

FINANCIAL SECTION





LEGISLATIVE SERVICES COMMISSION

SENATE

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

GENERAL ASSEMBLY

Jon M. Bramnick *Vice Chair*
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 ★

OFFICE OF THE STATE AUDITOR

125 SOUTH WARREN ST. • P.O. BOX 067 • TRENTON, NJ 08625-0067
www.njleg.state.nj.us

OFFICE OF THE
STATE AUDITOR
609-847-3470
Fax 609-633-0834

David J. Kaschak
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, 2020, 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 89 percent, 92 percent, and 36 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 2E 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 one discretely presented component unit, the Higher Education Student Assistance Authority was 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, 2020, 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, due to the issuance of Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the State did not adopt any new GASB standards for Fiscal Year 2020. 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 April 1, 2021 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 that reads "David J. Kaschak". The signature is written in a cursive, flowing style.

David J. Kaschak
State Auditor
April 1, 2021

*Management's
Discussion
and
Analysis*

(This page left intentionally blank)

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, 2020. 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 \$75.2 billion, an increase of \$1.2 billion from the prior fiscal year after restatements that resulted in a \$0.2 billion increase in net position. Restatements were made to increase capital assets and group homes. As of June 30, 2020, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$200.3 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 \$216.3 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, 2020 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$17.3 billion. Total component unit assets and deferred outflows of resources totaled \$55.7 billion, an increase of \$1.5 billion from prior year.

Fund Level

- The State's governmental funds reported June 30, 2020 combined ending fund balances of \$13.2 billion, an increase of \$0.9 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 (\$7.3 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 (\$3.7 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 (\$2.2 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 decreased by \$2.2 billion resulting in net position of \$1.2 billion as of June 30, 2020.

Long-term Obligations

- The State's governmental long-term obligations decreased 6.2 percent to \$204.2 billion, which includes a net decrease in bonded obligations of \$33.7 million. During the fiscal year, the State issued \$4.8 billion in bonds. New money issuances represented \$2.2 billion primarily for transportation program improvements, while \$2.6 billion represented refunding transactions that provided the State with \$168.9 million in net present value savings. During Fiscal Year 2020, the State paid \$5.2 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$159.8 billion. This amount represents a \$13.5 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 \$2.9 billion and \$10.5 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

Features	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	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
Required Financial Statements	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
Accounting Basis and Measurement Focus	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
Types of Asset/Liability Information	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
Types of Inflow/Outflow Information	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 2020 with combined net position for the primary government totaling a negative \$200.3 billion. This amount represents a reduction of net position of \$1.9 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	
	2020	2019*	2020	2019	2020	2019*
Current and other noncurrent assets	\$ 22,329.5	\$ 17,330.4	\$ 2,761.9	\$ 4,043.1	\$ 25,091.4	\$ 21,373.5
Capital assets, net	29,583.9	29,196.5	-	-	29,583.9	29,196.5
Total Assets	51,913.4	46,526.9	2,761.9	4,043.1	54,675.3	50,570.0
Deferred outflows of resources	20,534.9	23,462.5	-	-	20,534.9	23,462.5
Total Assets and Deferred Outflows of Resources	72,448.3	69,989.4	2,761.9	4,043.1	75,210.2	74,032.5
Current liabilities	11,356.0	7,181.9	1,324.9	437.3	12,680.9	7,619.2
Noncurrent liabilities	201,015.9	214,437.4	206.3	213.7	201,222.2	214,651.1
Total Liabilities	212,371.9	221,619.3	1,531.2	651.0	213,903.1	222,270.3
Deferred inflows of resources	61,621.6	50,185.2	-	-	61,621.6	50,185.2
Total Liabilities and Deferred Inflows of Resources	273,993.5	271,804.5	1,531.2	651.0	275,524.7	272,455.5
Net Position:						
Net investment in capital assets	8,999.4	9,178.3	-	-	8,999.4	9,178.3
Restricted	5,776.7	5,885.8	1,230.7	3,392.1	7,007.4	9,277.9
Unrestricted	(216,321.3)	(216,879.2)	-	-	(216,321.3)	(216,879.2)
Total Net Position	\$ (201,545.2)	\$ (201,815.1)	\$ 1,230.7	\$ 3,392.1	\$ (200,314.5)	\$ (198,423.0)

* Net Position was restated by \$249.1 million to reflect a prior period adjustment for an increase in capital assets of \$334.8 million, an increase in accumulated depreciation of \$95.3 million, and an increase in Group Homes of \$9.6 million.

Changes in Net Position

The State's Fiscal Year 2020 net position decreased by \$1.9 billion after restatements. Approximately 48.7 percent of the State's total revenues came from general taxes, while 35.5 percent was derived from operating grants. Charges for services amounted to 14.6 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, 25.8 percent, was for educational, cultural, and intellectual development, which includes approximately \$325.3 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 21.0 percent; Unemployment Compensation Fund amounted to 15.0 percent; and government direction, management, and control amounted to 11.2 percent. Other major expenditures focused on economic planning, development, and security; State Lottery Fund; and public safety and criminal justice. During Fiscal Year 2020, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$36.6 billion of general revenues (mostly taxes). The remaining \$0.3 billion resulted in an increase in net position. Offsetting the governmental net position increase, Business-type Activities reflected a net position decrease of \$2.2 billion primarily because the Unemployment Compensation Fund's claims exceeded available resources due to the COVID-19 pandemic.

