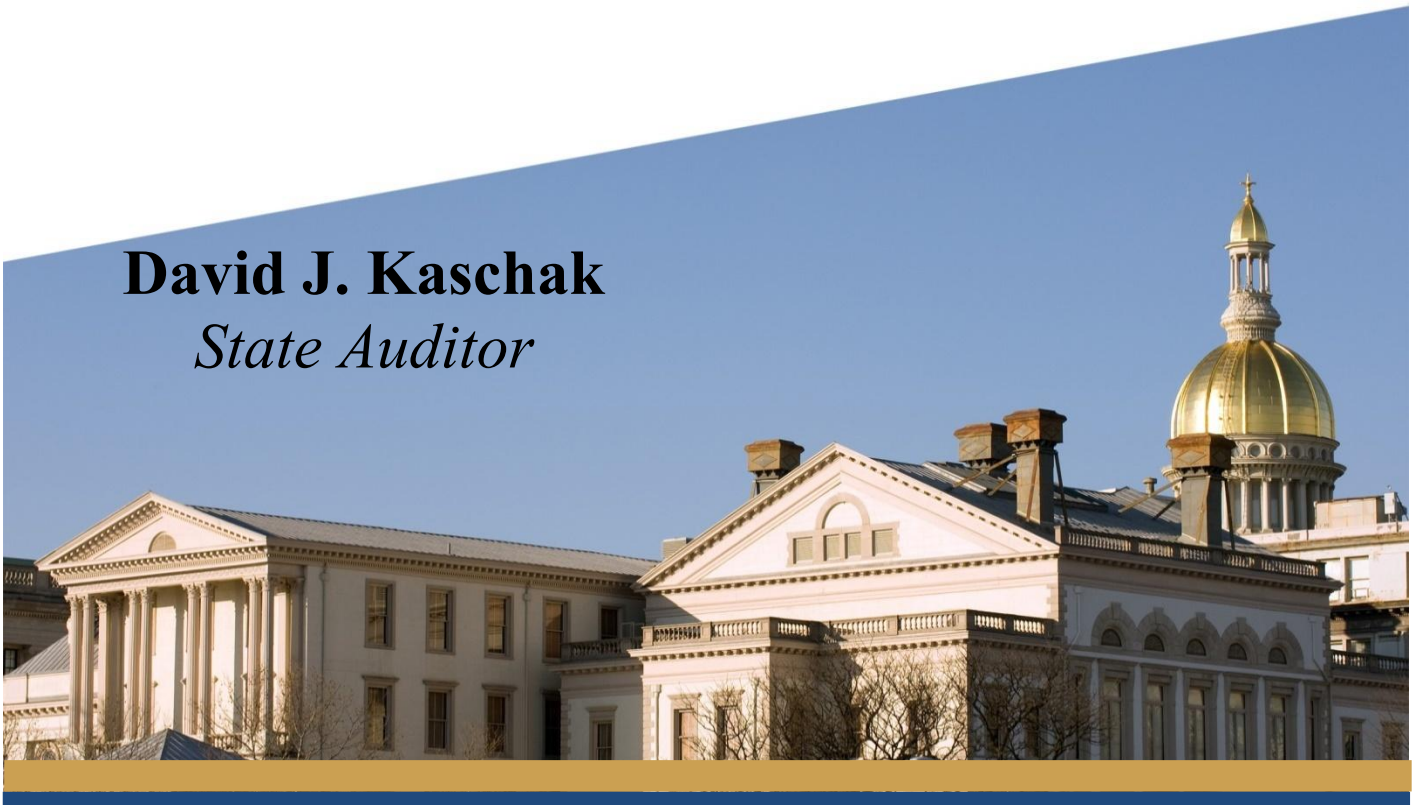


**NEW JERSEY LEGISLATURE**  
OFFICE OF LEGISLATIVE SERVICES  
OFFICE OF THE STATE AUDITOR

State of New Jersey  
Summary and Analysis of the Annual  
Comprehensive Financial Report

For Fiscal Year Ended June 30, 2025

**David J. Kaschak**  
*State Auditor*



2024-2025  
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The Honorable Mikie Sherrill  
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  
Executive Director  
Office of Legislative Services

Enclosed is our summary and analysis of the State of New Jersey's Annual Comprehensive Financial Report as of June 30, 2025. This report was developed in accordance with N.J.S.A. 52:27B-46.1. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in cursive script that reads "David J. Kaschak".

David J. Kaschak  
State Auditor  
April 22, 2026

**State of New Jersey**  
**Summary and Analysis of the Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2025**

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# **Introduction**

## Summary and Analysis of the Annual Comprehensive Financial Report

### Purpose

As a result of legislation enacted on September 12, 2023, P.L.2023, c.159 (C.52:27B-46.1 et seq.), the State Auditor is required to report annually on the financial condition of the State of New Jersey.

### Methodology and Scope

The information used in this report for the State of New Jersey was compiled using Annual Comprehensive Financial Reports (ACFR) for fiscal years ended June 30, 2021 through 2025. The amounts in this report pertaining to fiscal years 2021 through 2024 may in some cases differ from those in the respective ACFRs because of restatements. The restated amounts are identified in this report with asterisks. Appropriation data on pages 26 through 30 was taken from the Appropriations Handbook. In addition, the information used in this report of other states in the Mid-Atlantic and Northeastern regions of the United States was compiled using their most recently published ACFR as shown in Appendix A on page 39.

### About this Report

This report provides an overview of the financial condition of the State of New Jersey. It summarizes and analyzes the contents of the ACFR, a more detailed financial report issued by the Office of Management and Budget and audited by our office. This report is intended to highlight certain areas of the ACFR in a user-friendly, plain language manner. It also presents basic financial information compared to other states in the Mid-Atlantic and Northeastern regions of the United States.

As required by the legislation, this report presents the following information:

- (1) A summary of the state's financial condition compared to other states in the Mid-Atlantic and Northeastern regions of the United States, which provides statistical comparisons based on the population and gross domestic product of each state.
- (2) A summary of the state's total long-term financial liabilities, including net pension obligations, postemployment benefits other than pensions, payments for principal and interest due on general obligation bonds and appropriations-backed contract bonds issued by independent authorities of the state. This analysis compares the state's long-term liabilities to those of other states in the Mid-Atlantic and Northeastern regions of the United States.
- (3) A summary of the state's revenue collections for the General Fund, Property Tax Relief Fund, Casino Revenue Fund, and all other budgeted state revenues, comparing the state's actual revenue collections during the past five fiscal years to the anticipated revenue collection for each year.

- (4) A summary of the state’s anticipated revenue collections for the General Fund, Property Tax Relief Fund, Casino Revenue Fund, and all other budgeted state revenues and the state’s appropriations to fund state aid for education, state municipal aid, state pension liabilities, employer contributions for state healthcare benefits, the state Medicaid program, state support for hospitals, the annual Transportation Capital Program, and programs of direct taxpayer property tax relief, comparing the state’s anticipated revenue collections during the past five fiscal years to those appropriations for each of those fiscal years.
- (5) A summary of the state’s unrestricted fund balance, whether designated, undesignated, or reserved, including the amounts deposited pursuant to the “Surplus Revenue Fund” that was established by P.L.1990, c.44 (C.52:9H-14 et seq.), comparing the state’s unrestricted cash reserves to those of other states in the Mid-Atlantic and Northeastern regions of the United States.

This report is meant to complement the ACFR, not to replace it.

## Background

The State of New Jersey prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and presents them in its Annual Comprehensive Financial Report (ACFR). The Financial Section of the ACFR contains a “dual perspective” of the financial position and results of operations for the primary government in accordance with GAAP. The primary government refers to the main governmental entity responsible for general governmental functions, which include all departments, agencies, and other organizational units that are under the direct control of elected state officials. It does not include component units, such as independent authorities, universities and colleges, or pension funds.

The first perspective of the primary government presents financial statements on a **full accrual basis** of accounting, which is the approach generally followed in the private sector. Those statements present short-term *and* long-term views of the financial position and results of the operations for the primary government as an entity and contain non-cash information such as capital asset values, long-term liabilities, and depreciation. They are useful in assessing the overall condition of the state as a financial entity and its true cost of providing services. This perspective is presented in more detail in the Government-Wide Financial Data section (Section I) of this report on pages 7 through 18.

The second perspective of the primary government presents fund information under a **modified accrual basis**, which more closely reflects a short-term view of assets convertible to cash and the flow of funds from operations. Certain short-term accruals and loans receivable are also recognized under this basis. The major difference with this approach versus the full accrual basis is that revenue is not recognized more than one year out, and fund statements do not account for long-term items such as capital asset values, liabilities due in more than one year, or non-cash items such as depreciation or amortization. These statements are grouped into governmental fund categories such as General, Special Revenue, and Capital Projects and are useful in assessing short-

term needs and in making budgetary decisions. This perspective is presented in more detail in the Fund Financial Data section (Section II) of this report on pages 19 through 24.

The ACFR includes two schedules that reconcile the state's government-wide financial statements under the full accrual basis with the governmental funds under the modified accrual basis. These reconciliations provide assurance that all activities are accounted for in each perspective.

The state uses five different funds – the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund to account for the revenues and expenditures of the state budget. An overview of these funds is presented in the Budgetary Funds section (Section III) of this report on pages 25 through 31.

The Statistical Section (Section IV) of this report on pages 32 through 37 presents financial trend information relating to the state's Surplus Revenue Fund (rainy day fund) and provides Economic and Demographic trend data of the state. The Surplus Revenue Fund is a sub-account of the General Fund and accounts for excess revenues from prior fiscal years that may be used to support current year appropriations. The Economic and Demographic trends are patterns and changes observed over time in the economy and population of the state. Understanding these trends is beneficial for policy making, business strategy, and social planning.

**Section I**  
**Government-Wide Financial Data**  
*(Full Accrual Basis)*

## ***Government-Wide Financial Data (Full Accrual Basis)***

The government-wide financial statements provide a broad view of the state's finances and 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 statements are reported using the accrual basis of accounting, which records revenues and expenses when the earnings process is complete (accrual basis), as opposed to when they are actually received or paid (cash basis). The accrual basis of accounting provides more of an even recognition of revenues and expenses as they are *incurred*. The government-wide financial statements report all financial and capital assets (land, buildings, equipment & software, and infrastructure (roads & bridges)), deferred outflows of resources, short- and long-term liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the accrual basis of accounting.

The government-wide financial statements include the following two statements: the Statement of Net Position and Statement of Activities (similar to a Balance Sheet and Income Statement, respectively).

Each statement breaks down the activities of state government into three types:

- Governmental Activities – the majority of state service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations.
- 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.
- Component Units – legally separate operations and organizations for which the state has financial accountability.

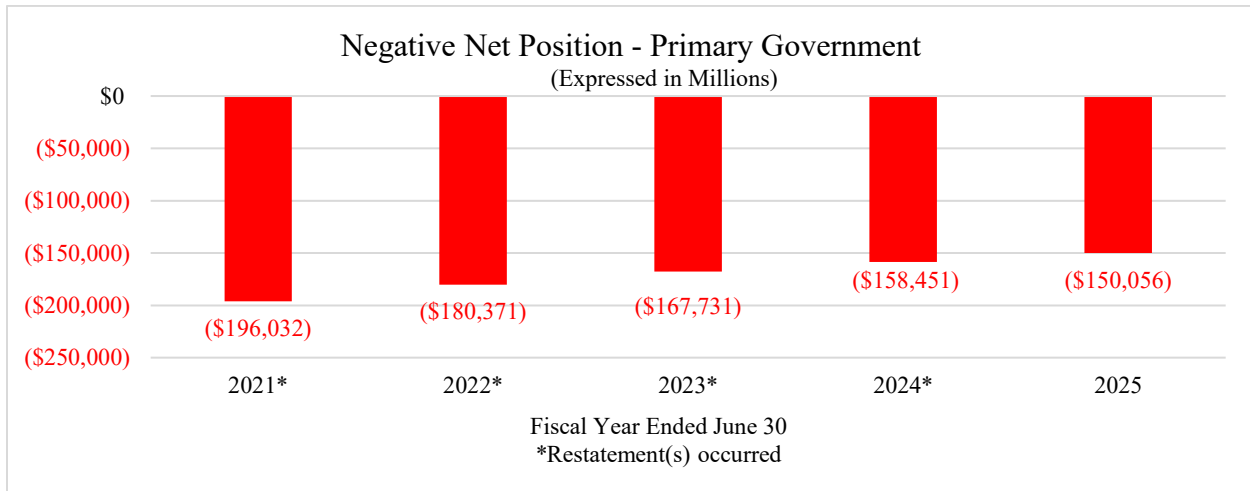
For this report, we will focus only on the primary government category, which includes both the governmental activities and business-type activities. Component units are not part of the primary government and therefore are excluded from our analysis.

### **Statement of Net Position**

The statement reports all of the state's assets, deferred outflows of resources (the consumption of net assets by the government that is applicable to a future reporting period), liabilities, deferred inflows of resources (the acquisition of net assets by the government that is applicable to a future reporting period), and calculates net position. As of June 30, 2025, New Jersey had a negative net position of \$150.1 billion, which means the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources.

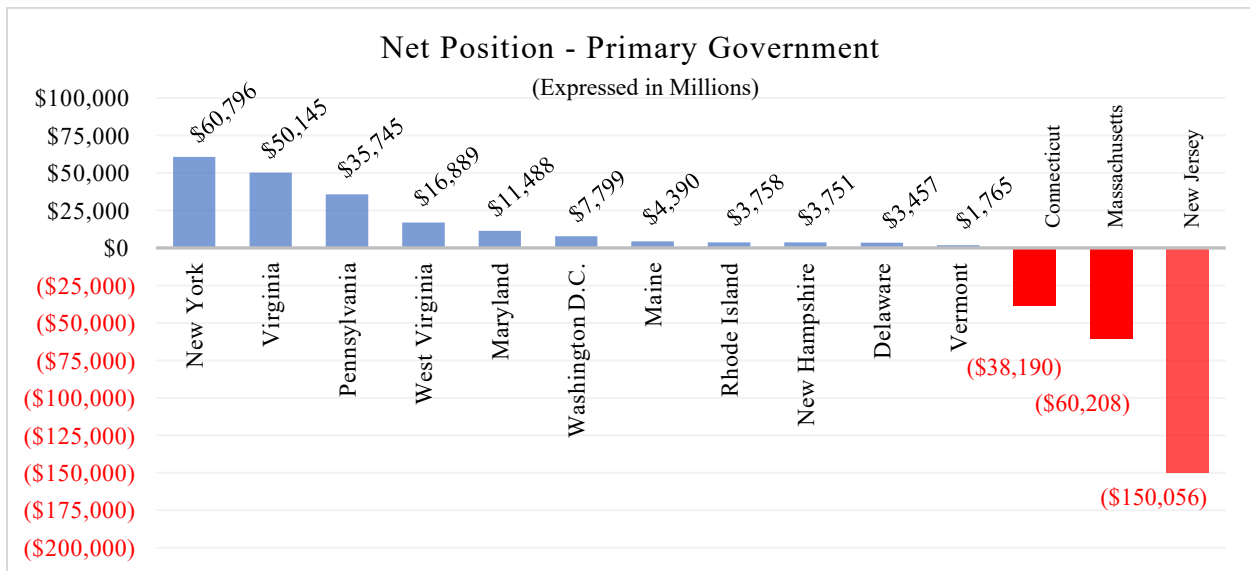
An increase or decrease in the state's net position over time may serve as a useful indicator as to whether the state's overall financial position is improving or deteriorating.

