

FINANCIAL SECTION





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INDEPENDENT AUDITOR'S REPORT

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Maureen McMahon
Acting 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, 2021, 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, 91 percent, and 56 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 2F 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, 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, 2021, 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. 84, *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, GASB Statement No. 93,

Replacement of Interbank Offered Rates (paragraphs 1 to 12 except for 11b), and GASB Statement No. 98, *The Annual Comprehensive Financial Report*. 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 May 25, 2022 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 cursive script that reads "David J. Kaschak".

David J. Kaschak
State Auditor
May 25, 2022

*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, 2021. 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 \$121.7 billion, an increase of \$46.3 billion from the prior fiscal year after restatements that resulted in a \$0.3 billion increase in net position. Restatements were made to increase net position over various accounts. As of June 30, 2021, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$196.2 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 \$216.0 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 all annual tobacco master settlement agreement receipts with no corresponding assets.
- June 30, 2021 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$19.4 billion. Total component unit assets and deferred outflows of resources totaled \$58.6 billion, an increase of \$2.9 billion from the prior year.

Fund Level

- The State's governmental funds reported June 30, 2021 combined ending fund balances of \$23.9 billion, an increase of \$10.7 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 (\$11.1 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 (\$8.4 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 (\$4.3 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 \$958.2 million resulting in net position of \$272.5 million as of June 30, 2021.

Long-term Obligations

- The State's governmental long-term obligations increased 21.7 percent to \$248.6 billion, which includes a net increase in bonded obligations of \$3.8 billion. During the fiscal year, the State issued \$6.5 billion in bonds. New money issuances represented \$5.9 billion. Of these issuances, \$1.5 billion were issued for transportation program improvements and \$3.7 billion were issued to address projected financial problems caused by the COVID-19 Pandemic. The State also issued \$0.6 billion of refunding bonds that provided the State with \$194.1 million in net present value savings. During Fiscal Year 2021, the State paid \$4.6 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$200.4 billion. This amount represents a \$40.5 billion increase from the prior fiscal year, after restatements, and is mainly attributable to increases in the Net Pension Liability and Other Postemployment Benefits (OPEB) Liability of \$4.4 billion and \$36.1 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 Annual Comprehensive 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 this Annual Comprehensive 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 Annual Comprehensive 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 2021 with combined net position for the primary government totaling a negative \$196.2 billion. This amount represents an increase of net position of \$3.8 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 bonded obligations, 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	
	2021	2020*	2021	2020	2021	2020*
Current and other noncurrent assets	\$ 36,262.5	\$ 22,078.9	\$ 2,074.0	\$ 2,761.9	\$ 38,336.5	\$ 24,840.8
Capital assets, net	30,411.4	29,829.7	-	-	30,411.4	29,829.7
Total Assets	<u>66,673.9</u>	<u>51,908.6</u>	<u>2,074.0</u>	<u>2,761.9</u>	<u>68,747.9</u>	<u>54,670.5</u>
Deferred outflows of resources	52,919.9	20,721.7	-	-	52,919.9	20,721.7
Total Assets and Deferred Outflows of Resources	<u>119,593.8</u>	<u>72,630.3</u>	<u>2,074.0</u>	<u>2,761.9</u>	<u>121,667.8</u>	<u>75,392.2</u>
Current liabilities	15,130.6	11,142.6	1,603.1	1,324.9	16,733.7	12,467.5
Noncurrent liabilities	245,071.0	201,080.0	198.3	206.3	245,269.3	201,286.3
Total Liabilities	<u>260,201.6</u>	<u>212,222.6</u>	<u>1,801.4</u>	<u>1,531.2</u>	<u>262,003.0</u>	<u>213,753.8</u>
Deferred inflows of resources	55,889.7	61,621.6	-	-	55,889.7	61,621.6
Total Liabilities and Deferred Inflows of Resources	<u>316,091.3</u>	<u>273,844.2</u>	<u>1,801.4</u>	<u>1,531.2</u>	<u>317,892.7</u>	<u>275,375.4</u>
Net Position:						
Net investment in capital assets	10,656.2	9,245.2	-	-	10,656.2	9,245.2
Restricted	8,872.8	5,824.4	272.6	1,230.7	9,145.4	7,055.1
Unrestricted	(216,026.5)	(216,283.5)	-	-	(216,026.5)	(216,283.5)
Total Net Position	<u>\$ (196,497.5)</u>	<u>\$ (201,213.9)</u>	<u>\$ 272.6</u>	<u>\$ 1,230.7</u>	<u>\$ (196,224.9)</u>	<u>\$ (199,983.2)</u>

* Net Position was restated to reflect the following: prior period adjustments for increases in capital assets of \$370.4 million, an increase in accumulated depreciation of \$124.6 million, an increase of capital leases of \$43.7 million, an increase of accrued interest payable of \$20.4 million, and an increase of deferred outflows of resources related to OPEB of \$186.8 million; correction of a Governmental Funds overstatement of receivables of \$93.9 million; and implementation of GASB Statement No. 84, *Fiduciary Activities*, resulting in a \$56.7 million beginning fund balance increase.

Changes in Net Position

The State's Fiscal Year 2021 net position increased by \$3.8 billion after restatements. Approximately 43.8 percent of the State's total revenues came from general taxes, while 42.7 percent was derived from operating grants. Charges for services amounted to 12.4 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, at 22.9 percent, was for the Unemployment Compensation Fund; educational cultural, and intellectual development amounted to 22.8 percent, which includes approximately \$307.3 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 19.0 percent; and government direction, management, and control amounted to 11.6 percent, which includes transfers of \$3.7 billion to the Debt Defeasance and Prevention Fund. Other major expenditures focused on economic planning, development, and security; public safety and criminal justice; and the State Lottery Fund. During Fiscal Year 2021, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$43.6 billion of general revenues (mostly taxes). The remaining \$4.7 billion resulted in an increase in net position. Offsetting the governmental net position increase, Business-type Activities reflected a net position decrease of \$1.0 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)

