



The State of
New Jersey
CAFR

Comprehensive
Annual
Financial Report



Fiscal Year
Ended
June 30, 2018

Philip D. Murphy, Governor

Sheila Y. Oliver, Lt. Governor

State of New Jersey



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2018

Philip D. Murphy
Governor

Sheila Y. Oliver
Lieutenant Governor

Elizabeth Maher Muoio
State Treasurer

David Ridolfino
Acting Director
Office of Management and Budget

Michael A. Griffin
Associate Director
Financial Management

Lynn Azarchi
Deputy Director
*Office of Management and
Budget*

James F. Kelly
Assistant Director
Financial Reporting

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**STATE OF NEW JERSEY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2018
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SECTION





State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

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State Treasurer

DAVID RIDOLFINO
Acting Director

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April 30, 2019

Governor Philip D. Murphy
Members of the State Legislature
New Jersey Citizens

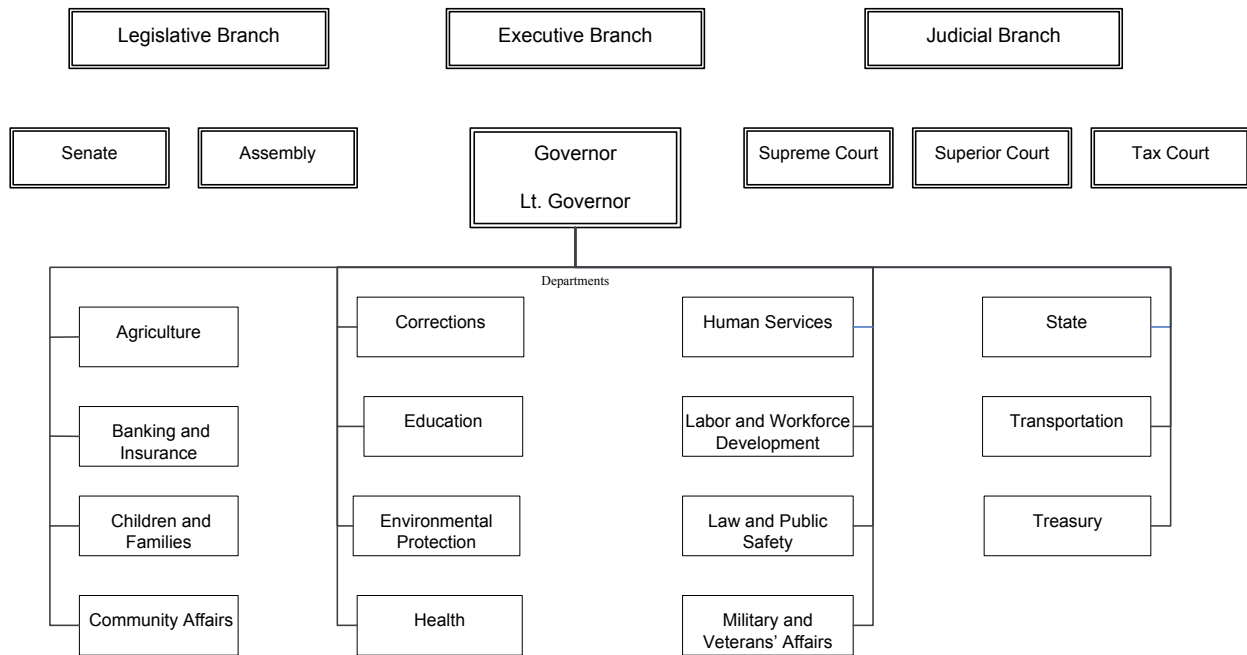
In accordance with the provisions of N.J.S.A.52:27B-46, it is our pleasure to transmit to you the State of New Jersey's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The Department of the Treasury's Office of Management and Budget prepared this report. The Department of the Treasury and the Office of Management and Budget are responsible for the accuracy, completeness, and fairness of all data presented, including all disclosures.

This CAFR 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). The State also participates in the Government Finance Officers Association (GFOA) of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting review program.

The State operates in accordance with the standards provided in GASB Statements No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. In addition to providing traditional fund financial statements, the objective of this reporting model is to provide a single, unified, transparent picture of the State's fiscal health; thus, this CAFR clearly displays all of the State's revenues, costs, assets, and liabilities. This report also includes a Management's Discussion and Analysis section, which provides users with an objective and easy-to-read analysis of New Jersey's financial performance for the fiscal year ended June 30, 2018. We are confident that the data is accurate in all material respects and presented in a manner designed to set forth fairly the financial position and results of the State's operations, as measured by the fiscal activity of its various funds, and includes all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs.

NEW JERSEY GOVERNMENT

The State of New Jersey was one of the original 13 colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the General Election held November 4, 1947. The State Constitution divides the powers of government between three co-equal independent branches: Legislative, Executive, and Judicial.



Legislative: The State’s bicameral Legislative Branch, which consists of a total of 120 members from 40 legislative districts with elections held in odd-numbered years, meets in annual sessions in Trenton, the State’s capital. The 40 members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The 80 members of the General Assembly are elected to terms of two years. Neither State Senators nor Assembly Members are subject to term limits. The Office of Legislative Services (OLS) is a nonpartisan agency that provides legislators with legal, fiscal, research, information, and administrative services. Key OLS positions include an executive director, a legislative counsel, the State Auditor, a legislative budget and finance officer, a director of central staff, a director of data management, and a director of administration.

Executive: The Office of the Chief Executive, which oversees the entire Executive Branch, consists of the Governor, the Lieutenant Governor, Cabinet-level department heads, and staff who are responsible for carrying out the Governor’s constitutional powers and duties. Upon direct election by a plurality of the State’s voters, both the Governor and the Lieutenant Governor may serve two successive terms of four years. With the exception of the Secretary of Agriculture, who is chosen by the Board of Agriculture with the Governor’s approval, the New Jersey State Constitution grants the Governor the authority to appoint the entire cabinet as well as all Superior Court Judges and county prosecutors, subject to confirmation by the New Jersey Senate. Department heads remain in office until their successors are named and confirmed by the Senate; the only exceptions are the Attorney General and the Secretary of State, who are appointed to serve throughout the Governor’s entire term. Although the State Constitution permits a maximum of 20 departments, the State’s payroll consisted of approximately 55,110 employees in 15 departments as of January 2018. The Executive Branch also oversees the performance of 565 municipalities and 590 school districts, and the incarceration and rehabilitation of 16,666 prisoners. In addition to reliable transportation and protection for the State’s citizenry and environment, the Executive Branch provides social services for one out of every five New Jersey citizens.

Judicial: New Jersey’s Supreme Court consists of a Chief Justice, who is the administrative head of all courts under the State’s jurisdiction, as well as six Associate Justices. In addition to Municipal and Tax Courts located throughout the State, there are Superior Courts, with a minimum of two Judges, in each of New Jersey’s 21 counties. After nomination by the Governor and subsequent confirmation by the State Senate, all Supreme Court Justices and Superior Court Judges serve initial terms of seven years. Should they be deemed eligible by both the Governor and the State Senate, Supreme Court Justices and Superior Court Judges acquire tenure with retirement at age 70 as mandated by the State Constitution. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately 6.9 million new cases are filed in New Jersey’s courts every year, including 6.1 million in Municipal Court and 0.8 million in Superior Court. These cases address matters concerning civil, criminal, and family law.

COLLEGES AND UNIVERSITIES

As of July 1, 2018, the higher education system in New Jersey includes four public research universities, seven State colleges and universities, 19 community colleges, 15 independent four-year colleges and universities, 11 proprietary institutions with degree-granting authority, 27 Talmudic institutions and theological seminaries, and one independent two-year religious college. In November 2012, New Jersey voters approved the \$750 million “Building our Future Bond Act” (P.L. 2012, c.141), and in addition to this Act the State has authorized an additional issuance from four higher education funding programs in the aggregate amount of \$925 million. These four programs are the Higher Education Capital Improvement Fund (CIF), the Higher Education Facilities Trust Fund (HEFT), the Higher Education Technology Infrastructure Fund (HETI), and the Higher Education Equipment Leasing Fund (ELF) for a total authorization of \$1.675 billion.

COMPONENT UNITS

In accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, this CAFR for fiscal year ended June 30, 2018, includes the accounts of 20 public authorities and 11 State public colleges and universities. Public authorities are legal, separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage and set policies for the organization. Each component unit is established for a specific purpose for the benefit of the State’s citizenry. GASB Statement No. 14 provides that the State’s financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, Management’s Discussion and Analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units.

Executive Order No. 122, signed on July 23, 2004, was established to direct the Board of Directors for each State authority, commission, board, and council to create an Audit Committee whose members are to assist in the oversight of the financial reporting and audit processes of the entities. Each member of the Audit Committee is independent of the entity, with at least one member having a background in accounting or related financial expertise. The Audit Committee must assist the Board in retaining an independent auditor to conduct an audit. The auditor selection process must be based on public, competitive bidding principles and shall take place no less than once every five years. In order to ensure the independence of the auditor selection process, an evaluation committee shall be established by the Board to conduct the solicitation and evaluation of eligible auditors. The auditor selected shall report directly to the Audit Committee or the Board. At no time shall the auditor report to any staff member of the entity. At least twice a year, the Audit Committee shall hold a private meeting with the auditor. In carrying out these duties, the Audit Committee shall proactively assist the Board in overseeing the integrity and quality of the entity’s financial statements, the entity’s compliance with legal, regulatory, and ethical requirements, the auditor’s performance and ability to perform, and the performance of the entity’s own internal audit and internal control functions.

BUDGET AND ACCOUNTING

Legal Level of Control

The State’s annual Appropriations Act includes the General Fund, as well as certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief). The departments maintain legal control at the appropriation line item level and exercise budgetary control by individual appropriations and allocations within annual appropriations to various programs and major expenditure objects. Program classifications represent a lower level operating program function, consisting of closely related activities with identifiable objectives or goals. Revisions to the annual Appropriations Act, reflecting program changes or interdepartmental transfers of an administrative nature, may be effected during the budget year with certain Executive and Legislative Branch approvals. Language, located in the “General Provisions” section of the State’s annual Appropriations Act, enables management to amend a department’s budget with approval by the Director of the Office of Management and Budget; under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

Accounting Systems

The Office of Management and Budget directs and supervises a central accounting system, which maintains all accounting records for the various State departments. The State's annual budget provides individual appropriations to departments for specific programs and purposes, while component units maintain separate accounting systems.

To ensure expenditures do not exceed appropriations and allocations, the State employs encumbrance accounting. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at fiscal year's end.

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and guarantee that financial records are reliable for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and the evaluation of costs and benefits requires managerial estimates and judgments. All internal control evaluations occur within this framework.

RELEVANT FINANCIAL POLICIES

The New Jersey State Constitution, which mandates an annual balanced budget, directs, in part, that no money shall be drawn from the State Treasury but for appropriations made by law and that no law appropriating money for any State purpose shall be enacted if the appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of the revenue on hand and anticipated to be available to meet such appropriations during such fiscal period, as certified by the Governor. Accordingly, during the fiscal year, the State may have to make several revenue and expenditure adjustments to ensure a positive fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

Created as a "rainy day fund," the Surplus Revenue Fund is part of the General Fund's resources and fund balance, and accounts for excess revenues from prior fiscal years that are reserved legislatively and may be used to support current year's appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and to be expended during economic downturns and emergency situations. Such an example occurred during Fiscal Year 2009 when, in response to the national recession, the State drained its entire Surplus Revenue Fund to help balance its budget. As of June 30, 2018, this Fund continued to have a zero balance.

The State employs a budgetary basis of accounting for all of its annual fiscal transactions. The budgetary basis differs from the GAAP basis, which is used to present fund financial statements, in that the former: 1) recognizes encumbrances as expenditures, 2) recognizes all federal revenues related to such encumbrances, and 3) reflects only current fiscal year transactions. The GAAP basis also requires that certain grants and other financial assistance be recorded as revenues and/or expenditures.

FINANCIAL TRENDS

Lottery Enterprise Contribution Act

In accordance with the Lottery Enterprise Contribution Act, L. 2017, c.98 (LECA), and a Memorandum of Lottery Contribution (MOLC), dated July 5, 2017 and effective as of June 30, 2017, the State's lottery and related assets, including intellectual property, (the "Lottery Enterprise") was contributed to Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS), and Police and Firemen's Retirement System (PFRS) for a 30-year term (the "Lottery Contribution"). Under LECA, the Department of the Treasury, Division of the State Lottery ("State Lottery Division") will continue to operate the Lottery Enterprise with a goal of maximizing net proceeds for the benefit of the applicable Pension Plans.

Neither LECA nor the MOLC contain a provision permitting the termination of the contribution prior to the end of the 30-year term. However, a future legislature and administration could pass legislation to reverse the contribution prior to the expiration of its term. Any termination of the Lottery Contribution could implicate the exclusive benefit rule of the Internal Revenue Code, which requires the assets of the Pension Plans to exist for the exclusive benefit of their members in order for the

Pension Plans to qualify for the favorable tax treatment under the Internal Revenue Code. The term of the contribution of the Lottery Enterprise will expire at the start of Fiscal Year 2048, and the Lottery Enterprise will revert back to the State.

Pursuant to LECA, the Lottery Enterprise has been contributed to certain eligible State Retirement Systems for a thirty (30) year term. LECA had a neutral budget impact in Fiscal Year 2018. In Fiscal Year 2018, appropriations of State Aid for Education or State Institution Programs which were previously supported by net proceeds of the State Lottery are now funded through appropriations from the General Fund or the Property Tax Relief Fund, as applicable. This is possible because LECA provides for a Special Asset Adjustment to the amount of the annual actuarially recommended contribution to the eligible State Retirement Systems of \$1,000,976,874 for Fiscal Year 2018, alleviating the need for aggregate appropriations from the General Fund and the Property Tax Relief Fund to the eligible State Retirement Systems in that same amount.

Both the legislation and the MOLC require that retained assets and liabilities of the Lottery existing prior to the transfer date (July 1, 2017), not be transferred to the Pension Plans for a thirty-year term. This requirement compels the Division of State Lottery to maintain two general ledgers. The residual State Lottery Fund ledger accounts for all activity associated with those pre-existing assets and liabilities and a new general ledger accounts for all the obligations and assets resulting from lottery sales and games emanating on and after the July 1, 2017, the transfer date.

NJ Transportation Trust Fund Authority Legislative Reauthorization

On October 14, 2016, legislation was enacted reauthorizing the New Jersey Transportation Trust Fund Authority (TTFA) for a period of eight fiscal years. The eight year plan assumes a \$16.0 billion capital program which includes \$3.2 billion set-aside for Local Aid projects. Combined with anticipated federal funds, the entire capital program is expected to total \$32.0 billion.

The legislation reauthorizing the TTFA capital program impacted several State taxes. They are as follows:

- **Sales and Use Tax**
Effective January 1, 2017, the Sales and Use Tax was reduced to 6.875 percent from its previous 7.00 percent rate. Further, on January 1, 2018, the Sales and Use Tax was reduced to 6.625 percent from the previous 6.875 percent rate.
- **New Jersey's Estate Tax**
The Estate Tax was phased out, replacing the previous \$675,000 threshold with a \$2 million exclusion after January 1, 2017. The Estate Tax rate was reduced to zero percent as of January 1, 2018.
- **New Jersey's Earned Income Tax Credit**
The Earned Income Tax Credit for the working poor rose to 35 percent from 30 percent beginning in tax year 2016. A separate law signed in 2018 by Governor Murphy will gradually increase the credit to 40 percent of the federal Earned Income Credit over the next three years. Under the first step, the state benefit amount has increased to 37 percent for tax year 2018.
- **Gross Income Tax**
The TTFA legislative reauthorization provided a personal exemption on State income taxes for all New Jersey veterans honorably discharged from active service in the military or the National Guard.
- **Petroleum Products Gross Receipts Tax**
Effective November 1, 2016, the tax imposed under the Petroleum Products Gross Receipts Tax (PPGRT) increased in three major components: 1) a 12.85 percent increase in the tax rate on highway fuel with a phase-in of the diesel component; 2) a 4.25 percent increase in the tax rate on non-motor fuels; and 3) an additional four cents per gallon tax on diesel fuels that began in Fiscal Year 2018.

On November 8, 2016 the citizens of New Jersey voted in favor of a constitutional amendment. The amendment had the following effect:

- The amendment dedicated all Motor Fuels Tax revenue and Petroleum Products Gross Receipts Tax to the State transportation system. This amendment includes the Petroleum Products Gross Receipts Tax increase detailed above; and
- The amendment authorized \$12.0 billion of bonding capacity for the TTFA to cover project costs.

Revenue History

The State reported Fiscal Year 2018 revenue collections of \$35.8 billion or 4.9 percent above Fiscal Year 2017 revenue collections of \$34.1 billion. The New Jersey labor market continues to expand and unemployment is at 3.9 percent as of December 2018 with labor force participation fairly stable the last several months. With the current Fiscal Year 2019 revenue estimate projected to be \$37.4 billion, the State's economic recovery trend remains optimistic. The Statistical Section provides a 10-year history of State-budgeted revenue collections.

Pension and Other Postemployment Benefits (OPEB) Obligations

In Fiscal Year 2018 the State funded the various defined benefit pension systems at 5/10th of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2017, which is required to be recorded on the financial statements, is \$99.6 billion.

The Fiscal Year 2019 aggregate State contribution to the pension plans of \$3.213 billion represents 6/10th of the full actuarially determined contribution.

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

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 retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the Office of the State Auditor, which resides in the Legislative Branch of State government. The State Auditor's examination was conducted in accordance with generally accepted auditing standards and its opinion precedes the Basic Financial Statements. Private sector public accounting firms have been used for the audits of separately issued component units and college and university financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of various State agencies. Additional information regarding the State's financial status, including prior year budgets, appropriations acts, and financial reports, is available on the State's web site (<http://www.state.nj.us/treasury/omb/>).

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its CAFR for the fiscal year ended June 30, 2017. In order to qualify for this certificate, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, of which the contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The State of New Jersey has received this award every year since 1993.

ACKNOWLEDGEMENTS

Finally, we express our grateful appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor, whose work made possible the preparation of this report. We believe their combined efforts have produced a report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the State's financial condition.

Sincerely,



Elizabeth Maher Muoio
State Treasurer



David Ridolfino
Acting Director, Office of Management and Budget

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of New Jersey

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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SECTION



SENATE

CHRISTOPHER J. CONNORS
KRISTIN M. CORRADO
NIA H. GILL
LINDA R. GREENSTEIN
THOMAS H. KEAN, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
LORETTA WEINBERG

GENERAL ASSEMBLY

JON M. BRAMNICK
ANTHONY M. BUCCO
JOHN J. BURZICHELLI
CRAIG J. COUGHLIN
JOHN DIMAIO
THOMAS P. GIBLIN
LOUIS D. GREENWALD
NANCY F. MUNOZ



New Jersey State Legislature

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DAVID J. KASCHAK
Assistant State Auditor

THOMAS TROUTMAN
Assistant State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey which represent 89 percent, 92 percent, and 45 percent, respectively, of the assets, net position and fund balance, and revenues of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2E of the basic financial statements. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the pensions and other employee benefits trust funds and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors. In addition, we did not audit the financial statements of the discretely presented component units. Our opinion on the aggregate discretely presented component units is based solely upon audit reports prepared by other auditors and furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the pensions and other employee benefits trust funds, and three discretely presented component units, the Higher Education Student Assistance Authority, the Casino Reinvestment Development Authority, and the New Jersey Sports and Exposition 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, 2018, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*, as of July 1, 2017. Our opinion was not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining financial statements and schedules section and the other information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our

opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining financial statements section and the other information section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2019 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of New Jersey's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of New Jersey's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stephen M. Eells". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Stephen M. Eells
State Auditor
April 30, 2019

*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, 2018. 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 \$72.7 billion, a decrease of \$3.2 billion from the prior fiscal year after restatements that resulted in a \$58.5 billion decrease in net position. Restatements were made to increase capital assets; decrease other assets; increase current liabilities; and the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As of June 30, 2018, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$198.1 billion. The State's unrestricted net position, which represents net assets that have no statutory commitments and are available for discretionary use, totaled a negative \$214.1 billion. The negative balance is primarily a result of the State implementing, in Fiscal Year 2015, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (See Note 16 – Retirement Systems) and the State implementing in Fiscal Year 2018, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (See Note 17 – Other Postemployment Benefits and Active Employee Health Benefits). Financing activities that have contributed to the State's negative unrestricted net position include liabilities from pension obligation bonds, the funding of a portion of local elementary and high school construction, and the securitization of a major portion of annual tobacco master settlement agreement receipts with no corresponding assets.
- June 30, 2018 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$17.3 billion. Total component unit assets and deferred outflows of resources totaled \$54.1 billion, a \$1.6 billion increase from the prior fiscal year.

Fund Level

- The State's governmental funds reported June 30, 2018 combined ending fund balances of \$11.5 billion, a decrease of \$0.3 billion when compared to the prior fiscal year after restatements. 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 (\$6.5 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 (\$4.1 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 (\$990.6 million) represents the fund balance amount that has not been restricted or committed to a specific purpose within the General Fund.
- During the fiscal year, the proprietary funds' net position increased by \$348.9 million resulting in net position of \$3.1 billion as of June 30, 2018.

Long-term Obligations

- The State's governmental long-term obligations decreased 8.7 percent after restatements to \$239.0 billion, which includes a net decrease in bonded obligations of \$1.0 billion. During the fiscal year, the State issued \$4.7 billion in bonds. New money issuances represented \$0.7 billion primarily for transportation program improvements, while \$4.0 billion represented refunding transactions that provided the State with \$240.1 million in net present value savings. During Fiscal Year 2018, the State paid \$4.9 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$193.9 billion. This amount represents a \$21.9 billion decrease from the prior fiscal year and is mainly attributable to decreases in the Net Pension Liability and Total Other Postemployment Benefits (OPEB) Liability of \$15.5 billion and \$6.6 billion, respectively, resulting from changes in assumptions relating to the pensions and OPEB plans.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Major Features of the Basic Financial Statements

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

Government-wide Financial Statements

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

- **Statement of Net Position**

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

- **Statement of Activities**

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

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

- **Governmental Activities**

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

- **Business-type Activities**

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

- **Component Units**

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

Reconciliation of Government-wide and Governmental Funds Financial Statements

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

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

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

Fund Financial Statements

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

- **Governmental Funds Financial Statements**

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

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

- **Proprietary Funds Financial Statements**

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

- **Fiduciary Funds Financial Statements**

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

Notes to the Financial Statements

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

Required Supplementary Information

The basic financial statements are followed by a required supplementary information section. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also, there are various schedules relating to the State’s Net Pension Liability, Related Ratios, Employer Contributions, and Schedules of Changes in the State’s Total 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 2018 with combined net position for the primary government totaling a negative \$198.1 billion. This amount represents a reduction of net position of \$7.0 billion from the prior fiscal year after restatements. Restricted net position includes funds used to pay unemployment claims and open space preservation. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently, these assets are not available for future spending. Net investment in capital assets includes land, land easements, land improvements, buildings and improvements, equipment and software, infrastructure (roads, bridges, and other immovable assets), and construction in progress. The deficit in unrestricted governmental net position arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities, including but not limited to the Net Pension Liability and the Total 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	
	2018	2017*	2018	2017	2018	2017*
Current and other noncurrent assets	\$ 16,456.3	\$ 16,626.4	\$ 3,678.5	\$ 3,228.1	\$ 20,134.8	\$ 19,854.5
Capital assets, net	28,239.1	27,431.7	-	-	28,239.1	27,431.7
Total Assets	<u>44,695.4</u>	<u>44,058.1</u>	<u>3,678.5</u>	<u>3,228.1</u>	<u>48,373.9</u>	<u>47,286.2</u>
Deferred outflows of resources	24,317.7	28,573.7	-	-	24,317.7	28,573.7
Total Assets and Deferred Outflows of Resources	<u>69,013.1</u>	<u>72,631.8</u>	<u>3,678.5</u>	<u>3,228.1</u>	<u>72,691.6</u>	<u>75,859.9</u>
Current liabilities	7,742.7	6,447.0	378.4	256.0	8,121.1	6,703.0
Noncurrent liabilities	235,507.1	259,415.4	208.0	228.9	235,715.1	259,644.3
Total Liabilities	<u>243,249.8</u>	<u>265,862.4</u>	<u>586.4</u>	<u>484.9</u>	<u>243,836.2</u>	<u>266,347.3</u>
Deferred inflows of resources	26,961.5	584.8	-	-	26,961.5	584.8
Total Liabilities and Deferred Inflows of Resources	<u>270,211.3</u>	<u>266,447.2</u>	<u>586.4</u>	<u>484.9</u>	<u>270,797.7</u>	<u>266,932.1</u>
Net Position:						
Net investment in capital assets	8,123.9	8,966.2	-	-	8,123.9	8,966.2
Restricted	4,771.1	4,772.5	3,092.1	2,743.2	7,863.2	7,515.7
Unrestricted	(214,093.2)	(207,554.1)	-	-	(214,093.2)	(207,554.1)
Total Net Position	<u>\$ (201,198.2)</u>	<u>\$ (193,815.4)</u>	<u>\$ 3,092.1</u>	<u>\$ 2,743.2</u>	<u>\$ (198,106.1)</u>	<u>\$ (191,072.2)</u>

* Net Position was restated by \$58,481.8 million reflecting the implementation of GASB Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions* and various other adjustments. See Note 2 – Other Accounting Disclosures for further details.

Changes in Net Position

The State's Fiscal Year 2018 net position decreased by \$7.0 billion after restatements. Approximately 52.3 percent of the State's total revenues came from general taxes, while 28.2 percent was derived from operating grants. Charges for services amounted to 17.6 percent of total revenues, while other items such as capital grants and miscellaneous revenues accounted for the remainder. State expenses cover a range of services. The largest expense, 25.5 percent, was for educational, cultural, and intellectual development, which includes approximately \$359.4 million disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction; physical and mental health amounted to 21.9 percent; and government direction, management, and control amounted to 21.9 percent. Other major expenditures focused on economic planning, development, and security; State Lottery Fund; and public safety and criminal justice. During Fiscal Year 2018, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$33.8 billion of general revenues (mostly taxes). The remaining \$7.4 billion resulted in a decrease in net position. Offsetting the governmental net position decrease, Business-type Activities reflected a net position increase of \$348.9 million primarily because the Unemployment Compensation Fund's available resources exceeded the need to pay claims.

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

	Governmental Activities		Business-type Activities		Primary Government Total	
	2018	2017*	2018	2017	2018	2017*
Revenues						
Program revenues						
Charges for services	\$ 5,399.5	\$ 4,822.8	\$ 5,601.0	\$ 5,421.2	\$ 11,000.5	\$ 10,244.0
Operating grants	17,528.0	17,323.2	70.9	64.8	17,598.9	17,388.0
Capital grants	212.6	507.4	-	-	212.6	507.4
General revenues						
General taxes	32,683.4	31,605.3	-	-	32,683.4	31,605.3
Interest earnings	51.3	38.6	-	-	51.3	38.6
Miscellaneous	968.8	491.9	-	-	968.8	491.9
Total Revenues	56,843.6	54,789.2	5,671.9	5,486.0	62,515.5	60,275.2
Expenses						
Public safety and criminal justice	3,281.9	3,152.4	-	-	3,281.9	3,152.4
Physical and mental health	15,225.3	15,015.1	-	-	15,225.3	15,015.1
Educational, cultural, and intellectual development	17,758.7	17,646.9	-	-	17,758.7	17,646.9
Community development and environmental management	2,242.6	2,192.2	-	-	2,242.6	2,192.2
Economic planning, development, and security	6,156.1	6,292.2	-	-	6,156.1	6,292.2
Transportation programs	2,295.1	2,363.8	-	-	2,295.1	2,363.8
Government direction, management, and control	15,212.7	18,917.1	-	-	15,212.7	18,917.1
Special government services	361.8	352.6	-	-	361.8	352.6
Interest expense	1,768.5	1,533.6	-	-	1,768.5	1,533.6
State Lottery Fund	-	-	3,302.5	2,222.1	3,302.5	2,222.1
Unemployment Compensation Fund	-	-	1,967.8	1,986.2	1,967.8	1,986.2
Total Expenses	64,302.7	67,465.9	5,270.3	4,208.3	69,573.0	71,674.2
Excess (Deficiency) Before Transfers	(7,459.1)	(12,676.7)	401.6	1,277.7	(7,057.5)	(11,399.0)
Transfers	76.3	1,013.5	(52.7)	(995.6)	23.6	17.9
Increase (Decrease) in Net Position	(7,382.8)	(11,663.2)	348.9	282.1	(7,033.9)	(11,381.1)
Net Position - July 1 (Restated)	(193,815.4)	(182,152.2)	2,743.2	2,461.1	(191,072.2)	(179,691.1)
Net Position - June 30	\$ (201,198.2)	\$ (193,815.4)	\$ 3,092.1	\$ 2,743.2	\$ (198,106.1)	\$ (191,072.2)

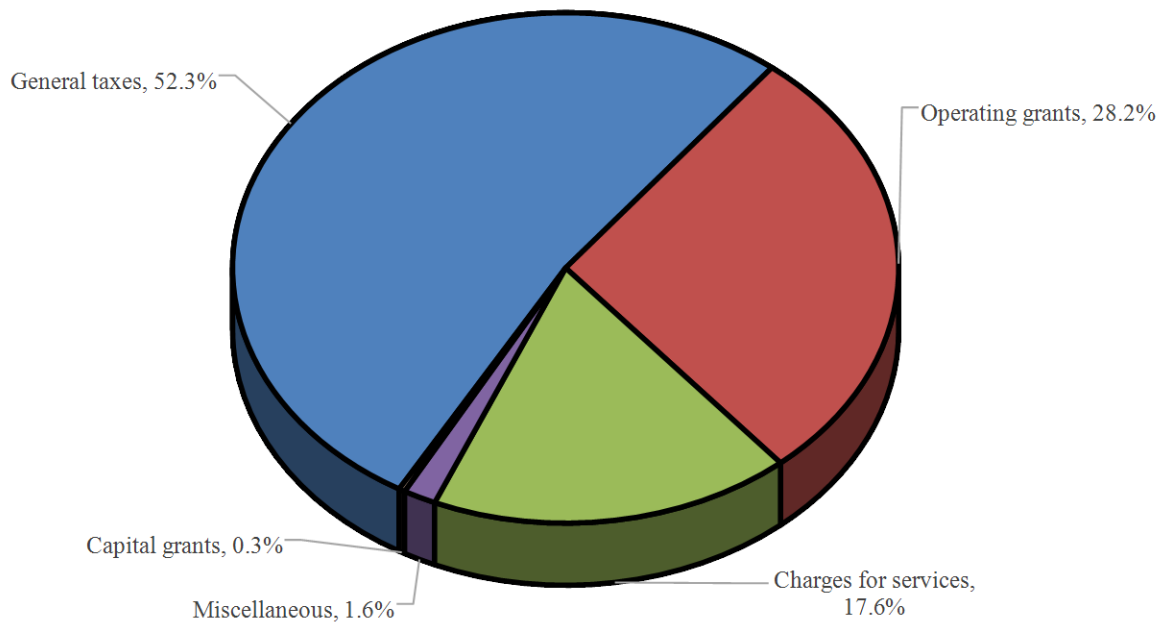
* Net Position was restated by \$58,481.8 million reflecting the implementation of GASB Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions* and various other adjustments. See Note 2 – Other Accounting Disclosures for further details.

Primary Government – Fiscal Year 2018 Revenues and Expenses

During Fiscal Year 2018, State revenues, including transfers, totaled \$62.5 billion or an increase of \$2.2 billion when compared to the prior fiscal year after restatements. This increase is primarily attributable to higher Gross Income Tax collections, charges for services, and miscellaneous revenue (asset sales and legal settlements). General taxes totaled \$32.7 billion and accounted for 52.3 percent of total State revenues for Fiscal Year 2018. The State’s Gross Income Tax totaled \$15.0 billion, the Sales and Use Tax totaled \$9.7 billion, and the Corporation Business Tax totaled \$2.3 billion. The State’s three major taxes comprised 82.7 percent of the total general taxes that were collected during Fiscal Year 2018. General taxes increased by \$1.1 billion when compared to Fiscal Year 2017.

The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2018:

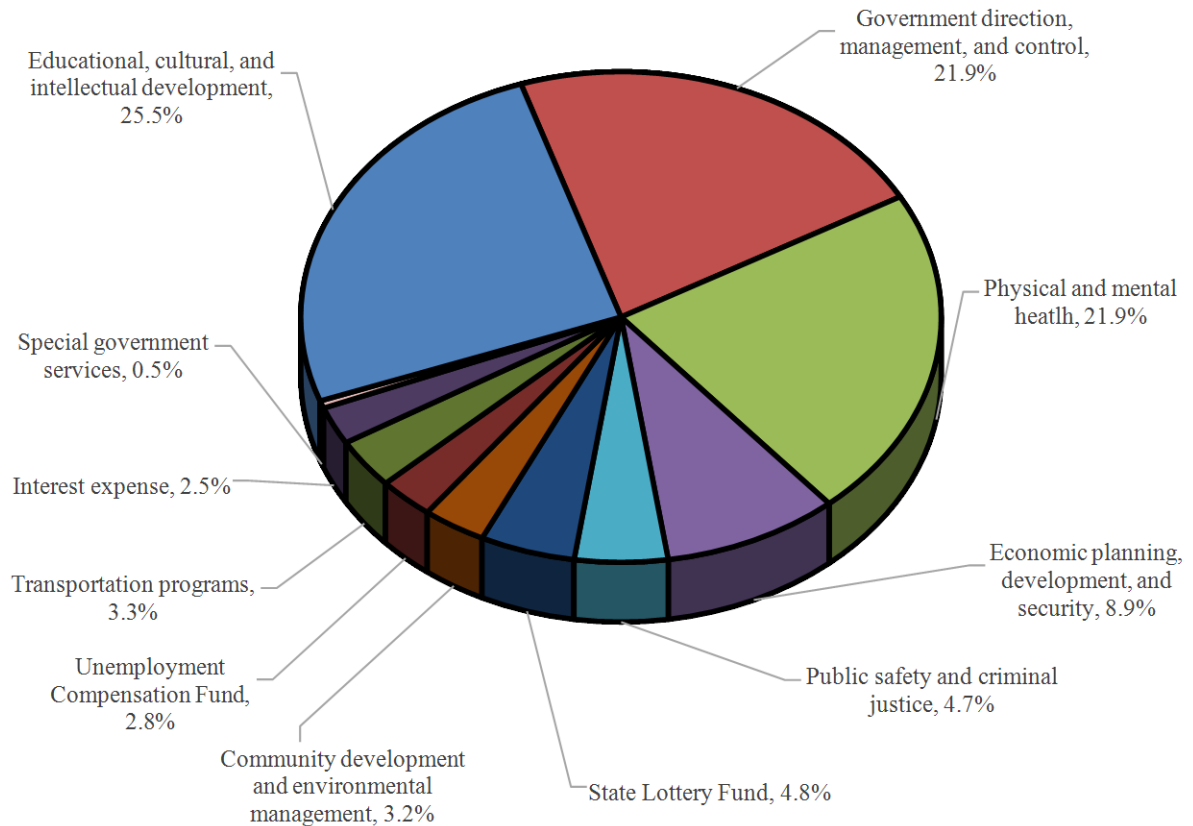
**Revenues – Primary Government
Fiscal Year Ended June 30, 2018**



Fiscal Year 2018 expenses totaled \$69.6 billion, a decrease of \$2.1 billion after restatements in comparison to the prior fiscal year. State spending decreased by \$3.7 billion in government direction, management, and control mainly due to decreases in pension and OPEB expenses resulting from changes in assumptions. Partially offsetting this spending decrease, were spending increases in State Lottery Fund, \$1.1 billion, and interest expense, \$234.9 million.

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2018:

**Expenses – Primary Government
Fiscal Year Ended June 30, 2018**



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 2018 amounted to \$14.3 billion and \$14.8 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net assets at fiscal year end of \$17.3 billion. The component units received \$1.2 billion in State appropriations during Fiscal Year 2018.

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, 2018 fund balances of \$11.5 billion, a \$0.3 billion decrease from the prior fiscal year after restatements.

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 \$5.6 billion of which \$990.6 million represented unassigned fund balance.

On a budgetary basis, general revenues of \$35.4 billion were \$3.6 billion lower than the final budget. The negative variance was primarily the result of unearned federal and other grant revenues of \$1.9 billion, a decline of \$615.0 million in other revenues, lower services and assessments of \$573.6 million, and a decline in taxes of \$439.4 million. Federal and other grant revenues are not earned unless there has been a grant award and eligible grant expenses incurred. To the extent that federal and grant appropriations are made in anticipation of grant awards and the incurrence of grant expenditures, grant revenues are budgeted.

Total expenditures were \$4.6 billion lower than original appropriations as set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under-spending resulted from the overestimate of federal funds. This practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2018, the State's appropriation of federal funds and other grants exceeded expenditures by \$1.9 billion. These excess appropriations are available for use in future years. From a Fiscal Year 2018 program perspective, under-spending transpired in physical and mental health (\$1.8 billion); transportation programs (\$789.7 million); community development and environmental management (\$732.5 million); economic planning, development, and security (\$603.2 million); government direction, management, and control (\$469.0 million); public safety and criminal justice (\$363.7 million); special government services (\$59.5 million); and offset by over-spending in educational, cultural, and intellectual development (\$148.0 million).

Property Tax Relief Fund

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax and one-half percent of the Sales and Use Tax that is constitutionally dedicated for property tax relief. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2018, \$15.5 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2018 ending fund balance was \$27.9 million.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

State Lottery Fund (Common Pension Fund L)

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

For Fiscal Year 2018, gross revenues totaled \$3.4 billion of which \$2.0 billion was returned in prizes; \$976.0 million was transferred to pension funds and \$53 million was transferred to the General Fund in accordance with LECA and the Memorandum of Lottery Contribution; \$247.2 million was paid to sales agents and ticket vendors; and \$55.9 million covered Lottery operational and promotional expenses. As of June 30, 2018, the State Lottery, since its inception, has generated over \$73.9 billion in gross revenues, \$40.6 billion in prizes, contributed \$26.0 billion to the State, and \$1.0 billion in pension contributions.

Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers' and employees' contributions for unemployment compensation, amounts credited or advances made by the federal government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund. Total unemployment claims paid decreased by \$18.4 million in Fiscal Year 2018.

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. Over the last few years, New Jersey budgets have been built on limited resources.

The Fiscal Year 2018 capital appropriation included \$3.6 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 \$898.8 million for State highway infrastructure, \$425.2 million for local highways, and \$676.0 million for mass transit. During Fiscal Year 2018, 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, 2018, a total of \$10.8 billion of the \$12.6 billion school facilities construction bond program has been issued. The constitutional dedication of 4.0 percent of the Corporation Business Tax was appropriated and/or reserved to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital asset data is shown below. The State's investment in capital assets, net of accumulated depreciation, totaled \$28.2 billion as of June 30, 2018. Depreciation expense charges for Fiscal Year 2018 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)

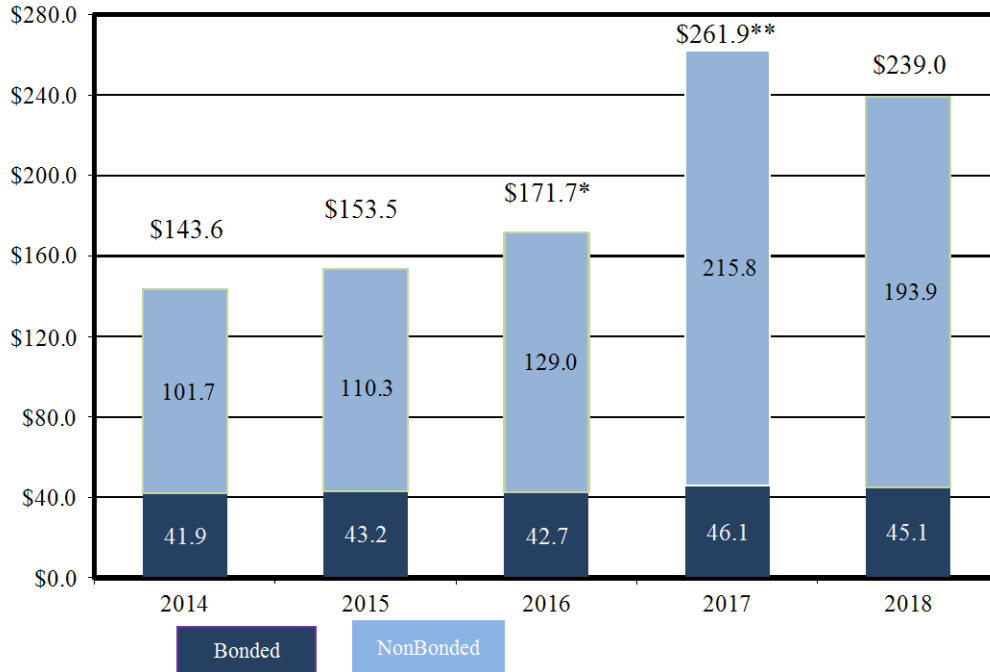
	Total Primary Government	
	2018	2017*
Land and Easements	\$ 5,316.5	\$ 5,276.6
Land Improvements	91.5	85.7
Buildings and Improvements	1,709.3	1,719.5
Equipment and Software	342.1	340.1
Infrastructure	18,123.0	17,470.1
Sub-Total	<u>25,582.4</u>	<u>24,892.0</u>
Construction In Progress	2,656.7	2,539.7
Total	<u>\$ 28,239.1</u>	<u>\$ 27,431.7</u>

* The July 1, 2017 capital asset balance has been restated by \$312.1 million and the accumulated depreciation balance has been restated by \$123.8 million across construction in progress, buildings and improvements, equipment and software, and infrastructure.

Debt Administration

As of June 30, 2018, New Jersey's outstanding long-term obligations for governmental activities totaled \$239.0 billion, a \$22.9 billion decrease over the prior fiscal year after restatements. Of the \$22.9 billion decrease, \$22.1 billion is attributable to decreases in the Net Pension Liability and Total OPEB Liability. Additionally, there was a decrease of \$1.0 billion in bonded debt and a \$0.2 billion increase in other non-bonded debt. Long-term bonded obligations totaled \$45.1 billion, while other long-term obligations totaled \$193.9 billion. In addition, the State has \$15.0 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2018, the legislatively authorized but unissued debt decreased by \$0.2 billion from the prior fiscal year (See Statistical Section – Legislatively Authorized But Unissued Debt, 2018 and 2017).

**Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2014 to Fiscal Year 2018
(Expressed in Billions)**



* FY 2016 restated to reflect State Health Benefits claims incurred but not reported (IBNR) of \$158.1 million.

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

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

ECONOMIC CONDITION AND OUTLOOK

The State's labor market expanded for an eighth consecutive year. Total nonfarm payroll employment increased by 39,400 jobs in 2018 for an average monthly gain of 3,300 jobs. Job growth was led by the services sector with leisure and hospitality services gaining 12,700 jobs in 2018; followed by the education and health services sector, up 11,900 jobs; and the trade, transportation, and utilities sector, which gained 4,900 jobs. Both the construction and manufacturing sectors performed well, gaining 4,200 jobs and 3,200 jobs, respectively.

The State's unemployment rate fell to 3.9 percent in December, matching the national unemployment rate. The State's unemployment rate declined by 0.8% over the course of 2018. The State's labor force participation rate has been fairly stable the last several months at 62.4 percent.

The State's housing market had a down year in 2018 with total existing home sales 0.6 percent lower than a year ago. Sales of single-family homes were roughly even with a year ago, but sales of townhomes and condos were 1.0 percent lower. Residential construction fared slightly better. Permits to build single-family homes in 2018 were 4.6% higher than a year ago. However, the number of permits to build apartment building units was 9.0 percent lower for a year-over-year decline of 4.3 percent in the total number of residential construction permits.

The State's economy continued to expand in 2018. Real Gross Domestic Product (GDP) for the State grew at a 3.3 percent annual rate in the third quarter of 2018, the third consecutive quarter that the annualized growth rate was 3.3 percent or better. Aggregate personal income, which is a broad measure of income that not only includes wage income but asset and transfer income as well, grew 3.6 percent in 2018.

The national economic expansion also continued in 2018. Real GDP grew 2.9 percent in 2018, while the labor market added 2.7 million jobs. Existing home sales declined by 3.4 percent for the year because the housing market was negatively affected by low inventory levels and appreciating prices. Consumer prices grew 2.4 percent in 2018 according to the Consumer Price Index (CPI) with core prices, which excludes food and energy goods, growing 2.1 percent.

The national economic expansion is expected to continue in 2019. The Federal Reserve Open Market Committee (FOMC) is projecting United States real GDP to grow 2.1 percent in 2019. The economy does face potential headwinds in the form of slowing global economic growth as well as policy uncertainty because of on-going trade negotiations. As a result, the decision to raise the federal funds rate at future meetings will depend on the economic data.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors, and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, or for additional information, should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are accessible via: <http://www.state.nj.us/treasury/omb>.

*Basic Financial
Statements*

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 132,323,680	\$ 939,288	\$ 133,262,968	\$ 3,736,420,415
Investments	8,144,594,249	277,175,933	8,421,770,182	8,416,952,606
Receivables, net of allowances for uncollectibles				
Federal government	978,475,656	2,455,745,754	3,434,221,410	421,911,126
Departmental accounts	4,334,575,115	663,264,567	4,997,839,682	-
Loans	1,723,526,979	-	1,723,526,979	259,482,860
Mortgages	-	-	-	160,299,000
Other	777,408,741	118,803,858	896,212,599	907,879,882
Internal balances	46,588,429	(46,588,429)	-	-
Due from external parties	18,550,693	-	18,550,693	303,438,290
Inventories	-	-	-	169,835,355
Deferred charges	-	1,508,421	1,508,421	-
Other	18,365,461	-	18,365,461	268,105,062
Total Current Assets	16,174,409,003	3,470,849,392	19,645,258,395	14,644,324,596
Noncurrent Assets				
Investments	-	207,671,703	207,671,703	3,734,566,193
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,251,548,908
Mortgages	-	-	-	1,782,761,086
Other	-	-	-	111,430,688
Capital assets - nondepreciated	7,973,154,185	-	7,973,154,185	5,365,356,805
Capital assets - depreciated, net	20,265,979,779	-	20,265,979,779	23,698,807,208
Other	281,828,329	-	281,828,329	507,421,676
Total Noncurrent Assets	28,520,962,293	207,671,703	28,728,633,996	37,451,892,564
Deferred Outflows of Resources	24,317,725,500	-	24,317,725,500	1,968,869,488
Total Assets and Deferred Outflows of Resources	69,013,096,796	3,678,521,095	72,691,617,891	54,065,086,648

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	2,841,620,626	175,498,812	3,017,119,438	1,244,678,644
Due to external parties	70,342,879	83,000,000	153,342,879	478,585,075
Interest payable	209,413,018	-	209,413,018	339,906,296
Unearned revenue	398,805,998	-	398,805,998	250,430,383
Current portion of long-term obligations	3,533,756,193	24,682,106	3,558,438,299	1,051,582,630
Refunds payable	362,480,616	94,121,860	456,602,476	-
Other	326,236,796	1,143,700	327,380,496	641,040,897
Total Current Liabilities	7,742,656,126	378,446,478	8,121,102,604	4,006,223,925
Noncurrent Liabilities				
Net pension liability	99,641,657,342	-	99,641,657,342	5,428,263,587
Net OPEB liability	-	-	-	705,469,807
Total OPEB liability	90,487,141,054	-	90,487,141,054	1,131,960,212
Revenue bonds payable, net	19,488,201,583	-	19,488,201,583	12,815,007,528
Installment obligations, net	16,146,325,749	-	16,146,325,749	2,858,721,203
Other	9,743,731,655	207,974,534	9,951,706,189	8,489,444,522
Total Noncurrent Liabilities	235,507,057,383	207,974,534	235,715,031,917	31,428,866,859
Deferred Inflows of Resources	26,961,550,967	-	26,961,550,967	1,347,042,473
Total Liabilities and Deferred Inflows of Resources	270,211,264,476	586,421,012	270,797,685,488	36,782,133,257
NET POSITION				
Net investment in capital assets	8,123,859,885	-	8,123,859,885	11,208,305,926
Restricted for:				
Capital projects	-	-	-	271,236,946
Public safety and criminal justice	440	-	440	-
Physical and mental health	4,552,595	-	4,552,595	-
Educational, cultural, and intellectual development	670,124,764	-	670,124,764	-
Community development and environmental management	2,882,893,882	-	2,882,893,882	-
Economic planning, development, and security	487,182,051	-	487,182,051	-
Transportation programs	6,341,051	-	6,341,051	-
Employee benefits	692,105,347	-	692,105,347	-
Debt service	-	-	-	1,090,112,398
Property tax relief	27,921,447	-	27,921,447	-
Unemployment	-	3,090,644,557	3,090,644,557	-
Prize awards and Pension Fund contributions	-	1,455,526	1,455,526	-
Other purposes	-	-	-	8,079,287,069
Unrestricted	(214,093,149,142)	-	(214,093,149,142)	(3,365,988,948)
Total Net Position	\$ (201,198,167,680)	\$ 3,092,100,083	\$ (198,106,067,597)	\$ 17,282,953,391

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	\$ 3,281,924,328	\$ 1,092,355,321	\$ 482,412,421	\$ 1,782,273
Physical and mental health	15,225,255,275	838,440,811	648,367,182	-
Educational, cultural, and intellectual development	17,758,737,717	42,547,447	1,036,874,001	-
Community development and environmental management	2,242,592,036	349,789,002	1,241,245,454	108,005,927
Economic planning, development, and security	6,156,124,643	1,258,586,424	826,359,054	5,957,738
Transportation programs	2,295,101,415	24,752,250	1,843,558,980	96,880,778
Government direction, management, and control	15,212,693,453	1,576,969,149	11,429,442,608	-
Special government services	361,806,404	216,075,345	19,696,932	-
Interest expense	1,768,526,851	-	-	-
Total governmental activities	<u>64,302,762,122</u>	<u>5,399,515,749</u>	<u>17,527,956,632</u>	<u>212,626,716</u>
Business-type activities:				
State Lottery Fund	3,302,538,786	3,353,397,727	3,265,058	-
Unemployment Compensation Fund	1,967,784,187	2,247,646,885	67,592,682	-
Total business-type activities	<u>5,270,322,973</u>	<u>5,601,044,612</u>	<u>70,857,740</u>	<u>-</u>
Total Primary Government	<u>\$ 69,573,085,095</u>	<u>\$ 11,000,560,361</u>	<u>\$ 17,598,814,372</u>	<u>\$ 212,626,716</u>
Component Units				
Authorities	\$ 7,360,509,719	\$ 3,820,375,643	\$ 1,784,195,168	\$ 1,994,488,994
Colleges and Universities	7,450,014,236	3,811,443,475	2,796,613,628	137,129,558
Total Component Units	<u>\$ 14,810,523,955</u>	<u>\$ 7,631,819,118</u>	<u>\$ 4,580,808,796</u>	<u>\$ 2,131,618,552</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, 2017 (Restated)				
Net Position - June 30, 2018				

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,705,374,313)	\$ -	\$ (1,705,374,313)	\$ -
(13,738,447,282)	-	(13,738,447,282)	-
(16,679,316,269)	-	(16,679,316,269)	-
(543,551,653)	-	(543,551,653)	-
(4,065,221,427)	-	(4,065,221,427)	-
(329,909,407)	-	(329,909,407)	-
(2,206,281,696)	-	(2,206,281,696)	-
(126,034,127)	-	(126,034,127)	-
(1,768,526,851)	-	(1,768,526,851)	-
<u>(41,162,663,025)</u>	<u>-</u>	<u>(41,162,663,025)</u>	<u>-</u>
-	54,123,999	54,123,999	-
-	347,455,380	347,455,380	-
-	401,579,379	401,579,379	-
<u>\$ (41,162,663,025)</u>	<u>\$ 401,579,379</u>	<u>\$ (40,761,083,646)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 238,550,086
-	-	-	(704,827,575)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (466,277,489)</u>
15,037,844,817	-	15,037,844,817	-
9,651,970,787	-	9,651,970,787	-
2,331,779,865	-	2,331,779,865	-
5,661,808,090	-	5,661,808,090	-
51,344,555	-	51,344,555	-
-	-	-	1,225,932,328
968,783,050	-	968,783,050	-
76,310,413	(52,668,473)	23,641,940	-
<u>33,779,841,577</u>	<u>(52,668,473)</u>	<u>33,727,173,104</u>	<u>1,225,932,328</u>
(7,382,821,448)	348,910,906	(7,033,910,542)	759,654,839
<u>(193,815,346,232)</u>	<u>2,743,189,177</u>	<u>(191,072,157,055)</u>	<u>16,523,298,552</u>
<u>\$ (201,198,167,680)</u>	<u>\$ 3,092,100,083</u>	<u>\$ (198,106,067,597)</u>	<u>\$ 17,282,953,391</u>

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<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	\$ 90,836,194	\$ -	\$ 41,487,486	\$ 132,323,680
Investments	3,050,561,659	-	5,094,032,590	8,144,594,249
Receivables, net of allowances for uncollectibles				
Federal government	863,219,308	-	115,256,348	978,475,656
Departmental accounts	3,155,635,912	775,040,600	403,898,603	4,334,575,115
Loans	306,375,419	-	1,417,151,560	1,723,526,979
Other	442,229,843	-	335,178,898	777,408,741
Due from other funds	990,599,528	12,046,211	483,635,159	1,486,280,898
Other	18,350,962	-	14,499	18,365,461
Total Assets	<u>\$ 8,917,808,825</u>	<u>\$ 787,086,811</u>	<u>\$ 7,890,655,143</u>	<u>\$ 17,595,550,779</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 1,862,721,870	\$ 90,085,409	\$ 888,813,347	\$ 2,841,620,626
Unearned revenue	168,211,112	-	230,594,886	398,805,998
Due to other funds	283,464,092	448,742,325	759,278,238	1,491,484,655
Refunds payable	142,142,986	220,337,630	-	362,480,616
Other	322,658,743	-	3,578,053	326,236,796
Total Liabilities	<u>2,779,198,803</u>	<u>759,165,364</u>	<u>1,882,264,524</u>	<u>5,420,628,691</u>
Deferred Inflows of Resources	<u>505,981,490</u>	<u>-</u>	<u>122,500,000</u>	<u>628,481,490</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	939,837,093	27,921,447	5,498,682,628	6,466,441,168
Committed	3,681,804,798	-	387,207,991	4,069,012,789
Unassigned	990,570,568	-	-	990,570,568
Total Fund Balances	<u>5,632,628,532</u>	<u>27,921,447</u>	<u>5,885,890,619</u>	<u>11,546,440,598</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,917,808,825</u>	<u>\$ 787,086,811</u>	<u>\$ 7,890,655,143</u>	<u>\$ 17,595,550,779</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, 2018

Total fund balances of governmental funds \$ 11,546,440,598

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	\$ 5,316,412,504	
Land improvements	91,498,897	
Buildings and improvements	1,709,332,204	
Equipment and software	342,108,716	
Infrastructure	18,123,039,962	
Construction in progress	<u>2,656,741,681</u>	28,239,133,964

The other noncurrent assets (Group Homes) are not current resources and, therefore, are not reported in the fund perspective. 281,828,329

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 24,317,725,500

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	(209,413,018)	
Current portion of long-term obligations	<u>(3,533,756,193)</u>	(3,743,169,211)
Noncurrent Liabilities		
General Obligation Bonds Payable	(1,550,690,000)	
Revenue Bonds Payable	(23,317,370,000)	
Unamortized Discount on CABs Revenue Bond	3,829,168,417	
Installment Obligations	(16,646,882,925)	
Unamortized Discount on CABs Installment Obligations	500,557,176	
Certificates of Participation	(105,522,901)	
Loans Payable	(1,279,358,087)	
Capital Leases	(412,560,342)	
Compensated Absences	(185,821,400)	
Unamortized Premium	(1,880,172,538)	
Tobacco Settlement Financing Corporation Bonds	(3,037,770,000)	
Net Pension Liability	(99,641,657,342)	
Total OPEB Liability	(90,487,141,054)	
Other	<u>(1,291,836,387)</u>	(235,507,057,383)

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. 505,981,490

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

Net Pension Liability	(16,277,619,954)	
Total OPEB Liability	<u>(10,561,431,013)</u>	<u>(26,839,050,967)</u>

Net Position of governmental activities \$ (201,198,167,680)

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, 2018

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 16,499,163,603	\$ 15,806,769,794	\$ 1,545,810,010	\$ 33,851,743,407
Federal and other grants	14,713,010,988	-	907,666,394	15,620,677,382
Licenses and fees	1,375,027,146	-	120,008,087	1,495,035,233
Services and assessments	1,754,959,023	-	1,196,484,435	2,951,443,458
Component Units and Port Authority	349,976,882	-	-	349,976,882
Investment earnings	55,085,617	-	64,949,818	120,035,435
Contributions	-	-	560,133,286	560,133,286
Other	1,659,751,708	-	350,472,284	2,010,223,992
Total Revenues	<u>36,406,974,967</u>	<u>15,806,769,794</u>	<u>4,745,524,314</u>	<u>56,959,269,075</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	3,119,724,970	24,109,032	117,767,270	3,261,601,272
Physical and mental health	15,086,688,028	110,475,084	37,757,375	15,234,920,487
Educational, cultural, and intellectual development	4,082,955,565	13,131,672,087	546,701,525	17,761,329,177
Community development and environmental management	1,754,805,174	303,919,940	216,207,867	2,274,932,981
Economic planning, development, and security	5,144,613,657	78,435,999	923,414,795	6,146,464,451
Transportation programs	707,004,696	1,725,133	2,392,112,934	3,100,842,763
Government direction, management, and control	3,157,550,417	1,868,533,781	2,615,252,302	7,641,336,500
Special government services	357,446,930	-	172,893	357,619,823
Capital Outlay	468,995,503	-	-	468,995,503
Debt Service:				
Principal	244,725,000	-	683,160,000	927,885,000
Interest	92,364,066	-	961,869,010	1,054,233,076
Total Expenditures	<u>34,216,874,006</u>	<u>15,518,871,056</u>	<u>8,494,415,971</u>	<u>58,230,161,033</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,190,100,961</u>	<u>287,898,738</u>	<u>(3,748,891,657)</u>	<u>(1,270,891,958)</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	818,995,503	-	-	818,995,503
Refunding bonds issued	856,400,000	-	3,146,655,179	4,003,055,179
Premiums/discounts	108,607,560	-	218,165,821	326,773,381
Payment to bond escrow agents	(965,007,560)	-	(3,315,333,000)	(4,280,340,560)
Transfers from other funds	1,804,308,301	-	5,783,134,023	7,587,442,324
Transfers to other funds	(3,864,177,025)	(287,202,771)	(3,359,663,342)	(7,511,043,138)
Total Other Financing Sources (Uses)	<u>(1,240,873,221)</u>	<u>(287,202,771)</u>	<u>2,472,958,681</u>	<u>944,882,689</u>
Net Change in Fund Balance	949,227,740	695,967	(1,275,932,976)	(326,009,269)
Fund Balances - July 1, 2017 (Restated)	<u>4,683,400,792</u>	<u>27,225,480</u>	<u>7,161,823,595</u>	<u>11,872,449,867</u>
Fund Balances - June 30, 2018	<u>\$ 5,632,628,532</u>	<u>\$ 27,921,447</u>	<u>\$ 5,885,890,619</u>	<u>\$ 11,546,440,598</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, 2018