The graph below represents the state’s net position for the primary government function over the past five fiscal years. Fiscal Year 2025 ended with a negative net position of \$150.1 billion, which represents an \$8.4 billion (5.30 percent) improvement in the state’s net position from the prior fiscal year after restatements. The state’s negative net position has improved \$46.0 billion (23.45 percent) since fiscal year 2021.



The state’s deficit in governmental net position over the past five years is primarily a result of the Net Pension Liability and Other Postemployment Benefits (OPEB) Liability, which are both required to be included in the government-wide financial statements.

The graph below presents the current net position of each state in the Mid-Atlantic and Northeastern regions of the United States compared to New Jersey, based on their most recently published ACFRs (see Appendix A on page 39). As shown by the graph, New Jersey is one of three states with a negative net position.

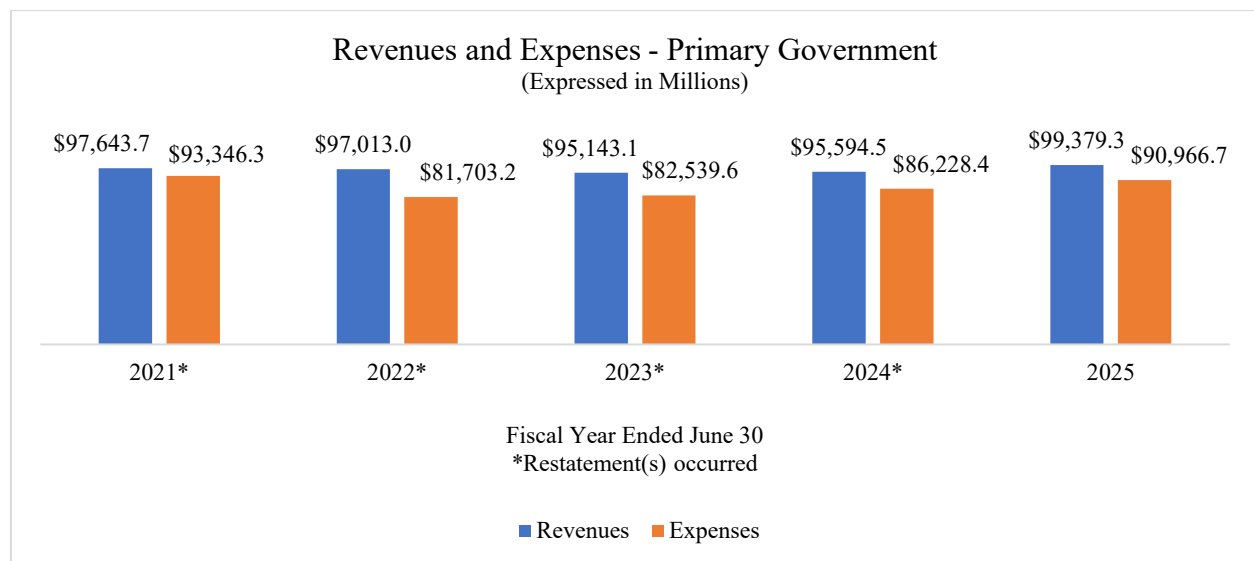


## Statement of Activities

The statement reports the change in the state’s net position during the current fiscal year ended June 30, 2025. 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. As of June 30, 2025, New Jersey’s change in net position from the previous year under the full accrual basis was a positive \$8.4 billion. The statement also presents a comparison between direct expenses and program revenues for each state function.

### *Revenues and Expenses*

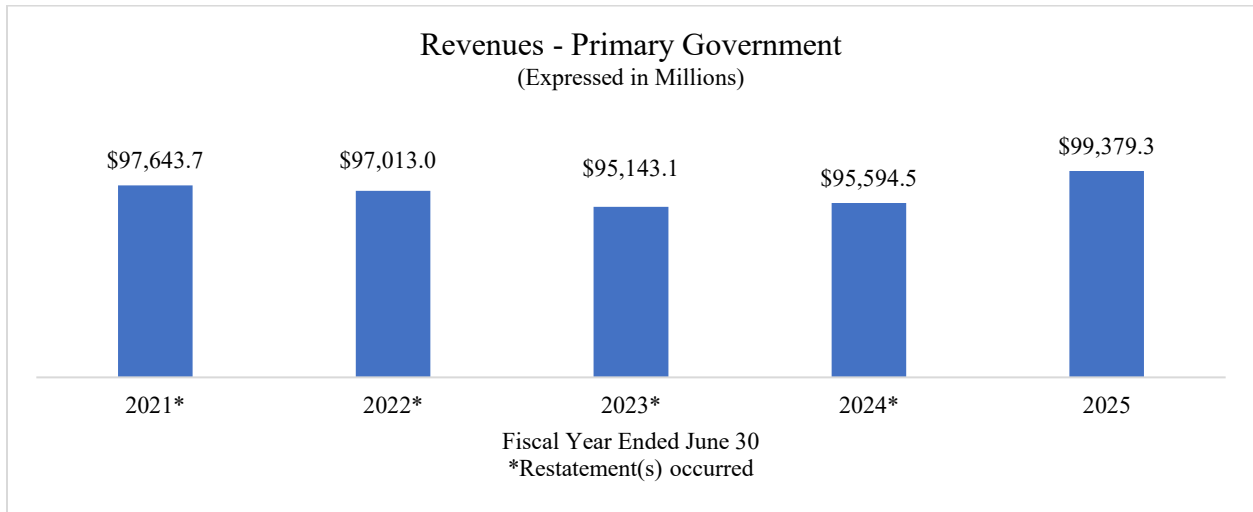
The graph below presents the total primary government revenues and expenses, which differ from the state budget in that they include federal funds, “off budget” activity, and noncash revenues and expenses, over the past five fiscal years. Noncash revenues refer to revenues generated from sources other than cash, such as proceeds from fixed assets sales, and noncash expenses, which include depreciation, amortization, and other costs that do not represent cash flow. During fiscal years 2021, 2022, 2023, 2024, and 2025, revenues were greater than expenses by \$4.3 billion (4.60 percent), \$15.3 billion (18.74 percent), \$12.6 billion (15.27 percent), \$9.4 billion (10.86 percent), and \$8.4 billion (9.25 percent), respectively.



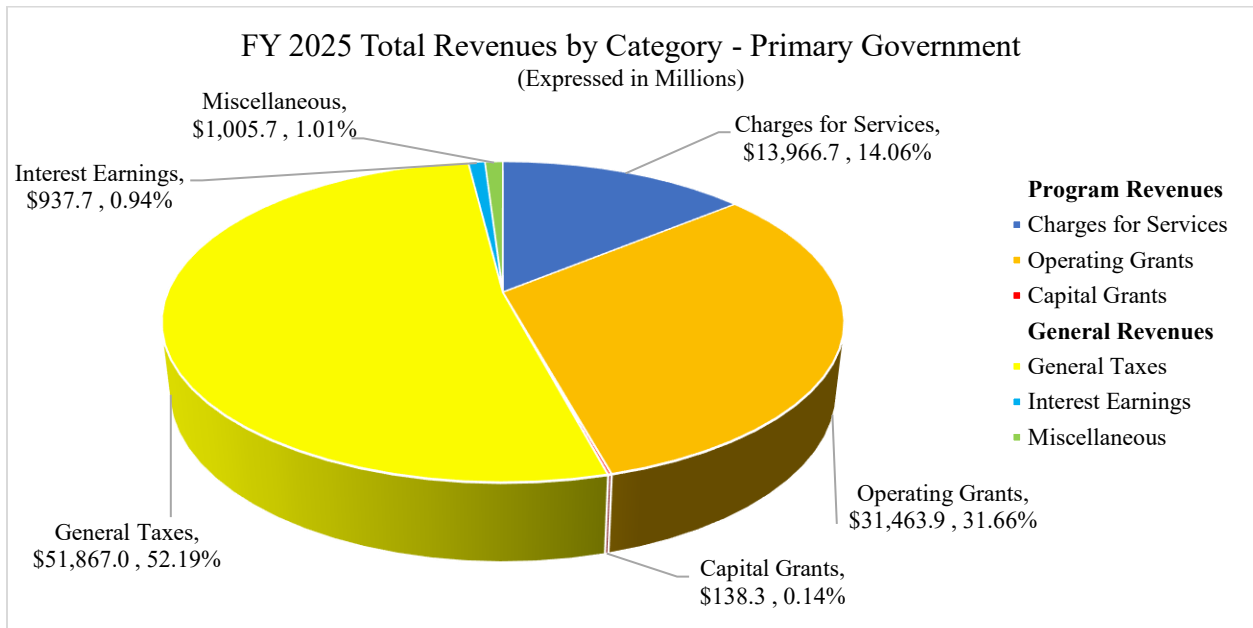
Revenues are affected by economic changes and changes in state and federal policies. State revenues are broken down into two categories: program revenues and general revenues. Program revenues reduce the net cost of the function to be financed from the government’s general revenues. General revenues include taxes, interest, and miscellaneous income.

The graph on the next page represents the total revenues for the primary government over the past five fiscal years. State revenues for fiscal year 2025 totaled \$99.4 billion, which was an increase of \$3.8 billion (3.96 percent) when compared to the prior fiscal year after restatements. Total

revenues for fiscal year 2025 were \$1.7 billion (1.78 percent) more than total revenues for fiscal year 2021. The fiscal year 2025 increase is primarily attributable to higher general tax collections.



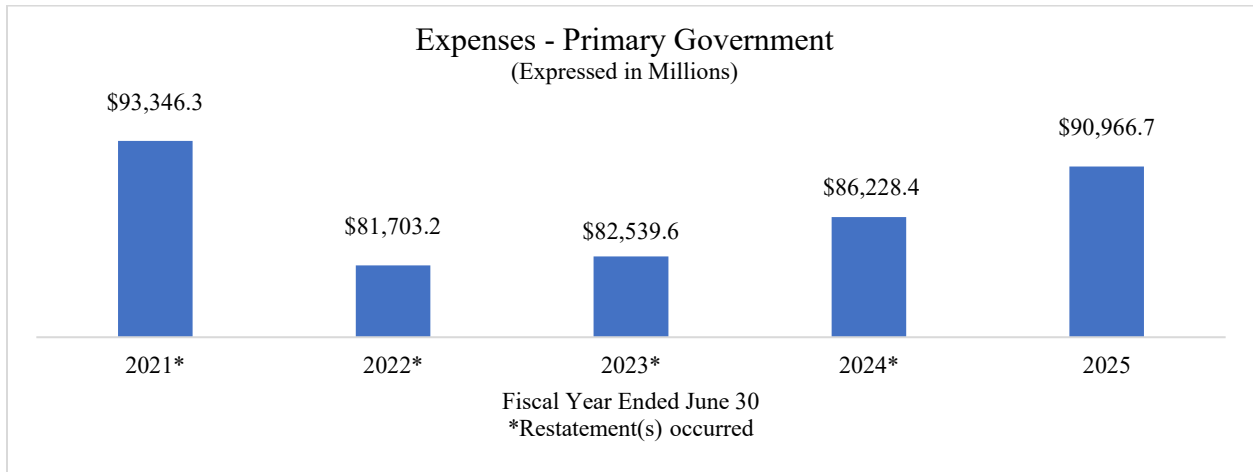
As shown by the pie chart below, general taxes totaled \$51.9 billion and operating grants (including federal grants) totaled \$31.5 billion, accounting for 52.19 percent and 31.66 percent, respectively, of state revenues totaling \$99.4 billion for fiscal year 2025.



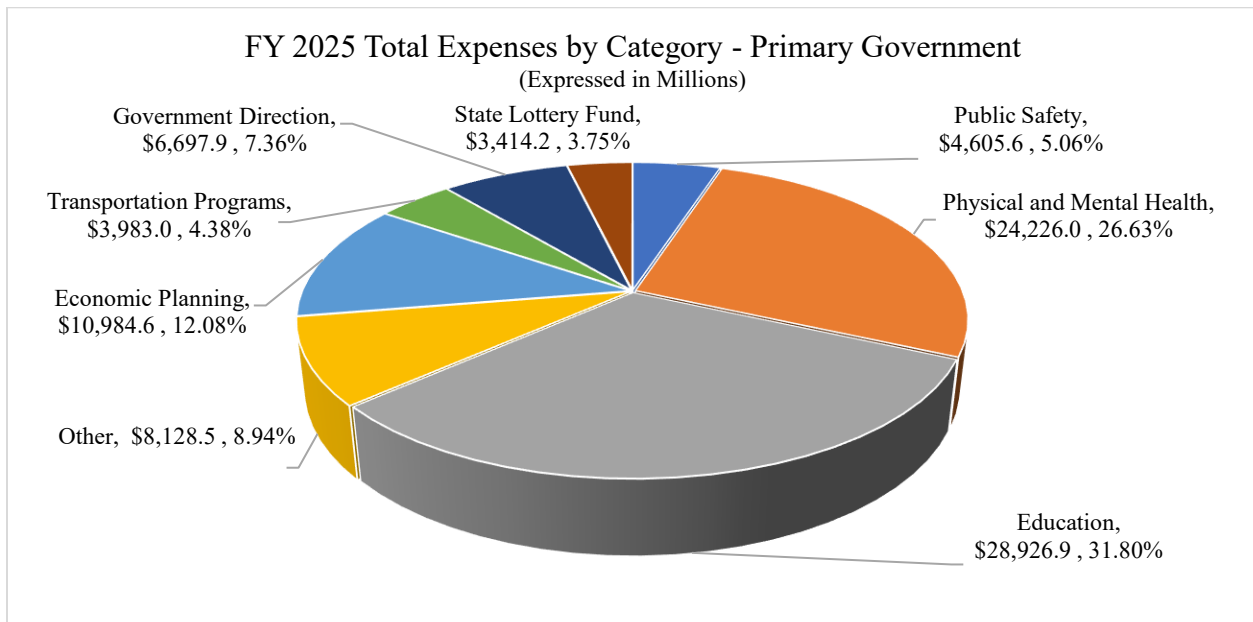
See Appendix C for revenue definitions.