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

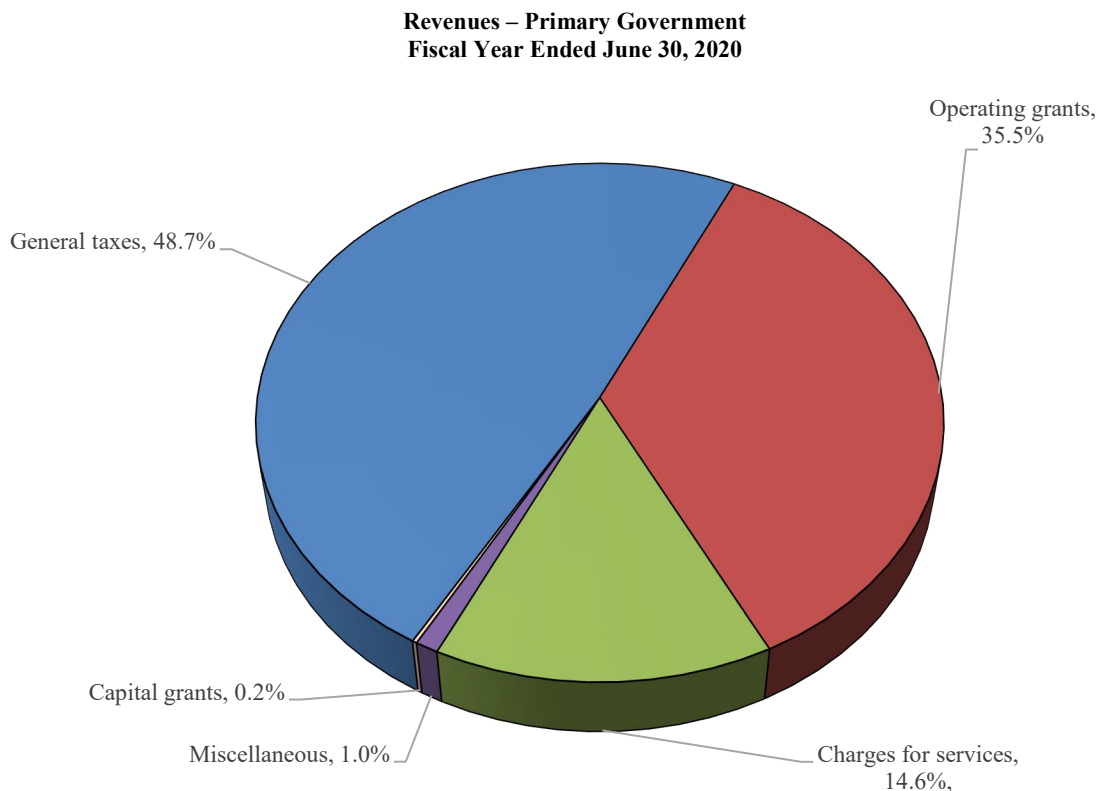
	Governmental Activities		Business-type Activities		Primary Government Total	
	2020	2019*	2020	2019	2020	2019*
<u>Revenues</u>						
Program revenues						
Charges for services	\$ 5,361.8	\$ 5,494.3	\$ 5,414.4	\$ 5,659.1	\$ 10,776.2	\$ 11,153.4
Operating grants	19,109.3	17,816.4	7,032.2	82.5	26,141.5	17,898.9
Capital grants	118.7	398.7	-	-	118.7	398.7
General revenues						
General taxes	35,837.6	35,700.8	-	-	35,837.6	35,700.8
Interest earnings	64.5	81.7	-	-	64.5	81.7
Miscellaneous	648.8	712.0	-	-	648.8	712.0
Total Revenues	61,140.7	60,203.9	12,446.6	5,741.6	73,587.3	65,945.5
<u>Expenses</u>						
Public safety and criminal justice	3,612.6	3,509.8	-	-	3,612.6	3,509.8
Physical and mental health	15,867.6	15,584.9	-	-	15,867.6	15,584.9
Educational, cultural, and intellectual development	19,440.1	18,792.6	-	-	19,440.1	18,792.6
Community development and environmental management	2,141.0	2,134.8	-	-	2,141.0	2,134.8
Economic planning, development, and security	6,594.5	6,182.6	-	-	6,594.5	6,182.6
Transportation programs	3,179.4	2,977.0	-	-	3,179.4	2,977.0
Government direction, management, and control	8,449.5	10,495.2	-	-	8,449.5	10,495.2
Special government services	366.6	378.6	-	-	366.6	378.6
Interest expense	1,248.3	1,215.8	-	-	1,248.3	1,215.8
State Lottery Fund	-	-	3,263.3	3,534.3	3,263.3	3,534.3
Unemployment Compensation Fund	-	-	11,344.7	1,907.3	11,344.7	1,907.3
Total Expenses	60,899.6	61,271.3	14,608.0	5,441.6	75,507.6	66,712.9
Excess (Deficiency) Before Transfers	241.1	(1,067.4)	(2,161.4)	300.0	(1,920.3)	(767.4)
Transfers	28.8	15.2	-	-	28.8	15.2
Increase (Decrease) in Net Position	269.9	(1,052.2)	(2,161.4)	300.0	(1,891.5)	(752.2)
Net Position - July 1 (Restated)	(201,815.1)	(200,762.9)	3,392.1	3,092.1	(198,423.0)	(197,670.8)
Net Position - June 30	\$ (201,545.2)	\$ (201,815.1)	\$ 1,230.7	\$ 3,392.1	\$ (200,314.5)	\$ (198,423.0)

* Net Position was restated by \$249.1 million to reflect a prior period adjustment for an increase in capital assets of \$334.8 million, an increase in accumulated depreciation of \$95.3 million, and an increase in Group Homes of \$9.6 million.

Primary Government – Fiscal Year 2020 Revenues and Expenses

During Fiscal Year 2020, State revenues, including transfers, totaled \$73.6 billion or an increase of \$7.7 billion when compared to the prior fiscal year after restatements. This increase is primarily attributable to higher operating grants. General taxes totaled \$35.8 billion and operating grants totaled \$26.1 billion, accounting for 48.7 percent and 35.5 percent, respectively, of total State revenues for Fiscal Year 2020. The State's Gross Income Tax totaled \$16.3 billion, the Sales and Use Tax totaled \$9.8 billion, and the Corporation Business Tax totaled \$3.8 billion. The State's three major taxes comprised 83.3 percent of the total general taxes that were collected during Fiscal Year 2020. General taxes increased by \$0.1 billion when compared to Fiscal Year 2019.

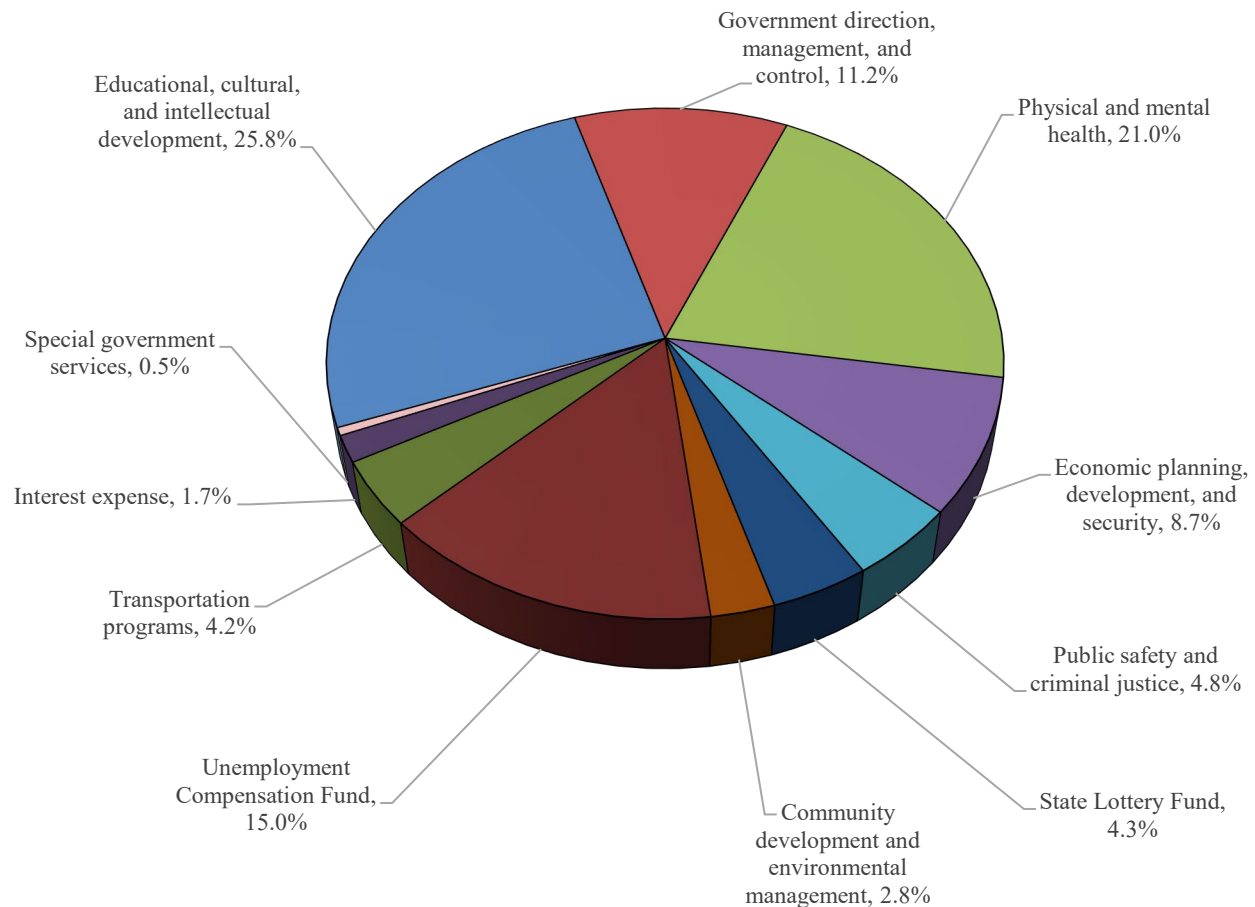
The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2020:



Fiscal Year 2020 expenses totaled \$75.5 billion, an increase of \$8.8 billion after restatements in comparison to the prior fiscal year. State spending increased by \$9.4 billion in Unemployment Compensation Fund due to claims exceeding available resources.