Net change in fund balances of total governmental funds \$ (326,009,269)

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	\$ 1,829,521,480	
Depreciation expense	<u>(1,022,067,945)</u>	
Excess of capital outlay over depreciation expense		807,453,535

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. (818,995,503)

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

General Obligation Bonds principal	244,725,000	
Revenue Bonds principal	698,005,000	
Capital Leases	62,203,687	
Installment Obligations	1,196,206,675	
Certificates of Participation	<u>42,058,112</u>	
Total long-term obligations		2,243,198,474

Some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds but are accrued on the Statement of Net Position. The prior year receivable balances decreased by this amount. (115,727,588)

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:

Decrease in unamortized premiums	(112,382,365)	
Decrease in deferral on refunding issues	<u>809,057,131</u>	
Total capitalized and amortized items		696,674,766

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

Net increase in accrued interest	(1,148,971,005)	
Increase in compensated absences, Medicaid, and other	(205,092,252)	
Decrease in Net Pension Liability	15,471,932,744	
Decrease in Total OPEB liability	6,627,260,887	
Decrease in deferred outflows of resources	(4,255,953,923)	
Increase in deferred inflows of resources	(26,370,579,151)	
Increase in other assets (Group Homes)	<u>11,986,837</u>	
Total additional expenditures		<u>(9,869,415,863)</u>

Change in net position of governmental activities \$ (7,382,821,448)

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

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 199,968	\$ 739,320	\$ 939,288
Investments	277,151,788	24,145	277,175,933
Receivables, net of allowances for uncollectibles			
Federal government	-	2,455,745,754	2,455,745,754
Departmental accounts	-	663,264,567	663,264,567
Other	14,634,218	104,169,640	118,803,858
Due from other funds	-	7,297,550	7,297,550
Deferred charges	1,508,421	-	1,508,421
Total Current Assets	<u>293,494,395</u>	<u>3,231,240,976</u>	<u>3,524,735,371</u>
Noncurrent Assets			
Investments	207,671,703	-	207,671,703
Total Noncurrent Assets	<u>207,671,703</u>	<u>-</u>	<u>207,671,703</u>
Total Assets	<u>501,166,098</u>	<u>3,231,240,976</u>	<u>3,732,407,074</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	131,120,921	44,377,891	175,498,812
Due to other funds	135,933,011	952,968	136,885,979
Refunds payable	-	94,121,860	94,121,860
Current portion of long-term obligations	24,682,106	-	24,682,106
Other	-	1,143,700	1,143,700
Total Current Liabilities	<u>291,736,038</u>	<u>140,596,419</u>	<u>432,332,457</u>
Noncurrent Liabilities			
Due in more than one year	207,974,534	-	207,974,534
Total Noncurrent Liabilities	<u>207,974,534</u>	<u>-</u>	<u>207,974,534</u>
Total Liabilities	<u>499,710,572</u>	<u>140,596,419</u>	<u>640,306,991</u>
NET POSITION			
Restricted for:			
Unemployment compensation	-	3,090,644,557	3,090,644,557
Prize awards and Pension Fund contributions	1,455,526	-	1,455,526
Total Net Position	<u>\$ 1,455,526</u>	<u>\$ 3,090,644,557</u>	<u>\$ 3,092,100,083</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, 2018

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sales and charges for services	\$ 3,299,702,751	\$ -	\$ 3,299,702,751
Assessments	-	2,229,385,954	2,229,385,954
From federal agencies	-	17,012,012	17,012,012
Other	<u>53,694,976</u>	<u>795,879</u>	<u>54,490,855</u>
Total Operating Revenues	<u>3,353,397,727</u>	<u>2,247,193,845</u>	<u>5,600,591,572</u>
OPERATING EXPENSES			
Unemployment compensation	-	1,967,784,187	1,967,784,187
Lottery prize awards	1,991,568,091	-	1,991,568,091
Other	<u>303,111,190</u>	<u>-</u>	<u>303,111,190</u>
Total Operating Expenses	<u>2,294,679,281</u>	<u>1,967,784,187</u>	<u>4,262,463,468</u>
Operating Income (Loss)	<u>1,058,718,446</u>	<u>279,409,658</u>	<u>1,338,128,104</u>
NONOPERATING REVENUES (EXPENSES)			
Contributions to Pension Funds	(976,000,000)	-	(976,000,000)
Investment income	3,265,058	50,580,670	53,845,728
Northstar NJ incentive payments	(31,859,505)	-	(31,859,505)
Other	<u>-</u>	<u>17,465,052</u>	<u>17,465,052</u>
Total Nonoperating Revenues (Expenses)	<u>(1,004,594,447)</u>	<u>68,045,722</u>	<u>(936,548,725)</u>
Income (Loss) Before Transfers	54,123,999	347,455,380	401,579,379
Transfers to other funds	<u>(52,668,473)</u>	<u>-</u>	<u>(52,668,473)</u>
Change in Net Position	1,455,526	347,455,380	348,910,906
Net Position - July 1, 2017	<u>-</u>	<u>2,743,189,177</u>	<u>2,743,189,177</u>
Net Position - June 30, 2018	<u>\$ 1,455,526</u>	<u>\$ 3,090,644,557</u>	<u>\$ 3,092,100,083</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, 2018**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,536,810,650	\$ -	\$ 1,536,810,650
Receipts from federal government	-	22,731,217	22,731,217
Receipts from state, local, and non-profit agencies	-	108,685,237	108,685,237
Receipts from assessments	-	2,170,321,242	2,170,321,242
Payments to suppliers	(10,413,143)	-	(10,413,143)
Payments to prize winners	(376,793,931)	-	(376,793,931)
Payments for vendor commissions and fees	(88,337,283)	-	(88,337,283)
Claims paid	-	(2,301,194,961)	(2,301,194,961)
Cash flows from annuity operations:			
Annuity receipts	23,899,204	-	23,899,204
Purchase of annuities	(3,359,686)	-	(3,359,686)
Payments of annuity prizes	(8,494,136)	-	(8,494,136)
Other receipts (payments)	(9,037,053)	-	(9,037,053)
Net Cash Provided (Used) by Operating Activities	<u>1,064,274,622</u>	<u>542,735</u>	<u>1,064,817,357</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contributions to Pension Funds	(893,000,000)	-	(893,000,000)
Transfers to other funds	(144,000,000)	-	(144,000,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,037,000,000)</u>	<u>-</u>	<u>(1,037,000,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,885,953,096	-	1,885,953,096
Purchase of investments	(1,891,271,109)	-	(1,891,271,109)
Payments to Northstar New Jersey	(28,961,387)	-	(28,961,387)
Net Cash Provided (Used) by Investing Activities	<u>(34,279,400)</u>	<u>-</u>	<u>(34,279,400)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,004,778)	542,735	(6,462,043)
Cash and Cash Equivalents - July 1, 2017	<u>7,204,746</u>	<u>196,585</u>	<u>7,401,331</u>
Cash and Cash Equivalents - June 30, 2018	<u>\$ 199,968</u>	<u>\$ 739,320</u>	<u>\$ 939,288</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,058,718,446	\$ 279,409,658	\$ 1,338,128,104
Net changes in assets and liabilities:			
Current assets	(4,540,641)	(298,429,955)	(302,970,596)
Noncurrent assets	20,544,397	-	20,544,397
Current liabilities	10,465,465	19,563,032	30,028,497
Noncurrent liabilities	(20,913,045)	-	(20,913,045)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,064,274,622</u>	<u>\$ 542,735</u>	<u>\$ 1,064,817,357</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Change in fair value of investments	\$ (19,656,995)	\$ -	\$ (19,656,995)

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, 2018**

	Agency Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 43,693,612	\$ 24,880
Securities lending collateral	-	-
Investments		
Cash Management Fund	814,362,508	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	1,735,655,089
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
Receivables, net of allowances for uncollectibles		
Members	-	-
Employers	191,300	-
Interest and dividends	-	1,781,161
Other	315,836,072	6,806,871
Due from other funds	40,375,817	-
Other	-	-
Total Assets	1,214,459,309	1,744,268,001
LIABILITIES		
Accounts payable and accruals	1,212,708,483	-
Benefits payable	-	-
Securities lending collateral and rebates payable	-	-
Due to other funds	1,750,826	1,615,065
Total Liabilities	1,214,459,309	1,615,065
NET POSITION		
Held in Trust for Pool Participants	-	1,742,652,936
Restricted for Pensions	-	-
Restricted for OPEB	-	-
Restricted for Private Purpose Trust Funds	-	-
Total Net Position	\$ -	\$ 1,742,652,936

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 923,544,880	\$ 59,518
839,926,356	-
550,653,848	12,453,062
51,553,067,864	-
25,161,107,808	-
801,472,808	-
-	-
3,287,755,423	-
452,415,003	-
99,679,693	-
2,299,630,026	-
4,710,132	-
-	-
112,963,158	3,904
2,383,727,216	-
<u>88,470,654,215</u>	<u>12,516,484</u>
224,035,319	4,454,782
985,455,256	-
839,902,523	-
15,000,630	184,172
<u>2,064,393,728</u>	<u>4,638,954</u>
-	-
86,091,775,401	-
314,485,086	-
-	7,877,530
<u>\$ 86,406,260,487</u>	<u>\$ 7,877,530</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Investment Trust Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ 2,364,562,440	\$ -
Employers	-	5,015,164,743	-
Other	13,053,859,123	18,916,565	-
Total Contributions	<u>13,053,859,123</u>	<u>7,398,643,748</u>	<u>-</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	5,462,741,580	-
Interest and dividends	26,296,288	1,682,875,366	172,327
Total Investment Income	<u>26,296,288</u>	<u>7,145,616,946</u>	<u>172,327</u>
Less investment expense	-	15,551,800	-
Net Investment Income	<u>26,296,288</u>	<u>7,130,065,146</u>	<u>172,327</u>
Miscellaneous	-	-	24,263
Total Additions	<u>13,080,155,411</u>	<u>14,528,708,894</u>	<u>196,590</u>
DEDUCTIONS			
Benefit payments	-	11,606,354,178	-
Refunds of contributions	-	217,087,865	-
Refunds and transfers to other systems	-	-	88,773
Administrative expense	1,615,065	48,274,736	-
Payments in accordance with trust agreements	-	-	610,453
Distributions to shareholders	12,849,855,234	-	-
Total Deductions	<u>12,851,470,299</u>	<u>11,871,716,779</u>	<u>699,226</u>
Total Changes in Net Position Held in Trust	228,685,112	2,656,992,115	(502,636)
Net Position - July 1, 2017	<u>1,513,967,824</u>	<u>83,749,268,372</u>	<u>8,380,166</u>
Net Position - June 30, 2018	<u>\$ 1,742,652,936</u>	<u>\$ 86,406,260,487</u>	<u>\$ 7,877,530</u>

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

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**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2018**

	New Jersey Transit Corporation	New Jersey Turnpike Authority
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 185,982,161	\$ 243,202,000
Investments	54,138,675	1,463,657,000
Receivables, net of allowances for uncollectibles		
Federal government	283,450,908	-
Loans	-	-
Mortgages	-	-
Other	35,683,088	67,860,000
Due from external parties	251,680,444	2,693,000
Inventories	122,998,019	23,075,000
Other	35,016,297	39,285,000
Total Current Assets	968,949,592	1,839,772,000
Noncurrent Assets		
Investments	280,744,080	759,208,000
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	-
Capital assets - nondepreciated	1,291,181,469	2,394,420,000
Capital assets - depreciated, net	4,937,732,939	9,446,646,000
Other	14,430,118	-
Total Noncurrent Assets	6,524,088,606	12,600,274,000
Deferred Outflows of Resources	297,301,846	391,437,000
Total Assets and Deferred Outflows of Resources	7,790,340,044	14,831,483,000
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	316,754,412	151,458,000
Due to external parties	191,955,106	236,187,000
Interest payable	-	247,828,000
Unearned revenue	16,309,997	15,320,000
Current portion of long-term obligations	242,631,336	249,073,000
Other	161,735,239	-
Total Current Liabilities	929,386,090	899,866,000
Noncurrent Liabilities		
Net pension liability	728,173,711	438,493,000
Net OPEB liability	-	494,098,000
Total OPEB liability	1,098,490,568	-
Revenue bonds payable, net	-	11,392,254,000
Installment obligations, net	-	-
Other	1,314,387,879	253,204,000
Total Noncurrent Liabilities	3,141,052,158	12,578,049,000
Deferred Inflows of Resources	142,175,220	105,555,000
Total Liabilities and Deferred Inflows of Resources	4,212,613,468	13,583,470,000
NET POSITION		
Net investment in capital assets	5,305,160,779	1,379,079,000
Restricted for:		
Capital projects	2,412,295	-
Debt service	-	-
Other purposes	-	242,544,000
Unrestricted	(1,729,846,498)	(373,610,000)
Total Net Position	\$ 3,577,726,576	\$ 1,248,013,000

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>
\$ 161,097,000	\$ 3,146,139,254	\$ 3,736,420,415
493,553,000	6,405,603,931	8,416,952,606
-	138,460,218	421,911,126
14,306,000	245,176,860	259,482,860
-	160,299,000	160,299,000
539,047,000	265,289,794	907,879,882
-	49,064,846	303,438,290
4,466,000	19,296,336	169,835,355
8,725,000	185,078,765	268,105,062
<u>1,221,194,000</u>	<u>10,614,409,004</u>	<u>14,644,324,596</u>
1,339,987,000	1,354,627,113	3,734,566,193
57,280,000	2,194,268,908	2,251,548,908
-	1,782,761,086	1,782,761,086
80,256,000	31,174,688	111,430,688
466,170,000	1,213,585,336	5,365,356,805
3,306,116,000	6,008,312,269	23,698,807,208
134,639,000	358,352,558	507,421,676
<u>5,384,448,000</u>	<u>12,943,081,958</u>	<u>37,451,892,564</u>
<u>467,634,000</u>	<u>812,496,642</u>	<u>1,968,869,488</u>
<u>7,073,276,000</u>	<u>24,369,987,604</u>	<u>54,065,086,648</u>
377,558,000	398,908,232	1,244,678,644
-	50,442,969	478,585,075
12,910,000	79,168,296	339,906,296
94,312,000	124,488,386	250,430,383
68,317,000	491,561,294	1,051,582,630
161,218,000	318,087,658	641,040,897
<u>714,315,000</u>	<u>1,462,656,835</u>	<u>4,006,223,925</u>
1,772,533,000	2,489,063,876	5,428,263,587
-	211,371,807	705,469,807
-	33,469,644	1,131,960,212
-	1,422,753,528	12,815,007,528
1,941,147,000	917,574,203	2,858,721,203
140,817,000	6,781,035,643	8,489,444,522
<u>3,854,497,000</u>	<u>11,855,268,701</u>	<u>31,428,866,859</u>
<u>285,265,000</u>	<u>814,047,253</u>	<u>1,347,042,473</u>
<u>4,854,077,000</u>	<u>14,131,972,789</u>	<u>36,782,133,257</u>
1,905,842,000	2,618,224,147	11,208,305,926
100,638,000	168,186,651	271,236,946
13,556,000	1,076,556,398	1,090,112,398
1,227,244,000	6,609,499,069	8,079,287,069
(1,028,081,000)	(234,451,450)	(3,365,988,948)
<u>\$ 2,219,199,000</u>	<u>\$ 10,238,014,815</u>	<u>\$ 17,282,953,391</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
Expenses	\$ 2,857,981,561	\$ 1,391,541,023
 Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	1,056,314,799	1,698,593,000
Operating grants and contributions	1,111,687,614	7,418,000
Capital grants and contributions	<u>481,553,463</u>	<u>12,470,000</u>
Net (Expense) Revenue	<u>(208,425,685)</u>	<u>326,939,977</u>
 General Revenue		
Payments from State	<u>140,856,000</u>	<u>2,764,000</u>
Total General Revenue	<u>140,856,000</u>	<u>2,764,000</u>
 Change in Net Position	 (67,569,685)	 329,703,977
 Net Position - Beginning of Year (Restated)	 <u>3,645,296,261</u>	 <u>918,309,023</u>
Net Position - End of Year	<u>\$ 3,577,726,576</u>	<u>\$ 1,248,013,000</u>

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

<u>Rutgers, The State University of New Jersey</u>	<u>Non-Major Component Units</u>	<u>Total Component Units</u>
\$ 4,352,295,000	\$ 6,208,706,371	\$ 14,810,523,955
2,196,640,000	2,680,271,319	7,631,819,118
1,698,968,000	1,762,735,182	4,580,808,796
<u>75,970,000</u>	<u>1,561,625,089</u>	<u>2,131,618,552</u>
<u>(380,717,000)</u>	<u>(204,074,781)</u>	<u>(466,277,489)</u>
<u>428,800,000</u>	<u>653,512,328</u>	<u>1,225,932,328</u>
<u>428,800,000</u>	<u>653,512,328</u>	<u>1,225,932,328</u>
48,083,000	449,437,547	759,654,839
<u>2,171,116,000</u>	<u>9,788,577,268</u>	<u>16,523,298,552</u>
<u>\$ 2,219,199,000</u>	<u>\$ 10,238,014,815</u>	<u>\$ 17,282,953,391</u>

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*Notes to the
Basic
Financial Statements*

**STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
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**STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements have been prepared primarily from accounts and records maintained by the Director of the Office of Management and Budget. The financial data for the various public benefit corporations, authorities, commissions, colleges, and universities has been derived from reports prepared by those organizations based on their independent accounting systems.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, departments, and agencies of the State, as well as boards, commissions, authorities, colleges, and universities for which the State is financially accountable. The following circumstances set forth the State's financial accountability for a legally separate organization:

1. The State is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.
2. The State may be financially accountable if an organization is fiscally dependent on the State regardless of whether the organization has (a) a separately elected governing board or (b) a jointly appointed board.

Entities for which the State is financially accountable, and have a financial benefit or burden relationship, such as boards, commissions, authorities, colleges and universities are considered component units. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions to be reported in a manner similar to the balances and transactions of the State.

The following organizations comprise the State's blended component units:

Garden State Preservation Trust - The Garden State Preservation Trust is a blended component unit based on the governing body which is substantively the same as the governing body of the primary government. It provides services entirely, or almost entirely, to the primary government. The total debt outstanding, including leases, is expected to be repaid entirely with the resources of the primary government.

New Jersey Building Authority - The New Jersey Building Authority is a blended component unit based on its governing body which is substantively the same as the governing body of the primary government. It provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government. The total debt outstanding, including leases, is expected to be repaid entirely with the resources of the primary government.

New Jersey Schools Development Authority - The New Jersey Schools Development Authority is a blended component unit based on its governing body which is substantively the same as the governing body of the primary government. It provides services entirely, or almost entirely, to the primary government. Its total debt outstanding, including leases, is expected to be repaid entirely with the resources of the primary government.

New Jersey Transportation Trust Fund Authority - The New Jersey Transportation Trust Fund Authority is a blended component unit based on its governing body which is substantively the same as the governing body of the primary government. It provides services entirely, or almost entirely, to the primary government. The total debt outstanding, including leases, is expected to be repaid entirely, or almost entirely, with the resources of the primary government.

Tobacco Settlement Financing Corporation - The Tobacco Settlement Financing Corporation is a blended component unit based on GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*, in accordance with paragraph 53b, "usually the services provided by a blended component unit are financing services provided solely to the primary government."

All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 18. Below is a list of all discretely presented component units:

Colleges and Universities

The College of New Jersey
Kean University
Montclair State University
New Jersey City University
New Jersey Institute of Technology
Ramapo College of New Jersey
Rowan University
Rutgers, The State University of New Jersey
Stockton University
Thomas Edison State University
The William Paterson University of New Jersey

Authorities

Casino Reinvestment Development Authority
Higher Education Student Assistance Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Infrastructure Bank
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority
University Hospital

C. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intragovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net position measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and long-term obligations and deferred outflows of resources and deferred inflows of resources. The difference between the State's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is its net position. Net position is displayed in three components - invested in capital assets, restricted, and unrestricted. Net position is restricted when constraints are either externally imposed or are imposed by constitutional provisions or enabling legislation. The amount of net position that is restricted by enabling legislation is disclosed in Note 14. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities is presented in a format that reports the net revenue (expense) of the State's individual functions. The net revenue (expense) format reports the relative financial burden of each of the State's functions on its taxpayers. This format identifies the extent to which each function of the government draws from the general revenues of the State or is self-financed through licenses, fees, permits, and other revenues.

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific

capital grants and contributions. 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. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either unusual in nature or infrequent in occurrence. An extraordinary item is a transaction or other event that is both unusual in nature and infrequent in occurrence.

In the statement of activities, all expenses are reported by function except those that are special or extraordinary items. Each function reports direct expenses – those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Some functions, such as government direction, management, and control, include expenses that are indirect expenses of other functions. The State does not allocate indirect expenses to the other functions.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements report all financial and capital assets (including infrastructure assets), deferred outflows of resources, short and long-term liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. Activity and balances resulting from exchange and exchange-like transactions are recognized when the exchange takes place; those resulting from nonexchange transactions are recognized based on the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental Fund Financial Statements - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, these revenues which are considered to be susceptible to accrual include amounts received during the three month period subsequent to June 30 that were earned as of June 30. On an exception basis, the State will occasionally accrue amounts received after this three month period but within twelve months subsequent to June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits, and other sources are recognized when received since they normally are measurable only at that time. Unapplied overpayments of Corporation Business Tax and Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. Disbursements for prepaid expenses, inventory items, and capital assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements - The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements previously described.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into GASB's authoritative literature certain accounting and financial reporting guidance included in the Financial Accounting Standards Board (FASB) pronouncements which does not conflict with or contradict GASB pronouncements, and eliminates the option to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal

ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The State's proprietary funds are the Unemployment Compensation Fund and the State Lottery Fund.

The Unemployment Compensation Fund's principal ongoing operations consist of assessments received from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principal ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners.

E. Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represent the fund's assets, liabilities, residual equities or balances, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column. For further details of the funds listed below, see the Description of Funds.

1. Major Funds

The State reports the General Fund and the Property Tax Relief Fund as major governmental funds. The State also reports the State Lottery Fund and the Unemployment Compensation Fund as major proprietary funds. Descriptions are as follows:

- a. General Fund - This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Annual Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.
- b. Property Tax Relief Fund - This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use Tax. Revenues realized are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. P.L. 2006, c.44 dedicated one half of a percent of the Sales and Use Tax rate to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the State Legislature to counties, municipalities, and school districts.
- c. State Lottery Fund - Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Pursuant to P.L. 2017, c.98, remaining balances paid to the Pension Plans (TPAF, PERS, and PFRS) are solely available to and for the benefit of the applicable Pension Plans. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this fund.
- d. Unemployment Compensation Fund - This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the federal government, and amounts received herein from any other source. After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits. Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by federal statutes, which authorize advances from the federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

2. Governmental Fund Types

- a. Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term, "proceeds of specific revenue sources," establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.
- b. Capital Projects Funds - These 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. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

3. Fiduciary Fund Types

- a. Pension and Other Employee Benefits Trust Funds - These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.
- b. Investment Trust Fund - This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.
- c. Private Purpose Trust Funds - These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.
- d. Agency Funds - These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

F. Appropriations and Outstanding Debt

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law has been submitted to the people at a general election and approved by a majority of the legally qualified voters. After approval by the electorate, and prior to any bond sale, the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

G. Assets

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including certificates of deposit. All deposits, including cash equivalents that are subject to federal or state depository insurance, generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Note 3 for details.

2. Investments

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in global equities; non-convertible preferred stocks, covered call and put options; futures contracts; obligations of the U.S. Treasury, government agencies, corporations, international governments and agencies; global diversified credit investments; interest rate swap transactions; state and municipal general obligations; public authority revenue obligations; collateralized notes and mortgages; commercial paper; certificates of deposit; repurchase agreements; money market funds; private equity funds; real estate funds; other real assets; and absolute return strategy funds. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management

Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the statement of net position of the Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. See Note 4 for additional details.

3. Securities Lending Collateral

The Pension Trust Funds participate in securities lending programs with their custodian banks, whereby securities are loaned to brokers and, in return, the Pension Trust Funds have rights to the collateral received. All of the securities held in the Common Pension Trust Fund investment pool are eligible for the securities lending program. Collateral received may consist of cash, irrevocable bank letters of credit, or U.S. Treasury obligations having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. The contracts with the Common Pension Trust Fund investment pool custodian banks require them to indemnify the investment pool if the brokers fail to return the securities or fail to pay the investment pool for income distributions by the securities' issuers while the securities are on loan. The securities loans can be terminated by notification by either the broker or the investment pool. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of cash collateral. As of June 30, 2018, the Pension Trust Funds have no aggregate credit risk exposure to brokers because the collateral amount held by the Pension Trust Funds exceeded the market value of the securities on loan. See Note 5 for additional details.

4. Receivables

Receivables in the State's governmental, fiduciary, and proprietary funds, component units - authorities, and component units - college and university funds are stated net of allowances for uncollectible amounts and primarily consist of federal grants, taxes, assessments, loans, interest and dividends, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 6 for additional details.

5. Capital Assets

Capital assets are tangible and intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the statement of net position at cost or historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated capital assets are recorded at acquisition value at the time of donation. The State's capital assets consist of:

- a. All land, including parks, forests, easements, development rights, highways, and right-of-ways.
- b. Infrastructure assets such as roads, bridges, and dams.
- c. All general government buildings, including hospital, care, and correctional facilities.
- d. Land improvements, equipment, software, and motor vehicles used in general operations with a unit cost of at least \$25,000, \$20,000, \$100,000, and \$30,000, respectively. For the purpose of reporting, equipment and software are consolidated into one category.
- e. Capital assets in the process of construction.

To measure depreciation expense, the State uses the straight-line method, whereby the historical cost (or other capitalized amount) of depreciable assets, less their estimated salvage values, is allocated in equal annual amounts over the estimated useful lives of the assets. To estimate the useful lives of its capital assets, the State uses guidelines from industry organizations. There is no depreciation recorded for land, easements, construction in progress, and right-of-way.

Capital leases which are classified as capital assets are recorded in amounts equal to the lesser of the fair value of the asset or the present value of the future net minimum lease payments at the inception of the lease.

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to statues, monuments, forts, lighthouses, and various capitol related furnishings. Collections, such as historical

documents, artifacts, works of art, rare library books, and antique furnishings are not capitalized. These assets are exempted from capitalization as the State maintains the collections for reasons other than financial gain; the collections are protected, kept unencumbered, cared for and preserved; and the collections are subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collection. See Note 7 for additional details.

6. Interfund/Intrafund Transactions

Interfund Transactions - During the course of normal operations, the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

Intrafund Transactions - Intrafund transactions, as a result of contracts among departments within the same fund, are considered expenditures by the contractor and revenues by the contractee in the fund financial statements.

As a general rule, intrafund revenues and expenditures, interfund transfers, and interfund receivables and payables have been eliminated in the government-wide financial statements. An exception is the net residual amounts due between governmental and business-type activities, which is recorded as internal balances. Receivables from and payables to fiduciary funds are recorded in the statement of net position as receivable from and payable to external parties.

7. Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. In the government-wide statements, governmental activities column, the deferred outflows of resources represents three items: (1) the unamortized deferral on refundings of long-term obligations, (2) pension related amounts, and (3) OPEB related amounts. The pension and OPEB related amounts consists of: a) changes of assumptions; b) employer contributions and benefit payments subsequent to the measurement date; c) differences between expected and actual experience; d) changes in proportion and differences between employer contributions and proportionate share of contributions; and e) net difference between projected and actual investment earnings on pension and OPEB plan investments.

H. Liabilities

1. Unearned Revenue

Unearned revenues at both the government-wide and fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Unearned revenues also arise when resources are received by the State before it has a legal claim. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Unearned revenue consists principally of amounts due from the Port Authority of New York and New Jersey, Clean Water State Revolving Fund, and New Jersey Hazardous Discharge Site Cleanup Fund.

2. Long-term Obligations

The State's long-term obligations are divided into bonded and non-bonded categories. Bonded categories include general obligation bonds, revenue bonds, certain capital leases, installment obligations, certificates of participation, Tobacco Settlement Financing Corporation Bonds (TSFC), unamortized interest on capital appreciation bonds, and unamortized premium. Non-bonded categories include compensated absences, certain capital leases, loans payable, total other postemployment benefits (OPEB) liability, net pension liability, pollution remediation obligation, other, and deposit fund contracts. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year and as current liabilities-current portion of long-term obligations, if due within a year.

Bond and note premiums and discounts are amortized to interest expense based on the straight-line method. Capital appreciation bonds are reported at their net or accreted value rather than at face value. Bonds and notes payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

3. **Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. In the government-wide statements, governmental activities column, the deferred inflows of resources represents two items: (1) pension related amounts, and (2) OPEB related amounts. The pension and OPEB related amounts consists of: a) changes in proportion and differences between employer contributions and proportionate share of contributions, b) differences between expected and actual experience, and c) changes of assumptions. Additionally, deferred tobacco settlement revenue is recorded as a deferred inflows of resources in the governmental funds as all eligibility criteria excluding timing requirements have been met.

I. **Net Position**

1. **Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted** - Net position is reported as restricted when constraints placed on its use are either: externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or imposed by law through constitutional provisions or enabling legislation.
3. **Unrestricted** - Unrestricted net position consists of assets that do not meet the definition of “restricted” or “invested in capital assets”.
4. **Held in Trust for Pool Participants** - This is used to accumulate resources held for investment.
5. **Restricted for Pensions** - This is used to accumulate all active member, State, and other employer contributions and investment income from which pension benefit payments are made.
6. **Restricted for OPEB** - This is used to accumulate all local government retired members and employer contributions and investment income from which post-retirement health benefit payments are made.
7. **Restricted for Private Purpose Trust Funds** - This is used to accumulate resources received as a result of trust arrangements.

J. **Fund Balances**

1. **Nonspendable** - Fund balance includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (i.e., the principal of a permanent fund).
2. **Restricted** - Fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers or imposed by law through constitutional provisions, or through enabling legislation.
3. **Committed** - Fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
4. **Assigned** - Fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

5. **Unassigned** - Fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Based on the definitions of the nonspendable, restricted, committed, and assigned fund balance classifications, positive unassigned amounts can exist only in the General Fund. The State's General Fund reflects nonspendable restricted, committed, and unassigned fund balances. Initially, expenditures are made from existing committed fund balances, and if necessary, additional expenditures are made from unassigned fund balances.

K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2017:

Component Units – Authorities

Casino Reinvestment Development Authority
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Turnpike Authority
South Jersey Port Corporation
South Jersey Transportation Authority

Special Revenue Funds

New Jersey Building Authority (blended component unit)
New Jersey Schools Development Authority (blended component unit)

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Changes in Accounting Policy

In Fiscal Year 2018 the State adopted four new Governmental Accounting Standards Board (GASB) standards as follows:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*.

GASB Statement No. 85, *Omnibus 2017*.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

All applicable provisions of these new statements have been incorporated into the financial statements and notes.

B. Restatement of Net Position

The July 1, 2017 Net Position for the primary government was adjusted for the following:

	Government-wide Net Position
Balance July 1, 2017 - As Reported	\$ (132,590,365,332)
Prior Period Adjustments (correction of an error):	
Increase in Capital Assets	312,113,042
Increase in Accumulated Depreciation	(123,777,002)
Decrease in Group Homes	(87,313,118)
School districts' loans that were previously expended are now classified as assets	20,237,425
New Jersey Building Authority reduction of Accounts Payable	22,250,776
Governmental Funds' liabilities previously understated	(29,307,366)
Prior Period Adjustments (adoption of GASB standard):	
Elimination of Net OPEB obligation per GASB Statement No. 75	36,493,600,000
Increase in Long-term Obligations and Deferred Outflows of Resources for the adoption of GASB Statement No. 75	(95,089,595,480)
Balance July 1, 2017 - Restated	\$ (191,072,157,055)

C. Restatement of Fund Balance

The July 1, 2017 Governmental Fund Balance has been increased by \$13,180,835 to reflect the following adjustments:

	Total Governmental Funds Fund Balance	General Fund Fund Balance	Other Governmental Funds Fund Balance
Balance July 1, 2017 - As Reported	\$ 11,859,269,032	\$ 4,715,999,948	\$ 7,143,269,084
Prior Period Adjustments (correction of an error):			
New Jersey Building Authority reduction of accounts payable	22,250,776	-	22,250,776
School districts' loans that were previously expended are now classified as assets	20,237,425	20,237,425	-
Liabilities that were previously understated	<u>(29,307,366)</u>	<u>(52,836,581)</u>	<u>23,529,215</u>
Balance July 1, 2017 - Restated	<u>\$ 11,872,449,867</u>	<u>\$ 4,683,400,792</u>	<u>\$ 7,189,049,075</u>

D. Deficit Fund Balance

It is anticipated that bond sales during Fiscal Year 2019 will relieve the current deficit fund balances in the Cultural Centers and Historic Preservation Fund.

E. Joint Ventures

**The Port Authority of New York and New Jersey
4 World Trade Center
150 Greenwich Street, 23rd Floor
New York, NY 10007
www.panynj.gov**

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Individually published financial statements may be obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor. The Governor of each State appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority (including the Passenger Facility Charges Program) for the fiscal year ended December 31, 2017 disclosed the following (expressed in millions):

Financial Position	
	<u>Combined Total</u>
Total Assets and Deferred Outflows of Resources	\$ 46,983.5
Total Liabilities and Deferred Inflows of Resources	<u>29,902.4</u>
Net Position	<u><u>\$ 17,081.1</u></u>

Operating Results	
Operating Revenues	\$ 5,496.2
Operating Expenses	(3,132.9)
Depreciation and Amortization	<u>(1,275.3)</u>
Income from Operations	1,088.0
Non-operating Revenues (Expense), Net	<u>(581.8)</u>
Net Income	<u><u>\$ 506.2</u></u>

Changes in Net Position	
Balance January 1, 2017	\$ 16,574.9
Net Income	<u>506.2</u>
Balance December 31, 2017	<u><u>\$ 17,081.1</u></u>

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2017, Port Authority debt consisted of the following (expressed in millions):

Bonds, Notes, and Other Obligations	
Consolidated Bonds and Notes	\$ 21,696.4
Special Project Bonds	1,327.7
Operating Asset Financing	542.5
Capital Asset Financing	<u>2,417.9</u>
	25,984.5
Less: Unamortized Discount	<u>(13.4)</u>
Total	<u><u>\$ 25,971.1</u></u>

F. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$276.2 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2017.

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$1.0 billion in federal grant revenues and economic planning, development, and security expenditures has been recorded.

NOTE 3 - CASH AND CASH EQUIVALENTS

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, Property Tax Relief, and Long Term Obligation and Capital Expenditure Funds which are in the General Fund bank accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective due from or due to accounts on the balance sheet presented in the fund financial statements.

New Jersey Revised Statutes (c.52:18-16.1) set the policy that the State Treasurer must follow when depositing State funds and for the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds must be collateralized. Securities pledged as collateral must consist of obligations of, or be guaranteed by the United States or the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than \$15 million in State deposits per month require 100 percent coverage of the average aggregate daily balance of the preceding month. For banks that have State deposits which total \$15 million or more per month, the amount of collateral required is 120 percent of the average aggregate daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the State disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2018, the State's bank balances amounted to \$297.2 million. Of these balances, \$23.2 million was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 4 - INVESTMENTS

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in global equity investments; non-convertible preferred stocks; covered call and put options; futures contracts; obligations of the U.S. Treasury, government agencies, corporations, international governments and agencies; global diversified credit investments; interest rate swap transactions; state and municipal general obligations; public authority revenue obligations; collateralized notes and mortgages; commercial paper; certificates of deposit; repurchase agreements; money market funds; private equity funds; real estate funds; other real assets; and absolute return strategy funds.

Federal securities, including those held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks, in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular State fund which establishes the State fund's unconditional right to the securities. The custodian banks, as agents for the State funds, maintain records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the State funds.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and several Common Pension Trust Fund investment pools by State funds is reflected as investments in the Balance Sheets/Statement of Net Position of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are primarily reflected as investments in the Statement of Fiduciary Net Position, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date.

Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in

Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program.

Approximately \$234.5 million of investments represents deposit fund contracts for future installment payments of lottery prizes. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the statement of net position. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State would be liable for such future payments.

Investments for all funds as of June 30, 2018, are as follows (expressed in millions):

	Amount Reported As Investments
Domestic equities	\$ 25,482.7
Domestic fixed income securities	22,406.6
International equities	14,238.4
Private equities	8,710.0
Absolute return strategy funds	4,953.5
Global diversified credit funds	4,365.7
Real estate	3,817.4
Equity mutual funds	3,287.8
Real assets	2,094.1
International fixed income securities	2,037.5
Fixed income mutual funds	452.4
Opportunistic private equity investments	432.0
Annuity contracts	234.5
Fixed income money market funds	7.6
Total investments	<u>92,520.2</u>
Unallocated administrative expenses and transaction exchanges	478.2
Net amount recorded as investments	<u><u>\$ 92,998.4</u></u>

As Reported on the Government-wide Statement of Net Position and Statement of Fiduciary Net Position as of June 30, 2018
(expressed in millions):

	Current Investments	Non-Current Investments	Total
Governmental activities	\$ 8,144.6	\$ -	\$ 8,144.6
Business-type activities	277.2	207.7	484.9
Fiduciary funds	84,368.9	-	84,368.9
Total	<u>\$ 92,790.7</u>	<u>\$ 207.7</u>	<u>\$ 92,998.4</u>

The asset allocation policy as of June 30, 2018 for the pensions funds are as follows:

<u>Asset Class</u>	<u>Target</u>
Absolute return/risk mitigation	5.00%
Total risk mitigation	<u>5.00</u>
Total Cash and Short Term	5.50
Governments	<u>3.00</u>
Total liquidity	<u>8.50</u>
Investment grade credit	10.00
Public high yield	2.50
Global diversified credit	5.00
Credit oriented hedge funds	1.00
Debt related private equity	2.00
Debt related real estate	<u>1.00</u>
Total income	<u>21.50</u>
Real Assets	2.50
Equity related real estate	<u>6.25</u>
Total real return	<u>8.75</u>
U.S. equity	30.00
Non-U.S. developed markets equity	11.50
Emerging markets equity	6.50
Buyouts/venture capital	<u>8.25</u>
Total global growth	<u>56.25</u>
Total	<u>100.00%</u>

The asset allocation policy is reviewed on at least an annual fiscal year basis.

A. Deposit and Investment Risk Disclosure

The State's investments are subject to various risks. Among these risks are credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), or Fitch Ratings (Fitch). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in United States Treasury and government agency obligations. State regulations require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue. As of June 30, 2018, the following limits were in effect:

Category	Minimum Rating*			Limitation of Issuers' Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P	Fitch			
Global debt obligations	Baa3	BBB-	BBB-	10%	-	Not more than 5% of fund assets can be invested in any one issuer
International government and agency obligations	Baa3	BBB-	BBB-	25%	25%	Not more than 5% of fund assets can be invested in this category
Collateralized notes and mortgages	Baa3	BBB-	BBB-	-	25%	Not more than 5% of fund assets can be invested in any one issuer
Commercial paper	P-1	A-1	F1	-	-	Not more than 5% of fund assets can be invested in any one issuer
Certificates of deposit:						Cannot exceed 10% of issuer's primary capital; not more than 5% of fund assets can be invested in any one issuer
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Global diversified credit investments:						
Direct bank loans	-	-	-	10%	-	
Funds	-	-	-	-	-	Not more than 10% of fund assets can be invested in this category; not more than 5% of fund assets can be invested in any one issuer
Swap transactions	Baa2	BBB	BBB	-	-	Notional value of net exposure to any one counterparty shall not exceed 1% of fund assets; notional value shall not exceed 5% of fund assets but may be increased to 10% for a fixed period of time
Repurchase agreements:						
Bank or trust company	-	-	-	-	-	-
Broker	P-1	A-1	F1	-	-	-
State, municipal and public authority obligations	A3	A-	A-	10%	10%	Not more than 2% of fund assets can be invested in debt of any one obligor
Money market funds	-	-	-	-	-	Not more than 5% of fund assets can be invested in this category; limited to 5% of shares or units outstanding
Mortgage backed:						Not more than 10% of fund assets can be invested in this category
Pass-through securities	A3	A-	A-	-	-	
Senior debt securities	-	-	-	-	25%	
Non-convertible preferred stocks	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in any one issuer

* Short-term ratings (e.g. P-1, A-1, F1) are used for commercial paper and certificates of deposit.

The above table does not include Prudential Retirement investments for the New Jersey State Employees Deferred Compensation Plan (NJSEDCP). The NJSEDCP consists of a number of individual investment managers, which individually have investment guidelines that they comply with and follow.

Up to eight percent of the fair value of the combined assets of the pension funds may be invested in global debt obligations, collateralized notes and mortgages, non-convertible preferred stocks, and mortgage backed pass-through securities that do not meet the minimum credit rating requirements set forth above.

The total amount of a particular class of stock directly purchased of any one entity by the pension funds cannot exceed 10 percent of that class of stock outstanding. The total amount of shares or interests directly purchased or acquired of any one exchange traded fund or global, regional or country fund by the pension funds shall not exceed 10 percent of the total shares outstanding or interests of such fund.

For securities exposed to credit risk in the fixed income portfolio, the following tables disclose aggregate fair value, by major credit quality rating category at June 30, 2018. The first table is for fixed income securities rated by Moody's. The second table uses Standard and Poor's ratings for fixed income securities not rated by Moody's (expressed in millions):

	Moody's Rating					
	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>B</u>	<u>P-1</u>
Domestic corporate obligations	\$ 651.0	\$ 804.2	\$ 3,818.4	\$ 369.4	\$ 381.0	\$ -
United States Treasury bills	4,199.4	-	-	-	-	-
United States Treasury notes	4,479.0	-	-	-	-	-
Foreign government obligations	200.9	845.1	34.6	-	-	-
United States Treasury bonds	1,231.5	-	-	-	-	-
Commercial paper	-	-	-	-	-	3,511.5
Certificates of deposit	-	-	-	-	-	1,455.0
Federal agency obligations	934.0	-	100.0	-	-	-
International corporate obligations	14.9	49.7	243.5	23.9	64.5	-
Money market funds	7.6	-	-	-	-	-
Municipal obligations	-	128.9	33.7	-	-	-
Mortgages (FHLMC/FNMA/GNMA)	15.6	-	-	-	-	-
Other	0.1	-	-	-	1.8	-
Total	<u>\$ 11,734.0</u>	<u>\$ 1,827.9</u>	<u>\$ 4,230.2</u>	<u>\$ 393.3</u>	<u>\$ 447.3</u>	<u>\$ 4,966.5</u>

	Standard & Poor's Rating					
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>
Domestic corporate obligations	\$ -	\$ -	\$ 14.1	\$ 14.9	\$ 2.9	\$ 5.6
Commercial paper	-	-	269.4	-	-	-
International corporate obligations	-	-	4.4	4.9	21.0	4.9
Foreign government obligations	-	-	38.6	-	-	-
Municipal obligations	11.8	8.6	-	-	-	-
Total	<u>\$ 11.8</u>	<u>\$ 8.6</u>	<u>\$ 326.5</u>	<u>\$ 19.8</u>	<u>\$ 23.9</u>	<u>\$ 10.5</u>

The above tables do not include the following Moody's rated investments: domestic corporate obligations (\$212.8 million), foreign government obligations (\$0.7 million), international corporate obligations (\$45.6 million), and other investments (\$0.7 million) with a Ba rating; domestic corporate obligations (\$3.5 million) and international corporate obligations (\$0.5 million) with a Ca rating; and domestic corporate obligations (\$146.7 million) and international corporate obligations (\$25.8 million) with a Caa rating. Additionally, the tables do not include domestic corporate obligations (\$2.5 million) with a Standard & Poor's rating of CCC and commercial paper (\$0.4 million) with a Fitch rating of AA.

The tables do not include certain domestic and international corporate obligations and certain fixed income mutual funds, which invest in an underlying portfolio of fixed income securities totaling \$464.4 million, and do not have a Moody's or Standard and Poor's rating.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Commercial paper must mature within 270 days. Certificates of deposits are limited to a term of one year or less. Repurchase agreements must mature within 30 days. State regulations permit the pension funds to enter into foreign exchange contracts for the purpose of hedging the international portfolio.

The following table summarizes the maturities (or, in the case of Remics and mortgage backed securities, the expected average life) of the fixed income portfolio at June 30, 2018 (expressed in millions):

	Maturities in Years*				
	Total Fair Value	Less than 1	1-5	6-10	More than 10
Domestic corporate obligations	\$ 6,430.6	\$ 253.9	\$ 1,949.9	\$ 3,099.4	\$ 1,127.4
United States Treasury notes	4,479.0	4,404.6	74.4	-	-
United States Treasury bills	4,199.4	4,199.4	-	-	-
Commercial paper	3,780.9	3,725.4	55.5	-	-
Certificates of deposit	1,455.0	1,455.0	-	-	-
United States Treasury bonds	1,231.5	-	709.8	319.2	202.5
Foreign government obligations	1,119.9	96.5	595.0	226.4	202.0
Federal agency obligations	1,034.0	634.5	203.9	195.6	-
International corporate obligations	508.2	66.2	75.2	304.4	62.4
Municipal obligations	183.0	-	44.9	-	138.1
Mortgages (FHLMC/FNMA/GNMA)	15.6	-	0.3	4.0	11.3
Money market funds	7.6	7.6	-	-	-
Asset backed obligations	3.3	-	-	-	3.3
Bank loans	1.9	-	1.9	-	-
SBA passthrough certificates	0.1	0.1	-	-	-
Total	\$ 24,450.0	\$ 14,843.2	\$ 3,710.8	\$ 4,149.0	\$ 1,747.0

* \$453.9 million of investments do not have specific maturity dates.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As mentioned previously, the State's Pension Trust Funds participate in the Common Pension Trust Fund pool, which invests in global markets.

At June 30, 2018, the State had the following foreign currency exposure based on exchange rates in effect for such day (expressed in millions of U.S. dollars):

Currency	Total Fair Value	Equities	Fixed Income	Alternative Investments
Australian dollar	\$ 544.7	\$ 544.7	\$ -	\$ -
Brazilian real	264.3	264.3	-	-
Canadian dollar	857.9	801.8	56.1	-
Chilean peso	36.1	36.1	-	-
Columbian peso	1.3	-	1.3	-
Czech koruna	25.5	25.5	-	-
Danish krone	142.8	142.8	-	-
Euro	3,247.6	2,436.6	28.5	782.5
Hong Kong dollar	1,383.3	1,383.3	-	-
Hungarian forint	47.2	47.2	-	-
Indonesian rupiah	108.0	108.0	-	-
Japanese yen	2,019.1	2,019.1	-	-
Malaysian ringgit	97.4	97.4	-	-
Mexican peso	111.3	111.3	-	-
Moroccan dirham	3.3	3.3	-	-
New Israeli shekel	14.9	14.9	-	-
New Taiwan dollar	12.5	12.5	-	-
New Zealand dollar	1.1	1.1	-	-
Norwegian krone	61.5	61.5	-	-
Pakistan rupee	21.3	21.3	-	-
Philippines peso	43.6	43.6	-	-
Polish zloty	79.7	79.7	-	-
Qatari rial	21.5	21.5	-	-
Singapore dollar	94.3	94.3	-	-
South African rand	330.0	330.0	-	-
South Korean won	676.1	676.1	-	-
Swedish krona	217.7	217.7	-	-
Swiss franc	629.8	629.8	-	-
Thailand baht	99.5	99.5	-	-
Turkish lira	69.1	69.1	-	-
UAE dirham	30.6	30.6	-	-
United Kingdom pound sterling	1,601.1	1,460.4	2.6	138.1
Total	\$ 12,894.1	\$ 11,885.0	\$ 88.5	\$ 920.6

The State's interests in alternative investments may contain elements of credit, currency, and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and non-marketable investments), and nondisclosure of portfolio composition. State regulations require that not more than 38 percent of the fair value of the pension funds can be invested in alternative investments, with limits on the individual categories of real estate (nine percent), real assets (seven percent), private equity (12 percent), and absolute return strategy (15 percent). Not more than five percent of the fair value invested through direct investments, separate accounts, fund-of-funds, commingled funds, co-investments and joint ventures in global diversified credit, private equity, real asset and absolute return strategy investments, plus outstanding commitments, may be committed to any one partnership or investment. These investments cannot comprise more than 20 percent of any one investment manager's total assets.

B. Derivatives

The Pension Trust Funds invest in derivative securities. A derivative security is an investment whose value is derived from other financial instruments such as commodity prices, bonds and stock prices, or a market index. The Pension Trust Funds' derivative securities are considered investment derivative instruments. The fair value of all derivative securities is reported in the statement of fiduciary net position, and the change in fair value is recorded in the statement of changes in fiduciary net position as a net increase or decrease in fair value of investments.

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk includes, but is not limited to, the possibility that a change in interest rate risk, foreign currency risk or the value of the underlying securities will cause the value of a financial instrument to decrease or become more costly to settle. The market or the value of underlying security, or securities, risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing limits as to the types, amounts and degree of risk that the Pension Trust Funds may undertake as set forth in State Regulations.

The Pension Trust Funds may use financial futures to replicate an underlying security or indices they wish to hold in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Additionally, the Pension Trust Funds may use futures contracts to improve the yield or adjust the duration of the fixed income portfolio or may sell futures contracts to hedge the portfolio. A financial futures contract is an agreement between a buyer and a seller that is based on a referenced item, such as financial indices, or interest rates or a financial instrument such as equity or fixed income securities, physical commodities or currencies. Futures contracts may call for physical delivery of specified quantity of the underlying asset of a specified price (futures or strike price) and date, or be settled in cash. Futures contracts must be traded on a securities exchange or over-the-counter market. The net change in the future contracts value is settled daily in cash with the exchanges. The cash to fulfill these obligations is held in a margin account. As the market value of the futures contract varies from the original contract price, a gain or loss is paid to or received from the clearinghouse and recognized in the statement of changes in fiduciary net position. The Pension Trust Funds had no investments in futures at June 30, 2018.

Foreign currency forward contracts are used as a means to hedge against currency risks in the Pension Trust Funds. Foreign currency forward contracts are agreements to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Foreign currency forward contracts are marked to market on a daily basis with the change in fair value included in investment income in the statement of changes in fiduciary net position.

The Pension Trust Funds utilize covered call and put options in an effort to add value to or reduce the risk level in the portfolio. Options are agreements that give the owner of the option the right, but not obligation, to buy (in the case of a call option) or to sell (in the case of a put option) a specific amount of an asset for a specific price (called the strike price) on or before a specified expiration date. The Pension Trust Funds enter into covered calls when it writes (or sells) call options on underlying stocks held by the Pension Trust Funds or stock indices. The Pension Trust Funds enter into covered put options when it purchases put options on underlying stocks held by the Pension Trust Funds or stock indices. The Pension Trust Funds enter into put spreads when it purchases put options while simultaneously writing put options on the same underlying securities or indices at a lower strike price. The purchaser of put options pays a premium at the outset of the agreement and stands to gain from an unfavorable change (i.e., a decrease) in the price of the instrument underlying the option. The writer of call options receives a premium at the outset of the agreement and may bear the risk of an unfavorable change (i.e., an increase) in the price of the instrument underlying the option.

As of June 30, 2018, Pension Trust Fund's derivative investments included foreign currency forward contracts:

	Notional value				Change in
	(local currency)	Receivable	Payable		fair value
Foreign currency forward contracts:					
Buy:					
Euro	€ 747,548	\$ 873,737	\$ 872,330	\$	1,407
Pound sterling	£ 19,000	25,116	25,283		(167)
Sell:					
Euro	€ 25,528,125	29,837,710	29,851,830		(14,120)
Pound sterling	£ 2,068,516	2,775,000	2,734,787		40,213
Total Forward contracts		<u>\$ 33,511,563</u>	<u>\$ 33,484,230</u>	<u>\$</u>	<u>27,333</u>

Certain alternative investment funds and partnerships may use derivative instruments to hedge against market risk and to enhance investment returns. At any point during the year, the Pension Trust Funds may have additional exposure to derivatives primarily through limited liability vehicles such as limited partnerships and commingled investment funds.

C. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and inputs into the determination of fair value require significant management judgment or estimation, including assumptions about risk.

Investments are reported at fair value as follows:

- Domestic and international equity securities and exchange traded funds are valued using closing sales prices reported on recognized securities exchanges on which the securities are principally traded; these securities are included as Level 1 in the chart below. For listed securities having no sales reported and for unlisted securities, such securities will be valued based upon the last reported bid price; these securities are included as Level 2 in the chart below.
- Fixed income and equity mutual funds are valued using the published daily closing prices reported by Prudential and are included as Level 1 in the chart below.
- Foreign and domestic government, agency and corporate obligations, municipal bonds, mortgages, bank loans and asset backed securities are valued using an evaluated price which is based on a compilation of primarily observable market information or broker quotes in a non-active market. These are included as Level 2 in the chart below.
- Foreign exchange contracts are valued using industry recognized market-based models to calculate the value that a holder or counterparty would receive within the bid-ask spread, in an orderly transaction under current market conditions. These securities are included as Level 2 in the chart below.
- Options are valued using closing sales prices reported on recognized securities exchanges on which the securities are principally traded. These securities are included as Level 1 in the chart below.
- Distributions from private equity vehicles are received as the underlying investments are liquidated. The Plan's ownership interest in partners' capital can never be redeemed, but could be sold subject to approval by the fund's management. As of June 30, 2018, a buyer (or buyers) for these investments have not yet been identified. The partnership interest may be sold at an amount different from the net asset value (NAV) per share (or its equivalent) of the Plan's ownership interest in partners' capital.
- The valuation methods for investments measured at the NAV per share (or its equivalent) is presented in the table below.

The following table summarizes the fair value hierarchy of the investment portfolio as of June 30, 2018 (expressed in millions):

	Fair Value Measurements Using			
	June 30, 2018	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Equity securities:				
Domestic equities	\$ 25,239.7	\$ 25,228.2	\$ 11.5	\$ -
International equities	13,584.6	13,583.9	0.7	-
Equity mutual funds	3,287.8	3,287.8	-	-
Exchange traded funds	896.8	896.8	-	-
Total equity securities	<u>43,008.9</u>	<u>42,996.7</u>	<u>12.2</u>	<u>-</u>
Debt securities:				
Corporate obligations	6,430.6	-	6,430.6	-
United States Treasury notes	4,479.0	-	4,479.0	-
United States Treasury bills	4,199.4	-	4,199.4	-
Commercial paper	3,780.9	-	3,780.9	-
United States Treasury bonds	1,231.5	-	1,231.5	-
Foreign government obligations	1,119.9	-	1,119.9	-
Federal agency obligations	1,034.0	-	1,034.0	-
International corporate obligations	508.2	-	508.2	-
Fixed income mutual funds	452.4	452.4	-	-
Annuity contracts	234.5	39.6	-	194.9
Municipal obligations	183.0	-	183.0	-
Mortgages (FHLMC/FNMA/GNMA)	15.6	-	15.6	-
Asset backed securities	3.3	-	3.3	-
Bank loans	1.9	-	1.9	-
Exchange traded funds	1.5	1.5	-	-
SBA pass through certificates	0.1	-	0.1	-
Total debt securities	<u>23,675.8</u>	<u>493.5</u>	<u>22,987.4</u>	<u>194.9</u>
Total investments by fair value level	<u>\$ 66,684.7</u>	<u>\$ 43,490.2</u>	<u>\$ 22,999.6</u>	<u>\$ 194.9</u>
Investments measured at the net asset value (NAV)				
Buyout private equity funds	\$ 7,211.7			
Global diversified credit funds	4,365.7			
Real estate funds - equity	3,401.9			
Multi-strategy hedge funds	2,131.1			
Real assets	2,094.1			
Opportunistic hedge funds	1,115.4			
Debt related private equity funds	967.8			
Credit oriented hedge funds	867.9			
Equity oriented hedge funds	839.2			
Venture capital private equity funds	491.9			
Opportunistic private equity investments	432.0			
Real estate funds - debt	415.5			
Secondary private equity funds	38.6			
Total investments measured at the NAV	<u>\$ 24,372.8</u>			
Investments measured at cost				
Certificates of deposit	\$ 1,455.0			
Money market funds	7.6			
Total investments measured at cost	<u>\$ 1,462.6</u>			
Investment derivative instruments				
Foreign currency forward contracts (assets)	\$ 33.5	\$ 33.5	\$ -	
Foreign currency forward contracts (liabilities)	(33.5)	(33.5)	-	
Total investment derivative instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

The following table represents the unfunded commitments, redemptions frequency, and redemption notice period for investments measured at the NAV as of June 30, 2018 (expressed in millions):

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently Eligible)	Notice Period
Buyout private equity funds ¹	\$ 7,211.7	\$ 3,107.6	None	N/A
Global diversified credit funds ²	4,365.7	1,978.2	Quarterly, semi-annual	45 and 90 days
Real estate funds - equity ³	3,401.9	1,775.7	Quarterly	15 and 90 days
Multi-strategy hedge funds ⁴	2,131.0	232.6	Quarterly, semi-annual	None
Real assets ⁵	2,094.1	1,006.3	None	None
Opportunistic hedge funds ⁶	1,115.4	125.0	Monthly, quarterly	2-90 days
Debt related private equity funds ⁷	967.8	819.1	None	N/A
Credit oriented hedge funds ⁸	867.9	-	Monthly, quarterly, semi- annual, annually	45-60 days
Equity oriented hedge funds ⁹	839.2	50.0	Quarterly, semi-annual, annually	45-92 days
Venture capital private equity funds ¹⁰	491.9	89.4	None	N/A
Opportunistic private equity funds ¹¹	432.0	341.6	None	N/A
Real estate funds - debt ¹²	415.5	346.2	None	N/A
Secondary private equity funds ¹³	38.5	27.8	None	N/A
Total investment measured at the NAV	\$ 24,372.6	\$ 9,899.5		

Notes:

- 1 Buyout private equity funds include investments in 76 partnerships and seven co-investment vehicles, which invest primarily in the equity of established operating companies in order to restructure the target company's reserve capital, management and/or organizational structure or facilitate ongoing growth of the firm. Return on investment is typically realized through an initial public offering, sale or merger of the company, or a recapitalization. All of the investments provide for transfer or sale of limited partnership interest with the prior written approval of the General Partner and six investments further require the right of first refusal by the other partner in the investment. It is expected that the underlying assets will be liquidated over the next 1 to 14 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 2 Global diversified credit funds include investments in 17 funds and separate account investments that make investment in mezzanine debt, credit structured products, commercial and residential mortgage-backed securities, commercial and residential whole loans, and other similar strategies. One of the funds has a quarterly redemption provision and one fund has a semi-annual redemption provision. Fifteen of these investments cannot be redeemed because the investments include restrictions. As of June 30, 2018, these remaining redemption restriction periods range from 3 to 72 months. It is expected that the underlying assets will be liquidated over the next 1 to 8 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 3 Real estate equity funds include investments in 47 funds or separate accounts that make investments in the equity of the underlying asset, where the investor acts as a shareholder in a specific property and receives a share of the rental income the property generates. Investments representing approximately 71% of real estate equity investments can never be redeemed. Thirty-six of the investments provide for transfer or sale of limited partnership interest with the prior written approval of the General Partner and nine investments further require the right of first refusal by the other partner in the investment. Distributions from each fund and separate account will be received as the underlying investments are liquidated. It is expected that the underlying assets will be liquidated over the next 6 months to 16 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 4 Multi-strategy hedge funds include investments in 12 hedge funds that pursue multiple strategies to diversity risks and reduce volatility. Investments representing approximately 58% of the value of the investments cannot be redeemed because the investment includes restrictions that do not allow for redemptions. As of June 30, 2018, the remaining redemption restriction periods range from 6 to 7 months. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

- 5 Real asset funds includes investments in 18 funds or separate account strategies which invest in the equity or debt of infrastructure, energy, utilities, water, timber, agriculture, metals, mining, and commodity-related and commodity-linked investments. Real asset investments include investments in products, services and technology related to the above. No real asset investments can be redeemed. Seventeen of the investments provide for the transfer or sale of limited partnership interest with the prior written approval of the General Partner and one investment further requires the right of first refusal by the other partners in the investment. Distributions from each fund and separate account will be received as the underlying investments are liquidated. It is expected that the underlying assets will be liquidated over the next 1 to 15 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 6 Opportunistic hedge funds include investments in five hedge funds that invest in speculative opportunities with high net market exposure across varied markets. Opportunistic funds include global macro funds, commodity trading advisor funds, and funds employing other similar strategies. Investments representing approximately 14% of the value of the investments in this type cannot be redeemed because the investments include restrictions. As of June 30, 2018, this remaining redemption restriction period is 15 months. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 7 Debt related private equity funds include investments in 24 funds employing distressed, turnaround and mezzanine debt strategies. Distressed debt involves purchasing debt securities that are trading at a distressed level, in anticipation that those securities will have a higher market valuation and generate profit at a future date, or strategies, which take a position to potentially gain control of an asset. Turnaround investments focus on acquiring voting control in companies that are in distress, and aim to subsequently restore the company to profitability. Mezzanine debt strategies provide a middle level of financing in leveraged buyouts, which is below the senior debt layer and above the equity layer. A typical mezzanine investment includes a loan to the borrower, in addition to the borrower's issuance of equity in the form of warrants, common stock, preferred stock, or some other equity investment. All of the investments provide for transfer or sale of limited partnership interest with the prior written approval of the General Partner. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 14 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 8 Credit oriented hedge funds include investments in eight hedge fund and separate account strategies that include both credit and distressed debt funds. Credit strategies typically invest both long and short in high yield and high-grade bonds, and structured products using fundamental credit analysis. These securities tend to be relatively liquid. Distressed debt strategies take advantage of corporate securities in default, under bankruptcy protection, in distress, or in liquidation. These securities are often illiquid. Investments representing approximately 97% of the value of the investments cannot be redeemed because the investment includes restrictions that do not allow for redemptions. As of June 30, 2018, these remaining redemption restriction periods range from 3 to 18 months. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 9 Equity oriented hedge funds include investments in seven hedge fund and separate account strategies that includes both equity long/short and event driven funds. Equity long/short funds hold a combination of long and short positions primarily in publicly traded equities. Event driven funds invest in merger arbitrage, capital structure arbitrage, relative value, activist or other similar strategies. Investments representing approximately 46% of the value of the investments cannot be redeemed because the investment includes restrictions that do not allow for redemptions. As of June 30, 2018, these remaining redemption restriction periods range from 3 to 36 months. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 10 Venture capital private equity funds include investments in eight partnership vehicles that make equity investments primarily in-high growth companies during their early or expansion stages. These companies may or may not have revenues or a client base and in most cases will not be cash flow positive. Distributions from each vehicle will be received as the underlying investments are liquidated. It is expected that the underlying assets will be liquidated over the next 6 months to 6 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 11 Opportunistic private equity funds include investments in four funds and separate accounts which acquire minority equity interests in investment management companies. Investments in these funds have a perpetual term and cannot be redeemed. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 12 Real estate funds – debt include investments in seven funds or separate accounts that make investments in the debt of the underlying asset, where the investor acts as a lender to the property owner and receives an interest rate on the loan. Investments can never be redeemed. Six of the investments provide for transfer or sale of limited partnership interest with the prior written approval of the General Partner and two investments further require the right of first refusal by the other partners in the investments. Distributions from each fund and separate account will be received as the underlying investments are liquidated. It is expected that the underlying assets will be liquidated over the next 1 to 8 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 13 Secondary private equity funds include investments in four funds that purchase secondary interests in private equity partnerships. The underlying investments represent ownership interests in private equity funds managed by buyout or venture capital firms after the capital has been deployed. Distributions from each fund will be received as the underlying investments are liquidated. It is expected that the underlying assets will be liquidated over the next 1 to 5 years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.