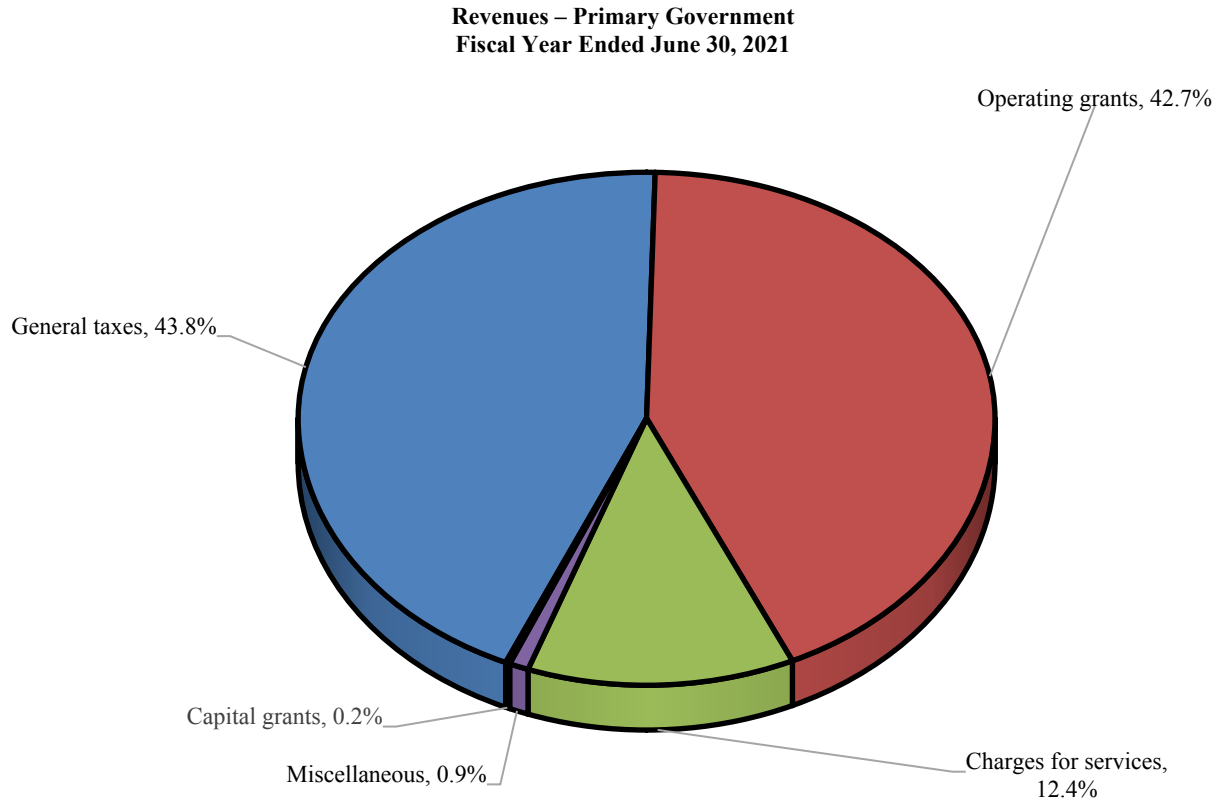
	Governmental		Business-type		Primary Government	
	Activities		Activities		Total	
	2021	2020*	2021	2020	2021	2020*
Revenues						
Program revenues						
Charges for services	\$ 6,045.4	\$ 5,424.0	\$ 6,059.8	\$ 5,414.4	\$ 12,105.2	\$ 10,838.4
Operating grants	23,624.9	19,330.4	18,104.9	7,032.2	41,729.8	26,362.6
Capital grants	191.0	118.7	-	-	191.0	118.7
General revenues						
General taxes	42,799.4	35,837.6	-	-	42,799.4	35,837.6
Interest earnings	24.8	65.3	-	-	24.8	65.3
Miscellaneous	793.5	648.8	-	-	793.5	648.8
Total Revenues	73,479.0	61,424.8	24,164.7	12,446.6	97,643.7	73,871.4
Expenses						
Public safety and criminal justice	3,906.1	3,930.1	-	-	3,906.1	3,930.1
Physical and mental health	17,772.2	15,853.6	-	-	17,772.2	15,853.6
Educational, cultural, and intellectual development	21,294.1	19,434.1	-	-	21,294.1	19,434.1
Community development and environmental management	2,454.8	2,136.7	-	-	2,454.8	2,136.7
Economic planning, development, and security	7,652.2	6,562.4	-	-	7,652.2	6,562.4
Transportation programs	2,886.1	2,988.8	-	-	2,886.1	2,988.8
Government direction, management, and control	10,841.2	8,381.4	-	-	10,841.2	8,381.4
Special government services	353.8	365.2	-	-	353.8	365.2
Interest expense	1,255.5	1,268.7	-	-	1,255.5	1,268.7
State Lottery Fund	-	-	3,714.0	3,263.3	3,714.0	3,263.3
Unemployment Compensation Fund	-	-	21,408.8	11,344.7	21,408.8	11,344.7
Total Expenses	68,416.0	60,921.0	25,122.8	14,608.0	93,538.8	75,529.0
Excess (Deficiency) Before Transfers	5,063.0	503.8	(958.1)	(2,161.4)	4,104.9	(1,657.6)
Transfers	(346.6)	59.2	-	-	(346.6)	59.2
Increase (Decrease) in Net Position	4,716.4	563.0	(958.1)	(2,161.4)	3,758.3	(1,598.4)
Net Position - July 1 (Restated)	(201,213.9)	(201,776.9)	1,230.7	3,392.1	(199,983.2)	(198,384.8)
Net Position - June 30	\$ (196,497.5)	\$ (201,213.9)	\$ 272.6	\$ 1,230.7	\$ (196,224.9)	\$ (199,983.2)

* Net Position was restated to reflect the following: prior period adjustments for increases in capital assets of \$370.4 million, an increase in accumulated depreciation of \$124.6 million, an increase of capital leases of \$43.7 million, an increase of accrued interest payable of \$20.4 million, and an increase of deferred outflows of resources related to OPEB of \$186.8 million; correction of a Governmental Funds overstatement of receivables of \$93.9 million; and implementation of GASB Statement No. 84, *Fiduciary Activities*, resulting in a \$56.7 million beginning fund balance increase.

Primary Government – Fiscal Year 2021 Revenues and Expenses

During Fiscal Year 2021, State revenues, including transfers, totaled \$97.3 billion or an increase of \$23.4 billion when compared to the prior fiscal year after restatements. This increase is primarily attributable to higher operating grants and general taxes. General taxes totaled \$42.8 billion and operating grants totaled \$41.7 billion, accounting for 43.8 percent and 42.7 percent, respectively, of total State revenues for Fiscal Year 2021. The State’s Gross Income Tax totaled \$17.5 billion, the Sales and Use Tax totaled \$11.4 billion, and the Corporation Business Tax totaled \$4.9 billion. The State’s three major taxes comprised 78.8 percent of the total general taxes that were collected during Fiscal Year 2021. General taxes increased by \$7.0 billion when compared to Fiscal Year 2020.

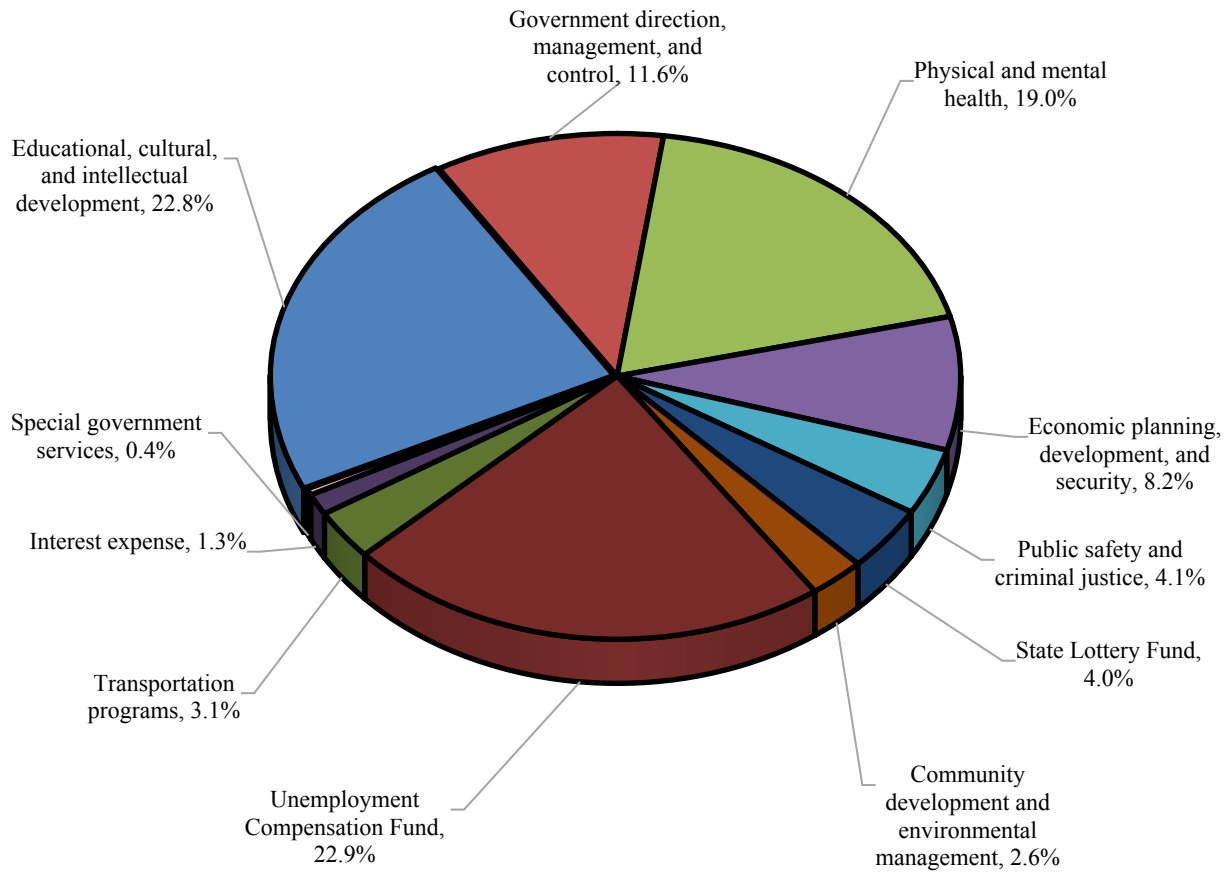
The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2021:



Fiscal Year 2021 expenses totaled \$93.5 billion, an increase of \$18.0 billion after restatements in comparison to the prior fiscal year. State spending increased by \$10.1 billion in the Unemployment Compensation Fund due to claims exceeding available resources. Other material spending increases included government direction, management, and control (\$2.5 billion); physical and mental health (\$1.9 billion); education, cultural, and intellectual development (\$1.9 billion); and economic planning, development, and security (\$1.1 billion).

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2021:

**Expenses – Primary Government
Fiscal Year Ended June 30, 2021**



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 2021 amounted to \$16.3 billion and \$15.4 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net position at fiscal year end of \$19.4 billion. The component units received \$1.3 billion in State appropriations during Fiscal Year 2021.

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, 2021 fund balances of \$23.9 billion, a \$10.7 billion increase after restatements 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 \$14.5 billion of which \$4.3 billion represented unassigned fund balance. During Fiscal Year 2021, unassigned fund balance increased by \$2.2 billion. A major underlying reason for the increase in fund balance was due to a \$4.8 billion increase in taxes; 96 percent of this increase comprised of increases to the Corporation Business Tax, the Sales and Use Tax, and the Pass-Through Business Alternative Income Tax, the latter of which was a new tax in Fiscal Year 2021. 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. The State made a deposit of \$2.4 billion in Fiscal Year 2021 to the Surplus Revenue Fund. As of June 30, 2021, the fund had a balance of \$2.4 billion.

On a budgetary basis, the General Fund collected general revenues of \$46.6 billion. These general revenues were \$0.3 billion lower than final budget, but were \$7.9 billion higher than originally anticipated, primarily due to increases in taxes, and federal and other grants.

Total expenditures were \$0.8 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. From a Fiscal Year 2021 program perspective, under-spending transpired in community development and environmental management (\$2.3 billion); economic planning, development, and security (\$1.5 billion); physical and mental health (\$1.2 billion); transportation programs (\$768.6 million); special government services (\$63.5 million); public safety and criminal justice (\$46.0 million); and offset by over-spending in government direction, management, and control (\$1.4 billion); and educational, cultural, and intellectual development (\$1.1 billion).

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 2021, \$15.6 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2021 ending fund balance was \$2.6 billion. Gross Income Tax collections increased \$1.3 billion from Fiscal Year 2020.

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 2021, gross revenues totaled \$3.7 billion of which \$2.2 billion was returned in prizes; \$1.1 billion was transferred to pension funds; \$281.8 million was paid to sales agents and ticket vendors; and \$58.5 million covered Lottery operational and promotional expenses. The decrease in net position is due to a decrease in restricted unclaimed prize reserves. As of June 30, 2021, the State Lottery, since its inception, has generated over \$84.4 billion in gross revenues, \$46.9 billion in prizes, contributed \$26.0 billion to the State, and \$4.2 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 \$10.1 billion in Fiscal Year 2021 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 2021 capital appropriation included \$4.3 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 \$1.4 billion for State highway infrastructure, \$430.2 million for local highways, and \$760.0 million for mass transit. During Fiscal Year 2021, 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, 2021, a total of \$11.9 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 \$30.4 billion as of June 30, 2021. Depreciation expense charges for Fiscal Year 2021 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)

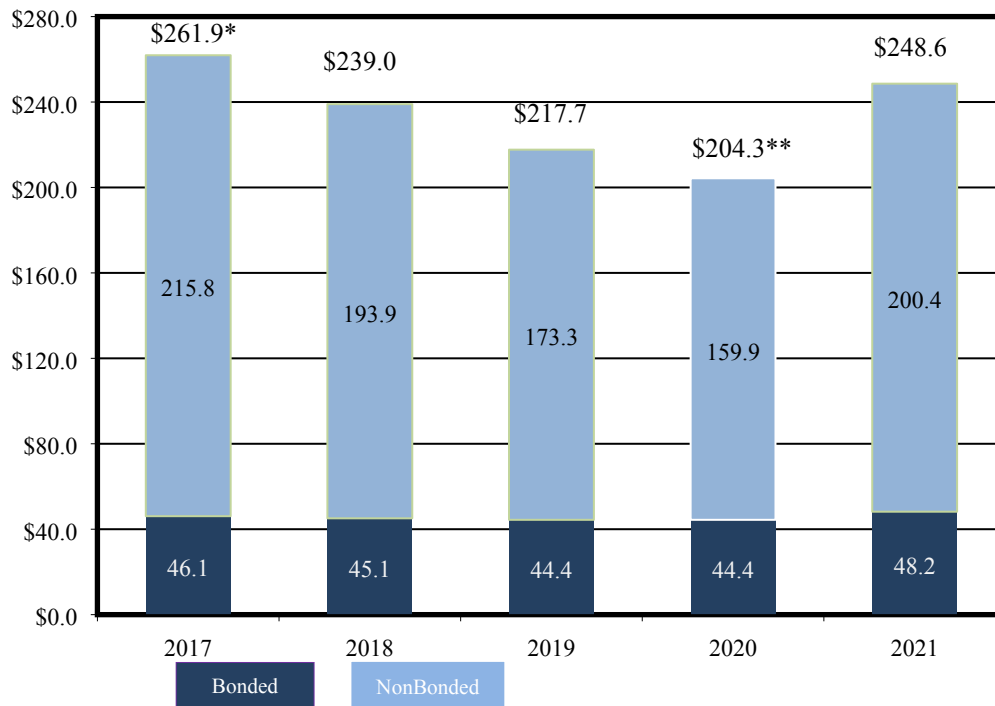
	Total Primary Government	
	2021	2020*
Land and Easements	\$ 5,488.2	\$ 5,407.6
Land Improvements	80.0	84.7
Buildings and Improvements	1,565.1	1,631.4
Equipment and Software	280.5	280.2
Infrastructure	18,384.0	18,649.6
Sub-Total	25,797.8	26,053.5
Construction In Progress	4,613.6	3,776.2
Total	<u>\$ 30,411.4</u>	<u>\$ 29,829.7</u>

* The July 1, 2020 capital asset balance has been restated by \$370.4 million and the accumulated depreciation balance has been restated by \$124.6 million across construction in progress, buildings and improvements, equipment and software, and infrastructure.

