent growth rate. The education & health services sector added 14,800 jobs, while the professional & business services sector added 14,200 jobs. The leisure & hospitality services sector added 7,200 jobs. The manufacturing sector added 800 jobs, while the construction sector added 600.

The State's unemployment rate averaged 3.5 percent in 2019, falling 0.6 percentage points below 2018's rate. The labor force participation rate averaged 63.5 percent, rising 0.8 percentage points over 2018.

Existing home sales in the State were 0.1 percent higher than a year ago. The number of single-family homes sold was 0.2 percent lower than a year ago, while the number of townhomes and condos sold was 0.3 percent higher. The foreclosure picture also continues to improve. The share of mortgages in foreclosure continued to steadily decline, falling to 1.4 percent in the fourth quarter of 2019.

The State's economic expansion continued in 2019. Real gross domestic product (GDP) for the State grew at a 2.3 percent annual rate in the third quarter, rebounding from a much more modest 0.7 percent annual rate in the second quarter. Personal income, which is a broad measure of income that includes asset and transfer income in addition to wages and salaries, grew at a 2.9 percent annual rate in the third quarter of 2019, slowing slightly from the first and second quarters, which grew 6.5 percent and 3.4 percent, respectively.

The national economic expansion also continued in 2019. The labor market added 2.1 million jobs, while real GDP grew 2.3 percent. Existing home sales were 0.1 percent lower than a year ago. Consumer prices grew 1.8 percent year-over-year in 2019, as measured by the Consumer Price Index (CPI). Year-over-year growth in core prices, which excludes food and energy goods, was stronger at 2.2 percent.

The national economic expansion was projected to continue in 2020 at the start of the year. The Federal Open Market Committee (FOMC) had projected real GDP growth of 2.0% during their December 2019 meeting. However, the onset of the COVID-19 pandemic has altered both the national and global economic outlooks. The implementation of quarantines or travel restrictions, first in China and then in parts of Europe (Italy, France, and Spain), and now the United States have created both supply and demand shocks that have both the global and national economy on the edge of an economic downturn. For more information, see Note 20 – Subsequent Events.

## **REQUEST FOR INFORMATION**

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors, and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, or for additional information, should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are accessible via: <http://www.state.nj.us/treasury/omb>.

*Basic Financial  
Statements*

**STATE OF NEW JERSEY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 583,888,992	\$ 352,485	\$ 584,241,477	\$ 3,381,642,364
Investments	8,547,385,881	263,685,808	8,811,071,689	8,797,945,940
Receivables, net of allowances for uncollectibles				
Federal government	1,161,763,497	2,783,390,206	3,945,153,703	326,455,991
Departmental accounts	4,522,638,052	664,521,949	5,187,160,001	-
Loans	1,700,502,398	-	1,700,502,398	292,781,894
Mortgages	-	-	-	148,466,000
Other	489,245,541	124,510,071	613,755,612	946,914,191
Internal balances	7,823,208	(7,823,208)	-	-
Due from external parties	28,981,952	-	28,981,952	97,943,019
Inventories	-	-	-	182,277,456
Deferred charges	-	1,325,054	1,325,054	-
Other	4,191,830	-	4,191,830	240,716,550
<b>Total Current Assets</b>	<b>17,046,421,351</b>	<b>3,829,962,365</b>	<b>20,876,383,716</b>	<b>14,415,143,405</b>
<b>Noncurrent Assets</b>				
Investments	-	213,186,263	213,186,263	3,782,565,808
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,275,806,182
Mortgages	-	-	-	1,765,247,843
Other	-	-	-	89,017,307
Capital assets - nondepreciated	8,410,521,612	-	8,410,521,612	4,846,052,467
Capital assets - depreciated, net	20,546,469,053	-	20,546,469,053	24,620,293,697
Other	274,370,071	-	274,370,071	417,612,662
<b>Total Noncurrent Assets</b>	<b>29,231,360,736</b>	<b>213,186,263</b>	<b>29,444,546,999</b>	<b>37,796,595,966</b>
<b>Deferred Outflows of Resources</b>	<b>23,462,473,752</b>	<b>-</b>	<b>23,462,473,752</b>	<b>1,911,703,713</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>69,740,255,839</b>	<b>4,043,148,628</b>	<b>73,783,404,467</b>	<b>54,123,443,084</b>