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2020:

**Expenses – Primary Government
Fiscal Year Ended June 30, 2020**



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 2020 amounted to \$15.1 billion and \$16.1 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net position at fiscal year end of \$17.3 billion. The component units received \$1.5 billion in State appropriations during Fiscal Year 2020.

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, 2020 fund balances of \$13.2 billion, a \$0.9 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 \$7.2 billion of which \$2.2 billion represented unassigned fund balance. During Fiscal Year 2020, unassigned fund balance increased by \$0.5 billion. 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. In response to the COVID-19 pandemic, the State transferred its Surplus Revenue Fund Fiscal Year 2019 deposit of \$420.6 million to the General Fund to help balance its budget. As of June 30, 2020, the fund had a balance of \$6.7 million.

On a budgetary basis, the General Fund collected general revenues of \$37.6 billion. Due to the impact of the COVID-19 pandemic, while these general revenues were \$0.1 billion higher than final budget, this was \$2.2 billion lower than originally anticipated. This impact was the result of the pandemic's effect on certain consumption taxes from March to June 2020, such as Sales and Use and other motor fuels taxes.

Total expenditures were \$2.2 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 spending freezes and contractions enacted due to the impact of the COVID-19 pandemic. From a Fiscal Year 2020 program perspective, under-spending transpired in government direction, management, and control (\$1.2 billion); community development and environmental management (\$851.4 million); public safety and criminal justice (\$535.1 million); transportation programs (\$376.6 million); economic planning, development, and security (\$113.7 million); special government services (\$13.4 million); and offset by over-spending in educational, cultural, and intellectual development (\$611.9 million) and physical and mental health (\$286.2 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 2020, \$16.7 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2020 ending fund balance was \$80.7 million. Gross Income Tax collections, which saw a \$0.3 billion decrease from Fiscal Year 2019, were slightly less impacted by the pandemic than other taxes mentioned above, but nonetheless realized the first year-over-year decline for the tax since Fiscal Year 2010.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

State Lottery Fund (Common Pension Fund L)

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 2020, gross revenues totaled \$3.3 billion of which \$2.0 billion was returned in prizes; \$1.0 billion was transferred to pension funds; \$243.8 million was paid to sales agents and ticket vendors; and \$54.8 million covered Lottery operational and promotional expenses. As of June 30, 2020, the State Lottery, since its inception, has generated over \$80.7 billion in gross revenues, \$44.7 billion in prizes, contributed \$26.0 billion to the State, and \$3.1 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 increased by \$9.4 billion in Fiscal Year 2020 primarily due to the COVID-19 pandemic employment impact.

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 2020 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 \$809.8 million for State highway infrastructure, \$430.2 million for local highways, and \$760.0 million for mass transit. During Fiscal Year 2020, 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, 2020, a total of \$11.5 billion of the \$12.6 billion school facilities construction bond program has been issued. The constitutional dedication of 6.0 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 \$29.6 billion as of June 30, 2020. Depreciation expense charges for Fiscal Year 2020 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)

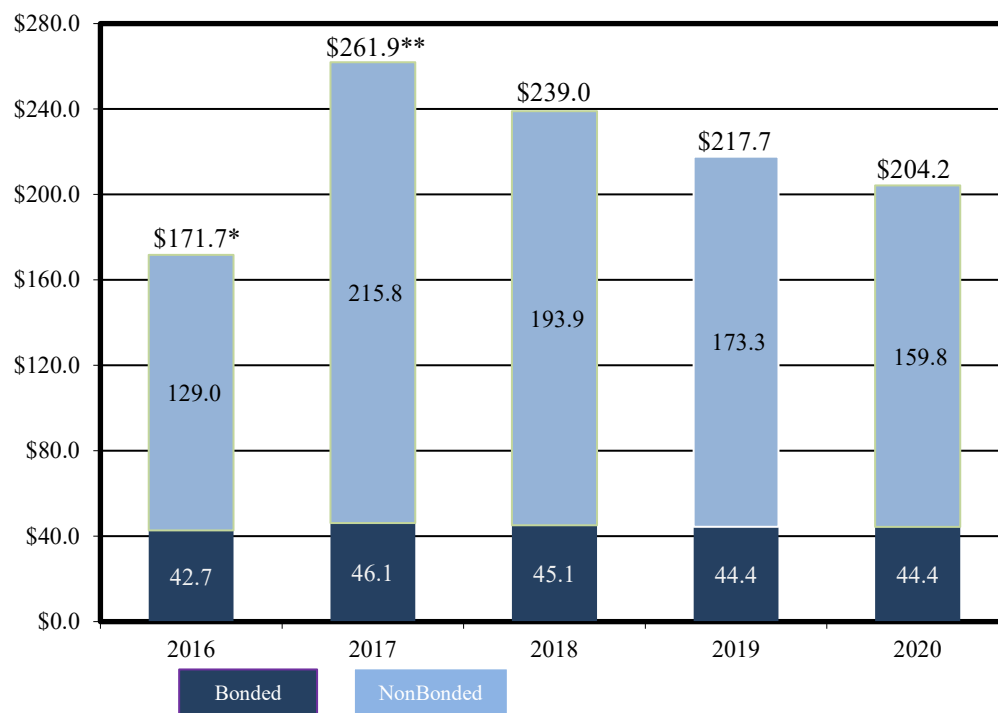
	Total Primary Government	
	2020	2019*
Land and Easements	\$ 5,407.6	\$ 5,356.9
Land Improvements	84.7	88.6
Buildings and Improvements	1,608.1	1,695.3
Equipment and Software	279.1	364.2
Infrastructure	18,459.0	18,616.2
Sub-Total	25,838.5	26,121.2
Construction In Progress	3,745.4	3,075.3
Total	<u>\$ 29,583.9</u>	<u>\$ 29,196.5</u>

* The July 1, 2019 capital asset balance has been restated by \$334.8 million and the accumulated depreciation balance has been restated by \$95.3 million across construction in progress, buildings and improvements, equipment and software, and infrastructure.