NOTE 5 - SECURITIES LENDING COLLATERAL

The State Investment Council policies permit the Common Pension Funds and several of the individual pension plan portfolios to participate in securities lending programs, whereby securities are loaned to brokers or other borrowers and, in return, the Funds have rights to the collateral received. The publicly traded securities held by the Common Pension Funds and the pension plans, are eligible for the securities lending program. Collateral received may consist of cash, irrevocable bank letters of credit, or U.S. Treasury obligations having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level.

For loans of U.S. government securities or sovereign debt issued by non-U.S. governments, in the event that the market value of the collateral falls below 100 percent of the market value of the outstanding loaned securities to an individual borrower, or the market value of the collateral of all loans of such securities falls below the collateral requirement, additional collateral shall be transferred by the borrower to the respective funds no later than the close of the next business day so that the market value of such additional collateral together with collateral previously delivered meets the collateral requirements.

For loans of all other types of securities, in the event that the market value of the collateral falls below the collateral requirement of either 102 percent or 105 percent (depending on whether the securities are denominated in U.S. dollars or a foreign currency, respectively) of the market value of the outstanding loaned securities to an individual borrower, additional collateral shall be transferred in an amount that will increase the aggregate of the borrower's collateral to meet the collateral requirements. As of June 30, 2018, the Common Pension Funds have no aggregate credit risk exposure to borrowers because the collateral amount held by the Common Pension Funds exceeded the market value of the securities on loan.

The contract with the securities lending agent requires them to indemnify the Common Pension Funds and pension plans if the brokers or other borrowers fail to return the securities and provides that collateral securities may be sold in the event of a borrower default. The Common Pension Funds and pension plans are also indemnified for any loss of principal or interest on collateral invested in repurchase agreements. The Common Pension Funds and pension plans cannot participate in any dividend reinvestment program or vote with respect to any securities that are on loan on the applicable record date. The securities loans can be terminated by notification by either the borrower or the Common Pension Funds and pension plans. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of the collateral.

The securities lending collateral is subject to various risks. Among these risks are custodial credit risk, credit risk, concentration of credit risk, and interest rate risk. Securities lending collateral is invested in repurchase agreements, the maturities of which cannot exceed 30 days. The collateral for repurchase agreements is limited to obligations of the U.S. Government or certain U.S. Government agencies, collateralized notes and mortgages and corporate obligations meeting certain minimum rating criteria. Total exposure to any individual issuer is limited consistent with internal policies for funds managed by the Division of Investment.

For securities exposed to credit risk in the collateral portfolio, the following table disclosures aggregate fair value, by major credit quality rating category at June 30, 2018 (expressed in millions):

	Rating		
	Aaa/AAA	Not Rated	Total
Repurchase Agreements	\$ 722.0	\$ -	\$ 722.0
State Street Navigator Securities Lending			
Money Market Portfolio	-	118.1	118.1
Total	<u>\$ 722.0</u>	<u>\$ 118.1</u>	<u>\$ 840.1</u>

Custodial credit risk for investments is the risk that the Pension Funds will not recover the value of the investments, which are in the possession of an outside party, if the counterparty to the transaction does not fulfill its obligations. The repurchase agreements' underlying securities are held in the Common Pension Fund's name.

As of June 30, 2018, the Pension Funds had outstanding loaned investment securities with an aggregate fair value of \$814.3 million and did not hold any noncash collateral. There were no borrowers or lending agent default losses, and no recoveries or prior-period losses during the year.

NOTE 6 - RECEIVABLES

Fiduciary funds' receivables are not disclosed in the statement of net position. However, these receivables are disclosed in the fund financial statements and consist primarily of amounts due from employers and employees and accrued earnings on investments. Receivables presented in the statement of net position are described below.

A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 19 – Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined by the National Council on Governmental Accounting Statement No. 2 - *Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments*. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$4.3 billion of Federal government awards consisting of encumbrances which are considered unearned and unrecorded as of June 30, 2018.

B. Departmental

Departmental receivables of \$5.0 billion are reported net of allowances of \$668.2 million and are mostly comprised of major tax revenues substantially collected within the one month period subsequent to June 30. Amounts included in these receivables, but not collected within the one month period subsequent to June 30, 2018 are deemed to be collectible.

C. Loans

Loan receivables of \$1.7 billion are reported net of allowances of \$62.3 million. Major loan receivables include \$1.6 billion loaned to local units of government and other recipients for environmental projects; \$32.6 million loaned for economic development projects within local units of government; \$25.8 million loaned for school districts' deficit relief; \$8.4 million loaned to eligible homeowners to make their homes lead-safe; and \$1.9 million loaned for housing and mortgage assistance projects.

D. Other

Other receivables of \$896.2 million are reported net of allowances of \$556.7 million. Major other receivables include \$359.2 million of Transfer Inheritance Tax and Public Utility Gross Receipts and Franchise Taxes due from taxpayers; \$122.5 million due from the tobacco companies; \$104.2 million due from claimants representing overpaid unemployment benefits; \$99.9 million due from New Jersey Transit; \$82.1 million due from the Port Authority of New York and New Jersey; \$71.9 million representing rebates from pharmaceutical companies; \$19.5 million due from proceeds of Motor Vehicle Commission bonds which are held by the trustee; and \$6.4 million due from the utility industry.

NOTE 7 – CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2018 is as follows (expressed in millions):

	<u>Balance July 1, 2017*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2018</u>
Capital assets, not being depreciated:					
Land and easements	\$ 5,276.6	\$ 55.4	\$ -	\$ (15.5)	\$ 5,316.5
Construction in progress	2,539.7	1,624.7	-	(1,507.7)	2,656.7
Capital assets, being depreciated:					
Land improvements	254.2	18.3	-	(6.3)	266.2
Buildings and improvements	3,994.8	4.0	5.9	81.5	4,074.4
Equipment and software	1,353.1	100.8	25.8	31.9	1,460.0
Infrastructure	29,393.0	-	-	1,474.1	30,867.1
Total at historical cost	<u>42,811.4</u>	<u>1,803.2</u>	<u>31.7</u>	<u>58.0</u>	<u>44,640.9</u>
Less accumulated depreciation:					
Land improvements	168.5	6.9	0.7	-	174.7
Buildings and improvements	2,275.3	117.4	27.6	-	2,365.1
Equipment and software	1,013.0	127.7	22.8	-	1,117.9
Infrastructure	11,922.9	822.5	1.3	-	12,744.1
Total accumulated depreciation	<u>15,379.7</u>	<u>1,074.5</u>	<u>52.4</u>	<u>-</u>	<u>16,401.8</u>
Governmental activities capital assets, net	<u>\$ 27,431.7</u>	<u>\$ 728.7</u>	<u>\$ (20.7)</u>	<u>\$ 58.0</u>	<u>\$ 28,239.1</u>

* The July 1, 2017 capital asset balance has been restated by \$312.1 million and the accumulated depreciation balance has been restated by \$123.8 million across construction in progress, building improvements, equipment and software, and infrastructure.

Capital Assets were acquired by functions of the primary government as follows (expressed in millions):

	<u>Amount</u>
Public safety and criminal justice	\$ 106.9
Physical and mental health	23.0
Educational, cultural, and intellectual development	13.2
Community development and environmental management	75.3
Economic planning, development, and security	27.5
Transportation programs	1,519.1
Government direction, management, and control	31.0
Special government services	7.2
Total	<u>\$ 1,803.2</u>

A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to, statues, monuments, forts, lighthouses, and various capitol related furnishings. Collections, such as historical documents, artifacts, works of art, rare library books, and antique furnishings are not capitalized. These assets are exempted from capitalization as the State maintains the collections for reasons other than financial gain; the collections are protected, kept unencumbered, cared for and preserved; and the collections are subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

B. Depreciation and Useful Lives

Capital assets are depreciated using the straight line method. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were in an allowable range as follows:

<u>Asset</u>	<u>Years</u>
Land improvements	10-50
Building and improvements	12-60
Equipment and software	3-30
Infrastructure	4-70

Depreciation was charged to functions of the primary government as follows (expressed in millions):

	<u>Amount</u>
Public safety and criminal justice	\$ 95.4
Physical and mental health	19.5
Educational, cultural, and intellectual development	32.9
Community development and environmental management	20.2
Economic planning, development, and security	33.9
Transportation programs	831.5
Government direction, management, and control	31.1
Special government services	10.0
Total	<u>\$ 1,074.5</u>

NOTE 8 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due from/due to other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

A. Due From/Due To Other Funds

The balances of current interfund receivables and payables at June 30, 2018 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	State Lottery Fund	Unemployment Compensation Fund	Fiduciary Funds	Total
Due from:							
General Fund	\$ -	\$ -	\$ 212.3	\$ -	\$ 0.8	\$ 70.3	\$ 283.4
Property Tax Relief Fund	442.3	-	1.6	-	4.8	-	448.7
Non-Major Governmental Funds	487.9	0.4	269.3	-	1.7	-	759.3
State Lottery Fund	52.9	-	-	-	-	83.0	135.9
Unemployment Compensation Fund	-	0.6	0.4	-	-	-	1.0
Fiduciary Funds	7.5	11.1	-	-	-	-	18.6
Total Due from	<u>\$ 990.6</u>	<u>\$ 12.1</u>	<u>\$ 483.6</u>	<u>\$ -</u>	<u>\$ 7.3</u>	<u>\$ 153.3</u>	<u>\$ 1,646.9</u>
Due to:							
General Fund	\$ -	\$ 442.3	\$ 487.9	\$ 52.9	\$ -	\$ 7.5	\$ 990.6
Property Tax Relief Fund	-	-	0.4	-	0.6	11.1	12.1
Non-Major Governmental Funds	212.3	1.6	269.3	-	0.4	-	483.6
Unemployment Compensation Fund	0.8	4.8	1.7	-	-	-	7.3
Fiduciary Funds	70.3	-	-	83.0	-	-	153.3
Total Due to	<u>\$ 283.4</u>	<u>\$ 448.7</u>	<u>\$ 759.3</u>	<u>\$ 135.9</u>	<u>\$ 1.0</u>	<u>\$ 18.6</u>	<u>\$ 1,646.9</u>

B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2018 are presented below (expressed in millions):

	General Fund*	Property Tax Relief Fund	Non-Major Governmental Funds*	State Lottery Fund	Unemployment Compensation Fund	Fiduciary Funds	Total
Transfers (out) to:							
General Fund	\$ -	\$ (56.3)	\$ (1,695.2)	\$ (52.7)	\$ -	\$ (0.1)	\$ (1,804.3)
Non-Major Governmental Funds	(3,864.2)	(230.9)	(1,664.4)	-	-	-	(5,759.5)
Total Transfers (Out)	<u>\$ (3,864.2)</u>	<u>\$ (287.2)</u>	<u>\$ (3,359.6)</u>	<u>\$ (52.7)</u>	<u>\$ -</u>	<u>\$ (0.1)</u>	<u>\$ (7,563.8)</u>
Transfers in from:							
General Fund	\$ -	\$ -	\$ 3,887.8	\$ -	\$ -	\$ -	\$ 3,887.8
Property Tax Relief Fund	56.3	-	230.9	-	-	-	287.2
Non-Major Governmental Funds	1,695.2	-	1,664.4	-	-	-	3,359.6
State Lottery Fund	52.7	-	-	-	-	-	52.7
Fiduciary Funds	0.1	-	-	-	-	-	0.1
Total Transfers In	<u>\$ 1,804.3</u>	<u>\$ -</u>	<u>\$ 5,783.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,587.4</u>
Net Transfers	<u>\$ (2,059.9)</u>	<u>\$ (287.2)</u>	<u>\$ 2,423.5</u>	<u>\$ (52.7)</u>	<u>\$ -</u>	<u>\$ (0.1)</u>	<u>\$ 23.6</u>

* The New Jersey Building Authority (a blended component unit included in the Non-Major Governmental Funds) has a fiscal year end of December 31, 2017. Due to the State having a June 30, 2018 fiscal year end, transactions between the New Jersey Building Authority and the General Fund have created an imbalance within the transfers.

NOTE 9 - SHORT-TERM OBLIGATIONS

Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of Tax and Revenue Anticipation Notes (TRAN) in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. For Fiscal Year 2018, the State, under a resolution executed by the Treasurer on August 30, 2017, authorized the issuance of \$2.0 billion of TRAN. On August 31, 2017, the State issued \$0.9 billion of TRAN through a private placement. On February 22, 2018, the State issued \$0.6 billion of TRAN through a private placement. These notes bear interest from their date of issuance through maturity or earlier redemption by the State at an adjustable rate per annum equal to 100 percent of the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index plus 34.0 basis points. In addition, the State paid an undrawn fee of 15.0 basis points on any unutilized portion of the facility.

Short-term debt activity for the year ended June 30, 2018, was as follows (expressed in millions):

	Outstanding			Outstanding
	July 1, 2017	Issued	Redeemed	June 30, 2018
Tax and Revenue Anticipation Notes-Series 2018 A	\$ -	\$ 900.0	\$ (900.0)	\$ -
Tax and Revenue Anticipation Notes-Series 2018 B	-	600.0	(600.0)	-
Total Tax and Revenue Anticipation Notes	<u>\$ -</u>	<u>\$ 1,500.0</u>	<u>\$ (1,500.0)</u>	<u>\$ -</u>

NOTE 10 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources reported on the statement of net position as of June 30, 2018, consists of the following (expressed in millions):

Deferred Outflows of Resources:	Governmental Activities
Net Pension Liability related items	\$ 21,465.2
Total OPEB Liability related items	2,384.6
Unamortized deferral on refundings of long-term obligations	467.9
Total Deferred Outflows of Resources	\$ 24,317.7
Deferred Inflows of Resources:	
Net Pension Liability related items	\$ 16,277.6
Total OPEB Liability related items	10,561.4
Deferred tobacco revenue	122.5
Total Deferred Inflows of Resources	\$ 26,961.5

Deferred Outflows of Resources:

The pension related amounts consist of: 1) changes of assumptions of \$17,231.2 million; 2) differences between expected and actual experience of \$987.8 million; 3) net difference between projected and actual investment earnings on pension plan investments of \$587.0 million; 4) changes in proportion and differences between employer contributions and proportionate share of contributions of \$201.1 million; and, 5) employer contributions of \$2,458.1 million subsequent to the measurement date.

The OPEB related amounts consist of: 1) net difference between projected and actual investment earnings on OPEB plan investments of \$1.4 million; 2) changes in proportion and differences between employer contributions and proportionate share of contributions of \$474.9 million; and, 3) benefit payments of \$1,908.3 million subsequent to the measurement date.

Deferred outflows of resources in the statement of net position consists of unamortized deferral on refunding of long-term obligations and pension related amounts. The \$467.9 million of unamortized deferral on refunding of long-term obligations is in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, implemented in Fiscal Year 2014.

Deferred Inflows of Resources:

The pension related amounts consist of: 1) changes of assumptions of \$15,778.1 million; 2) changes in proportion and differences between employer contributions and proportionate share of contributions of \$317.7 million; and, 3) differences between expected and actual experience of \$181.8 million.

The OPEB related amounts consist of: 1) changes of assumptions of \$10,392.4 million; and, 2) changes in proportion of \$169.0 million.

Deferred inflows of resources in the statement of net position consists of \$122.5 million of deferred tobacco revenue reported in accordance with GASB Statement No. 65.

NOTE 11 - LONG-TERM OBLIGATIONS

The State's long-term obligations are divided into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds Payable, certain Capital Leases, Installment Obligations, Certificates of Participation, Tobacco Settlement Financing Corporation (TSFC) Bonds, Unamortized Interest on Capital Appreciation Bonds, and Unamortized Premium. Non-bonded categories include Compensated Absences, certain Capital Leases, Loans Payable, Total OPEB Liability, Net Pension Liability, Pollution Remediation Obligation, Other, and Deposit Fund Contracts.

A. Changes in Long-term Obligations

The following schedule represents the changes in the State's long-term obligations (expressed in millions):

	Outstanding July 1, 2017	Additions	Deductions	Outstanding June 30, 2018	Amounts Due within One Year
Governmental Activities					
Bonded Debt					
General Obligation Bonds	\$ 2,039.9	\$ -	\$ 244.7	\$ 1,795.2	\$ 244.6
Revenue Bonds Payable	24,930.1	-	698.0	24,232.1	914.7
Less: Unamortized Interest on CABS	(4,215.3)	-	(187.8)	(4,027.5)	(198.4)
Revenue Bonds Payable, net	20,714.8	-	510.2	20,204.6	716.3
Capital Leases	271.3	-	23.6	247.7	10.5
Installment Obligations	18,668.6	1,582.1	2,031.2	18,219.5	1,572.6
Less: Unamortized Interest on CABS	(843.2)	-	(175.2)	(668.0)	(167.5)
Installment Obligations Payable, net	17,825.4	1,582.1	1,856.0	17,551.5	1,405.1
Certificates of Participation	96.3	83.1	42.0	137.4	31.9
Tobacco Settlement Financing Corporation Bonds	3,977.2	3,146.7	3,977.2	3,146.7	108.9
Less: Unamortized Interest on CABS	(793.0)	-	(793.0)	-	-
TSFC Bonds, net	3,184.2	3,146.7	3,184.2	3,146.7	108.9
Unamortized Premium	1,969.1	326.8	214.4	2,081.5	201.3
Non-Bonded Debt					
Compensated Absences	505.4	301.1	319.6	486.9	301.0
Capital Leases	244.0	10.2	38.7	215.5	40.1
Loans Payable	1,279.4	-	-	1,279.4	-
Total OPEB Liability ¹	97,114.4	-	6,627.3	90,487.1	-
Net Pension Liability	115,113.6	-	15,471.9	99,641.7	-
Pollution Remediation Obligation	99.2	-	30.6	68.6	-
Other	1,442.8	727.0	472.8	1,697.0	474.0
Subtotal Governmental Activities	\$ 261,899.8	\$ 6,177.0	\$ 29,036.0	\$ 239,040.8	\$ 3,533.7
Business-type Activities					
Compensated Absences	\$ 0.7	\$ 0.4	\$ 0.5	\$ 0.6	\$ 0.4
Deposit Fund Contracts	254.2	8.2	27.9	234.5	24.7
Subtotal Business-type Activities	254.9	8.6	28.4	235.1	25.1
Total Governmental and Business-type Activities	\$ 262,154.7	\$ 6,185.6	\$ 29,064.4	\$ 239,275.9	\$ 3,558.8

¹ Restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. As a result of implementing GASB Statement No. 75, the Net Pension Obligation of \$36,493,600,000 was removed and replaced with the Total OPEB Liability of \$97,114,401,941.

B. Debt Service Payments

The following schedule represents debt service payments for the next five fiscal years and thereafter (expressed in millions):

Debt Service							
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Installment¹ Obligations	Certificates of Participation	TSFC²	Total
2019	\$ 244.6	\$ 914.7	\$ 50.6	\$ 1,572.6	\$ 31.9	\$ 108.9	\$ 2,923.3
2020	277.0	967.8	46.4	1,328.0	23.6	109.7	2,752.5
2021	216.6	1,014.2	44.5	1,343.0	16.1	113.6	2,748.0
2022	144.5	1,067.5	41.0	1,371.6	6.1	118.0	2,748.7
2023	91.3	1,125.2	34.6	1,422.2	4.7	123.3	2,801.3
2024-2028	295.1	6,138.8	128.6	7,097.8	20.1	511.9	14,192.3
2029-2033	367.0	5,019.3	105.3	2,573.4	28.0	616.7	8,709.7
2034-2038	159.1	4,313.6	10.3	966.2	6.9	770.1	6,226.2
2039-2043	-	3,442.7	0.2	457.2	-	470.7	4,370.8
2044.-2048	-	228.3	0.3	87.5	-	203.8	519.9
2049-2064	-	-	1.4	-	-	-	1.4
Total Principal	<u>1,795.2</u>	<u>24,232.1</u>	<u>463.2</u>	<u>18,219.5</u>	<u>137.4</u>	<u>3,146.7</u>	<u>47,994.1</u>
2019	80.0	836.8	28.6	752.1	3.7	154.2	1,855.4
2020	66.7	796.7	24.5	714.5	3.2	149.5	1,755.1
2021	54.4	742.0	21.4	673.2	2.6	144.8	1,638.4
2022	45.9	688.7	18.4	628.0	2.3	140.1	1,523.4
2023	39.8	634.2	15.8	582.9	2.1	135.1	1,409.9
2024-2028	152.4	2,464.4	46.4	2,089.3	8.5	588.1	5,349.1
2029-2033	80.5	1,537.7	14.1	663.5	4.2	458.5	2,758.5
2034-2038	13.0	954.5	0.6	266.9	0.3	286.2	1,521.5
2039-2043	-	354.9	0.2	70.1	-	113.9	539.1
2044.-2048	-	16.8	0.1	11.2	-	20.9	49.0
2049-2064	-	-	0.1	-	-	-	0.1
Total Interest	<u>532.7</u>	<u>9,026.7</u>	<u>170.2</u>	<u>6,451.7</u>	<u>26.9</u>	<u>2,191.3</u>	<u>18,399.5</u>
2019	324.6	1,751.5	79.2	2,324.7	35.6	263.1	4,778.7
2020	343.7	1,764.5	70.9	2,042.5	26.8	259.2	4,507.6
2021	271.0	1,756.2	65.9	2,016.2	18.7	258.4	4,386.4
2022	190.4	1,756.2	59.4	1,999.6	8.4	258.1	4,272.1
2023	131.1	1,759.4	50.4	2,005.1	6.8	258.4	4,211.2
2024-2028	447.5	8,603.2	175.0	9,187.1	28.6	1,100.0	19,541.4
2029-2033	447.5	6,557.0	119.4	3,236.9	32.2	1,075.2	11,468.2
2034-2038	172.1	5,268.1	10.9	1,233.1	7.2	1,056.3	7,747.7
2039-2043	-	3,797.6	0.4	527.3	-	584.6	4,909.9
2044.-2048	-	245.1	0.4	98.7	-	224.7	568.9
2049-2064	-	-	1.5	-	-	-	1.5
Total Principal and Interest	<u>\$ 2,327.9</u>	<u>\$ 33,258.8</u>	<u>\$ 633.4</u>	<u>\$ 24,671.2</u>	<u>\$ 164.3</u>	<u>\$ 5,338.0</u>	<u>\$ 66,393.6</u>

Notes:

¹ Fiscal Years 2026 and 2028 include maturing Floating Rate Notes that the State anticipates refunding prior to maturity.

² The State is not liable for debt issued by the TSFC.

C. General Obligation Bonds

The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. As of June 30, 2018, the State had \$1.8 billion of State general obligation bonds outstanding with another \$593.2 million of bonding authorization remaining from various State general obligation bond acts. The amount provided by the State's General Fund for debt service payments for Fiscal Year 2018 was \$337.1 million.

The State has refunded various outstanding general obligation bonds. Refunding bond proceeds are used to purchase and deposit United States Treasury Obligations – State and Local Government Series or open market U.S. Treasury Securities into a separate irrevocable trust fund held by a trustee. The investments and the fixed earnings that accrue are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the refunded debt is considered defeased at the time the refunding bonds have been issued. Therefore, the refunded debt is removed as a liability from the State's long-term obligations.

During Fiscal Year 2018, the State did not issue any general obligation refunding bonds. As of June 30, 2018, the amount of defeased general obligation debt outstanding, but removed from the State's long-term obligations, amounted to \$131.5 million.

D. Revenue Bonds Payable

This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority (NJBA), the Garden State Preservation Trust (GSPT), and the New Jersey Transportation Trust Fund Authority (TTFA). During Fiscal Year 2018, the TTFA, NJBA and GSPT issued no debt. Total authorized but unissued revenue bonds equal \$12.0 billion as of June 30, 2018.

E. Capital Leases (Bonded)

Capital Leases represent long-term contractual debt obligations that the State has with various State authorities, for the purpose of utilizing office space for State operations and program usage. This includes the design, acquisition, and construction or renovation of certain facilities. The New Jersey Health Care Facilities Financing Authority (HCFFA) issued no debt during Fiscal Year 2018.

F. Installment Obligations

Installment Obligations represent agreements between the State and several authorities which 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. The State agrees to make payments equal to the corresponding authority's debt service, subject to and dependent upon appropriations being made from time to time by the State Legislature. At the conclusion of the term of the installment obligation agreement, title to the various facilities is transferred to the State, except in the case of the School Facilities Construction Program. During Fiscal Year 2018, these authorities issued \$1.6 billion of bonds, of which \$856.4 million were refunding bonds, that were issued in order to defease \$835.0 million of existing debt. The liability on these refunded bonds has been removed from the State's long-term obligations. Total debt service payments over the next 21.0 years were decreased by \$60.4 million and resulted in a net present value savings of \$77.9 million. The State's installment obligations outstanding as of June 30, 2018 total \$18.2 billion. Total authorized but unissued installment obligations equal \$2.4 billion as of June 30, 2018.

G. Certificates of Participation

These obligations represent 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. The initial lines of credit were issued for \$100 million each, with language that provides for increasing the amount during the five year contract period with the mutual agreement of both parties.

H. Tobacco Settlement Financing Corporation (TSFC)

In November 1998, the State entered into a Master Settlement Agreement (MSA) with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established TSFC, the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the MSA and decree of Final Judgment. In return, in 2002 and 2003, the TSFC issued \$3.5 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004. During Fiscal Year 2007, \$4.7 billion of refunding bonds were issued, of which \$1.1 billion were capital appreciation bonds.

During Fiscal Year 2003, the TSFC was presented as a discreet component unit of the State. Since then, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC.

The State is not liable for any debt issued by the TSFC nor is the debt dependent on any dedicated stream of revenue generated by the State.

On March 7, 2014, the TSFC entered into a credit enhancement transaction. Pursuant to the Series 2007-1B Pledge Agreement, the TSFC pledged an additional 15.99 percent of the Tobacco Settlement Revenues (TSRs) received on and after July 1, 2016, to be applied to the optional redemption of the Series 2007-1B bonds. Pursuant to the Series 2007-1C Pledge Agreement, the TSFC additionally pledged 7.75 percent of the TSRs received on and after July 1, 2016, to be applied to the optional redemption of the Series 2007-1C bonds. As a result of these Pledge Agreements, a bond enhancement premium of \$96.5 million was received by the TSFC in Fiscal Year 2014, of which \$91.6 million was paid to the State of New Jersey, in accordance with the Pledge Agreements, and the remaining \$4.9 million was paid to various professionals as a transaction fee.

On April 11, 2018, the TSFC issued Series 2018 A Senior Bonds in the amount of \$2.1 billion and Series 2018 B Subordinate Bonds in the amount of \$1.0 billion. These bonds were issued to refund the balances of the Series 2007 bonds. The liability on these refunded bonds has been removed from the TSFC's long-term obligations. Total debt service payments over the next 27.0 years were decreased by \$131.7 million and resulted in a net present value savings of \$162.2 million. The MSA revenue received totaling \$265.6 million in April 2018, was transferred to the General Fund of the State of New Jersey. Master Settlement Revenues received subsequent to 2018 will remain in the TSFC. The proceeds of the Series 2018 bonds are secured by TSFC's right, title and interest in the pledged TSRs, consisting of 100 percent of the tobacco assets received by the Corporation on or after December 1, 2018.

I. Unamortized Interest on Capital Appreciation Bonds

Unamortized Interest on Capital Appreciation Bonds represents the unaccrued interest value on zero coupon bonds that have been issued.

J. Unamortized Premium

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires bond premiums to be deferred and amortized over the life of the bonds.

K. Compensated Absences

Pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*, Compensated Absences represents the liability due to employees for unused sick and vacation time.

L. Capital Leases (Non-bonded)

Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Examples of non-bonded capital leases include motor vehicle inspection stations, State government office buildings, and State Police facilities.

M. Loans Payable

The New Jersey Automobile Insurance Guaranty Fund received a \$1.3 billion loan from the New Jersey Property-Liability Insurance Guaranty Association. The loan was made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability. The repayment of the loans depends upon a number of contingencies, including the legislature voting to appropriate funds to pay the loans.

N. Total 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 employees. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the State's total OPEB liability has been re-measured to \$97.1 billion and \$90.5 billion for Fiscal Years 2017 and 2018, respectively.

O. Net Pension Liability

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires the reporting of net pension liability as a State general long-term obligation. GASB Statement No. 68 requires participating employers in cost sharing plans to recognize their proportionate share of the collective net pension liability, collective deferred inflows of resources, collective deferred outflows of resources and collective pension expense, excluding that attributable to employer-paid member contributions. The net pension liability represents the liability of employers and nonemployer contributing entities to employees for defined benefit

pensions. The liability is 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 position. The Net Pension Liability as of June 30, 2018 is \$99.6 billion.

P. Pollution Remediation Obligation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, requires the reporting of Pollution Remediation Obligations as a State general long-term obligation. The Pollution Remediation Obligation represents State contractual commitments with either vendors to clean up hazardous waste contaminated sites or the administrative authorization to proceed to clean up identified hazardous waste contaminated sites. Pollution remediation activities include the engagement of contractors to define the extent of the hazardous waste contamination through a remedial investigative contract, outline the method of cleanup/remediation through a feasibility study contract, implement the required/recommended remediation action through construction contractors, and maintain and monitor the operations of the cleanup remedy at the site.

The Pollution Remediation Obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the State's obligation.

The estimated liability as of June 30, 2018 is \$68.6 million. The reported amount represents the unexpended balances of those cleanup actions in which the State has obligated itself to commence remediation. The reported amounts represent the prospective outlays for existing remediation activities and not anticipated remediation work that may be addressed by the site's responsible parties at some future time or date.

Q. Other

This obligation represents unamortized long-term claims which are required to be reported under National Council on Governmental Accounting Statement No. 1 as a State general long-term obligation. This includes Business Employment Incentive Program (BEIP) grants of \$758.6 million which have been incurred but not reported. This also includes Medicaid benefit claims (\$251.0 million of which \$151.8 million is federally reimbursable) which have been incurred but not reported. South Jersey Port Corporation has an obligation of \$366.2 million, health benefit claims of \$154.6 million also have been incurred but not reported, and Unclaimed Property of \$45.2 million has been deemed to be payable to other states. Governmental Accounting Standards Board (GASB) Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, resulted in the inclusion of the State's estimated future obligation relating to the South Jersey Port Corporation bonds. The State, when necessary, provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2017, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service, and therefore, required a State appropriation for Fiscal Year 2018 in the amount of \$17.7 million. This obligation also includes \$121.6 million of capitalized software liability which is required to be reported in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

R. Deposit Fund Contracts

Large Lottery prizes are paid out to winners over a period of multiple years. Current Lottery proceeds are used to purchase deposit fund contracts which will provide sufficient amounts for future payment of installment prizes. Future payments of installment prizes in the present value of \$234.5 million are recorded as liabilities in both the fund financial statements and the government-wide statements.

S. Nonexchange Financial Guarantees

The authorizing legislation for certain State entities provides for specific budgetary procedures with respect to certain obligations issued by these entities. Pursuant to such legislation, a designated official is required to certify any deficiency in debt service funds maintained to meet payments of principal and interest on the obligations and a State appropriation in the amount of the deficiency is to be made. However, the State Legislature is not legally bound to make an appropriation. Bonds issued pursuant to authorizing legislation of this type are sometimes referred to as "moral obligation" bonds. There is no statutory limitation on the amount of "moral obligation" bonds which may be issued by eligible State entities. Currently, bonds issued by the South Jersey Port Corporation, the New Jersey Housing and Mortgage Finance Agency, and the Higher Education Student Assistance Authority fall under this category. Furthermore, the New Jersey Housing and Mortgage Finance Agency and the Higher Education Student Assistance Authority have not had a deficiency in their respective debt service funds which required the State to appropriate funds.

NOTE 12 - TAX ABATEMENTS

The State of New Jersey, through the New Jersey Economic Development Authority (NJEDA), provides various tax credit programs subject to the disclosure requirements of GASB Statement No. 77, *Tax Abatement Disclosures*: Grow New Jersey Assistance Program, Economic Redevelopment and Growth Program, Angel Investor Tax Credit Program, Technology Business Tax Certificate Transfer (NOL) Program, Urban Transit Hub Tax Credit Program, Business Retention and Relocation Assistance Grant Program, Business Employment Incentive Program, and Public Infrastructure Projects. Only tax credit programs with greater than \$5.0 million in taxes abated during Fiscal Year 2018 are disclosed.

Pursuant to N.J.S.A. 34:1B-120.1, the NJEDA is authorized to issue a recapture assessment of all or a portion of tax credits, which shall be based upon the proportionate value of the grant of tax credits that corresponds to the amount and period of noncompliance.

A. Grow New Jersey Assistance Program

The NJEDA administers the Grow New Jersey Assistance Program (GROW NJ), which was created in 2012 to provide tax credits to encourage job creation and job retention that strengthen New Jersey's competitive edge in the increasingly global marketplace. Revised through P.L. 2013, c.161, the intent of the program is to provide tax credits to eligible businesses which make, acquire, or lease a capital investment equal to or greater than certain minimum capital investment amounts at a qualified business facility at which it will employ a certain number of employees in retained and/or new full-time jobs. Qualified eligible businesses receive tax credits ranging from \$500 to \$5,000 per job annually for up to ten years, plus potential bonus credits based on specific criteria, for each new or retained full-time job to be located at the qualified business facility. The maximum amount of the annual tax credits is generally determined by applying the gross amount per job per year plus all applicable bonuses which must fall at or below annual caps. Credits can be used to lower corporation business tax and insurance premium tax liabilities.

In order to qualify for consideration to GROW NJ, a business must meet several eligibility requirements:

- Locate the project in a Qualified Incentive Area, defined as one of the following: Urban Transit Hub Municipality, distressed municipality, Garden State Growth Zone, a project in a priority area, or another eligible area not located within a distressed municipality or priority area.
- Meet or exceed the minimum employment and capital investment requirements.
- Demonstrate that the award of the tax credit is a "material factor" in the company's decision to create or retain at least the minimum number of full-time jobs.
- Demonstrate the capital investment and creation of eligible positions will yield a net positive benefit of at least 110 percent of the requested tax credit amount.
- Ascertain that all projects meet Green Building Requirements.
- Meet certain compliance requirements within 12 months following application approval.
- Use "prevailing wage" labor rates and affirmative action requirements in any construction contracts signed.
- Maintain the project and related employment at the project site for 1.5 times the period in which the business received the tax credit.
- Maintain a minimum of its 80 percent full-time New Jersey workforce from the last tax period prior to grant approval and 80 percent of new and retained full-time jobs at the qualified business facility specified in the incentive agreement.

B. Economic Redevelopment and Growth Program

The Economic Redevelopment and Growth (ERG) Program is another program offered by the NJEDA as an incentive for developers and businesses to address revenue gaps in development projects, defined as having insufficient resources to support the projects' debt service under a standard financing scenario. While not meant as a substitute for conventional debt and equity financing, ERG can also apply to projects that have a below market development margin or rate of return.

Created by law in 2012, and revised through P.L. 2013, c.161 and the "Economic Opportunity Act of 2014, Part 3," P.L. 2014, c.63, the intent of this program is to provide State incentive grants to a developer or non-profit organization on behalf of a qualified developer, in order to capture new State incremental taxes derived from a project's development to address a financing gap. The program offers incentives in the form of cash reimbursements and tax credits. In Fiscal Year 2018, over 80 percent of incentive payments were in the form of tax credits, with offsets being available to corporation business tax, insurance premiums tax, and gross income tax liabilities.

Per N.J.S.A. 34:1B-207 et seq. / N.J.A.C. 19:31-4 and the program's rules, the applicant must:

- Have a redevelopment project that is located in a qualifying area and not have begun any construction at the project site prior to submitting an application, except: if the NJEDA determines the project would not be completed otherwise or if the project is undertaken in phases, a developer may apply for phases for which construction has not yet commenced.
- Demonstrate to the NJEDA that: 1) the project shall be constructed in accordance with certain minimum environmental standards; 2) except with regards to a qualified residential project, the project will yield a net positive benefit equaling no less than 110 percent of the grant assistance, not to exceed 20 years; and, 3) the project has a financing gap.
- Meet a 20 percent equity requirement.

A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of no less than 110 percent. The economic impact model used by the NJEDA includes criteria published by the U.S. Department of Commerce along with internal econometric analysis and modeling to assess economic outputs, impacts, and likely jobs creation.

Residential projects that do not generate tax revenues can qualify for tax credits that can be assigned to lenders for project financing. A tax credit of up to 20 percent of total project cost, with additional tax credit amounts possible based on project type and/or location is available. Residential projects have an affordable housing requirement.

Mixed use parking projects that do not generate tax revenues can qualify for tax credits that may be assigned to lenders for project financing. A tax credit of up to 100 percent of the parking component project costs and up to 40 percent (including additional tax credit amounts) of the non-parking component project costs. Aggregate tax credits available to qualified residential and mixed-use parking projects under ERG are limited to \$718 million.

Certain allocations of tax credits available through the residential component of the ERG Program are currently oversubscribed. As a result, the NJEDA is not accepting applications for residential ERG projects in areas of the State where tax credit allocations are oversubscribed. For residential ERG projects in areas of the State where tax credits remain available, the NJEDA will continue to accept applications. Consideration of all project applications, including those already in-house, will be based on the readiness of the project to proceed.

C. Angel Investor Tax Credit Program

The Angel Investor Tax Credit Program, offered by the NJEDA, is where businesses investing in a qualifying New Jersey emerging technology business may benefit from a tax credit of up to ten percent of the investment, capped at \$500,000 for each investment transaction per investor. If the cumulative credits claimed by taxpayers exceed the amount available in a given year, then credits will be applied in the order in which applications are received and completed, starting on the first day of the succeeding calendar year in which Angel Investor Tax Credits do not exceed the amount of credits available. The purpose of the credit is to stimulate investment in New Jersey emerging technology businesses.

Pursuant to P.L. 2013, c.14, the New Jersey emerging technology business must meet the following criteria:

- Employs fewer than 225 full-time employees, at least 75 percent of whom work in New Jersey.
- Does business, employs or owns capital or property, or maintains an office in New Jersey.
- Conducts at least one of the following activities in New Jersey: incurs qualified research expenses in the State; conducts pilot scale manufacturing in the State; commercializes one or more various eligible technologies in the State; advanced computing, advanced materials, biotechnology, electronic devices, information technology, life sciences, medical devices, mobile communications, and renewable energy technology.
- Has as its primary business an eligible technology (advanced computing, advanced materials, biotechnology, electronic devices, information technology, life sciences, medical devices, mobile communications, and renewable energy technology).
- Qualified investments include non-refundable transfers of cash made directly to the New Jersey emerging technology business or indirectly, through the New Jersey Emerging Technology Business Holding Company in connection with at least one of the items listed below. To be considered non-refundable, the following items must be held or not expire for at least two calendar years from the date of the transfer of cash, with an exception being made for initial public offerings (IPOs), mergers and acquisitions, damage awards for the business's default of an agreement, or other return of initial cash outlay beyond the investor's control:
 - Stock, interests in partnerships or joint ventures, licenses (exclusive or non-exclusive), rights to use technology, marketing rights, warrants, options, or any similar items, including, but not limited to, options or rights to acquire any of the listed.
 - A purchase, production, or research agreement.

Credits may be treated as an overpayment and refunded with no interest on the overpayment paid. For corporate taxpayers, the tax credits may be carried over up to 15 tax years following the tax year for which the credit was allowed. Individuals cannot carryforward the tax credits. Credits may not be carried forward in a tax year in which the taxpayer was a target for corporate acquisition or in which the taxpayer was party to a merger or consolidation unless the taxpayer can demonstrate to the New

Jersey Division of Taxation the identity of the acquiring corporation. The credits may be claimed on the taxpayer's New Jersey tax return in the tax year applicable to the effective date of approval. The program has a cap of \$25 million approved per calendar year.

D. Technology Business Tax Certificate Transfer (NOL) Program

Pursuant to N.J.S.A. 34:1B-7.42a, The Technology Business Tax Certificate Transfer Program enables qualified, unprofitable NJ-based technology or biotechnology companies with fewer than 225 U.S. employees (including parent company and all subsidiaries) to sell a percentage of net operating losses and research and development tax credits to unrelated profitable corporations. Net operating losses and research and development tax credits may be sold for at least 80 percent of their value, up to a maximum lifetime benefit of \$15 million per business. Up to \$60 million is available annually.

An eligible company must own, have filed for, or have a license to use protected, proprietary intellectual property, defined as a patent or a registered copyright. Additionally, the company must have at least one full-time employee working in New Jersey if incorporated or formed less than three years, five full-time employees in New Jersey if incorporated or formed more than three years but less than five years, or ten full-time employees in New Jersey if incorporated or formed more than five years. Only technology and biotechnology companies whose primary business involves the provision of a scientific process, product, or service are eligible.

An eligible company cannot have had positive net operating income on either of its last two full-year income statements. The two most recent years of operations must be compiled, reviewed or audited by an independent certified public accounting firm and prepared according to the United States Generally Accepted Accounting Principles. In addition, an eligible company cannot have a parent company with positive net operating income or be part of a consolidated group of affiliates for federal income tax purposes with positive net operating income.

The application deadline falls on June 30th of each program year. The applicant company's Corporate Business Tax returns, with all required schedules and attachments, must also be filed with the New Jersey Division of Taxation by the application deadline. Failure to file by the program deadline results in the applicant company having no available tax benefit for the current program year.

E. Urban Transit Hub Tax Credit Program

The Urban Transit Hub Tax Credit Program (HUB) was previously offered by the NJEDA and phased out during Fiscal Year 2014. Pursuant to P.L. 2007, c.346, the Urban Transit Hub Tax Credit Act established a program available to individuals or businesses making a qualified capital investment within a designated Urban Transit Hub. Tax credits equal up to 100 percent of the qualified capital investments made within an eight year period. Taxpayers can apply ten percent of the total credit amount per year over a ten-year period against their corporate business tax, insurance premiums tax or gross income tax liability. Tax credits may be sold under the tax credit certificate transfer program of not less than 75 percent of the transferred credit amount. Total credits approved under this program are capped at \$1.75 billion, with \$250 million allocated towards residential projects which may receive up to a 35 percent credit.

This incentive program was designed to spur private capital investment, business development, and employment by providing tax credits for businesses planning a large expansion or relocating to a designated transit hub located within one of nine New Jersey urban municipalities. Urban Transit Hubs are located within one-half mile of a New Jersey Transit, Port Authority Trans-Hudson Corporation (PATH), Port Authority Transit Corporation Speedline (PATCO), or light rail station in Camden (expanded to one mile), East Orange, Elizabeth, Hoboken, Jersey City, Newark, New Brunswick, Paterson, and Trenton. Eligibility was expanded to locations within these municipalities that had active freight adjacent or connected to the proposed building and utilized by the occupant.

Businesses were able to apply for the tax credits within five years of the programs January 13, 2008 effective date and satisfy the capital investment and employment conditions within eight years of that date. The tax credits may be reduced or forfeited if facility or employment levels are not maintained.

Developers, owners, and tenants were eligible to qualify for the Urban Transit Hub Tax Credit Program if they met the following criteria:

- Developers or owners must have made a minimum \$50 million capital investment in a single business facility located in one of the nine designated Urban Transit Hubs. In addition, at least 250 employees must work full-time at that facility.
- Tenants must occupy space in a qualified business facility that represents at least \$17.5 million of the capital investment in the facility and employ at least 250 full-time employees in that facility. Up to three tenants may aggregate to meet the 250 employee requirement.
- Projects retaining 250 full-time jobs were eligible for tax credits of up to 80 percent of the qualified capital investment, while projects which created 200 or more jobs were qualified for up to 100 percent of the qualified capital investment.
- Mixed-use components are part of the "qualified residential project" definition.

- Applicants must have demonstrated at the time of application that the State’s financial support of the proposed capital investment in a qualified business facility will yield a net positive benefit to both the State and the eligible municipality.
- S corporations, limited liability corporations and partnerships were eligible; however, tax credits cannot be applied against an individual’s New Jersey gross tax liability.

F. Business Retention and Relocation Assistance Grant Program

A business relocating operations within New Jersey and retaining jobs, or a business maintaining jobs at a current location and making a qualified capital investment may have been eligible to apply for the Business Retention and Relocation Assistance Grant (BRRAG) program, pursuant to N.J.S.A. 34:1B-114. BRRAG, which stopped accepting applications in Fiscal Year 2014, offered eligible companies corporate business tax credits of up to \$2,250 per year for up to six years, per job retained in the State. Offered by the NJEDA, the BRRAG program helped companies preserve jobs, expand operations, and reinvest in the State. The total amount of credits that can be applied against a single company’s tax liability in a fiscal year may not exceed \$10 million.

In order to have qualified for BRRAG, a company must have done the following:

- Retained a minimum of 50 full-time jobs.
- Committed to remain in the State for the tax credit term and an additional five years. For leased project locations, the business must have signed a written lease for a period of no less than the commitment duration or eight years, whichever is greater.
- Offered its employees healthcare benefits.
- Demonstrated that the grant was a “material factor” in moving the relocation project forward in New Jersey. Applicants must not have signed a lease, entered into a purchase contract, or otherwise committed to a site in New Jersey that will host the relocation project prior to receiving NJEDA Board of Directors’ approval. For companies relocating 1,500 or more employees from outside a designated urban center to one or more new locations within a designated urban center, the “material factor” did not apply if the application was received within six months of the company signing its lease or purchase agreement.
- Demonstrated that the capital investment and job retention resulting from a proposed project would yield a net positive benefit to the State.
- Entered into any construction contracts associated with the project using “prevailing wage” labor rates and affirmative action requirements.
- Have operated continuously in New Jersey in whole or in part, in its current form or as a predecessor entity, for at least ten years.

G. Business Employment Incentive Program

The Business Employment Incentive Program (BEIP) created business employment incentives to approved New Jersey companies. Pursuant to P.L. 1996, c.26, BEIP offered cash incentives to economically viable expanding or relocating businesses that created at least 25 jobs in a two year period, or at least ten jobs if positioned in the technology or biotech industries. Businesses must have also demonstrated the BEIP grant was a material factor in moving the job expansion or relocation forward in the State. The grant program stopped accepting applications in 2013. Pursuant to P.L. 2015, c.194, businesses previously approved for the program were granted 180 days to direct the NJEDA to convert the grant to a refundable corporation business tax credit or an insurance premium tax credit in lieu of a cash incentive. Approximately 30 percent of incentive payments were in the form of tax credits during Fiscal Year 2018, with issuance based on the chronological order of program acceptance.

H. Public Infrastructure Projects

Pursuant to N.J.S.A. 34:1B-251, the State allocated \$25 million in corporate business tax or realty transfer fee credits for public infrastructure projects. The credit is equal to 100% of the cost of providing infrastructure up to \$5 million. In order to qualify, the public infrastructure must have a minimum fair market value of \$5 million, or if open space without improvement, \$1 million. The business must demonstrate that a new capital investment has been made of at least \$10 million. Public infrastructure includes three general types of infrastructure projects:

- Buildings and structures, including schools, fire houses, police stations, recreation centers, public works garages, water and sewer treatment facilities, and pumping facilities.
- Open space improvements, including athletic fields, playgrounds, and planned parks.
- Public transportation facilities, including train stations and public parking facilities.

I. Fiscal Year 2018 Revenues Reduced by Abatement Programs

<u>Program</u>	<u>Amount (in thousands)</u>	
Grow New Jersey Assistance Program	\$	131,682
Economic Redevelopment and Growth Program		22,457
Angel Investor Tax Credit		12,399
Technology Business Tax Certificate Transfer (NOL) Program		45,041
Urban Transit Hub Tax Credit Program		110,692
Business Retention and Relocation Assistance Grant Program		13,057
Business Employment Incentive Program		8,412
Public Infrastructure Projects		15,000
Total Tax Abatements	\$	358,740

NOTE 13 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2018, no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Years 2018 and 2017 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year</u>	
	<u>2018</u>	<u>2017</u>
Tort	\$ 23.8	\$ 23.4
Workers' compensation	88.2	91.0
Automobile	1.1	2.4

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2018. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

NOTE 14 - NET POSITION RESTRICTED BY ENABLING LEGISLATION/GOVERNMENTAL FUND BALANCES

A. Net Position Restricted by Enabling Legislation

As of June 30, 2018, \$7.9 billion of restricted net position is reported in the Statement of Net Position. Net position is restricted 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. Unexpended debt proceeds that are recorded as assets and restricted fund balance in the governmental funds (\$1.7 billion) have been deducted from the restricted net position balance.

B. Governmental Fund Balances

In the governmental fund financial statements, fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned.

Nonspendable

The nonspendable fund balance classification includes amounts in the New Jersey Cultural Trust Fund (\$20.0 million) and the State of New Jersey Tischler Memorial Fund (\$0.4 million) that are legally required to remain intact.

Restricted

Similar to the net position restricted by enabling legislation definition, the restricted fund balance classification 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.

Restricted Fund Balance – School Bond Reserve:

Fund for Support of Free Public Schools

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least one percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, of the total \$153.5 million restricted fund balance, \$67.6 million has been reserved as of June 30, 2018, for the school bond reserve.

Committed

The committed fund balance classification is used for 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.

As mentioned above, both restricted and committed fund balances, may only be used for purposes specified in enabling legislation. Within these balances, however, money has been set aside (encumbered) pending vendor performance. In addition, within these balances are long-term loans and other items such as legally mandated reserves and escrow balances that represent balances that are not currently available for expenditure in subsequent accounting periods.

Restricted and Committed fund balances are categorized as follows (expressed in millions):

	<u>Restricted</u> <u>Fund Balance</u>	<u>Committed</u> <u>Fund Balance</u>
Public safety and criminal justice	\$ -	\$ 474.2
Physical and mental health	4.5	300.3
Educational, cultural and intellectual development	724.6	100.7
Community development and environmental management	2,988.6	684.9
Economic planning development and security	497.6	365.1
Transportation programs	1,231.6	1,374.4
Government direction, management and control	-	572.4
Special government services	-	54.5
Contributory life insurance	692.1	-
Debt service	299.5	-
Unclaimed property payments	-	142.5
Property tax relief	27.9	-
	<u>\$ 6,466.4</u>	<u>\$ 4,069.0</u>

Unassigned

Unassigned balance is \$990.6 million. This classification represents fund balance that has not been restricted or committed to specific purposes within the General Fund.

NOTE 15 - OPERATING LEASES

The State of New Jersey has commitments to lease certain land, buildings, and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2018, are as follows (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 63.4
2020	53.7
2021	36.4
2022	28.5
2023	16.7
2024 - 2028	21.3
2029 - 2030	<u>0.4</u>
Total Future Minimum Lease Payments	<u>\$ 220.4</u>

NOTE 16 - RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems; pension plans) covering substantially all state and local government employees.

A. Descriptions of Retirement Systems

1. Single-employer Defined Benefit Pension Plans

Consolidated Police and Firemen's Pension Fund (CPFPPF):

The State of New Jersey CPFPPF is a single-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about CPFPPF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

There are no active members in CPFPPF. Additionally, based on the recent actuarial valuation, there was no normal cost or accrued liability contribution required by the State for the Fiscal Year ended June 30, 2017. The vesting and benefit provisions were set by N.J.S.A. 43:16.

Judicial Retirement System (JRS):

The State of New Jersey JRS is a single-employer defined benefit pension plan administered by the Division. For additional information about JRS, please refer to the Division's CAFR which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:6A. JRS provides retirement benefits as well as death and disability benefits. Retirement is mandatory at age 70. Service retirement benefits are available to members who have reached certain ages and various years of service. Benefits of 75% of final salary are available to members at age 70 with 10 years or more of judicial service; members between ages 65-69 with 15 years or more of judicial service or between ages 60-64 with 20 years or more of judicial service. Benefits of 50% of final salary are available to those with both judicial service and non-judicial service for which five or more consecutive years were judicial service. These benefits are available at age 65 or older with 15 years or more of aggregate service or age 60 or older with 20 or more years of aggregate service. Benefits of 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year in excess of 25 years are available at age 60 with five consecutive years of judicial service plus 15 years in the aggregate of public service or at age 60 while serving as a judge.

Early retirement benefits of 2% of final salary for each year of service up to 25 years and 1% of final salary for each year over 25 years is available to members who retire before age 60, have five or more consecutive years of judicial service, and 25 years or more in aggregate public service. The amount of benefits is actuarially reduced for the number of months remaining until the member reaches age 60.

Prison Officers' Pension Fund (POPF):

The State of New Jersey POPF is a single-employer defined benefit pension plan administered by the Division. For additional information about POPF, please refer to the Division's CAFR which can be found at www.state.nj.us/treasury/pensions.

There are no active members in POPF. Additionally, based on the recent actuarial valuation, there was no normal cost or accrued liability contribution required by the State for the Fiscal Year ended June 30, 2017. The vesting and benefit provisions were set by N.J.S.A. 43:7.

State Police Retirement System (SPRS):

The State of New Jersey SPRS is a single-employer defined benefit pension plan administered by the Division. For additional information about SPRS, please refer to the Division's CAFR which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 53:5A. SPRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, as defined, and members are always fully vested in their contributions. Mandatory retirement is at age 55. Voluntary retirement is prior to age 55 with 20 years of credited service. The benefit is an annual retirement allowance equal to the greater of (a), (b), or (c), as follows: (a) 50% of final compensation; (b) for members retiring with 25 years or more of service, 65% of final compensation, plus 1% for each year of service in excess of 25 years to a maximum of 70% of final compensation; or (c) for members as of August 29, 1985 who would not have 20 years of service by age 55, benefit as defined in (a) above. For members as of August 29, 1985, who would have 20 years of service, but would not have 25 years of service at age 55, benefit is as defined in (a) above plus 3% for each year of service.

Single-employer Plan Membership

Single-employer defined membership pension plans consisted of the following as of June 30, 2017:

Number of Employees Covered by Single-employer Defined Benefit Plans

	<u>CPFPPF</u>	<u>JRS</u>	<u>POPF</u>	<u>SPRS</u>
Inactive plan members or beneficiaries currently receiving benefits	77	623	77	3,588
Inactive plan members entitled to but not yet receiving benefits	-	4	-	-
Active plan members	-	430	-	2,812
Total	<u>77</u>	<u>1,057</u>	<u>77</u>	<u>6,400</u>

2. Multiple-employer Defined Benefit Pension Plans

Public Employees' Retirement System (PERS):

The State of New Jersey PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the Division. For additional information about PERS, please refer to the Division's CAFR which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 years or more of service credit before age 62, and tier 5 members with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System (PFRS):

The State of New Jersey PFRS is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the Division. For additional information about PFRS, please refer to the Division's CAFR which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Teachers' Pension and Annuity Fund (TPAF):

The State of New Jersey TPAF is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's CAFR which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 years or more of service credit before age 62, and tier 5 members with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

3. Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local governmental employers do not appropriate funds to SACT.

The State administers the Defined Contribution Retirement Program. Individuals eligible for membership include State or Local Officials who are elected or appointed on or after July 1, 2007; employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established annual maximum compensation limits (equivalent to annual maximum wage base for Social Security deductions); employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established annual maximum compensation limits (equivalent to annual maximum wage base for Social Security deductions); and employees otherwise eligible to enroll in the PERS or TPAS on or after November 2, 2008, who do not earn

the minimum annual salary required for PERS or TPAF Tier 3 enrollment or do not work the minimum hours per week required for PERS or TPAF Tier 4 and Tier 5 enrollments.