Debt Administration

As of June 30, 2021, New Jersey’s outstanding long-term obligations for governmental activities totaled \$248.6 billion, a \$44.3 billion increase, after restatements, relative to the prior fiscal year. The increase is primarily attributable to increases in the Net Pension Liability and OPEB Liability of \$4.4 billion and \$36.1 billion, respectively. Additionally, there was an increase of \$3.8 billion in bonded debt. Long-term bonded obligations totaled \$48.2 billion, while other long-term non-bonded obligations totaled \$200.4 billion. In addition, the State has \$10.3 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2021, the legislatively authorized but unissued debt decreased by \$2.4 billion from the prior fiscal year (See Statistical Section – Legislatively Authorized But Unissued Debt, 2021 and 2020).

**Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2017 to Fiscal Year 2021
(Expressed in Billions)**



* 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.

** Restated to reflect an increase of capital leases of \$43.7 million.

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 212,400 jobs in 2021, adding jobs every month. Job growth was led by the service sectors. The leisure & hospitality sector added 63,700 jobs, the professional & business services sector added 45,400 jobs, and the trade / transportation / utilities sector added 34,800 jobs. Both the manufacturing and construction sectors performed well, adding 4,000 and 6,000 jobs, respectively.

The State's unemployment rate was 5.1 percent as of December 2021, 1.2 percentage points higher than the national rate. The unemployment rate declined by a net total of 2.3 percentage points over the course of the year. The labor force participation rate decreased by 0.1 percentage point in 2021 to 62.6 percent as of December 2021. This is 1.7 percentage points lower than the labor force participation rate prior to the COVID-19 Pandemic (64.3 percent in December 2019).

New Jersey existing home sales in 2021 were 4.7 percent higher than the year prior. The number of single-family homes sold was 0.6 percent higher than 2020, while the number of townhomes and condos sold was 18.1 percent higher. The foreclosure picture also continued to improve. The share of mortgages in foreclosure continued to decline steadily, falling to 0.8 percent in the fourth quarter of 2021, although the share of seriously delinquent mortgages has risen above its pre-pandemic level.

The State experienced strong economic growth throughout 2021. Gross Domestic Product (GDP) rebounded sharply after the initial pandemic drop in 2020, and real GDP grew at a seasonally adjusted annual rate of 7.5 percent in the first quarter of 2021, higher than both New York's (7.1 percent) and Pennsylvania's (2.7 percent) rates. Overall, New Jersey's GDP rose 4.9 percent in 2021, which was greater than the rate of Pennsylvania (4.4 percent) but slightly below New York (5.0 percent).

New Jersey's Personal Income declined at a 16.5 percent annual rate during the second quarter of 2021. However, wage and salary income increased by 9.0 percent in the second quarter and continued to rise, growing 12.7 percent at an annual rate in the third quarter and 10.5 percent in the fourth quarter of 2021 due to continued strong job growth and a tight labor market. Over the course of 2021, New Jersey's personal income growth of 6.2 percent was higher than that of New York (5.3 percent) and Pennsylvania (5.3 percent).

The national economic expansion also continued in 2021. The labor market added more than 6.7 million jobs, while real GDP grew 5.7 percent. Existing home sales were 8.4 percent higher than a year ago. Inflation accelerated, with consumer prices growing 7.0 percent year-over-year in 2021, as measured by the Consumer Price Index. From December 2020 to December 2021, growth in core prices, which excludes food and energy goods, was also elevated at 5.5 percent.

A majority of the Federal Open Market Committee (FOMC) members, now, expect at least six interest rate increases in 2022 to combat persistently elevated inflation. It is anticipated that personal consumption expenditure inflation will average 4.3 percent in 2022 and 2.7 percent in 2023. Members of the FOMC estimate real GDP in the U.S. to grow 2.8 percent in 2022 according to their March 2022 projection. Economists recently surveyed (April 2022) by the Wall Street Journal are forecasting real GDP growth of 2.6 percent for the U.S. in 2022.

REQUEST FOR INFORMATION

This Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, 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 Annual Comprehensive 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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 151,617,546	\$ 821,196	\$ 152,438,742	\$ 5,087,741,432
Investments	27,164,955,009	253,225,129	27,418,180,138	9,144,194,089
Receivables, net of allowances for uncollectibles				
Federal government	1,635,725,594	664,689,121	2,300,414,715	358,625,925
Departmental accounts	4,396,038,152	786,480,602	5,182,518,754	-
Loans	1,854,909,028	-	1,854,909,028	421,226,439
Mortgages	-	-	-	86,975,000
Other	648,752,142	181,748,825	830,500,967	1,200,515,747
Internal balances	11,986,579	(11,986,579)	-	-
Due from external parties	56,180,814	-	56,180,814	111,942,694
Inventories	-	-	-	193,744,870
Deferred charges	-	1,375,501	1,375,501	-
Other	61,952,379	-	61,952,379	206,990,095
Total Current Assets	<u>35,982,117,243</u>	<u>1,876,353,795</u>	<u>37,858,471,038</u>	<u>16,811,956,291</u>
Noncurrent Assets				
Investments	-	197,614,132	197,614,132	4,894,474,394
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,110,809,044
Mortgages	-	-	-	1,697,609,379
Other	-	-	-	111,397,195
Net pension assets	614,336	-	614,336	-
Capital assets - nondepreciated	10,101,864,832	-	10,101,864,832	5,341,881,835
Capital assets - depreciated, net	20,309,504,899	-	20,309,504,899	24,887,048,800
Other	279,820,698	-	279,820,698	494,008,225
Total Noncurrent Assets	<u>30,691,804,765</u>	<u>197,614,132</u>	<u>30,889,418,897</u>	<u>39,537,228,872</u>
Deferred Outflows of Resources	<u>52,919,930,521</u>	<u>-</u>	<u>52,919,930,521</u>	<u>2,218,464,169</u>
Total Assets and Deferred Outflows of Resources	<u>119,593,852,529</u>	<u>2,073,967,927</u>	<u>121,667,820,456</u>	<u>58,567,649,332</u>