Debt Administration

As of June 30, 2020, New Jersey's outstanding long-term obligations for governmental activities totaled \$204.2 billion, a \$13.5 billion decrease relative to the prior fiscal year. Of the \$13.5 billion decrease, primarily all is attributable to decreases in the Net Pension Liability and OPEB Liability. Additionally, there was a decrease of \$33.7 million in bonded debt and an \$8.3 million decrease in all other non-bonded debt. Long-term bonded obligations totaled \$44.4 billion, while other long-term non-bonded obligations totaled \$159.8 billion. In addition, the State has \$12.7 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2020, the legislatively authorized but unissued debt decreased by \$1.8 billion from the prior fiscal year (See Statistical Section – Legislatively Authorized But Unissued Debt, 2020 and 2019).

Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2016 to Fiscal Year 2020
(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 COVID-19 pandemic upended the economic outlook for New Jersey and the nation. Calendar Year 2020 started off well with the New Jersey labor market adding 23,000 jobs in the first two months, continuing the steady job growth of 2019 when 31,100 jobs were added. Economic growth in New Jersey strengthened in both 2018 and 2019, with real GDP expanding by an average of 1.5 percent per year, which was expected to continue into 2020.

The positive outlook changed quickly. The U.S. Department of Health and Human Services declared a public health emergency on January 31, 2020, which was followed by a declaration of a national emergency by the President of the United States on March 13, 2020. The Governor issued Executive Order No. 103 on March 9, 2020, whereby the Governor declared a public health emergency and a state of emergency. However, the rapid spread of COVID-19 across the country forced many states to strengthen restrictions by issuing “stay-at-home” orders. The Governor issued a “stay-at-home” order, Executive Order No. 107, on March 21, 2020. The Governors of New York and Pennsylvania issued similar “stay-at-home” orders shortly thereafter.

Payroll employment in New Jersey declined by a total of 717,200 jobs, or 17.0 percent, during March and April 2020 as a result of the COVID-19 Pandemic restrictions. Other states suffered similar declines with employment falling by 20.2 percent in New York and 18.5 percent in Pennsylvania. New Jersey’s real GDP deteriorated at a seasonally adjusted annual rate of 35.6 percent in the second quarter of 2020, in line with New York’s 36.3 percent decline and Pennsylvania’s 34.0 percent decline.

Job growth rebounded when states began to re-open their economies in May. Payroll employment grew by an average of 69,600 jobs per month in New Jersey from May to September 2020. However, growth subsequently plateaued because health considerations required that the pandemic-related restrictions remain in place. The State added 5,300 jobs in total from October 2020 to January 2021. The State’s unemployment rate, which peaked at 16.6 percent in April 2020, improved to 7.9 percent by January 2021.

Through January 2021, the New Jersey labor market recovered 49.3 percent of the total jobs lost from this past spring, which is below the 59.8 percent share of Pennsylvania, but above the 46.1 percent for New York. The brunt of the economic impact of the COVID-19 Pandemic has been borne by workers in low-wage sectors. The leisure & hospitality services sector (hotels, restaurants, & bars); trade, transportation & utilities sector (retail trade); and other services sector accounted for 57.4 percent of job losses in March and April 2020. As of January, both the leisure & hospitality services sector (47.0 percent) and the other services sector (46.9 percent) have recovered less than half of the jobs lost this past spring.

The Real GDP recovered in the third quarter with economic activity in New Jersey growing at a seasonally adjusted annual rate of 37.2 percent, which was faster than the 35.5 percent rate of Pennsylvania and the 30.3 percent rate of New York. The housing market has been a bright spot during the recovery. While, according to the estimates of New Jersey Realtors Association, single-family home sales in New Jersey were 19.1 percent lower year-over-year from March to June 2020, they rebounded in July and August 2020, up 6.0 percent over the same period during the prior year. Sales then rapidly accelerated beginning in September 2020, higher by 34.0 percent on average over the last four months of 2020. Transaction prices have also risen sharply, with the average price of a single-family home sale in 2020 reaching nearly \$475,000, which is 16.3 percent higher than in 2019.

The substantial federal stimulus provided to businesses and households in the spring provided necessary support to the economic recovery. New Jersey residents received \$6.7 billion in Economic Impact Payments last spring, while businesses received \$17.4 billion in Paycheck Protection Program (“PPP”) loans through August. Unemployed workers in New Jersey received \$14.1 billion in unemployment insurance benefits through newly established federal programs, including this past fall’s Lost Wage Assistance Program that was funded by the Federal Emergency Management Agency (“FEMA”).

New Jersey’s Personal Income grew at a 40.8 percent annual rate in the second quarter of 2020 due to the significant federal stimulus, even though wage and salary income declined by 31.3 percent. Wages and salaries rebounded in the third quarter, increasing at a 26.6 percent annual rate because of the strong job growth. However, Personal Income declined at an 8.7 percent annual rate in the third quarter of 2020 due to the phase-out of federal aid.

The economic outlook has improved recently for both New Jersey and the United States, though COVID-19 continues to determine the path of the economic recovery. Members of the Federal Open Market Committee (“FOMC”) estimate real GDP in the U.S. to grow 4.2 percent in 2021 according to the FOMC’s December 2020 projection. Economists surveyed by the Wall Street Journal are forecasting real GDP growth of 6.0 percent for the U.S. in 2021 according to the March survey, which is more than two full percentage points over the December 2020 average forecast of 3.7 percent. The improved outlook is based on additional federal stimulus this spring as well as continued success in the rollout of the COVID-19 vaccines.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020 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, 2020, 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>.

(This page left intentionally blank)

Basic Financial Statements

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 478,758,149	\$ 888,319	\$ 479,646,468	\$ 3,849,371,706
Investments	11,401,464,119	263,861,066	11,665,325,185	8,929,917,098
Receivables, net of allowances for uncollectibles				
Federal government	1,270,796,706	1,537,277,005	2,808,073,711	364,216,019
Departmental accounts	6,653,766,899	601,596,314	7,255,363,213	-
Loans	1,729,442,148	-	1,729,442,148	422,981,890
Mortgages	-	-	-	88,619,000
Other	411,921,062	151,609,677	563,530,739	1,027,264,462
Internal balances	817,355	(817,355)	-	-
Due from external parties	68,084,132	-	68,084,132	104,229,622
Inventories	-	-	-	200,975,881
Deferred charges	-	1,688,472	1,688,472	-
Other	32,915,827	-	32,915,827	218,889,263
Total Current Assets	22,047,966,397	2,556,103,498	24,604,069,895	15,206,464,941
Noncurrent Assets				
Investments	-	205,791,401	205,791,401	4,350,065,633
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,201,809,994
Mortgages	-	-	-	1,734,716,706
Other	-	-	-	98,205,184
Net pension assets	200,901	-	200,901	-
Capital assets - nondepreciated	9,152,979,745	-	9,152,979,745	5,100,663,681
Capital assets - depreciated, net	20,430,963,735	-	20,430,963,735	24,570,053,479
Other	281,269,618	-	281,269,618	425,107,803
Total Noncurrent Assets	29,865,413,999	205,791,401	30,071,205,400	38,480,622,480
Deferred Outflows of Resources	20,534,907,402	-	20,534,907,402	1,970,700,466
Total Assets and Deferred Outflows of Resources	72,448,287,798	2,761,894,899	75,210,182,697	55,657,787,887