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

**STATE OF NEW JERSEY**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accruals	2,632,723,915	179,195,641	2,811,919,556	1,247,418,047
Due to external parties	161,040,917	131,000,000	292,040,917	305,583,285
Interest payable	196,430,264	-	196,430,264	370,705,093
Unearned revenue	155,979,614	-	155,979,614	241,848,227
Current portion of long-term obligations	3,243,539,832	21,882,704	3,265,422,536	1,076,644,706
Refunds payable	414,896,334	103,990,795	518,887,129	-
Other	377,326,178	1,194,691	378,520,869	619,313,474
<b>Total Current Liabilities</b>	<u>7,181,937,054</u>	<u>437,263,831</u>	<u>7,619,200,885</u>	<u>3,861,512,832</u>
<b>Noncurrent Liabilities</b>				
Net pension liability	93,738,047,689	-	93,738,047,689	5,081,124,952
OPEB liability	75,961,589,432	-	75,961,589,432	3,241,798,061
Revenue bonds payable, net	19,265,768,445	-	19,265,768,445	12,499,319,154
Installment obligations, net	16,169,409,077	-	16,169,409,077	3,560,427,729
Other	9,302,582,524	213,728,589	9,516,311,113	7,384,388,080
<b>Total Noncurrent Liabilities</b>	<u>214,437,397,167</u>	<u>213,728,589</u>	<u>214,651,125,756</u>	<u>31,767,057,976</u>
<b>Deferred Inflows of Resources</b>	<u>50,185,147,181</u>	<u>-</u>	<u>50,185,147,181</u>	<u>1,710,136,172</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>271,804,481,402</u>	<u>650,992,420</u>	<u>272,455,473,822</u>	<u>37,338,706,980</u>
<b>NET POSITION</b>				
<b>Net investment in capital assets</b>	8,938,775,944	-	8,938,775,944	11,463,085,358
<b>Restricted for:</b>				
Capital projects	-	-	-	268,152,042
Physical and mental health	4,580,137	-	4,580,137	-
Educational, cultural, and intellectual development	676,407,793	-	676,407,793	-
Community development and environmental management	3,098,377,890	-	3,098,377,890	-
Economic planning, development, and security	485,800,240	-	485,800,240	-
Transportation programs	878,939,431	-	878,939,431	-
Employee benefits	712,252,470	-	712,252,470	-
Debt service	-	-	-	1,190,550,116
Property tax relief	29,460,278	-	29,460,278	-
Unemployment	-	3,391,320,889	3,391,320,889	-
Prize awards and Pension Fund contributions	-	835,319	835,319	-
Other purposes	-	-	-	8,512,896,312
<b>Unrestricted</b>	<u>(216,888,819,746)</u>	<u>-</u>	<u>(216,888,819,746)</u>	<u>(4,649,947,724)</u>
<b>Total Net Position</b>	<u>\$ (202,064,225,563)</u>	<u>\$ 3,392,156,208</u>	<u>\$ (198,672,069,355)</u>	<u>\$ 16,784,736,104</u>

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions - Programs</b>				
<b>Primary Government</b>				
Governmental activities:				
Public safety and criminal justice	\$ 3,505,117,112	\$ 1,023,272,598	\$ 531,303,627	\$ 1,978,195
Physical and mental health	15,593,684,814	910,458,356	673,106,434	-
Educational, cultural, and intellectual development	18,805,873,185	34,187,180	944,274,052	-
Community development and environmental management	2,141,529,572	292,073,969	1,178,708,841	219,635,742
Economic planning, development, and security	6,180,850,399	1,263,896,715	778,020,994	-
Transportation programs	3,189,654,847	25,387,271	1,987,445,511	177,103,807
Government direction, management, and control	10,507,839,049	1,528,214,164	11,703,107,698	-
Special government services	380,061,773	416,753,048	20,468,777	-
Interest expense	1,215,833,802	-	-	-
Total governmental activities	<u>61,520,444,553</u>	<u>5,494,243,301</u>	<u>17,816,435,934</u>	<u>398,717,744</u>
Business-type activities:				
State Lottery Fund	3,534,260,714	3,527,733,174	5,907,333	-
Unemployment Compensation Fund	1,907,318,698	2,131,393,665	76,601,365	-
Total business-type activities	<u>5,441,579,412</u>	<u>5,659,126,839</u>	<u>82,508,698</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 66,962,023,965</u>	<u>\$ 11,153,370,140</u>	<u>\$ 17,898,944,632</u>	<u>\$ 398,717,744</u>
<b>Component Units</b>				
Authorities	\$ 9,847,901,877	\$ 3,893,786,629	\$ 1,834,683,607	\$ 4,233,668,603
Colleges and Universities	7,523,920,501	3,979,544,004	2,828,834,597	90,732,502
<b>Total Component Units</b>	<u>\$ 17,371,822,378</u>	<u>\$ 7,873,330,633</u>	<u>\$ 4,663,518,204</u>	<u>\$ 4,324,401,105</u>
General Revenues and Transfers				
Taxes:				
Gross Income Tax				
Sales and Use Tax				
Corporation Business Tax				
Other taxes				
Investment earnings				
Payments from State				
Miscellaneous				
Transfers				
Total general revenues and transfers				
<b>Change in Net Position</b>				
<b>Net Position - July 1, 2018 (Restated)</b>				
<b>Net Position - June 30, 2019</b>				