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems.

The State also administers the Pension Adjustment Fund (PAF). Prior to the adoption of pension reform legislation in 2011 (P.L. 2011, c.78), PAF provided cost-of-living increases, equal to 60% of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which are the CPF, CPFPF, and POPF. Cost-of-living increases provided under the State's Pension Adjustment Program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

Likewise, while the cost-of-living increase for JRS, PFRS, PERS, SPRS, and TPAF is suspended, the cost-of-living adjustment is still funded directly by each of the respective systems.

According to State law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

B. Basis of Presentation

Pension plans administered by the State are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employees services are performed; investment gains and losses are recognized as incurred; benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan. For purposes of measuring the net pension liability, all components including information about the fiduciary net position of all plans and additions to/deductions from all plan fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans.

C. Cost-sharing Pension Plans Allocation

1. Public Employees' Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB Statement No. 68), requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. At June 30, 2017, the State reported net pension liability (excluding the State colleges and universities) of \$21,826,320,460 for its proportionate share of the collective net pension liability for PERS. The State's proportionate share of net pension liability for PERS was 85.11 percent, a decrease of 0.27 percent since the prior reporting period. The proportion is based on the State's contributions of all participating employers.

2. Police and Firemen's Retirement System (PFRS)

GASB Statement No. 68 requires participating employers in PFRS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. At June 30, 2017, the State reported net pension liability (excluding the State colleges and universities) of \$5,952,979,113 (comprised of the State proportionate share of the collective net pension liability of \$4,223,785,606 plus special funding situation as defined by GASB Statement No. 68 of \$1,729,193,507). The State's proportionate share of the net pension liability for PFRS was 96.09 percent, an increase of 0.03 percent since the prior reporting period. The proportion is based on the State's contributions of all participating employers.

3. Teachers' Pension Annuity Fund (TPAF)

At June 30, 2017, the State reported net pension liability of \$67,670,209,171 (comprised of the State proportionate share of the collective net pension liability of \$246,603,312 plus special funding situation as defined by GASB Statement No. 68 of \$67,423,605,859). The State's proportion for TPAF was 0.36 percent, a decrease of 0.10 percent since the prior reporting period. The proportion is based on the State's contributions of all participating employers.

D. Special Funding Situations

1. Police and Firemen's Retirement System

A special funding situation exists for the local employers of the State of New Jersey PFRS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers. Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State, if certain circumstances occurred. The legislation, which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 when the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows or deferred inflows of resources, and pension expense report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

At June 30, 2017, the State's PFRS special funding situation as defined by GASB Statement No. 68, as nonemployer contributing entity with net pension liability amount of \$1,729,193,507, is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$211,519,420, for the Fiscal Year ending June 30, 2017, is the actuarially determined contribution amount that the State owes for the Fiscal Year ending June 30, 2017. The pension expense is deemed to be a State administrative expense due to the special funding situation.

2. Teachers' Pension Annuity Fund

The employer contributions for local participating employers are legally required to be funded 100% by the State, excluding any local ERI contributions in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

At June 30, 2017, the State as a nonemployer contributing entity reported a net pension liability of \$67,423,605,859 for its proportionate share of the net pension liability. The nonemployer contributing entity's proportion for TPAF was 99.64%, an increase of 0.10 percent since the prior reporting period. The proportion is based on the State's contribution as nonemployer contributing entity. The State special funding situation pension expense of \$4,682,135,422, for the Fiscal Year ending June 30, 2017, is the actuarially determined contribution amount that the State owes for the Fiscal Year ending June 30, 2017.

E. Contributions

Consolidated Police and Firemen's Pension Fund (CPFPPF):

Based on the recent actuarial valuation, the State made a \$575,000 contribution towards the unfunded accrued liability during the Fiscal Year ended June 30, 2017. The vesting and benefit provisions were set by N.J.S.A. 43:16.

Judicial Retirement System (JRS):

The contribution policy is set by N.J.S.A. 43:6A and requires contributions by active members and the State of New Jersey. Members enrolled on January 1, 1996 or after, contribute on their entire base salary. Contributions by active members enrolled prior to January 1, 1996 are based on the difference between their current salary and the salary of the position on January 18, 1982. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is being increased from 3.0% to 12.0%, phased-in over seven years for members hired or reappointed after June 28, 2011. In October 2011, the member contribution rate for new members increased. The phased-in of the additional incremental member contribution rate takes place in July of each subsequent State Fiscal Year. The member contribution rate was 10.7% in State Fiscal Year 2017. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In State Fiscal Year 2017, the State contributed \$20,341,379 to JRS. For the Fiscal Year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

Prison Officers' Pension Fund (POPF):

Based on the recent actuarial valuation, there was no normal cost or accrued liability contribution required by the State for the Fiscal Year ended June 30, 2017. The vesting and benefit provisions were set by N.J.S.A. 43:7.

State Police Retirement System (SPRS):

The contribution policy is set by N.J.S.A. 53:5A and requires contributions by active members and the State of New Jersey. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 9.0% in State Fiscal Year 2017. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In State Fiscal Year 2017, the State contributed \$53,006,614 to SPRS. For the Fiscal Year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

Public Employees' Retirement System (PERS):

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1.0% phased-in over seven years beginning in July 2012. The member contribution rate was 7.2% in State Fiscal Year 2017. The phased-in of the additional incremental member contribution rate takes place in July of each subsequent State Fiscal Year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2011) was 10.0% in State Fiscal Year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In State Fiscal Year 2017, the State contributed \$459,187,045 to PERS. For the Fiscal Year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

Police and Firemen's Retirement System (PFRS):

The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10.0% in State Fiscal Year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In State Fiscal Year 2017, the State contributed \$198,914,352 to PFRS. For the Fiscal Year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

Teachers' Pension and Annuity Fund (TPAF):

The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1.0% phased-in over seven years beginning in July 2012. The member contribution rate was 7.2% in State Fiscal Year 2017. The phased-in of the additional incremental member contribution rate takes place in July of each subsequent State Fiscal Year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In State Fiscal Year 2017, the State contributed \$1,127,018,480 to TPAF. For the Fiscal Year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

F. Aggregate Pension Amounts – All Plans as of the Measurement Date of June 30, 2017:

The following table represents the aggregate pension amounts for all plans for the State for 2017:

Aggregate Pension Amounts - All Plans	
Net pension liability	\$ 99,641,657,342
Deferred outflows of resources related to pensions	\$ 19,007,105,013
Deferred inflows of resources related to pensions	\$ 16,277,619,954
Pensions expense	\$ 7,089,310,708

G. Collective Net Pension Liability

1. Components of Net Pension Liability

The components of the net pension liability of the participating employers for PFRS as of June 30, 2017 are as follows:

	Police and Firemen's Retirement System		
	State	Local	Total
Total pension liability	\$ 5,939,531,281	\$ 41,471,190,457	\$ 47,410,721,738
Plan fiduciary net position	1,543,788,140	24,303,930,259	25,847,718,399
Net pension liability	<u>\$ 4,395,743,141</u>	<u>\$ 17,167,260,198</u>	<u>\$ 21,563,003,339</u>
Plan fiduciary net position as a percentage of the total pension liability	25.99%	58.60%	54.52%

The components of the net pension liability of the participating employers for PERS as of June 30, 2017 are as follows:

	Public Employees' Retirement System		
	State	Local	Total
Total pension liability	\$ 32,535,896,852	\$ 44,852,367,051	\$ 77,388,263,903
Plan fiduciary net position	6,890,274,055	21,573,965,463	28,464,239,518
Net pension liability	<u>\$ 25,645,622,797</u>	<u>\$ 23,278,401,588</u>	<u>\$ 48,924,024,385</u>
Plan fiduciary net position as a percentage of the total pension liability	21.18%	48.10%	36.78%

The components of the net pension liability of the participating employers for the defined benefit plans at June 30, 2017 are as follows:

	Components of Net Pension Liability			
	CPFPF	JRS	PFRS	POPF
Total pension liability	\$ 7,396,613	\$ 937,395,995	\$ 47,410,721,738	\$ 6,477,263
Plan fiduciary net position	1,904,496	175,325,333	25,847,718,399	5,620,868
Net pension liability	<u>\$ 5,492,117</u>	<u>\$ 762,070,662</u>	<u>\$ 21,563,003,339</u>	<u>\$ 856,395</u>
Plan fiduciary net position as a percentage of the total of the total pension liability	25.75%	18.70%	54.52%	86.78%
	PERS	SPRS	TPAF	Total
Total pension liability	\$ 77,388,263,903	\$ 5,124,274,114	\$ 90,726,371,000	\$ 221,600,900,626
Plan fiduciary net position	28,464,239,518	1,761,497,335	23,056,161,829	79,312,467,778
Net pension liability	<u>\$ 48,924,024,385</u>	<u>\$ 3,362,776,779</u>	<u>\$ 67,670,209,171</u>	<u>\$ 142,288,432,848</u>
Plan fiduciary net position as a percentage of the total of the total pension liability	36.78%	34.38%	25.41%	35.79%

2. Net Pension Liability Reconciliation to Government-wide Financial Statements

For the year ended June 30, 2018, the State recorded net pension liability of \$99,641,657,342 in governmental activities for its respective proportionate share of collective net pension liability. The State's proportionate share of the collective net pension liability was measured as of June 30, 2017 measurement date, and was determined using an actuarial valuation as of July 1, 2016, with updated procedures used to roll forward the total pension liability to June 30, 2017.

	<u>Amount</u>
Net Pension Liability per GASB Statement No. 68	\$ 142,288,432,848
PERS Adjustments:	
Exclude Local Government Group	(23,278,401,588)
Exclude State Colleges and Universities	(3,819,302,337)
PFRS Adjustments:	
Include Nonemployer Local Government Group (Special Funding Situation)	1,729,193,507
Exclude Local Government Group	(17,167,260,198)
Exclude State Colleges and Universities	(171,957,535)
Blended Component Units:	
Include New Jersey Building Authority	868,976
Include New Jersey Schools Development Authority	<u>60,083,669</u>
Net Pension Liability per State of New Jersey CAFR	<u>\$ 99,641,657,342</u>

H. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the State recognized pension expense of \$7,089,310,708. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>CPFPE</u>		<u>JRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -	\$ 10,122,496	\$ 288,865
Changes of assumptions	-	-	35,865,022	56,797,033
Difference between projected and actual earnings on pension plan investment	-	-	3,886,007	-
Contributions subsequent to the measurement date	325,000	-	24,023,637	-
Total	<u>\$ 325,000</u>	<u>\$ -</u>	<u>\$ 73,897,162</u>	<u>\$ 57,085,898</u>

	SPRS		PERS*	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 35,036,188	\$ 11,411,829	\$ 501,492,265	\$ -
Changes of assumptions	696,983,442	574,871,622	2,867,301,944	3,102,278,561
Difference between projected and actual earnings on pension plan investment	25,308,938	-	139,043,806	-
Changes in proportion	-	-	2,960,684	124,875,982
Contributions subsequent to the measurement date	74,603,780	-	587,813,845	-
Total	\$ 831,932,348	\$ 586,283,451	\$ 4,098,612,544	\$ 3,227,154,543

	PFRS		TPAF	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 54,758,023	\$ 441,116,389	\$ 115,381,203
Changes of assumptions	252,820,427	359,321,977	13,378,255,364	11,684,858,458
Difference between projected and actual earnings on pension plan investment	77,276,010	-	341,507,504	-
Changes in proportion	5,546,749	194,623	192,581,778	192,581,778
Contributions subsequent to the measurement date	252,904,104	-	1,518,391,693	-
Total	\$ 588,547,290	\$ 414,274,623	\$ 15,871,852,728	\$ 11,992,821,439

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 987,767,338	\$ 181,839,920
Changes of assumptions	17,231,226,199	15,778,127,651
Difference between projected and actual earnings on pension plan investment	587,022,265	-
Changes in proportion	201,089,211	317,652,383
Contributions subsequent to the measurement date	2,458,062,059	-
Total	\$ 21,465,167,072	\$ 16,277,619,954

*The PERS deferred outflows/inflows of resources include the blended component units (New Jersey Building Authority and New Jersey Schools Development Authority).

The \$2,458,062,059 reported as collective deferred outflows of resources related to pensions resulting from the State contribution subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ended June 30, 2018. The remaining cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the governmental activities will be recognized in future pension expense as follows:

For the Fiscal Year Ending June 30,

Year	JRS		SPRS		PERS*	
2018	\$	1,320,438	\$	113,912,009	\$	316,146,791
2019		(1,733,101)		128,913,499		448,107,745
2020		(5,209,218)		54,098,500		247,042,481
2021		(1,590,492)		(46,213,441)		(393,588,605)
2022		-		(79,665,450)		(327,292,476)
Thereafter		-		-		(6,771,780)
Total	\$	(7,212,373)	\$	171,045,117	\$	283,644,156

Year	PFRS		TPAF		Total	
2018	\$	30,625,472	\$	740,341,056	\$	1,202,345,766
2019		52,958,899		1,175,650,200		1,803,897,242
2020		(16,703,271)		983,008,137		1,262,236,629
2021		(95,835,419)		551,152,948		13,924,991
2022		(52,101,358)		624,850,883		165,791,599
Thereafter		2,424,240		(1,714,363,628)		(1,718,711,168)
Total	\$	(78,631,437)	\$	2,360,639,596	\$	2,729,485,059

*The PERS deferred outflows/inflows of resources include the blended component units (New Jersey Building Authority and New Jersey Schools Development Authority).

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by actuarial valuations as of July 1, 2016, which was rolled forward to June 30, 2017 using the following actuarial assumptions, applied to all periods in the measurement:

	CPFPF	JRS	POPF	SPRS
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of pay	Level percentage of pay	Level percentage of pay	Level percentage of pay
Remaining amortization period	9 years	30 years	14 years	30 years
Asset valuation method	Five-year average of market value	Five-year average of market value	Five-year average of market value	Five-year average of market value
Inflation rate	2.25%	2.25%	2.25%	2.25%
Salary increases:				
Through 2025	N/A	2.00%	N/A	2.95%
Thereafter	N/A	3.00%	N/A	3.95%
Investment rate of return	1.00%	7.00%	1.00%	7.00%
Mortality rate table	RP-2000	RP-2000	RP-2000	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	N/A	July 1, 2011 - June 30, 2014	N/A	July 1, 2011 - June 30, 2014

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

N/A - This is a closed plan. There are no active employees.
Adjustments for mortality improvements are based on Society of Actuaries Scale AA.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in pension plans' target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	JRS, SPRS, PERS, PFRS, TPAF	
	Target Allocation	Long-Term Expected Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries*	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

*All CPFPF & POPF pension plans investments are in U.S. Treasuries at long-term expected rate of return of 1.00%

Discount Rates

The discount rates used to measure the total pension liabilities of each pension plan as of June 30, 2017, are in the following table. The single blended discount rate per pension plan was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make projected future benefit payments of current plan members through crossover periods shown in the following table per pension plan. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through the crossover periods, and the municipal bond rate was applied to projected benefit payments after those periods in determining the total pension liabilities.

<u>Pension Plan</u>	<u>Discount Rate</u>
Consolidated Police and Firemen's Pension Fund	3.58%
Judiciary Retirement System	3.83%
Police and Firemen's Retirement System	6.14%
Prison Officers' Pension Fund	3.58%
Public Employees' Retirement System	5.00%
State Police Retirement System	4.42%
Teachers' Pension and Annuity Fund	4.25%

The following table represents the crossover period, if applicable, for each defined benefit plan:

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>	<u>POPF</u>	<u>PERS</u>	<u>SPRS</u>	<u>TPAF</u>
Period of projected benefit payments for which the following rates were applied:							
Long-term expected rate of return	Not applicable	Through June 30, 2023	Through June 30, 2057	Not applicable	Through June 30, 2040	Through June 30, 2037	Through June 30, 2036
Municipal bond rate*	All periods	From July 1, 2023 and thereafter	From July 1, 2057 and thereafter	All periods	From July 1, 2040 and thereafter	From July 1, 2037 and thereafter	From July 1, 2036 and thereafter

* The municipal bond return rate used is 3.58%. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the net pension liability of each pension plan calculated using the discount rates as disclosed above as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

Pension Plan	Rates Used	At Current		
		At 1% Decrease	Discount Rate	At 1% Increase
CPFPPF	(2.58%, 3.58%, 4.58%)	\$ 5,819,905	\$ 5,492,117	\$ 5,194,839
JRS	(2.83%, 3.83%, 4.83%)	861,952,973	762,070,662	677,006,861
PFRS	(5.14%, 6.14%, 7.14%)	7,277,192,381	5,952,979,113	4,866,463,098
POPF	(2.58%, 3.58%, 4.58%)	1,190,286	856,395	555,217
PERS*	(4.00%, 5.00%, 6.00%)	25,453,432,829	21,887,273,105	18,925,196,942
SPRS	(3.42%, 4.42%, 5.42%)	4,177,923,905	3,362,776,779	2,713,454,218
TPAF	(3.25%, 4.25%, 5.25%)	80,394,331,171	67,670,209,171	57,188,022,171

*Includes the blended component units of New Jersey Building Authority and New Jersey Schools Development Authority.

Additional Information

For additional information and supporting documents regarding GASB Statement No. 68, please refer to the New Jersey Department of the Treasury, Division of Pensions website at: <http://www.state.nj.us/treasury/pensions>.

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS AND ACTIVE EMPLOYEE HEALTH BENEFITS

General Information about the Other Postemployment Benefits (OPEB) Plans:

The State of New Jersey (the State) implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for Fiscal Year 2018.

A. Descriptions of OPEB Plans

State Health Benefit State Retired Employees Plan:

The State Health Benefit State Retired Employees Plan (State Retired Plan) is a single-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. It covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), or the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired Plan an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, Chapter 302, P.L. 1966 addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired Plan and are therefore classified as State employees.

N.J.S.A. 34:14 states that employees of the Palisades Interstate Park Commission whose salary is paid in full from funds appropriated by the State shall be deemed to be employees of the State.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postemployment medical coverage who have less than 20 years of credible service on June 30, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement

provided they retire with 25 or more years of pension service. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

State Health Benefit Local Education Retired Employees Plan:

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired Plan) is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No 75. The Local Education Retired Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retired from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from one or more of the following plans: TPAF, PERS, PFRS, or ABP. Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

State Health Benefit Local Government Retired Employees Plan:

The State Health Benefit Local Government Retired Employees Plan (Local Government Retired Plan) is a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation and is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for the special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Local Government Retired Plan and the covered dependents of the employees. The special funding situation of the Local Government Retired Plan provides medical and prescription drug coverage to local police officers and firefighters, who retire with 25 years of service or on a disability retirement from an employer who does not provide postretirement medical coverage. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability pension from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the State of New Jersey Division of Pensions and Benefits in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The following employees were covered by benefit terms as of the June 30, 2017 measurement date:

	State Retired Plan*	Local Education Retired Plan	Local Government Retired Plan
Inactive employees or beneficiaries currently receiving benefit payments	46,165	99,686	3,876
Inactive employees entitled to but not yet receiving benefit payments	-	-	-
Active employees	101,029	224,418	23,959
Total Plan Members	147,194	324,104	27,835

*Includes the New Jersey Schools Development Authority.

B. Special Funding Situations

State Health Benefit State Retired Employees Plan:

The State is legally required to pay for the OPEB benefit coverage for eligible retirees of the various State colleges and universities. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since these entities do not contribute directly to the plan, there is no total OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in their respective financial statements. The total OPEB liability at June 30, 2017 was \$8,178,871,728 for this special funding situation.

State Health Benefit Local Education Retired Employees Plan:

A special funding situation exists for the participating local education employers according to N.J. S.A. 52:14-17.32f., where the State is required to recognize the total nonemployer OPEB liability of \$53,639,841,858 at June 30, 2017.

State Health Benefit Local Government Retired Employees Plan:

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no total OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. The total OPEB liability at June 30, 2017 was \$8,695,413,135 for this special funding situation.

C. Total OPEB Liability

The State of New Jersey total OPEB liability of \$90,487,141,054 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017 measurement date.

	State Retired Plan*	Local Education Retired Plan	Local Government Retired Plan	Total
Total OPEB Liability - Beginning	\$ 30,256,739,660	\$ 57,831,784,184	\$ 9,025,878,097	\$ 97,114,401,941
Changes for the Year:				
Service cost	1,145,173,094	2,391,878,884	453,398,691	3,990,450,669
Interest on the total OPEB liability	885,680,293	1,699,441,736	276,174,004	2,861,296,033
Changes of assumptions	(3,486,167,293)	(7,086,599,129)	(1,102,207,386)	(11,674,973,808)
Changes in proportion	(6,636,151)	-	223,939,633	217,303,482
Benefit payments	(685,231,656)	(1,242,412,566)	(53,064,311)	(1,980,708,533)
Member and non-employer contributions	42,350,455	45,748,749	(132,157,062)	(44,057,858)
Net investment income	(1,825)	-	(336,921)	(338,746)
Administrative expense	(20,516)	-	3,788,390	3,767,874
Net Changes in Total OPEB Liability	(2,104,853,599)	(4,191,942,326)	(330,464,962)	(6,627,260,887)
Total OPEB Liability - Ending	\$ 28,151,886,061	\$ 53,639,841,858	\$ 8,695,413,135	\$ 90,487,141,054

*Includes the New Jersey Schools Development Authority.

D. Actuarial Assumptions and Other Inputs

The actuarial valuation for the June 30, 2017 total OPEB liability was determined using the following actuarial assumptions and other inputs included in the measurement. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in and are based on normal entry age into the plan. These assumptions are based on the results of actuarial experience studies for the period of July 1, 2011 through June 30, 2014 for the JRS, SPRS, and PERS; July 1, 2010 through June 30, 2013 for the PFRS; and July 1, 2012 through June 30, 2015 for the TPAF and the ABP.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>State Retired Plan</u>	<u>Local Education Retired Plan</u>	<u>Local Government Retired Plan</u>
Inflation rate	2.50%	2.50%	2.50%
Salary increases: Through 2026	1.55% - 8.98% based on age/years of service	1.55% - 8.98% based on age/years of service	1.65% - 8.98% based on age
Thereafter	2.00% - 9.98% based on age/years of service	2.00% - 9.98% based on age/years of service	2.65% - 9.98% based on age
Discount rate ¹	3.58%	3.58%	3.58%

¹ The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Rates

The following mortality rates were applied for the State Retired Plan and Local Education Retired Plan.

- Pre-Retirement Healthy Mortality: RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the central year using Scale MP-2017.
- Post-Retirement Healthy Mortality: RP-2014 Headcount-Weighted Healthy Annuitant Male/Female Mortality Table with Fully Generational Improvement Projections from the central year using Scale MP-2017.
- Disabled Mortality: RP-2014 Headcount-Weighted Disabled Male/Female Mortality Table with Fully Generational Improvement Projections from the central year using Scale MP-2017.

The following mortality rates were applied for the Local Government Retired Plan.

- Pre-Retirement Healthy Mortality: RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the central year using Scale MP-2017.
- Post-Retirement Healthy Mortality: RP-2006 Headcount-Weighted Healthy Annuitant Male/Female Mortality Table with Fully Generational Improvement Projections from the central year using Scale MP-2017.
- Disabled Mortality: RP-2006 Headcount-Weighted Disabled Male/Female Mortality Table with Fully Generational Improvement Projections from the central year using Scale MP-2017.

Health Care Trend Assumptions – All Plans

- For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years.
- For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years.
- For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate as of June 30, 2017:

	At 1% Decrease (2.58%)	At Current Discount Rate (3.58%)	At 1% Increase (4.58%)
State Retired Plan*	\$ 33,084,714,495	\$ 28,151,886,061	\$ 24,217,116,570
Local Education Retired Plan	63,674,362,200	53,639,841,858	45,680,364,953
Local Government Retired Plan	10,256,499,015	8,695,413,135	7,456,717,795
Total	\$ 107,015,575,710	\$ 90,487,141,054	\$ 77,354,199,318

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates as of June 30, 2017:

	At 1% Decrease	At Current Health Care Trend Rate	At 1% Increase
State Retired Plan*	\$ 23,406,062,565	\$ 28,151,886,061	\$ 34,330,195,415
Local Education Retired Plan	44,113,584,560	53,639,841,858	66,290,599,457
Local Government Retired Plan	7,226,142,275	8,695,413,135	10,608,574,036
Total	\$ 74,745,789,400	\$ 90,487,141,054	\$ 111,229,368,908

*Includes the New Jersey Schools Development Authority.

E. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the Fiscal Year ending June 30, 2018, the State recognized OPEB expense of \$5,598,212,841. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	State Retired Plan*		Local Education Retired Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 3,083,554,406	\$ -	\$ 6,343,769,032
Net difference between projected and actual investment earnings on OPEB plan investments	8,070	-	-	-
Changes in proportion	63,335,837	69,147,405	99,843,255	99,843,255
Benefit payments subsequent to the measurement date	653,289,000	-	1,201,941,000	-
Total	\$ 716,632,907	\$ 3,152,701,811	\$ 1,301,784,255	\$ 6,443,612,287

	Local Government Retired Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 965,116,915	\$ -	\$ 10,392,440,353
Net difference between projected and actual investment earnings on OPEB plan investments	1,490,139	-	1,498,209	-
Changes in proportion	311,723,840	-	474,902,932	168,990,660
Benefit payments subsequent to the measurement date	53,071,000	-	1,908,301,000	-
Total	\$ 366,284,979	\$ 965,116,915	\$ 2,384,702,141	\$ 10,561,431,013

Amounts reported as deferred outflows of resources related to OPEB resulting from benefit payments due subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019.

For the Fiscal Year Ending June 30,

Year	State Retired Plan*	Local Education Retired Plan	Local Government Retired Plan	Total
2018	\$ (403,436,376)	\$ (742,830,097)	\$ (92,345,120)	\$ (1,238,611,593)
2019	(403,436,376)	(742,830,097)	(92,345,120)	(1,238,611,593)
2020	(403,436,376)	(742,830,097)	(92,345,120)	(1,238,611,593)
2021	(403,436,378)	(742,830,097)	(92,345,121)	(1,238,611,596)
2022	(403,438,394)	(742,830,097)	(92,717,655)	(1,238,986,146)
Therefore	<u>(1,072,174,004)</u>	<u>(2,629,618,547)</u>	<u>(189,804,800)</u>	<u>(3,891,597,351)</u>
Total	\$ <u>(3,089,357,904)</u>	\$ <u>(6,343,769,032)</u>	\$ <u>(651,902,936)</u>	\$ <u>(10,085,029,872)</u>

*Includes the New Jersey Schools Development Authority.

F. Active Employee Health Benefits

The State sponsors and administers the State Health Benefit Program (SHBP). The following programs cover substantially all State and local government employees:

State Health Benefit State Fund – Local Education Active (including Prescription Drug Program Fund) – N.J.S.A 52:14-17.46a established the School Employees Health Benefits Program Fund which provides medical coverage to qualified active education participants. Also, education employees are eligible for the Prescription Drug Program coverage after 60 days of employment.

State Health Benefit State Fund – Local Government Active (including Prescription Drug Program Fund) – N.J.S.A 52:14-17.38b established rules allowing for the participation of non-State employers to participate in the SHBP. Also, local employees are eligible for the Prescription Drug Program coverage after 60 days of employment.

State Health Benefit State Fund – State Active (including Prescription Drug Program Fund) – N.J.S.A 52:14-17.25 provides medical coverage to qualified active State participants. The Prescription Drug Program was established in December 1974, under N.J.S.A. 52:14-17.29 to provide coverage to employees and their eligible dependents for drugs which under federal or State law may be dispensed only upon prescription written by a physician. State employees are eligible for Prescription Drug Program coverage after 60 days of employment.

Additional information on the available plans can be accessed via the New Jersey Division and Pensions and Benefits website at: <http://www.state.nj.us/treasury/pensions>.

NOTE 18 - COMPONENT UNITS

A. Authorities

Managed independently of the appropriated budget process, the Authorities are legally separate entities with powers generally vested in a governing board. Established for the benefit of the State's citizenry, Authorities exist for a variety of purposes such as financing economic development, public transportation, low-cost housing, environmental protection, and capital development for health and education. Unlike the State itself, Authorities are not subject to State constitutional restrictions on the incurrence of debt; however, similar to the State, Authorities may issue bonds and notes within legislatively authorized amounts.

With the approval of the State Senate, the Governor appoints the members of the board of most Authorities. Authorities generally submit annual reports to the Governor, the State Legislature, and the Director, Division of Budget and Accounting on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit annual budget information on operations and capital construction to the Governor and the State Legislature. From time to time, the Governor has exercised the statutory power to veto actions.

The activities of the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Development Authority, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation have been blended into the financial activities of the State as Special Revenue Funds.

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, all other Authorities have been presented discretely as major and non-major component units in the State's financial statements. These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Financial statements for the Authorities are derived from their most recently issued financial statements. Descriptions of the discretely presented Authorities, addresses and websites from which separately issued audited financial statements and accompanying notes may be obtained, are provided below:

Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
15 S. Pennsylvania Avenue
Atlantic City, New Jersey 08401
<https://njcrda.com>

The Casino Reinvestment Development Authority (CRDA) was created to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey, and to facilitate the direct redevelopment of blighted areas by providing eligible projects in which licensees (casinos) can invest. CRDA encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or targeted to benefit low-income through middle-income residents. CRDA is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

Within the Atlantic City Tourism District, the Authority has jurisdiction to implement initiatives to promote cleanliness, safety and commercial development, institute coordinated public safety improvements, undertake redevelopment projects, adopt a tourism district master plan and impose use regulations.

Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)
4 Quakerbridge Plaza, P.O. Box 547
Trenton, New Jersey 08625-0547
<https://www.hesaa.org>

New Jersey's Higher Education Student Assistance Authority (HESAA) was established to provide a single statewide agency for the coordination and delivery of student financial assistance. HESAA serves as the Guaranty Agency for the Federal Family Education Loan (FFEL) program and the issuer of State of New Jersey College Loans to Assist State Students (NJCLASS) supplementary loan program. In addition to administering the delivery of a number of needs-based and merit-based State scholarship programs, to include Tuition Aid Grants (TAG), New Jersey Student Tuition Assistance Reward Scholarship (NJSTARS), and World Trade Center Scholarship Fund, HESAA oversees the State's 529 College Savings Program, known as the New Jersey Better Educational Savings Trust (NJBEST).

New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625-0990
<https://www.njeda.com>

The New Jersey Economic Development Authority is authorized to arrange long-term, low-interest financing, as well as other forms of assistance to private firms and companies, for the purpose of maintaining and expanding employment opportunities and enlarging New Jersey's tax base for State and local governments.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)
103 College Road East, 2nd Floor
Princeton, New Jersey 08540-6612
<https://www.nj.gov/njefa>

The New Jersey Educational Facilities Authority (NJEFA) provides a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell their debt instruments (bonds, notes, and other obligations). NJEFA may finance academic and auxiliary facilities for the State's public and independent institutions of higher education.

New Jersey Infrastructure Bank (N.J.S.A. 58:11B-4)
3131 Princeton Pike, Bldg. 4, Suite 216
Lawrenceville, New Jersey 08648-2201
<https://www.njib.gov>

On October 14, 2016, the Governor signed into law an amendment of the Trust Enabling Act. The amendments changed the name of the Trust to the New Jersey Infrastructure Bank and authorizes the Trust to fund local transportation infrastructure projects in addition to environmental infrastructure projects with separately appropriated funds.

The New Jersey Infrastructure Bank provides low-cost financing for the construction of infrastructure projects that enhance and protect ground and surface water resources, ensure the safety of drinking water supplies, and make possible responsible and sustainable economic development.

Working in partnership with the New Jersey Department of Environmental Protection, the Bank has devised a system to leverage the funds available from the federal government to make money available at the lowest possible cost. The financing program has provided funds to local and county government units, as well as some private water companies, to finance wastewater systems, combined sewer overflow abatement, nonpoint source pollution control, safe drinking water supplies, and open space acquisition.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)
22 South Clinton Avenue, Station Plaza, Bldg. #4
P.O. Box 366
Trenton, New Jersey 08625-0366
<https://www.njhcfpa.com>

The New Jersey Health Care Facilities Financing Authority provides low-cost capital financing for the State's public and private not-for-profit health care institutions.

New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)
637 South Clinton Avenue, P.O. Box 18550
Trenton, New Jersey 08650-2085
<https://www.nj.gov/dca/hmfa/>

The Housing and Mortgage Finance Agency (HMFA) makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low-income through moderate-income families and senior citizens. In addition to providing financing, HMFA monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. Its mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, HMFA also provides low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

New Jersey Redevelopment Authority (P.L. 1996, c.62)
150 West State Street, 2nd Floor, P.O. Box 790
Trenton, New Jersey 08625-0790
<https://www.njra.us>

The New Jersey Redevelopment Authority provides assistance in the redevelopment and revitalization of New Jersey cities. The Authority provides financial, managerial, and technical assistance to persons, firms, or corporations that wish to undertake industrial, commercial, or civic projects within qualified municipalities.

New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)
One DeKorte Park Plaza
P.O. Box 640
Lyndhurst, New Jersey 07071
<http://www.njsea.com>

The New Jersey Sports and Exposition Authority (NJSEA) owns, operates, and manages a variety of sports, entertainment, wagering, and convention facilities throughout New Jersey; it also has been responsible for the financing, construction, and management of the Meadowlands Racetrack, the IZOD Center, and the MetLife stadium. In addition to being authorized to issue bonds and notes and provide the terms and security thereof, NJSEA is charged with the responsibility to own, operate, and build various facilities for athletic and entertainment events, trade shows, and other expositions located throughout the State. Effective February 5, 2015, the New Jersey Meadowlands Commission merged and became part of the New Jersey Sports and Exposition Authority.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)
One Penn Plaza East
Newark, New Jersey 07105
<https://www.njtransit.com>

New Jersey Transit Corporation (NJ TRANSIT) is empowered to acquire, own, operate, and contract for the operation of public transportation services. Both the State, by legislative appropriation, and the federal government, by defined formula grants under the Federal Transit Administration, provide NJ TRANSIT with operating subsidies. NJ TRANSIT uses these subsidies to operate public transportation services through bus and commuter rail subsidiaries.

NJ TRANSIT also contracts with several motor bus carriers for certain transportation services; under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the use of Amtrak's Northeast Corridor, including the cost of maintaining right-of-way as well as propulsion costs.

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)
1 Turnpike Plaza, P.O. Box 5042
Woodbridge, New Jersey 07095-5042
<http://www.njta.com/>

The New Jersey Turnpike Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Subject to prior approval by the Governor and by either or both the State Treasurer and the Director, Division of Budget and Accounting, the Authority also may issue turnpike revenue bonds or notes that are payable solely from Authority tolls and other revenues.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-1)
1851 State Route 31, P.O. Box 5196
Clinton, New Jersey 08809
<http://www.njwsa.org>

The New Jersey Water Supply Authority is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal Transmission Center, the Spruce Run/Round Valley Reservoirs Complex, and the Manasquan Reservoir Water Supply System. Upon the request of a municipality, county, the State, or agencies thereof, the Authority may enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects, and the debt service on the bonds is payable from the revenues and other funds of the Authority.

South Jersey Port Corporation (N.J.S.A. 12:11A-2)
101 Joseph A. Balzano Blvd.
Camden, New Jersey 08103
<http://southjerseyport.com>

The South Jersey Port Corporation is empowered to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, to include Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of its Marine Terminal Bond Resolution, which mandates the distribution of funds to various Port Corporation funds.

South Jersey Transportation Authority (P.L. 1991, c.252)
Farley Service Plaza, P.O. Box 351
Hammonton, New Jersey 08037
<https://www.sjta.com>

The South Jersey Transportation Authority is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects to include the Atlantic City Expressway, the Atlantic City International Airport terminal, and the parking facilities in Atlantic City. Subject to prior approval by the Governor and by either or both the State Treasurer and the Director, Division of Budget and Accounting, the Authority also may issue revenue bonds or notes, which are payable solely from Authority tolls and other revenues.

University Hospital (P.L. 2012, c.45)
150 Bergen Street
Newark, New Jersey 07103
<http://www.uhnj.org>

In accordance with Public Law 2012, c.45, the “New Jersey Medical and Health Science Education and Restructuring Act” (the Restructuring Act), effective July 1, 2013, University Hospital (the Hospital), a public institution of healthcare and a body politic of the State of New Jersey was separated from University of Medicine and Dentistry of New Jersey as a new stand-alone entity and is the primary teaching hospital for the Newark-based schools of the Rutgers School of Biomedical and Health Sciences. The Hospital shall maintain its public mission to provide a comprehensive healthcare program and services in collaboration with the Newark-based schools of the Rutgers School of Biomedical and Health Sciences. The Hospital is committed to act in accordance with the spirit and intent of the “Agreements Reached between Community and Government Negotiators Regarding New Jersey College of Medicine and Dentistry and Related Matters of April 30, 1968.”

B. Colleges and Universities

Enactment of P.L. 1986, c.42 and c.43, provided autonomous status for New Jersey’s eight State colleges and universities. Prior to the July 1, 1987 effective date of this legislation, revenues and expenses for these public institutions of higher education were included in the General Fund of the State of New Jersey.

The financial statements of all eleven of the State’s Senior Public institutions of higher education (three Public Research universities and the aforementioned eight State colleges and universities) have been prepared in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. Due to the significance of their operational or financial relationships and fiscal dependency with the State, these component units are included in the State’s reporting entity. State appropriations, tuition, federal grants, and private donations and grants provide funding for these institutions. Based upon the relative size of assets, liabilities, revenues, and expenses in relation to the total, the financial statements of these institutions have been presented discretely in either the major or non-major categories in both the Statement of Net Position and the Statement of Activities. In addition, pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the financial statements of all eleven institutions include financial activities related to their foundations and other similar organizations.

Separately issued independent audited financial statements and accompanying notes may be obtained directly from the State’s Senior Public institutions of higher education at the following addresses and websites:

The College of New Jersey
(N.J.S.A. 18A:62-1)
2000 Pennington Road
Ewing, New Jersey 08628
<https://tcnj.pages.tcnj.edu/>

Kean University
(N.J.S.A. 18A:62-1)
1000 Morris Avenue
Union, New Jersey 07083
<https://www.kean.edu>

Montclair State University
(N.J.S.A. 18A:62-1)
One Normal Avenue
Montclair, New Jersey 07043
<https://www.montclair.edu>

New Jersey City University
(N.J.S.A. 18A:62-1)
2039 John F. Kennedy Boulevard
Jersey City, New Jersey 07305
<https://www.njcu.edu>

Stockton University
(N.J.S.A. 18A:62-1)
101 Vera King Farris Drive, N119
Galloway, New Jersey 08205
<https://www.stockton.edu>

Rowan University
(N.J.S.A. 18A:62-1)
201 Mullica Hill Road
Glassboro, New Jersey 08028
<https://www.rowan.edu/home/>

Rutgers, The State University of New Jersey
(N.J.S.A. 18A:65-1)
University Accounting, West Wing, 2nd floor
33 Knightsbridge Road
Piscataway, New Jersey 08854
<https://www.rutgers.edu>

Thomas Edison State University
(N.J.S.A. 18A:62-1)
111 West State Street
Trenton, New Jersey 08608
<https://www.tesu.edu>

New Jersey Institute of Technology
(N.J.S.A. 18A:64E-14)
323 Martin Luther King Jr. Boulevard
General Accounting Office
Fenster Hall, Room 550
University Heights
Newark, New Jersey 07102-1982
<https://www.niit.edu>

William Paterson University of New Jersey
(N.J.S.A. 18A:62-1)
300 Pompton Road
Wayne, New Jersey 07470
<https://www.wpunj.edu>

Ramapo College of New Jersey
(N.J.S.A. 18A:62-1)
505 Ramapo Valley Road
Mahwah, New Jersey 07430
<https://www.ramapo.edu>

NOTE 19 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The claims filed can represent significant amounts and include, but are not limited to, issues regarding pensions and education funding. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2018, the exact amount involved in these legal proceedings is not fully determinable.

Unapplied overpayments of Corporation Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2018, there were approximately \$1,058.0 million of overpayments.

New Jersey Lawyers' Fund for Client Protection

Claims of approximately \$10.8 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded from this Fund is \$6.2 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

Various claims totaling approximately \$3.1 million have been filed against this Fund by third parties for damages caused by spills. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

Property Tax Relief Fund

Unapplied overpayments of Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2018, there were approximately \$2,297.0 million of overpayments.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately \$20.1 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

Medical Malpractice Self Insurance Fund

The State has the ultimate liability for tort and malpractice claims in excess of the resources of the Fund. The University of Medicine and Dentistry of New Jersey (UMDNJ) – Self-Insurance Reserve Fund was dissolved as of July 1, 2013. A new fund

was established, the Medical Malpractice Self-Insurance Fund, which encompasses three successor entities; University Hospital, Rowan University, which includes UMDNJ's former school of Osteopathic Medicine, and Rutgers University, which now includes all other components of the former UMDNJ. As of June 30, 2018 projected unpaid claims were \$158.8 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Capital Projects Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$33.3 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Federal Programs

Under the terms of various grant awards, expenditures from federal funds are subject to audit. As of June 30, 2018, audits of expenditures for Fiscal Year 2017 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. In addition, Medicaid disallowances may be issued during federal Fiscal Year 2018 (which ends September 30, 2018) or 2019 (which ends September 30, 2019) based on a series of federal Office of the Inspector General program audits of claim documentation and cost allocation methodologies. The Department of Human Services disputes these findings and is taking steps to minimize the final impact of these audits. Nineteen audits, which in the aggregate total in the hundreds of millions of dollars, are currently in draft or final form but, due to the possible revisions or appeals, the final amounts and timing of any repayments are uncertain. The State is unable at this time to estimate its exposure.

The Adoption Assistance Program provides funds to states to facilitate the timely placement of children with adoptive families whose special needs or circumstances would otherwise make it difficult to place. Authorized under Title IV-E of the Social Security Act, the program provides federal matching funds of 50 percent to the State. Currently, there are approximately 15,000 contracts entered into whereby the State agrees to provide family assistance payments until the child turns 18 or some other ineligibility occurs. Federal money is reimbursed subsequent to the claim approval process. The State is currently obligated to pay approximately \$932.0 million in monthly payments and to receive federal matching funds of approximately \$466.0 million over the life of the contracts.

New Jersey Economic Development Authority Incentive Programs

The State of New Jersey through the New Jersey Economic Development Authority (NJEDA) provides various types of tax incentive programs to qualifying businesses. The objectives are to help stimulate business development, job creation, and community revitalization in New Jersey. The businesses must meet certain statute and program requirements to qualify and must annually certify that all eligibility criteria have been met. There are currently ten programs approved for future cash or tax incentive credits, some of which have been discontinued, but the approved amounts are still available for future use. As of June 30, 2018, the State approved \$7.8 billion in incentives to be issued through fiscal year 2040, which are subject to each recipient attaining the milestones set forth in each respective program. Historically, the full amount of available incentives are not utilized. A portion of the incentives are forfeited or otherwise reduced due to non-compliance. Once earned, the tax incentive credits can be utilized to offset corporation business tax, insurance premium tax, and in some instances, gross income tax liabilities. For more information, please see https://www.njeda.com/financing_incentives/All-Programs.

NOTE 20 - SUBSEQUENT EVENTS

Short-term Obligations

For Fiscal Year 2019, the State authorized the issuance of short-term notes. The short-term note proceeds are to be used to provide effective cash flow management to fund the timing imbalances that occur in the collection of revenues and the disbursement of appropriations. On July 1, 2018, the State authorized \$2.0 billion of Tax and Revenue Anticipation Notes through a private placement; Series Fiscal 2019 A totaling \$1.0 billion and Fiscal 2019 B totaling \$1.0 billion. \$1.0 billion of Series Fiscal 2019 A was issued on August 30, 2018, and \$500.0 million of Series Fiscal 2019 B was issued on December 13, 2018. The Notes were issued at a rate equal to the Securities Industry and Financial Markets Association municipal swap index plus 43.5 basis points, with accrued interest payable at final maturity on June 27, 2019.

Long-term Obligations

On October 17, 2018, the New Jersey Transportation Trust Fund Authority (TTFA) issued \$1.6 billion of Transportation Program Refunding Bonds Series 2018 A. Interest on the bonds ranges from 4.0 to 5.0 percent per annum and is payable June 15 and December 15, commencing on June 15, 2019.

On October 24, 2018, the New Jersey Economic Development Authority (NJEDA) remarketed \$335.1 million of State Lease Revenue Refunding Bonds 2017 Series A and B. Interest on the bonds ranges from 3.8 to 5.0 percent per annum and is payable June 15 and December 15, commencing on December 15, 2018.

On November 20, 2018, the New Jersey Sports and Exposition Authority (NJSEA) issued \$99.4 million of State Contract Refunding Bonds Series 2018 A. Interest on the bonds ranges from 4.0 to 5.0 percent per annum and is payable March 1 and September 1, commencing on March 1, 2019.

On November 28, 2018, the New Jersey Economic Development Authority (NJEDA) issued \$350.0 million of School Facilities Construction Bonds Series 2018 EEE, and \$50.5 million of School Facilities Construction Refunding Bonds Series 2018 FFF. Interest on the bonds ranges from 4.6 to 5.0 percent per annum and is payable June 15 and December 15, commencing on June 15, 2019.

On January 16, 2019, the New Jersey Transportation Trust Fund Authority (TTFA) issued \$750.0 million of Transportation Program Bonds Series 2019 AA. Interest on the bonds ranges from 3.8 to 5.0 percent per annum and is payable June 15 and December 15, commencing on June 15, 2019.

Litigation

In 2009 the Tobacco Settlement Financing Corporation (TSFC) filed a claim against Lehman Brothers Holding Company (LBHI) and Lehman Brothers Special Financing, Inc. (LBSF) for its guaranteed return on investment of \$81.6 million from investments held at Lehman Brothers prior to their Chapter 11 bankruptcy. In August 2015, a settlement was reached in the amount of \$53 million for both claims. The TSFC's claim against LBSF is expected to be treated as a Class 4A Claim, while the TSFC's claim against LBHI is expected to be treated as a Class 9A Claim. On October 1, 2015, TSFC received \$30.2 million in settlement payments. Additional payments totaling \$1.5 million were received during fiscal year 2016, \$1.4 million during fiscal year 2017, \$1.3 million during fiscal year 2018, and \$0.6 million to date, during fiscal year 2019. At this time, it is not known by management if any additional payments will be received.

Pension Plans

The State Treasurer has authorized a 5 year plan to gradually reduce the assumed rate from 7.5% to 7.0%. Under the administration's 5 year plan, the assumed rate will drop from 7.5% to 7.3% effective with the July 1, 2019 actuarial valuations (Fiscal Year 2021) and then from 7.3% to 7.0% effective with the July 1, 2021 actuarial valuations (Fiscal Year 2023).

On July 3, 2018, L. 2018, c. 55 was enacted providing for the transfer of management of the Police and Firemen's Retirement System ("PFRS") from the New Jersey Department of the Treasury, Division of Pensions and Benefits, to a newly constituted twelve-member PFRS Board of Trustees. The new Board will oversee the management of PFRS, have the authority to direct investment decisions, and adjust benefit levels.

Collective Bargaining Agreement

The Communication Workers of America ("CWA") ratified a new four-year contract effective July 1, 2019 through June 30, 2023. It provides annual across the board 2% salary increases for each of the four years. The State is anticipated to save about \$70 million annually in health care costs through the implementation of a new health plan, which will limit payments to out of network providers.

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*Required
Supplementary
Information*

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

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

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

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

(Continued on next page)

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

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

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

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

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

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

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

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

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

The Appropriations Act provides annual departmental budgets for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief). The State Legislature enacts the Appropriations Act through passage of specific departmental appropriations, the sum of which may not exceed estimated resources. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to State Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming fiscal year. Spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the State Legislature and the Governor. Expenditures are presented on the accompanying budgetary basis financial statements by statewide program classifications, not by the legal level of budgetary control. Detail at the departmental level is presented on the accompanying Schedules of Appropriations and Expenditures.

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the Appropriations Act, the Executive Branch may amend the budget within a department with the approval of the Director of the Division of Budget and Accounting. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and Executive Branch approval.

Appropriations are authorized for expenditure during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at the end of the fiscal year, unless otherwise specified by the Appropriations Act.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

The Budgetary Comparison Schedule displays the unassigned fund balance for the original budget, final budget, and actual amounts (budgetary basis). The beginning fund balance for the original budget is estimated as of July 1 while the beginning fund balance for the final budget and actual amount columns represent actual amounts.

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

Consolidated Police and Firemen's Pension Fund

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

Note:

*Schedule is intended to show information for ten years.

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

Judicial Retirement System

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

Note:

*Schedule is intended to show information for ten years.

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

Prison Officers' Pension Fund

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

Note:

*Schedule is intended to show information for ten years.

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

State Police Retirement System

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

Note:

*Schedule is intended to show information for ten years.

STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINGLE-EMPLOYER PENSION PLANS¹
AS OF THE MEASUREMENT DATE JUNE 30
(Expressed in Millions)

Consolidated Police and Firemen's Pension Fund (CPFPF)						
Year²	Statutorily actuarially determined contribution	Actual employer contribution	Difference (unfunded)	Covered payroll	Actual employer contribution as a percentage of covered payroll	
2017	\$ 0.9	\$ 0.6	\$ (0.3)	N/A	N/A	
2016	0.5	0.2	(0.3)	N/A	N/A	
2015	-	-	-	N/A	N/A	
2014	0.9	-	(0.9)	N/A	N/A	

Judicial Retirement System (JRS)						
Year²	Statutorily actuarially determined contribution	Actual employer contribution	Difference (unfunded)	Covered payroll	Actual employer contribution as a percentage of covered payroll	
2017	\$ 44.8	\$ 20.3	\$ (24.5)	\$ 68.1	29.81 %	
2016	47.3	14.8	(32.5)	67.1	22.06	
2015	45.1	17.0	(28.1)	66.0	25.76	
2014	43.9	15.9	(28.0)	67.8	23.45	

State Police Retirement System (SPRS)						
Year²	Statutorily actuarially determined contribution	Actual employer contribution	Difference (unfunded)	Covered payroll	Actual employer contribution as a percentage of covered payroll	
2017	\$ 135.0	\$ 53.0	\$ (82.0)	\$ 277.8	19.08 %	
2016	120.8	37.4	(83.4)	275.5	13.58	
2015	110.9	38.5	(72.4)	262.5	14.67	
2014	105.1	36.4	(68.7)	262.1	13.89	

Notes:

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

² Schedule is intended to show information for ten years.

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINGLE-EMPLOYER PENSION PLANS¹ (Continued)
AS OF THE MEASUREMENT DATE JUNE 30, 2017**

Methods and Assumptions Used to Determine Contribution Rates:

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

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

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

STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS¹
AS OF THE MEASUREMENT DATE JUNE 30
(Expressed in Millions)

Public Employees' Retirement System² (PERS)					
Year	Statutorily required employer contribution	Actual employer contribution	Difference (unfunded)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2017	\$ 1,103.7	\$ 459.2	\$ (644.5)	\$ 3,700.5	12.41 %
2016	1,039.4	328.7	(710.7)	3,781.8	8.69
2015	938.1	193.4	(744.7)	3,884.6	4.98
2014	878.0	147.2	(730.8)	3,913.5	3.76

Police and Firemen's Retirement System² (PFRS) (Special Funding)					
Year	Statutorily required employer contribution	Actual employer contribution	Difference (unfunded)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2017	\$ 472.8	\$ 198.9	\$ (273.9)	\$ 465.4	42.74 %
2016	450.5	142.8	(307.7)	475.4	30.04
2015	405.1	144.1	(261.0)	487.7	29.55
2014	384.8	124.1	(260.7)	491.2	25.26

Teachers' Pensions and Annuity Fund² (TPAF) (Special Funding)					
Year	Statutorily required employer contribution	Actual employer contribution	Difference (unfunded)	Covered payroll	Actual employer contribution as a percentage of covered payroll
2017	\$ 2,776.3	\$ 1,127.0	\$ (1,649.3)	\$ 10,436.2	10.80 %
2016	2,580.4	800.1	(1,780.3)	10,305.5	7.76
2015	2,342.9	540.6	(1,802.3)	10,162.3	5.32
2014	2,192.6	427.7	(1,764.9)	10,038.8	4.26

Notes:

¹ Schedule is intended to show information for ten years.

² For Years 2014 to 2016 have been restated.

**STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS¹ (Continued)
AS OF THE MEASUREMENT DATE JUNE 30, 2017**

Methods and Assumptions Used to Determine Contribution Rates:

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

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

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

(Expressed in Millions)

Public Employees' Retirement System

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

Notes:

¹ Schedule is intended to show information for ten years.

² For Years 2014 to 2016 employer's covered payroll have been restated.

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

Police and Firemen's Retirement System (Special Funding)

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

Notes:

¹ Schedule is intended to show information for ten years.

² For Years 2014 to 2016 employer's covered payroll have been restated.

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

Teachers' Pension and Annuity Fund (Special Funding)

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

Notes:

¹ Schedule is intended to show information for ten years.

² For Years 2014 to 2016 employer's covered payroll have been restated.

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

State Health Benefit State Retired Employees Plan ²

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

Notes:

¹ Schedule is intended to show information for ten years.

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

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

State Health Benefit Local Education Retired Employees Plan

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

Notes:

¹ Schedule is intended to show information for ten years.

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

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

State Health Benefit Local Government Retired Employees Plan

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

Note:

*Schedule is intended to show information for ten years.