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Component Units
			Total
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	2,267,336,138	1,013,105,721	3,280,441,859
Due to external parties	974,509,557	164,000,000	1,138,509,557
Interest payable	203,704,624	-	203,704,624
Unearned revenue	1,983,995,504	-	1,983,995,504
Current portion of long-term obligations	3,226,995,971	23,235,204	3,250,231,175
Refunds payable	709,409,410	118,385,439	827,794,849
Notes payable	1,500,000,000	-	1,500,000,000
Other	490,033,161	6,150,231	496,183,392
Total Current Liabilities	11,355,984,365	1,324,876,595	12,680,860,960
Noncurrent Liabilities			
Net pension liability	90,812,068,247	-	90,812,068,247
OPEB liability	65,491,562,252	-	65,491,562,252
Revenue bonds payable, net	19,485,421,816	-	19,485,421,816
Installment obligations, net	15,859,851,424	-	15,859,851,424
Other	9,367,003,208	206,319,963	9,573,323,171
Total Noncurrent Liabilities	201,015,906,947	206,319,963	201,222,226,910
Deferred Inflows of Resources	61,621,641,855	-	61,621,641,855
Total Liabilities and Deferred Inflows of Resources	273,993,533,167	1,531,196,558	275,524,729,725
NET POSITION			
Net investment in capital assets	8,999,403,737	-	8,999,403,737
Restricted for:			
Capital projects	-	-	-
Physical and mental health	10,376,614	-	10,376,614
Educational, cultural, and intellectual development	719,109,368	-	719,109,368
Community development and environmental management	3,018,977,776	-	3,018,977,776
Economic planning, development, and security	627,038,718	-	627,038,718
Transportation programs	584,882,325	-	584,882,325
Employee benefits	735,620,479	-	735,620,479
Debt service	-	-	-
Property tax relief	80,682,314	-	80,682,314
Unemployment	-	1,229,194,717	1,229,194,717
Prize awards and Pension Fund contributions	-	1,503,624	1,503,624
Other purposes	-	-	-
Unrestricted	(216,321,336,700)	-	(216,321,336,700)
Total Net Position	\$ (201,545,245,369)	\$ 1,230,698,341	\$ (200,314,547,028)

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	\$ 3,612,604,681	\$ 939,138,114	\$ 560,317,140	\$ 777,715
Physical and mental health	15,867,601,169	1,073,188,145	1,112,103,764	-
Educational, cultural, and intellectual development	19,440,070,057	36,329,335	1,013,937,902	-
Community development and environmental management	2,140,961,277	262,265,667	1,045,325,074	103,098,646
Economic planning, development, and security	6,594,497,377	1,269,574,799	1,042,073,026	-
Transportation programs	3,179,391,352	21,205,431	1,699,037,542	14,799,596
Government direction, management, and control	8,449,539,766	1,588,935,078	12,618,404,315	-
Special government services	366,619,199	171,140,274	18,149,043	-
Interest expense	1,248,268,935	-	-	-
Total governmental activities	60,899,553,813	5,361,776,843	19,109,347,806	118,675,957
Business-type activities:				
State Lottery Fund	3,263,278,258	3,260,064,362	3,882,201	-
Unemployment Compensation Fund	11,344,758,824	2,154,307,681	7,028,324,971	-
Total business-type activities	14,608,037,082	5,414,372,043	7,032,207,172	-
Total Primary Government	\$ 75,507,590,895	\$ 10,776,148,886	\$ 26,141,554,978	\$ 118,675,957
Component Units				
Authorities	\$ 8,722,494,485	\$ 3,689,461,952	\$ 2,063,397,018	\$ 2,877,798,007
Colleges and Universities	7,413,737,290	3,995,450,033	2,469,431,845	44,875,898
Total Component Units	\$ 16,136,231,775	\$ 7,684,911,985	\$ 4,532,828,863	\$ 2,922,673,905
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				
Change in Net Position				
Net Position - July 1, 2019 (Restated)				
Net Position - June 30, 2020				

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,112,371,712)	\$ -	\$ (2,112,371,712)	\$ -
(13,682,309,260)	-	(13,682,309,260)	-
(18,389,802,820)	-	(18,389,802,820)	-
(730,271,890)	-	(730,271,890)	-
(4,282,849,552)	-	(4,282,849,552)	-
(1,444,348,783)	-	(1,444,348,783)	-
5,757,799,627	-	5,757,799,627	-
(177,329,882)	-	(177,329,882)	-
(1,248,268,935)	-	(1,248,268,935)	-
(36,309,753,207)	-	(36,309,753,207)	-
-	668,305	668,305	-
-	(2,162,126,172)	(2,162,126,172)	-
-	(2,161,457,867)	(2,161,457,867)	-
\$ (36,309,753,207)	\$ (2,161,457,867)	\$ (38,471,211,074)	\$ -
\$ -	\$ -	\$ -	\$ (91,837,508)
-	-	-	(903,979,514)
\$ -	\$ -	\$ -	\$ (995,817,022)
16,253,724,769	-	16,253,724,769	-
9,786,002,975	-	9,786,002,975	-
3,811,624,619	-	3,811,624,619	-
5,986,219,433	-	5,986,219,433	-
64,509,736	-	64,509,736	-
-	-	-	1,510,583,500
648,812,052	-	648,812,052	-
28,766,950	-	28,766,950	-
36,579,660,534	-	36,579,660,534	1,510,583,500
269,907,327	(2,161,457,867)	(1,891,550,540)	514,766,478
(201,815,152,696)	3,392,156,208	(198,422,996,488)	16,771,633,380
\$ (201,545,245,369)	\$ 1,230,698,341	\$ (200,314,547,028)	\$ 17,286,399,858

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 458,073,680	\$ -	\$ 20,683,961	\$ 478,757,641
Investments	6,126,250,392	-	4,801,145,085	10,927,395,477
Receivables, net of allowances for uncollectibles				
Federal government	951,887,243	-	318,909,463	1,270,796,706
Departmental accounts	2,819,504,491	3,415,976,234	418,286,174	6,653,766,899
Loans	350,491,549	-	1,378,950,599	1,729,442,148
Other	246,729,882	-	165,191,180	411,921,062
Due from other funds	2,475,355,233	17,937,831	476,412,271	2,969,705,335
Other	32,904,514	-	11,313	32,915,827
Total Assets	<u>\$ 13,461,196,984</u>	<u>\$ 3,433,914,065</u>	<u>\$ 7,579,590,046</u>	<u>\$ 24,474,701,095</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 1,185,432,990	\$ 83,068,666	\$ 998,834,482	\$ 2,267,336,138
Unearned revenue	1,983,995,504	-	-	1,983,995,504
Due to other funds	622,445,786	2,757,697,730	495,169,889	3,875,313,405
Refunds Payable	196,944,055	512,465,355	-	709,409,410
Notes Payable	1,500,000,000	-	-	1,500,000,000
Other	487,013,014	-	3,020,147	490,033,161
Total Liabilities	<u>5,975,831,349</u>	<u>3,353,231,751</u>	<u>1,497,024,518</u>	<u>10,826,087,618</u>
Deferred Inflows of Resources	<u>314,288,263</u>	<u>-</u>	<u>120,000,000</u>	<u>434,288,263</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	1,812,081,470	80,682,314	5,394,030,899	7,286,794,683
Committed	3,177,409,580	-	568,534,629	3,745,944,209
Unassigned	2,161,170,249	-	-	2,161,170,249
Total Fund Balances	<u>7,171,077,372</u>	<u>80,682,314</u>	<u>5,962,565,528</u>	<u>13,214,325,214</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,461,196,984</u>	<u>\$ 3,433,914,065</u>	<u>\$ 7,579,590,046</u>	<u>\$ 24,474,701,095</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, 2020