The graph on the next page represents the total expenses in the primary government over the past five fiscal years. State expenses for fiscal year 2025 totaled \$91.0 billion, an increase of \$4.7 billion (5.50 percent) compared to the prior fiscal year after any restatements. Total expenses for fiscal year 2025 were \$2.4 billion (2.55 percent) less than total expenses for fiscal year 2021. Fiscal year

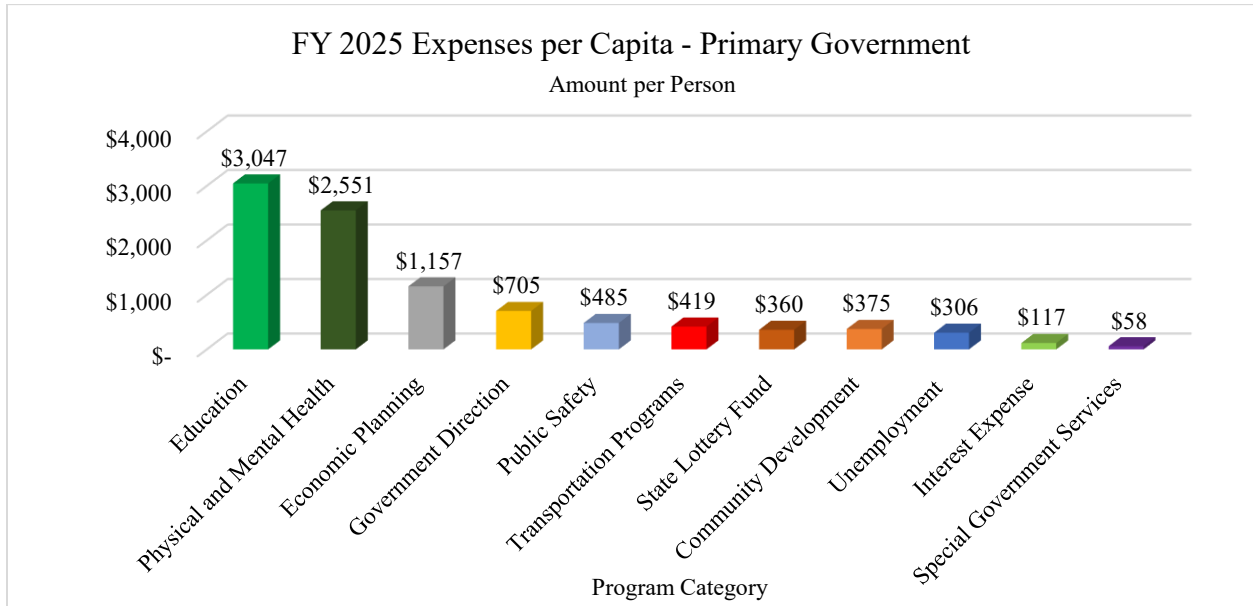
2022 shows the only decrease in expenses from the year before, which was a decrease of \$11.6 billion (12.47 percent) primarily due to a decrease in pandemic unemployment claims.



As shown by the pie chart below, the two highest expense categories are Education \$28.9 billion and Physical and Mental Health (predominantly Medicaid) \$24.2 billion, accounting for 31.80 percent and 26.63 percent, respectively, of state expenses which totaled \$91.0 billion for fiscal year 2025.



The graph on the next page presents the state’s total spending per person by program category for fiscal year 2025.

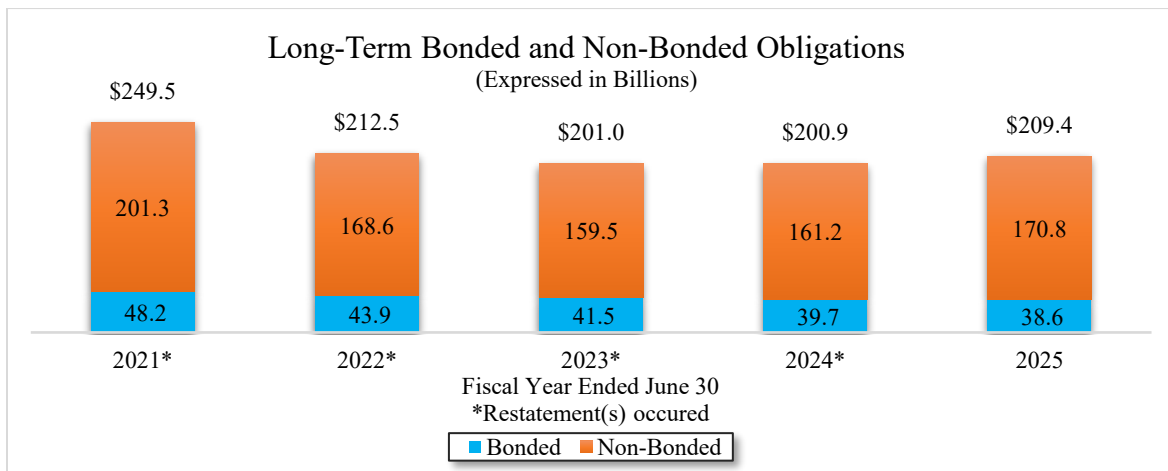


## Debt Administration

### *Liabilities*

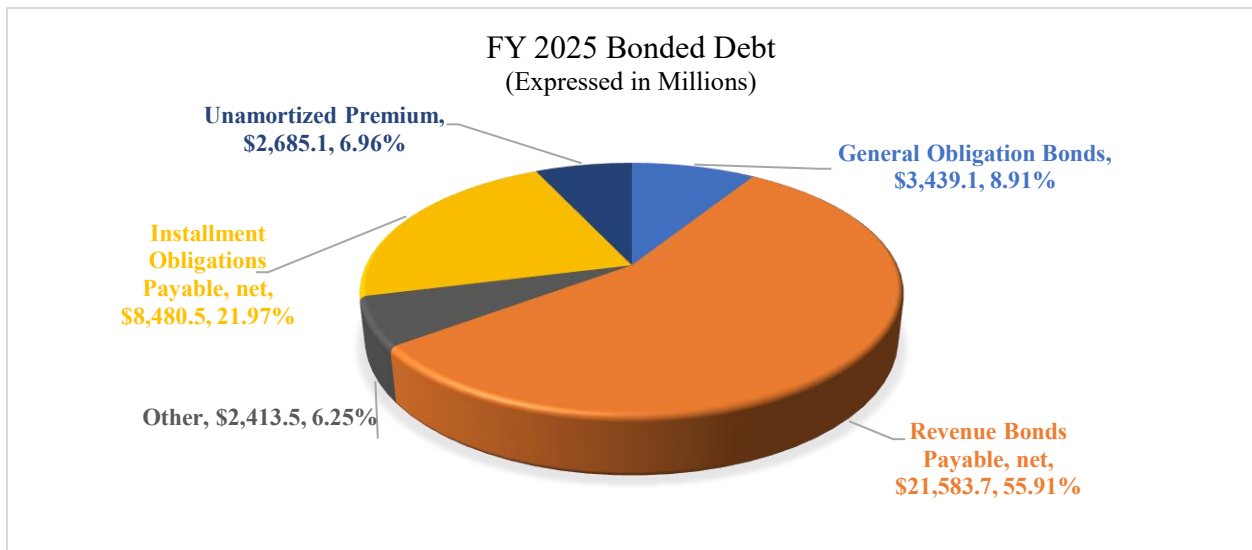
A governmental entity's debt burden could directly affect its ability to provide current services, as well as its long-term fiscal health. The state's long-term obligations are divided into bonded and non-bonded categories.

The graph below presents the state's total outstanding long-term obligations for governmental activities as of June 30, 2025 at \$209.4 billion, which was an increase of \$8.5 billion (4.23 percent), after restatements, compared to the prior fiscal year. Over the last five years, New Jersey's bonded debt has decreased \$9.6 billion (19.92 percent), while its non-bonded debt has decreased \$30.5 billion (15.15 percent), which resulted in an overall decrease of \$40.1 billion (16.07 percent).



## Bonded Debt

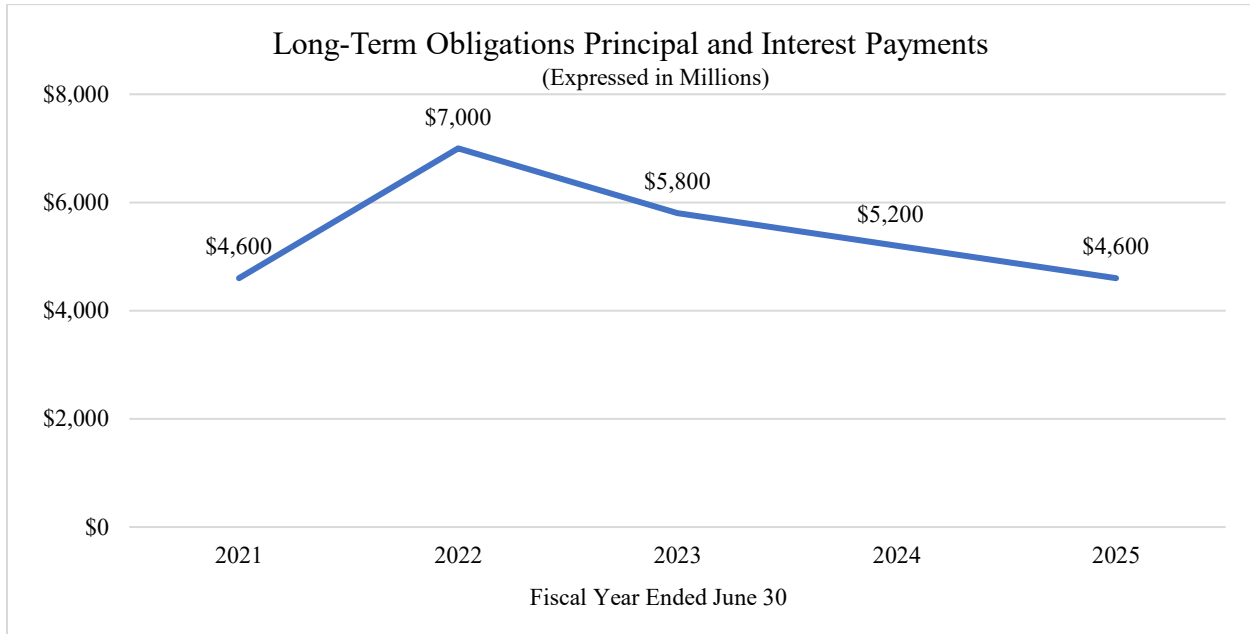
Bonded debt is long-term debt secured by bonds issued by New Jersey to raise money to finance large projects or investments. Bondholder(s) who purchased the bonds become the state's creditors and are entitled to receive interest payments and the return of their initial investment when the bonds mature. The pie chart below represents the state's bonded debt for fiscal year 2025 by category. The three categories consisting of the highest bonded debt are Net Revenue Bonds Payable, Net Installment Obligations Payable, and General Obligation Bonds, which account for \$21.6 billion (55.91 percent), \$8.5 billion (21.97 percent), and \$3.4 billion (8.91 percent), respectively, which make up \$33.5 billion (86.79 percent) of all bonded debt.



See Appendix C for full description of bonded debt categories.

## Principal & Interest Payments

The graph on the next page presents the principal and interest payments the state made on its long-term obligations between fiscal years 2021 and 2025. During fiscal year 2025, the state made payments totaling \$4.6 billion, which was a decrease of \$600 million (11.5 percent) when compared to the prior fiscal year.

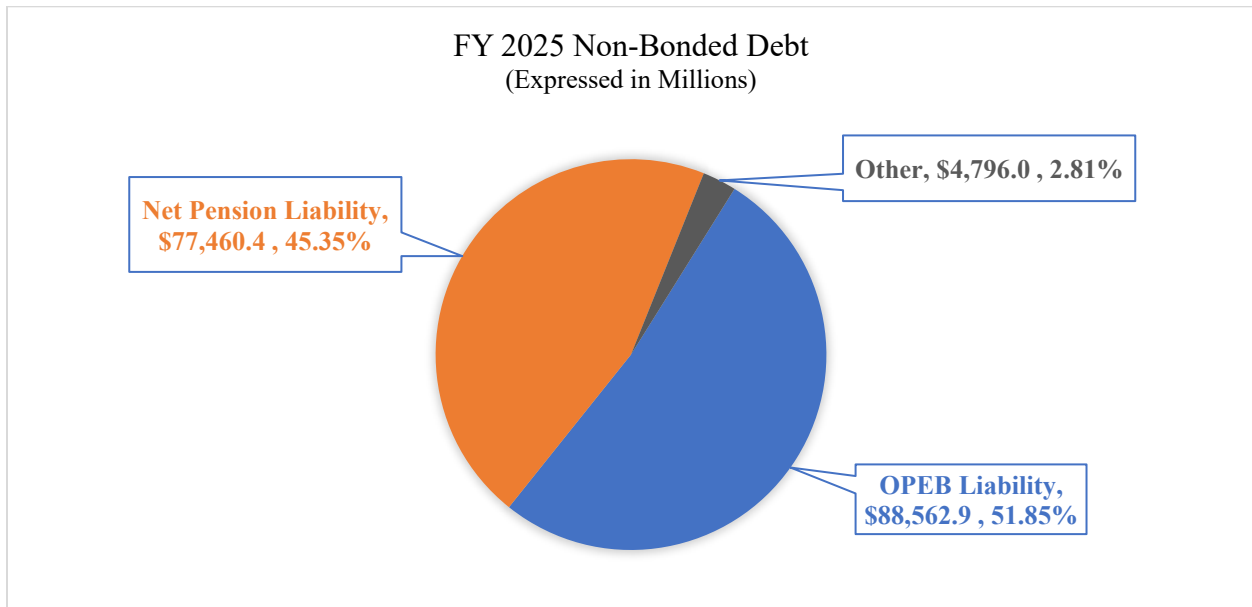


### Non-Bonded Debt

Non-bonded debt refers to long-term obligations of a government or entity that are not backed by the issuance of bonds. These debts are typically financed through other means, such as lease-purchases or general fund revenues. Examples include long-term costs of government-funded pensions and health benefits for retired public workers. Non-bonded categories include:

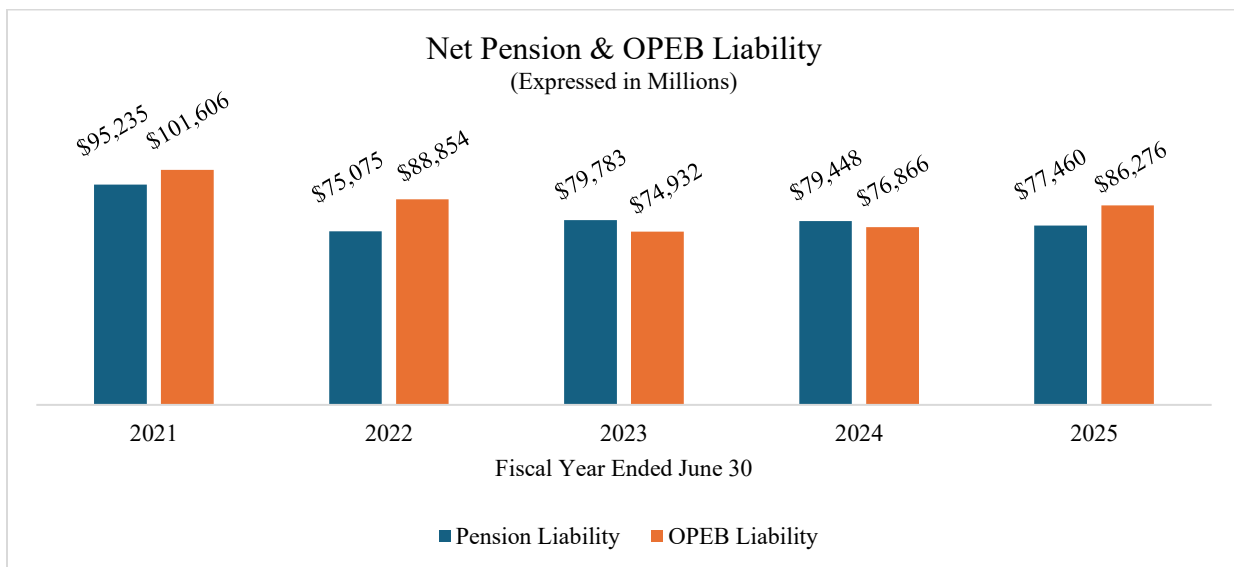
- **Net Pension Liability:** The net pension liability represents the liability of employers and nonemployer contributing entities to employees for defined benefit pensions. The liability is actuarially calculated as the portion of the present value of projected benefit payments to be provided through the pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plans' fiduciary net position. The main systems that make up the net pension liability are a major portion of the Public Employees' Retirement System (PERS) and the entire portion of the Teachers' Pension and Annuity Fund (TPAF).
- **OPEB Liability:** In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the state is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to active, inactive, and retired state and local government employees as part of their package of retirement benefits. Typically, retiree medical insurance is the most significant OPEB offering, though other benefits such as life insurance are also covered by this umbrella term.
- **Other:** includes, but is not limited to, compensated absences, certain leases, and pollution remediation obligations.