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*Combining
Financial Statements
and
Schedules*

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2018**

	<u>General Fund</u>	<u>Beaches and Harbor Fund</u>	<u>Building Our Future Fund</u>
ASSETS			
Cash and cash equivalents	\$ 87,707,642	\$ 99	\$ 1,000
Investments	2,240,565,854	924,846	71,589,334
Receivables, net of allowances for uncollectibles			
Federal government	863,219,308	-	-
Departmental accounts	3,155,010,103	-	-
Loans	46,293,246	-	-
Other	441,156,040	-	-
Due from other funds	1,012,151,575	-	-
Other	18,350,962	-	-
Total Assets	<u>\$ 7,864,454,730</u>	<u>\$ 924,945</u>	<u>\$ 71,590,334</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 1,723,042,654	\$ -	\$ 225,778
Unearned revenue	168,211,112	-	-
Due to other funds	284,855,184	12,592	1,512,691
Refunds payable	142,142,986	-	-
Other	322,658,743	-	-
Total Liabilities	<u>2,640,910,679</u>	<u>12,592</u>	<u>1,738,469</u>
Deferred Inflows of Resources	<u>505,981,490</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	188,732,043	912,353	69,851,865
Committed	3,538,222,580	-	-
Unassigned	990,607,938	-	-
Total Fund Balances	<u>4,717,562,561</u>	<u>912,353</u>	<u>69,851,865</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,864,454,730</u>	<u>\$ 924,945</u>	<u>\$ 71,590,334</u>

<u>Clean Waters Fund</u>	<u>Cultural Centers and Historic Preservation Fund</u>	<u>2003 Dam, Lake and Stream Project Revolving Loan Fund</u>	<u>2003 Dam, Lake, Stream, and Flood Control Project Fund</u>
\$ 52,829	\$ 97	\$ 361,304	\$ 1,000
10,789	63,802	39,242,436	6,942,043
-	-	-	-
-	-	-	-
-	-	46,949,424	-
-	-	231,946	-
-	-	60,102	-
-	-	-	-
<u>\$ 63,618</u>	<u>\$ 63,899</u>	<u>\$ 86,845,212</u>	<u>\$ 6,943,043</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
147	101,269	-	96,057
-	-	-	-
-	-	-	-
<u>147</u>	<u>101,269</u>	<u>-</u>	<u>96,057</u>
-	-	-	-
-	-	-	-
63,471	-	86,845,212	6,846,986
-	-	-	-
-	(37,370)	-	-
<u>63,471</u>	<u>(37,370)</u>	<u>86,845,212</u>	<u>6,846,986</u>
<u>\$ 63,618</u>	<u>\$ 63,899</u>	<u>\$ 86,845,212</u>	<u>\$ 6,943,043</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>	<u>1989 Development Potential Bank Transfer Fund</u>	<u>Developmental Disabilities Waiting List Reduction Fund</u>
ASSETS			
Cash and cash equivalents	\$ 33,832	\$ 100	\$ 100
Investments	13,473,988	107,558	1,434,866
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	4,047,886	-	-
Other	28,402	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 17,584,108</u>	<u>\$ 107,658</u>	<u>\$ 1,434,966</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 322,426	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	10,811	3,109	16,569
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>333,237</u>	<u>3,109</u>	<u>16,569</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	17,250,871	104,549	1,418,397
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>17,250,871</u>	<u>104,549</u>	<u>1,418,397</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,584,108</u>	<u>\$ 107,658</u>	<u>\$ 1,434,966</u>

<u>Dredging and Containment Facility Fund</u>	<u>1996 Economic Development Site Fund</u>	<u>Emergency Flood Control Fund</u>	<u>Emergency Services Fund</u>
\$ 13,631	\$ 100	\$ 155	\$ 58,491
2,218,741	268,448	287,876	3,543,424
-	-	-	-
-	-	-	-
-	172,338	-	-
-	-	-	-
540	-	-	-
-	-	-	-
<u>\$ 2,232,912</u>	<u>\$ 440,886</u>	<u>\$ 288,031</u>	<u>\$ 3,601,915</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	3,920	1,372,957
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>3,920</u>	<u>1,372,957</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
2,232,912	440,886	284,111	-
-	-	-	2,228,958
-	-	-	-
<u>2,232,912</u>	<u>440,886</u>	<u>284,111</u>	<u>2,228,958</u>
<u>\$ 2,232,912</u>	<u>\$ 440,886</u>	<u>\$ 288,031</u>	<u>\$ 3,601,915</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	<u>1996 Environmental Cleanup Fund</u>	<u>1992 Farmland Preservation Fund</u>	<u>1995 Farmland Preservation Fund</u>
ASSETS			
Cash and cash equivalents	\$ 17,634	\$ 1,000	\$ 100
Investments	19,130,147	425	1,068,477
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 19,147,781</u>	<u>\$ 1,425</u>	<u>\$ 1,068,577</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 43,340	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>43,340</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	19,104,441	1,425	1,068,577
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>19,104,441</u>	<u>1,425</u>	<u>1,068,577</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,147,781</u>	<u>\$ 1,425</u>	<u>\$ 1,068,577</u>

<u>2007 Farmland Preservation Fund</u>	<u>2009 Farmland Preservation Fund</u>	<u>2007 Green Acres Fund</u>	<u>2009 Green Acres Fund</u>
\$ 100	\$ 209,711	\$ 25,946	\$ 202,087
10,962,382	14,031,944	14,998,333	13,423,200
-	-	-	-
-	-	-	40,000
-	-	4,967,372	3,302,157
-	-	11,125	-
-	-	-	-
-	-	-	-
<u>\$ 10,962,482</u>	<u>\$ 14,241,655</u>	<u>\$ 20,002,776</u>	<u>\$ 16,967,444</u>
\$ -	\$ 11,115	\$ 326,571	\$ 1,607,463
-	-	-	-
-	347,153	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>358,268</u>	<u>326,571</u>	<u>1,607,463</u>
-	-	-	-
10,962,482	13,883,387	19,676,205	15,359,981
-	-	-	-
-	-	-	-
<u>10,962,482</u>	<u>13,883,387</u>	<u>19,676,205</u>	<u>15,359,981</u>
<u>\$ 10,962,482</u>	<u>\$ 14,241,655</u>	<u>\$ 20,002,776</u>	<u>\$ 16,967,444</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	<u>Green Trust Fund</u>	<u>1981 Hazardous Discharge Fund</u>	<u>1986 Hazardous Discharge Fund</u>
ASSETS			
Cash and cash equivalents	\$ 225,278	\$ 711	\$ 1,000
Investments	27,148,157	182,726	17,562,454
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	12,478,602	-	-
Other	37,383	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 39,889,420</u>	<u>\$ 183,437</u>	<u>\$ 17,563,454</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 950,000	\$ -	\$ 2,703,593
Unearned revenue	-	-	-
Due to other funds	670,169	2,488	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>1,620,169</u>	<u>2,488</u>	<u>2,703,593</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	38,269,251	180,949	14,859,861
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>38,269,251</u>	<u>180,949</u>	<u>14,859,861</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,889,420</u>	<u>\$ 183,437</u>	<u>\$ 17,563,454</u>

Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	1995 Historic Preservation Fund	2007 Historic Preservation Fund
\$ 1,354 139,808	\$ 100 30,845	\$ 1,000 56,611	\$ 100 1,527,386
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 141,162</u>	<u>\$ 30,945</u>	<u>\$ 57,611</u>	<u>\$ 1,527,486</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
141,162	30,945	57,611	1,527,486
-	-	-	-
-	-	-	-
<u>141,162</u>	<u>30,945</u>	<u>57,611</u>	<u>1,527,486</u>
<u>\$ 141,162</u>	<u>\$ 30,945</u>	<u>\$ 57,611</u>	<u>\$ 1,527,486</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	2009 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Housing Assistance Fund
ASSETS			
Cash and cash equivalents	\$ 37,737	\$ 5,290	\$ 1,383,684
Investments	3,429,168	4,566,104	4,163,835
Receivables, net of allowances for uncollectibles	-		
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	822,159
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 3,466,905</u>	<u>\$ 4,571,394</u>	<u>\$ 6,369,678</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 42,750	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	82,263	-	56,694
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>125,013</u>	<u>-</u>	<u>56,694</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	3,341,892	4,571,394	6,312,984
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>3,341,892</u>	<u>4,571,394</u>	<u>6,312,984</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,466,905</u>	<u>\$ 4,571,394</u>	<u>\$ 6,369,678</u>

<u>Jobs, Education and Competitiveness Fund</u>	<u>1996 Lake Restoration Fund</u>	<u>Long Term Obligation and Capital Expenditure Fund</u>	<u>Mortgage Assistance Fund</u>	<u>Natural Resources Fund</u>
\$ 37	\$ 100	\$ -	\$ 100	\$ 100
38,344	1,493,667	-	5,479,440	554,464
-	-	-	-	-
-	-	-	-	-
-	-	-	1,081,540	-
-	-	-	505,558	-
-	-	1,334,356	-	-
-	-	-	-	-
<u>\$ 38,381</u>	<u>\$ 1,493,767</u>	<u>\$ 1,334,356</u>	<u>\$ 7,066,638</u>	<u>\$ 554,564</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
522	-	-	582,823	8,884
-	-	-	-	-
-	-	-	-	-
<u>522</u>	<u>-</u>	<u>-</u>	<u>582,823</u>	<u>8,884</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
37,859	1,493,767	-	6,483,815	545,680
-	-	1,334,356	-	-
-	-	-	-	-
<u>37,859</u>	<u>1,493,767</u>	<u>1,334,356</u>	<u>6,483,815</u>	<u>545,680</u>
<u>\$ 38,381</u>	<u>\$ 1,493,767</u>	<u>\$ 1,334,356</u>	<u>\$ 7,066,638</u>	<u>\$ 554,564</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>	<u>New Jersey Cultural Trust Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation Fund</u>
ASSETS			
Cash and cash equivalents	\$ 15,131	\$ 4,940	\$ 362
Investments	5,621,292	23,055,283	717,917
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	206,149	-	-
Other	1,329	79,087	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 5,843,901</u>	<u>\$ 23,139,310</u>	<u>\$ 718,279</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 50,125	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>50,125</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	20,000,000	-
Restricted	5,843,901	-	-
Committed	-	3,089,185	718,279
Unassigned	-	-	-
Total Fund Balances	<u>5,843,901</u>	<u>23,089,185</u>	<u>718,279</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,843,901</u>	<u>\$ 23,139,310</u>	<u>\$ 718,279</u>

<u>1989 New Jersey Green Acres Fund</u>	<u>1992 New Jersey Green Acres Fund</u>	<u>1995 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Trust Fund</u>	<u>1992 New Jersey Green Trust Fund</u>
\$ 2,813 885,816	\$ 100 426,960	\$ 2,843 100,104	\$ 11,857 35,987,715	\$ 126,193 10,771,570
-	-	-	-	-
-	-	-	-	-
-	-	-	8,053,509	5,251,223
-	-	-	42,989	28,977
-	-	-	-	-
-	-	-	-	-
<u>\$ 888,629</u>	<u>\$ 427,060</u>	<u>\$ 102,947</u>	<u>\$ 44,096,070</u>	<u>\$ 16,177,963</u>
\$ -	\$ -	\$ -	\$ 6,900	\$ 662,500
-	-	-	-	-
-	-	-	4,846,937	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,853,837	662,500
-	-	-	-	-
-	-	-	-	-
888,629	427,060	102,947	39,242,233	15,515,463
-	-	-	-	-
-	-	-	-	-
<u>888,629</u>	<u>427,060</u>	<u>102,947</u>	<u>39,242,233</u>	<u>15,515,463</u>
<u>\$ 888,629</u>	<u>\$ 427,060</u>	<u>\$ 102,947</u>	<u>\$ 44,096,070</u>	<u>\$ 16,177,963</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	<u>1995 New Jersey Green Trust Fund</u>	<u>New Jersey Local Development Financing Fund</u>	<u>Pinelands Infrastructure Trust Fund</u>
ASSETS			
Cash and cash equivalents	\$ 229,865	\$ -	\$ 100
Investments	14,069,551	44,387,440	9,099,854
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	9,478,058	6,499,458	150,952
Other	71,564	32,892	2,551
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 23,849,038</u>	<u>\$ 50,919,790</u>	<u>\$ 9,253,457</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 37,500	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>37,500</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	23,849,038	50,882,290	9,253,457
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>23,849,038</u>	<u>50,882,290</u>	<u>9,253,457</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,849,038</u>	<u>\$ 50,919,790</u>	<u>\$ 9,253,457</u>

Resource Recovery and Solid Waste Disposal Facility Fund	Shore Protection Fund	State Land Acquisition and Development Fund	State of New Jersey Tischler Memorial Fund	Stormwater Management and Combined Sewer Overflow Abatement Fund
\$ 100 507,527	\$ 1,000 2,056,362	\$ 102 315,848	\$ - 623,247	\$ 100 3,565,524
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 507,627</u>	<u>\$ 2,057,362</u>	<u>\$ 315,950</u>	<u>\$ 623,247</u>	<u>\$ 3,565,624</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	57,362	3,400	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>57,362</u>	<u>3,400</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	416,073	-
507,627	2,000,000	312,550	-	3,565,624
-	-	-	207,174	-
-	-	-	-	-
<u>507,627</u>	<u>2,000,000</u>	<u>312,550</u>	<u>623,247</u>	<u>3,565,624</u>
<u>\$ 507,627</u>	<u>\$ 2,057,362</u>	<u>\$ 315,950</u>	<u>\$ 623,247</u>	<u>\$ 3,565,624</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2018**

	<u>Unclaimed Personal Property Trust Fund</u>	<u>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</u>	<u>1992 Wastewater Treatment Fund</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 85,655	\$ 100
Investments	275,569,087	11,359,192	20,597,148
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	585,809	-	-
Loans	-	10,975,938	22,882,342
Other	-	-	-
Due from other funds	95,399	-	-
Other	-	-	-
Total Assets	<u>\$ 276,250,295</u>	<u>\$ 22,420,785</u>	<u>\$ 43,479,590</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 132,689,155	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	7,556,874	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>140,246,029</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	22,420,785	43,479,590
Committed	136,004,266	-	-
Unassigned	-	-	-
Total Fund Balances	<u>136,004,266</u>	<u>22,420,785</u>	<u>43,479,590</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 276,250,295</u>	<u>\$ 22,420,785</u>	<u>\$ 43,479,590</u>

<u>Water Conservation Fund</u>	<u>2003 Water Resources and Wastewater Treatment Fund</u>	<u>Water Supply Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
\$ 102	\$ 100	\$ 11,182	\$ -	\$ 90,836,194
802,394	11,493,694	57,886,212	-	3,050,561,659
-	-	-	-	863,219,308
-	-	-	-	3,155,635,912
-	31,166,811	91,596,255	-	306,375,419
-	-	-	-	442,229,843
-	-	-	(23,042,444)	990,599,528
-	-	-	-	18,350,962
<u>\$ 802,496</u>	<u>\$ 42,660,605</u>	<u>\$ 149,493,649</u>	<u>\$ (23,042,444)</u>	<u>\$ 8,917,808,825</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,862,721,870
-	-	-	-	168,211,112
10,923	-	4,294,738	(23,042,444)	283,464,092
-	-	-	-	142,142,986
-	-	-	-	322,658,743
<u>10,923</u>	<u>-</u>	<u>4,294,738</u>	<u>(23,042,444)</u>	<u>2,779,198,803</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,981,490</u>
-	-	-	-	20,416,073
791,573	42,660,605	145,198,911	-	939,837,093
-	-	-	-	3,681,804,798
-	-	-	-	990,570,568
<u>791,573</u>	<u>42,660,605</u>	<u>145,198,911</u>	<u>-</u>	<u>5,632,628,532</u>
<u>\$ 802,496</u>	<u>\$ 42,660,605</u>	<u>\$ 149,493,649</u>	<u>\$ (23,042,444)</u>	<u>\$ 8,917,808,825</u>

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Beaches and Harbor Fund</u>	<u>Building Our Future Fund</u>
REVENUES			
Taxes	\$ 16,499,163,603	\$ -	\$ -
Federal and other grants	14,713,010,988	-	-
Licenses and fees	1,375,016,045	-	-
Services and assessments	1,754,959,023	-	-
Component Units and Port Authority	349,976,882	-	-
Investment earnings	32,664,740	12,592	1,512,691
Other	<u>1,451,567,954</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>36,176,359,235</u>	<u>12,592</u>	<u>1,512,691</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	3,119,724,970	-	-
Physical and mental health	15,086,688,028	-	-
Educational, cultural, and intellectual development	3,990,029,704	-	93,257,715
Community development and environmental management	1,676,105,256	-	-
Economic planning, development, and security	5,143,188,008	-	-
Transportation programs	701,563,385	-	-
Government direction, management, and control	3,142,298,054	-	7,149,801
Special government services	357,446,930	-	-
Capital Outlay	468,995,503	-	-
Debt Service:			
Principal	244,725,000	-	-
Interest	<u>92,364,066</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>34,023,128,904</u>	<u>-</u>	<u>100,407,516</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,153,230,331</u>	<u>12,592</u>	<u>(98,894,825)</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	818,995,503	-	-
Refunding bonds issued	856,400,000	-	-
Premiums/discounts	108,607,560	-	-
Payment to bond escrow agents	(965,007,560)	-	-
Transfers from other funds	1,994,473,378	-	-
Transfers to other funds	<u>(3,864,677,025)</u>	<u>(12,592)</u>	<u>(1,512,691)</u>
Total Other Financing Sources (Uses)	<u>(1,051,208,144)</u>	<u>(12,592)</u>	<u>(1,512,691)</u>
Net Change in Fund Balance	1,102,022,187	-	(100,407,516)
Fund Balances - July 1, 2017 (Restated)	<u>3,615,540,374</u>	<u>912,353</u>	<u>170,259,381</u>
Fund Balances - June 30, 2018	<u>\$ 4,717,562,561</u>	<u>\$ 912,353</u>	<u>\$ 69,851,865</u>

<u>Clean Waters Fund</u>	<u>Cultural Centers and Historic Preservation Fund</u>	<u>2003 Dam, Lake and Stream Project Revolving Loan Fund</u>	<u>2003 Dam, Lake, Stream, and Flood Control Project Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
147	861	528,807	96,057
-	-	859,694	-
<u>147</u>	<u>861</u>	<u>1,388,501</u>	<u>96,057</u>
-	-	-	-
-	-	-	-
-	-	215,571	404,193
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>215,571</u>	<u>404,193</u>
<u>147</u>	<u>861</u>	<u>1,172,930</u>	<u>(308,136)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(147)	(861)	-	(96,057)
<u>(147)</u>	<u>(861)</u>	<u>-</u>	<u>(96,057)</u>
-	-	1,172,930	(404,193)
63,471	(37,370)	85,672,282	7,251,179
<u>\$ 63,471</u>	<u>\$ (37,370)</u>	<u>\$ 86,845,212</u>	<u>\$ 6,846,986</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	1992 Dam Restoration and Clean Waters Trust Fund	1989 Development Potential Bank Transfer Fund	Developmental Disabilities Waiting List Reduction Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	181,938	2,121	16,569
Other	87,055	-	-
Total Revenues	<u>268,993</u>	<u>2,121</u>	<u>16,569</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	(331,854)
Community development and environmental management	700,772	96,782	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	163,899	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>700,772</u>	<u>260,681</u>	<u>(331,854)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(431,779)</u>	<u>(258,560)</u>	<u>348,423</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	(3,108)	(16,569)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,108)</u>	<u>(16,569)</u>
Net Change in Fund Balance	<u>(431,779)</u>	<u>(261,668)</u>	<u>331,854</u>
Fund Balances - July 1, 2017 (Restated)	<u>17,682,650</u>	<u>366,217</u>	<u>1,086,543</u>
Fund Balances - June 30, 2018	<u>\$ 17,250,871</u>	<u>\$ 104,549</u>	<u>\$ 1,418,397</u>

<u>Dredging and Containment Facility Fund</u>	<u>1996 Economic Development Site Fund</u>	<u>Emergency Flood Control Fund</u>	<u>Emergency Services Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
59,175	3,198	3,920	17,691
-	-	-	-
<u>59,175</u>	<u>3,198</u>	<u>3,920</u>	<u>17,691</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,441,311	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,441,311	-	-	-
<u>(5,382,136)</u>	<u>3,198</u>	<u>3,920</u>	<u>17,691</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(3,920)	-
-	-	<u>(3,920)</u>	-
<u>(5,382,136)</u>	<u>3,198</u>	-	<u>17,691</u>
7,615,048	437,688	284,111	2,211,267
<u>\$ 2,232,912</u>	<u>\$ 440,886</u>	<u>\$ 284,111</u>	<u>\$ 2,228,958</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>1996 Environmental Cleanup Fund</u>	<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	262,933	1,805	410
Other	-	-	-
Total Revenues	<u>262,933</u>	<u>1,805</u>	<u>410</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	449,151	233,484	48,247
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>449,151</u>	<u>233,484</u>	<u>48,247</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(186,218)</u>	<u>(231,679)</u>	<u>(47,837)</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	(1,806)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,806)</u>	<u>-</u>
Net Change in Fund Balance	<u>(186,218)</u>	<u>(233,485)</u>	<u>(47,837)</u>
Fund Balances - July 1, 2017 (Restated)	<u>19,290,659</u>	<u>233,485</u>	<u>49,262</u>
Fund Balances - June 30, 2018	<u>\$ 19,104,441</u>	<u>\$ -</u>	<u>\$ 1,425</u>

<u>1995 Farmland Preservation Fund</u>	<u>2007 Farmland Preservation Fund</u>	<u>2009 Farmland Preservation Fund</u>	<u>2007 Green Acres Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
14,518	156,402	272,150	224,042
-	-	-	78,153
<u>14,518</u>	<u>156,402</u>	<u>272,150</u>	<u>302,195</u>
-	-	-	-
-	-	-	-
-	970,524	10,478,788	5,113,112
-	-	-	-
-	-	357,707	500,319
-	-	-	-
-	-	-	-
-	-	-	-
-	970,524	10,836,495	5,613,431
<u>14,518</u>	<u>(814,122)</u>	<u>(10,564,345)</u>	<u>(5,311,236)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(347,153)	-
-	-	(347,153)	-
<u>14,518</u>	<u>(814,122)</u>	<u>(10,911,498)</u>	<u>(5,311,236)</u>
1,054,059	11,776,604	24,794,885	24,987,441
<u>\$ 1,068,577</u>	<u>\$ 10,962,482</u>	<u>\$ 13,883,387</u>	<u>\$ 19,676,205</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2009 Green Acres Fund</u>	<u>Green Trust Fund</u>	<u>1981 Hazardous Discharge Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	309,366	374,099	2,488
Other	46,855	248,188	-
Total Revenues	<u>356,221</u>	<u>622,287</u>	<u>2,488</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	20,235,831	3,623,022	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	2,446,719	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>22,682,550</u>	<u>3,623,022</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,326,329)</u>	<u>(3,000,735)</u>	<u>2,488</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	(670,169)	(2,488)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(670,169)</u>	<u>(2,488)</u>
Net Change in Fund Balance	<u>(22,326,329)</u>	<u>(3,670,904)</u>	<u>-</u>
Fund Balances - July 1, 2017 (Restated)	<u>37,686,310</u>	<u>41,940,155</u>	<u>180,949</u>
Fund Balances - June 30, 2018	<u>\$ 15,359,981</u>	<u>\$ 38,269,251</u>	<u>\$ 180,949</u>

<u>1986 Hazardous Discharge Fund</u>	<u>Higher Education Facility Renovation and Rehabilitation Fund</u>	<u>1992 Historic Preservation Fund</u>	<u>1995 Historic Preservation Fund</u>	<u>2007 Historic Preservation Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
328,136	1,900	247	769	22,234
-	-	-	-	-
<u>328,136</u>	<u>1,900</u>	<u>247</u>	<u>769</u>	<u>22,234</u>
-	-	-	-	-
-	-	-	-	-
15,617,895	-	-	-	-
-	-	-	-	150,500
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15,617,895	-	-	-	150,500
<u>(15,289,759)</u>	<u>1,900</u>	<u>247</u>	<u>769</u>	<u>(128,266)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(15,289,759)</u>	<u>1,900</u>	<u>247</u>	<u>769</u>	<u>(128,266)</u>
30,149,620	139,262	30,698	56,842	1,655,752
<u>\$ 14,859,861</u>	<u>\$ 141,162</u>	<u>\$ 30,945</u>	<u>\$ 57,611</u>	<u>\$ 1,527,486</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	2009 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Housing Assistance Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	51,818	62,042	56,694
Other	-	35	-
Total Revenues	<u>51,818</u>	<u>62,077</u>	<u>56,694</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	1,119,815	-	-
Transportation programs	-	-	-
Government direction, management, and control	107,312	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>1,227,127</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,175,309)</u>	<u>62,077</u>	<u>56,694</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(82,263)	-	(56,694)
Total Other Financing Sources (Uses)	<u>(82,263)</u>	<u>-</u>	<u>(56,694)</u>
Net Change in Fund Balance	<u>(1,257,572)</u>	<u>62,077</u>	<u>-</u>
Fund Balances - July 1, 2017 (Restated)	<u>4,599,464</u>	<u>4,509,317</u>	<u>6,312,984</u>
Fund Balances - June 30, 2018	<u>\$ 3,341,892</u>	<u>\$ 4,571,394</u>	<u>\$ 6,312,984</u>

<u>Jobs, Education and Competitiveness Fund</u>	<u>1996 Lake Restoration Fund</u>	<u>Long Term Obligation and Capital Expenditure Fund</u>	<u>Mortgage Assistance Fund</u>	<u>Natural Resources Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
522	20,295	-	77,266	8,884
-	-	-	<u>505,557</u>	-
<u>522</u>	<u>20,295</u>	<u>-</u>	<u>582,823</u>	<u>8,884</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	290,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	290,000
<u>522</u>	<u>20,295</u>	<u>-</u>	<u>582,823</u>	<u>(281,116)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(522)	-	-	(582,823)	(8,884)
<u>(522)</u>	<u>-</u>	<u>-</u>	<u>(582,823)</u>	<u>(8,884)</u>
-	20,295	-	-	(290,000)
37,859	1,473,472	1,334,356	6,483,815	835,680
<u>\$ 37,859</u>	<u>\$ 1,493,767</u>	<u>\$ 1,334,356</u>	<u>\$ 6,483,815</u>	<u>\$ 545,680</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>	<u>New Jersey Cultural Trust Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	75,705	63,511	9,755
Other	<u>4,722</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>80,427</u>	<u>63,511</u>	<u>9,755</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	280,489	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>280,489</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>80,427</u>	<u>(216,978)</u>	<u>9,755</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	500,000	-
Transfers to other funds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	80,427	283,022	9,755
Fund Balances - July 1, 2017 (Restated)	<u>5,763,474</u>	<u>22,806,163</u>	<u>708,524</u>
Fund Balances - June 30, 2018	<u>\$ 5,843,901</u>	<u>\$ 23,089,185</u>	<u>\$ 718,279</u>

<u>1989 New Jersey Green Acres Fund</u>	<u>1992 New Jersey Green Acres Fund</u>	<u>1995 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Trust Fund</u>	<u>1992 New Jersey Green Trust Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,036	5,805	1,360	508,118	149,454
-	-	-	145,343	95,055
<u>12,036</u>	<u>5,805</u>	<u>1,360</u>	<u>653,461</u>	<u>244,509</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,028,660	3,766,397
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,028,660	3,766,397
<u>12,036</u>	<u>5,805</u>	<u>1,360</u>	<u>(2,375,199)</u>	<u>(3,521,888)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(4,846,937)	-
-	-	-	(4,846,937)	-
<u>12,036</u>	<u>5,805</u>	<u>1,360</u>	<u>(7,222,136)</u>	<u>(3,521,888)</u>
876,593	421,255	101,587	46,464,369	19,037,351
<u>\$ 888,629</u>	<u>\$ 427,060</u>	<u>\$ 102,947</u>	<u>\$ 39,242,233</u>	<u>\$ 15,515,463</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>1995 New Jersey Green Trust Fund</u>	<u>New Jersey Local Development Financing Fund</u>	<u>Pinelands Infrastructure Trust Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	11,101	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	196,399	571,267	123,275
Other	236,055	340,575	5,997
Total Revenues	<u>432,454</u>	<u>922,943</u>	<u>129,272</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	7,452,955	-	-
Economic planning, development, and security	-	155,334	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>7,452,955</u>	<u>155,334</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,020,501)</u>	<u>767,609</u>	<u>129,272</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(7,020,501)</u>	<u>767,609</u>	<u>129,272</u>
Fund Balances - July 1, 2017 (Restated)	<u>30,869,539</u>	<u>50,114,681</u>	<u>9,124,185</u>
Fund Balances - June 30, 2018	<u>\$ 23,849,038</u>	<u>\$ 50,882,290</u>	<u>\$ 9,253,457</u>

Resource Recovery and Solid Waste Disposal Facility Fund	Shore Protection Fund	State Land Acquisition and Development Fund	State of New Jersey Tischler Memorial Fund	Stormwater Management and Combined Sewer Overflow Abatement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,896	57,362	3,400	8,468	53,846
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,896</u>	<u>57,362</u>	<u>3,400</u>	<u>8,468</u>	<u>53,846</u>
-	-	-	-	-
-	-	-	-	-
-	3,915,600	(108,011)	-	2,034,476
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>3,915,600</u>	<u>(108,011)</u>	<u>-</u>	<u>2,034,476</u>
<u>6,896</u>	<u>(3,858,238)</u>	<u>111,411</u>	<u>8,468</u>	<u>(1,980,630)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(57,362)	(3,400)	-	-
<u>-</u>	<u>(57,362)</u>	<u>(3,400)</u>	<u>-</u>	<u>-</u>
6,896	(3,915,600)	108,011	8,468	(1,980,630)
500,731	5,915,600	204,539	614,779	5,546,254
<u>\$ 507,627</u>	<u>\$ 2,000,000</u>	<u>\$ 312,550</u>	<u>\$ 623,247</u>	<u>\$ 3,565,624</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unclaimed Personal Property Trust Fund	Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	1992 Wastewater Treatment Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	14,425,084	163,849	267,803
Other	205,517,743	10,319	-
Total Revenues	<u>219,942,827</u>	<u>174,168</u>	<u>267,803</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	4,246,117	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>4,246,117</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>215,696,710</u>	<u>174,168</u>	<u>267,803</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	-	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(177,552,970)	-	-
Total Other Financing Sources (Uses)	<u>(177,552,970)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>38,143,740</u>	<u>174,168</u>	<u>267,803</u>
Fund Balances - July 1, 2017 (Restated)	<u>97,860,526</u>	<u>22,246,617</u>	<u>43,211,787</u>
Fund Balances - June 30, 2018	<u>\$ 136,004,266</u>	<u>\$ 22,420,785</u>	<u>\$ 43,479,590</u>

<u>Water Conservation Fund</u>	<u>2003 Water Resources and Wastewater Treatment Fund</u>	<u>Water Supply Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 16,499,163,603
-	-	-	-	14,713,010,988
-	-	-	-	1,375,027,146
-	-	-	-	1,754,959,023
-	-	-	-	349,976,882
10,924	146,653	875,120	-	55,085,617
-	-	2,408	-	1,659,751,708
<u>10,924</u>	<u>146,653</u>	<u>877,528</u>	<u>-</u>	<u>36,406,974,967</u>
-	-	-	-	3,119,724,970
-	-	-	-	15,086,688,028
-	-	-	-	4,082,955,565
-	-	132,469	-	1,754,805,174
-	-	-	-	5,144,613,657
-	-	-	-	707,004,696
-	-	-	-	3,157,550,417
-	-	-	-	357,446,930
-	-	-	-	468,995,503
-	-	-	-	244,725,000
-	-	-	-	92,364,066
-	-	132,469	-	34,216,874,006
<u>10,924</u>	<u>146,653</u>	<u>745,059</u>	<u>-</u>	<u>2,190,100,961</u>
-	-	-	-	818,995,503
-	-	-	-	856,400,000
-	-	-	-	108,607,560
-	-	-	-	(965,007,560)
-	-	-	(190,665,077)	1,804,308,301
(10,924)	-	(4,294,737)	190,665,077	(3,864,177,025)
<u>(10,924)</u>	<u>-</u>	<u>(4,294,737)</u>	<u>-</u>	<u>(1,240,873,221)</u>
-	146,653	(3,549,678)	-	949,227,740
791,573	42,513,952	148,748,589	-	4,683,400,792
<u>\$ 791,573</u>	<u>\$ 42,660,605</u>	<u>\$ 145,198,911</u>	<u>\$ -</u>	<u>\$ 5,632,628,532</u>

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**STATE OF NEW JERSEY
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2018**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 41,442,029	\$ 45,457	\$ 41,487,486
Investments	5,073,448,308	20,584,282	5,094,032,590
Receivables, net of allowances for uncollectibles			
Federal government	40,539,295	74,717,053	115,256,348
Departmental accounts	403,898,603	-	403,898,603
Loans	1,414,151,560	3,000,000	1,417,151,560
Other	215,760,681	119,418,217	335,178,898
Due from other funds	175,995,337	307,639,822	483,635,159
Other	14,499	-	14,499
Total Assets	<u>\$ 7,365,250,312</u>	<u>\$ 525,404,831</u>	<u>\$ 7,890,655,143</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 533,168,857	\$ 355,644,490	\$ 888,813,347
Unearned revenue	230,594,886	-	230,594,886
Due to other funds	632,937,558	126,340,680	759,278,238
Other	3,578,053	-	3,578,053
Total Liabilities	<u>1,400,279,354</u>	<u>481,985,170</u>	<u>1,882,264,524</u>
Deferred Inflows of Resources	<u>122,500,000</u>	<u>-</u>	<u>122,500,000</u>
Fund Balances			
Restricted	5,478,649,439	20,033,189	5,498,682,628
Committed	363,821,519	23,386,472	387,207,991
Total Fund Balances	<u>5,842,470,958</u>	<u>43,419,661</u>	<u>5,885,890,619</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,365,250,312</u>	<u>\$ 525,404,831</u>	<u>\$ 7,890,655,143</u>

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Taxes	\$ 1,545,810,010	\$ -	\$ 1,545,810,010
Federal and other grants	153,343,709	754,322,685	907,666,394
Licenses and fees	120,008,087	-	120,008,087
Services and assessments	1,196,443,150	41,285	1,196,484,435
Investment earnings	64,382,178	567,640	64,949,818
Contributions	560,133,286	-	560,133,286
Other	350,472,284	-	350,472,284
Total Revenues	<u>3,990,592,704</u>	<u>754,931,610</u>	<u>4,745,524,314</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	109,587,357	8,179,913	117,767,270
Physical and mental health	37,757,375	-	37,757,375
Educational, cultural, and intellectual development	546,701,525	-	546,701,525
Community development and environmental management	216,907,344	(699,477)	216,207,867
Economic planning, development, and security	923,414,795	-	923,414,795
Transportation programs	14,557,709	2,377,555,225	2,392,112,934
Government direction, management, and control	2,615,252,302	-	2,615,252,302
Special government services	172,893	-	172,893
Debt Service:			
Principal	683,160,000	-	683,160,000
Interest	961,869,010	-	961,869,010
Total Expenditures	<u>6,109,380,310</u>	<u>2,385,035,661</u>	<u>8,494,415,971</u>
Excess (deficiency) of revenues over expenditures	<u>(2,118,787,606)</u>	<u>(1,630,104,051)</u>	<u>(3,748,891,657)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	3,146,655,179	-	3,146,655,179
Premiums/discounts	218,165,821	-	218,165,821
Payment to bond escrow agents	(3,315,333,000)	-	(3,315,333,000)
Transfers from other funds	4,156,944,846	1,626,189,177	5,783,134,023
Transfers to other funds	(3,359,569,112)	(94,230)	(3,359,663,342)
Total Other Financing Sources (Uses)	<u>846,863,734</u>	<u>1,626,094,947</u>	<u>2,472,958,681</u>
Net Change in Fund Balance	<u>(1,271,923,872)</u>	<u>(4,009,104)</u>	<u>(1,275,932,976)</u>
Fund Balances - July 1, 2017 (Restated)	<u>7,114,394,830</u>	<u>47,428,765</u>	<u>7,161,823,595</u>
Fund Balances - June 30, 2018	<u>\$ 5,842,470,958</u>	<u>\$ 43,419,661</u>	<u>\$ 5,885,890,619</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	<u>Alcohol Education, Rehabilitation and Enforcement Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Projects - Room Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,288,212	\$ 2,901	\$ 1,000
Investments	6,687,171	958,240	4,640,717
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	1,842,787	4,135,011
Loans	-	-	-
Other	-	-	-
Due from other funds	1,833,333	-	2,920,470
Other	-	-	-
Total Assets	<u>\$ 9,808,716</u>	<u>\$ 2,803,928</u>	<u>\$ 11,697,198</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 32,761	\$ 1,649,854	\$ 11,697,198
Unearned revenue	-	-	-
Due to other funds	2,345,311	1,154,074	-
Other	-	-	-
Total Liabilities	<u>2,378,072</u>	<u>2,803,928</u>	<u>11,697,198</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	7,430,644	-	-
Total Fund Balances	<u>7,430,644</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,808,716</u>	<u>\$ 2,803,928</u>	<u>\$ 11,697,198</u>

<u>Atlantic City Tourism Promotion Fund</u>	<u>Board of Bar Examiners</u>	<u>Boarding House Rental Assistance Fund</u>	<u>Body Armor Replacement Fund</u>
\$ 628,220	\$ 35,600	\$ 102	\$ 497,512
5,230,741	1,446,253	1,266,352	6,079,660
-	-	-	-
1,358,717	-	-	339,320
-	-	42,297	-
-	-	-	-
-	-	-	-
<u>\$ 7,217,678</u>	<u>\$ 1,481,853</u>	<u>\$ 1,308,751</u>	<u>\$ 6,916,492</u>
\$ 4,297,208	\$ 834,021	\$ -	\$ 84,680
-	-	-	-
2,920,470	-	-	406,906
-	-	-	-
<u>7,217,678</u>	<u>834,021</u>	<u>-</u>	<u>491,586</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	647,832	1,308,751	6,424,906
<u>-</u>	<u>647,832</u>	<u>1,308,751</u>	<u>6,424,906</u>
<u>\$ 7,217,678</u>	<u>\$ 1,481,853</u>	<u>\$ 1,308,751</u>	<u>\$ 6,916,492</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>
ASSETS			
Cash and cash equivalents	\$ 50,250	\$ -	\$ 43,088
Investments	-	-	119,363
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	3,961,959	19,253,808	-
Loans	-	-	-
Other	-	-	-
Due from other funds	4,550,068	4,858,380	-
Other	-	-	-
Total Assets	<u>\$ 8,562,277</u>	<u>\$ 24,112,188</u>	<u>\$ 162,451</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 8,562,277	\$ 10,291,234	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	162,451
Other	-	-	-
Total Liabilities	<u>8,562,277</u>	<u>10,291,234</u>	<u>162,451</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	-	13,820,954	-
Total Fund Balances	<u>-</u>	<u>13,820,954</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,562,277</u>	<u>\$ 24,112,188</u>	<u>\$ 162,451</u>

<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>	<u>Clean Energy Fund</u>
\$ 137,010	\$ 45,079	\$ 781,125	\$ -
851,059	5,723,980	2,040,364	205,941,777
-	-	-	-
-	9,093,042	874,616	46,425,751
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 988,069</u>	<u>\$ 14,862,101</u>	<u>\$ 3,696,105</u>	<u>\$ 252,367,528</u>
\$ -	\$ 10,952	\$ -	\$ 27,023,191
-	-	-	-
-	11,968,022	-	46,094,311
-	-	-	-
<u>-</u>	<u>11,978,974</u>	<u>-</u>	<u>73,117,502</u>
-	2,883,127	-	-
<u>988,069</u>	<u>-</u>	<u>3,696,105</u>	<u>179,250,026</u>
<u>988,069</u>	<u>2,883,127</u>	<u>3,696,105</u>	<u>179,250,026</u>
<u>\$ 988,069</u>	<u>\$ 14,862,101</u>	<u>\$ 3,696,105</u>	<u>\$ 252,367,528</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018**

	<u>Clean Water State Revolving Fund</u>	<u>Contributory Group Insurance Premium Fund</u>	<u>Disciplinary Oversight Committee</u>
ASSETS			
Cash and cash equivalents	\$ 1,962	\$ 616,578	\$ 392,364
Investments	83,479,656	637,609,599	7,507,560
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	663,193	-
Loans	316,479,798	-	-
Other	-	-	-
Due from other funds	527,149	-	-
Other	-	-	-
Total Assets	<u>\$ 400,488,565</u>	<u>\$ 638,889,370</u>	<u>\$ 7,899,924</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 15,302,159	\$ 4,002,634
Unearned revenue	476,349	-	-
Due to other funds	-	-	-
Other	-	-	-
Total Liabilities	<u>476,349</u>	<u>15,302,159</u>	<u>4,002,634</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	400,012,216	623,587,211	-
Committed	-	-	3,897,290
Total Fund Balances	<u>400,012,216</u>	<u>623,587,211</u>	<u>3,897,290</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 400,488,565</u>	<u>\$ 638,889,370</u>	<u>\$ 7,899,924</u>

<u>Division of Motor Vehicles Surcharge Fund</u>	<u>Drinking Water State Revolving Fund</u>	<u>Emergency Medical Technician Training Fund</u>	<u>Enterprise Zone Assistance Fund</u>	<u>Fund for Support of Free Public Schools</u>
\$ 930,099	\$ 100	\$ -	\$ 100,000	\$ 100
929,557	26,214,137	4,907,810	8,305,379	151,514,528
-	15,958,084	-	-	-
4,500,854	-	171,575	12,030,259	-
-	346,620,941	-	-	-
-	-	-	-	650,000
-	540,300	-	-	2,943,742
-	-	-	-	-
<u>\$ 6,360,510</u>	<u>\$ 389,333,562</u>	<u>\$ 5,079,385</u>	<u>\$ 20,435,638</u>	<u>\$ 155,108,370</u>
\$ 6,360,510	\$ 108,757	\$ 78,887	\$ -	\$ -
-	-	-	-	-
-	-	601,434	20,435,638	1,636,171
-	-	-	-	-
<u>6,360,510</u>	<u>108,757</u>	<u>680,321</u>	<u>20,435,638</u>	<u>1,636,171</u>
-	-	-	-	-
-	389,224,805	-	-	153,472,199
-	-	4,399,064	-	-
-	<u>389,224,805</u>	<u>4,399,064</u>	-	<u>153,472,199</u>
<u>\$ 6,360,510</u>	<u>\$ 389,333,562</u>	<u>\$ 5,079,385</u>	<u>\$ 20,435,638</u>	<u>\$ 155,108,370</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>Garden State Farmland Preservation Trust Fund</u>	<u>Garden State Green Acres Preservation Trust Fund</u>	<u>Garden State Historic Preservation Trust Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,000	\$ 329,052	\$ 4,413
Investments	5,006,132	33,545,948	2,897,294
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	485,780	-	-
Loans	-	34,325,675	-
Other	-	198,472	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 5,492,912</u>	<u>\$ 68,399,147</u>	<u>\$ 2,901,707</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	5,492,912	68,399,147	2,901,707
Committed	-	-	-
Total Fund Balances	<u>5,492,912</u>	<u>68,399,147</u>	<u>2,901,707</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,492,912</u>	<u>\$ 68,399,147</u>	<u>\$ 2,901,707</u>

<u>Global Warming Solutions Fund</u>	<u>Gubernatorial Elections Fund</u>	<u>Hazardous Discharge Site Cleanup Fund</u>	<u>Health Care Subsidy Fund</u>	<u>Horse Racing Injury Compensation Fund</u>
\$ 64	\$ -	\$ 152,415	\$ 675,705	\$ 1,000
32,933	-	551,306,091	77,162,763	561,976
-	-	-	-	-
-	297,474	3,268,102	37,459,338	-
-	-	-	-	-
-	-	-	-	-
-	101,261	310,186	33,295,490	-
-	-	-	-	-
<u>\$ 32,997</u>	<u>\$ 398,735</u>	<u>\$ 555,036,794</u>	<u>\$ 148,593,296</u>	<u>\$ 562,976</u>
\$ -	\$ -	\$ 441,790	\$ -	\$ -
-	-	230,118,537	-	-
-	398,735	21,851,605	143,151,136	-
-	-	-	-	-
-	<u>398,735</u>	<u>252,411,932</u>	<u>143,151,136</u>	-
-	-	-	-	-
-	-	302,624,862	-	-
32,997	-	-	5,442,160	562,976
<u>32,997</u>	-	<u>302,624,862</u>	<u>5,442,160</u>	<u>562,976</u>
<u>\$ 32,997</u>	<u>\$ 398,735</u>	<u>\$ 555,036,794</u>	<u>\$ 148,593,296</u>	<u>\$ 562,976</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	Lead Hazard Control Assistance Fund	Luxury Tax Fund	Mandatory Continuing Legal Education Fund
ASSETS			
Cash and cash equivalents	\$ 854	\$ 100	\$ 6,914
Investments	502,327	241,682	2,244,427
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	6,232,347	-
Loans	8,440,587	-	-
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 8,943,768</u>	<u>\$ 6,474,129</u>	<u>\$ 2,251,341</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 6,474,129	\$ 149,941
Unearned revenue	-	-	-
Due to other funds	174,916	-	-
Other	-	-	-
Total Liabilities	<u>174,916</u>	<u>6,474,129</u>	<u>149,941</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	8,768,852	-	2,101,400
Total Fund Balances	<u>8,768,852</u>	<u>-</u>	<u>2,101,400</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,943,768</u>	<u>\$ 6,474,129</u>	<u>\$ 2,251,341</u>

<u>Medical Malpractice Self Insurance Fund</u>	<u>New Home Warranty Security Fund</u>	<u>New Jersey Building Authority</u>	<u>New Jersey Lawyers' Assistance Program</u>	<u>New Jersey Lawyers' Fund for Client Protection</u>
\$ 994,402	\$ 701,381	\$ 254,405	\$ 3,041	\$ 7,712,720
4,683,727	7,196,563	10,002,446	1,544,262	11,863,692
-	-	-	-	-
5,537,149	-	-	-	-
-	-	-	-	-
-	-	-	-	30,295
-	-	-	-	-
-	-	-	-	14,499
<u>\$ 11,215,278</u>	<u>\$ 7,897,944</u>	<u>\$ 10,256,851</u>	<u>\$ 1,547,303</u>	<u>\$ 19,621,206</u>
\$ 1,888,413	\$ -	\$ 147,234	\$ 193,435	\$ 463,985
-	-	-	-	-
-	1,869,380	-	-	-
-	-	125,156	-	-
<u>1,888,413</u>	<u>1,869,380</u>	<u>272,390</u>	<u>193,435</u>	<u>463,985</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	9,984,461	-	-
9,326,865	6,028,564	-	1,353,868	19,157,221
<u>9,326,865</u>	<u>6,028,564</u>	<u>9,984,461</u>	<u>1,353,868</u>	<u>19,157,221</u>
<u>\$ 11,215,278</u>	<u>\$ 7,897,944</u>	<u>\$ 10,256,851</u>	<u>\$ 1,547,303</u>	<u>\$ 19,621,206</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>New Jersey Racing Industry Special Fund</u>	<u>New Jersey Schools Development Authority</u>	<u>New Jersey Spill Compensation Fund</u>
ASSETS			
Cash and cash equivalents	\$ 761,261	\$ 7,052,938	\$ 2,837,233
Investments	1,648,368	532,786,685	15,597,344
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	1,628,534
Loans	-	-	-
Other	-	37,536	6,261,390
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 2,409,629</u>	<u>\$ 539,877,159</u>	<u>\$ 26,324,501</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 49,602,139	\$ 38,723
Unearned revenue	-	-	-
Due to other funds	-	-	16,197,163
Other	-	3,397,638	-
Total Liabilities	<u>-</u>	<u>52,999,777</u>	<u>16,235,886</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	486,877,382	-
Committed	2,409,629	-	10,088,615
Total Fund Balances	<u>2,409,629</u>	<u>486,877,382</u>	<u>10,088,615</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,409,629</u>	<u>\$ 539,877,159</u>	<u>\$ 26,324,501</u>

<u>New Jersey Spinal Cord Research Fund</u>	<u>New Jersey Transportation Trust Fund Authority</u>	<u>New Jersey Workforce Development Partnership Fund</u>	<u>Petroleum Overcharge Reimbursement Fund</u>	<u>Pollution Prevention Fund</u>
\$ 26,968	\$ 2,241,381	\$ 3,060,964	\$ 100	\$ 61,000
4,185,043	1,415,213,757	71,704,968	1,815,512	1,862,994
-	-	-	-	-
-	-	34,899,349	-	1,256,224
-	-	-	-	-
-	-	-	-	-
158,968	-	696,741	-	-
-	-	-	-	-
<u>\$ 4,370,979</u>	<u>\$ 1,417,455,138</u>	<u>\$ 110,362,022</u>	<u>\$ 1,815,612</u>	<u>\$ 3,180,218</u>
\$ -	\$ 29,166	\$ 951,074	\$ -	\$ -
-	-	-	-	-
-	192,147,439	35,963,650	209,979	1,011,220
-	-	-	-	-
-	<u>192,176,605</u>	<u>36,914,724</u>	<u>209,979</u>	<u>1,011,220</u>
-	-	-	-	-
-	1,225,278,533	73,447,298	-	-
<u>4,370,979</u>	-	-	<u>1,605,633</u>	<u>2,168,998</u>
<u>4,370,979</u>	<u>1,225,278,533</u>	<u>73,447,298</u>	<u>1,605,633</u>	<u>2,168,998</u>
<u>\$ 4,370,979</u>	<u>\$ 1,417,455,138</u>	<u>\$ 110,362,022</u>	<u>\$ 1,815,612</u>	<u>\$ 3,180,218</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018**

	<u>Real Estate Guaranty Fund</u>	<u>Remediation Guarantee Fund</u>	<u>Safe Drinking Water Fund</u>
ASSETS			
Cash and cash equivalents	\$ 100	\$ 805,112	\$ 25,829
Investments	1,344,675	32,084,850	4,582,109
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	319,255	718
Loans	-	-	-
Other	-	-	-
Due from other funds	101,805	-	-
Other	-	-	-
Total Assets	<u>\$ 1,446,580</u>	<u>\$ 33,209,217</u>	<u>\$ 4,608,656</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 35,703	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	2,541,319
Other	-	-	-
Total Liabilities	<u>-</u>	<u>35,703</u>	<u>2,541,319</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	33,173,514	-
Committed	1,446,580	-	2,067,337
Total Fund Balances	<u>1,446,580</u>	<u>33,173,514</u>	<u>2,067,337</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,446,580</u>	<u>\$ 33,209,217</u>	<u>\$ 4,608,656</u>

<u>Sanitary Landfill Facility Contingency Fund</u>	<u>State Disability Benefit Fund</u>	<u>State Health Benefit Program Fund -State Active</u>	<u>State Health Benefit Program Fund -State Retired</u>	<u>State - Owned Real Property Fund</u>
\$ 23,963	\$ -	\$ 1,363,678	\$ 1,110,091	\$ 100
3,145,431	136,955,138	48,015,266	-	5,904,385
-	-	-	24,581,211	-
193,520	177,518,271	-	-	-
-	-	-	-	-
-	3,121,964	35,157,330	37,591,446	-
-	1,549,207	72,864,579	43,316,872	4,923,022
-	-	-	-	-
<u>\$ 3,362,914</u>	<u>\$ 319,144,580</u>	<u>\$ 157,400,853</u>	<u>\$ 106,599,620</u>	<u>\$ 10,827,507</u>
\$ 146,057	\$ 53,384,438	\$ 88,670,969	\$ 33,662,328	\$ -
-	-	-	-	-
-	10,979,141	211,748	72,937,292	5,166,773
-	55,259	-	-	-
<u>146,057</u>	<u>64,418,838</u>	<u>88,882,717</u>	<u>106,599,620</u>	<u>5,166,773</u>
-	-	-	-	-
-	254,725,742	68,518,136	-	-
<u>3,216,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,660,734</u>
<u>3,216,857</u>	<u>254,725,742</u>	<u>68,518,136</u>	<u>-</u>	<u>5,660,734</u>
\$ 3,362,914	\$ 319,144,580	\$ 157,400,853	\$ 106,599,620	\$ 10,827,507

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>State Recycling Fund</u>	<u>Superior Court of New Jersey Trust Fund</u>	<u>Supplemental Workforce Fund for Basic Skills</u>
ASSETS			
Cash and cash equivalents	\$ 118	\$ -	\$ 1,087,722
Investments	3,738,405	200,443,370	13,489,474
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	7,031,425	-	9,822,137
Loans	-	-	-
Other	-	-	-
Due from other funds	-	-	92,097
Other	-	-	-
Total Assets	<u>\$ 10,769,948</u>	<u>\$ 200,443,370</u>	<u>\$ 24,491,430</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 197,081,066	\$ 317,871
Unearned revenue	-	-	-
Due to other funds	8,757,261	-	2,521,941
Other	-	-	-
Total Liabilities	<u>8,757,261</u>	<u>197,081,066</u>	<u>2,839,812</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	21,651,618
Committed	2,012,687	3,362,304	-
Total Fund Balances	<u>2,012,687</u>	<u>3,362,304</u>	<u>21,651,618</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,769,948</u>	<u>\$ 200,443,370</u>	<u>\$ 24,491,430</u>

Tobacco Settlement Financing Corporation	Tourism Improvement and Development District Act	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
\$ 4,286,000	\$ 21,486	\$ -	\$ 138,474	\$ 1,000
294,755,000	23,935	489,197	3,543,430	3,572,698
-	-	-	-	-
601,281	1,260,248	-	-	19,802
-	-	-	-	-
122,500,000	-	9,915	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 422,142,281</u>	<u>\$ 1,305,669</u>	<u>\$ 499,112</u>	<u>\$ 3,681,904</u>	<u>\$ 3,593,500</u>
\$ 179,000	\$ 1,201,014	\$ 74,896	\$ -	\$ -
-	-	-	-	-
-	104,655	-	737,013	19,906
-	-	-	-	-
<u>179,000</u>	<u>1,305,669</u>	<u>74,896</u>	<u>737,013</u>	<u>19,906</u>
<u>122,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
299,463,281	-	-	-	-
-	-	424,216	2,944,891	3,573,594
<u>299,463,281</u>	<u>-</u>	<u>424,216</u>	<u>2,944,891</u>	<u>3,573,594</u>
<u>\$ 422,142,281</u>	<u>\$ 1,305,669</u>	<u>\$ 499,112</u>	<u>\$ 3,681,904</u>	<u>\$ 3,593,500</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2018

	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Unemployment Compensation Interest Repayment Fund</u>	<u>Universal Services Fund</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 53,333
Investments	16,766,007	3,074,204	33,987,499
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	77,371	8,090,077
Loans	-	-	-
Other	3,852,000	-	6,350,333
Due from other funds	411,667	-	-
Other	-	-	-
Total Assets	<u>\$ 21,029,674</u>	<u>\$ 3,151,575</u>	<u>\$ 48,481,242</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ -	\$ 7,617,928
Unearned revenue	-	-	-
Due to other funds	17,228,668	14	8,138,155
Other	-	-	-
Total Liabilities	<u>17,228,668</u>	<u>14</u>	<u>15,756,083</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	3,801,006	3,151,561	32,725,159
Total Fund Balances	<u>3,801,006</u>	<u>3,151,561</u>	<u>32,725,159</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,029,674</u>	<u>\$ 3,151,575</u>	<u>\$ 48,481,242</u>

<u>Vietnam Veterans' Memorial Fund</u>	<u>Volunteer Emergency Service Organizations Loan Fund</u>	<u>Wastewater Treatment Fund</u>	<u>Worker and Community Right to Know Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 7,588	\$ 44,722	\$ 100	\$ 42,000	\$ 41,442,029
138	1,173,393	349,009,471	2,289,396	5,073,448,308
-	-	-	-	40,539,295
73,509	-	-	3,175,800	403,898,603
-	320,545	707,921,717	-	1,414,151,560
-	-	-	-	215,760,681
-	-	-	-	175,995,337
-	-	-	-	14,499
<u>\$ 81,235</u>	<u>\$ 1,538,660</u>	<u>\$ 1,056,931,288</u>	<u>\$ 5,507,196</u>	<u>\$ 7,365,250,312</u>
\$ 81,235	\$ -	\$ -	\$ -	\$ 533,168,857
-	-	-	-	230,594,886
-	325	-	2,893,336	632,937,558
-	-	-	-	3,578,053
<u>81,235</u>	<u>325</u>	<u>-</u>	<u>2,893,336</u>	<u>1,400,279,354</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,500,000</u>
-	-	1,056,931,288	-	5,478,649,439
-	1,538,335	-	2,613,860	363,821,519
<u>-</u>	<u>1,538,335</u>	<u>1,056,931,288</u>	<u>2,613,860</u>	<u>5,842,470,958</u>
<u>\$ 81,235</u>	<u>\$ 1,538,660</u>	<u>\$ 1,056,931,288</u>	<u>\$ 5,507,196</u>	<u>\$ 7,365,250,312</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Alcohol Education, Rehabilitation and Enforcement Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Projects - Room Fund</u>
REVENUES			
Taxes	\$ 11,000,000	\$ 16,380,038	\$ 20,346,092
Federal and other grants	-	-	-
Licenses and fees	1,613,422	-	-
Services and assessments	-	-	-
Investment earnings	106,173	10,006	72,886
Contributions	-	-	-
Other	-	-	-
Total Revenues	<u>12,719,595</u>	<u>16,390,044</u>	<u>20,418,978</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	1,654,980	-	-
Physical and mental health	7,702,621	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	16,390,044	20,418,978
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>9,357,601</u>	<u>16,390,044</u>	<u>20,418,978</u>
Excess (deficiency) of revenues over expenditures	<u>3,361,994</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,791,991)	-	-
Total Other Financing Sources (Uses)	<u>(1,791,991)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,570,003	-	-
Fund Balances - July 1, 2017 (Restated)	<u>5,860,641</u>	<u>-</u>	<u>-</u>
Fund Balances - June 30, 2018	<u>\$ 7,430,644</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Atlantic City Tourism Promotion Fund</u>	<u>Board of Bar Examiners</u>	<u>Boarding House Rental Assistance Fund</u>	<u>Body Armor Replacement Fund</u>
\$ 4,729,658	\$ -	\$ -	\$ -
-	-	-	-
-	2,083,409	-	-
-	-	-	-
68,306	21,179	16,868	74,976
-	-	-	-
-	166,570	1,620	4,190,943
<u>4,797,964</u>	<u>2,271,158</u>	<u>18,488</u>	<u>4,265,919</u>
-	2,902,861	-	3,322,960
-	-	-	-
-	-	-	-
-	-	-	-
4,797,964	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,797,964</u>	<u>2,902,861</u>	<u>-</u>	<u>3,322,960</u>
-	<u>(631,703)</u>	<u>18,488</u>	<u>942,959</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(405,641)
-	-	-	(405,641)
-	(631,703)	18,488	537,318
-	1,279,535	1,290,263	5,887,588
<u>\$ -</u>	<u>\$ 647,832</u>	<u>\$ 1,308,751</u>	<u>\$ 6,424,906</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>
REVENUES			
Taxes	\$ -	\$ 215,343,253	\$ -
Federal and other grants	-	-	-
Licenses and fees	47,792,404	1,840,855	-
Services and assessments	-	-	-
Investment earnings	-	-	919
Contributions	-	-	-
Other	-	389,117	161,532
Total Revenues	<u>47,792,404</u>	<u>217,573,225</u>	<u>162,451</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	42,102,558	-	-
Physical and mental health	-	26,944,178	-
Educational, cultural, and intellectual development	-	187,320,429	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	2,196,000	-
Transportation programs	-	14,130,575	-
Government direction, management, and control	5,689,846	-	-
Special government services	-	92,000	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>47,792,404</u>	<u>230,683,182</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(13,109,957)</u>	<u>162,451</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	162,451	-
Transfers to other funds	-	-	(162,451)
Total Other Financing Sources (Uses)	<u>-</u>	<u>162,451</u>	<u>(162,451)</u>
Net Change in Fund Balance	<u>-</u>	<u>(12,947,506)</u>	<u>-</u>
Fund Balances - July 1, 2017 (Restated)	<u>-</u>	<u>26,768,460</u>	<u>-</u>
Fund Balances - June 30, 2018	<u>\$ -</u>	<u>\$ 13,820,954</u>	<u>\$ -</u>

<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>	<u>Clean Communities Account Fund</u>	<u>Clean Energy Fund</u>
\$ -	\$ -	\$ 22,544,652	\$ -
-	-	-	-
-	-	-	-
-	9,984,360	-	344,665,000
11,199	69,829	108,588	2,971,881
-	-	-	-
1,425,317	-	-	22,164
<u>1,436,516</u>	<u>10,054,189</u>	<u>22,653,240</u>	<u>347,659,045</u>
1,538,878	-	-	-
-	117,950	-	-
-	-	-	-
-	-	21,929,435	-
-	-	-	148,946,159
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,538,878</u>	<u>117,950</u>	<u>21,929,435</u>	<u>148,946,159</u>
<u>(102,362)</u>	<u>9,936,239</u>	<u>723,805</u>	<u>198,712,886</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	(11,958,346)	-	(153,183,311)
-	(11,958,346)	-	(153,183,311)
(102,362)	(2,022,107)	723,805	45,529,575
<u>1,090,431</u>	<u>4,905,234</u>	<u>2,972,300</u>	<u>133,720,451</u>
<u>\$ 988,069</u>	<u>\$ 2,883,127</u>	<u>\$ 3,696,105</u>	<u>\$ 179,250,026</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Clean Water State Revolving Fund</u>	<u>Contributory Group Insurance Premium Fund</u>	<u>Disciplinary Oversight Committee</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	67,012,783	-	-
Licenses and fees	-	-	12,157,917
Services and assessments	-	-	-
Investment earnings	1,025,525	8,517,415	80,489
Contributions	-	98,913,635	-
Other	-	-	528,128
Total Revenues	<u>68,038,308</u>	<u>107,431,050</u>	<u>12,766,534</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	12,399,852
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	3,635,639	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	75,869,964	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,635,639</u>	<u>75,869,964</u>	<u>12,399,852</u>
Excess (deficiency) of revenues over expenditures	<u>64,402,669</u>	<u>31,561,086</u>	<u>366,682</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	4,000,000	-	-
Transfers to other funds	(3,091,132)	-	-
Total Other Financing Sources (Uses)	<u>908,868</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	65,311,537	31,561,086	366,682
Fund Balances - July 1, 2017 (Restated)	<u>334,700,679</u>	<u>592,026,125</u>	<u>3,530,608</u>
Fund Balances - June 30, 2018	<u>\$ 400,012,216</u>	<u>\$ 623,587,211</u>	<u>\$ 3,897,290</u>

Division of Motor Vehicles Surcharge Fund	Drinking Water State Revolving Fund	Emergency Medical Technician Training Fund	Enterprise Zone Assistance Fund
\$ -	\$ -	\$ -	\$ 69,923,339
-	50,164,140	-	-
-	-	-	-
126,737,848	-	2,120,262	-
26,662	729,348	55,706	140,778
-	-	-	-
-	-	-	-
<u>126,764,510</u>	<u>50,893,488</u>	<u>2,175,968</u>	<u>70,064,117</u>
-	-	-	-
-	-	1,090,658	-
-	-	-	-
-	59,935,577	-	-
-	-	-	-
-	-	-	-
126,764,510	-	-	-
-	-	-	-
-	-	-	-
<u>126,764,510</u>	<u>59,935,577</u>	<u>1,090,658</u>	<u>-</u>
-	(9,042,089)	1,085,310	70,064,117
-	-	-	-
-	-	-	-
-	-	-	-
-	35,419,301	-	-
-	(2,330,823)	(601,436)	(70,064,117)
-	33,088,478	(601,436)	(70,064,117)
-	24,046,389	483,874	-
-	365,178,416	3,915,190	-
<u>\$ -</u>	<u>\$ 389,224,805</u>	<u>\$ 4,399,064</u>	<u>\$ -</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Fund for Support of Free Public Schools	Garden State Farmland Preservation Trust Fund	Garden State Green Acres Preservation Trust Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	9,504,899	-	-
Services and assessments	-	-	-
Investment earnings	1,387,020	91,967	464,469
Contributions	-	-	-
Other	-	267,962	658,574
Total Revenues	<u>10,891,919</u>	<u>359,929</u>	<u>1,123,043</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	2,946,989	2,867,037
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>2,946,989</u>	<u>2,867,037</u>
Excess (deficiency) of revenues over expenditures	<u>10,891,919</u>	<u>(2,587,060)</u>	<u>(1,743,994)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(8,197,328)	-	-
Total Other Financing Sources (Uses)	<u>(8,197,328)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,694,591	(2,587,060)	(1,743,994)
Fund Balances - July 1, 2017 (Restated)	<u>150,777,608</u>	<u>8,079,972</u>	<u>70,143,141</u>
Fund Balances - June 30, 2018	<u>\$ 153,472,199</u>	<u>\$ 5,492,912</u>	<u>\$ 68,399,147</u>