Total fund balances of governmental funds \$ 13,214,325,214

Cash and investments from certain refunding bond transactions held to defease debt at a future date and, therefore, is not reported in the fund perspective: 474,069,150

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	\$ 5,407,571,341	
Land improvements	84,570,041	
Buildings and improvements	1,608,086,469	
Equipment and software	279,219,357	
Infrastructure	18,459,087,868	
Construction in progress	<u>3,745,408,404</u>	29,583,943,480

Pension and other noncurrent assets (Group Homes) are not current resources and, therefore, are not reported in the fund perspective. 281,470,519

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 20,534,907,402

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

Current Liabilities		
Accrued interest	(203,704,624)	
Current portion of long-term obligations	<u>(3,226,995,971)</u>	(3,430,700,595)
Noncurrent Liabilities		
General Obligation Bonds Payable	(1,382,080,000)	
Revenue Bonds Payable	(22,883,600,000)	
Unamortized Interest on CABs Revenue Bond	3,398,178,184	
Installment Obligations	(16,091,375,940)	
Unamortized Interest on CABs Installment Obligations	231,524,516	
Certificates of Participation	(92,984,481)	
Loans Payable	(1,279,358,087)	
Capital Leases	(364,425,753)	
Compensated Absences	(177,589,271)	
Unamortized Premium	(2,026,030,553)	
Tobacco Settlement Financing Corporation Bonds	(2,814,475,000)	
Net Pension Liability	(90,812,068,247)	
OPEB Liability	(65,491,562,252)	
Other	<u>(1,230,060,063)</u>	(201,015,906,947)

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. 314,288,263

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

Net Pension Liability	(23,595,026,439)	
OPEB Liability	<u>(37,906,615,416)</u>	(61,501,641,855)

Net Position of governmental activities \$ (201,545,245,369)

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, 2020

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 17,769,218,114	\$ 17,074,559,048	\$ 1,746,231,618	\$ 36,590,008,780
Federal and other grants	16,465,961,692	-	1,247,883,374	17,713,845,066
Licenses and fees	1,246,220,106	-	114,048,861	1,360,268,967
Services and assessments	1,929,890,116	-	1,241,543,321	3,171,433,437
Component Units and Port Authority	199,261,897	-	2,632,028	201,893,925
Investment earnings	65,483,367	-	81,707,505	147,190,872
Contributions	-	-	525,896,592	525,896,592
Other	1,092,941,716	-	371,757,691	1,464,699,407
Total Revenues	<u>38,768,977,008</u>	<u>17,074,559,048</u>	<u>5,331,700,990</u>	<u>61,175,237,046</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	3,464,684,239	24,609,812	96,675,421	3,585,969,472
Physical and mental health	15,701,316,051	114,079,950	32,615,686	15,848,011,687
Educational, cultural, and intellectual development	4,535,783,310	14,341,155,733	560,779,472	19,437,718,515
Community development and environmental management	1,655,370,737	227,862,591	308,609,686	2,191,843,014
Economic planning, development, and security	5,264,516,794	85,997,000	1,222,352,379	6,572,866,173
Transportation programs	877,022,170	18,826,010	2,707,280,882	3,603,129,062
Government direction, management, and control	4,307,484,964	1,922,514,886	2,501,018,853	8,731,018,703
Special government services	358,566,836	-	175,473	358,742,309
Capital Outlay	51,569,522	-	-	51,569,522
Debt Service:				
Principal	277,025,000	-	1,105,980,000	1,383,005,000
Interest	70,365,817	-	984,500,549	1,054,866,366
Total Expenditures	<u>36,563,705,440</u>	<u>16,735,045,982</u>	<u>9,519,988,401</u>	<u>62,818,739,823</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,205,271,568</u>	<u>339,513,066</u>	<u>(4,188,287,411)</u>	<u>(1,643,502,777)</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	1,824,024,572	-	1,000,000,000	2,824,024,572
Refunding bonds issued	414,637,000	-	1,566,110,000	1,980,747,000
Premiums/discounts	142,017,968	-	216,314,577	358,332,545
Payment to bond escrow agents	(1,023,433,537)	-	(1,662,125,889)	(2,685,559,426)
Transfers from other funds	1,507,293,684	-	6,600,561,982	8,107,855,666
Transfers to other funds	(4,462,714,005)	(288,291,030)	(3,327,759,757)	(8,078,764,792)
Total other financing sources (uses)	<u>(1,598,174,318)</u>	<u>(288,291,030)</u>	<u>4,393,100,913</u>	<u>2,506,635,565</u>
Net Change in Fund Balance	<u>607,097,250</u>	<u>51,222,036</u>	<u>204,813,502</u>	<u>863,132,788</u>
Fund Balances - July 1, 2019	<u>6,563,980,122</u>	<u>29,460,278</u>	<u>5,757,752,026</u>	<u>12,351,192,426</u>
Fund Balances - June 30, 2020	<u>\$ 7,171,077,372</u>	<u>\$ 80,682,314</u>	<u>\$ 5,962,565,528</u>	<u>\$ 13,214,325,214</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, 2020

Net change in fund balances of total governmental funds \$ 863,132,788

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	\$ 1,500,130,017	
Depreciation expense	(1,112,688,203)	
Excess of capital outlay over depreciation expense		387,441,814

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 general obligation and revenue bonds. (1,325,000,000)

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. (1,499,024,572)

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	277,025,000	
Revenue Bonds principal	974,650,000	
Capital Leases	49,335,578	
Installment Obligations	1,885,229,507	
Certificates of Participation	46,898,019	
Tobacco Settlement Financing Corporation Bonds	104,400,000	
Total long-term obligations		3,337,538,104

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. (34,866,781)

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	(114,814,823)	
Decrease in unamortized interest on CABs	(350,855,743)	
Increase in deferral on refunding issues	6,863,000	
Total capitalized and amortized items		(458,807,566)

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 increase in accrued interest payable	(7,274,360)	
Increase in compensated absences, Medicaid, and other	(12,678,507)	
Decrease in Net Pension Liability	2,925,979,442	
Decrease in OPEB liability	10,470,027,180	
Decrease in deferred outflows of resources	(2,927,566,350)	
Increase in deferred inflows of resources	(11,442,744,674)	
Decrease in cash and investments held from certain refundings	(3,787,773)	
Increase in net pension assets	200,901	
Decrease in other assets (Group Homes)	(2,662,319)	
Total additional expenditures		(1,000,506,460)

Change in net position of governmental activities \$ 269,907,327

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

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 110,946	\$ 777,373	\$ 888,319
Investments	263,835,969	25,097	263,861,066
Receivables, net of allowances for uncollectibles			
Federal government	-	1,537,277,005	1,537,277,005
Departmental accounts	-	601,596,314	601,596,314
Other	49,493,070	102,116,607	151,609,677
Due from other funds	-	15,002,020	15,002,020
Deferred charges	1,688,472	-	1,688,472
Total Current Assets	315,128,457	2,256,794,416	2,571,922,873
Noncurrent Assets			
Investments	205,791,401	-	205,791,401
Total Noncurrent Assets	205,791,401	-	205,791,401
Total Assets	520,919,858	2,256,794,416	2,777,714,274
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	114,938,407	898,167,314	1,013,105,721
Due to other funds	174,922,660	4,896,715	179,819,375
Refunds payable	-	118,385,439	118,385,439
Current portion of long-term obligations	23,235,204	-	23,235,204
Other	-	6,150,231	6,150,231
Total Current Liabilities	313,096,271	1,027,599,699	1,340,695,970
Noncurrent Liabilities			
Due in more than one year	206,319,963	-	206,319,963
Total Noncurrent Liabilities	206,319,963	-	206,319,963
Total Liabilities	519,416,234	1,027,599,699	1,547,015,933
NET POSITION			
Restricted for:			
Unemployment compensation	-	1,229,194,717	1,229,194,717
Prize awards and Pension Fund contributions	1,503,624	-	1,503,624
Total Net Position	\$ 1,503,624	\$ 1,229,194,717	\$ 1,230,698,341