Net Pension Liability and OPEB Liability account for \$166.0 billion (97.19 percent) of the total non-bonded debt for fiscal year 2025. The remaining \$4.8 billion (2.81 percent) falls in the classification, Other.

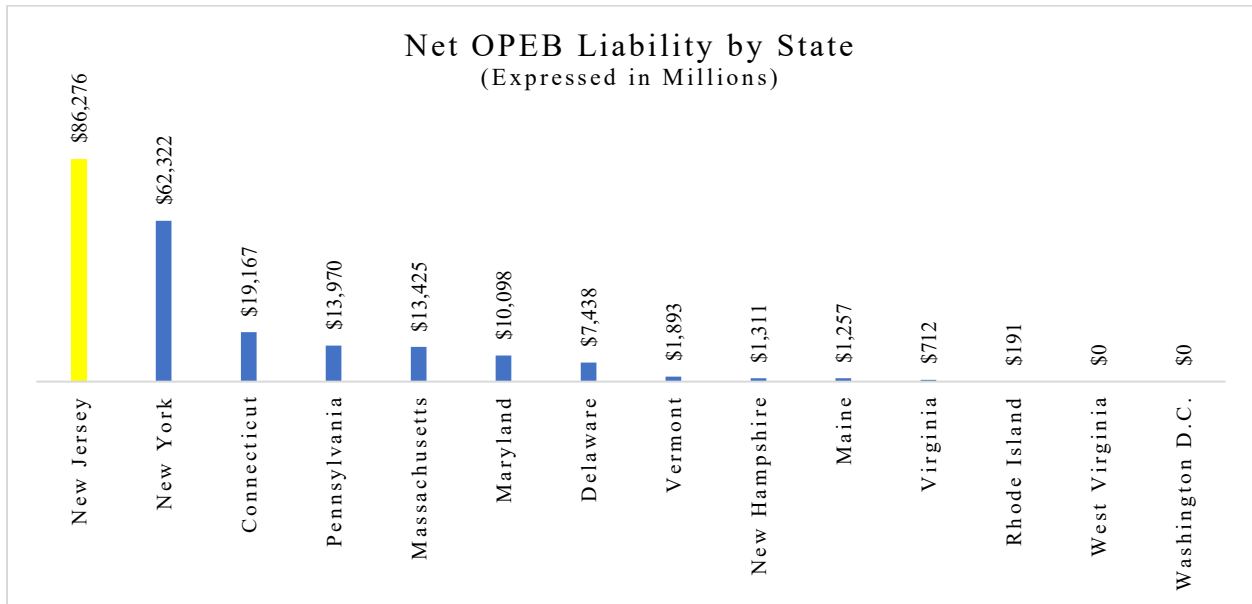
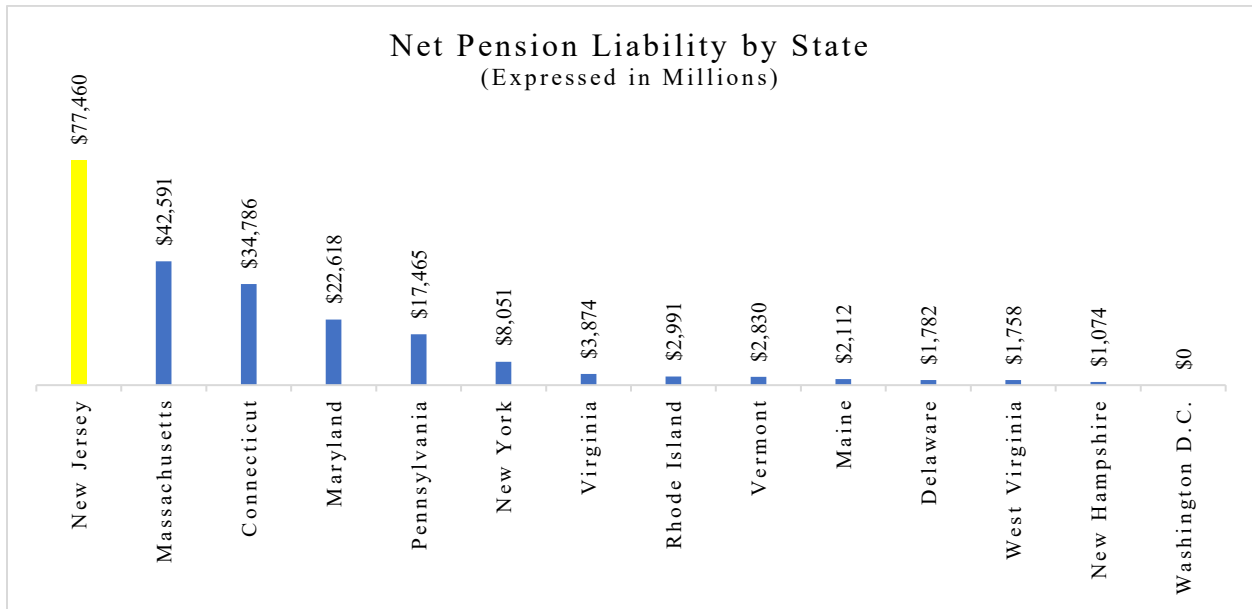


### Net Pension and OPEB Liability

The graph below presents the state’s net pension liability and the long-term portion of the OPEB liability over the past five fiscal years. As of June 30, 2025, the actuarially calculated net pension liability totaled \$77.5 billion, which was a decrease of \$2.0 billion (2.50 percent) from the prior fiscal year. The actuarially determined OPEB liability totaled \$86.3 billion, which was an increase of \$9.4 billion (12.24 percent) from the prior fiscal year.

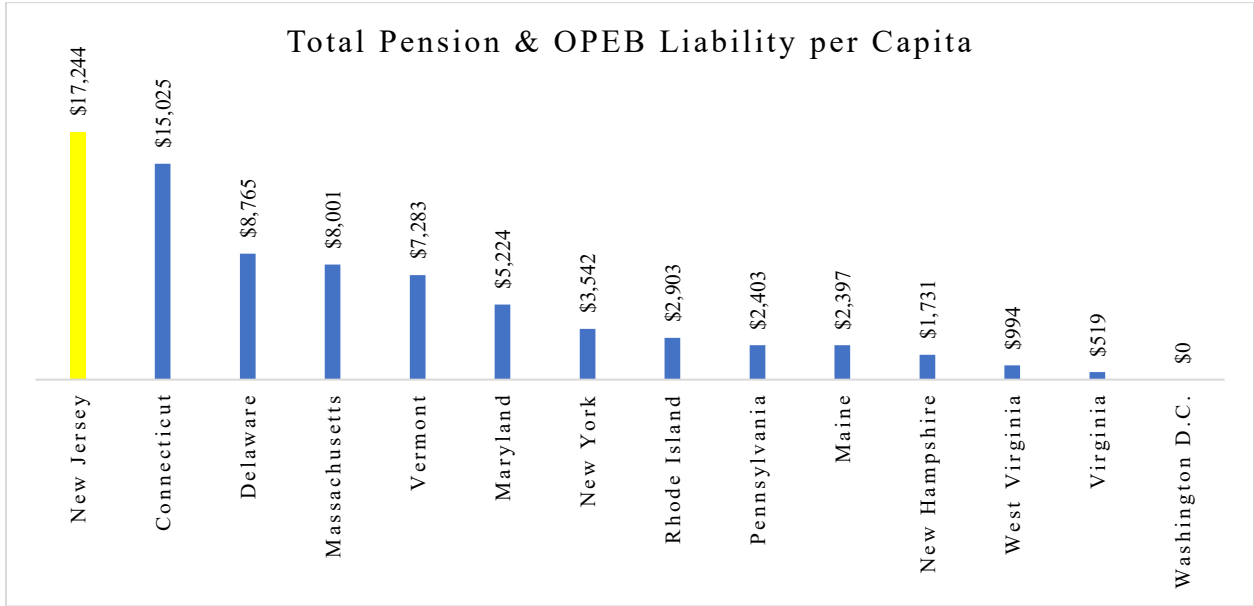


As shown by the graphs below, New Jersey has the highest net pension liability and OPEB liability of any of the other thirteen states in the Mid-Atlantic and Northeastern regions of the United States. This outcome is attributable to New Jersey, until recently, underfunding the actuarially determined employer contribution for pensions for two decades and New Jersey not prefunding its actuarially determined OPEB liability.



The graph on the next page presents each state's total pension and OPEB liability per person based on their respective populations. As shown, New Jersey has the largest total pension and OPEB liability per capita at \$17,244 when compared to the other thirteen states in the Mid-Atlantic and Northeastern regions of the United States.

### Total Pension & OPEB Liability per Capita



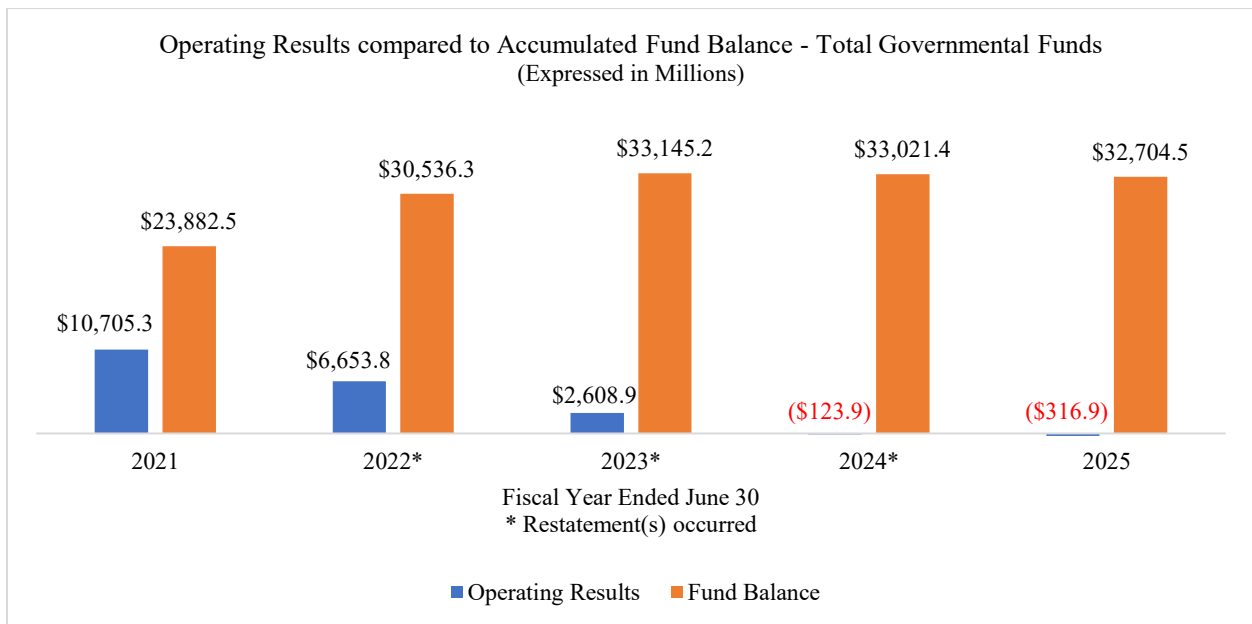
**Section II**  
**Fund Financial Data**  
*(Modified Accrual Basis)*

### *Fund Financial Data (Modified Accrual Basis)*

The fund financial statements present a short-term view of state finances, including both state-budgeted funds and federal funding. They focus on near-term inflows, outflows, and balance of expendable resources, which are used in assessing the state’s financing needs and serve as a useful measure of the government’s net resources available for future spending. The statements are reported using the modified accrual basis (similar to cash basis) of accounting. Revenues are recognized as soon as they are both measurable and available, and expenditures are recognized when the related near-term fund liabilities are incurred. This method is commonly used by government entities because it provides a picture of their current financial resources and obligations.

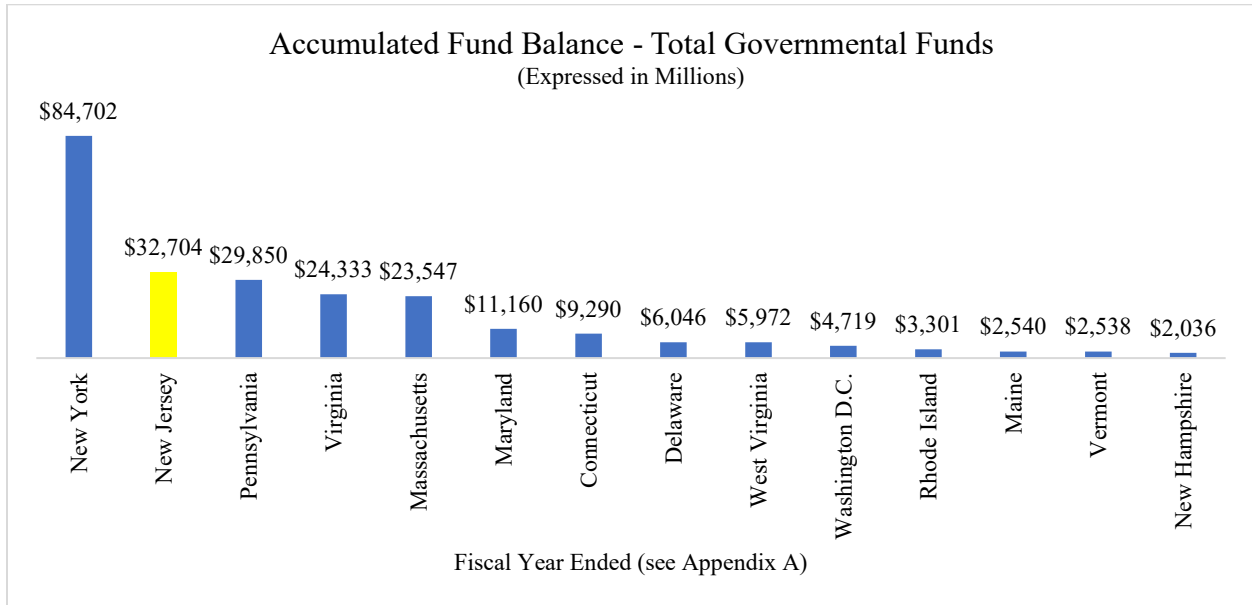
#### Governmental Funds

The graph below presents the operating results and accumulated fund balance for total governmental funds (General Fund, Property Tax Relief Fund, and Non-Major Governmental Funds) for fiscal years 2021 through 2025. During fiscal year 2025, the state’s total fund balance for all governmental funds totaled \$32.7 billion, a \$316.9 million (0.96 percent) decrease from the prior fiscal year. The aggregate fund balance has increased \$8.8 billion (36.94 percent) since fiscal year 2021. However, a significant portion of the \$32.7 billion is restricted by enabling legislation or is otherwise committed. Only the unassigned portion of the fund balance is available for any purpose, while the other portions can be spent only for specific purposes or not spent at all. New Jersey’s only governmental fund with an unassigned fund balance is the General Fund and is shown on page 23.