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2021

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	3,260,689,647	872,162,846	4,132,852,493	1,345,240,986
Due to external parties	82,916,366	105,085,000	188,001,366	76,495,812
Interest payable	217,616,928	-	217,616,928	360,279,733
Unearned revenue	7,067,572,836	-	7,067,572,836	683,995,050
Current portion of long-term obligations	3,539,157,117	21,786,704	3,560,943,821	818,966,108
Refunds payable	698,722,303	126,201,308	824,923,611	-
Other	263,964,375	477,842,300	741,806,675	510,614,907
Total Current Liabilities	<u>15,130,639,572</u>	<u>1,603,078,158</u>	<u>16,733,717,730</u>	<u>3,795,592,596</u>
Noncurrent Liabilities				
Net pension liability	95,235,061,386	-	95,235,061,386	5,299,689,566
OPEB liability	101,605,641,478	-	101,605,641,478	3,641,936,472
Revenue bonds payable, net	20,037,352,248	-	20,037,352,248	12,785,030,381
Installment obligations, net	14,412,174,189	-	14,412,174,189	4,297,952,726
Other	13,780,780,748	198,344,293	13,979,125,041	7,424,329,732
Total Noncurrent Liabilities	<u>245,071,010,049</u>	<u>198,344,293</u>	<u>245,269,354,342</u>	<u>33,448,938,877</u>
Deferred Inflows of Resources	<u>55,889,677,437</u>	<u>-</u>	<u>55,889,677,437</u>	<u>1,918,028,364</u>
Total Liabilities and Deferred Inflows of Resources	<u>316,091,327,058</u>	<u>1,801,422,451</u>	<u>317,892,749,509</u>	<u>39,162,559,837</u>
NET POSITION				
Net investment in capital assets	10,656,248,850	-	10,656,248,850	12,076,684,398
Restricted for:				
Capital projects	-	-	-	198,551,876
Physical and mental health	13,711,076	-	13,711,076	-
Educational, cultural, and intellectual development	437,252,561	-	437,252,561	-
Community development and environmental management	3,089,601,790	-	3,089,601,790	-
Economic planning, development, and security	1,154,876,514	-	1,154,876,514	-
Transportation programs	850,602,402	-	850,602,402	-
Employee benefits	685,624,871	-	685,624,871	-
Debt service	-	-	-	1,227,474,920
Property tax relief	2,641,089,049	-	2,641,089,049	-
Unemployment	-	272,069,101	272,069,101	-
Prize awards and Pension Fund contributions	-	476,375	476,375	-
Other purposes	-	-	-	10,507,151,526
Unrestricted	<u>(216,026,481,642)</u>	<u>-</u>	<u>(216,026,481,642)</u>	<u>(4,604,773,225)</u>
Total Net Position	<u>\$ (196,497,474,529)</u>	<u>\$ 272,545,476</u>	<u>\$ (196,224,929,053)</u>	<u>\$ 19,405,089,495</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	\$ 3,906,123,071	\$ 1,047,445,490	\$ 838,571,611	\$ 517,446
Physical and mental health	17,772,177,780	1,028,663,033	1,557,975,796	-
Educational, cultural, and intellectual development	21,294,080,861	32,685,645	1,190,427,361	-
Community development and environmental management	2,454,816,248	294,265,611	1,431,019,855	167,576,323
Economic planning, development, and security	7,652,184,251	1,666,438,183	1,014,259,186	-
Transportation programs	2,886,049,233	19,026,429	1,913,137,581	22,895,543
Government direction, management, and control	10,841,224,612	1,754,776,944	15,646,721,167	-
Special government services	353,794,873	202,117,160	32,822,452	-
Interest expense	<u>1,255,496,851</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>68,415,947,780</u>	<u>6,045,418,495</u>	<u>23,624,935,009</u>	<u>190,989,312</u>
Business-type activities:				
State Lottery Fund	3,714,021,687	3,712,631,905	362,533	-
Unemployment Compensation Fund	<u>21,408,846,569</u>	<u>2,347,194,887</u>	<u>18,104,526,066</u>	<u>-</u>
Total business-type activities	<u>25,122,868,256</u>	<u>6,059,826,792</u>	<u>18,104,888,599</u>	<u>-</u>
Total Primary Government	<u>\$ 93,538,816,036</u>	<u>\$ 12,105,245,287</u>	<u>\$ 41,729,823,608</u>	<u>\$ 190,989,312</u>
Component Units				
Authorities	\$ 8,245,155,602	\$ 2,911,317,915	\$ 2,672,017,970	\$ 3,295,724,975
Colleges and Universities	<u>7,192,345,280</u>	<u>3,785,870,400</u>	<u>3,559,841,940</u>	<u>42,639,851</u>
Total Component Units	<u>\$ 15,437,500,882</u>	<u>\$ 6,697,188,315</u>	<u>\$ 6,231,859,910</u>	<u>\$ 3,338,364,826</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				
Change in Net Position				
Net Position - July 1, 2020 (Restated)				
Net Position - June 30, 2021				

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
\$ (2,019,588,524)	\$ -	\$ (2,019,588,524)	\$ -
(15,185,538,951)	-	(15,185,538,951)	-
(20,070,967,855)	-	(20,070,967,855)	-
(561,954,459)	-	(561,954,459)	-
(4,971,486,882)	-	(4,971,486,882)	-
(930,989,680)	-	(930,989,680)	-
6,560,273,499	-	6,560,273,499	-
(118,855,261)	-	(118,855,261)	-
(1,255,496,851)	-	(1,255,496,851)	-
<u>(38,554,604,964)</u>	<u>-</u>	<u>(38,554,604,964)</u>	<u>-</u>
-	(1,027,249)	(1,027,249)	-
-	(957,125,616)	(957,125,616)	-
-	(958,152,865)	(958,152,865)	-
<u>\$ (38,554,604,964)</u>	<u>\$ (958,152,865)</u>	<u>\$ (39,512,757,829)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 633,905,258
-	-	-	196,006,911
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,912,169</u>
17,469,902,373	-	17,469,902,373	-
11,366,573,136	-	11,366,573,136	-
4,894,919,358	-	4,894,919,358	-
9,067,978,997	-	9,067,978,997	-
24,760,725	-	24,760,725	-
-	-	-	1,297,661,468
793,496,898	-	793,496,898	-
(346,580,472)	-	(346,580,472)	-
<u>43,271,051,015</u>	<u>-</u>	<u>43,271,051,015</u>	<u>1,297,661,468</u>
4,716,446,051	(958,152,865)	3,758,293,186	2,127,573,637
<u>(201,213,920,580)</u>	<u>1,230,698,341</u>	<u>(199,983,222,239)</u>	<u>17,277,515,858</u>
<u>\$ (196,497,474,529)</u>	<u>\$ 272,545,476</u>	<u>\$ (196,224,929,053)</u>	<u>\$ 19,405,089,495</u>

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<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	\$ 70,727,728	\$ -	\$ 80,889,818	\$ 151,617,546
Investments	21,500,271,373	-	5,664,683,636	27,164,955,009
Receivables, net of allowances for uncollectibles				
Federal government	1,364,569,686	-	271,155,908	1,635,725,594
Departmental accounts	2,785,680,353	835,210,447	775,147,352	4,396,038,152
Loans	416,471,428	-	1,438,437,600	1,854,909,028
Other	495,629,807	-	153,122,335	648,752,142
Due from other funds	734,875,960	2,404,272,061	564,210,418	3,703,358,439
Other	61,383,480	-	12,600	61,396,080
Total Assets	<u>\$ 27,429,609,815</u>	<u>\$ 3,239,482,508</u>	<u>\$ 8,947,659,667</u>	<u>\$ 39,616,751,990</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 1,937,404,153	\$ 149,196,373	\$ 1,174,089,121	\$ 3,260,689,647
Unearned revenue	7,061,564,203	-	6,008,633	7,067,572,836
Due to other funds	2,737,239,505	118,888,531	861,423,077	3,717,551,113
Refunds Payable	368,413,748	330,308,555	-	698,722,303
Other	258,874,867	-	5,089,508	263,964,375
Total Liabilities	<u>12,363,496,476</u>	<u>598,393,459</u>	<u>2,046,610,339</u>	<u>15,008,500,274</u>
Deferred Inflows of Resources	<u>610,786,974</u>	<u>-</u>	<u>115,000,000</u>	<u>725,786,974</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	2,511,502,661	2,641,089,049	5,981,246,937	11,133,838,647
Committed	7,583,907,661	-	804,802,391	8,388,710,052
Unassigned	4,339,499,970	-	-	4,339,499,970
Total Fund Balances	<u>14,455,326,365</u>	<u>2,641,089,049</u>	<u>6,786,049,328</u>	<u>23,882,464,742</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,429,609,815</u>	<u>\$ 3,239,482,508</u>	<u>\$ 8,947,659,667</u>	<u>\$ 39,616,751,990</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, 2021

Total fund balances of governmental funds \$ 23,882,464,742

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	\$ 5,488,202,602	
Land improvements	80,030,101	
Buildings and improvements	1,564,997,319	
Equipment and software	280,519,190	
Infrastructure	18,383,958,289	
Construction in progress	<u>4,613,662,230</u>	30,411,369,731