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, 2020

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sales and charges for services	\$ 3,215,383,320	\$ -	\$ 3,215,383,320
Assessments	-	2,125,304,937	2,125,304,937
From federal agencies	-	6,933,737,205	6,933,737,205
Other	44,681,042	677,455	45,358,497
Total Operating Revenues	<u>3,260,064,362</u>	<u>9,059,719,597</u>	<u>12,319,783,959</u>
OPERATING EXPENSES			
Unemployment compensation	-	11,344,758,824	11,344,758,824
Lottery prize awards	1,969,610,589	-	1,969,610,589
Other	298,582,734	-	298,582,734
Total Operating Expenses	<u>2,268,193,323</u>	<u>11,344,758,824</u>	<u>13,612,952,147</u>
Operating Income (Loss)	<u>991,871,039</u>	<u>(2,285,039,227)</u>	<u>(1,293,168,188)</u>
NONOPERATING REVENUES (EXPENSES)			
Contributions to Pension Funds	(1,015,000,000)	-	(1,015,000,000)
Investment income	3,882,201	65,080,817	68,963,018
Northstar NJ incentive payments	19,915,065	-	19,915,065
From federal agencies - EUISAA of 2020	-	29,506,949	29,506,949
Other	-	28,325,289	28,325,289
Total Nonoperating Revenues (Expenses)	<u>(991,202,734)</u>	<u>122,913,055</u>	<u>(868,289,679)</u>
Income (Loss) Before Transfers	<u>668,305</u>	<u>(2,162,126,172)</u>	<u>(2,161,457,867)</u>
Change in Net Position	<u>668,305</u>	<u>(2,162,126,172)</u>	<u>(2,161,457,867)</u>
Net Position - July 1, 2019	<u>835,319</u>	<u>3,391,320,889</u>	<u>3,392,156,208</u>
Net Position - June 30, 2020	<u>\$ 1,503,624</u>	<u>\$ 1,229,194,717</u>	<u>\$ 1,230,698,341</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, 2020**

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,396,845,113	\$ -	\$ 1,396,845,113
Receipts from federal government	-	6,407,114,051	6,407,114,051
Receipts from state, local, and non-profit agencies	-	105,634,292	105,634,292
Receipts from assessments	-	2,063,439,223	2,063,439,223
Payments to suppliers	(8,625,218)	-	(8,625,218)
Payments to prize winners	(284,533,434)	-	(284,533,434)
Payments for vendor commissions and fees	(106,147,050)	-	(106,147,050)
Claims paid	-	(8,605,154,770)	(8,605,154,770)
Cash flows from annuity operations:			
Annuity receipts	21,889,704	-	21,889,704
Payments of annuity prizes	(16,295,270)	-	(16,295,270)
Other receipts (payments)	(64,721)	-	(64,721)
Net Cash Provided (Used) by Operating Activities	<u>1,003,069,124</u>	<u>(28,967,204)</u>	<u>974,101,920</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
From federal agencies - EUISAA from 2020	-	29,506,949	29,506,949
Contributions to Pension Funds	(982,000,000)	-	(982,000,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(982,000,000)</u>	<u>29,506,949</u>	<u>(952,493,051)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,621,151,180	-	1,621,151,180
Purchase of investments	(1,616,091,925)	-	(1,616,091,925)
Proceeds from Northstar New Jersey	-	-	-
Payments to Northstar New Jersey	(26,132,290)	-	(26,132,290)
Net Cash Provided (Used) by Investing Activities	<u>(21,073,035)</u>	<u>-</u>	<u>(21,073,035)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,911)	539,745	535,834
Cash and Cash Equivalents - July 1, 2019	114,857	237,628	352,485
Cash and Cash Equivalents - June 30, 2020	<u>\$ 110,946</u>	<u>\$ 777,373</u>	<u>\$ 888,319</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 991,871,039	\$ (2,285,039,227)	\$ (1,293,168,188)
Net changes in assets and liabilities:			
Current assets	(30,742,106)	1,535,318,911	1,504,576,805
Noncurrent assets	7,394,862	-	7,394,862
Current liabilities	41,953,955	720,753,112	762,707,067
Noncurrent liabilities	(7,408,626)	-	(7,408,626)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,003,069,124</u>	<u>\$ (28,967,204)</u>	<u>\$ 974,101,920</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Change in fair value of investments	\$ (6,042,362)	\$ -	\$ (6,042,362)

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

(This page left intentionally blank)

STATE OF NEW JERSEY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Funds</u>	<u>Investment Trust Fund</u>
ASSETS		
Cash and cash equivalents	\$ 57,964,012	\$ 24,567,688
Securities lending collateral	-	-
Investments		
Cash Management Fund	936,446,651	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	1,760,679,854
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
Receivables, net of allowances for uncollectibles		
Members	-	-
Employers	144,747	-
Interest and dividends	-	500,212
Other	253,321,884	-
Due from other funds	444,839,145	-
Other	-	-
Total Assets	<u>1,692,716,439</u>	<u>1,785,747,754</u>
LIABILITIES		
Accounts payable and accruals	1,496,201,408	-
Benefits payable	-	-
Securities lending collateral and rebates payable	-	-
Due to other funds	<u>196,515,031</u>	<u>1,555,603</u>
Total Liabilities	<u>1,692,716,439</u>	<u>1,555,603</u>
NET POSITION		
Held in Trust for Pool Participants	-	1,784,192,151
Restricted for Pensions	-	-
Restricted for OPEB	-	-
Restricted for Private Purpose Trust Funds	-	-
Total Net Position	<u>\$ -</u>	<u>\$ 1,784,192,151</u>

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 33,979,988	\$ 12,704
1,416,947,355	-
2,009,371,658	12,547,516
50,538,387,137	-
22,981,746,959	-
771,156,887	-
-	-
3,527,822,808	-
526,848,710	-
189,521,310	-
2,392,829,047	-
4,940,637	-
-	-
879,991,740	-
2,415,737,842	-
<u>87,689,282,078</u>	<u>12,560,220</u>
264,826,488	4,603,523
1,064,285,444	-
1,416,478,685	-
55,777,036	557,793
<u>2,801,367,653</u>	<u>5,161,316</u>
-	-
84,723,052,144	-
164,862,281	-
-	7,398,904
<u>\$ 84,887,914,425</u>	<u>\$ 7,398,904</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Investment Trust Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ 2,499,680,338	\$ -
Employers	-	6,388,208,353	-
Other	12,811,791,365	8,179,883	-
Total Contributions	<u>12,811,791,365</u>	<u>8,896,068,574</u>	<u>-</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	(571,608,981)	-
Interest and dividends	29,907,436	1,936,192,679	199,549
Total Investment Income	29,907,436	1,364,583,698	199,549
Less investment expense	-	12,443,654	-
Net Investment Income	<u>29,907,436</u>	<u>1,352,140,044</u>	<u>199,549</u>
Miscellaneous	-	-	28,417
Total Additions	<u>12,841,698,801</u>	<u>10,248,208,618</u>	<u>227,966</u>
DEDUCTIONS			
Benefit payments	-	12,398,892,193	-
Refunds of contributions	-	228,977,692	-
Refunds and transfers to other systems	-	-	323,925
Administrative expense	1,555,603	56,951,556	-
Payments in accordance with trust agreements	-	-	273,085
Distributions to shareholders	12,877,639,347	-	-
Total Deductions	<u>12,879,194,950</u>	<u>12,684,821,441</u>	<u>597,010</u>
Total Changes in Net Position Held in Trust	(37,496,149)	(2,436,612,823)	(369,044)
Net Position - July 1, 2019	<u>1,821,688,300</u>	<u>87,324,527,248</u>	<u>7,767,948</u>
Net Position - June 30, 2020	<u>\$ 1,784,192,151</u>	<u>\$ 84,887,914,425</u>	<u>\$ 7,398,904</u>