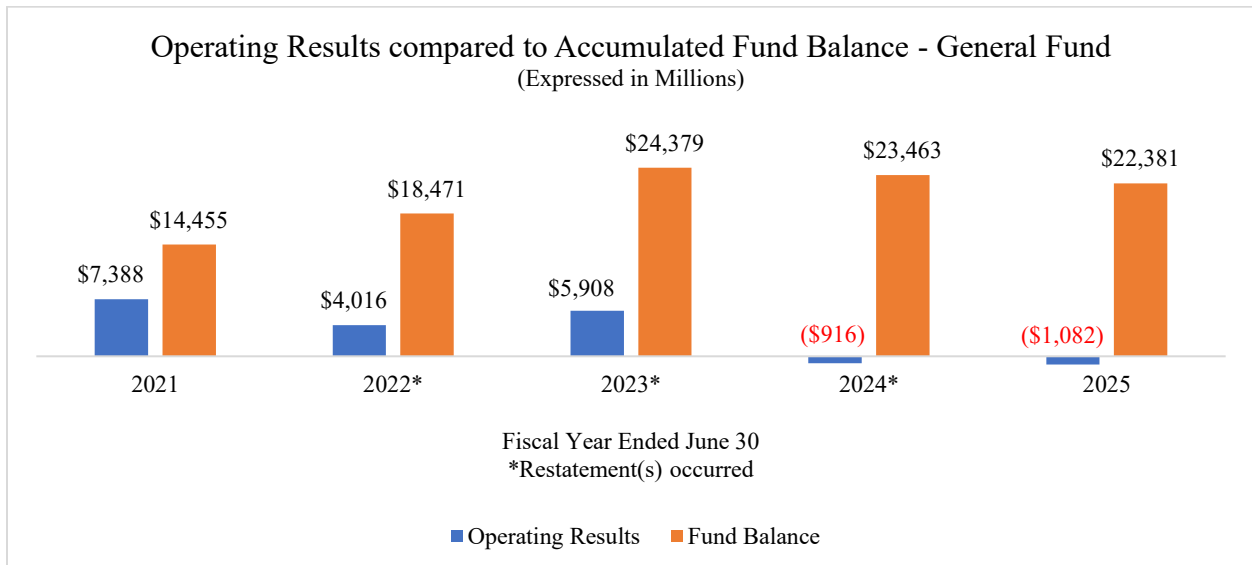
The accumulated fund balance is the residual amount of funds available at the end of the fiscal year. The operating result is the amount the fund balance increased or decreased during the year.

As shown by the graph below, New Jersey has the second highest total governmental fund balance at \$32.7 billion when compared to the other thirteen states in the Mid-Atlantic and Northeastern regions of the United States.



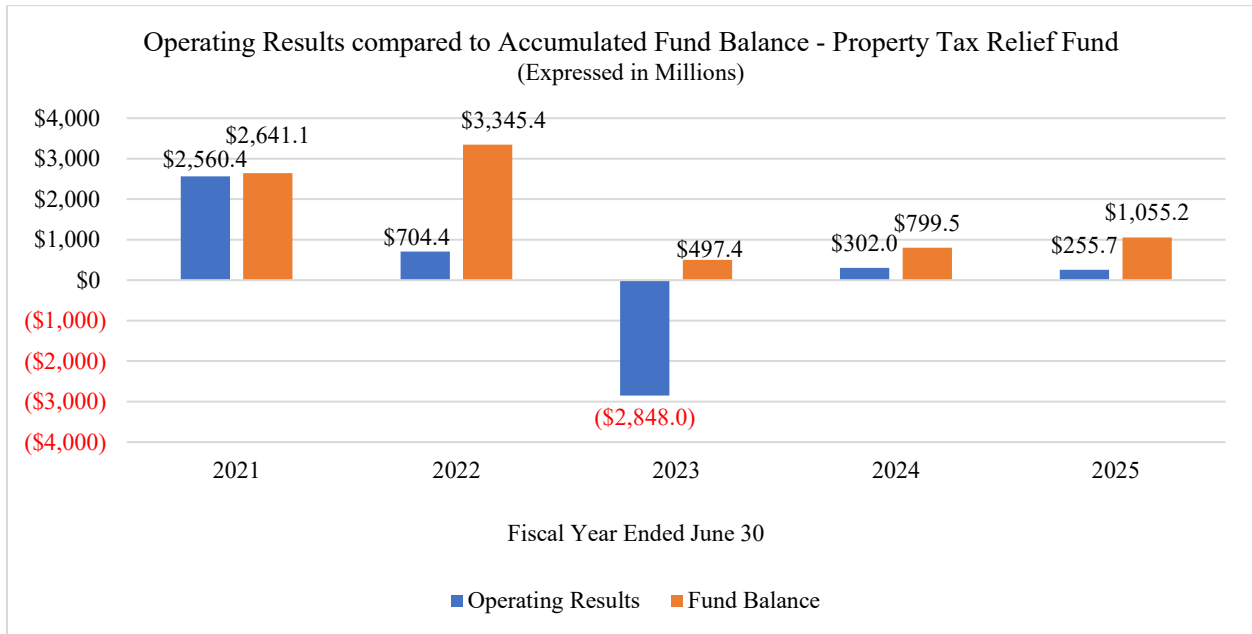
### General Fund

The General Fund is the state’s chief operating fund and is the fund into which all revenues not otherwise restricted by statute are deposited. As shown by the graph below, the fund’s ending balance for fiscal year 2025 totaled \$22.4 billion, a \$1.1 billion (4.61 percent) decrease from the prior fiscal year. The fund balance has increased \$7.9 billion (54.83 percent) since fiscal year 2021.



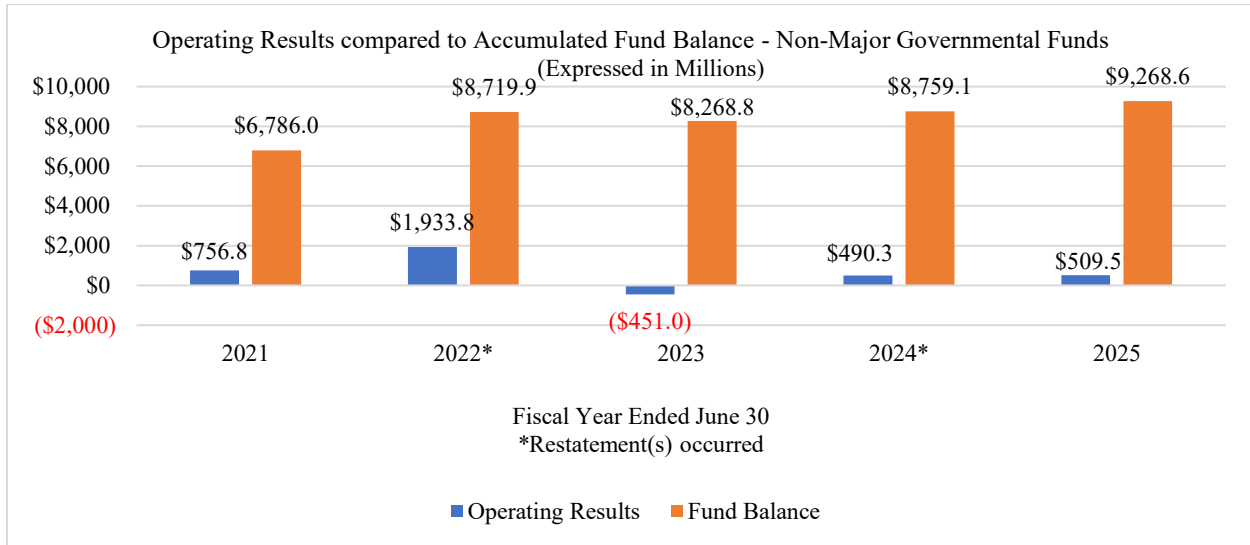
### *Property Tax Relief Fund*

This fund accounts for revenues from the Gross Income Tax and one-half of one 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. As shown by the graph below, the fund’s ending balance for fiscal year 2025 totaled \$1.1 billion, a \$255.7 million (31.98 percent) increase from the prior fiscal year. The reason for the decrease in fund balance from FY 2022 to FY 2023 was mostly due to the ANCHOR property tax rebate program.



### *Non-Major Governmental Funds*

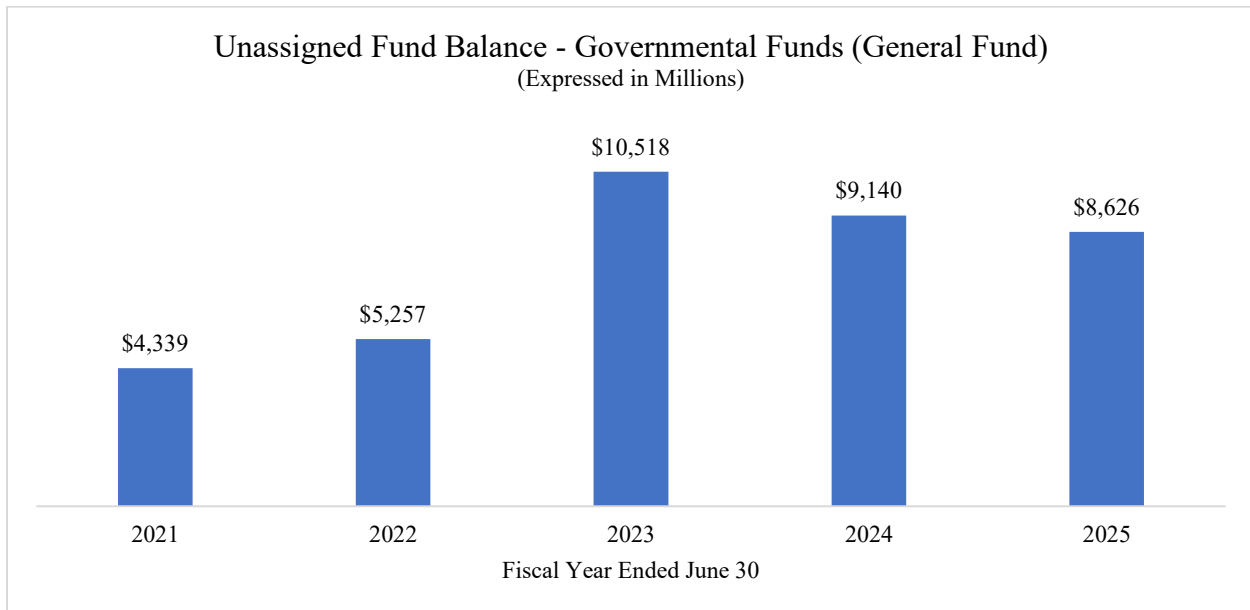
Non-major governmental funds fall within two categories: Special Revenue Funds and Capital Projects Funds. Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Capital Projects Funds are used to account for and report financial resources that are restricted or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. As shown by the graph on the next page, the aggregate ending fund balance for fiscal year 2025 totaled \$9.3 billion, a \$509.5 million (5.82 percent) increase from the prior fiscal year.



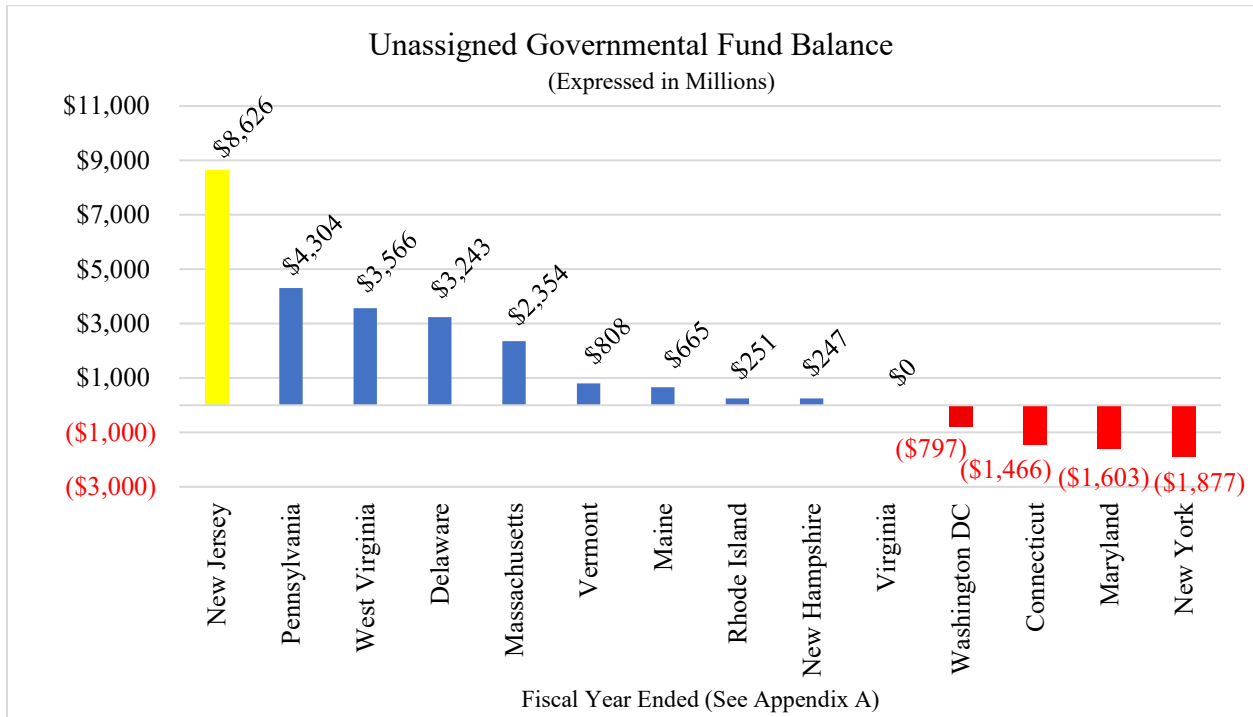
### Unassigned Fund Balance

Unassigned fund balance is the residual classification for the government’s General Fund and includes all amounts not contained in the other classifications (nonspendable, restricted, and committed). The unassigned amounts are available for any purpose.