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



**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (1,948,562,692)	\$ -	\$ (1,948,562,692)	\$ -
(14,010,120,024)	-	(14,010,120,024)	-
(17,827,411,953)	-	(17,827,411,953)	-
(451,111,020)	-	(451,111,020)	-
(4,138,932,690)	-	(4,138,932,690)	-
(999,718,258)	-	(999,718,258)	-
2,723,482,813	-	2,723,482,813	-
57,160,052	-	57,160,052	-
(1,215,833,802)	-	(1,215,833,802)	-
<u>(37,811,047,574)</u>	<u>-</u>	<u>(37,811,047,574)</u>	<u>-</u>
-	(620,207)	(620,207)	-
-	300,676,332	300,676,332	-
-	300,056,125	300,056,125	-
<u>\$ (37,811,047,574)</u>	<u>\$ 300,056,125</u>	<u>\$ (37,510,991,449)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 114,236,962
-	-	-	(624,809,398)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (510,572,436)</u>
15,903,286,756	-	15,903,286,756	-
10,030,083,356	-	10,030,083,356	-
4,051,316,614	-	4,051,316,614	-
5,716,155,198	-	5,716,155,198	-
81,727,781	-	81,727,781	-
-	-	-	1,239,384,109
711,959,172	-	711,959,172	-
15,198,185	-	15,198,185	-
<u>36,509,727,062</u>	<u>-</u>	<u>36,509,727,062</u>	<u>1,239,384,109</u>
(1,301,320,512)	300,056,125	(1,001,264,387)	728,811,673
(200,762,905,051)	3,092,100,083	(197,670,804,968)	16,055,924,431
<u>\$ (202,064,225,563)</u>	<u>\$ 3,392,156,208</u>	<u>\$ (198,672,069,355)</u>	<u>\$ 16,784,736,104</u>

**STATE OF NEW JERSEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
<b>Cash and cash equivalents</b>	\$ 23,932,021	\$ -	\$ 82,100,048	\$ 106,032,069
<b>Investments</b>	3,821,758,344	-	4,725,627,537	8,547,385,881
<b>Receivables, net of allowances for uncollectibles</b>				
Federal government	1,048,852,126	-	112,911,371	1,161,763,497
Departmental accounts	3,355,026,029	789,508,456	378,103,567	4,522,638,052
Loans	321,147,308	-	1,379,355,090	1,700,502,398
Other	316,052,788	-	173,192,753	489,245,541
<b>Due from other funds</b>	737,690,873	13,942,854	274,648,979	1,026,282,706
<b>Other</b>	4,175,454	-	16,376	4,191,830
<b>Total Assets</b>	<u>\$ 9,628,634,943</u>	<u>\$ 803,451,310</u>	<u>\$ 7,125,955,721</u>	<u>\$ 17,558,041,974</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accruals	\$ 1,803,496,807	\$ 103,267,080	\$ 725,960,028	\$ 2,632,723,915
Unearned revenue	153,973,963	-	2,005,651	155,979,614
Due to other funds	243,113,465	397,291,283	510,113,715	1,150,518,463
Refunds Payable	141,463,665	273,432,669	-	414,896,334
Other	373,451,877	-	3,874,301	377,326,178
<b>Total Liabilities</b>	<u>2,715,499,777</u>	<u>773,991,032</u>	<u>1,241,953,695</u>	<u>4,731,444,504</u>
<b>Deferred Inflows of Resources</b>	<u>349,155,044</u>	<u>-</u>	<u>126,250,000</u>	<u>475,405,044</u>
<b>Fund Balances</b>				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	1,765,466,420	29,460,278	5,330,558,921	7,125,485,619
Committed	3,071,555,751	-	427,193,105	3,498,748,856
Unassigned	1,706,541,878	-	-	1,706,541,878
<b>Total Fund Balances</b>	<u>6,563,980,122</u>	<u>29,460,278</u>	<u>5,757,752,026</u>	<u>12,351,192,426</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 9,628,634,943</u>	<u>\$ 803,451,310</u>	<u>\$ 7,125,955,721</u>	<u>\$ 17,558,041,974</u>

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

**STATE OF NEW JERSEY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

**Total fund balances of governmental funds** \$ 12,351,192,426

Cash received from certain refunding bond transactions is held to defease debt at a future date and, therefore, is not reported in the fund perspective: 477,856,923

Capital assets, net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund perspective. These assets consist of:

Land and easements	\$ 5,356,927,595	
Land improvements	88,540,401	
Buildings and improvements	1,679,849,416	
Equipment and software	364,470,376	
Infrastructure	18,413,608,860	
Construction in progress	<u>3,053,594,017</u>	28,956,990,665

The other noncurrent assets (Group Homes) are not current resources and, therefore, are not reported in the fund perspective. 274,370,071

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 23,462,473,752

Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund perspective. Those liabilities consist of:

<b>Current Liabilities</b>		
Accrued interest	(196,430,264)	
Current portion of long-term obligations	<u>(3,243,539,832)</u>	(3,439,970,096)
<b>Noncurrent Liabilities</b>		
General Obligation Bonds Payable	(1,273,665,000)	
Revenue Bonds Payable	(22,885,370,000)	
Unamortized Interest on CABs Revenue Bond	3,619,601,555	
Installment Obligations	(16,536,223,114)	
Unamortized Interest on CABs Installment Obligations	366,814,037	
Certificates of Participation	(102,572,078)	
Loans Payable	(1,279,358,087)	
Capital Leases	(396,380,403)	
Compensated Absences	(185,497,615)	
Unamortized Premium	(1,904,380,643)	
Tobacco Settlement Financing Corporation Bonds	(2,928,110,000)	
Net Pension Liability	(93,738,047,689)	
OPEB Liability	(75,961,589,432)	
Other	<u>(1,232,618,698)</u>	(214,437,397,167)

Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reflected as deferred inflows of resources in the governmental funds. 349,155,044

Certain deferred inflows of resources are not current liabilities and, therefore, are not reported in the fund perspective:

Net Pension Liability	(22,196,246,561)	
OPEB Liability	<u>(27,862,650,620)</u>	<u>(50,058,897,181)</u>

**Net Position of governmental activities** **\$ (202,064,225,563)**

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

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 18,453,360,689	\$ 16,747,799,826	\$ 1,612,971,749	\$ 36,814,132,264
Federal and other grants	15,097,176,569	-	1,134,597,774	16,231,774,343
Licenses and fees	1,406,699,358	-	122,672,873	1,529,372,231
Services and assessments	1,809,450,424	-	1,136,445,246	2,945,895,670
Component Units and Port Authority	383,931,029	-	-	383,931,029
Investment earnings	84,249,459	-	97,071,080	181,320,539
Contributions	-	-	573,005,915	573,005,915
Other	1,355,298,172	-	345,880,240	1,701,178,412
<b>Total Revenues</b>	<u>38,590,165,700</u>	<u>16,747,799,826</u>	<u>5,022,644,877</u>	<u>60,360,610,403</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety and criminal justice	3,350,883,965	25,496,187	105,623,071	3,482,003,223
Physical and mental health	15,448,550,319	108,202,491	30,807,501	15,587,560,311
Educational, cultural, and intellectual development	3,978,801,483	14,182,645,135	599,821,730	18,761,268,348
Community development and environmental management	1,776,610,517	282,011,243	118,328,431	2,176,950,191
Economic planning, development, and security	5,110,571,377	85,997,000	953,651,727	6,150,220,104
Transportation programs	930,300,577	17,295,031	2,625,022,413	3,572,618,021
Government direction, management, and control	3,843,673,556	1,755,631,766	2,649,850,246	8,249,155,568
Special government services	366,679,095	-	189,041	366,868,136
<b>Capital Outlay</b>	81,805,031	-	-	81,805,031
<b>Debt Service:</b>				
Principal	244,570,000	-	1,085,930,000	1,330,500,000
Interest	79,985,672	-	959,303,447	1,039,289,119
Current refunding bonds escrow payment	393,992,987	-	2,967,844,524	3,361,837,511
<b>Total Expenditures</b>	<u>35,606,424,579</u>	<u>16,457,278,853</u>	<u>12,096,372,131</u>	<u>64,160,075,563</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,983,741,121</u>	<u>290,520,973</u>	<u>(7,073,727,254)</u>	<u>(3,799,465,160)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	419,492,848	-	750,000,000	1,169,492,848
Refunding bonds issued	843,808,000	-	2,763,165,000	3,606,973,000
Premiums/discounts	84,796,351	-	249,913,883	334,710,234
Payment to bond escrow agents	(522,299,181)	-	-	(522,299,181)
Transfers from other funds	1,510,787,071	-	6,345,843,556	7,856,630,627
Transfers to other funds	(4,388,974,620)	(288,982,142)	(3,163,333,778)	(7,841,290,540)
<b>Total other financing sources (uses)</b>	<u>(2,052,389,531)</u>	<u>(288,982,142)</u>	<u>6,945,588,661</u>	<u>4,604,216,988</u>
<b>Net Change in Fund Balance</b>	931,351,590	1,538,831	(128,138,593)	804,751,828
<b>Fund Balances - July 1, 2018</b>	<u>5,632,628,532</u>	<u>27,921,447</u>	<u>5,885,890,619</u>	<u>11,546,440,598</u>
<b>Fund Balances - June 30, 2019</b>	<u>\$ 6,563,980,122</u>	<u>\$ 29,460,278</u>	<u>\$ 5,757,752,026</u>	<u>\$ 12,351,192,426</u>

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

**STATE OF NEW JERSEY**  
**RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Net change in fund balances of total governmental funds** \$ 804,751,828