Garden State Historic Preservation Trust Fund	Garden State Preservation Trust	Global Warming Solutions Fund	Gubernatorial Elections Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
39,587	-	242	-
-	-	-	-
-	-	-	443,505
<u>39,587</u>	<u>-</u>	<u>242</u>	<u>443,505</u>
-	-	-	13,030,778
-	-	-	-
-	-	-	-
-	-	-	-
36,821	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	64,900,000	-	-
-	32,733,570	-	-
<u>36,821</u>	<u>97,633,570</u>	<u>-</u>	<u>13,030,778</u>
<u>2,766</u>	<u>(97,633,570)</u>	<u>242</u>	<u>(12,587,273)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	97,633,570	-	12,087,273
-	-	-	-
-	<u>97,633,570</u>	<u>-</u>	<u>12,087,273</u>
<u>2,766</u>	<u>-</u>	<u>242</u>	<u>(500,000)</u>
<u>2,898,941</u>	<u>-</u>	<u>32,755</u>	<u>500,000</u>
<u>\$ 2,901,707</u>	<u>\$ -</u>	<u>\$ 32,997</u>	<u>\$ -</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Horse Racing Injury Compensation Fund
REVENUES			
Taxes	\$ -	\$ 418,635,563	\$ -
Federal and other grants	-	-	-
Licenses and fees	28,035,402	-	-
Services and assessments	70,227,887	383,007,296	2,235,025
Investment earnings	4,100,467	1,301,181	2,976
Contributions	-	-	-
Other	-	-	-
Total Revenues	<u>102,363,756</u>	<u>802,944,040</u>	<u>2,238,001</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	1,788,462
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	38,804,803	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>38,804,803</u>	<u>-</u>	<u>1,788,462</u>
Excess (deficiency) of revenues over expenditures	<u>63,558,953</u>	<u>802,944,040</u>	<u>449,539</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	29,493,260	-
Transfers to other funds	(37,483,718)	(834,984,470)	-
Total Other Financing Sources (Uses)	<u>(37,483,718)</u>	<u>(805,491,210)</u>	<u>-</u>
Net Change in Fund Balance	26,075,235	(2,547,170)	449,539
Fund Balances - July 1, 2017 (Restated)	<u>276,549,627</u>	<u>7,989,330</u>	<u>113,437</u>
Fund Balances - June 30, 2018	<u>\$ 302,624,862</u>	<u>\$ 5,442,160</u>	<u>\$ 562,976</u>

<u>Lead Hazard Control Assistance Fund</u>	<u>Legal Services Fund</u>	<u>Luxury Tax Fund</u>	<u>Mandatory Continuing Legal Education Fund</u>
\$ -	\$ -	\$ 31,438,576	\$ -
-	-	-	-
6,834	8,768,416	-	853,379
-	-	-	-
7,049	-	3,284	18,874
-	-	-	-
-	-	-	-
<u>13,883</u>	<u>8,768,416</u>	<u>31,441,860</u>	<u>872,253</u>
-	-	-	406,301
-	-	-	-
-	-	-	-
-	-	-	-
178,865	-	-	-
-	-	-	-
-	-	31,441,860	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>178,865</u>	<u>-</u>	<u>31,441,860</u>	<u>406,301</u>
<u>(164,982)</u>	<u>8,768,416</u>	<u>-</u>	<u>465,952</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(174,916)	(8,768,416)	-	-
(174,916)	(8,768,416)	-	-
(339,898)	-	-	465,952
9,108,750	-	-	1,635,448
<u>\$ 8,768,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,101,400</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Medical Malpractice Self Insurance Fund	New Home Warranty Security Fund	New Jersey Building Authority
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	629,000	-
Services and assessments	13,282,248	2,966,644	-
Investment earnings	81,628	79,805	151,412
Contributions	-	-	-
Other	-	87,168	-
Total Revenues	<u>13,363,876</u>	<u>3,762,617</u>	<u>151,412</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	747,159	-
Economic planning, development, and security	24,347,984	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	2,379,239
Special government services	-	-	-
Debt Service:			
Principal	-	-	64,020,000
Interest	-	-	13,529,224
Total Expenditures	<u>24,347,984</u>	<u>747,159</u>	<u>79,928,463</u>
Excess (deficiency) of revenues over expenditures	<u>(10,984,108)</u>	<u>3,015,458</u>	<u>(79,777,051)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	(59,875,000)
Transfers from other funds	10,000,000	-	101,349,658
Transfers to other funds	-	(1,869,380)	-
Total Other Financing Sources (Uses)	<u>10,000,000</u>	<u>(1,869,380)</u>	<u>41,474,658</u>
Net Change in Fund Balance	<u>(984,108)</u>	<u>1,146,078</u>	<u>(38,302,393)</u>
Fund Balances - July 1, 2017 (Restated)	<u>10,310,973</u>	<u>4,882,486</u>	<u>48,286,854</u>
Fund Balances - June 30, 2018	<u>\$ 9,326,865</u>	<u>\$ 6,028,564</u>	<u>\$ 9,984,461</u>

<u>New Jersey Lawyers' Assistance Program</u>	<u>New Jersey Lawyers' Fund for Client Protection</u>	<u>New Jersey Racing Industry Special Fund</u>	<u>New Jersey Schools Development Authority</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
884,412	4,232,762	360,824	-
-	-	-	-
20,429	167,314	35,683	3,786,684
-	-	-	-
-	2,502,674	22,462,229	57,011
<u>904,841</u>	<u>6,902,750</u>	<u>22,858,736</u>	<u>3,843,695</u>
842,627	6,705,650	22,519,416	-
-	-	-	-
-	-	-	359,381,096
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>842,627</u>	<u>6,705,650</u>	<u>22,519,416</u>	<u>359,381,096</u>
<u>62,214</u>	<u>197,100</u>	<u>339,320</u>	<u>(355,537,401)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	350,000,000
-	-	-	-
-	-	-	350,000,000
<u>62,214</u>	<u>197,100</u>	<u>339,320</u>	<u>(5,537,401)</u>
<u>1,291,654</u>	<u>18,960,121</u>	<u>2,070,309</u>	<u>492,414,783</u>
<u>\$ 1,353,868</u>	<u>\$ 19,157,221</u>	<u>\$ 2,409,629</u>	<u>\$ 486,877,382</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>New Jersey Spill Compensation Fund</u>	<u>New Jersey Spinal Cord Research Fund</u>	<u>New Jersey Transportation Trust Fund Authority</u>
REVENUES			
Taxes	\$ 22,558,547	\$ -	\$ -
Federal and other grants	-	-	36,166,786
Licenses and fees	782,572	-	-
Services and assessments	-	-	-
Investment earnings	209,507	68,028	16,645,852
Contributions	-	-	-
Other	1,072,888	3,758,968	-
Total Revenues	<u>24,623,514</u>	<u>3,826,996</u>	<u>52,812,638</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	1,901,968	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	686,083	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	427,134
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	554,240,000
Interest	-	-	823,616,216
Total Expenditures	<u>686,083</u>	<u>1,901,968</u>	<u>1,378,283,350</u>
Excess (deficiency) of revenues over expenditures	<u>23,937,431</u>	<u>1,925,028</u>	<u>(1,325,470,712)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	1,604,671,489
Transfers to other funds	(25,197,163)	(3,600,000)	(1,626,189,174)
Total Other Financing Sources (Uses)	<u>(25,197,163)</u>	<u>(3,600,000)</u>	<u>(21,517,685)</u>
Net Change in Fund Balance	<u>(1,259,732)</u>	<u>(1,674,972)</u>	<u>(1,346,988,397)</u>
Fund Balances - July 1, 2017 (Restated)	<u>11,348,347</u>	<u>6,045,951</u>	<u>2,572,266,930</u>
Fund Balances - June 30, 2018	<u>\$ 10,088,615</u>	<u>\$ 4,370,979</u>	<u>\$ 1,225,278,533</u>

New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pollution Prevention Fund	Real Estate Guaranty Fund
\$ 121,802,717	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	101,805
-	-	1,365,941	-
1,086,613	26,229	26,128	17,616
-	-	-	-
838,281	-	-	-
<u>123,727,611</u>	<u>26,229</u>	<u>1,392,069</u>	<u>119,421</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
14,050,014	-	-	6,941
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>14,050,014</u>	<u>-</u>	<u>-</u>	<u>6,941</u>
<u>109,677,597</u>	<u>26,229</u>	<u>1,392,069</u>	<u>112,480</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(94,546,817)	(209,978)	(991,648)	-
<u>(94,546,817)</u>	<u>(209,978)</u>	<u>(991,648)</u>	<u>-</u>
15,130,780	(183,749)	400,421	112,480
<u>58,316,518</u>	<u>1,789,382</u>	<u>1,768,577</u>	<u>1,334,100</u>
<u>\$ 73,447,298</u>	<u>\$ 1,605,633</u>	<u>\$ 2,168,998</u>	<u>\$ 1,446,580</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Remediation Guarantee Fund</u>	<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>
REVENUES			
Taxes	\$ 4,432,404	\$ 2,578,606	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	1,947,231
Investment earnings	417,969	56,541	39,501
Contributions	-	-	-
Other	-	-	-
Total Revenues	<u>4,850,373</u>	<u>2,635,147</u>	<u>1,986,732</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	2,106,775	-	1,722,743
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>2,106,775</u>	<u>-</u>	<u>1,722,743</u>
Excess (deficiency) of revenues over expenditures	<u>2,743,598</u>	<u>2,635,147</u>	<u>263,989</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	(2,541,319)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,541,319)</u>	<u>-</u>
Net Change in Fund Balance	<u>2,743,598</u>	<u>93,828</u>	<u>263,989</u>
Fund Balances - July 1, 2017 (Restated)	<u>30,429,916</u>	<u>1,973,509</u>	<u>2,952,868</u>
Fund Balances - June 30, 2018	<u>\$ 33,173,514</u>	<u>\$ 2,067,337</u>	<u>\$ 3,216,857</u>

<u>State Disability Benefit Fund</u>	<u>State Health Benefit Program Fund - State Active</u>	<u>State Health Benefit Program Fund - State Retired</u>	<u>State - Owned Real Property Fund</u>
\$ 516,254,368	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
23,307,730	-	-	-
1,841,180	1,696,212	1,058,891	78,473
-	420,844,721	40,294,036	-
5,936,671	-	-	5,088,300
<u>547,339,949</u>	<u>422,540,933</u>	<u>41,352,927</u>	<u>5,166,773</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
521,752,664	-	-	-
-	-	-	-
-	1,664,974,981	690,310,595	-
-	-	-	-
-	-	-	-
<u>521,752,664</u>	<u>1,664,974,981</u>	<u>690,310,595</u>	<u>-</u>
<u>25,587,285</u>	<u>(1,242,434,048)</u>	<u>(648,957,668)</u>	<u>5,166,773</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	1,263,170,176	648,957,668	-
<u>(34,959,373)</u>	<u>-</u>	<u>-</u>	<u>(5,166,773)</u>
<u>(34,959,373)</u>	<u>1,263,170,176</u>	<u>648,957,668</u>	<u>(5,166,773)</u>
(9,372,088)	20,736,128	-	-
<u>264,097,830</u>	<u>47,782,008</u>	<u>-</u>	<u>5,660,734</u>
<u>\$ 254,725,742</u>	<u>\$ 68,518,136</u>	<u>\$ -</u>	<u>\$ 5,660,734</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>State Recycling Fund</u>	<u>Superior Court of New Jersey Trust Fund</u>	<u>Supplemental Workforce Fund for Basic Skills</u>
REVENUES			
Taxes	\$ 26,883,592	\$ -	\$ 34,108,775
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	139,827	2,499,824	290,935
Contributions	-	-	-
Other	-	-	234,719
Total Revenues	<u>27,023,419</u>	<u>2,499,824</u>	<u>34,634,429</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	194,896	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	(790)	-	-
Economic planning, development, and security	-	-	31,283,841
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>(790)</u>	<u>194,896</u>	<u>31,283,841</u>
Excess (deficiency) of revenues over expenditures	<u>27,024,209</u>	<u>2,304,928</u>	<u>3,350,588</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(26,657,261)	-	(1,556,729)
Total Other Financing Sources (Uses)	<u>(26,657,261)</u>	<u>-</u>	<u>(1,556,729)</u>
Net Change in Fund Balance	366,948	2,304,928	1,793,859
Fund Balances - July 1, 2017 (Restated)	<u>1,645,739</u>	<u>1,057,376</u>	<u>19,857,759</u>
Fund Balances - June 30, 2018	<u>\$ 2,012,687</u>	<u>\$ 3,362,304</u>	<u>\$ 21,651,618</u>

Tobacco Settlement Financing Corporation	Tourism Improvement and Development District Act	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
\$ -	\$ 6,849,830	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	359,775	-	-
-	-	-	-	-
5,388,000	1,806	4,621	48,179	210,999
-	-	-	-	-
<u>267,639,000</u>	<u>-</u>	<u>3,600</u>	<u>127,523</u>	<u>8,338,437</u>
<u>273,027,000</u>	<u>6,851,636</u>	<u>367,996</u>	<u>175,702</u>	<u>8,549,436</u>
-	-	177,138	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,746,981	-	-	-
-	-	-	-	-
11,589,000	-	-	774,819	5,457,146
-	-	-	-	-
-	-	-	-	-
<u>91,990,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>103,579,000</u>	<u>6,746,981</u>	<u>177,138</u>	<u>774,819</u>	<u>5,457,146</u>
<u>169,448,000</u>	<u>104,655</u>	<u>190,858</u>	<u>(599,117)</u>	<u>3,092,290</u>
3,146,655,179	-	-	-	-
218,165,821	-	-	-	-
(3,255,458,000)	-	-	-	-
-	-	-	-	-
<u>(265,641,719)</u>	<u>(104,655)</u>	<u>-</u>	<u>-</u>	<u>(19,906)</u>
<u>(156,278,719)</u>	<u>(104,655)</u>	<u>-</u>	<u>-</u>	<u>(19,906)</u>
13,169,281	-	190,858	(599,117)	3,072,384
<u>286,294,000</u>	<u>-</u>	<u>233,358</u>	<u>3,544,008</u>	<u>501,210</u>
<u>\$ 299,463,281</u>	<u>\$ -</u>	<u>\$ 424,216</u>	<u>\$ 2,944,891</u>	<u>\$ 3,573,594</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Auxiliary Fund	Unemployment Compensation Interest Repayment Fund	Universal Services Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	211,189,158
Investment earnings	122,456	40,346	583,760
Contributions	-	-	-
Other	21,367,579	-	-
Total Revenues	<u>21,490,035</u>	<u>40,346</u>	<u>211,772,918</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	-	132,261,539
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>132,261,539</u>
Excess (deficiency) of revenues over expenditures	<u>21,490,035</u>	<u>40,346</u>	<u>79,511,379</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premiums/discounts	-	-	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(25,228,668)	-	(74,953,667)
Total Other Financing Sources (Uses)	<u>(25,228,668)</u>	<u>-</u>	<u>(74,953,667)</u>
Net Change in Fund Balance	<u>(3,738,633)</u>	<u>40,346</u>	<u>4,557,712</u>
Fund Balances - July 1, 2017 (Restated)	<u>7,539,639</u>	<u>3,111,215</u>	<u>28,167,447</u>
Fund Balances - June 30, 2018	<u>\$ 3,801,006</u>	<u>\$ 3,151,561</u>	<u>\$ 32,725,159</u>

<u>Vietnam Veterans' Memorial Fund</u>	<u>Volunteer Emergency Service Organizations Loan Fund</u>	<u>Wastewater Treatment Fund</u>	<u>Worker and Community Right to Know Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,545,810,010
-	-	-	-	153,343,709
-	-	-	-	120,008,087
-	-	-	3,406,520	1,196,443,150
8	15,228	5,883,526	35,119	64,382,178
80,894	-	-	-	560,133,286
-	8,152	2,693,652	-	350,472,284
<u>80,902</u>	<u>23,380</u>	<u>8,577,178</u>	<u>3,441,639</u>	<u>3,990,592,704</u>
-	-	-	-	109,587,357
-	-	-	-	37,757,375
-	-	-	-	546,701,525
-	-	81,525,894	-	216,907,344
-	-	-	-	923,414,795
-	-	-	-	14,557,709
342	-	-	-	2,615,252,302
80,893	-	-	-	172,893
-	-	-	-	683,160,000
-	-	-	-	961,869,010
<u>81,235</u>	<u>-</u>	<u>81,525,894</u>	<u>-</u>	<u>6,109,380,310</u>
<u>(333)</u>	<u>23,380</u>	<u>(72,948,716)</u>	<u>3,441,639</u>	<u>(2,118,787,606)</u>
-	-	-	-	3,146,655,179
-	-	-	-	218,165,821
-	-	-	-	(3,315,333,000)
-	-	-	-	4,156,944,846
-	-	(34,057,650)	(2,879,136)	(3,359,569,112)
-	-	(34,057,650)	(2,879,136)	846,863,734
<u>(333)</u>	<u>23,380</u>	<u>(107,006,366)</u>	<u>562,503</u>	<u>(1,271,923,872)</u>
<u>333</u>	<u>1,514,955</u>	<u>1,163,937,654</u>	<u>2,051,357</u>	<u>7,114,394,830</u>
<u>\$ -</u>	<u>\$ 1,538,335</u>	<u>\$ 1,056,931,288</u>	<u>\$ 2,613,860</u>	<u>\$ 5,842,470,958</u>

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	<u>2007 Blue Acres Fund</u>	<u>2009 Blue Acres Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>
ASSETS			
Cash and cash equivalents	\$ 1,100	\$ 42,616	\$ 440
Investments	4,422,478	7,440,918	-
Receivables, net of allowances for uncollectibles			
Federal government	-	1,255,724	-
Loans	-	-	-
Other	-	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,423,578</u>	<u>\$ 8,739,258</u>	<u>\$ 440</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 1,903	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>1,903</u>	<u>-</u>
 Fund Balances			
Restricted	4,423,578	8,737,355	440
Committed	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,423,578</u>	<u>8,737,355</u>	<u>440</u>
Total Liabilities and Fund Balances	<u>\$ 4,423,578</u>	<u>\$ 8,739,258</u>	<u>\$ 440</u>

<u>Energy Conservation Fund</u>	<u>Motor Vehicle Commission Fund</u>	<u>New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund</u>	<u>Public Purpose Buildings and Community-Based Facilities Construction Fund</u>
\$ 101	\$ -	\$ 1,000	\$ 100
283,452	1,756,141	2,389,031	254,435
-	-	-	-
-	-	-	-
-	19,507,698	-	-
-	-	-	-
<u>\$ 283,553</u>	<u>\$ 21,263,839</u>	<u>\$ 2,390,031</u>	<u>\$ 254,535</u>
\$ -	\$ 877,367	\$ -	\$ -
<u>3,859</u>	<u>-</u>	<u>32,528</u>	<u>3,464</u>
<u>3,859</u>	<u>877,367</u>	<u>32,528</u>	<u>3,464</u>
279,694	-	2,357,503	251,071
<u>-</u>	<u>20,386,472</u>	<u>-</u>	<u>-</u>
<u>279,694</u>	<u>20,386,472</u>	<u>2,357,503</u>	<u>251,071</u>
<u>\$ 283,553</u>	<u>\$ 21,263,839</u>	<u>\$ 2,390,031</u>	<u>\$ 254,535</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2018**

	<u>Special Transportation Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Total Capital Projects Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 100	\$ 45,457
Investments	-	4,037,827	20,584,282
Receivables, net of allowances for uncollectibles			
Federal government	73,461,329	-	74,717,053
Loans	3,000,000	-	3,000,000
Other	99,910,519	-	119,418,217
Due from other funds	<u>307,639,822</u>	<u>-</u>	<u>307,639,822</u>
Total Assets	<u>\$ 484,011,670</u>	<u>\$ 4,037,927</u>	<u>\$ 525,404,831</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 354,765,220	\$ -	\$ 355,644,490
Due to other funds	<u>126,246,450</u>	<u>54,379</u>	<u>126,340,680</u>
Total Liabilities	<u>481,011,670</u>	<u>54,379</u>	<u>481,985,170</u>
Fund Balances			
Restricted	-	3,983,548	20,033,189
Committed	<u>3,000,000</u>	<u>-</u>	<u>23,386,472</u>
Total Fund Balances	<u>3,000,000</u>	<u>3,983,548</u>	<u>43,419,661</u>
Total Liabilities and Fund Balances	<u>\$ 484,011,670</u>	<u>\$ 4,037,927</u>	<u>\$ 525,404,831</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2007 Blue Acres Fund</u>	<u>2009 Blue Acres Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>
REVENUES			
Federal and other grants	\$ -	\$ -	\$ -
Services and assessments	-	-	-
Investment earnings	<u>58,811</u>	<u>94,448</u>	<u>-</u>
Total Revenues	<u>58,811</u>	<u>94,448</u>	<u>-</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Community development and environmental management	(181,926)	(517,551)	-
Transportation programs	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>(181,926)</u>	<u>(517,551)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>240,737</u>	<u>611,999</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	240,737	611,999	-
Fund Balances - July 1, 2017	<u>4,182,841</u>	<u>8,125,356</u>	<u>440</u>
Fund Balances - June 30, 2018	<u>\$ 4,423,578</u>	<u>\$ 8,737,355</u>	<u>\$ 440</u>

<u>Energy Conservation Fund</u>	<u>Motor Vehicle Commission Fund</u>	<u>New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund</u>	<u>Public Purpose Buildings and Community-Based Facilities Construction Fund</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
<u>3,859</u>	<u>320,151</u>	<u>32,528</u>	<u>3,464</u>
<u>3,859</u>	<u>320,151</u>	<u>32,528</u>	<u>3,464</u>
-	8,179,913	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>8,179,913</u>	<u>-</u>	<u>-</u>
<u>3,859</u>	<u>(7,859,762)</u>	<u>32,528</u>	<u>3,464</u>
-	-	-	-
<u>(3,859)</u>	<u>-</u>	<u>(32,528)</u>	<u>(3,464)</u>
<u>(3,859)</u>	<u>-</u>	<u>(32,528)</u>	<u>(3,464)</u>
-	(7,859,762)	-	-
<u>279,694</u>	<u>28,246,234</u>	<u>2,357,503</u>	<u>251,071</u>
<u>\$ 279,694</u>	<u>\$ 20,386,472</u>	<u>\$ 2,357,503</u>	<u>\$ 251,071</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Special Transportation Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Total Capital Projects Funds</u>
REVENUES			
Federal and other grants	\$ 754,322,685	\$ -	\$ 754,322,685
Services and assessments	41,285	-	41,285
Investment earnings	-	54,379	567,640
Total Revenues	<u>754,363,970</u>	<u>54,379</u>	<u>754,931,610</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	8,179,913
Community development and environmental management	-	-	(699,477)
Transportation programs	2,377,553,147	2,078	2,377,555,225
Total Expenditures	<u>2,377,553,147</u>	<u>2,078</u>	<u>2,385,035,661</u>
Excess (deficiency) of revenues over expenditures	<u>(1,623,189,177)</u>	<u>52,301</u>	<u>(1,630,104,051)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	1,626,189,177	-	1,626,189,177
Transfers to other funds	-	(54,379)	(94,230)
Total Other Financing Sources (Uses)	<u>1,626,189,177</u>	<u>(54,379)</u>	<u>1,626,094,947</u>
Net Change in Fund Balance	3,000,000	(2,078)	(4,009,104)
Fund Balances - July 1, 2017	-	3,985,626	47,428,765
Fund Balances - June 30, 2018	<u>\$ 3,000,000</u>	<u>\$ 3,983,548</u>	<u>\$ 43,419,661</u>

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2018**

	<u>Alternate Benefit Program Fund</u>	<u>Dental Expense Program</u>	<u>Judiciary Bail Fund</u>
ASSETS			
Cash and cash equivalents	\$ 804,731	\$ 195,156	\$ -
Investments			
Cash Management Fund	576,602	47,909,742	6,861,965
Receivables, net of allowances for uncollectibles			
Employers	-	-	-
Other	35,045	-	-
Due from other funds	<u>40,350,159</u>	<u>25,658</u>	<u>-</u>
Total Assets	<u><u>\$ 41,766,537</u></u>	<u><u>\$ 48,130,556</u></u>	<u><u>\$ 6,861,965</u></u>
LIABILITIES			
Accounts payable and accruals	\$ 40,494,611	\$ 48,130,556	\$ 6,861,965
Due to other funds	<u>1,271,926</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>\$ 41,766,537</u></u>	<u><u>\$ 48,130,556</u></u>	<u><u>\$ 6,861,965</u></u>

<u>Judiciary Child Support and Paternity Fund</u>	<u>Judiciary Probation Fund</u>	<u>Judiciary Special Civil Fund</u>	<u>Judiciary Superior Court - Miscellaneous Fund</u>	<u>Luxury Tax Development Fund</u>
\$ 22,495,575	\$ 118,859	\$ 55,960	\$ 17,470,235	\$ 111,010
-	7,311,518	3,690,967	2,908,762	5,875,142
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 22,495,575</u>	<u>\$ 7,430,377</u>	<u>\$ 3,746,927</u>	<u>\$ 20,378,997</u>	<u>\$ 5,986,152</u>
\$ 22,495,575	\$ 7,430,377	\$ 3,746,927	\$ 20,378,997	\$ 5,986,152
-	-	-	-	-
<u>\$ 22,495,575</u>	<u>\$ 7,430,377</u>	<u>\$ 3,746,927</u>	<u>\$ 20,378,997</u>	<u>\$ 5,986,152</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (Continued)
JUNE 30, 2018

	<u>Pension Adjustment Fund</u>	<u>Resource Recovery Investment Tax Fund</u>	<u>Solid Waste Service Tax Fund</u>
ASSETS			
Cash and cash equivalents	\$ 124,795	\$ 100	\$ 100
Investments			
Cash Management Fund	1,890,381	585,486	1,034,990
Receivables, net of allowances for uncollectibles			
Employers	191,300	-	-
Other	1,787	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 2,208,263</u></u>	<u><u>\$ 585,586</u></u>	<u><u>\$ 1,035,090</u></u>
LIABILITIES			
Accounts payable and accruals	\$ 2,166,149	\$ 585,586	\$ 1,035,090
Due to other funds	<u>42,114</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>\$ 2,208,263</u></u>	<u><u>\$ 585,586</u></u>	<u><u>\$ 1,035,090</u></u>

<u>State Health Benefit Program Fund - Local Education Active</u>	<u>State Health Benefit Program Fund - Local Education Retired</u>	<u>State Health Benefit Program Fund - Local Government Active</u>	<u>Wage and Hour Trust Fund</u>	<u>Total Agency Funds</u>
\$ 759,694	\$ 575,029	\$ 432,346	\$ 550,022	\$ 43,693,612
450,031,773	5,607,674	280,072,577	4,929	814,362,508
-	-	-	-	191,300
66,489,777	157,779,052	91,530,411	-	315,836,072
-	-	-	-	40,375,817
<u>\$ 517,281,244</u>	<u>\$ 163,961,755</u>	<u>\$ 372,035,334</u>	<u>\$ 554,951</u>	<u>\$ 1,214,459,309</u>
\$ 517,077,451	\$ 163,830,263	\$ 371,933,897	\$ 554,887	\$ 1,212,708,483
203,793	131,492	101,437	64	1,750,826
<u>\$ 517,281,244</u>	<u>\$ 163,961,755</u>	<u>\$ 372,035,334</u>	<u>\$ 554,951</u>	<u>\$ 1,214,459,309</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
ALTERNATE BENEFIT PROGRAM FUND				
Assets				
Cash and cash equivalents	\$ 950,247	\$ 176,867,509	\$ 177,013,025	\$ 804,731
Investments				
Cash Management Fund	896,915	205,037,800	205,358,113	576,602
Receivables, net - other	46,763	35,045	46,763	35,045
Due from other funds	38,833,053	40,350,159	38,833,053	40,350,159
Total Assets	<u>\$ 40,726,978</u>	<u>\$ 422,290,513</u>	<u>\$ 421,250,954</u>	<u>\$ 41,766,537</u>
Liabilities				
Accounts payable and accruals	\$ 40,644,958	\$ 41,115,694	\$ 41,266,041	\$ 40,494,611
Due to other funds	82,020	1,271,926	82,020	1,271,926
Total Liabilities	<u>\$ 40,726,978</u>	<u>\$ 42,387,620</u>	<u>\$ 41,348,061</u>	<u>\$ 41,766,537</u>
 DENTAL EXPENSE PROGRAM				
Assets				
Cash and cash equivalents	\$ 225,496	\$ 37,589,956	\$ 37,620,296	\$ 195,156
Investments				
Cash Management Fund	47,362,532	203,787,819	203,240,609	47,909,742
Due from other funds	1,388,124	166,539	1,529,005	25,658
Total Assets	<u>\$ 48,976,152</u>	<u>\$ 241,544,314</u>	<u>\$ 242,389,910</u>	<u>\$ 48,130,556</u>
Liabilities				
Accounts payable and accruals	\$ 48,976,152	\$ 39,400,748	\$ 40,246,344	\$ 48,130,556
Total Liabilities	<u>\$ 48,976,152</u>	<u>\$ 39,400,748</u>	<u>\$ 40,246,344</u>	<u>\$ 48,130,556</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
JUDICIARY BAIL FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 37,272,146	\$ 37,272,146	\$ -
Investments				
Cash Management Fund	16,940,965	1,695,857	11,774,857	6,861,965
Total Assets	<u>\$ 16,940,965</u>	<u>\$ 38,968,003</u>	<u>\$ 49,047,003</u>	<u>\$ 6,861,965</u>
Liabilities				
Accounts payable and accruals	\$ 16,940,965	\$ 25,502,781	\$ 35,581,781	\$ 6,861,965
Total Liabilities	<u>\$ 16,940,965</u>	<u>\$ 25,502,781</u>	<u>\$ 35,581,781</u>	<u>\$ 6,861,965</u>
 JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
Assets				
Cash and cash equivalents	\$ 23,865,591	\$ 1,321,536,401	\$ 1,322,906,417	\$ 22,495,575
Total Assets	<u>\$ 23,865,591</u>	<u>\$ 1,321,536,401</u>	<u>\$ 1,322,906,417</u>	<u>\$ 22,495,575</u>
Liabilities				
Accounts payable and accruals	\$ 23,865,591	\$ 1,321,536,403	\$ 1,322,906,419	\$ 22,495,575
Total Liabilities	<u>\$ 23,865,591</u>	<u>\$ 1,321,536,403</u>	<u>\$ 1,322,906,419</u>	<u>\$ 22,495,575</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
JUDICIARY PROBATION FUND				
Assets				
Cash and cash equivalents	\$ 114,202	\$ 57,659,895	\$ 57,655,238	\$ 118,859
Investments				
Cash Management Fund	7,412,519	13,973,026	14,074,027	7,311,518
Total Assets	<u>\$ 7,526,721</u>	<u>\$ 71,632,921</u>	<u>\$ 71,729,265</u>	<u>\$ 7,430,377</u>
Liabilities				
Accounts payable and accruals	\$ 7,526,721	\$ 44,391,021	\$ 44,487,365	\$ 7,430,377
Total Liabilities	<u>\$ 7,526,721</u>	<u>\$ 44,391,021</u>	<u>\$ 44,487,365</u>	<u>\$ 7,430,377</u>
JUDICIARY SPECIAL CIVIL FUND				
Assets				
Cash and cash equivalents	\$ 129,639	\$ 54,261,460	\$ 54,335,139	\$ 55,960
Investments				
Cash Management Fund	3,465,967	7,935,510	7,710,510	3,690,967
Total Assets	<u>\$ 3,595,606</u>	<u>\$ 62,196,970</u>	<u>\$ 62,045,649</u>	<u>\$ 3,746,927</u>
Liabilities				
Accounts payable and accruals	\$ 3,595,606	\$ 46,598,943	\$ 46,447,622	\$ 3,746,927
Total Liabilities	<u>\$ 3,595,606</u>	<u>\$ 46,598,943</u>	<u>\$ 46,447,622</u>	<u>\$ 3,746,927</u>
JUDICIARY SUPERIOR COURT - MISCELLANEOUS FUND				
Assets				
Cash and cash equivalents	\$ 14,656,434	\$ 357,470,239	\$ 354,656,438	\$ 17,470,235
Investments				
Cash Management Fund	4,435,762	21,322,169	22,849,169	2,908,762
Total Assets	<u>\$ 19,092,196</u>	<u>\$ 378,792,408</u>	<u>\$ 377,505,607</u>	<u>\$ 20,378,997</u>
Liabilities				
Accounts payable and accruals	\$ 19,092,196	\$ 182,513,330	\$ 181,226,529	\$ 20,378,997
Total Liabilities	<u>\$ 19,092,196</u>	<u>\$ 182,513,330</u>	<u>\$ 181,226,529</u>	<u>\$ 20,378,997</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
LUXURY TAX DEVELOPMENT FUND				
Assets				
Cash and cash equivalents	\$ 411,010	\$ -	\$ 300,000	\$ 111,010
Investments				
Cash Management Fund	5,795,313	79,829	-	5,875,142
Total Assets	<u>\$ 6,206,323</u>	<u>\$ 79,829</u>	<u>\$ 300,000</u>	<u>\$ 5,986,152</u>
Liabilities				
Accounts payable and accruals	\$ 6,206,323	\$ 1,300,000	\$ 1,520,171	\$ 5,986,152
Total Liabilities	<u>\$ 6,206,323</u>	<u>\$ 1,300,000</u>	<u>\$ 1,520,171</u>	<u>\$ 5,986,152</u>
PENSION ADJUSTMENT FUND				
Assets				
Cash and cash equivalents	\$ 1,028,528	\$ 938,293	\$ 1,842,026	\$ 124,795
Investments				
Cash Management Fund	1,009,611	2,362,310	1,481,540	1,890,381
Receivables, net - employers	258,955	1,166,759	1,234,414	191,300
Receivables, net - other	3,457	7,738	9,408	1,787
Total Assets	<u>\$ 2,300,551</u>	<u>\$ 4,475,100</u>	<u>\$ 4,567,388</u>	<u>\$ 2,208,263</u>
Liabilities				
Accounts payable and accruals	\$ 2,256,131	\$ 1,777,130	\$ 1,867,112	\$ 2,166,149
Due to other funds	44,420	42,114	44,420	42,114
Total Liabilities	<u>\$ 2,300,551</u>	<u>\$ 1,819,244</u>	<u>\$ 1,911,532</u>	<u>\$ 2,208,263</u>
RESOURCE RECOVERY INVESTMENT TAX FUND				
Assets				
Cash and cash equivalents	\$ 100	\$ -	\$ -	\$ 100
Investments				
Cash Management Fund	577,530	7,956	-	585,486
Total Assets	<u>\$ 577,630</u>	<u>\$ 7,956</u>	<u>\$ -</u>	<u>\$ 585,586</u>
Liabilities				
Accounts payable and accruals	\$ 577,630	\$ 7,956	\$ -	\$ 585,586
Total Liabilities	<u>\$ 577,630</u>	<u>\$ 7,956</u>	<u>\$ -</u>	<u>\$ 585,586</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
SOLID WASTE SERVICE TAX FUND				
Assets				
Cash and cash equivalents	\$ 100	\$ -	\$ -	\$ 100
Investments				
Cash Management Fund	1,020,927	14,063	-	1,034,990
Total Assets	<u>\$ 1,021,027</u>	<u>\$ 14,063</u>	<u>\$ -</u>	<u>\$ 1,035,090</u>
Liabilities				
Accounts payable and accruals	\$ 1,021,027	\$ 14,063	\$ -	\$ 1,035,090
Total Liabilities	<u>\$ 1,021,027</u>	<u>\$ 14,063</u>	<u>\$ -</u>	<u>\$ 1,035,090</u>
STATE HEALTH BENEFIT PROGRAM FUND - LOCAL EDUCATION ACTIVE				
Assets				
Cash and cash equivalents	\$ 176,888	\$ 1,063,033,782	\$ 1,062,450,976	\$ 759,694
Investments				
Cash Management Fund	420,850,500	3,169,044,273	3,139,863,000	450,031,773
Receivables, net - other	64,248,115	1,541,829,388	1,539,587,726	66,489,777
Total Assets	<u>\$ 485,275,503</u>	<u>\$ 5,773,907,443</u>	<u>\$ 5,741,901,702</u>	<u>\$ 517,281,244</u>
Liabilities				
Accounts payable and accruals	\$ 484,515,391	\$ 1,791,683,817	\$ 1,759,121,757	\$ 517,077,451
Due to other funds	760,112	203,793	760,112	203,793
Total Liabilities	<u>\$ 485,275,503</u>	<u>\$ 1,791,887,610</u>	<u>\$ 1,759,881,869</u>	<u>\$ 517,281,244</u>
STATE HEALTH BENEFIT PROGRAM FUND - LOCAL EDUCATION RETIRED				
Assets				
Cash and cash equivalents	\$ 103,895	\$ 959,829,281	\$ 959,358,147	\$ 575,029
Investments				
Cash Management Fund	29,751,622	2,898,089,095	2,922,233,043	5,607,674
Receivables, net - other	56,772,675	1,328,570,496	1,227,564,119	157,779,052
Total Assets	<u>\$ 86,628,192</u>	<u>\$ 5,186,488,872</u>	<u>\$ 5,109,155,309</u>	<u>\$ 163,961,755</u>
Liabilities				
Accounts payable and accruals	\$ 86,193,717	\$ 1,580,200,137	\$ 1,502,563,591	\$ 163,830,263
Due to other funds	434,475	131,492	434,475	131,492
Total Liabilities	<u>\$ 86,628,192</u>	<u>\$ 1,580,331,629</u>	<u>\$ 1,502,998,066</u>	<u>\$ 163,961,755</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
STATE HEALTH BENEFIT PROGRAM				
FUND - LOCAL GOVERNMENT ACTIVE				
Assets				
Cash and cash equivalents	\$ 550,218	\$ 1,013,153,821	\$ 1,013,271,693	\$ 432,346
Investments				
Cash Management Fund	242,830,092	2,077,643,982	2,040,401,497	280,072,577
Receivables, net - other	105,274,419	1,044,495,593	1,058,239,601	91,530,411
Total Assets	<u>\$ 348,654,729</u>	<u>\$ 4,135,293,396</u>	<u>\$ 4,111,912,791</u>	<u>\$ 372,035,334</u>
Liabilities				
Accounts payable and accruals	\$ 348,296,817	\$ 1,228,072,234	\$ 1,204,435,154	\$ 371,933,897
Due to other funds	357,912	101,437	357,912	101,437
Total Liabilities	<u>\$ 348,654,729</u>	<u>\$ 1,228,173,671</u>	<u>\$ 1,204,793,066</u>	<u>\$ 372,035,334</u>
WAGE AND HOUR TRUST FUND				
Assets				
Cash and cash equivalents	\$ 376,342	\$ 1,034,694	\$ 861,014	\$ 550,022
Investments				
Cash Management Fund	4,865	64	-	4,929
Total Assets	<u>\$ 381,207</u>	<u>\$ 1,034,758</u>	<u>\$ 861,014</u>	<u>\$ 554,951</u>
Liabilities				
Accounts payable and accruals	\$ 376,546	\$ 1,034,607	\$ 856,266	\$ 554,887
Due to other funds	4,661	151	4,748	64
Total Liabilities	<u>\$ 381,207</u>	<u>\$ 1,034,758</u>	<u>\$ 861,014</u>	<u>\$ 554,951</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 42,588,690	\$ 5,080,647,477	\$ 5,079,542,555	\$ 43,693,612
Investments				
Cash Management Fund	782,355,120	8,600,993,753	8,568,986,365	814,362,508
Receivables, net - employers	258,955	1,166,759	1,234,414	191,300
Receivables, net - other	226,345,429	3,914,938,260	3,825,447,617	315,836,072
Due from other funds	40,221,177	40,516,698	40,362,058	40,375,817
Total Assets	<u>\$ 1,091,769,371</u>	<u>\$ 17,638,262,947</u>	<u>\$ 17,515,573,009</u>	<u>\$ 1,214,459,309</u>
Liabilities				
Accounts payable and accruals	\$ 1,090,085,771	\$ 6,305,148,864	\$ 6,182,526,152	\$ 1,212,708,483
Due to other funds	1,683,600	1,750,913	1,683,687	1,750,826
Total Liabilities	<u>\$ 1,091,769,371</u>	<u>\$ 6,306,899,777</u>	<u>\$ 6,184,209,839</u>	<u>\$ 1,214,459,309</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2018

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ 40,722	\$ 134,113
Securities lending collateral	-	-	-
Investments			
Cash Management Fund	2,388,267	7,415	1,552,981
Common Pension Fund D	-	-	-
Common Pension Fund E	-	-	-
Domestic Equities	-	-	-
Equity Mutual Funds	-	-	-
Fixed Income Mutual Funds	-	-	-
Receivables, net of allowances for uncollectibles			
Members	-	-	-
Employers	-	-	-
Interest and dividends	-	17	55
Due from other funds	-	-	-
Other	-	-	205,783
Total Assets	<u>2,388,267</u>	<u>48,154</u>	<u>1,892,932</u>
LIABILITIES			
Accounts payable and accruals	-	18,350	1,114
Benefits payable	-	29,704	127,595
Securities lending collateral and rebates payable	-	-	-
Due to other funds	-	100	760
Total Liabilities	<u>-</u>	<u>48,154</u>	<u>129,469</u>
NET POSITION			
Restricted for Pensions	2,388,267	-	1,763,463
Restricted for OPEB	-	-	-
Total Net Position	<u>\$ 2,388,267</u>	<u>\$ -</u>	<u>\$ 1,763,463</u>

<u>Defined Contribution Retirement Program</u>	<u>Judicial Retirement System</u>	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Police and Firemen's Retirement System</u>
\$ 22,718	\$ 4,975,574	\$ 14,831	\$ 205,366,800
-	1,759,881	-	267,551,678
11,641,477	5,455,618	9,161,453	57,568,282
-	108,018,095	-	16,421,808,549
-	52,386,040	-	8,024,631,500
-	-	568,546,130	-
-	-	3,287,755,423	-
-	-	452,415,003	-
-	82,088	-	47,947,456
-	-	-	1,095,041,516
-	756	520,663	3,874,133
-	355,009	-	4,322,428
-	1,235,216	192,818	1,458,028,231
<u>11,664,195</u>	<u>174,268,277</u>	<u>4,318,606,321</u>	<u>27,586,140,573</u>
-	46	1,485,975	6,699,378
-	4,655,794	-	209,791,901
-	1,759,831	-	267,544,086
-	128,258	-	3,549,108
-	<u>6,543,929</u>	<u>1,485,975</u>	<u>487,584,473</u>
11,664,195	167,724,348	4,317,120,346	27,098,556,100
-	-	-	-
<u>\$ 11,664,195</u>	<u>\$ 167,724,348</u>	<u>\$ 4,317,120,346</u>	<u>\$ 27,098,556,100</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS (Continued)
JUNE 30, 2018

	<u>Prison Officers'</u> <u>Pension Fund</u>	<u>Public Employees'</u> <u>Retirement System</u>	<u>State</u> <u>Health Benefits</u> <u>Fund - Local</u> <u>Government Retired</u>
ASSETS			
Cash and cash equivalents	\$ 228,655	\$ 322,533,336	\$ 232,329
Securities lending collateral	-	304,075,112	-
Investments			
Cash Management Fund	5,075,199	58,486,184	311,353,210
Common Pension Fund D	-	18,663,546,817	-
Common Pension Fund E	-	9,119,818,091	-
Domestic Equities	-	-	-
Equity Mutual Funds	-	-	-
Fixed Income Mutual Funds	-	-	-
Receivables, net of allowances for uncollectibles			
Members	-	32,538,036	984,268
Employers	-	1,109,543,958	11,091,537
Interest and dividends	38	55,798	-
Due from other funds	-	37,557,442	-
Other	-	592,579,490	36,720,075
Total Assets	<u>5,303,892</u>	<u>30,240,734,264</u>	<u>360,381,419</u>
LIABILITIES			
Accounts payable and accruals	673	123,188,574	-
Benefits payable	78,900	335,875,743	45,858,953
Securities lending collateral and rebates payable	-	304,066,483	-
Due to other funds	863	5,228,928	37,380
Total Liabilities	<u>80,436</u>	<u>768,359,728</u>	<u>45,896,333</u>
NET POSITION			
Restricted for Pensions	5,223,456	29,472,374,536	-
Restricted for OPEB	-	-	314,485,086
Total Net Position	<u>\$ 5,223,456</u>	<u>\$ 29,472,374,536</u>	<u>\$ 314,485,086</u>

<u>State Police Retirement System</u>	<u>Supplemental Annuity Collective Trust</u>	<u>Teachers' Pension and Annuity Fund</u>	<u>Total Pension and Other Employee Benefits Trust Funds</u>
\$ 17,904,920	\$ 147,186	\$ 371,943,696	\$ 923,544,880
19,294,715	-	247,244,970	839,926,356
17,178,875	1,845,135	68,939,752	550,653,848
1,184,272,588	-	15,175,421,815	51,553,067,864
574,343,332	-	7,389,928,845	25,161,107,808
-	232,926,678	-	801,472,808
-	-	-	3,287,755,423
-	-	-	452,415,003
775	423,681	17,703,389	99,679,693
-	-	83,953,015	2,299,630,026
3,102	191,948	63,622	4,710,132
1,471,276	15,248	69,241,755	112,963,158
13,816,885	1,120,645	279,828,073	2,383,727,216
<u>1,828,286,468</u>	<u>236,670,521</u>	<u>23,704,268,932</u>	<u>88,470,654,215</u>
77,927	2,142,559	90,420,723	224,035,319
18,446,759	724,847	369,865,060	985,455,256
19,294,168	-	247,237,955	839,902,523
422,932	3,947	5,628,354	15,000,630
<u>38,241,786</u>	<u>2,871,353</u>	<u>713,152,092</u>	<u>2,064,393,728</u>
1,790,044,682	233,799,168	22,991,116,840	86,091,775,401
-	-	-	314,485,086
<u>\$ 1,790,044,682</u>	<u>\$ 233,799,168</u>	<u>\$ 22,991,116,840</u>	<u>\$ 86,406,260,487</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ADDITIONS			
Contributions:			
Members	\$ -	\$ -	\$ -
Employers	3,878,579	324,000	325,000
Other	-	22,214	810,518
Total Contributions	3,878,579	346,214	1,135,518
Investment Income:			
Net increase (decrease) in fair value of investments	-	-	-
Interest and dividends	3,665	1,069	18,810
Total Investment Income	3,665	1,069	18,810
Less investment expense	-	-	1,456
Net Investment Income	3,665	1,069	17,354
Total Additions	3,882,244	347,283	1,152,872
DEDUCTIONS			
Benefit payments	3,376,140	342,040	1,289,899
Refunds of contributions	-	5,243	-
Administrative expense	-	-	4,006
Total Deductions	3,376,140	347,283	1,293,905
Total Changes in Net Assets Held in Trust	506,104	-	(141,033)
Net Position - July 1, 2017	1,882,163	-	1,904,496
Net Position - June 30, 2018	\$ 2,388,267	\$ -	\$ 1,763,463

<u>Defined Contribution Retirement Program</u>	<u>Judicial Retirement System</u>	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Police and Firemen's Retirement System</u>
\$ -	\$ 11,364,841	\$ 190,196,996	\$ 398,841,994
4,042,057	24,023,637	-	1,236,461,884
-	672,453	-	4,203,332
<u>4,042,057</u>	<u>36,060,931</u>	<u>190,196,996</u>	<u>1,639,507,210</u>
-	11,626,472	331,796,817	1,592,956,386
<u>127,722</u>	<u>3,204,540</u>	<u>11,310,243</u>	<u>548,256,412</u>
127,722	14,831,012	343,107,060	2,141,212,798
-	21,143	230,593	1,731,572
<u>127,722</u>	<u>14,809,869</u>	<u>342,876,467</u>	<u>2,139,481,226</u>
<u>4,169,779</u>	<u>50,870,800</u>	<u>533,073,463</u>	<u>3,778,988,436</u>
195,200	58,007,824	203,425,764	2,513,406,534
-	278,597	-	10,238,516
-	185,364	407,732	4,505,685
<u>195,200</u>	<u>58,471,785</u>	<u>203,833,496</u>	<u>2,528,150,735</u>
3,974,579	(7,600,985)	329,239,967	1,250,837,701
<u>7,689,616</u>	<u>175,325,333</u>	<u>3,987,880,379</u>	<u>25,847,718,399</u>
<u>\$ 11,664,195</u>	<u>\$ 167,724,348</u>	<u>\$ 4,317,120,346</u>	<u>\$ 27,098,556,100</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prison Officers' Pension Fund</u>	<u>Public Employees' Retirement System</u>	<u>State Health Benefits Fund - Local Government Retired</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ 860,173,485	\$ 53,987,166
Employers	-	1,680,631,409	474,742,947
Other	484,565	9,643,676	-
Total Contributions	<u>484,565</u>	<u>2,550,448,570</u>	<u>528,730,113</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	1,838,398,729	-
Interest and dividends	71,686	605,751,230	2,320,422
Total Investment Income	<u>71,686</u>	<u>2,444,149,959</u>	<u>2,320,422</u>
Less investment expense	1,471	8,386,400	-
Net Investment Income	<u>70,215</u>	<u>2,435,763,559</u>	<u>2,320,422</u>
Total Additions	<u>554,780</u>	<u>4,986,212,129</u>	<u>531,050,535</u>
DEDUCTIONS			
Benefit payments	947,877	3,813,712,429	421,621,253
Refunds of contributions	-	142,996,532	-
Administrative expense	4,315	21,368,150	8,200,113
Total Deductions	<u>952,192</u>	<u>3,978,077,111</u>	<u>429,821,366</u>
Total Changes in Net Assets Held in Trust	(397,412)	1,008,135,018	101,229,169
Net Position - July 1, 2017	<u>5,620,868</u>	<u>28,464,239,518</u>	<u>213,255,917</u>
Net Position - June 30, 2018	<u>\$ 5,223,456</u>	<u>\$ 29,472,374,536</u>	<u>\$ 314,485,086</u>

State Police Retirement System	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
\$ 22,651,336	\$ 6,074,603	\$ 821,272,019	\$ 2,364,562,440
74,603,780	-	1,516,131,450	5,015,164,743
13,714	-	3,066,093	18,916,565
<u>97,268,830</u>	<u>6,074,603</u>	<u>2,340,469,562</u>	<u>7,398,643,748</u>
118,766,237	19,502,399	1,549,694,540	5,462,741,580
<u>35,387,318</u>	<u>4,745,241</u>	<u>471,677,008</u>	<u>1,682,875,366</u>
154,153,555	24,247,640	2,021,371,548	7,145,616,946
<u>124,546</u>	<u>-</u>	<u>5,054,619</u>	<u>15,551,800</u>
<u>154,029,009</u>	<u>24,247,640</u>	<u>2,016,316,929</u>	<u>7,130,065,146</u>
<u>251,297,839</u>	<u>30,322,243</u>	<u>4,356,786,491</u>	<u>14,528,708,894</u>
222,117,649	22,615,594	4,345,295,975	11,606,354,178
255,650	-	63,313,327	217,087,865
<u>377,193</u>	<u>-</u>	<u>13,222,178</u>	<u>48,274,736</u>
<u>222,750,492</u>	<u>22,615,594</u>	<u>4,421,831,480</u>	<u>11,871,716,779</u>
28,547,347	7,706,649	(65,044,989)	2,656,992,115
<u>1,761,497,335</u>	<u>226,092,519</u>	<u>23,056,161,829</u>	<u>83,749,268,372</u>
<u>\$ 1,790,044,682</u>	<u>\$ 233,799,168</u>	<u>\$ 22,991,116,840</u>	<u>\$ 86,406,260,487</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2018**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
ASSETS		
Cash and cash equivalents	\$ 5,100	\$ 100
Investments		
Cash Management Fund	198,374	265,821
Due from other funds	-	-
Total Assets	<u>203,474</u>	<u>265,921</u>
LIABILITIES		
Accounts payable and accruals	-	-
Due to other funds	-	3,371
Total Liabilities	<u>-</u>	<u>3,371</u>
NET POSITION		
Restricted for Private Purpose Trust Funds	203,474	262,550
Total Net Position	<u>\$ 203,474</u>	<u>\$ 262,550</u>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ -	\$ 54,318	\$ 59,518
5,596,455	6,392,412	12,453,062
-	3,904	3,904
<u>5,596,455</u>	<u>6,450,634</u>	<u>12,516,484</u>
4,454,782	-	4,454,782
72,802	107,999	184,172
<u>4,527,584</u>	<u>107,999</u>	<u>4,638,954</u>
1,068,871	6,342,635	7,877,530
<u>\$ 1,068,871</u>	<u>\$ 6,342,635</u>	<u>\$ 7,877,530</u>

**STATE OF NEW JERSEY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
ADDITIONS		
Investment income:		
Interest and dividends	\$ 2,684	\$ 3,371
Total Investment Income	2,684	3,371
Miscellaneous	6,000	-
Total Additions	<u>8,684</u>	<u>3,371</u>
DEDUCTIONS		
Refunds and transfers to other systems	-	3,371
Payments in accordance with trust agreements	-	-
Total Deductions	<u>-</u>	<u>3,371</u>
Total Changes in Net Position Held in Trust	8,684	-
Net Position - July 1, 2017	<u>194,790</u>	<u>262,550</u>
Net Position - June 30, 2018	<u>\$ 203,474</u>	<u>\$ 262,550</u>

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 78,059	\$ 88,213	\$ 172,327
78,059	88,213	172,327
<u>18,201</u>	<u>62</u>	<u>24,263</u>
<u>96,260</u>	<u>88,275</u>	<u>196,590</u>
-	85,402	88,773
<u>466,477</u>	<u>143,976</u>	<u>610,453</u>
<u>466,477</u>	<u>229,378</u>	<u>699,226</u>
(370,217)	(141,103)	(502,636)
<u>1,439,088</u>	<u>6,483,738</u>	<u>8,380,166</u>
<u>\$ 1,068,871</u>	<u>\$ 6,342,635</u>	<u>\$ 7,877,530</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
JUNE 30, 2018

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 2,706,749,224	\$ 439,390,030	\$ 3,146,139,254
Investments	5,840,715,324	564,888,607	6,405,603,931
Receivables, net of allowances for uncollectibles			
Federal government	86,399,030	52,061,188	138,460,218
Loans	241,233,467	3,943,393	245,176,860
Mortgages	160,299,000	-	160,299,000
Other	124,158,591	141,131,203	265,289,794
Due from external parties	19,411,756	29,653,090	49,064,846
Inventories	19,296,336	-	19,296,336
Other	80,985,898	104,092,867	185,078,765
Total Current Assets	<u>9,279,248,626</u>	<u>1,335,160,378</u>	<u>10,614,409,004</u>
Noncurrent Assets			
Investments	691,511,154	663,115,959	1,354,627,113
Receivables, net of allowances for uncollectibles			
Loans	2,178,214,007	16,054,901	2,194,268,908
Mortgages	1,778,866,086	3,895,000	1,782,761,086
Other	16,324,746	14,849,942	31,174,688
Capital assets - nondepreciated	672,458,118	541,127,218	1,213,585,336
Capital assets - depreciated, net	1,444,414,981	4,563,897,288	6,008,312,269
Other	107,795,057	250,557,501	358,352,558
Total Noncurrent Assets	<u>6,889,584,149</u>	<u>6,053,497,809</u>	<u>12,943,081,958</u>
Deferred Outflows of Resources	<u>338,242,661</u>	<u>474,253,981</u>	<u>812,496,642</u>
Total Assets and Deferred Outflows of Resources	<u>16,507,075,436</u>	<u>7,862,912,168</u>	<u>24,369,987,604</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	183,054,632	215,853,600	398,908,232
Due to external parties	50,135,969	307,000	50,442,969
Interest payable	48,566,160	30,602,136	79,168,296
Unearned revenue	24,525,259	99,963,127	124,488,386
Current portion of long - term obligations	387,429,436	104,131,858	491,561,294
Other	264,343,477	53,744,181	318,087,658
Total Current Liabilities	<u>958,054,933</u>	<u>504,601,902</u>	<u>1,462,656,835</u>
Noncurrent Liabilities			
Net pension liability	811,911,482	1,677,152,394	2,489,063,876
Net OPEB liability	211,371,807	-	211,371,807
Total OPEB liability	33,469,644	-	33,469,644
Revenue bonds payable, net	1,422,753,528	-	1,422,753,528
Installment obligations, net	106,195,514	811,378,689	917,574,203
Other	4,408,293,990	2,372,741,653	6,781,035,643
Total Noncurrent Liabilities	<u>6,993,995,965</u>	<u>4,861,272,736</u>	<u>11,855,268,701</u>
Deferred Inflows of Resources	<u>210,501,369</u>	<u>603,545,884</u>	<u>814,047,253</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,162,552,267</u>	<u>5,969,420,522</u>	<u>14,131,972,789</u>
NET POSITION			
Net investment in capital assets	846,643,822	1,771,580,325	2,618,224,147
Restricted for:			
Capital projects	19,589,280	148,597,371	168,186,651
Debt service	1,004,789,490	71,766,908	1,076,556,398
Other purposes	6,042,260,146	567,238,923	6,609,499,069
Unrestricted	431,240,431	(665,691,881)	(234,451,450)
Total Net Position	<u>\$ 8,344,523,169</u>	<u>\$ 1,893,491,646</u>	<u>\$ 10,238,014,815</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
Expenses	\$ 3,110,987,135	\$ 3,097,719,236	\$ 6,208,706,371
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	1,065,467,844	1,614,803,475	2,680,271,319
Operating grants and contributions	665,089,554	1,097,645,628	1,762,735,182
Capital grants and contributions	<u>1,500,465,531</u>	<u>61,159,558</u>	<u>1,561,625,089</u>
Net (Expense) Revenue	<u>120,035,794</u>	<u>(324,110,575)</u>	<u>(204,074,781)</u>
General Revenue			
Payments from State	<u>313,172,536</u>	<u>340,339,792</u>	<u>653,512,328</u>
Total General Revenue	<u>313,172,536</u>	<u>340,339,792</u>	<u>653,512,328</u>
Change in Net Position	433,208,330	16,229,217	449,437,547
Net Position - Beginning of Year (Restated)	<u>7,911,314,839</u>	<u>1,877,262,429</u>	<u>9,788,577,268</u>
Net Position - End of Year	<u>\$ 8,344,523,169</u>	<u>\$ 1,893,491,646</u>	<u>\$ 10,238,014,815</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2018

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority	New Jersey Economic Development Authority
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 252,008,961	\$ 558,704,569	\$ 90,768,093
Investments	39,619,159	5,560,582,395	75,898,430
Receivables, net of allowances for uncollectibles			
Federal government	-	3,280,730	-
Loans	-	92,592,957	19,156,497
Mortgages	-	-	-
Other	25,768,627	60,728,104	-
Due from external parties	-	887,366	-
Inventories	-	-	-
Other	-	-	1,029,538
Total Current Assets	317,396,747	6,276,776,121	186,852,558
Noncurrent Assets			
Investments	-	-	158,645,570
Receivables, net of allowances for uncollectibles			
Loans	15,376,729	1,593,401,557	173,550,808
Mortgages	59,972,086	-	-
Other	-	-	-
Capital assets - nondepreciated	274,885,575	-	29,224,016
Capital assets - depreciated, net	244,457,869	3,159,585	32,739,999
Other	38,355,716	-	772,836
Total Noncurrent Assets	633,047,975	1,596,561,142	394,933,229
Deferred Outflows of Resources	6,479,613	-	25,213,367
Total Assets and Deferred Outflows of Resources	956,924,335	7,873,337,263	606,999,154
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	34,537,265	12,895,716	8,901,562
Due to external parties	-	39,199	-
Interest payable	15,659,206	7,415,470	-
Unearned revenue	3,595,058	-	1,430,185
Current portion of long-term obligations	33,932,122	227,685,000	1,126,654
Other	-	4,716,976	3,704,123
Total Current Liabilities	87,723,651	252,752,361	15,162,524
Noncurrent Liabilities			
Net pension liability	13,230,240	-	55,148,355
Net OPEB liability	-	-	5,306,586
Total OPEB liability	-	-	-
Revenue bonds payable, net	497,559,573	-	-
Installment obligations, net	-	-	-
Other	-	1,769,999,364	9,815,297
Total Noncurrent Liabilities	510,789,813	1,769,999,364	70,270,238
Deferred Inflows of Resources	7,085,001	-	11,069,760
Total Liabilities and Deferred Inflows of Resources	605,598,465	2,022,751,725	96,502,522
NET POSITION			
Net investment in capital assets	214,500,211	-	59,699,588
Restricted for:			
Capital projects	-	-	-
Debt service	47,864,606	285,545,299	-
Other purposes	167,060	5,565,040,239	33,454,700
Unrestricted	88,793,993	-	417,342,344
Total Net Position	\$ 351,325,870	\$ 5,850,585,538	\$ 510,496,632