The graph below presents the unassigned fund balance for the General Fund for fiscal years 2021 through 2025. During fiscal year 2025, the unassigned fund balance totaled \$8.6 billion, which was a decrease of \$514.4 million (5.63 percent) from the previous year. The unassigned fund balance has increased \$4.3 billion (98.77 percent) since fiscal year 2021.



The graph below represents the unassigned governmental fund balance for each state in the Mid-Atlantic and Northeastern regions of the United States compared to New Jersey, based on their most recently published ACFRs (see Appendix A on page 39). As shown by the graph, New Jersey has the largest unassigned governmental fund balance at \$8.6 billion.



**Section III**  
**State Budget Analysis**

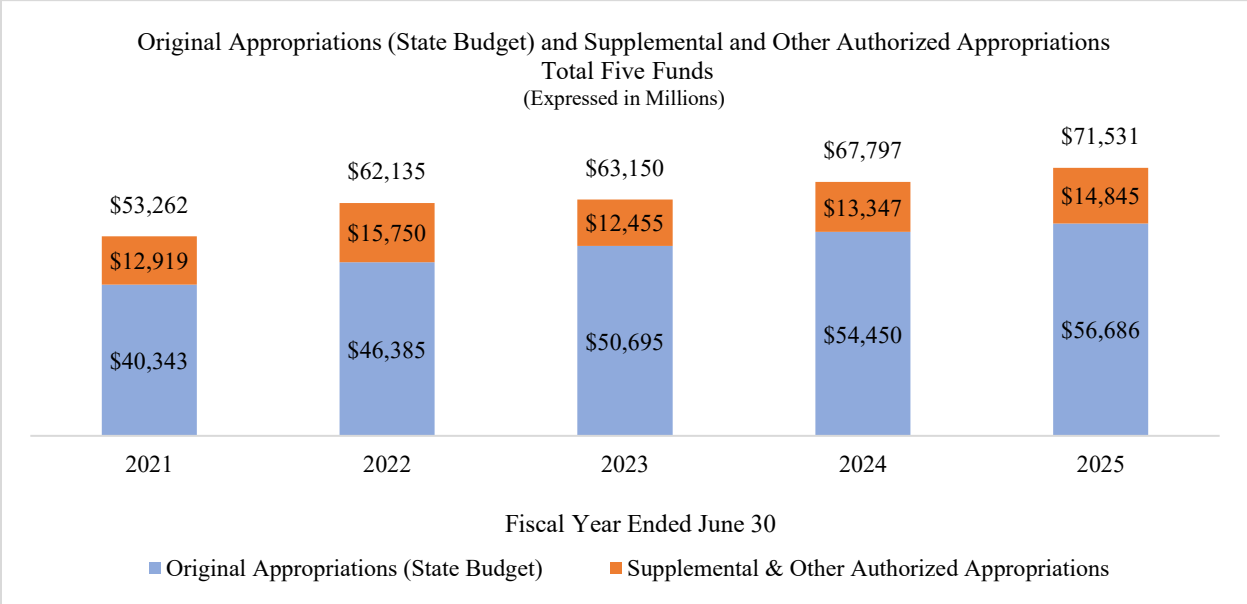
## *State Budget Analysis*

The General Fund, as well as certain Special Revenue Funds (Property Tax Relief, Casino Control, Casino Revenue, and Gubernatorial Elections) within the governmental funds comprise the state's annual Appropriations Act. These five funds represent sources of funding and spending for particular purposes, which are used to prepare the state budget.

- General Fund – represents the collection of all state revenues not otherwise restricted by statute. Most revenues received from taxes, fees, and certain miscellaneous revenue are recorded in this fund.
- Property Tax Relief Fund – financed by revenues from the Gross Income Tax and a portion of the Sales and Use Tax. This fund provides aid to counties, municipalities, and school districts, as well as other property tax relief programs, to offset a portion of an individual's property taxes.
- Casino Control Fund – accounts for fees from the issuance and annual renewal of casino licenses and other licenses fees. Appropriations from this fund are used to fund the Casino Control Commission and the Division of Gaming Enforcement.
- Casino Revenue Fund – the proceeds of the tax on gross revenue generated by the casinos, internet gaming, and sports wagering revenues. Appropriations from this fund must be used to provide for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.
- Gubernatorial Elections Fund – consists of designated contributions by taxpayers for the public financing of gubernatorial elections.

### [Appropriations](#)

The graph on the next page represents the Original Appropriations (state budget) and Supplemental and Other Authorized Appropriations for those five funds in total for fiscal years 2021 through 2025. For fiscal year 2025, those appropriations totaled \$71.5 billion, a \$3.7 billion (5.51 percent) increase from the prior fiscal year. From fiscal year 2021 to 2025, those appropriations of the five funds had an \$18.3 billion (34.30 percent) increase. The original appropriations (shown in blue) represent the approved state budget for each of the fiscal years.



**Anticipated Revenue compared to Original Appropriations**

The table on the next page compares the anticipated revenue to the original appropriations for the five funds (General Fund, Property Tax Relief Fund, Casino Revenue Fund, Casino Control Fund, and Gubernatorial Elections Fund) for fiscal years 2021 through 2025. It also shows the anticipated revenue as a percentage of total original appropriations for those fiscal years.

Anticipated Revenue vs. Original Appropriations			
(Expressed in Millions)			
2025	Anticipated Revenue	Original Appropriations	Percentage of Original Appropriations
General Fund	\$ 33,006.9	\$ 35,301.8	93.50%
Property Tax Relief Fund	\$ 20,803.9	\$ 20,659.1	100.70%
Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund	\$ 696.7	\$ 724.9	96.11%
Total - Five Funds	\$ 54,507.5	\$ 56,685.8	96.16%
2024			
General Fund	\$ 31,561.9	\$ 33,389.6	94.53%
Property Tax Relief Fund	\$ 20,585.6	\$ 20,460.0	100.61%
Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund	\$ 600.9	\$ 600.2	100.12%
Total - Five Funds	\$ 52,748.4	\$ 54,449.8	96.88%
2023			
General Fund	\$ 28,833.2	\$ 26,455.9	108.99%
Property Tax Relief Fund	\$ 20,992.5	\$ 23,706.0	88.55%
Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund	\$ 533.9	\$ 533.2	100.13%
Total - Five Funds	\$ 50,359.6	\$ 50,695.1	99.34%
2022			
General Fund	\$ 24,061.7	\$ 25,700.1	93.62%
Property Tax Relief Fund	\$ 17,797.5	\$ 20,262.1	87.84%
Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund	\$ 419.9	\$ 422.4	99.41%
Total - Five Funds	\$ 42,279.1	\$ 46,384.6	91.15%
2021			
General Fund	\$ 24,840.8	\$ 24,101.6	103.07%
Property Tax Relief Fund	\$ 16,017.5	\$ 15,898.1	100.75%
Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund	\$ 336.9	\$ 343.5	98.08%
Total - Five Funds	\$ 41,195.2	\$ 40,343.2	102.11%

## Appropriations compared to Anticipated Revenue.

The following table compares the total appropriations of the eight categories listed in P.L.2023, c.159 (C.52:27B-46.1) (state aid for education, state municipal aid, state pension liabilities, employer contributions for state healthcare benefits, the state Medicaid program, state support for hospitals, the annual Transportation Capital Program, and programs of direct taxpayer property tax relief) to the total anticipated revenue of the five budgetary funds for fiscal years 2021 through 2025. It also shows the total appropriations for those eight categories as a percentage of the total anticipated revenue for those fiscal years.

Appropriations Compared to Anticipated Revenue			
(Expressed in Millions)			
FY	Total of the Eight Appropriations	Anticipated Revenue of the Five Budgetary Funds	Appropriations as a percent of Revenue
2025	\$ 38,810.1	\$ 54,507.5	71.20%
2024	\$ 37,153.8	\$ 52,748.4	70.44%
2023	\$ 34,651.5	\$ 50,359.5	68.81%
2022	\$ 31,332.5	\$ 42,279.0	74.11%
2021	\$ 27,247.3	\$ 41,195.2	66.14%

## Fund Balance

The fund balances of the five funds can be classified into one or more of the following four categories:

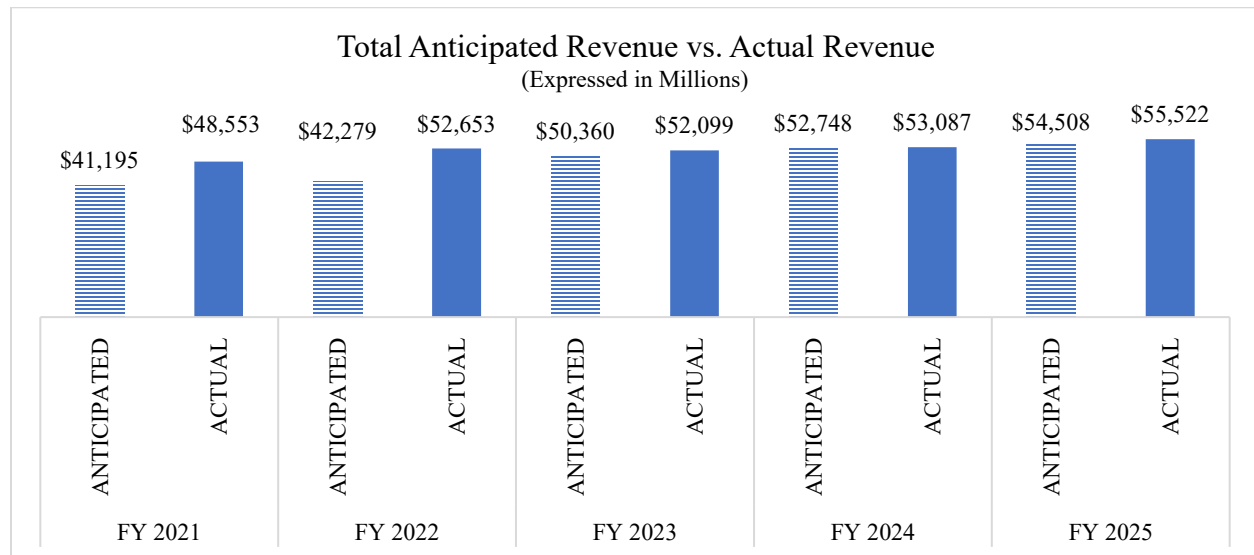
- **Restricted** – fund balance includes amounts that can be spent only for the specific purpose stipulated by external resource providers or imposed by law through constitutional provision or through enabling legislation.
- **Committed** – fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government’s highest level of decision-making authority.
- **Unassigned** – fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are available for any purpose. If another governmental fund has a fund balance deficit, it will be reported as a negative amount in the unassigned classification in that fund.
- **Nonspendable** – fund balance includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (e.g., the principal of a permanent fund).

The following table presents the fund balances (Restricted, Committed, Unassigned, and Nonspendable) in total for the five funds for fiscal years 2021 through 2025. For fiscal year 2025, the fund balances of the five funds totaled \$23.5 billion, which was a decrease of \$756.5 million (3.11 percent) from the prior fiscal year. The unassigned fund balance for fiscal year 2025 totaled \$8.6 billion, a decrease of \$514.5 million (5.63 percent) from the prior fiscal year. From fiscal year 2021 to 2025, the unassigned fund balance increased \$4.3 billion (98.77 percent).

Fund Balances - Five Budgetary Funds					
(Expressed in Millions)					
	2021	2022	2023	2024	2025
Restricted	\$ 5,152.6	\$ 5,815.9	\$ 2,912.1	\$ 3,203.8	\$ 3,737.1
Committed	\$ 7,596.3	\$ 10,813.6	\$ 11,112.6	\$ 11,939.4	\$ 11,164.1
Unassigned	\$ 4,339.5	\$ 5,256.8	\$ 10,518.2	\$ 9,140.1	\$ 8,625.6
Nonspendable	\$ 20.4	\$ 20.4	\$ 20.4	\$ 20.4	\$ 20.4
<b>Total</b>	\$17,108.8	\$ 21,906.7	\$ 24,563.3	\$ 24,303.7	\$ 23,547.2

### Anticipated vs. Actual Revenue

The graph below illustrates the total anticipated and actual revenue collections of the five funds for fiscal years 2021 through 2025. The comparison shows that in fiscal years 2021 through 2025 actual revenue surpassed the projections each year.



The table on the next page shows the state’s anticipated and actual revenue collected, by fund, during the past five fiscal years. These funds play different roles in the state’s financial management, addressing specific needs such as general government operations, programs providing property tax relief, programs benefitting senior citizens, regulations of the casino industry, and election financing. Overall, the funds displayed in the table depict a mix of stable and fluctuating revenue streams, with each fund serving its specific purpose within the state’s

financial management. It also includes the percentage differences between anticipated and actual revenue collections from fiscal year 2021 through 2025.