Pension and other noncurrent assets (Group Homes) are not current resources and, therefore, are not reported in the fund perspective. 280,435,034

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 52,919,930,521

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	(217,616,928)	
Current portion of long-term obligations	<u>(3,539,157,117)</u>	(3,756,774,045)
Noncurrent Liabilities		
General Obligation Bonds Payable	(5,295,025,000)	
Revenue Bonds Payable	(23,201,955,000)	
Unamortized Interest on CABs Revenue Bond	3,164,602,752	
Installment Obligations	(14,561,654,962)	
Unamortized Interest on CABs Installment Obligations	149,480,773	
Certificates of Participation	(74,757,353)	
Loans Payable	(1,279,358,087)	
Capital Leases	(372,503,579)	
Compensated Absences	(223,443,465)	
Unamortized Premium	(2,753,177,526)	
Tobacco Settlement Financing Corporation Bonds	(2,696,520,000)	
Net Pension Liability	(95,235,061,386)	
OPEB Liability	(101,605,641,478)	
Other	<u>(1,085,995,738)</u>	(245,071,010,049)

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. 610,786,974

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

Net Pension Liability	(20,426,272,297)	
OPEB Liability	<u>(35,348,405,140)</u>	<u>(55,774,677,437)</u>

Net Position of governmental activities \$ (196,497,474,529)

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, 2021

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 22,570,520,406	\$ 18,413,781,056	\$ 2,517,654,964	\$ 43,501,956,426
Federal and other grants	20,749,590,577	-	1,277,723,783	22,027,314,360
Licenses and fees	1,489,455,586	-	124,137,221	1,613,592,807
Services and assessments	1,982,119,316	-	1,613,241,944	3,595,361,260
Component Units and Port Authority	219,052,270	-	5,308,830	224,361,100
Investment earnings	26,064,984	-	7,429,149	33,494,133
Contributions	-	-	576,020,905	576,020,905
Other	1,145,826,133	-	464,281,519	1,610,107,652
Total Revenues	<u>48,182,629,272</u>	<u>18,413,781,056</u>	<u>6,585,798,315</u>	<u>73,182,208,643</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	3,832,692,542	24,946,991	114,136,376	3,971,775,909
Physical and mental health	17,630,508,473	113,210,458	34,865,941	17,778,584,872
Educational, cultural, and intellectual development	7,708,364,030	12,952,740,558	645,818,642	21,306,923,230
Community development and environmental management	2,073,728,408	206,429,033	212,728,063	2,492,885,504
Economic planning, development, and security	5,943,704,090	106,056,221	1,593,090,250	7,642,850,561
Transportation programs	713,835,803	14,655,492	2,587,598,445	3,316,089,740
Government direction, management, and control	4,139,526,548	2,152,537,594	2,979,729,506	9,271,793,648
Special government services	353,155,158	-	207,529	353,362,687
Capital Outlay	434,891,333	-	-	434,891,333
Debt Service:				
Principal	216,585,000	-	1,098,040,000	1,314,625,000
Interest	150,998,771	-	974,619,765	1,125,618,536
Total Expenditures	<u>43,197,990,156</u>	<u>15,570,576,347</u>	<u>10,240,834,517</u>	<u>69,009,401,020</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,984,639,116</u>	<u>2,843,204,709</u>	<u>(3,655,036,202)</u>	<u>4,172,807,623</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	4,454,436,478	-	1,500,000,000	5,954,436,478
Refunding bonds issued	-	-	580,420,000	580,420,000
Premiums/discounts	714,112,414	-	350,590,072	1,064,702,486
Payment to bond escrow agents	-	-	(720,711,153)	(720,711,153)
Transfers from other funds	1,809,246,865	-	6,208,901,999	8,018,148,864
Transfers to other funds	(4,574,267,557)	(282,797,974)	(3,507,396,856)	(8,364,462,387)
Total other financing sources (uses)	<u>2,403,528,200</u>	<u>(282,797,974)</u>	<u>4,411,804,062</u>	<u>6,532,534,288</u>
Net Change in Fund Balance	7,388,167,316	2,560,406,735	756,767,860	10,705,341,911
Fund Balances - July 1, 2020 (Restated)	<u>7,067,159,049</u>	<u>80,682,314</u>	<u>6,029,281,468</u>	<u>13,177,122,831</u>
Fund Balances - June 30, 2021	<u>\$ 14,455,326,365</u>	<u>\$ 2,641,089,049</u>	<u>\$ 6,786,049,328</u>	<u>\$ 23,882,464,742</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, 2021

Net change in fund balances of total governmental funds \$ 10,705,341,911

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	\$ 1,676,591,194	
Depreciation expense	<u>(1,094,952,262)</u>	
Excess of capital outlay over depreciation expense		581,638,932

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.

(5,572,360,000)

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.

(382,076,478)

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	216,585,000	
Revenue Bonds principal	1,008,885,000	
Capital Leases	55,320,500	
Installment Obligations	1,320,228,697	
Certificates of Participation	32,567,656	
Tobacco Settlement Financing Corporation Bonds	<u>118,895,000</u>	
Total long-term obligations		2,752,481,853

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. Deferred inflows of resources decreased by this amount.

296,498,711

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	(794,437,284)	
Decrease in unamortized interest on CABs	(341,123,827)	
Increase in deferral on refunding issues	<u>571,695,000</u>	
Total capitalized and amortized items		(563,866,111)

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	6,457,177	
Increase in compensated absences, Medicaid, and other noncurrent liabilities	(20,641,834)	
Increase in Net Pension Liability	(4,422,993,139)	
Increase in OPEB liability	(36,114,079,226)	
Increase in deferred outflows of resources	32,198,184,472	
Decrease in deferred inflows of resources	5,726,964,418	
Decrease in cash and investments held from certain refundings	(474,069,150)	
Increase in Net Pension Assets	413,435	
Decrease in other assets (Group Homes)	<u>(1,448,920)</u>	
Total additional expenditures		<u>(3,101,212,767)</u>

Change in net position of governmental activities **\$ 4,716,446,051**

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

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 234,636	\$ 586,560	\$ 821,196
Investments	253,200,002	25,127	253,225,129
Receivables, net of allowances for uncollectibles			
Federal government	-	664,689,121	664,689,121
Departmental accounts	-	786,480,602	786,480,602
Other	30,092,217	151,656,608	181,748,825
Due from other funds	-	10,092,559	10,092,559
Deferred charges	1,375,501	-	1,375,501
Total Current Assets	<u>284,902,356</u>	<u>1,613,530,577</u>	<u>1,898,432,933</u>
Noncurrent Assets			
Investments	197,614,132	-	197,614,132
Total Noncurrent Assets	<u>197,614,132</u>	<u>-</u>	<u>197,614,132</u>
Total Assets	<u>482,516,488</u>	<u>1,613,530,577</u>	<u>2,096,047,065</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	144,828,221	727,334,625	872,162,846
Due to other funds	117,080,895	10,083,243	127,164,138
Refunds payable	-	126,201,308	126,201,308
Current portion of long-term obligations	21,786,704	-	21,786,704
Other	-	477,842,300	477,842,300
Total Current Liabilities	<u>283,695,820</u>	<u>1,341,461,476</u>	<u>1,625,157,296</u>
Noncurrent Liabilities			
Due in more than one year	198,344,293	-	198,344,293
Total Noncurrent Liabilities	<u>198,344,293</u>	<u>-</u>	<u>198,344,293</u>
Total Liabilities	<u>482,040,113</u>	<u>1,341,461,476</u>	<u>1,823,501,589</u>
NET POSITION			
Restricted for:			
Unemployment compensation	-	272,069,101	272,069,101
Prize awards and Pension Fund contributions	476,375	-	476,375
Total Net Position	<u>\$ 476,375</u>	<u>\$ 272,069,101</u>	<u>\$ 272,545,476</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, 2021