New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	New Jersey Housing and Mortgage Finance Agency	New Jersey Infrastructure Bank
\$ 885,954	\$ 7,742,000	\$ 1,006,925,000	\$ 247,763,666
9,598,796	-	21,162,000	31,858,130
-	-	-	-
-	458,000	1,181,000	69,747,872
-	-	160,299,000	-
-	-	8,131,000	3,229,423
28,976	1,953,000	1,915,000	-
-	-	-	-
27,719	3,009,000	24,158,000	219,547
<u>10,541,445</u>	<u>13,162,000</u>	<u>1,223,771,000</u>	<u>352,818,638</u>
-	-	304,014,000	83,980,636
-	2,679,000	278,248,000	103,773,220
-	-	1,718,894,000	-
-	-	1,406,000	-
-	-	1,225,000	-
104,493	23,000	5,773,000	37,266
21,505	-	52,502,000	-
<u>125,998</u>	<u>2,702,000</u>	<u>2,362,062,000</u>	<u>187,791,122</u>
<u>1,998,397</u>	<u>1,446,000</u>	<u>69,287,000</u>	<u>-</u>
<u>12,665,840</u>	<u>17,310,000</u>	<u>3,655,120,000</u>	<u>540,609,760</u>
238,399	152,000	8,643,000	1,300,571
-	-	15,290,000	-
-	-	13,799,000	-
-	1,789,000	-	-
-	-	94,950,000	-
-	-	239,702,000	131,857
<u>238,399</u>	<u>1,941,000</u>	<u>372,384,000</u>	<u>1,432,428</u>
4,442,353	5,094,000	66,132,000	-
624,737	-	75,846,000	-
-	-	-	-
-	-	-	-
-	-	-	-
12,930	-	2,181,517,000	-
<u>5,080,020</u>	<u>5,094,000</u>	<u>2,323,495,000</u>	<u>-</u>
<u>1,198,727</u>	<u>1,460,000</u>	<u>18,387,000</u>	<u>-</u>
<u>6,517,146</u>	<u>8,495,000</u>	<u>2,714,266,000</u>	<u>1,432,428</u>
125,998	23,000	6,998,000	37,266
-	-	-	-
-	-	440,131,000	115,538,234
-	3,212,000	24,557,000	397,017,715
6,022,696	5,580,000	469,168,000	26,584,117
<u>\$ 6,148,694</u>	<u>\$ 8,815,000</u>	<u>\$ 940,854,000</u>	<u>\$ 539,177,332</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - AUTHORITIES (Continued)
JUNE 30, 2018

	<u>New Jersey Redevelopment Authority</u>	<u>New Jersey Sports and Exposition Authority</u>	<u>New Jersey Water Supply Authority</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 171,421	\$ 24,652,564	\$ 58,408,951
Investments	-	-	5,378,034
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Loans	1,135,548	-	47,241,593
Mortgages	-	-	-
Other	-	5,080,230	3,722,821
Due from external parties	-	412,878	-
Inventories	-	-	-
Other	23,903	193,117	977,780
Total Current Assets	<u>1,330,872</u>	<u>30,338,789</u>	<u>115,729,179</u>
Noncurrent Assets			
Investments	25,175,911	19,224,940	10,715,097
Receivables, net of allowances for uncollectibles			
Loans	11,184,693	-	-
Mortgages	-	-	-
Other	2,125,990	12,792,756	-
Capital assets - nondepreciated	-	137,303,401	42,575,368
Capital assets - depreciated, net	33,029	176,535,500	101,861,913
Other	-	-	-
Total Noncurrent Assets	<u>38,519,623</u>	<u>345,856,597</u>	<u>155,152,378</u>
Deferred Outflows of Resources	<u>1,836,827</u>	<u>6,075,359</u>	<u>7,402,086</u>
Total Assets and Deferred Outflows of Resources	<u>41,687,322</u>	<u>382,270,745</u>	<u>278,283,643</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	478,099	7,991,892	9,751,675
Due to external parties	297,360	-	-
Interest payable	-	-	332,524
Unearned revenue	-	14,627,084	2,174,896
Current portion of long-term obligations	-	3,690,840	3,931,252
Other	-	-	-
Total Current Liabilities	<u>775,459</u>	<u>26,309,816</u>	<u>16,190,347</u>
Noncurrent Liabilities			
Net pension liability	3,612,224	23,596,769	23,038,776
Net OPEB liability	-	30,577,804	-
Total OPEB liability	-	-	33,469,644
Revenue bonds payable, net	-	-	-
Installment obligations, net	-	-	106,195,514
Other	593,237	73,586,973	-
Total Noncurrent Liabilities	<u>4,205,461</u>	<u>127,761,546</u>	<u>162,703,934</u>
Deferred Inflows of Resources	<u>938,495</u>	<u>60,531,616</u>	<u>10,966,105</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,919,415</u>	<u>214,602,978</u>	<u>189,860,386</u>
NET POSITION			
Net investment in capital assets	33,029	311,498,332	59,275,272
Restricted for:			
Capital projects	19,589,280	-	-
Debt service	-	-	13,434,461
Other purposes	-	11,271,482	-
Unrestricted	16,145,598	(155,102,047)	15,713,524
Total Net Position	<u>\$ 35,767,907</u>	<u>\$ 167,667,767</u>	<u>\$ 88,423,257</u>

<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>University Hospital</u>	<u>Total Non-Major Authorities</u>
\$ 316,518,512	\$ 78,210,533	\$ 63,989,000	\$ 2,706,749,224
8,628,551	81,875,829	6,114,000	5,840,715,324
-	18,300	83,100,000	86,399,030
-	9,720,000	-	241,233,467
-	-	-	160,299,000
11,930,386	5,568,000	-	124,158,591
14,214,536	-	-	19,411,756
1,276,913	85,423	17,934,000	19,296,336
208,602	1,890,692	49,248,000	80,985,898
<u>352,777,500</u>	<u>177,368,777</u>	<u>220,385,000</u>	<u>9,279,248,626</u>
-	-	89,755,000	691,511,154
-	-	-	2,178,214,007
-	-	-	1,778,866,086
-	-	-	16,324,746
21,045,085	164,601,673	1,598,000	672,458,118
234,000,120	441,283,207	204,406,000	1,444,414,981
-	-	16,143,000	107,795,057
<u>255,045,205</u>	<u>605,884,880</u>	<u>311,902,000</u>	<u>6,889,584,149</u>
<u>7,815,167</u>	<u>35,470,845</u>	<u>175,218,000</u>	<u>338,242,661</u>
<u>615,637,872</u>	<u>818,724,502</u>	<u>707,505,000</u>	<u>16,507,075,436</u>
1,022,330	11,802,123	85,340,000	183,054,632
304,076	208,334	33,997,000	50,135,969
7,864,351	3,495,609	-	48,566,160
-	660,036	249,000	24,525,259
13,599,860	8,306,708	207,000	387,429,436
-	10,218,521	5,870,000	264,343,477
<u>22,790,617</u>	<u>34,691,331</u>	<u>125,663,000</u>	<u>958,054,933</u>
18,575,176	57,469,589	541,572,000	811,911,482
1,189,516	97,827,164	-	211,371,807
-	-	-	33,469,644
504,543,955	420,650,000	-	1,422,753,528
-	-	-	106,195,514
9,200,978	20,859,211	342,709,000	4,408,293,990
<u>533,509,625</u>	<u>596,805,964</u>	<u>884,281,000</u>	<u>6,993,995,965</u>
<u>5,653,338</u>	<u>16,538,327</u>	<u>76,673,000</u>	<u>210,501,369</u>
<u>561,953,580</u>	<u>648,035,622</u>	<u>1,086,617,000</u>	<u>8,162,552,267</u>
9,067,720	174,781,406	10,604,000	846,643,822
-	-	-	19,589,280
37,293,188	64,982,702	-	1,004,789,490
1,276,913	6,263,037	-	6,042,260,146
6,046,471	(75,338,265)	(389,716,000)	431,240,431
<u>\$ 53,684,292</u>	<u>\$ 170,688,880</u>	<u>\$ (379,112,000)</u>	<u>\$ 8,344,523,169</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Casino Reinvestment Development Authority</u>	<u>Higher Education Student Assistance Authority</u>	<u>New Jersey Economic Development Authority</u>
Expenses	\$ 92,996,613	\$ 1,479,377,094	\$ 133,004,442
 Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	47,000,419	22,553,168	49,968,124
Operating grants and contributions	55,123,919	274,754,176	2,420,020
Capital grants and contributions	<u>-</u>	<u>1,486,530,302</u>	<u>-</u>
Net (Expense) Revenue	<u>9,127,725</u>	<u>304,460,552</u>	<u>(80,616,298)</u>
 General Revenue			
Payments from State	<u>-</u>	<u>-</u>	<u>69,627,645</u>
Total General Revenue	<u>-</u>	<u>-</u>	<u>69,627,645</u>
 Change in Net Position	 9,127,725	 304,460,552	 (10,988,653)
 Net Position - Beginning of Year (Restated)	 <u>342,198,145</u>	 <u>5,546,124,986</u>	 <u>521,485,285</u>
Net Position - End of Year	<u>\$ 351,325,870</u>	<u>\$ 5,850,585,538</u>	<u>\$ 510,496,632</u>

<u>New Jersey Educational Facilities Authority</u>	<u>New Jersey Health Care Facilities Financing Authority</u>	<u>New Jersey Housing and Mortgage Finance Agency</u>	<u>New Jersey Infrastructure Bank</u>
\$ 3,083,649	\$ 3,291,000	\$ 322,375,000	\$ 5,913,519
3,166,792	3,925,000	192,388,000	5,990,865
69,933	78,000	172,416,000	1,645,423
-	-	-	-
<u>153,076</u>	<u>712,000</u>	<u>42,429,000</u>	<u>1,722,769</u>
-	-	-	152,979,667
-	-	-	152,979,667
153,076	712,000	42,429,000	154,702,436
<u>5,995,618</u>	<u>8,103,000</u>	<u>898,425,000</u>	<u>384,474,896</u>
<u>\$ 6,148,694</u>	<u>\$ 8,815,000</u>	<u>\$ 940,854,000</u>	<u>\$ 539,177,332</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>New Jersey Redevelopment Authority</u>	<u>New Jersey Sports and Exposition Authority</u>	<u>New Jersey Water Supply Authority</u>
Expenses	\$ 2,700,822	\$ 79,067,790	\$ 26,054,038
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	182,769	55,750,164	32,712,001
Operating grants and contributions	1,949,190	17,442	521,185
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>
Net (Expense) Revenue	<u>(568,863)</u>	<u>(23,300,184)</u>	<u>7,179,148</u>
General Revenue			
Payments from State	<u>-</u>	<u>12,000,000</u>	<u>-</u>
Total General Revenue	<u>-</u>	<u>12,000,000</u>	<u>-</u>
Change in Net Position	(568,863)	(11,300,184)	7,179,148
Net Position - Beginning of Year (Restated)	<u>36,336,770</u>	<u>178,967,951</u>	<u>81,244,109</u>
Net Position - End of Year	<u>\$ 35,767,907</u>	<u>\$ 167,667,767</u>	<u>\$ 88,423,257</u>

<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>University Hospital</u>	<u>Total Non-Major Authorities</u>
\$ 57,280,676	\$ 121,548,492	\$ 784,294,000	\$ 3,110,987,135
25,098,646	109,942,896	516,789,000	1,065,467,844
4,822,365	2,330,901	148,941,000	665,089,554
<u>7,683,862</u>	<u>3,169,367</u>	<u>3,082,000</u>	<u>1,500,465,531</u>
<u>(19,675,803)</u>	<u>(6,105,328)</u>	<u>(115,482,000)</u>	<u>120,035,794</u>
<u>22,750,224</u>	<u>-</u>	<u>55,815,000</u>	<u>313,172,536</u>
<u>22,750,224</u>	<u>-</u>	<u>55,815,000</u>	<u>313,172,536</u>
3,074,421	(6,105,328)	(59,667,000)	433,208,330
<u>50,609,871</u>	<u>176,794,208</u>	<u>(319,445,000)</u>	<u>7,911,314,839</u>
<u>\$ 53,684,292</u>	<u>\$ 170,688,880</u>	<u>\$ (379,112,000)</u>	<u>\$ 8,344,523,169</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2018

	<u>The College of New Jersey</u>	<u>Kean University</u>	<u>Montclair State University</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 17,288,000	\$ 191,438,218	\$ 26,059,685
Investments	69,589,000	36,424,178	94,730,132
Receivables, net of allowances for uncollectibles			
Federal government	-	2,419,763	4,890,247
Loans	922,000	354,145	597,978
Other	14,895,000	1,756,435	19,528,010
Due from external parties	-	2,950,991	7,559,099
Other	17,768,000	6,357,612	1,889,994
Total Current Assets	<u>120,462,000</u>	<u>241,701,342</u>	<u>155,255,145</u>
Noncurrent Assets			
Investments	64,894,000	7,027,437	160,031,752
Receivables, net of allowances for uncollectibles			
Loans	2,906,000	2,037,769	3,267,904
Mortgages	-	-	-
Other	-	56,227	5,199,972
Capital assets - nondepreciated	47,313,000	27,169,190	95,349,260
Capital assets - depreciated, net	632,683,000	446,340,409	818,219,344
Other	51,585,000	1,088,372	1,846,499
Total Noncurrent Assets	<u>799,381,000</u>	<u>483,719,404</u>	<u>1,083,914,731</u>
Deferred Outflows of Resources	<u>68,276,000</u>	<u>55,312,969</u>	<u>53,744,649</u>
Total Assets and Deferred Outflows of Resources	<u>988,119,000</u>	<u>780,733,715</u>	<u>1,292,914,525</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	31,981,000	11,553,282	26,211,193
Due to external parties	-	-	-
Interest payable	-	4,956,298	9,897,031
Unearned revenue	1,470,000	15,188,633	15,478,136
Current portion of long-term obligations	14,282,000	12,093,267	12,763,181
Other	4,708,000	3,353,614	7,511,402
Total Current Liabilities	<u>52,441,000</u>	<u>47,145,094</u>	<u>71,860,943</u>
Noncurrent Liabilities			
Net pension liability	159,574,000	150,992,759	207,673,278
Installment obligations, net	-	-	-
Other	402,209,000	322,185,064	424,856,504
Total Noncurrent Liabilities	<u>561,783,000</u>	<u>473,177,823</u>	<u>632,529,782</u>
Deferred Inflows of Resources	<u>24,312,000</u>	<u>34,413,075</u>	<u>236,263,613</u>
Total Liabilities and Deferred Inflows of Resources	<u>638,536,000</u>	<u>554,735,992</u>	<u>940,654,338</u>
NET POSITION			
Net investment in capital assets	335,745,000	166,587,024	254,445,841
Restricted for:			
Capital projects	4,556,000	80,957,371	-
Debt service	10,274,000	67,447	20,832,306
Other purposes	34,300,000	36,111,150	109,995,756
Unrestricted	<u>(35,292,000)</u>	<u>(57,725,269)</u>	<u>(33,013,716)</u>
Total Net Position	<u>\$ 349,583,000</u>	<u>\$ 225,997,723</u>	<u>\$ 352,260,187</u>

<u>New Jersey City University</u>	<u>New Jersey Institute of Technology</u>	<u>Ramapo College of New Jersey</u>	<u>Rowan University</u>	<u>Stockton University</u>
\$ 6,752,073	\$ 13,477,000	\$ 74,922,000	\$ 82,703,302	\$ 5,557,751
50,853,169	94,846,000	22,025,000	63,490,887	12,700,000
780,445	33,447,000	-	6,749,797	1,263,005
-	304,000	98,000	-	336,442
17,428,229	5,532,000	6,282,000	39,584,736	12,111,884
-	19,143,000	-	-	-
3,209,558	2,232,000	58,000	28,828,219	14,433,145
<u>79,023,474</u>	<u>168,981,000</u>	<u>103,385,000</u>	<u>221,356,941</u>	<u>46,402,227</u>
10,635,133	157,886,000	37,677,000	109,737,865	104,187,378
603,699	398,000	511,000	4,367,986	1,890,430
-	3,095,000	-	800,000	-
-	578,000	4,148,000	1,549,490	3,048,253
31,537,693	42,119,000	9,754,000	67,333,018	154,775,093
267,100,541	478,105,000	317,515,000	873,108,856	329,803,459
945,284	737,000	4,000	193,264,385	1,086,961
<u>310,822,350</u>	<u>682,918,000</u>	<u>369,609,000</u>	<u>1,250,161,600</u>	<u>594,791,574</u>
<u>37,174,927</u>	<u>41,804,000</u>	<u>20,242,000</u>	<u>93,072,417</u>	<u>48,963,070</u>
<u>427,020,751</u>	<u>893,703,000</u>	<u>493,236,000</u>	<u>1,564,590,958</u>	<u>690,156,871</u>
4,305,928	30,919,000	12,395,000	48,864,799	28,292,570
-	307,000	-	-	-
4,444,863	7,489,000	-	-	-
6,320,323	14,942,000	6,873,000	22,843,932	5,330,187
7,781,503	7,259,000	8,421,000	23,970,778	7,401,599
11,979,801	12,069,000	2,126,000	2,957,568	5,939,011
<u>34,832,418</u>	<u>72,985,000</u>	<u>29,815,000</u>	<u>98,637,077</u>	<u>46,963,367</u>
150,813,054	153,057,000	94,937,000	313,603,691	195,520,798
-	-	-	619,343,625	-
<u>229,271,663</u>	<u>364,012,000</u>	<u>250,421,000</u>	<u>19,790,590</u>	<u>345,188,165</u>
<u>380,084,717</u>	<u>517,069,000</u>	<u>345,358,000</u>	<u>952,737,906</u>	<u>540,708,963</u>
<u>21,543,301</u>	<u>23,818,000</u>	<u>17,006,000</u>	<u>181,452,576</u>	<u>26,614,154</u>
<u>436,460,436</u>	<u>613,872,000</u>	<u>392,179,000</u>	<u>1,232,827,559</u>	<u>614,286,484</u>
92,412,106	176,307,000	97,368,000	223,377,486	148,018,610
-	15,281,000	47,803,000	-	-
4,900,142	1,180,000	-	17,920,163	8,442,850
15,761,169	106,443,000	26,867,000	175,295,750	37,388,639
(122,513,102)	(19,380,000)	(70,981,000)	(84,830,000)	(117,979,712)
<u>\$ (9,439,685)</u>	<u>\$ 279,831,000</u>	<u>\$ 101,057,000</u>	<u>\$ 331,763,399</u>	<u>\$ 75,870,387</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES (Continued)
JUNE 30, 2018

	Thomas Edison State University	The William Paterson University of New Jersey	Total Non-Major Colleges and Universities
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 8,762,257	\$ 12,429,744	\$ 439,390,030
Investments	26,927,147	93,303,094	564,888,607
Receivables, net of allowances for uncollectibles			
Federal government	1,617,576	893,355	52,061,188
Loans	-	1,330,828	3,943,393
Other	9,615,924	14,396,985	141,131,203
Due from external parties	-	-	29,653,090
Other	508,306	28,808,033	104,092,867
Total Current Assets	<u>47,431,210</u>	<u>151,162,039</u>	<u>1,335,160,378</u>
Noncurrent Assets			
Investments	11,039,394	-	663,115,959
Receivables, net of allowances for uncollectibles			
Loans	-	72,113	16,054,901
Mortgages	-	-	3,895,000
Other	270,000	-	14,849,942
Capital assets - nondepreciated	2,130,647	63,646,317	541,127,218
Capital assets - depreciated, net	65,302,725	335,718,954	4,563,897,288
Other	-	-	250,557,501
Total Noncurrent Assets	<u>78,742,766</u>	<u>399,437,384</u>	<u>6,053,497,809</u>
Deferred Outflows of Resources	<u>20,377,509</u>	<u>35,286,440</u>	<u>474,253,981</u>
Total Assets and Deferred Outflows of Resources	<u>146,551,485</u>	<u>585,885,863</u>	<u>7,862,912,168</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	8,942,200	12,388,628	215,853,600
Due to external parties	-	-	307,000
Interest payable	-	3,814,944	30,602,136
Unearned revenue	7,410,697	4,106,219	99,963,127
Current portion of long-term obligations	1,345,016	8,814,514	104,131,858
Other	23,784	3,076,001	53,744,181
Total Current Liabilities	<u>17,721,697</u>	<u>32,200,306</u>	<u>504,601,902</u>
Noncurrent Liabilities			
Net pension liability	76,676,239	174,304,575	1,677,152,394
Installment obligations, net	-	192,035,064	811,378,689
Other	10,484,174	4,323,493	2,372,741,653
Total Noncurrent Liabilities	<u>87,160,413</u>	<u>370,663,132</u>	<u>4,861,272,736</u>
Deferred Inflows of Resources	<u>11,881,575</u>	<u>26,241,590</u>	<u>603,545,884</u>
Total Liabilities and Deferred Inflows of Resources	<u>116,763,685</u>	<u>429,105,028</u>	<u>5,969,420,522</u>
NET POSITION			
Net investment in capital assets	62,191,573	215,127,685	1,771,580,325
Restricted for:			
Capital projects	-	-	148,597,371
Debt service	-	8,150,000	71,766,908
Other purposes	3,417,382	21,659,077	567,238,923
Unrestricted	<u>(35,821,155)</u>	<u>(88,155,927)</u>	<u>(665,691,881)</u>
Total Net Position	<u>\$ 29,787,800</u>	<u>\$ 156,780,835</u>	<u>\$ 1,893,491,646</u>

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>The College of New Jersey</u>	<u>Kean University</u>	<u>Montclair State University</u>
Expenses	\$ 272,636,000	\$ 258,315,255	\$ 494,519,924
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	163,870,000	135,591,436	263,617,413
Operating grants and contributions	75,747,000	121,121,084	174,593,076
Capital grants and contributions	<u>6,833,000</u>	<u>-</u>	<u>3,105,570</u>
Net (Expense) Revenue	<u>(26,186,000)</u>	<u>(1,602,735)</u>	<u>(53,203,865)</u>
General Revenue			
Payments from State	<u>27,177,000</u>	<u>30,469,000</u>	<u>35,859,000</u>
Total General Revenue	<u>27,177,000</u>	<u>30,469,000</u>	<u>35,859,000</u>
Change in Net Position	991,000	28,866,265	(17,344,865)
Net Position - Beginning of Year (Restated)	<u>348,592,000</u>	<u>197,131,458</u>	<u>369,605,052</u>
Net Position - End of Year	<u><u>\$ 349,583,000</u></u>	<u><u>\$ 225,997,723</u></u>	<u><u>\$ 352,260,187</u></u>

<u>New Jersey City University</u>	<u>New Jersey Institute of Technology</u>	<u>Ramapo College of New Jersey</u>	<u>Rowan University</u>	<u>Stockton University</u>
\$ 231,688,151	\$ 433,417,000	\$ 172,362,000	\$ 596,507,330	\$ 282,772,263
109,817,970	153,746,000	120,031,000	404,230,798	110,699,364
80,102,235	233,117,000	39,906,000	98,193,490	135,066,417
<u>4,027,158</u>	<u>648,000</u>	<u>1,876,000</u>	<u>15,251,915</u>	<u>23,277,413</u>
<u>(37,740,788)</u>	<u>(45,906,000)</u>	<u>(10,549,000)</u>	<u>(78,831,127)</u>	<u>(13,729,069)</u>
<u>24,154,000</u>	<u>45,440,000</u>	<u>14,953,000</u>	<u>104,054,091</u>	<u>18,391,000</u>
<u>24,154,000</u>	<u>45,440,000</u>	<u>14,953,000</u>	<u>104,054,091</u>	<u>18,391,000</u>
(13,586,788)	(466,000)	4,404,000	25,222,964	4,661,931
<u>4,147,103</u>	<u>280,297,000</u>	<u>96,653,000</u>	<u>306,540,435</u>	<u>71,208,456</u>
<u>\$ (9,439,685)</u>	<u>\$ 279,831,000</u>	<u>\$ 101,057,000</u>	<u>\$ 331,763,399</u>	<u>\$ 75,870,387</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Thomas Edison State University</u>	<u>The William Patterson University of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
Expenses	\$ 103,168,000	\$ 252,333,313	\$ 3,097,719,236
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	47,471,334	105,728,160	1,614,803,475
Operating grants and contributions	42,908,544	96,890,782	1,097,645,628
Capital grants and contributions	<u>234,097</u>	<u>5,906,405</u>	<u>61,159,558</u>
Net (Expense) Revenue	<u>(12,554,025)</u>	<u>(43,807,966)</u>	<u>(324,110,575)</u>
General Revenue			
Payments from State	<u>9,485,701</u>	<u>30,357,000</u>	<u>340,339,792</u>
Total General Revenue	<u>9,485,701</u>	<u>30,357,000</u>	<u>340,339,792</u>
Change in Net Position	(3,068,324)	(13,450,966)	16,229,217
Net Position - Beginning of Year (Restated)	<u>32,856,124</u>	<u>170,231,801</u>	<u>1,877,262,429</u>
Net Position - End of Year	<u>\$ 29,787,800</u>	<u>\$ 156,780,835</u>	<u>\$ 1,893,491,646</u>

STATE OF NEW JERSEY DESCRIPTION OF FUNDS

General Fund

100 - General Fund

This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Annual Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

508 - Beaches and Harbor Fund (P.L. 1977, c.208)

An amount of \$30 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

586 - Building Our Future Fund (P.L. 2012, c.41)

An amount of \$750 million of General Obligation bonds was authorized to provide capital project grants to New Jersey's public and private institutions of higher education in order to increase academic capacity. Grants were allocated as follows: \$300 million for the public research universities; \$247.5 million for the State colleges and universities established pursuant to chapter 64 of Title 18A of the New Jersey Statutes; \$150 million for the county colleges; and \$52.5 million for the private institutions of higher education, other than a private institution having a total endowment of more than \$1 billion.

503 - Clean Waters Fund (P.L. 1976, c.92)

An amount of \$120 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

542 - Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)

An amount of \$100 million of General Obligation bonds was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair, or rehabilitation of historic structures in the State (\$25 million); and for the purpose of providing for grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

574 - 2003 Dam, Lake and Stream Project Revolving Loan Fund (P.L. 2003, c.162)

An amount of \$110 million of General Obligation bonds was authorized to make low-interest loans to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects.

573 - 2003 Dam, Lake, Stream, and Flood Control Project Fund (P.L. 2003, c.162)

An amount of \$40 million of General Obligation bonds was authorized to provide assistance, other than full or matching grants, to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects, and for State flood control projects or State dam restoration and repair projects.

557 - 1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

An amount of \$20 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

547 - 1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

An amount of \$20 million of General Obligation bonds was authorized to provide for the acquisition and development rights of land by the State for recreation and conservation purposes.

561 - Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

An amount of \$160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community-based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

568 - Dredging and Containment Facility Fund (P.L. 1996, c.70)

An amount of \$185 million of General Obligation bonds was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million of General Obligation bonds was authorized for the purpose of dredging navigation channels located in the port region.

570 - 1996 Economic Development Site Fund (P.L. 1996, c.70)

An amount of \$20 million of General Obligation bonds was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

520 - Emergency Flood Control Fund (P.L. 1978, c.78)

An amount of \$25 million of General Obligation bonds was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

703 - Emergency Services Fund (N.J.S.A. 52:14E-5)

General Fund appropriations are credited to the fund and, on an as needed basis, reimburse municipalities or counties for damage or excess costs as a result of an emergency.

569 - 1996 Environmental Cleanup Fund (P.L. 1996, c.70)

An amount of \$70 million of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by discharge.

546 - 1989 Farmland Preservation Fund (P.L. 1989, c.183)

An amount of \$50 million of General Obligation bonds was authorized for the purpose of farmland preservation for agricultural use and production.

554 - 1992 Farmland Preservation Fund (P.L. 1992, c.88)

An amount of \$50 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for farmland preservation and agricultural use.

565 - 1995 Farmland Preservation Fund (P.L. 1995, c.204)

An amount of \$50 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

579 - 2007 Farmland Preservation Fund (P.L. 2007, c.119)

An amount of \$73 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 for the purpose of farmland preservation. Of the amount authorized pursuant to this act, not more than 5 percent shall be utilized for administrative costs of the fund.

585 - 2009 Farmland Preservation Fund (P.L. 2009, c.117)

An amount of \$146 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 for the purpose of farmland preservation. Of the amount authorized pursuant to this act, not more than 5 percent shall be utilized for administrative costs of the fund.

577 - 2007 Green Acres Fund (P.L. 2007, c.119)

An amount of \$109 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 to provide monies for public acquisition and development of land for recreation and conservation purposes.

582 - 2009 Green Acres Fund (P.L. 2009, c.117)

An amount of \$218 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 to provide monies for public acquisition and development of land for recreation and conservation purposes.

533 - Green Trust Fund (P.L. 1983, c.354)

An amount of \$83 million of General Obligation bonds was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

528 - Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)

An amount of \$100 million of General Obligation bonds was authorized for the identification, cleanup, and removal of hazardous discharges.

516 - Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)

An amount of \$200 million of General Obligation bonds was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

551 - Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)

The sum of \$45 million of General Obligation bonds was appropriated from the Jobs, Education and Competitiveness Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities.

556 - 1992 Historic Preservation Fund (P.L. 1992, c.88)

An amount of \$25 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax-exempt, non-profit organizations to meet the historic preservation project cost for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

564 - 1995 Historic Preservation Fund (P.L. 1995, c.204)

An amount of \$10 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995. This fund provides matching grants to assist State agencies or entities, local government units, and qualified tax-exempt, non-profit organizations to meet the cost of preservation of historic properties.

580 - 2007 Historic Preservation Fund (P.L. 2007, c.119)

An amount of \$6 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax-exempt, non-profit organizations to meet the cost of preservation of historic properties.

584 - 2009 Historic Preservation Fund (P.L. 2009, c.117)

An amount of \$12 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax-exempt, nonprofit organizations to meet the cost of preservation of historic properties.

552 - Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)

The sum of \$3 million was appropriated to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax-exempt, non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

522 - Housing Assistance Fund (P.L. 1968, c.127)

An amount of \$12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

543 - Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)

An amount of \$350 million of General Obligation bonds was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

571 - 1996 Lake Restoration Fund (P.L. 1996, c.70)

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

71G - Long Term Obligation and Capital Expenditure Fund (P.L. 2008, c.22)

Monies remaining in the fund have been appropriated for various capital construction projects throughout the State.

521 - Mortgage Assistance Fund (P.L. 1976, c.94)

An amount of \$25 million of General Obligation bonds was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

526 - Natural Resources Fund (P.L. 1980, c.70)

An amount of \$145 million of General Obligation bonds was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

563 - 1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

732 - New Jersey Cultural Trust Fund (P.L. 2000, c.76)

This fund annually receives a General Fund appropriation. The appropriation, as well as accumulated investment earnings, shall be used for capital facilities projects that improve cultural or historical properties and facilities; endowment development; and payments to ensure the institutional and financial stability of qualified organizations in New Jersey. A qualified organization is defined as a tax-exempt, non-profit organization whose primary mission is to promote the performing, visual, and creative arts in New Jersey, or to promote or preserve history and humanities in New Jersey.

748 - New Jersey Federal-State Rural Rehabilitation Fund (N.J.S.A. 52:18A-1 et seq.)

This fund was established to receive monies from the federal government which are available for loans to farmers in New Jersey.

544 - 1989 New Jersey Green Acres Fund (P.L. 1989, c.183)

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

553 - 1992 New Jersey Green Acres Fund (P.L. 1992, c.88)

An amount of \$80 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

567 - 1995 New Jersey Green Acres Fund (P.L. 1995, c.204)

An amount of \$115 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

545 - 1989 New Jersey Green Trust Fund (P.L. 1989, c.183)

An amount of \$140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

555 - 1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

An amount of \$120 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

566 - 1995 New Jersey Green Trust Fund (P.L. 1995, c.204)

An amount of \$135 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

537 - New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

504 - Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)

An amount of \$30 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local governmental entities for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

515 - Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

An amount of \$85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

534 - Shore Protection Fund (P.L. 1983, c.356)

An amount of \$50 million of General Obligation bonds was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, \$40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million was allocated for State loans to counties and municipalities.

519 - State Land Acquisition and Development Fund (P.L. 1978, c.118)

An amount of \$200 million of General Obligation bonds was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

747 - State of New Jersey Tischler Memorial Fund (N.J.S.A. 52:18A-1 et seq.)

This fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey. The principal amount of the bequest is to be invested in a prudent manner and the income from such investment is to be used for library materials.

550 - Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)

An amount of \$50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the cost of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

708 - Unclaimed Personal Property Trust Fund (P.L. 1989, c.58)

The funds received by the State from holders reporting unclaimed property to the State Treasurer, and monies remitted to the Unclaimed Property administrator as a result of audit findings, are deposited into the Unclaimed Personal Property Trust Fund (UPPTF). The Unclaimed Property program established by the State Legislature essentially provides that after certain periods of time have expired during which monies have remained inactive or unclaimed or instruments have remained outstanding or unnegotiated, a presumption arises that the property has been abandoned. The abandonment period for bank accounts (savings, checking, and certificates of deposit), bank checks, money orders, travelers checks, credits, accounts payable, and dividend checks is three years. Payroll checks, utility deposits, and funds held by governmental agencies are deemed abandoned after one year. Insurance funds relating to annuities and matured life insurance policies are considered abandoned after three years. Life insurance proceeds payable as a result of an insured attaining limiting age are abandoned after two years.

Once unclaimed property is received by the State, the State Treasurer serves as the custodian, conservator, and trustee of the unclaimed property for the benefit of the original or apparent owner. Unless the administrator deems it prudent and advisable to do otherwise, 75 percent of all funds received shall be transferred to the General State Fund. The remaining portion shall be retained in the trust fund, administered and invested by the State Treasurer, and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

517 - Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

558 - 1992 Wastewater Treatment Fund (P.L. 1992, c.88)

An amount of \$45 million was authorized for the purpose of making zero percent loans to local governmental entities for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

500 - Water Conservation Fund (P.L. 1969, c.127)

An amount of \$271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

575 - 2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

An amount of \$45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

527 - Water Supply Fund (P.L. 1981, c.261)

An amount of \$350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

Special Revenue Funds

760 - Alcohol Education, Rehabilitation and Enforcement Fund (P.L. 1983, c.531)

Annual deposits of \$11 million are made to this fund from annual Alcohol Beverage Excise Tax collections. The enabling legislation dedicates 75 percent toward alcohol rehabilitation, 15 percent toward enforcement, and 10 percent toward education. Additionally, a \$100 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs is deposited into this fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of driving while intoxicated.

788 - Atlantic City Parking Fees Fund (P.L. 1993, c.159)

A \$3 fee per diem is imposed for each vehicle parked, garaged, or stored in any casino hotel parking space. As per P.L. 2003, c.116 effective July 1, 2007, of the \$3 fee collected, \$2.50 is remitted to the Casino Reinvestment Development Authority (CRDA). The remaining \$.50 is deposited into the Casino Revenue Fund.

764 - Atlantic City Projects-Room Fund (P.L. 2001, c.221)

The Atlantic City Projects-Room Fund facilitates the development of entertainment-retail projects in specified districts located within Atlantic City and promotes the revitalization of other urban areas throughout the State. Room Fund revenue is comprised of Tourism Promotion Fee receipts limited to annual Luxury Tax receipts that exceed the pre-determined baseline amount for a given district. Project Fund revenue is comprised of Sales and Use Tax receipts received from the entertainment-retail vendors within each district project. These funds shall be used by the Casino Reinvestment Development Authority for eligible projects in the corridor regions of Atlantic City.

775 - Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)

This fund accounts for revenues collected from a \$2 fee per diem for each occupied room in any hotel providing casino gaming and \$1 fee per diem for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the Atlantic City Convention and Visitors Authority which is now under the Casino Reinvestment Development Authority, and a portion to the Atlantic City Projects-Room Fund. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

794 - Board of Bar Examiners (R. 1:27B1)

This fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

754 - Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)

A \$1 million appropriation (\$750,000 from the Casino Revenue Fund and \$250,000 from the General Fund) initially funded the Boarding House Rental Assistance Fund. This fund finances life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to account for the repayments for such life safety improvement loans.

718 - Body Armor Replacement Fund (P.L. 1997, c.177)

One dollar for every bail forfeiture and one dollar added to the amount of each fine and penalty collected under authority of any law for any violation of Title 39 of the revised statutes or any other motor vehicle or traffic violation are deposited in this fund. This fund is used primarily for the purchase of body vests for law enforcement and correction officers.

490 - Casino Control Fund (N.J.S.A. 5:12-143)

This fund accounts for fees from the issuance and annual renewal of casino licenses and other license fees. The Casino Control Commission and the Division of Gaming Enforcement are funded by Casino Control Fund appropriations.

491 - Casino Revenue Fund (N.J.S.A. 5:12-145)

This fund accounts for the tax on gross revenue generated by the casinos, internet gaming, and sports wagering. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations less the total sums paid out as winnings to patrons. Other taxes and fees deposited into this fund are the Casino Room Fee, Progressive Slot Tax, and a portion of the Casino Parking Fee. Appropriations from this fund must be used to provide for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

785 - Casino Simulcasting Fund (P.L. 1992, c.19)

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. One half of a percent of the pari-mutuel pool generated at the casino is deposited into this fund and is used for services to benefit senior citizens.

786 - Casino Simulcasting Special Fund (P.L. 1992, c.19)

After multiple formula distributions, a portion of the remaining balance and all breakage moneys and outstanding pari-mutuel ticket monies resulting from casino wagering on out-of-state race tracks are deposited into this fund. The funds are disbursed as operating subsidies to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

771 - Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)

This fund provides assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1.50 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

765 - Clean Communities Account Fund (P.L. 1985, c.533)

A user fee on sales of litter-generating products is credited to this fund. Fund resources are primarily used to provide State aid to eligible municipalities for programs of litter pickup and removal, including the establishment of an "Adopt-A-Highway" program. A small portion of the available balance is to be used for a State program of litter pickup and removal, as well as enforcement of litter-related laws.

71D - Clean Energy Fund (P.L. 1999, c.23)

This fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

71H - Clean Water State Revolving Fund (P.L. 2009, c.77)

This fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for clean water projects and set-asides pursuant to the "Water Quality Act of 1987" and any amendatory and supplementary acts thereto.

71P - Contributory Group Insurance Premium Fund (N.J.S.A. 43:15A-91)

This fund represents the accumulation of member group insurance contributions in excess of premiums disbursed to the insurance carrier since the inception of the contributory death benefit program plus reserves held by the insurance carriers. Members are required by statute to participate in the contributory group insurance plan in the first year of membership and may cancel the contributory coverage thereafter.

798 - Disciplinary Oversight Committee (R. 1:20-2)

This fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members. Each nonexempt member of the Bar is required to pay \$25 annually in their second year of practice and \$148 for attorneys in their third to forty-ninth year.

704 - Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)

This fund consists of surcharge and Unsafe Driver collections for the payment of principal and interest applicable to New Jersey Economic Development Authority bonds for the Motor Vehicle Commission, Special Needs Housing Program, and Motor Vehicle Surcharge bonds. Excess funds are available for transfer to the State's General Fund.

707 - Drinking Water State Revolving Fund (P.L. 1998, c.84)

This fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

783 - Emergency Medical Technician Training Fund (P.L. 1992, c.143)

An amount of \$1.00 is added to each fine, penalty, and forfeiture imposed and collected under authority of law for any violation of the provisions of Title 39 of the revised statutes or any other motor vehicle or traffic violation is deposited in this fund. This fund annually reimburses any private agency, organization, or entity which is certified by the Commissioner of Health to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical technician-ambulance (EMT-A) or emergency medical technician-defibrillation (EMT-D) certification and/or recertification that are not otherwise reimbursed.

763 - Enterprise Zone Assistance Fund (P.L. 1983, c.303)

The purpose of this fund is to provide relief in certain areas of economic distress, by reducing Sales and Use Tax paid by up to one half of the current tax rate. The revenue generated in these zones is made available to the municipalities located within the Urban Enterprise Zones for various approved revitalization projects.

731 - Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)

The fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. Interest income supports General Fund appropriations set forth by the Annual Appropriations Act for the support of free public schools.

The fund provides for the establishment of a school bond reserve which consists of two accounts. For bonds issued prior to July 1, 2003, the old school bond reserve account is funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes. For bonds issued on or after July 1, 2003, the new school bond reserve account is funded in an amount equal to at least 1.0 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes, exclusive of bonds for debt service, which is provided by State appropriations.

733 - Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

727 - Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

734 - Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

964 - Garden State Preservation Trust (P.L. 1999, c.152)

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. In 2003, voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust the authorization to issue up to \$1.15 billion in bonds.

71H - Global Warming Solutions Fund (P.L. 2007, c.340)

Revenue in this fund is generated quarterly from the sale of emission allowances. Disbursements are made to provide grants and financial assistance for efficiency projects and efforts to reduce greenhouse gases.

496 - Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)

This fund accounts for receipts from the one dollar designation on New Jersey Gross Income Tax returns. When indicated by a taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

531 - Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)

This fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary for the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981. Sources of revenue are comprised of collections for Natural Resources Damages (NRD or past costs in site cleanups) and Responsible Party (RP or future site cleanup costs). Collections also include oversight bills for cleanup as well as legal settlements for past costs of cleanup.

781 - Health Care Subsidy Fund (P.L. 1992, c.160)

This fund is comprised of revenues from alcohol, cigarette and tobacco taxes, HMO assessments, hospital assessments, cosmetic surgery taxes, ambulatory facility fees, General Fund appropriations, interest, and penalties. Monies are used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the Family Care-CHIP program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

715 - Horse Racing Injury Compensation Fund (P.L. 1995, c.329)

The purpose of this fund is to provide workers' compensation coverage to employees in the thoroughbred and standardbred horse racing industries. The costs of providing coverage is funded from assessments to both the thoroughbred and standardbred industries based on their respective experience rating.

745 - Lead Hazard Control Assistance Fund (P.L. 2003, c.311)

This fund was established for the purpose of providing grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units and a portion of the Sales and Use Tax generated on the sale of paint.

712 - Legal Services Fund (P.L. 1996, c.52)

Revenues generated from the increase in certain filing fees in civil actions are credited to the fund and are used to provide legal services to the poor in civil matters, funding for 10 Superior Court judgeships, and support to Rutgers-Newark Law School, Rutgers-Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

755 - Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)

This fund accounts for tax revenues collected on rooms, beverages, and amusements. These tax revenues are dedicated to the payment of debt service on bonds issued for the construction of the Convention Hall facilities, then to subsidize the Convention Center operating budget deficits. The remaining balances are available to provide housing opportunities for low and moderate income families.

71J - Mandatory Continuing Legal Education Fund (R. 1:42)

This fund was established to assist the Supreme Court of New Jersey in the administration of the continuing legal education of attorneys holding license to practice in the State of New Jersey. Revenues are generated by payments made by continuing legal education providers and attorneys.

713 - Medical Malpractice Self Insurance Fund (N.J.S.A. 18A:65-99)

This fund is the successor to the University of Medicine and Dentistry of New Jersey Self-Insurance Reserve Fund which was dissolved as of July 1, 2013 as a result of the New Jersey Medical and Health Sciences Education Restructuring Act (the "Act"). The Act transfers all schools, institutes, and centers of UMDNJ, other than the School of Osteopathic Medicine which was transferred to Rowan University, to Rutgers University. University Hospital became an independent entity. Medical malpractice claims against Rutgers, University Hospital, and Rowan are paid from this fund. Revenues are derived from General Fund appropriations, as well as contributions from University affiliated hospitals and from University faculty members.

746 - New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited into this fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

934 - New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

The New Jersey Building Authority is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the projects. Debt service on outstanding bonds is paid through lease agreements with the State.

799 - New Jersey Lawyers' Assistance Program (R. 1:28B)

This fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$10 annually.

797 - New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

This fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this fund by each member of the Bar of the State of New Jersey. The annual payment required is \$25 for attorneys in their third or fourth year of admission to the Bar, and \$50 for attorneys in their fifth through forty-ninth years.

743 - New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding pari-mutuel money exceeding required racing costs and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing.

968 - New Jersey Schools Development Authority (N.J.S.A. 52:18A-247)

The New Jersey Schools Development Authority, as successor to the New Jersey Schools Construction Corporation, functions solely for the construction of schools in areas formerly known as "Abbott Districts." The New Jersey Schools Development Authority is an independent authority that is in, but not of, the Department of the Treasury. Legislation that established the New Jersey Schools Development Authority encompassed a package of statutory amendments on program and governance reform. The New Jersey Economic Development Authority is responsible for financing New Jersey Schools Development Authority projects. The New Jersey Economic Development Authority has been legislatively authorized to issue \$12.5 billion of bonds on behalf of the New Jersey Schools Development Authority.

In 1998, the New Jersey Supreme Court ruled in the Abbott v. Burke case that the State must provide 100 percent funding for all school renovation and construction projects in special-needs school districts. According to the Court, aging, unsafe and overcrowded buildings prevented children from receiving the "thorough and efficient" education required under the New Jersey Constitution. In response, the New Jersey Educational Facilities Construction and Financing Act was enacted on July 18, 2000, in order to create the New Jersey Schools Construction Corporation to effectively launch the School Construction Program. Full funding for approved projects was authorized for the 31 special-needs districts, known as Abbotts. Grants totaling 40 percent of eligible costs were made available to the remaining districts, now known as Regular Operating Districts. Overall, the act authorized \$8.9 billion in funding for the Abbotts districts, \$3.5 billion for Regular Operating Districts, and \$150 million for vocational districts.

709 - New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)

Receipts from taxes and penalties levied on each owner or operator of a major facility of hazardous substances are deposited in this fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

750 - New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)

A \$1 surcharge on motor vehicle fines and penalties are credited to this fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

936 - New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)

The New Jersey Transportation Trust Fund Authority was created to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation and the New Jersey Transit Corporation for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of the State's transportation system.

780 - New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)

This fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages based on an annual wage limit. These funds will reduce contributions to the Unemployment Compensation Fund.

784 - Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the fund for energy efficiency and conservation programs.

778 - Pollution Prevention Fund (P.L. 1991, c.235)

This fund was established to fund the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The fund is credited with a \$2 per employee fee imposed upon employers and collected by the New Jersey Department of Labor.

495 - Property Tax Relief Fund (N.J.S.A. 54A:9-25)

This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use Tax. Revenues realized are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. P.L. 2006, c.44 increased the Sales and Use Tax rate to seven percent from six percent. Of the additional one percent, half was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the State Legislature, to counties, municipalities, and school districts.

716 - Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

560 - Remediation Guarantee Fund (P.L. 1993, c. 139)

The fund was established in order to remediate, or contract for the remediation of, any real property for which a person was required to establish a remediation funding source pursuant to section 25 of P.L. 1993, c.139, and where that person fails to conduct or properly conduct that remediation. The remediation funding source surcharge shall be in an amount equal to 1 percent of the required amount of the remediation funding source required to be maintained. An amount of \$5 million was appropriated from the Hazardous Discharge Fund of 1986.

757 - Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

This fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

753 - Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this fund. The tax is levied per cubic yard of solids and per gallon of liquids. The fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

729 - State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Worker and employer deposits that are subject to the contribution section on taxable wages under the State's unemployment compensation law are recorded in this fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the fund may be made to persons entitled to disability benefits, family leave benefits, and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

71W - State Health Benefit Program Fund - State Active (N.J.S.A. 52:14-17.25)

The State Health Benefit Program Fund – State Active (including Prescription Drug Program “PDP” Fund) N.J.S.A. 52:14-17.25 provides medical coverage to qualified active State participants. The PDP was established in December 1974, under N.J.S.A. 52:14-17.29 to provide coverage to employees and their eligible dependents for drugs which under federal or State law may be dispensed only upon a prescription written by a physician. State employees are eligible for PDP coverage after 60 days of employment.

71X - State Health Benefit Program Fund - State Retired (N.J.S.A. 52:14-17.32)

The State Health Benefit Program Fund – State Retired (including Prescription Drug Program Fund) N.J.S.A. 52:14-17.32 provides medical coverage to qualified retired State participants. Under P.L. 1977, c.136, the State of New Jersey pays for the health insurance coverage of all enrolled retired State employees (regardless of age) whose pensions are based upon 25 years or more of credited service or a disability retirement regardless of years of service. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

71K - State-Owned Real Property Fund (P.L. 2007, c.108)

Proceeds from the sale of surplus, State-owned real property are deposited into this fund. The monies in the fund are dedicated only for the relief of State debt or to assist in funding capital improvement projects.

752 - State Recycling Fund (N.J.S.A. 12:1E-92)

Beginning on April 1, 2008, a \$3 per ton tax is levied on the owner or operator of every solid waste facility as well as on solid waste collectors that transport solid waste for out-of-state disposal. Monies in the fund are used for: direct recycling grants to counties and municipalities; aid to counties for preparing, revising, and implementing solid waste management plans; State recycling program planning and program funding; aid to counties for public information and education programs concerning recycling programs; and for State grants to institutions of higher education to conduct research in recycling.

796 - Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

This fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders. Disbursements from the fund are authorized by court order.

767 - Supplemental Workforce Fund for Basic Skills (P.L. 2002, c.152)

The monies in this fund are used for basic skills training, reemployment services, and training programs for displaced and disadvantaged workers. Each worker shall contribute 0.0175 percent of their wages based on an annual wage limit to the Fund as determined by paragraph (3) of subsection (b) of R.S. 43:21-7.

965 - Tobacco Settlement Financing Corporation (P.L. 2002, c.32)

The Tobacco Settlement Financing Corporation has been established in, but not of, the Department of the Treasury. The State sold to the corporation rights, title, and interest in, and the right to receive 76.26 percent of the amounts payable under the 1998 Master Settlement Agreement (MSA) reached between 47 states and the major tobacco companies. Receipts (76.26 percent) under the MSA are pledged to the bondholders, with the remaining 23.74 percent as well as any unpledged revenue available to the State. On March 7, 2014, the corporation entered into a bond enhancement transaction in which the corporation received a premium of \$96.5 million of which \$91.6 million was paid to the State. In exchange the corporation retains all MSA receipts beginning July 1, 2016.

787 - Tourism Improvement and Development District Act (P.L. 1992, c.165)

This fund accounts for a tax of up to 2 percent on predominantly tourism related retail receipts and an assessment of 1.85 percent. Amounts are expended to promote economic growth and employment related to a tourism economy, and to encourage tourism improvement and development districts to finance the acquisition, maintenance, operation, and support of convention center facilities.

795 - Trial Attorney Certification Program (R. 1:39-1 (h))

This fund was established to assist the New Jersey Supreme Court in the administration of the certification function for civil or criminal trial attorneys. Revenues are generated by payments made by members of the Bar of the State of New Jersey and sponsors of Continuing Legal Education (CLE) programs.

705 - Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

All monies received, as abandoned child support are deposited into this fund. Each year, 45 days after the receipt of such funds, payments are made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions are used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

742 - Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion is retained in the fund and used to pay claims duly presented and allowed.

751 - Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this fund. Payments from the fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program, authorized training programs, and economic development activities.

71M - Unemployment Compensation Interest Repayment Fund (N.J.S.A. 21-14.3)

This fund shall be used solely for the purpose of paying interest due on advances made by the federal government to the State of New Jersey Unemployment Trust Fund. A special assessment on applicable employers shall be deposited into this fund and used to pay interest expenses. Any residual balances may be transferred to the Unemployment Compensation Auxiliary Fund.

730 - Universal Services Fund (P.L. 1999, c.23)

Monies deposited into this fund are generated from a "societal benefit charge" on monthly utility bills. The funds generated from the charge support the Lifeline program, clean energy initiatives, and provide financial assistance to low income utility customers.

770 - Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

This fund receives monies from donations and income tax designations to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

766 - Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

The purpose of this fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve. Revenues consist of General Fund appropriations and interest on loan repayments.

510 - Wastewater Treatment Fund (P.L. 1985, c.329)

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$145 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

756 - Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)

This fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the fund are allocated for expenses incurred by the Department of Health, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Capital Projects Funds

578 - 2007 Blue Acres Fund (P.L. 2007, c.119)

An amount of \$12 million of General Obligation bonds was authorized from the Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007 for the purpose of acquiring land by the State for recreation and conservation purposes in the floodways of the Delaware River, Passaic River, or Raritan River and their respective tributaries.

583 - 2009 Blue Acres Fund (P.L. 2009, c.117)

An amount of \$24 million of General Obligation bonds was authorized from the Green Acres, Water Supply and Floodplain Protection, Farmland and Historic Preservation Bond Act of 2009 for the purpose of State acquisition of land for recreation and conservation purposes that has been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding or that may buffer or protect other lands from such damage.

541 - Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)

An amount of \$198 million of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

524 - Energy Conservation Fund (P.L. 1980, c.68)

Of the \$50 million of General Obligation bonds that was authorized, \$3 million is appropriated for energy audits and \$47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

744 - Motor Vehicle Commission Fund (P.L. 2003, c.13)

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million was transferred to the Administrative Office of the Courts for improvements to the automated traffic system. The remainder was used to make capital improvements to Motor Vehicle Commission facilities.

549 - New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad right-of-way.

548 - Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)

An amount of \$125 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping the State and community-based human services facilities and State correctional facilities.

480 - Special Transportation Fund (N.J.S.A. 27:1B-21)

This fund was established in accordance with the enactment provisions of the New Jersey Transportation Trust Fund Authority. The fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the State Legislature.

572 - 1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

Agency Funds

915 - Alternate Benefit Program Fund (N.J.S.A. 18A:66-167 et seq.)

Faculty members of public institutions of higher education and certain administrative and professional titles are allowed to participate in a defined contribution plan. The employer contributes eight percent of base or contractual salary and then is reimbursed through this fund. The State's appropriation equals the amount needed to reimburse the employers for their contribution.

980 - Dental Expense Program (N.J.S.A. 52:14-17.29)

This program helps meet the dental expenses for eligible state and local employees, retirees, and their dependents. There are two separate benefit types available. The Dental Expense Program (DEP) is a self-insured indemnity plan. Included are full coverage of eligible diagnostic and preventive services and substantial benefits for covered restorative services. For active employees there is an annual benefit maximum of \$3,000 and a separate lifetime \$1,000 maximum for child orthodontic services. The DEP also has a "discount network" of providers who have contracts with the insurance carrier which reduces the cost of services to the employee and to the program. In addition to the DEP, there are several Dental Plan Organizations (DPOs) participating in the State program. Similar to HMOs for health care, the DPOs pay for benefits rendered by contracted providers. The DEP is available to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities. Although the cost sharing is subject to bargaining contracts, at this time all State employees use the same rule: the State pays for at least one-half of the cost of coverage. The DEP is offered to local employees whose employers have elected to participate.

Retirees who participate in the State Health Benefits Plan are permitted to enroll themselves and eligible dependents in the DEP at the time of retirement, but are subject to a maximum annual benefit limit of \$1,500. The retiree pays the entire cost.

737 - Judiciary Bail Fund (R.3:26)

The purpose of this fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

740 - Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)

The purpose of this fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

739 - Judiciary Probation Fund (N.J.S.A. 2C:46-4)

The purpose of this fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

738 - Judiciary Special Civil Fund (R.6)

The purpose of this fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

741 - Judiciary Superior Court - Miscellaneous Fund (N.J. Court Rules, Parts II, IV, V, VI, VIII)

The purpose of this fund is to serve as a repository for the collection and disbursement of various fees, fines, and costs collected by court divisions of the Superior Court of New Jersey. These monies are separate and distinct from those included under the Superior Court of New Jersey Trust Fund.

761 - Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))

This fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

917 - Pension Adjustment Fund (N.J.S.A. 43:3B)

The Pension Adjustment Fund (PAF) is a pay-as-you-go multiple-employer defined benefit plan which was established in 1958 under the provisions of N.J.S.A. 43:3B. The PAF provides a cost-of-living increase through a yearly State appropriation which is disbursed monthly to the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and the Central Pension Fund.

759 - Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this fund. The revenues are then allocated to counties based on statutory regulations.

758- Solid Waste Service Tax Fund (P.L. 1985, c.38)

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this fund. The revenues are then allocated to provide state aid to counties.

71Y - State Health Benefit Program Fund - Local Education Active (N.J.S.A. 52:14-17.46a)

State Health Benefit Program Fund - Local Education Active (including Prescription Drug Program Fund) N.J.S.A. 52:14-17.46a established the School Employee Health Benefits Program fund which provides medical coverage to qualified active education participants. Also, education employees are eligible for the PDP coverage after 60 days of employment.

71Z - State Health Benefit Program Fund - Local Education Retired (N.J.S.A. 52:14-17.32f)

State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund) N.J.S.A. 52:14-17.32f provides medical coverage to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

72A - State Health Benefit Program Fund - Local Government Active (N.J.S.A. 52:14-17.38b)

State Health Benefit Program Fund - Local Government Active (including Prescription Drug Program Fund) N.J.S.A. 52:14-17.38b established rules allowing for the participation of non-State employers to participate in the State Health Benefits Program. Also, local employees are eligible for the PDP coverage after 60 days of employment.

793 - Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

The Wage and Hour Trust Fund consists of three agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more of the various components of the New Jersey Wage and Hour Law; and to disburse the funds collected to employees who are entitled to receive the wages.

Pension Trust Funds

911 - Alternate Benefit Long-Term Disability Fund

The fund is employer-funded for long-term disability. Benefits are paid to those members of the Alternate Benefit Program Fund who have been disabled for two years or more since October 1, 1986.

902 - Central Pension Fund

This fund administers a series of noncontributory pension acts. Benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

903 - Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)

This fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen that were appointed prior to July 1, 1944. This fund has no active members. All police and firemen currently appointed are enrolled in the Police and Firemen's Retirement System (PFRS). Any unfunded liability of the CPFPF is an obligation of the State.

989 - Defined Contribution Retirement Program (N.J.S.A. 43:15c)

Individuals eligible for membership include State or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in the PERS or TPAF on or after July 1, 2007 who earn salary in excess of established annual maximum compensation limits (equivalent to annual maximum wage base for Social Security deductions); employees enrolled in the PFRS or SPRS after May 21, 2010 who earn salary in excess of established annual maximum compensation limits (equivalent to annual maximum wage base for Social Security deductions); and employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary required for PERS or TPAF Tier 3 enrollment or do not work the minimum hours per week required for PERS or TPAF Tier 4 and Tier 5 enrollments.

904 - Judicial Retirement System (N.J.S.A. 43:6A)

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

961 - New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

This fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

905 - Police and Firemen's Retirement System (N.J.S.A. 43:16A)

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This fund is maintained on an actuarial reserve basis.