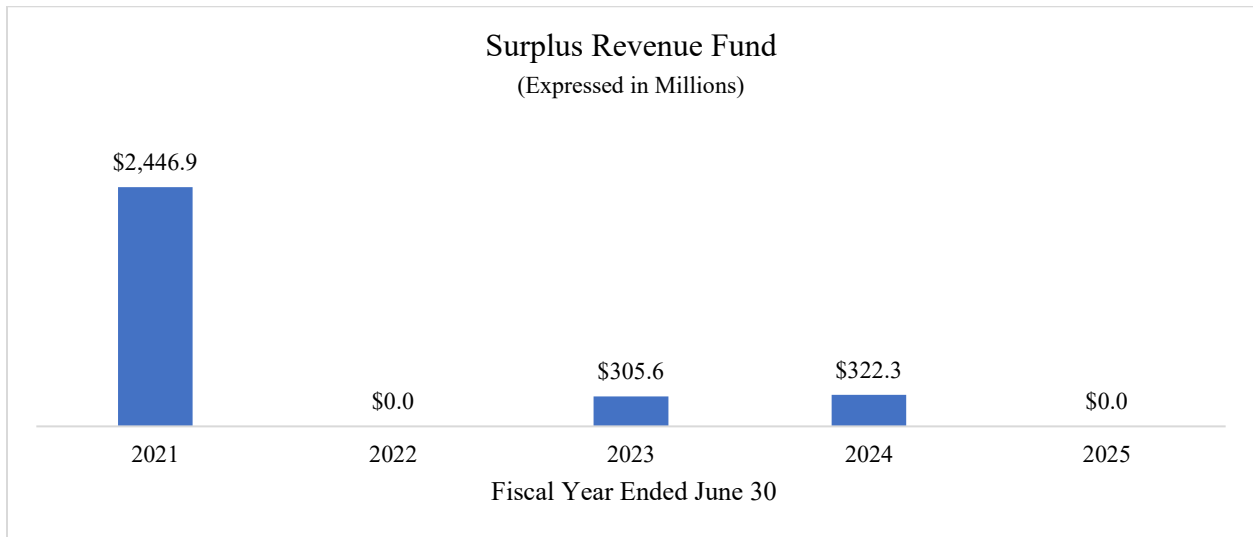
Anticipated Revenue vs. Actual Revenue Collected, by Fund					
(Expressed in Millions)					
General Fund	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Anticipated	\$ 24,840.8	\$ 24,061.7	\$ 28,833.2	\$ 31,561.9	\$ 33,006.9
Actual	\$ 29,721.3	\$ 30,355.7	\$ 31,640.7	\$ 32,443.3	\$ 32,619.8
<i>Percentage Difference</i>	19.65%	26.16%	9.74%	2.79%	-1.17%
Property Tax Relief Fund					
Anticipated	\$ 16,017.5	\$ 17,797.5	\$ 20,992.5	\$ 20,585.6	\$ 20,803.9
Actual	\$ 18,413.8	\$ 21,778.9	\$ 19,894.3	\$ 19,990.1	\$ 22,157.7
<i>Percentage Difference</i>	14.96%	22.37%	-5.23%	-2.89%	6.51%
Casino Revenue Fund					
Anticipated	\$ 275.3	\$ 356.8	\$ 465.1	\$ 526.7	\$ 618.6
Actual	\$ 363.5	\$ 458.0	\$ 500.2	\$ 584.0	\$ 669.6
<i>Percentage Difference</i>	32.04%	28.36%	7.55%	10.88%	8.24%
Casino Control Fund					
Anticipated	\$ 60.9	\$ 62.4	\$ 68.1	\$ 73.5	\$ 77.4
Actual	\$ 54.0	\$ 60.2	\$ 64.0	\$ 69.4	\$ 74.5
<i>Percentage Difference</i>	-11.33%	-3.53%	-6.02%	-5.58%	-3.75%
Gubernatorial Elections Fund					
Anticipated	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7
Actual	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
<i>Percentage Difference</i>	-57.14%	-71.43%	-71.43%	-71.43%	-71.43%
Total					
Anticipated	\$ 41,195.2	\$ 42,279.1	\$ 50,359.6	\$ 52,748.4	\$ 54,507.5
Actual	\$ 48,552.9	\$ 52,653.0	\$ 52,099.4	\$ 53,087.0	\$ 55,521.8
<i>Percentage Difference</i>	17.86%	24.54%	3.45%	0.64%	1.86%

**Section IV**  
**Statistical Section**

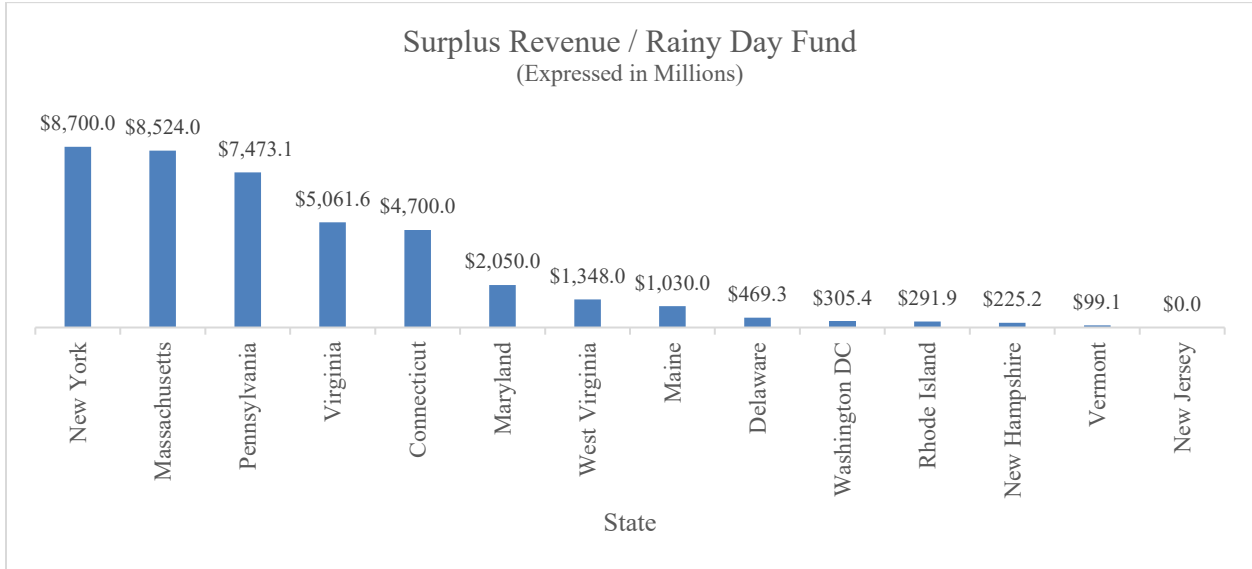
*Statistical Section*

Surplus Revenue

The Surplus Revenue Fund (rainy day fund) is an account within the state’s General Fund, which also may have a surplus (unassigned fund balance). 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 following chart shows the balances of the Surplus Revenue Fund at June 30 of each of the last five years.



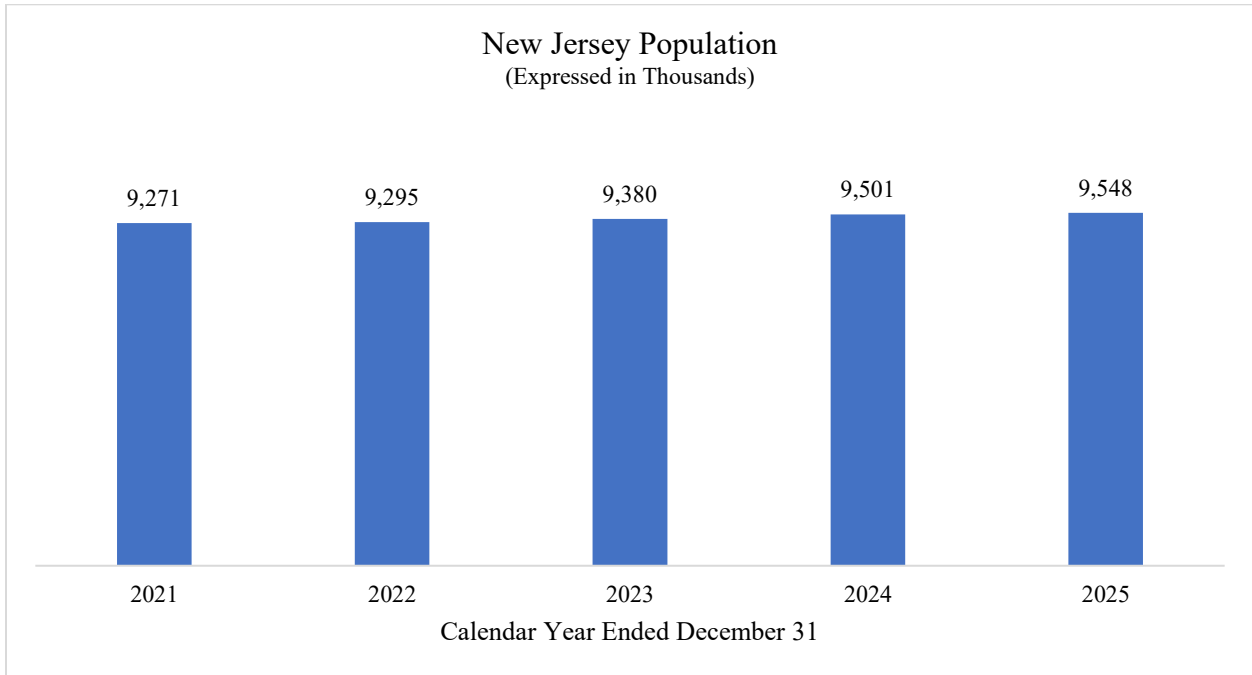
The graph on the next page represents the Surplus Revenue Fund or “rainy day” fund for each state in the Mid-Atlantic and Northeastern regions of the United States compared to New Jersey, based on their most recently published ACFRs. As shown by the graph, New Jersey's Surplus Revenue Fund had a balance as of \$0 as of June 30, 2025.



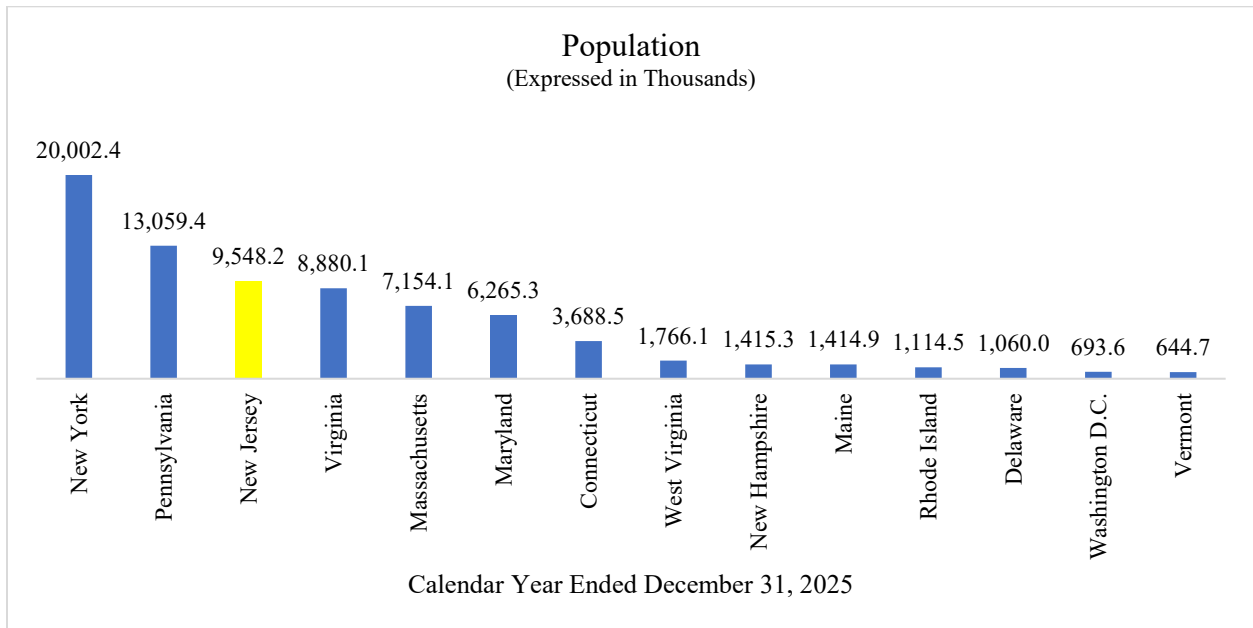
## Economic and Demographic Trends

### *Population*

The graph below represents the state's population from calendar year 2021 through 2025. New Jersey population data for 2021 through 2023 has been revised to reflect adjusted data. The state's population increased by 47,215 individuals from calendar year 2024.

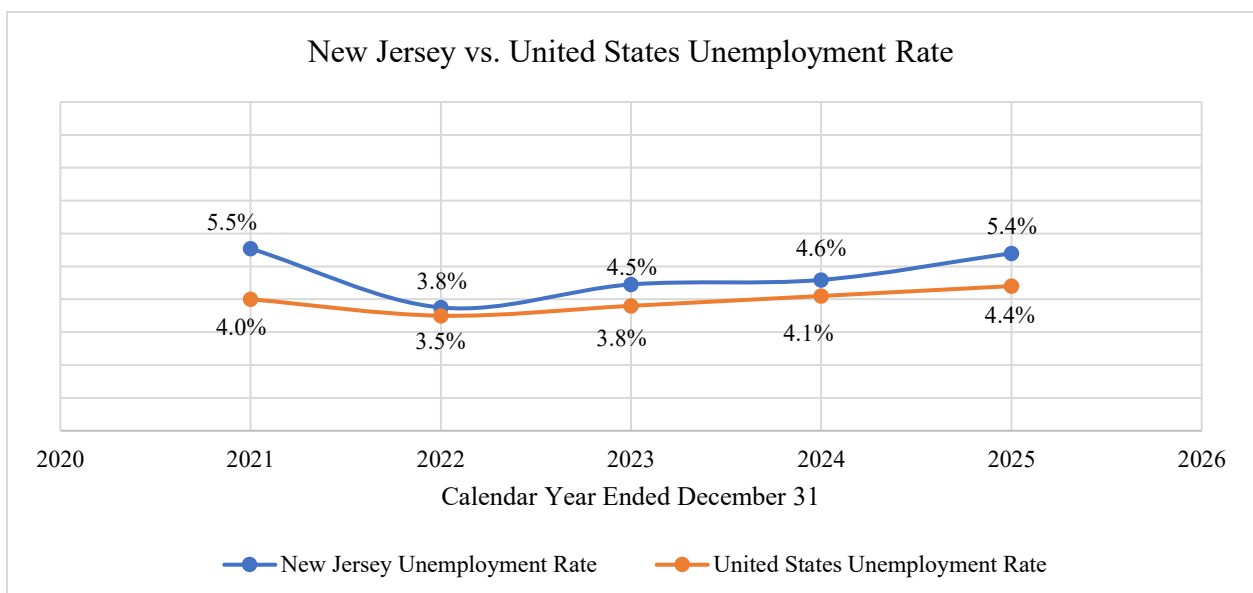


As represented by the graph below, New Jersey has the third highest population at 9.5 million compared to the other thirteen states in the Mid-Atlantic and Northeastern regions of the United States.

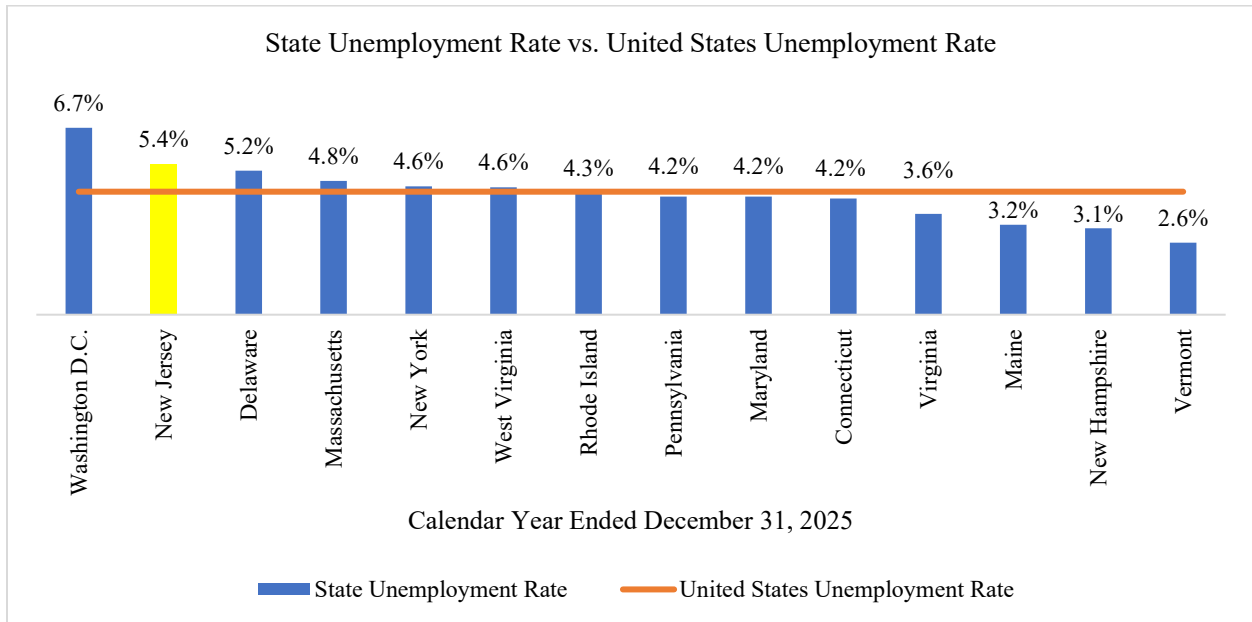


### Unemployment Rate

As presented in the graph below, New Jersey’s unemployment rate of 5.4 percent as of December 31, 2025 was greater than that of the United States rate of 4.4 percent. United States unemployment data for 2021 through 2022 has been revised to reflect adjusted data.