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sales and charges for services	\$ 3,683,614,292	\$ -	\$ 3,683,614,292
Assessments	-	2,345,769,105	2,345,769,105
From federal agencies	-	18,102,944,728	18,102,944,728
Other	<u>29,017,613</u>	<u>1,374,989</u>	<u>30,392,602</u>
Total Operating Revenues	<u>3,712,631,905</u>	<u>20,450,088,822</u>	<u>24,162,720,727</u>
OPERATING EXPENSES			
Unemployment compensation	-	21,408,846,569	21,408,846,569
Lottery prize awards	2,245,238,722	-	2,245,238,722
Other	<u>340,324,683</u>	<u>-</u>	<u>340,324,683</u>
Total Operating Expenses	<u>2,585,563,405</u>	<u>21,408,846,569</u>	<u>23,994,409,974</u>
Operating Income (Loss)	<u>1,127,068,500</u>	<u>(958,757,747)</u>	<u>168,310,753</u>
NONOPERATING REVENUES (EXPENSES)			
Contributions to Pension Funds	(1,105,085,000)	-	(1,105,085,000)
Investment income	362,533	1,581,338	1,943,871
Northstar NJ incentive payments	(23,373,282)	-	(23,373,282)
Other	<u>-</u>	<u>50,793</u>	<u>50,793</u>
Total Nonoperating Revenues (Expenses)	<u>(1,128,095,749)</u>	<u>1,632,131</u>	<u>(1,126,463,618)</u>
Income (Loss) Before Transfers	<u>(1,027,249)</u>	<u>(957,125,616)</u>	<u>(958,152,865)</u>
Change in Net Position	<u>(1,027,249)</u>	<u>(957,125,616)</u>	<u>(958,152,865)</u>
Net Position - July 1, 2020	<u>1,503,624</u>	<u>1,229,194,717</u>	<u>1,230,698,341</u>
Net Position - June 30, 2021	<u>\$ 476,375</u>	<u>\$ 272,069,101</u>	<u>\$ 272,545,476</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, 2021**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,643,700,441	\$ -	\$ 1,643,700,441
Receipts from federal government	-	18,148,423,182	18,148,423,182
Receipts from state, local, and non-profit agencies	-	55,482,339	55,482,339
Receipts from assessments	-	2,013,661,596	2,013,661,596
Payments to suppliers	(10,922,659)	-	(10,922,659)
Payments to prize winners	(382,326,004)	-	(382,326,004)
Payments for vendor commissions and fees	(118,805,216)	-	(118,805,216)
Claims paid	-	(20,910,692,015)	(20,910,692,015)
Cash flows from annuity operations:			
Annuity receipts	21,765,704	-	21,765,704
Purchase of annuities	(2,473,211)	-	(2,473,211)
Payments of annuity prizes	(16,082,262)	-	(16,082,262)
Other receipts (payments)	(195,518)	-	(195,518)
Net Cash Provided (Used) by Operating Activities	<u>1,134,661,275</u>	<u>(693,124,898)</u>	<u>441,536,377</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loan from (payment to) federal government	-	692,934,085	692,934,085
From federal agencies - EUISAA from 2020	-	-	-
Contributions to Pension Funds	(1,164,000,000)	-	(1,164,000,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,164,000,000)</u>	<u>692,934,085</u>	<u>(471,065,915)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,687,750,000	-	1,687,750,000
Purchase of investments	(1,678,202,650)	-	(1,678,202,650)
Proceeds from Northstar New Jersey	-	-	-
Payments to Northstar New Jersey	19,915,065	-	19,915,065
Net Cash Provided (Used) by Investing Activities	<u>29,462,415</u>	<u>-</u>	<u>29,462,415</u>
Net Increase (Decrease) in Cash and Cash Equivalents	123,690	(190,813)	(67,123)
Cash and Cash Equivalents - July 1, 2020	<u>110,946</u>	<u>777,373</u>	<u>888,319</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ 234,636</u>	<u>\$ 586,560</u>	<u>\$ 821,196</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,127,068,500	\$ (958,757,747)	\$ 168,310,753
Net changes in assets and liabilities:			
Current assets	21,164,975	(1,866,315,442)	(1,845,150,467)
Noncurrent assets	8,177,271	-	8,177,271
Current liabilities	(13,773,798)	2,131,948,291	2,118,174,493
Noncurrent liabilities	(7,975,673)	-	(7,975,673)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,134,661,275</u>	<u>\$ (693,124,898)</u>	<u>\$ 441,536,377</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Change in fair value of investments	\$ (9,625,769)	\$ -	\$ (9,625,769)

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, 2021

	Custodial Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 75,832,870	\$ 1,791
Securities lending collateral	-	-
Investments		
Cash Management Fund	1,109,911,694	-
Common Pension Fund A	-	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	1,939,846,072
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
Receivables, net of allowances for uncollectibles	-	-
Members	730,466	-
Employers	122,544,683	-
Interest and dividends	-	3,422,805
Other	113,301,613	-
Due from other funds	78,694,528	-
Other	-	-
Total Assets	1,501,015,854	1,943,270,668
LIABILITIES		
Accounts payable and accruals	445,464,884	8,116,996
Benefits payable	51,817	-
Securities lending collateral and rebates payable	-	-
Due to other funds	41,922,016	1,542,983
Total Liabilities	487,438,717	9,659,979
NET POSITION		
Restricted for Custodial Funds	1,013,577,137	-
Held in Trust for Pool Participants	-	1,933,610,689
Restricted for Pensions	-	-
Restricted for OPEB	-	-
Restricted for Private Purpose Trust Funds	-	-
Total Net Position	\$ 1,013,577,137	\$ 1,933,610,689

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 26,185,939	\$ 23,964
1,513,246,971	-
2,679,167,903	7,788,011
47,231,724	-
62,735,227,779	-
28,961,199,281	-
1,078,510,792	-
-	-
4,378,461,605	-
602,093,927	-
193,837,269	-
2,461,518,567	-
5,163,401	-
-	-
142,529,601	-
2,371,932,403	-
<u>107,196,307,162</u>	<u>7,811,975</u>
294,198,968	-
1,102,139,673	-
1,512,631,432	-
45,858,092	80,487
<u>2,954,828,165</u>	<u>80,487</u>
-	-
-	-
104,191,207,345	-
50,271,652	-
-	7,731,488
<u>\$ 104,241,478,997</u>	<u>\$ 7,731,488</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Investment Trust Fund</u>
ADDITIONS		
Contributions:		
Members	\$ 104,210,190	\$ -
Employers	3,546,249,725	-
Other	-	15,043,119,339
Total Contributions	<u>3,650,459,915</u>	<u>15,043,119,339</u>
Investment Income:		
Net increase (decrease) in fair value of investments	-	-
Interest and dividends	2,398,588	(1,853,156)
Total Investment Income	2,398,588	(1,853,156)
Less investment expense	-	-
Net Investment Income	<u>2,398,588</u>	<u>(1,853,156)</u>
Wage and hour settlements	1,127,380	-
Court ordered collections	232,914,354	-
Miscellaneous	-	-
Total Additions	<u>3,886,900,237</u>	<u>15,041,266,183</u>
DEDUCTIONS		
Benefit payments	3,574,047,397	-
Refunds of contributions	-	-
Refunds and transfers to other systems	-	-
Administrative expense	8,699,253	1,542,983
Payments in accordance with trust agreements	-	-
Distributions to shareholders	-	14,890,304,662
Disbursements of wage and hour settlements	1,127,380	-
Disbursements of court ordered collections	232,914,354	-
Total Deductions	<u>3,816,788,384</u>	<u>14,891,847,645</u>
Total Changes in Net Position Held in Trust	70,111,853	149,418,538
Net Position - July 1, 2020 (Restated)	<u>943,465,284</u>	<u>1,784,192,151</u>
Net Position - June 30, 2021	<u>\$ 1,013,577,137</u>	<u>\$ 1,933,610,689</u>