Amounts reported for governmental activities in the statement of activities are different as a result of the following items:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,373,679,809	
Depreciation expense	<u>(1,091,085,737)</u>	
Excess of capital outlay over depreciation expense		282,594,072

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term obligations in the statement of net position. In the current period, proceeds were received from revenue bonds. (750,000,000)

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In the governmental funds these arrangements are considered a source of financing, but in the statement of net position, these arrangements are reported as an obligation. (419,492,848)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term obligations in the statement of net position. In the current year, these retirements/repayments consist of:

General Obligation Bonds principal	244,570,000	
Revenue Bonds principal	963,385,000	
Capital Leases	56,487,102	
Installment Obligations	1,092,804,206	
Certificates of Participation	36,077,964	
Tobacco Settlement Financing Corporation Bonds	<u>108,885,000</u>	
Total long-term obligations		2,502,209,272

Some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds but are accrued on the Statement of Net Position. The prior year receivable balances decreased by this amount. (156,826,446)

In the government-wide statements certain items are capitalized and amortized over a period of years, but are reported as expenditures or other financing sources and uses in the fund perspective. These activities consist of:

Increase in unamortized premiums	(32,305,082)	
Decrease in unamortized interest on CABs	(358,315,339)	
Increase in deferral on refunding issues	<u>270,802,234</u>	
Total capitalized and amortized items		(119,818,187)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net decrease in accrued interest payable	12,982,754	
Decrease in compensated absences, Medicaid, and other	167,782,065	
Decrease in Net Pension Liability	5,903,609,653	
Decrease in OPEB liability	14,525,551,622	
Decrease in deferred outflows of resources	(827,359,825)	
Increase in deferred inflows of resources	(23,219,846,214)	
Decrease in other assets (Group Homes)	<u>(7,458,258)</u>	
Total additional expenditures		<u>(3,444,738,203)</u>

**Change in net position of governmental activities** \$ (1,301,320,512)

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

**STATE OF NEW JERSEY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 114,857	\$ 237,628	\$ 352,485
Investments	263,661,103	24,705	263,685,808
Receivables, net of allowances for uncollectibles			
Federal government	-	2,783,390,206	2,783,390,206
Departmental accounts	-	664,521,949	664,521,949
Other	20,466,302	104,043,769	124,510,071
Due from other funds	-	3,341,116	3,341,116
Deferred charges	1,325,054	-	1,325,054
<b>Total Current Assets</b>	<u>285,567,316</u>	<u>3,555,559,373</u>	<u>3,841,126,689</u>
<b>Noncurrent Assets</b>			
Investments	213,186,263	-	213,186,263
<b>Total Noncurrent Assets</b>	<u>213,186,263</u>	<u>-</u>	<u>213,186,263</u>
<b>Total Assets</b>	<u>498,753,579</u>	<u>3,555,559,373</u>	<u>4,054,312,952</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accruals	122,681,749	56,513,892	179,195,641
Due to other funds	139,625,218	2,539,106	142,164,324
Refunds payable	-	103,990,795	103,990,795
Current portion of long-term obligations	21,882,704	-	21,882,704
Other	-	1,194,691	1,194,691
<b>Total Current Liabilities</b>	<u>284,189,671</u>	<u>164,238,484</u>	<u>448,428,155</u>
<b>Noncurrent Liabilities</b>			
Due in more than one year	213,728,589	-	213,728,589
<b>Total Noncurrent Liabilities</b>	<u>213,728,589</u>	<u>-</u>	<u>213,728,589</u>
<b>Total Liabilities</b>	<u>497,918,260</u>	<u>164,238,484</u>	<u>662,156,744</u>
<b>NET POSITION</b>			
Restricted for:			
Unemployment compensation	-	3,391,320,889	3,391,320,889
Prize awards and Pension Fund contributions	835,319	-	835,319
<b>Total Net Position</b>	<u>\$ 835,319</u>	<u>\$ 3,391,320,889</u>	<u>\$ 3,392,156,208</u>