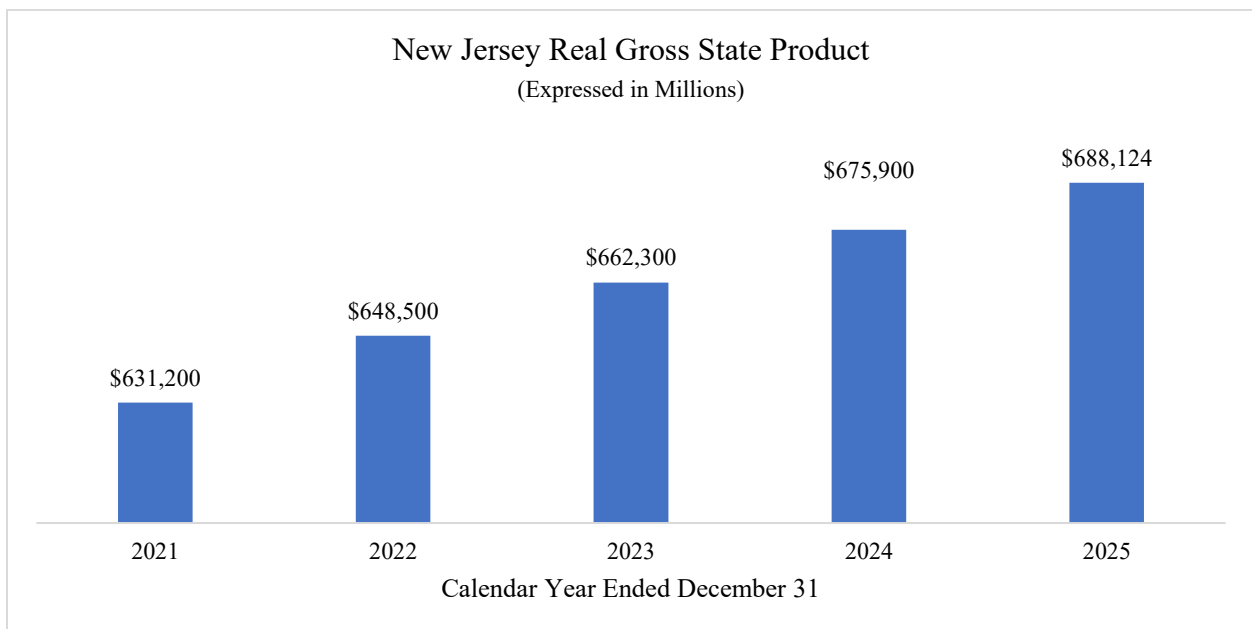


Compared to the other thirteen states, New Jersey’s unemployment rate as of December 31, 2025 was the second highest at 5.4 percent, as shown by the graph below.

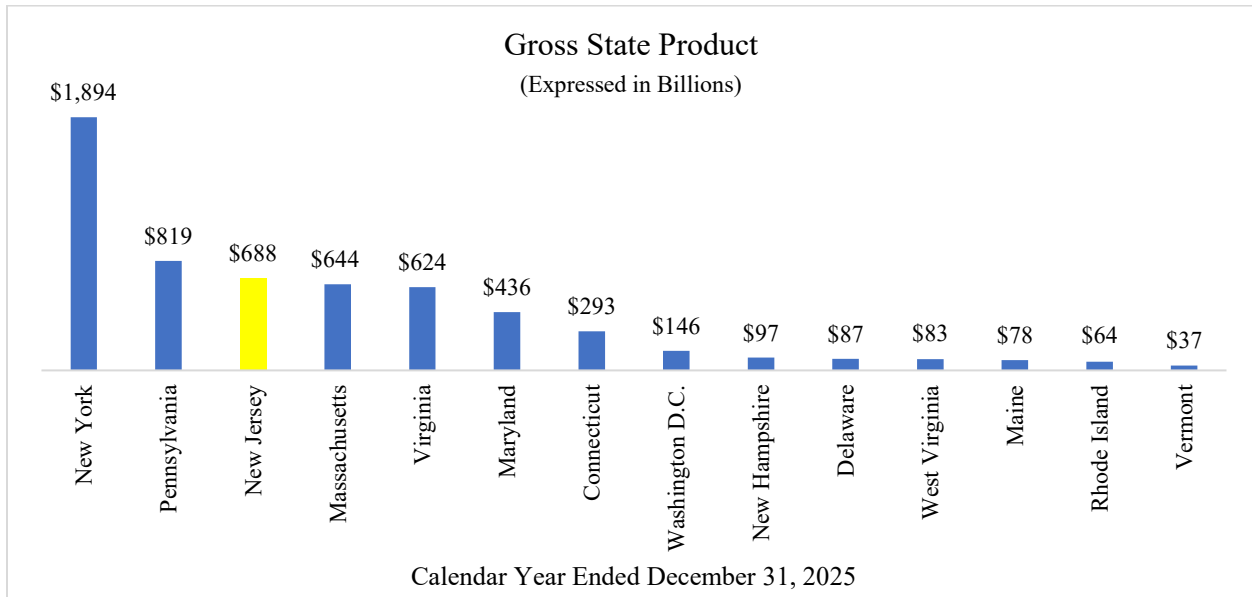


### *Real Gross State Product*

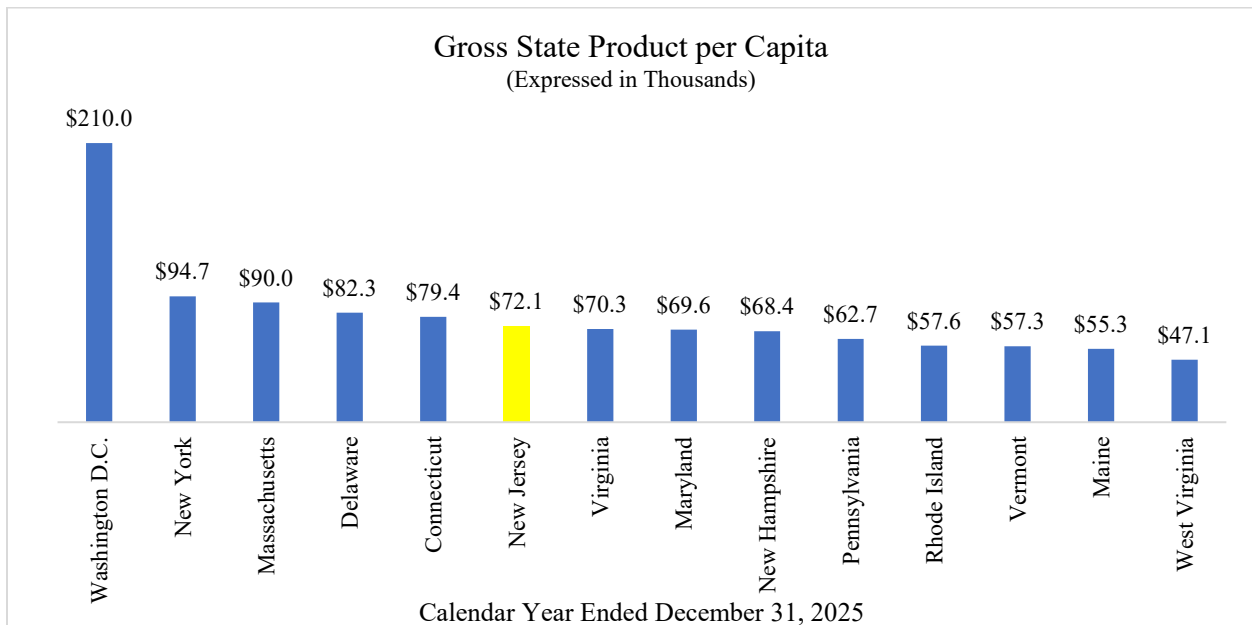
Gross State Product (GSP) is the sum of the total value from all the industries in the state. The state ended calendar year 2025 with a GSP of \$688 billion. This was an increase of \$12.2 billion (1.81 percent) from the previous year and an increase of \$56.9 billion (9.02 percent) since calendar year 2021.



As of December 31, 2025, New Jersey had the third highest GSP of the thirteen states, as shown by the graph below.



The graph below measures economic output per person by dividing the state’s GSP by population. As of December 31, 2025, New Jersey had the sixth largest GSP at \$72.1 million per capita compared to the other thirteen states.



## **Appendices**

## Appendix A

### Annual Comprehensive Financial Reports (ACFRs)

The table below presents the ACFRs that were used to compile information and data used in this report. At the time of this report, Massachusetts and Rhode Island were the only states that had not issued their 2025 fiscal year ACFR.

Annual Comprehensive Financial Report (ACFR)			
State	Region	Fiscal Year Ended	Issue Date
Connecticut	Northeastern	6/30/2025	February 27, 2026
Delaware	Mid-Atlantic	6/30/2025	December 23, 2025
Maine	Northeastern	6/30/2025	December 12, 2025
Maryland	Mid-Atlantic	6/30/2025	January 28, 2026
Massachusetts	Northeastern	6/30/2024	April 29, 2025
New Hampshire	Northeastern	6/30/2025	December 23, 2025
New Jersey	Mid-Atlantic/Northeastern	6/30/2025	March 27, 2026
New Jersey	Mid-Atlantic/Northeastern	6/30/2024	March 28, 2025
New Jersey	Mid-Atlantic/Northeastern	6/30/2023	March 27, 2024
New Jersey	Mid-Atlantic/Northeastern	6/30/2022	April 10, 2023
New Jersey	Mid-Atlantic/Northeastern	6/30/2021	May 25, 2022
New York	Mid-Atlantic/Northeastern	3/31/2025	September 1, 2025
Pennsylvania	Mid-Atlantic/Northeastern	6/30/2025	December 18, 2025
Rhode Island	Northeastern	6/30/2024	March 21, 2025
Vermont	Northeastern	6/30/2025	December 23, 2025
Virginia	Mid-Atlantic	6/30/2025	December 15, 2025
Washington D.C.	Mid-Atlantic	9/30/2025	January 23, 2026
West Virginia	Mid-Atlantic	6/30/2025	December 19, 2025

## Appendix B

### Economic and Demographic Data

The following websites were used to compile the calendar year 2025 information and data used for the Economic and Demographic Trends in Section IV:

- Bureau of Economic Analysis ([bea.gov](http://bea.gov))
- Stats America ([StatsAmerica.org](http://StatsAmerica.org))
- U.S. Bureau of Labor Statistics ([bls.gov](http://bls.gov))

Information and data used from these sources were current as of April 10, 2026.

## Appendix C

### Definitions

#### *Accounting*

**Annual Comprehensive Financial Report (ACFR)** – presents the financial position and operating results of the state under generally accepted accounting principles (GAAP) applicable to state and local governments, as established by the Governmental Accounting Standards Board (GASB).

**Full Accrual Basis of Accounting** – is a method used to recognize revenues, expenses, assets, and liabilities in financial reporting, typically followed by private sector entities and certain governmental entities for specific reporting purposes. This method differs from a cash basis and is consistent with the principles of generally accepted accounting principles (GAAP) and provides a comprehensive view of an organization’s financial position and operations.

**Modified Accrual Basis of Accounting** – is a method used primarily by governmental entities for recording revenues and expenditures. It combines certain elements of both cash basis and accrual basis of accounting. It more closely reflects a short-term view of assets convertible to cash and the flow of funds from operations. Certain short-term accruals and loans receivable are also recognized under this basis.

**Primary Government** – a primary government is defined by the Governmental Accounting Standards Board (GASB) as a state or general-purpose local government, such as a state, city, town, village, or county, that meets certain criteria established by the GASB. The State of New Jersey is considered the primary government in this report because it has the legal authority and responsibility for delivering a wide range of public services, including education, transportation, law enforcement, public health, and welfare. The primary government is separate from the independent entities such as colleges, universities, and authorities.

#### *Revenue*

**Charges for Services** – are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program’s goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments.

**General Taxes** – are revenues from taxes collected on income and profits, payroll taxes, taxes on the ownership and transfer of property, taxes levied on goods and services, and other taxes. The three major taxes are: Gross Income Tax (GIT), Sales and Use Tax, and Corporate Business Tax.

**Interest Earnings** – are revenues from money earned from investments or money deposited in a bank account.

**Miscellaneous** – are revenues from any other source, which are deposited into the General Fund.

**Operating and Capital Grants** – are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. This includes federal revenue programs.

*Expense and Expenditure*

**Expense** – An expense is reported on the income statement in the period in which the cost matches the related sales, has expired, was used up, or had no future value. An expense may or may not represent a cash disbursement.

**Expenditure** – An expenditure is a payment or disbursement. The expenditure may be for the purchase of an asset, a reduction of a liability, a distribution to the owners, or it could be payment in the same accounting period as the amount becomes an expense.

*Long-Term Bonded Debt*

**General Obligation Bonds** – Government-issued bonds that are repaid from state or local general funds or a dedicated tax.

**Installment Obligations** – Installment Obligations represent agreements between the state and several authorities, such as the Schools Development Authority, that have issued bonds for the purpose of purchasing or constructing facilities to be rented by the state or to provide financing for other state projects.

**Certificates of Participation** – These obligations represent two separate contracts with several lines of credit that were drawn on to finance state equipment needs through the state’s Master Lease Program, as well as an energy master lease program.

**Revenue Bonds Payable** – A revenue bond is a category of bond supported by revenue such as the gas tax to fund transportation projects.

*Non-Bonded Debt*

**Net Pension Liability** – represents the liability of employers and nonemployer contributing entities to employees for defined benefit pensions. The liability is actuarially measured as the portion of the present value of projected benefit payments to be provided through the pension plans to current active and inactive employees that is attributed to those employees’ past periods of service (total pension liability), less the amount of the pension plans’ fiduciary net pension.

**Other Postemployment Benefits (OPEB) Liability** – are actuarially determined future costs that the state is required to pay its active, inactive, and retired employees as part of their package of retirement benefits, excluding pension benefits.