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 2,531,376,498	\$ -
7,604,699,194	-
<u>19,971,507</u>	<u>-</u>
<u>10,156,047,199</u>	<u>-</u>
20,721,748,625	-
<u>1,651,074,799</u>	<u>13,600</u>
22,372,823,424	13,600
10,993,164	-
<u>22,361,830,260</u>	<u>13,600</u>
-	-
-	-
<u>-</u>	<u>53,960</u>
<u>32,517,877,459</u>	<u>67,560</u>
12,854,092,146	-
234,236,053	-
-	266,948
54,131,330	-
-	4,071,550
-	-
-	-
<u>-</u>	<u>-</u>
<u>13,142,459,529</u>	<u>4,338,498</u>
19,375,417,930	(4,270,938)
<u>84,866,061,067</u>	<u>12,002,426</u>
<u>\$ 104,241,478,997</u>	<u>\$ 7,731,488</u>

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2021

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 105,529,395	\$ 316,147,000
Investments	67,163,295	1,160,822,000
Receivables, net of allowances for uncollectibles		
Federal government	216,502,008	-
Loans	-	-
Mortgages	-	-
Other	46,104,551	105,912,000
Due from external parties	55,150,905	317,000
Inventories	142,953,866	21,312,000
Other	39,140,850	30,417,000
Total Current Assets	672,544,870	1,634,927,000
Noncurrent Assets		
Investments	591,864,769	812,933,000
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	10,826,000
Capital assets - nondepreciated	2,379,562,572	1,240,515,000
Capital assets - depreciated, net	4,198,286,575	11,029,664,000
Other	7,620,517	-
Total Noncurrent Assets	7,177,334,433	13,093,938,000
Deferred Outflows of Resources	595,076,765	449,917,000
Total Assets and Deferred Outflows of Resources	8,444,956,068	15,178,782,000
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	333,669,589	195,262,000
Due to external parties	779,827	3,233,000
Interest payable	-	275,890,000
Unearned revenue	-	266,101,000
Current portion of long-term obligations	144,877,590	96,319,000
Other	94,769,222	-
Total Current Liabilities	574,096,228	836,805,000
Noncurrent Liabilities		
Net pension liability	909,741,291	312,545,000
Net OPEB liability	-	-
Total OPEB liability	1,699,558,000	1,753,972,000
Revenue bonds payable, net	-	11,241,585,000
Installment obligations, net	1,018,265,919	-
Other	613,578,446	224,327,000
Total Noncurrent Liabilities	4,241,143,656	13,532,429,000
Deferred Inflows of Resources	99,273,753	270,748,000
Total Liabilities and Deferred Inflows of Resources	4,914,513,637	14,639,982,000
NET POSITION		
Net investment in capital assets	5,801,271,756	1,909,970,000
Restricted for:		
Capital projects	18	-
Debt service	-	-
Other purposes	46,937,783	88,541,000
Unrestricted	(2,317,767,126)	(1,459,711,000)
Total Net Position	\$ 3,530,442,431	\$ 538,800,000

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>
\$ 610,923,000	\$ 4,055,142,037	\$ 5,087,741,432
45,118,000	7,871,090,794	9,144,194,089
-	142,123,917	358,625,925
19,311,000	401,915,439	421,226,439
-	86,975,000	86,975,000
757,147,000	291,352,196	1,200,515,747
-	56,474,789	111,942,694
7,281,000	22,198,004	193,744,870
7,416,000	130,016,245	206,990,095
<u>1,447,196,000</u>	<u>13,057,288,421</u>	<u>16,811,956,291</u>
1,944,923,000	1,544,753,625	4,894,474,394
34,999,000	2,075,810,044	2,110,809,044
-	1,697,609,379	1,697,609,379
61,132,000	39,439,195	111,397,195
395,397,000	1,326,407,263	5,341,881,835
3,531,020,000	6,128,078,225	24,887,048,800
90,066,000	396,321,708	494,008,225
<u>6,057,537,000</u>	<u>13,208,419,439</u>	<u>39,537,228,872</u>
<u>354,501,000</u>	<u>818,969,404</u>	<u>2,218,464,169</u>
<u>7,859,234,000</u>	<u>27,084,677,264</u>	<u>58,567,649,332</u>
393,568,000	422,741,397	1,345,240,986
-	72,482,985	76,495,812
14,383,000	70,006,733	360,279,733
237,139,000	180,755,050	683,995,050
73,122,000	504,647,518	818,966,108
77,934,000	337,911,685	510,614,907
<u>796,146,000</u>	<u>1,588,545,368</u>	<u>3,795,592,596</u>
1,666,638,000	2,410,765,275	5,299,689,566
-	188,406,472	188,406,472
-	-	3,453,530,000
-	1,543,445,381	12,785,030,381
2,198,643,000	1,081,043,807	4,297,952,726
169,700,000	6,416,724,286	7,424,329,732
<u>4,034,981,000</u>	<u>11,640,385,221</u>	<u>33,448,938,877</u>
<u>389,626,000</u>	<u>1,158,380,611</u>	<u>1,918,028,364</u>
<u>5,220,753,000</u>	<u>14,387,311,200</u>	<u>39,162,559,837</u>
1,816,651,000	2,548,791,642	12,076,684,398
78,953,000	119,598,858	198,551,876
-	1,227,474,920	1,227,474,920
1,708,637,000	8,663,035,743	10,507,151,526
(965,760,000)	138,464,901	(4,604,773,225)
<u>\$ 2,638,481,000</u>	<u>\$ 12,697,366,064</u>	<u>\$ 19,405,089,495</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	New Jersey Transit Corporation	New Jersey Turnpike Authority
Expenses	\$ 3,153,781,185	\$ 1,609,340,000
 Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	346,914,727	1,528,937,000
Operating grants and contributions	1,861,111,522	24,729,000
Capital grants and contributions	745,596,972	5,200,000
Net (Expense) Revenue	(200,157,964)	(50,474,000)
 General Revenue		
Payments from State	214,525,000	-
Total General Revenue	214,525,000	-
 Change in Net Position	 14,367,036	 (50,474,000)
 Net Position - Beginning of Year (Restated)	 3,516,075,395	 589,274,000
Net Position - End of Year	\$ 3,530,442,431	\$ 538,800,000

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>
\$ 4,253,902,000	\$ 6,420,477,697	\$ 15,437,500,882
2,240,773,000	2,580,563,588	6,697,188,315
2,111,843,000	2,234,176,388	6,231,859,910
<u>13,584,000</u>	<u>2,573,983,854</u>	<u>3,338,364,826</u>
<u>112,298,000</u>	<u>968,246,133</u>	<u>829,912,169</u>
<u>438,985,000</u>	<u>644,151,468</u>	<u>1,297,661,468</u>
<u>438,985,000</u>	<u>644,151,468</u>	<u>1,297,661,468</u>
551,283,000	1,612,397,601	2,127,573,637
<u>2,087,198,000</u>	<u>11,084,968,463</u>	<u>17,277,515,858</u>
<u>\$ 2,638,481,000</u>	<u>\$ 12,697,366,064</u>	<u>\$ 19,405,089,495</u>

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