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

**STATE OF NEW JERSEY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>			
Sales and charges for services	\$ 3,482,346,197	\$ -	\$ 3,482,346,197
Assessments	-	2,107,513,645	2,107,513,645
From federal agencies	-	14,742,607	14,742,607
Other	45,386,977	736,817	46,123,794
<b>Total Operating Revenues</b>	<u>3,527,733,174</u>	<u>2,122,993,069</u>	<u>5,650,726,243</u>
<b>OPERATING EXPENSES</b>			
Unemployment compensation	-	1,907,318,698	1,907,318,698
Lottery prize awards	2,086,629,181	-	2,086,629,181
Other	316,499,243	-	316,499,243
<b>Total Operating Expenses</b>	<u>2,403,128,424</u>	<u>1,907,318,698</u>	<u>4,310,447,122</u>
<b>Operating Income (Loss)</b>	<u>1,124,604,750</u>	<u>215,674,371</u>	<u>1,340,279,121</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Contributions to Pension Funds	(1,105,000,000)	-	(1,105,000,000)
Investment income	5,907,333	61,858,758	67,766,091
Northstar NJ incentive payments	(26,132,290)	-	(26,132,290)
Other	-	23,143,203	23,143,203
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,125,224,957)</u>	<u>85,001,961</u>	<u>(1,040,222,996)</u>
<b>Income (Loss) Before Transfers</b>	<u>(620,207)</u>	<u>300,676,332</u>	<u>300,056,125</u>
<b>Change in Net Position</b>	<u>(620,207)</u>	<u>300,676,332</u>	<u>300,056,125</u>
<b>Net Position - July 1, 2018</b>	<u>1,455,526</u>	<u>3,090,644,557</u>	<u>3,092,100,083</u>
<b>Net Position - June 30, 2019</b>	<u>\$ 835,319</u>	<u>\$ 3,391,320,889</u>	<u>\$ 3,392,156,208</u>

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

**STATE OF NEW JERSEY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts received from customers	\$ 1,682,615,458	\$ -	\$ 1,682,615,458
Receipts from federal government	-	20,743,424	20,743,424
Receipts from state, local, and non-profit agencies	-	93,782,500	93,782,500
Receipts from assessments	-	2,058,280,920	2,058,280,920
Payments to suppliers	(9,636,999)	-	(9,636,999)
Payments to prize winners	(477,439,868)	-	(477,439,868)
Payments for vendor commissions and fees	(78,765,791)	-	(78,765,791)
Claims paid	-	(2,173,308,536)	(2,173,308,536)
Cash flows from annuity operations:			
Annuity receipts	24,093,704	-	24,093,704
Purchase of annuities	(6,202,956)	-	(6,202,956)
Payments of annuity prizes	(16,637,661)	-	(16,637,661)
Other receipts (payments)	(331,989)	-	(331,989)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>1,117,693,898</u>	<u>(501,692)</u>	<u>1,117,192,206</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Contributions to Pension Funds	(1,100,296,012)	-	(1,100,296,012)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(1,100,296,012)</u>	<u>-</u>	<u>(1,100,296,012)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	1,752,410,343	-	1,752,410,343
Purchase of investments	(1,738,033,835)	-	(1,738,033,835)
Payments to Northstar New Jersey	(31,859,505)	-	(31,859,505)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(17,482,997)</u>	<u>-</u>	<u>(17,482,997)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(85,111)	(501,692)	(586,803)
<b>Cash and Cash Equivalents - July 1, 2018</b>	199,968	739,320	939,288
<b>Cash and Cash Equivalents - June 30, 2019</b>	<u>\$ 114,857</u>	<u>\$ 237,628</u>	<u>\$ 352,485</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 1,124,604,750	\$ 215,674,371	\$ 1,340,279,121
Net changes in assets and liabilities:			
Current assets	(2,849,315)	(221,472,069)	(224,321,384)
Noncurrent assets	(3,325,560)	-	(3,325,560)
Current liabilities	(6,490,032)	5,296,006	(1,194,026)
Noncurrent liabilities	5,754,055	-	5,754,055
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 1,117,693,898</u>	<u>\$ (501,692)</u>	<u>\$ 1,117,192,206</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>			
Change in fair value of investments	\$ 526,158	\$ -	\$ 526,158

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



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**STATE OF NEW JERSEY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019**

	<b>Agency Funds</b>	<b>Investment Trust Fund</b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	\$ 71,868,579	\$ 6,844,863
<b>Securities lending collateral</b>	-	-
<b>Investments</b>		
Cash Management Fund	962,426,413	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	1,815,555,602
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
<b>Receivables, net of allowances for uncollectibles</b>		
Members	-	-
Employers	102,629	-
Interest and dividends	-	597,251
Other	205,342,476	-
<b>Due from other funds</b>	125,162,541	-
<b>Other</b>	-	-
<b>Total Assets</b>	1,364,902,638	1,822,997,716
<b>LIABILITIES</b>		
<b>Accounts payable and accruals</b>	1,355,763,629	-
<b>Benefits payable</b>	-	-
<b>Securities lending collateral and rebates payable</b>	-	-
<b>Due to other funds</b>	9,139,009	1,309,416
<b>Total Liabilities</b>	1,364,902,638	1,309,416
<b>NET POSITION</b>		
<b>Held in Trust for Pool Participants</b>	-	1,821,688,300
<b>Restricted for Pensions</b>	-	-
<b>Restricted for OPEB</b>	-	-
<b>Restricted for Private Purpose Trust Funds</b>	-	-
<b>Total Net Position</b>	\$ -	\$ 1,821,688,300