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

(This page left intentionally blank)

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2020**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 122,330,141	\$ 177,341,000
Investments	60,841,639	1,843,223,000
Receivables, net of allowances for uncollectibles		
Federal government	180,830,511	38,424,000
Loans	-	-
Mortgages	-	-
Other	42,177,642	63,498,000
Due from external parties	53,528,342	86,000
Inventories	150,293,562	22,365,000
Other	39,867,261	29,764,000
Total Current Assets	<u>649,869,098</u>	<u>2,174,701,000</u>
Noncurrent Assets		
Investments	835,221,519	694,493,000
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	26,000
Capital assets - nondepreciated	1,834,758,209	1,406,257,000
Capital assets - depreciated, net	4,383,695,195	10,688,188,000
Other	5,301,799	-
Total Noncurrent Assets	<u>7,058,976,722</u>	<u>12,788,964,000</u>
Deferred Outflows of Resources	<u>568,657,978</u>	<u>388,890,000</u>
Total Assets and Deferred Outflows of Resources	<u>8,277,503,798</u>	<u>15,352,555,000</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	300,400,954	229,184,000
Due to external parties	1,836,599	2,943,000
Interest payable	-	279,122,000
Unearned revenue	-	207,105,000
Current portion of long-term obligations	139,185,427	252,390,000
Other	81,341,581	-
Total Current Liabilities	<u>522,764,561</u>	<u>970,744,000</u>
Noncurrent Liabilities		
Net pension liability	753,054,330	329,534,000
Net OPEB liability	-	-
Total OPEB liability	1,637,933,000	1,602,269,000
Revenue bonds payable, net	-	11,324,901,000
Installment obligations, net	1,161,136,639	-
Other	555,221,341	233,531,000
Total Noncurrent Liabilities	<u>4,107,345,310</u>	<u>13,490,235,000</u>
Deferred Inflows of Resources	<u>131,318,532</u>	<u>302,302,000</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,761,428,403</u>	<u>14,763,281,000</u>
NET POSITION		
Net investment in capital assets	5,545,235,916	1,687,349,000
Restricted for:		
Capital projects	10,600	-
Debt service	-	-
Other purposes	31,938,458	246,242,000
Unrestricted	<u>(2,061,109,579)</u>	<u>(1,344,317,000)</u>
Total Net Position	<u>\$ 3,516,075,395</u>	<u>\$ 589,274,000</u>

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

Rutgers, The State University of New Jersey		Non-Major Component Units	Total Component Units		
\$	273,919,000	\$	3,275,781,565	\$	3,849,371,706
	320,283,000		6,705,569,459		8,929,917,098
	-		144,961,508		364,216,019
	23,647,000		399,334,890		422,981,890
	-		88,619,000		88,619,000
	617,376,000		304,212,820		1,027,264,462
	-		50,615,280		104,229,622
	5,620,000		22,697,319		200,975,881
	8,720,000		140,538,002		218,889,263
	1,249,565,000		11,132,329,843		15,206,464,941
	1,453,601,000		1,366,750,114		4,350,065,633
	36,161,000		2,165,648,994		2,201,809,994
	-		1,734,716,706		1,734,716,706
	58,232,000		39,947,184		98,205,184
	543,321,000		1,316,327,472		5,100,663,681
	3,403,673,000		6,094,497,284		24,570,053,479
	141,377,000		278,429,004		425,107,803
	5,636,365,000		12,996,316,758		38,480,622,480
	414,451,000		598,701,488		1,970,700,466
	7,300,381,000		24,727,348,089		55,657,787,887
	360,464,000		411,272,357		1,301,321,311
	-		65,578,524		70,358,123
	13,864,000		71,515,585		364,501,585
	221,917,000		191,593,187		620,615,187
	57,291,000		468,768,093		917,634,520
	79,835,000		322,387,905		483,564,486
	733,371,000		1,531,115,651		3,757,995,212
	1,701,640,000		2,312,285,908		5,096,514,238
	-		149,245,655		149,245,655
	-		-		3,240,202,000
	-		1,286,718,563		12,611,619,563
	2,213,144,000		921,918,860		4,296,199,499
	189,304,000		6,348,783,154		7,326,839,495
	4,104,088,000		11,018,952,140		32,720,620,450
	366,840,000		1,092,311,835		1,892,772,367
	5,204,299,000		13,642,379,626		38,371,388,029
	1,902,879,000		2,677,777,320		11,813,241,236
	93,949,000		107,670,300		201,629,900
	-		1,193,550,699		1,193,550,699
	1,365,235,000		7,372,625,132		9,016,040,590
	(1,265,981,000)		(266,654,988)		(4,938,062,567)
\$	2,096,082,000	\$	11,084,968,463	\$	17,286,399,858

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
Expenses	\$ 3,067,758,184	\$ 1,605,315,000
Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	818,358,313	1,743,925,000
Operating grants and contributions	1,300,216,071	51,203,000
Capital grants and contributions	<u>550,582,353</u>	<u>200,000</u>
Net (Expense) Revenue	<u>(398,601,447)</u>	<u>190,013,000</u>
General Revenue		
Payments from State	<u>457,466,000</u>	<u>1,006,000</u>
Total General Revenue	<u>457,466,000</u>	<u>1,006,000</u>
Change in Net Position	58,864,553	191,019,000
Net Position - Beginning of Year (Restated)	<u>3,457,210,842</u>	<u>398,255,000</u>
Net Position - End of Year	<u><u>\$ 3,516,075,395</u></u>	<u><u>\$ 589,274,000</u></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>
\$ 4,434,590,000	\$ 7,028,568,591	\$ 16,136,231,775
2,340,701,000	2,781,927,672	7,684,911,985
1,455,555,000	1,725,854,792	4,532,828,863
<u>15,832,000</u>	<u>2,356,059,552</u>	<u>2,922,673,905</u>
<u>(622,502,000)</u>	<u>(164,726,575)</u>	<u>(995,817,022)</u>
386,491,000	665,620,500	1,510,583,500
<u>386,491,000</u>	<u>665,620,500</u>	<u>1,510,583,500</u>
(236,011,000)	500,893,925	514,766,478
<u>2,332,093,000</u>	<u>10,584,074,538</u>	<u>16,771,633,380</u>
<u>\$ 2,096,082,000</u>	<u>\$ 11,084,968,463</u>	<u>\$ 17,286,399,858</u>

(This page left intentionally blank)