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

<b>Pension and Other Employee Benefits Trust Funds</b>	<b>Private Purpose Trust Funds</b>
\$ 24,561,844	\$ 2,245
1,009,702,674	-
1,657,518,862	12,634,424
52,293,222,131	-
24,952,938,876	-
796,970,015	-
-	-
3,452,128,926	-
484,041,502	-
203,885,840	-
2,191,275,151	-
4,574,827	-
-	-
166,878,376	-
2,374,437,979	-
89,612,137,003	12,636,669
242,388,892	4,575,790
1,018,498,176	-
1,008,482,091	-
18,240,596	292,931
2,287,609,755	4,868,721
-	-
87,051,353,766	-
273,173,482	-
-	7,767,948
\$ 87,324,527,248	\$ 7,767,948

**STATE OF NEW JERSEY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Investment Trust Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Members	\$ -	\$ 2,472,587,736	\$ -
Employers	-	5,750,216,552	-
Other	12,603,194,626	22,044,382	-
<b>Total Contributions</b>	<u>12,603,194,626</u>	<u>8,244,848,670</u>	<u>-</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	3,125,248,189	-
Interest and dividends	46,859,774	1,905,264,029	288,557
<b>Total Investment Income</b>	<u>46,859,774</u>	<u>5,030,512,218</u>	<u>288,557</u>
Less investment expense	-	20,829,179	-
<b>Net Investment Income</b>	<u>46,859,774</u>	<u>5,009,683,039</u>	<u>288,557</u>
Miscellaneous	-	-	365,715
<b>Total Additions</b>	<u>12,650,054,400</u>	<u>13,254,531,709</u>	<u>654,272</u>
<b>DEDUCTIONS</b>			
Benefit payments	-	12,049,456,911	-
Refunds of contributions	-	233,714,750	-
Refunds and transfers to other systems	-	-	141,902
Administrative expense	1,309,416	53,093,287	-
Payments in accordance with trust agreements	-	-	621,952
Distributions to shareholders	12,569,709,620	-	-
<b>Total Deductions</b>	<u>12,571,019,036</u>	<u>12,336,264,948</u>	<u>763,854</u>
<b>Total Changes in Net Position Held in Trust</b>	79,035,364	918,266,761	(109,582)
<b>Net Position - July 1, 2018</b>	<u>1,742,652,936</u>	<u>86,406,260,487</u>	<u>7,877,530</u>
<b>Net Position - June 30, 2019</b>	<u>\$ 1,821,688,300</u>	<u>\$ 87,324,527,248</u>	<u>\$ 7,767,948</u>

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

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**STATE OF NEW JERSEY  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 75,053,543	\$ 170,004,000
Investments	57,768,716	1,615,943,000
Receivables, net of allowances for uncollectibles		
Federal government	187,406,970	-
Loans	-	-
Mortgages	-	-
Other	53,769,479	61,756,000
Due from external parties	60,364,103	2,158,000
Inventories	129,135,771	27,400,000
Other	27,602,890	38,063,000
<b>Total Current Assets</b>	<u>591,101,472</u>	<u>1,915,324,000</u>
<b>Noncurrent Assets</b>		
Investments	330,405,954	556,994,000
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	-
Capital assets - nondepreciated	1,631,288,594	1,369,665,000
Capital assets - depreciated, net	4,594,929,848	10,590,617,000
Other	2,656,512	-
<b>Total Noncurrent Assets</b>	<u>6,559,280,908</u>	<u>12,517,276,000</u>
<b>Deferred Outflows of Resources</b>	<u>320,270,347</u>	<u>449,605,000</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>7,470,652,727</u>	<u>14,882,205,000</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	300,716,246	116,213,000
Due to external parties	9,252,899	238,206,000
Interest payable	-	273,740,000
Unearned revenue	-	13,013,000
Current portion of long-term obligations	250,822,103	224,508,000
Other	98,212,462	-
<b>Total Current Liabilities</b>	<u>659,003,710</u>	<u>865,680,000</u>
<b>Noncurrent Liabilities</b>		
Net pension liability	684,637,870	365,599,000
Net OPEB liability	-	-
Total OPEB liability	1,296,577,794	1,740,913,000
Revenue bonds payable, net	-	11,130,863,000
Installment obligations, net	721,811,871	-
Other	526,133,939	225,305,000
<b>Total Noncurrent Liabilities</b>	<u>3,229,161,474</u>	<u>13,462,680,000</u>
<b>Deferred Inflows of Resources</b>	<u>125,276,701</u>	<u>155,590,000</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>4,013,441,885</u>	<u>14,483,950,000</u>
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>	5,376,564,995	1,517,792,000
<b>Restricted for:</b>		
Capital projects	253,979	-
Debt service	-	-
Other purposes	27,377,926	225,094,000
<b>Unrestricted</b>	(1,946,986,058)	(1,344,631,000)
<b>Total Net Position</b>	<u>\$ 3,457,210,842</u>	<u>\$ 398,255,000</u>

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

<u>Rutgers, The State University of New Jersey</u>		<u>Non-Major Component Units</u>		<u>Total Component Units</u>	
\$	179,867,000	\$	2,956,717,821	\$	3,381,642,364
	414,878,000		6,709,356,224		8,797,945,940
	-		139,049,021		326,455,991
	8,839,000		283,942,894		292,781,894
	-		148,466,000		148,466,000
	545,981,000		285,407,712		946,914,191
	-		35,420,916		97,943,019
	5,108,000		20,633,685		182,277,456
	8,816,000		166,234,660		240,716,550
	<u>1,163,489,000</u>		<u>10,745,228,933</u>		<u>14,415,143,405</u>
	1,494,657,000		1,400,508,854		3,782,565,808
	56,299,000		2,219,507,182		2,275,806,182
	-		1,765,247,843		1,765,247,843
	67,845,000		21,172,307		89,017,307
	591,192,000		1,253,906,873		4,846,052,467
	3,347,132,000		6,087,614,849		24,620,293,697
	109,560,000		305,396,150		417,612,662
	<u>5,666,685,000</u>		<u>13,053,354,058</u>		<u>37,796,595,966</u>
	<u>470,276,000</u>		<u>671,552,366</u>		<u>1,911,703,713</u>
	<u>7,300,450,000</u>		<u>24,470,135,357</u>		<u>54,123,443,084</u>
	420,281,000		410,207,801		1,247,418,047
	-		58,124,386		305,583,285
	13,641,000		83,324,093		370,705,093
	122,509,000		106,326,227		241,848,227
	67,265,000		534,049,603		1,076,644,706
	202,920,000		318,181,012		619,313,474
	<u>826,616,000</u>		<u>1,510,213,122</u>		<u>3,861,512,832</u>
	1,731,180,000		2,299,708,082		5,081,124,952
	-		177,456,936		177,456,936
	-		26,850,331		3,064,341,125
	-		1,368,456,154		12,499,319,154
	1,878,485,000		960,130,858		3,560,427,729
	147,793,000		6,485,156,141		7,384,388,080
	<u>3,757,458,000</u>		<u>11,317,758,502</u>		<u>31,767,057,976</u>
	<u>384,283,000</u>		<u>1,044,986,471</u>		<u>1,710,136,172</u>
	<u>4,968,357,000</u>		<u>13,872,958,095</u>		<u>37,338,706,980</u>
	1,991,541,000		2,577,187,363		11,463,085,358
	112,197,000		155,701,063		268,152,042
	-		1,190,550,116		1,190,550,116
	1,352,551,000		6,907,873,386		8,512,896,312
	(1,124,196,000)		(234,134,666)		(4,649,947,724)
\$	<u>2,332,093,000</u>	\$	<u>10,597,177,262</u>	\$	<u>16,784,736,104</u>

**STATE OF NEW JERSEY  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
<b>Expenses</b>	\$ 2,937,419,242	\$ 1,580,384,000
 <b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Program Revenues</b>		
Charges for services	1,059,486,764	1,753,003,000
Operating grants and contributions	988,472,009	36,942,000
Capital grants and contributions	<u>604,281,191</u>	<u>200,000</u>
<b>Net (Expense) Revenue</b>	<u>(285,179,278)</u>	<u>209,761,000</u>
 <b>General Revenue</b>		
Payments from State	<u>307,466,000</u>	<u>7,000</u>
<b>Total General Revenue</b>	<u>307,466,000</u>	<u>7,000</u>
 <b>Change in Net Position</b>	 22,286,722	 209,768,000
 <b>Net Position - Beginning of Year (Restated)</b>	 <u>3,434,924,120</u>	 <u>188,487,000</u>
<b>Net Position - End of Year</b>	<u>\$ 3,457,210,842</u>	<u>\$ 398,255,000</u>

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



<u>Rutgers, The State University of New Jersey</u>	<u>Non-Major Component Units</u>	<u>Total Component Units</u>
\$ 4,426,314,000	\$ 8,427,705,136	\$ 17,371,822,378
2,334,813,000	2,726,027,869	7,873,330,633
1,720,139,000	1,917,965,195	4,663,518,204
<u>48,466,000</u>	<u>3,671,453,914</u>	<u>4,324,401,105</u>
<u>(322,896,000)</u>	<u>(112,258,158)</u>	<u>(510,572,436)</u>
<u>435,790,000</u>	<u>496,121,109</u>	<u>1,239,384,109</u>
<u>435,790,000</u>	<u>496,121,109</u>	<u>1,239,384,109</u>
112,894,000	383,862,951	728,811,673
<u>2,219,199,000</u>	<u>10,213,314,311</u>	<u>16,055,924,431</u>
<u>\$ 2,332,093,000</u>	<u>\$ 10,597,177,262</u>	<u>\$ 16,784,736,104</u>

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