906 - Prison Officers' Pension Fund (N.J.S.A. 43:7)

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

907 - Public Employees' Retirement System (N.J.S.A. 43:15A)

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with Social Security. This fund is maintained on an actuarial reserve basis.

992 - State Health Benefit Program Fund - Local Government Retired (N.J.S.A. 43:3C-24)

State Health Benefit Program Fund – Local Government Retired (including Prescription Drug Program Fund) N.J.S.A. 43:3C-24 established a separate trust fund for certain non-State participating employers to provide funding for SHBP coverage to its eligible retirees. Under the provisions of Chapter 330, P.L. 1997, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

908 - State Police Retirement System (N.J.S.A. 53:5A)

This system is the State Police Retirement and Benevolent Fund's successor. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

909 - Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Any active, contributing member of several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

910 - Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)

This fund's designated purpose is to provide retirement benefits, death, disability, and medical benefits to certain qualified members. Membership in the fund is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the Department of Education who have titles that are unclassified, professional, and certified. This fund is maintained on an actuarial reserve basis.

Private Purpose Funds

779 - Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

This fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State. Monies are held in trust on behalf of the claimant until such time the claimant is released from State care.

702 - Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

782 - Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)

All monies received as unclaimed county deposits are deposited in this fund. Each year 75 percent of the deposits received from a respective county are paid to that county. The remaining portion is retained in the fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

706 - Unclaimed Insurance Payments on Deposit Accounts Fund (N.J.S.A. 46:30B-1)

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this fund and held for 10 years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the 10 year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation.

Proprietary Funds

721 - State Lottery Fund (N.J.S.A. 5:9-21)

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. In accordance with the Lottery Enterprise Contributions Act, remaining balances are contributed to Teachers' Pension and Annuity Fund (77.8%), Public Employees' Retirement System (21.0%), and Police and Firemen's Retirement System (1.2%) for a 30-year term effective as of June 30, 2017. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this fund.

728 - Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by federal statutes, which authorize advances from the federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

Investment Trust Funds

717 - State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)

This fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

*Other
Information*

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**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017¹</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments²</u>	<u>Balance June 30, 2018</u>
FUNCTION:					
Public safety and criminal justice	\$ 2,608,348,521	\$ 106,943,045	\$ 10,381,600	\$ (30,591,873)	\$ 2,674,318,093
Physical and mental health	499,592,392	23,032,774	159,349	5,336,147	527,801,964
Educational, cultural, and intellectual development	643,365,319	13,188,897	7,338,718	(17,490,134)	631,725,364
Community development and environmental management	3,593,099,918	75,244,565	265,130	(22,662,114)	3,645,417,239
Economic planning, development, and security	420,296,356	27,493,481	467,000	233,702	447,556,539
Transportation programs	33,921,019,179	1,519,094,318	3,662,236	118,498,392	35,554,949,653
Government direction, management, and control	833,861,086	31,018,605	8,657,724	6,076,351	862,298,318
Special government services	<u>291,808,499</u>	<u>7,163,547</u>	<u>823,726</u>	<u>(1,302,740)</u>	<u>296,845,580</u>
Total Gross Capital Assets By Function	<u>\$ 42,811,391,270</u>	<u>\$ 1,803,179,232</u>	<u>\$ 31,755,483</u>	<u>\$ 58,097,731</u>	<u>\$ 44,640,912,750</u>

¹ Beginning Balance was restated by \$312,113,042 for Transportation Programs.

² Transfers/Adjustments represent a revaluation and reclassification of assets among statewide functions.

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION
JUNE 30, 2018**

	<u>Land and Easements</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
FUNCTION:			
Public safety and criminal justice	\$ 28,806,675	\$ 66,044,368	\$ 1,712,363,603
Physical and mental health	2,199,233	25,034,782	400,097,553
Educational, cultural, and intellectual development	4,836,991	13,256,742	432,532,100
Community development and environmental management	2,834,362,826	108,075,097	321,291,767
Economic planning, development, and security	1,355,472	2,116,943	241,018,231
Transportation programs	2,433,256,736	11,829,509	254,566,665
Government direction, management, and control	7,801,586	38,778,944	450,029,866
Special government services	<u>3,792,985</u>	<u>1,102,931</u>	<u>262,496,042</u>
Total Gross Capital Assets By Function	<u>\$ 5,316,412,504</u>	<u>\$ 266,239,316</u>	<u>\$ 4,074,395,827</u>

<u>Equipment and Software</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 595,445,981	\$ 73,659,461	\$ 197,998,005	\$ 2,674,318,093
41,546,072	10,209,322	48,715,002	527,801,964
130,213,180	10,129,586	40,756,765	631,725,364
41,539,225	158,935,681	181,212,643	3,645,417,239
178,142,290	1,276,527	23,647,076	447,556,539
167,448,148	30,603,473,854	2,084,374,741	35,554,949,653
295,787,230	8,890,189	61,010,503	862,298,318
9,895,751	530,925	19,026,946	296,845,580
<u>\$ 1,460,017,877</u>	<u>\$ 30,867,105,545</u>	<u>\$ 2,656,741,681</u>	<u>\$ 44,640,912,750</u>

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**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FUNCTION:	<u>Balance July 1, 2017¹</u>	<u>Depreciation Expense</u>	<u>Deductions</u>	<u>Transfers/ Adjustments²</u>	<u>Balance June 30, 2018</u>
Public safety and criminal justice	\$ 1,465,029,325	\$ 95,349,743	\$ 9,057,115	\$ -	\$ 1,551,321,953
Physical and mental health	194,168,319	19,482,971	22,170	1,290,878	214,919,998
Educational, cultural, and intellectual development	383,662,654	32,898,919	30,817,759	(3,028,590)	382,715,224
Community development and environmental management	340,500,222	20,232,421	256,045	-	360,476,598
Economic planning, development, and security	285,217,747	33,856,795	440,887	-	318,633,655
Transportation programs	12,071,490,860	831,496,449	3,307,323	-	12,899,679,986
Government direction, management, and control	502,110,932	31,073,469	7,645,185	1,737,712	527,276,928
Special government services	137,530,782	10,045,788	822,126	-	146,754,444
Total Accumulated Depreciation By Function	<u>\$ 15,379,710,841</u>	<u>\$ 1,074,436,555</u>	<u>\$ 52,368,610</u>	<u>\$ -</u>	<u>\$ 16,401,778,786</u>

¹ Beginning Balance was restated by \$123,777,002 across all statewide functions.

² Transfers/Adjustments represent a revaluation and reclassification of accumulated depreciation among statewide functions.

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF ACCUMULATED DEPRECIATION BY FUNCTION
JUNE 30, 2018**

	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
FUNCTION:		
Public safety and criminal justice	\$ 55,004,940	\$ 1,056,102,596
Physical and mental health	6,587,921	171,577,345
Educational, cultural, and intellectual development	9,021,322	260,605,504
Community development and environmental management	79,773,124	183,103,976
Economic planning, development, and security	1,476,315	153,708,467
Transportation programs	7,283,626	128,260,920
Government direction, management, and control	14,992,165	271,527,902
Special government services	<u>601,006</u>	<u>140,176,913</u>
Total Accumulated Depreciation by Function	<u>\$ 174,740,419</u>	<u>\$ 2,365,063,623</u>

<u>Equipment and Software</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 409,032,456	\$ 31,181,961	\$ 1,551,321,953
34,445,796	2,308,936	214,919,998
107,130,381	5,958,017	382,715,224
32,318,688	65,280,810	360,476,598
162,442,516	1,006,357	318,633,655
131,907,193	12,632,228,247	12,899,679,986
234,952,039	5,804,822	527,276,928
<u>5,680,092</u>	<u>296,433</u>	<u>146,754,444</u>
<u>\$ 1,117,909,161</u>	<u>\$ 12,744,065,583</u>	<u>\$ 16,401,778,786</u>

**STATE OF NEW JERSEY
ACCUMULATED DEPRECIATION AS A PERCENTAGE OF CAPITAL ASSETS BY CATEGORY*
FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Capital Assets</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land Improvements	65.6 %	66.2 %	75.0 %	74.0 %
Buildings and Improvements	58.0	57.5	57.7	55.5
Equipment	74.3	74.0	71.0	67.8
Software	78.8	73.4	72.1	67.4
Infrastructure	41.3	40.5	38.8	38.2

* Calculated by dividing the Accumulated Depreciation by the Capital Asset for that category.

**STATE OF NEW JERSEY
ACCUMULATED DEPRECIATION AS A PERCENTAGE OF CAPITAL ASSETS BY FUNCTION*
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Capital Assets</u>	<u>Public safety and criminal justice</u>	<u>Physical and mental health</u>	<u>Educational, cultural, and intellectual development</u>
Land Improvements	83.3%	26.3%	68.1%
Building Improvements	61.7	42.9	60.3
Equipment	70.9	76.1	82.8
Software	66.4	87.7	82.1
Infrastructure	42.3	22.6	58.8

* Calculated by dividing the Accumulated Depreciation by the Capital Asset for that function.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
67.4 %	64.2 %	63.1 %	60.8 %	58.9 %	57.4 %
54.4	55.4	54.1	52.9	50.8	48.4
65.9	73.0	72.7	71.6	66.2	62.2
66.7	55.0	45.6	32.9	36.2	45.2
38.3	37.6	36.8	38.8	38.5	38.2

<u>Community development and environmental management</u>	<u>Economic planning, development, and security</u>	<u>Transportation programs</u>	<u>Government direction, management, and control</u>	<u>Special government services</u>
73.8%	69.7%	61.6%	38.7%	54.5%
57.0	63.8	50.4	60.3	53.4
70.8	75.1	79.6	74.4	75.9
95.7	98.5	71.4	83.6	33.3
41.1	78.8	41.3	65.3	55.8

**STATE OF NEW JERSEY
SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	General Obligation Bonds		
	Amount Authorized	Amount Unissued	Year Authorized
Bonded Debt			
General Obligation Bond Act			
Building Our Future	\$ 750,000,000	\$ -	2012
Clean Waters Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	120,000,000	3,400,000	1976
Energy Conservation	200,000,000	38,750,000	2003
Green Acres, Cultural Centers, and Historic Preservation	50,000,000	1,600,000	1980
Green Acres, Farmland, Blue Acres, and Historic Preservation	100,000,000	1,000,000	1987
Green Acres, Farmland and Historic Preservation, and Blue Acres	200,000,000	13,500,000	2007
Green Acres, Farmland and Historic Preservation, and Blue Acres	340,000,000	18,000,000	1995
Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation	400,000,000	88,800,000	2009
Hazardous Discharge	100,000,000	43,000,000	1981
Hazardous Discharge	200,000,000	38,000,000	1986
Library Construction	125,000,000	125,000,000	2017
Natural Resources	145,000,000	9,600,000	1980
New Jersey Green Acres	135,000,000	14,500,000	1983
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	345,000,000	12,880,000	1992
New Jersey Open Space Preservation	300,000,000	18,000,000	1989
Pinelands Infrastructure Trust	30,000,000	6,750,000	1985
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	300,000,000	72,800,000	1996
Public Purpose Buildings and Community-Based Facilities Construction	125,000,000	5,000,000	1989
Refunding Bonds	6,134,329,598	-	1985
Stormwater Management and Combined Sewer Overflow Abatement	50,000,000	9,500,000	1989
Water Supply	350,000,000	73,150,000	1981
Subtotal General Obligation Bond Acts	<u>\$ 10,499,329,598</u>	<u>\$ 593,230,000</u>	
Revenue Bonds Payable			
Less: Unamortized interest on CABS			
Capital Leases			
Installment Obligations			
Less: Unamortized interest on CABS			
Certificates of Participation			
Tobacco Settlement Financing Corporation			
Less: Unamortized interest on CABS			
Unamortized Premium			
Subtotal Bonded Debt			
Non-Bonded Debt			
Compensated Absences			
Capital Leases			
Loans Payable			
Total OPEB Liability ¹			
Net Pension Liability			
Pollution Remediation Obligation			
Other			
Subtotal Non-Bonded Debt			
Total Obligations			

¹ Restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement Number 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 a Total OPEB Liability of \$97,114,401,941.

Outstanding July 1, 2017	Issued	Retired	Outstanding June 30, 2018
\$ 708,450,000	\$ -	\$ 25,135,000	\$ 683,315,000
30,000	-	10,000	20,000
6,185,000	-	1,135,000	5,050,000
-	-	-	-
-	-	-	-
61,020,000	-	7,900,000	53,120,000
2,595,000	-	115,000	2,480,000
284,670,000	-	10,995,000	273,675,000
-	-	-	-
8,660,000	-	380,000	8,280,000
-	-	-	-
-	-	-	-
-	-	-	-
1,530,000	-	485,000	1,045,000
5,075,000	-	295,000	4,780,000
175,000	-	55,000	120,000
39,240,000	-	1,705,000	37,535,000
-	-	-	-
916,065,000	-	195,345,000	720,720,000
3,455,000	-	270,000	3,185,000
2,835,000	-	900,000	1,935,000
<u>2,039,985,000</u>	<u>-</u>	<u>244,725,000</u>	<u>1,795,260,000</u>
24,930,080,000	-	698,005,000	24,232,075,000
(4,215,266,006)	-	(187,746,285)	(4,027,519,721)
271,295,000	-	23,570,000	247,725,000
18,668,627,872	1,582,080,000	2,031,218,806	18,219,489,066
(843,211,187)	-	(175,144,234)	(668,066,953)
96,334,625	83,135,361	42,058,112	137,411,874
3,977,100,001	3,146,655,000	3,977,100,001	3,146,655,000
(792,978,576)	-	(792,978,576)	-
<u>1,969,095,398</u>	<u>326,773,381</u>	<u>214,391,516</u>	<u>2,081,477,263</u>
<u>46,101,062,127</u>	<u>5,138,643,742</u>	<u>6,075,199,340</u>	<u>45,164,506,529</u>
505,422,248	301,046,314	319,600,848	486,867,714
243,915,672	10,180,142	38,633,687	215,462,127
1,279,358,087	-	-	1,279,358,087
97,114,401,941	-	6,627,260,887	90,487,141,054
115,113,590,086	-	15,471,932,744	99,641,657,342
99,238,192	-	30,589,692	68,648,500
1,442,935,750	727,006,935	472,770,462	1,697,172,223
<u>215,798,861,976</u>	<u>1,038,233,391</u>	<u>22,960,788,320</u>	<u>193,876,307,047</u>
<u>\$ 261,899,924,103</u>	<u>\$ 6,176,877,133</u>	<u>\$ 29,035,987,660</u>	<u>\$ 239,040,813,576</u>

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

	Casino Control Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	51,379,982	51,167,982	47,792,404	(3,375,578)
Investment earnings	11,000	11,000	-	(11,000)
Other	-	-	-	-
Total Revenues	51,390,982	51,178,982	47,792,404	(3,386,578)
EXPENDITURES				
Public safety and criminal justice	43,761,626	43,549,626	42,065,840	1,483,786
Physical and mental health	-	-	-	-
Educational, cultural, and intellectual development	-	-	-	-
Economic planning, development, and security	-	-	-	-
Transportation programs	-	-	-	-
Government direction, management, and control	7,629,356	7,629,356	5,726,564	1,902,792
Special government services	-	-	-	-
Total Expenditures	51,390,982	51,178,982	47,792,404	3,386,578
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balances - July 1, 2017	-	-	-	-
Fund Balances - June 30, 2018	\$ -	\$ -	\$ -	\$ -

Casino Revenue Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 222,792,598	\$ 218,438,598	\$ 215,343,253	\$ (3,095,345)
1,723,000	1,723,000	1,840,855	117,855
-	-	-	-
<u>368,000</u>	<u>368,000</u>	<u>389,117</u>	<u>21,117</u>
<u>224,883,598</u>	<u>220,529,598</u>	<u>217,573,225</u>	<u>(2,956,373)</u>
-	-	-	-
29,592,598	29,020,097	28,406,347	613,750
175,377,000	189,440,765	187,112,812	2,327,953
2,196,000	2,153,516	2,127,052	26,464
17,801,000	-	-	-
-	-	-	-
<u>92,000</u>	<u>90,220</u>	<u>89,465</u>	<u>755</u>
<u>225,058,598</u>	<u>220,704,598</u>	<u>217,735,676</u>	<u>2,968,922</u>
<u>175,000</u>	<u>175,000</u>	<u>162,451</u>	<u>(12,549)</u>
<u>175,000</u>	<u>175,000</u>	<u>162,451</u>	<u>(12,549)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

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

	Gubernatorial Elections Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Investment earnings	-	-	-	-
Other	700,000	700,000	443,505	(256,495)
Total Revenues	700,000	700,000	443,505	(256,495)
EXPENDITURES				
Public safety and criminal justice	19,700,000	13,625,000	13,030,778	594,222
Physical and mental health	-	-	-	-
Educational, cultural, and intellectual development	-	-	-	-
Economic planning, development, and security	-	-	-	-
Transportation programs	-	-	-	-
Government direction, management, and control	-	-	-	-
Special government services	-	-	-	-
Total Expenditures	19,700,000	13,625,000	13,030,778	594,222
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	19,000,000	12,925,000	12,087,273	(837,727)
Total Other Financing Sources (Uses)	19,000,000	12,925,000	12,087,273	(837,727)
Net Change in Fund Balance	-	-	(500,000)	(500,000)
Fund Balances - July 1, 2017	-	-	500,000	500,000
Fund Balances - June 30, 2018	\$ -	\$ -	\$ -	\$ -

Total Non-Major Governmental Funds

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 222,792,598	\$ 218,438,598	\$ 215,343,253	\$ (3,095,345)
53,102,982	52,890,982	49,633,259	(3,257,723)
11,000	11,000	-	(11,000)
<u>1,068,000</u>	<u>1,068,000</u>	<u>832,622</u>	<u>(235,378)</u>
<u>276,974,580</u>	<u>272,408,580</u>	<u>265,809,134</u>	<u>(6,599,446)</u>
63,461,626	57,174,626	55,096,618	2,078,008
29,592,598	29,020,097	28,406,347	613,750
175,377,000	189,440,765	187,112,812	2,327,953
2,196,000	2,153,516	2,127,052	26,464
17,801,000	-	-	-
7,629,356	7,629,356	5,726,564	1,902,792
<u>92,000</u>	<u>90,220</u>	<u>89,465</u>	<u>755</u>
<u>296,149,580</u>	<u>285,508,580</u>	<u>278,558,858</u>	<u>6,949,722</u>
<u>19,175,000</u>	<u>13,100,000</u>	<u>12,249,724</u>	<u>(850,276)</u>
<u>19,175,000</u>	<u>13,100,000</u>	<u>12,249,724</u>	<u>(850,276)</u>
-	-	(500,000)	(500,000)
-	-	500,000	500,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Gubernatorial Elections Fund</u>
Sources/inflows of resources:			
Total revenues and other financing sources - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 47,792,404	\$ 217,735,676	\$ 12,530,778
Differences - budget to GAAP:			
None	-	-	-
<hr/>			
Total revenues and other financing sources as reported on the GAAP - basis statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 47,792,404</u>	<u>\$ 217,735,676</u>	<u>\$ 12,530,778</u>
Uses/outflows of resources:			
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 47,792,404	\$ 217,735,676	\$ 13,030,778
Differences - budget to GAAP:			
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	-	(13,783,527)	-
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	-	26,731,033	-
<hr/>			
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 47,792,404</u>	<u>\$ 230,683,182</u>	<u>\$ 13,030,778</u>

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**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
MAJOR TAXES				
Sales	\$ 9,704,861,000	\$ 9,619,151,201	99	\$ (85,709,799)
Energy Tax Receipts	-	788,492,000	-	788,492,000
Sales Tax Dedication	(761,000,000)	(749,968,977)	99	11,031,023
Sales Energy	122,981,000	32,819,586	27	(90,161,414)
Corporation Business Tax	2,375,375,000	2,315,529,936	97	(59,845,064)
Corporation Business Energy	2,400,000	16,249,929	677	13,849,929
Transfer Inheritance	456,561,000	373,933,874	82	(82,627,126)
Estate Tax	289,191,000	231,911,221	80	(57,279,779)
Insurance Premium	578,205,000	591,243,422	102	13,038,422
Motor Fuels	552,529,000	512,545,406	93	(39,983,594)
Motor Vehicles Fees	508,225,000	497,687,777	98	(10,537,223)
Realty Transfer	382,827,000	376,334,933	98	(6,492,067)
Petroleum Products Gross Receipts	1,487,155,000	1,374,079,587	92	(113,075,413)
Petroleum Products Gross Receipts - Capital Reserves	(940,151,000)	(823,883,817)	88	116,267,183
Corporation Banks and Financial Institutions	201,350,000	152,277,742	76	(49,072,258)
Cigarette	181,264,000	142,938,776	79	(38,325,224)
Alcoholic Beverage Excise	106,982,000	109,459,106	102	2,477,106
Tobacco Products Wholesale Sales	24,476,000	22,971,823	94	(1,504,177)
Public Utility Excise (Reform)	18,400,000	20,197,550	110	1,797,550
TOTAL MAJOR TAXES	<u>15,291,631,000</u>	<u>15,603,971,075</u>	102	<u>312,340,075</u>
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	366,000	366,000	100	-
Miscellaneous Revenue	2,000	1,830	92	(170)
Total Department of Agriculture	<u>368,000</u>	<u>367,830</u>	100	<u>(170)</u>
Department of Banking and Insurance:				
Actuarial Services	29,000	37,400	129	8,400
Banking - Assessments	13,024,000	11,342,017	87	(1,681,983)
Banking - Licenses and Other Fees	1,900,000	1,796,494	95	(103,506)
Fraud Fines	1,500,000	990,575	66	(509,425)
HMO Covered Lives	100,000	270,433	270	170,433
Insurance - Examination Billings	1,000,000	547,665	55	(452,335)
Insurance - Licenses and Other Fees	43,961,000	48,747,547	111	4,786,547
Insurance - Special Purpose Assessment	38,894,000	36,285,527	93	(2,608,473)
Insurance Fraud Prevention	29,207,000	26,387,145	90	(2,819,855)
Real Estate Commission	3,900,000	3,891,581	100	(8,419)
Total Department of Banking and Insurance	<u>133,515,000</u>	<u>130,296,384</u>	98	<u>(3,218,616)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018 AMOUNT	PERCENT	REALIZATION OVER (UNDER) ANTICIPATED
Department of Children and Families:				
Child Care Licensing	300,000	351,240	117	51,240
Contract Recoveries	11,000,000	15,790,990	144	4,790,990
Divorce Filing Fees	1,300,000	1,293,800	100	(6,200)
Marriage License/Civil Union Fees	1,150,000	1,150,000	100	-
Total Department of Children and Families	13,750,000	18,586,030	135	4,836,030
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation - Fair Housing	51,261,000	51,261,000	100	-
Construction Fees	16,972,000	16,972,000	100	-
Fire Safety	17,424,000	17,424,000	100	-
Housing Inspection Fees	10,703,000	10,703,000	100	-
Planned Real Estate Development Fees	750,000	750,000	100	-
Total Department of Community Affairs	97,110,000	97,110,000	100	-
Department of Corrections:				
Miscellaneous Revenue	-	181,020	-	181,020
Total Department of Corrections	-	181,020	-	181,020
Department of Education:				
Audit of Recoveries	75,000	121,070	161	46,070
Audit of Enrollments	1,500,000	1,478,752	99	(21,248)
Nonpublic Schools Handicapped and Auxiliary Recoveries	7,500,000	11,740,005	157	4,240,005
Nonpublic Schools Textbook Recoveries	2,000,000	2,578,967	129	578,967
School Construction Inspection Fees	700,000	893,218	128	193,218
State Board of Examiners	4,310,000	4,310,000	100	-
Total Department of Education	16,085,000	21,122,012	131	5,037,012
Department of Environmental Protection:				
Air Pollution Fees - Minor Sources	9,000,000	8,828,917	98	(171,083)
Air Pollution Fees - Title V Operating Permits	4,500,000	3,972,047	88	(527,953)
Air Pollution Fines	1,300,000	1,059,742	82	(240,258)
Clean Water Enforcement Act	1,400,000	2,712,264	194	1,312,264
Coastal Area Facility Review Act	1,800,000	1,804,375	100	4,375
Endangered Species Tax Checkoff	158,000	158,000	100	-
Environmental Infrastructure Financing Program Administrative Fee	5,000,000	5,000,000	100	-
Excess Diversion	170,000	343,302	202	173,302
Freshwater Wetlands Fees	3,100,000	3,100,000	100	-
Freshwater Wetlands Fines	250,000	265,531	106	15,531
Hazardous Waste Fees	3,800,000	3,737,535	98	(62,465)
Hazardous Waste Fines	560,000	764,902	137	204,902
Hunters' and Anglers' Licenses	11,983,000	11,983,000	100	-

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Industrial Site Recovery Act	30,000	57,000	190	27,000
Laboratory Certification Fees	2,600,000	2,266,231	87	(333,769)
Laboratory Certification Fines	40,000	845,250	2,113	805,250
Marina Rentals	885,000	753,402	85	(131,598)
Marine Lands - Preparation and Filing Fees	110,000	109,650	100	(350)
Medical Waste	5,000,000	5,194,574	104	194,574
Miscellaneous Revenue	-	37,254	-	37,254
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	16,700,000	16,700,000	100	-
Parks Management Fees and Permits	4,300,000	4,431,598	103	131,598
Parks Management Fines	60,000	53,572	89	(6,428)
Pesticide Control Fees	4,400,000	4,400,000	100	-
Pesticide Control Fines	30,000	45,950	153	15,950
Radiation Protection Fees	3,100,000	3,230,604	104	130,604
Radiation Protection Fines	150,000	167,581	112	17,581
Radon Testers Certification	240,000	230,450	96	(9,550)
Shellfish and Marine Fisheries	-	149	-	149
Solid and Hazardous Waste Disclosure	202,000	219,095	108	17,095
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	-
Solid Waste Fines	1,000,000	1,418,076	142	418,076
Solid Waste Management Fees	5,800,000	5,664,353	98	(135,647)
Stream Encroachment	3,800,000	3,823,162	101	23,162
Toxic Catastrophe Prevention Fees	1,730,000	2,024,630	117	294,630
Toxic Catastrophe Prevention Fines	100,000	88,475	88	(11,525)
Treatment Works Approval	1,400,000	1,633,545	117	233,545
Underground Storage Tanks Fees	650,000	581,172	89	(68,828)
Water Allocation	2,425,000	2,425,000	100	-
Water Supply Management Regulations	1,215,000	1,346,475	111	131,475
Water/Wastewater Operators Licenses	210,000	210,000	100	-
Waterfront Development Fees	3,100,000	3,008,418	97	(91,582)
Waterfront Development Fines	30,000	316,268	1,054	286,268
Well Permits/Well Drillers/Pump Installers Licenses	1,100,000	1,100,000	100	-
Wetlands	125,000	125,000	100	-
Worker Community Right to Know - Fines	5,000	500	10	(4,500)
Total Department of Environmental Protection	106,658,000	109,337,049	103	2,679,049
Department of Health:				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	-
Federal Funds - Graduate Medical Education	141,046,000	139,061,967	99	(1,984,033)
Health Care Reform	1,200,000	1,200,000	100	-
Licenses, Fines, Permits, Penalties, and Fees	5,000,000	5,000,000	100	-
Miscellaneous Revenue	50,000	2,420,612	4,841	2,370,612
Patients' and Residents' Cost Recovery - Psychiatric Hospitals	82,275,000	74,314,720	90	(7,960,280)
Total Department of Health	235,571,000	227,997,299	97	(7,573,701)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ANTICIPATED TO JUNE 30, 2018</u>	<u>REALIZED TO JUNE 30, 2018 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
Department of Human Services:				
Early Periodic Screening, Diagnosis, and Treatment	9,177,000	16,255,799	177	7,078,799
Medicaid Uncompensated Care - Acute	119,899,000	116,009,268	97	(3,889,732)
Medicaid Uncompensated Care - Mental Health	35,618,000	22,466,669	63	(13,151,331)
Medicaid Uncompensated Care - Psychiatric	178,685,000	180,411,354	101	1,726,354
Miscellaneous Revenue	150,000	1,879,562	1,253	1,729,562
Patients' and Residents' Cost Recovery - Developmental Disabilities	13,842,000	26,623,119	192	12,781,119
School Based Medicaid	54,348,000	61,058,605	112	6,710,605
Total Department of Human Services	<u>411,719,000</u>	<u>424,704,376</u>	103	<u>12,985,376</u>
Department of Labor and Workforce Development:				
Miscellaneous Revenue	145,000	158,170	109	13,170
Special Compensation Fund	1,942,000	1,376,958	71	(565,042)
State Disability Benefits	-	137,781	-	137,781
Workers' Compensation Assessment	13,673,000	13,673,000	100	-
Workplace Standards - Licenses, Permits, and Fines	4,358,000	4,358,000	100	-
Total Department of Labor and Workforce Development	<u>20,118,000</u>	<u>19,703,909</u>	98	<u>(414,091)</u>
Department of Law and Public Safety:				
Beverage Licenses	4,199,000	4,199,000	100	-
Casino Fines	-	111,737	-	111,737
Charities Registration Section	556,000	556,000	100	-
Consumer Affairs	830,000	830,900	100	900
Controlled Dangerous Substances	100,000	100,000	100	-
Court Fees	-	2,039	-	2,039
Fantasy Sports Operations Fee	-	325,537	-	325,537
Forfeiture Funds	250,000	250,000	100	-
Legalized Games of Chance Control	1,200,000	1,200,000	100	-
Miscellaneous Revenue	20,000	34,358	172	14,358
New Jersey Cemetery Board	2,000	2,000	100	-
Private Employment Agencies	258,000	258,000	100	-
Recreational Boating	2,000,000	1,940,365	97	(59,635)
Securities Enforcement	13,394,000	12,894,000	96	(500,000)
Settlements	300,000,000	59,575,927	20	(240,424,073)
State Board of Architects	480,000	480,000	100	-
State Board of Audiology and Speech- Language Pathology Advisory	444,000	444,000	100	-
State Board of Certified Public Accountants	920,000	920,000	100	-
State Board of Chiropractors	452,000	452,000	100	-
State Board of Cosmetology and Hairstyling	400,000	400,000	100	-
State Board of Court Reporting	92,000	92,000	100	-
State Board of Dentistry	2,556,000	2,556,000	100	-
State Board of Electrical Contractors	720,000	720,000	100	-
State Board of HVAC Contractors	560,000	560,000	100	-
State Board of Marriage Counselor Examiners	220,000	220,000	100	-
State Board of Massage and Bodyworks	118,000	118,000	100	-
State Board of Master Plumbers	60,000	60,000	100	-

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ANTICIPATED TO	<u>REALIZED TO JUNE 30, 2018</u>		REALIZATION OVER (UNDER)
	<u>JUNE 30, 2018</u>	<u>AMOUNT</u>	<u>PERCENT</u>	<u>ANTICIPATED</u>
State Board of Medical Examiners	1,680,000	1,680,000	100	-
State Board of Mortuary Science	154,000	154,000	100	-
State Board of Nursing	4,800,000	4,800,000	100	-
State Board of Occupational Therapists and Assistants	408,000	408,000	100	-
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	274,000	274,000	100	-
State Board of Optometrists	16,000	16,000	100	-
State Board of Orthotics and Prosthetics	3,000	3,000	100	-
State Board of Pharmacy	480,000	480,000	100	-
State Board of Physical Therapy	480,000	480,000	100	-
State Board of Polysommography	6,000	6,000	100	-
State Board of Professional Engineers and Land Surveyors	620,000	620,000	100	-
State Board of Professional Planners	136,000	136,000	100	-
State Board of Psychological Examiners	54,000	54,000	100	-
State Board of Real Estate Appraisers	580,000	580,000	100	-
State Board of Respiratory Care	224,000	224,000	100	-
State Board of Social Workers	56,000	56,000	100	-
State Board of Veterinary Medical Examiners	46,000	46,000	100	-
State Police - Fingerprint Fees	3,694,000	3,694,000	100	-
State Police - Other Licenses	300,000	385,531	129	85,531
State Police - Private Detective Licenses	185,000	166,795	90	(18,205)
Victims of Violent Crime Compensation	3,372,000	3,372,000	100	-
Weights and Measures - General	2,612,000	2,612,000	100	-
Total Department of Law and Public Safety	<u>350,011,000</u>	<u>109,549,189</u>	31	<u>(240,461,811)</u>
Department of Military and Veterans' Affairs:				
Miscellaneous Revenue	-	3,228	-	3,228
Soldiers' Homes	53,000,000	54,182,916	102	1,182,916
Total Department of Military and Veterans' Affairs	<u>53,000,000</u>	<u>54,186,144</u>	102	<u>1,186,144</u>
Department of Transportation:				
Air Safety Fund	965,000	965,000	100	-
Applications and Highway Permits	2,500,000	2,500,000	100	-
Autonomous Transportation Authorities	24,500,000	24,500,000	100	-
Casualty Losses	350,000	350,000	100	-
Drunk Driving Fines	400,000	165,621	41	(234,379)
Good Driver	82,802,000	80,756,600	98	(2,045,400)
Logo Sign Program Fees	300,000	300,000	100	-
Maritime Program Receipts	2,000,000	1,902,327	95	(97,673)
Miscellaneous Revenue	40,000	37,800	95	(2,200)
Outdoor Advertising	740,000	740,000	100	-
Total Department of Transportation	<u>114,597,000</u>	<u>112,217,348</u>	98	<u>(2,379,652)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Department of the Treasury:				
Assessment on Real Property Greater Than \$1 Million	153,045,000	137,632,443	90	(15,412,557)
Assessments - Cable TV	4,702,000	3,788,000	81	(914,000)
Assessments - Public Utility	31,702,000	25,336,446	80	(6,365,554)
Asset Sales	321,800,000	321,951,636	100	151,636
Cable Television (CATV) Universal Access	9,790,000	9,537,866	97	(252,134)
Commercial Recording - Expedited	1,150,000	1,150,000	100	-
Commissions (Notary)	1,300,000	1,184,737	91	(115,263)
Domestic Security	37,500,000	38,518,894	103	1,018,894
Dormitory Safety Trust Fund - Debt Service Recovery	351,000	-	-	(351,000)
Equipment Leasing Fund - Debt Service Recovery	4,086,000	-	-	(4,086,000)
General Revenue - Fees (Commercial Recording and UCC)	64,500,000	71,848,437	111	7,348,437
Higher Education Capital Improvement Fund - Debt Service Recovery	23,907,000	-	-	(23,907,000)
Hotel/Motel Occupancy Tax	106,431,000	105,450,123	99	(980,877)
Investment Earnings	-	28,711,188	-	28,711,188
Miscellaneous Revenue	500,000	844,907	169	344,907
New Jersey Economic Development Authority	10,957,000	5,957,738	54	(4,999,262)
New Jersey Public Broadcasting Authority	5,725,000	2,862,000	50	(2,863,000)
New Jersey Public Records Preservation	33,000,000	34,377,567	104	1,377,567
Nuclear Emergency Response Assessment	4,490,000	5,610,000	125	1,120,000
Office of Dispute Settlement Mediation	50,000	-	-	(50,000)
Public Defender Client Receipts	3,750,000	3,833,533	102	83,533
Public Utility Fines	1,050,000	1,882,061	179	832,061
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	133,000,000	135,392,282	102	2,392,282
Railroad Tax - Class II	5,027,000	5,015,727	100	(11,273)
Railroad Tax - Franchise	6,937,000	21,812,444	314	14,875,444
Rate Counsel	8,495,000	7,001,000	82	(1,494,000)
Sports Betting	-	193,605	-	193,605
Surplus Property	1,650,000	1,738,407	105	88,407
Tax Referral Cost Recovery Fee	12,000,000	95,579	1	(11,904,421)
Telephone Assessment	124,000,000	122,904,999	99	(1,095,001)
Tire Clean-Up Surcharge	9,800,000	10,027,921	102	227,921
University Hospital Debt Recovery	2,000,000	4,983,515	249	2,983,515
Total Department of Treasury	<u>1,122,695,000</u>	<u>1,109,643,055</u>	99	<u>(13,051,945)</u>
Other Sources:				
Miscellaneous Revenue	1,000,000	12,191,494	1,219	11,191,494
Total Other Sources	<u>1,000,000</u>	<u>12,191,494</u>	1,219	<u>11,191,494</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ANTICIPATED TO JUNE 30, 2018</u>	<u>REALIZED TO JUNE 30, 2018 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
Interdepartmental Accounts:				
Administration and Investment of Pension and Health Benefit Funds - Recoveries	2,810,000	2,265,257	81	(544,743)
Employee Maintenance Deductions	300,000	300,000	100	-
Federal Fringe Benefit Recoveries from School Districts	58,800,000	66,529,144	113	7,729,144
Fringe Benefit Recoveries from Colleges and Universities	229,674,000	224,073,620	98	(5,600,380)
Fringe Benefit Recoveries from Federal and Other Funds	370,648,000	375,636,262	101	4,988,262
Indirect Cost Recoveries - DEP Other Funds	11,600,000	13,070,902	113	1,470,902
Market Transition Facility Revenue Fund	35,669,000	81,879,363	230	46,210,363
Rent of State Building Space	3,470,000	2,873,114	83	(596,886)
Social Security Recoveries from Federal and Other Funds	62,624,000	64,892,178	104	2,268,178
Total Interdepartmental Accounts	<u>775,595,000</u>	<u>831,519,840</u>	107	<u>55,924,840</u>
Judicial Branch:				
Court Fees	48,000,000	48,669,693	101	669,693
Total Judicial Branch	<u>48,000,000</u>	<u>48,669,693</u>	101	<u>669,693</u>
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	<u>3,499,792,000</u>	<u>3,327,382,672</u>	95	<u>(172,409,328)</u>
INTERFUND TRANSFERS				
Beaches and Harbor Fund	5,000	12,592	252	7,592
Building Our Future Fund	1,268,000	1,512,691	119	244,691
Clean Waters Fund	-	147	-	147
Cultural Center and Historical Preservation Fund	4,000	861	22	(3,139)
Dam, Lake, Stream and Flood Control Project Fund - 2003	22,000	96,057	437	74,057
Developmental Disabilities Waiting List Reduction Fund	1,000	16,569	1,657	15,569
Emergency Flood Control	3,000	3,920	131	920
Energy Conservation Fund	3,000	3,859	129	859
Enterprise Zone Assistance Fund	65,967,000	68,985,434	105	3,018,434
Fund for the Support of Free Public Schools	6,002,000	6,182,684	103	180,684
Garden State Farmland Preservation Trust Fund	2,080,000	347,153	17	(1,732,847)
Garden State Green Acres Preservation Trust Fund	5,731,000	5,517,106	96	(213,894)
Garden State Historic Preservation Trust Fund	84,000	82,263	98	(1,737)
Hazardous Discharge Fund	1,000	2,488	249	1,488
Hazardous Discharge Site Cleanup Fund	19,022,000	18,736,429	98	(285,571)
Housing Assistance Fund	23,000	56,694	246	33,694
Jobs, Education and Competitiveness Fund	-	522	-	522
Judiciary Bail Fund	33,000	141,759	430	108,759
Judiciary Probation Fund	9,000	92,026	1,023	83,026
Judiciary Special Civil Fund	4,000	50,510	1,263	46,510
Judiciary Superior Court Miscellaneous Fund	3,000	44,849	1,495	41,849
Legal Services Fund	9,150,000	8,768,416	96	(381,584)
Mortgage Assistance Fund	346,000	582,823	168	236,823
Motor Vehicle Security Responsibility Fund	1,000	3,371	337	2,371

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
NJ Bridge Rehabilitation and Improvement and R.R. Right-of-Way Preservation Fund	13,000	32,528	250	19,528
Natural Resources Fund	5,000	8,884	178	3,884
New Jersey Spill Compensation Fund	16,914,000	15,914,931	94	(999,069)
New Jersey Workforce Development Partnership Fund	32,089,000	31,944,862	100	(144,138)
Pollution Prevention Fund	1,024,000	991,648	97	(32,352)
Public Purpose Buildings and Community-Based Facilities Construction Fund	1,000	3,464	346	2,464
Safe Drinking Water Fund	2,573,000	2,280,670	89	(292,330)
Shore Protection Fund	31,000	57,362	185	26,362
State Disability Benefit Fund	38,490,000	30,756,524	80	(7,733,476)
State Land Acquisition and Development Fund	1,000	3,400	340	2,400
State Owned Real Property Trust Fund	18,200,000	5,166,773	28	(13,033,227)
State Recycling Fund	3,900,000	3,900,000	100	-
State of New Jersey Cash Management Fund	1,374,000	1,615,065	118	241,065
Statewide Transportation and Local Bridge Fund	20,000	54,379	272	34,379
Supplemental Workforce Fund for Basic Skills	2,000,000	1,556,729	78	(443,271)
Tobacco Settlement Fund	-	265,641,719	-	265,641,719
Unclaimed Insurance Payments on Deposit Accounts Trust Fund	57,000	85,402	150	28,402
Unclaimed Personal Property Trust Fund	170,000,000	170,000,000	100	-
Unclaimed State Lottery Prizes	-	52,668,473	-	52,668,473
Unclaimed Utility Deposits Trust Fund	43,000	19,906	46	(23,094)
Unemployment Compensation Auxiliary Fund	13,322,000	13,230,467	99	(91,533)
Universal Services Fund	67,650,000	67,650,000	100	-
Wage and Hour Trust Fund	2,000	268	13	(1,732)
Water Conservation Fund	4,000	10,924	273	6,924
Water Supply Fund	4,436,000	4,294,737	97	(141,263)
Worker and Community Right to Know Fund	2,798,000	2,637,782	94	(160,218)
TOTAL INTERFUND TRANSFERS	<u>484,709,000</u>	<u>781,768,120</u>	161	<u>297,059,120</u>
 TOTAL REVENUES, GENERAL FUND	 <u>\$ 19,276,132,000</u>	 <u>\$ 19,713,121,867</u>	 102	 <u>\$ 436,989,867</u>

**STATE OF NEW JERSEY
SCHEDULES OF ANTICIPATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

CASINO CONTROL FUND

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Licenses and Fees	\$ 50,032,000	\$ 47,792,404	96	\$ (2,239,596)
Investment Earnings	11,000	-	-	(11,000)
TOTAL CASINO CONTROL FUND	\$ 50,043,000	\$ 47,792,404	96	\$ (2,250,596)

CASINO REVENUE FUND

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Casino Simulcasting Fund	\$ 175,000	\$ 162,451	93	\$ (12,549)
Gross Revenue Tax	182,323,000	170,614,187	94	(11,708,813)
Internet Gaming Tax	35,158,000	39,640,711	113	4,482,711
Other Casino Taxes and Fees	7,370,000	7,218,069	98	(151,931)
Sports Betting	-	100,258	-	100,258
TOTAL CASINO REVENUE FUND	\$ 225,026,000	\$ 217,735,676	97	\$ (7,290,324)

GUBERNATORIAL ELECTIONS FUND

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 700,000	\$ 443,505	63	\$ (256,495)
TOTAL GUBERNATORIAL ELECTIONS FUND	\$ 700,000	\$ 443,505	63	\$ (256,495)

PROPERTY TAX RELIEF FUND

	ANTICIPATED TO JUNE 30, 2018	REALIZED TO JUNE 30, 2018		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Gross Income Tax	\$ 14,382,159,000	\$ 15,037,844,817	105	\$ 655,685,817
Sales Tax Dedication	783,900,000	768,924,977	98	(14,975,023)
TOTAL PROPERTY TAX RELIEF FUND	\$ 15,166,059,000	\$ 15,806,769,794	104	\$ 640,710,794

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

GENERAL FUND

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
LEGISLATIVE BRANCH	\$ -	\$ -	\$ 158	\$ 158
EXECUTIVE BRANCH				
Chief Executive	-	-	760,000	760,000
Agriculture	1,700,440	478,613,041	5,928,706	486,242,187
Banking and Insurance	11,380	232,680	1,049,314	1,293,374
Children and Families	153,045	245,726,881	55,510,605	301,390,531
Community Affairs	31,750,840	699,730,532	80,999,618	812,480,990
Corrections	-	693,815	47,663,310	48,357,125
Education	891,944	919,917,199	12,663,263	933,472,406
Environmental Protection	40,197,389	43,085,729	175,954,241	259,237,359
Health	10,572,208	333,047,255	459,318,334	802,937,797
Human Services	789,916	11,269,035,509	1,730,234,788	13,000,060,213
Labor and Workforce Development	27,392,550	352,962,480	246,906,022	627,261,052
Law and Public Safety	139,433,293	284,429,460	181,516,784	605,379,537
Military and Veterans' Affairs	5,020,333	43,216,308	562,769	48,799,410
State	95,518	18,855,532	18,663,439	37,614,489
Transportation	5,137,621	8,329,651	1,598,231,586	1,611,698,858
Treasury	65,330,246	2,865,976	543,313,835	611,510,057
Interdepartmental Accounts	321,154	-	46,397,265	46,718,419
TOTAL EXECUTIVE BRANCH	<u>328,797,877</u>	<u>14,700,742,048</u>	<u>5,205,673,879</u>	<u>20,235,213,804</u>
JUDICIAL BRANCH	<u>2,662,354</u>	<u>1,643,150</u>	<u>92,283,469</u>	<u>96,588,973</u>
TOTAL GENERAL FUND	<u>\$ 331,460,231</u>	<u>\$ 14,702,385,198</u>	<u>\$ 5,297,957,506</u>	<u>\$ 20,331,802,935</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Legislative Branch	\$ 85,382,716	\$ 19,488,172	\$ 80,439,756
Executive Branch			
Chief Executive	6,736,000	2,009,001	6,535,287
Agriculture	7,353,000	3,066,537	7,467,269
Banking and Insurance	64,013,000	1,110,347	56,046,370
Children and Families	266,931,000	27,976,635	291,089,877
Community Affairs	40,744,000	22,033,614	58,399,177
Corrections	924,465,000	8,476,350	864,552,566
Education	91,276,147	4,244,968	83,260,580
Environmental Protection	209,396,791	77,161,360	239,333,273
Health	64,722,000	304,345,091	327,009,970
Human Services	586,841,000	(198,260,113)	364,694,114
Labor and Workforce Development	94,514,000	31,301,236	109,010,503
Law and Public Safety	516,930,000	201,228,207	652,210,111
Military and Veterans' Affairs	94,264,000	11,885,187	98,183,101
State	33,373,000	258,447	29,387,865
Transportation	122,272,000	14,923,407	129,369,187
Treasury	521,184,847	82,053,719	537,124,557
Miscellaneous Executive Commissions	776,000	17,019	785,474
Interdepartmental Accounts	3,151,441,862	55,263,250	2,961,827,359
Total Executive Branch	<u>6,797,233,647</u>	<u>649,094,262</u>	<u>6,816,286,640</u>
Judicial Branch	<u>757,755,000</u>	<u>(41,856,021)</u>	<u>640,079,363</u>
TOTAL DIRECT STATE SERVICES	<u>\$ 7,640,371,363</u>	<u>\$ 626,726,413</u>	<u>\$ 7,536,805,759</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,336,987	\$ -	\$ 23,094,145
-	17,658	2,192,056
327,251	1,707,795	917,222
894,324	7,132,122	1,050,531
3,379,397	284,697	153,664
1,331,279	321,206	2,725,952
54,044,458	8,203,835	6,140,491
10,025,529	999,810	1,235,196
11,612,782	3,335,342	32,276,754
16,351,093	13,038,233	12,667,795
9,725,151	8,235,459	5,926,163
6,182,497	8,498,469	2,123,767
13,728,506	(109,966)	52,329,556
1,585,773	474,935	5,905,378
3,713,046	267,488	263,048
4,326,904	1,853,743	1,645,573
16,319,460	33,190,802	16,603,747
751	-	6,794
<u>16,138,366</u>	<u>30,178,851</u>	<u>198,560,536</u>
<u>169,686,567</u>	<u>117,630,479</u>	<u>342,724,223</u>
<u>47,669,247</u>	<u>132,029</u>	<u>28,018,340</u>
<u>\$ 218,692,801</u>	<u>\$ 117,762,508</u>	<u>\$ 393,836,708</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Executive Branch			
Agriculture	\$ 6,818,000	\$ 754,909	\$ 6,826,278
Children and Families	913,111,000	15,915,937	878,257,172
Community Affairs	64,586,934	11,838,348	43,310,855
Corrections	113,161,000	(1,810,000)	102,615,180
Education	3,185,000	-	2,781,416
Environmental Protection	2,130,000	4,959,254	730,000
Health	571,156,000	139,637,532	608,951,911
Human Services	5,499,192,383	(39,979,917)	5,357,418,655
Labor and Workforce Development	71,346,000	2,411,668	60,783,460
Law and Public Safety	18,364,000	(123,883)	7,925,725
Military and Veterans' Affairs	2,414,000	-	2,241,692
State	1,279,745,000	(33,824,161)	1,239,265,266
Transportation	140,856,000	1,688,763	140,905,615
Treasury	234,117,000	11,914,028	193,849,373
Interdepartmental Accounts	1,084,027,241	(22,728,677)	1,014,945,504
Total Executive Branch	<u>10,004,209,558</u>	<u>90,653,801</u>	<u>9,660,808,102</u>
TOTAL GRANTS-IN-AID	<u>\$ 10,004,209,558</u>	<u>\$ 90,653,801</u>	<u>\$ 9,660,808,102</u>
STATE AID			
Executive Branch			
Community Affairs	\$ 1,600,000	\$ 72,231	\$ 1,512,857
Education	227,661,438	(3,434,475)	219,592,447
Environmental Protection	4,964,000	974,176	4,937,136
Human Services	187,034,000	658,208	171,185,668
Law and Public Safety	-	1,000,000	245,882
State	11,329,000	-	11,329,000
Treasury	23,957,000	603,087	21,969,710
Total Executive Branch	<u>456,545,438</u>	<u>(126,773)</u>	<u>430,772,700</u>
TOTAL STATE AID	<u>\$ 456,545,438</u>	<u>\$ (126,773)</u>	<u>\$ 430,772,700</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ 746,631
3,280,161	46,510,457	979,147
12,959,261	12,320,000	7,835,166
225,055	8,510,765	-
403,379	205	-
240,000	1,400,000	4,719,254
56,065,961	40,768,049	5,007,611
50,695,439	24,095,272	27,003,100
9,840,132	3,134,076	-
8,670,378	1,598,451	45,563
109,661	62,647	-
5,142,165	931,159	582,249
178,996	-	1,460,152
383,333	38,524,242	13,274,080
23,460,197	22,892,863	-
<u>171,654,118</u>	<u>200,748,186</u>	<u>61,652,953</u>
<u>\$ 171,654,118</u>	<u>\$ 200,748,186</u>	<u>\$ 61,652,953</u>
\$ -	\$ 144,427	\$ 14,947
4,270,367	222,774	141,375
307,728	-	693,312
2,611,091	5,887,819	8,007,630
754,118	-	-
-	-	-
111,035	2,434,342	45,000
<u>8,054,339</u>	<u>8,689,362</u>	<u>8,902,264</u>
<u>\$ 8,054,339</u>	<u>\$ 8,689,362</u>	<u>\$ 8,902,264</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
CAPITAL CONSTRUCTION			
Executive Branch			
Agriculture	\$ 50,319,000	\$ 23,439,562	\$ 14,957,184
Community Affairs	-	3,700,720	39,345
Corrections	-	4,688,010	344,822
Education	-	193,220	-
Environmental Protection	95,983,000	156,670,652	35,048,775
Human Services	-	221,949	73,379
Law and Public Safety	-	3,250,163	54,979
Military and Veterans' Affairs	-	3,766,192	691,855
Transportation	1,112,447,582	-	1,074,741,176
Treasury	-	5,566	4,485
Interdepartmental Accounts	173,341,000	32,867,145	149,522,545
Total Executive Branch	<u>1,432,090,582</u>	<u>228,803,179</u>	<u>1,275,478,545</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$ 1,432,090,582</u>	<u>\$ 228,803,179</u>	<u>\$ 1,275,478,545</u>
DEBT SERVICE			
Executive Branch			
Environmental Protection	\$ 39,046,000	\$ -	\$ 39,040,494
Treasury	287,324,000	-	287,322,814
Total Executive Branch	<u>326,370,000</u>	<u>-</u>	<u>326,363,308</u>
TOTAL DEBT SERVICE	<u>\$ 326,370,000</u>	<u>\$ -</u>	<u>\$ 326,363,308</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 994,414	\$ -	\$ 57,806,964
371,632	-	3,289,743
553,630	-	3,789,558
-	-	193,220
74,904,108	5,970,000	136,730,769
34,115	-	114,455
1,828,926	-	1,366,258
271,602	-	2,802,735
-	37,706,406	-
1,081	-	-
9,889,698	-	46,795,902
<u>88,849,206</u>	<u>43,676,406</u>	<u>252,889,604</u>
<u>\$ 88,849,206</u>	<u>\$ 43,676,406</u>	<u>\$ 252,889,604</u>
\$ -	\$ 5,506	\$ -
-	1,186	-
-	6,692	-
<u>\$ -</u>	<u>\$ 6,692</u>	<u>\$ -</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
FEDERAL			
Executive Branch			
Agriculture	\$ 570,408,868	\$ 27,982,774	\$ 425,376,270
Banking and Insurance	-	230,175	229,438
Children and Families	616,213,590	26,232,875	604,657,385
Community Affairs	452,917,000	551,555,894	463,768,520
Corrections	8,405,000	6,886,135	2,489,489
Education	918,891,287	58,569,420	688,287,943
Environmental Protection	193,022,464	115,843,556	64,820,456
Health	578,555,660	259,496,633	480,987,462
Human Services	9,946,770,563	(47,374,284)	9,474,524,957
Labor and Workforce Development	496,691,000	62,237,658	308,749,205
Law and Public Safety	223,481,000	268,793,540	245,561,165
Military and Veterans' Affairs	71,194,000	10,187,085	36,822,965
State	26,055,000	13,770	14,768,422
Transportation	13,906,000	5,056,842	4,838,430
Treasury	9,325,140	4,248,882	9,756,555
Total Executive Branch	<u>14,125,836,572</u>	<u>1,349,960,955</u>	<u>12,825,638,662</u>
Judicial Branch	<u>123,225,000</u>	<u>(48,466)</u>	<u>102,900,686</u>
TOTAL FEDERAL	<u>\$ 14,249,061,572</u>	<u>\$ 1,349,912,489</u>	<u>\$ 12,928,539,348</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 71,842,628	\$ -	\$ 101,172,744
737	-	-
7,887,433	-	29,901,647
388,234,956	-	152,469,418
6,011,005	-	6,790,641
219,011,894	-	70,160,870
67,124,282	-	176,921,282
61,936,956	-	295,127,875
31,131,962	-	393,739,360
54,164,723	-	196,014,730
53,559,273	-	193,154,102
4,859,441	-	39,698,679
1,603,757	-	9,696,591
1,214,230	-	12,910,182
1,508,699	-	2,308,768
<u>970,091,976</u>	<u>-</u>	<u>1,680,066,889</u>
<u>252,058</u>	<u>-</u>	<u>20,023,790</u>
<u>\$ 970,344,034</u>	<u>\$ -</u>	<u>\$ 1,700,090,679</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
REVOLVING FUNDS			
Executive Branch			
Community Affairs	\$ -	\$ 22,516,248	\$ 17,132,915
Corrections	-	29,770,160	22,332,223
Education	-	3,216,978	2,182,046
Environmental Protection	-	4,550,500	3,573,561
Health	-	27,103,450	22,483,725
Human Services	-	13,798,244	8,785,522
Labor and Workforce Development	-	2,142,750	1,380,486
Law and Public Safety	-	128,037	126,750
State	-	504,814	108,880
Transportation	-	12,114,624	10,633,776
Treasury	-	96,689,358	70,079,785
Total Executive Branch	<u>-</u>	<u>212,535,163</u>	<u>158,819,669</u>
TOTAL REVOLVING FUNDS	<u>\$ -</u>	<u>\$ 212,535,163</u>	<u>\$ 158,819,669</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 3,520,248	\$ -	\$ 1,863,085
1,087,748	-	6,350,189
249,834	-	785,098
117,093	-	859,846
2,072,934	-	2,546,791
326,531	-	4,686,191
734,961	-	27,303
-	-	1,287
15,966	-	379,968
958,250	-	522,598
<u>12,121,560</u>	<u>260,212</u>	<u>14,227,801</u>
<u>21,205,125</u>	<u>260,212</u>	<u>32,250,157</u>
<u>\$ 21,205,125</u>	<u>\$ 260,212</u>	<u>\$ 32,250,157</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
ALL OTHER			
Legislative Branch	\$ -	\$ 15,800	\$ -
Executive Branch			
Chief Executive's Office	-	1,157,116	25,531
Agriculture	-	11,189,290	4,762,027
Banking and Insurance	-	2,401,774	1,443,558
Children and Families	-	56,781,424	54,639,869
Community Affairs	-	109,128,363	45,835,554
Corrections	-	33,005,306	25,669,621
Education	-	25,760,301	16,892,731
Environmental Protection	-	234,763,752	85,714,521
Health	-	507,871,388	442,667,061
Human Services	-	1,735,071,611	1,718,260,938
Labor and Workforce Development	-	320,296,895	231,074,523
Law and Public Safety	-	280,513,653	218,859,840
Military and Veterans' Affairs	-	1,474,292	372,674
State	-	20,923,655	18,393,684
Transportation	-	1,921,529,625	1,030,992,421
Treasury	-	498,014,376	350,868,958
Interdepartmental Accounts	-	27,624,703	26,469,909
Total Executive Branch	-	5,787,507,524	4,272,943,420
Judicial Branch	-	176,808,196	74,831,049
TOTAL ALL OTHER	\$ -	\$ 5,964,331,520	\$ 4,347,774,469

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ 15,800
-	-	1,131,585
337,434	-	6,089,829
449	-	957,767
246,585	-	1,894,970
33,730,749	-	29,562,060
81,428	-	7,254,257
669,696	-	8,197,874
11,855,509	-	137,193,722
18,156,266	959,050	46,089,011
4,012,040	-	12,798,633
3,074,340	-	86,148,032
14,494,372	19,205,476	27,953,965
99,111	-	1,002,507
339,871	-	2,190,100
17,363,689	5,264,565	867,908,951
33,435,760	31,199,128	82,510,530
146,826	-	1,007,968
<u>138,044,125</u>	<u>56,628,219</u>	<u>1,319,891,761</u>
<u>17,351,999</u>	<u>-</u>	<u>84,625,148</u>
<u>\$ 155,396,124</u>	<u>\$ 56,628,219</u>	<u>\$ 1,404,532,709</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GENERAL FUND SUMMARY			
Legislative Branch	\$ 85,382,716	\$ 19,503,972	\$ 80,439,755
Executive Branch			
Chief Executive's Office	6,736,000	3,166,117	6,560,818
Agriculture	634,898,868	66,433,072	459,389,029
Banking and Insurance	64,013,000	3,742,295	57,719,367
Children and Families	1,796,255,590	126,906,872	1,828,644,302
Community Affairs	559,847,934	720,845,416	629,999,223
Corrections	1,046,031,000	81,015,961	1,018,003,901
Education	1,241,013,872	88,550,413	1,012,997,163
Environmental Protection	544,542,255	594,923,250	473,198,216
Health	1,214,433,660	1,238,454,094	1,882,100,129
Human Services	16,219,837,946	1,464,135,697	17,094,943,232
Labor and Workforce Development	662,551,000	418,390,207	710,998,177
Law and Public Safety	758,775,000	754,789,718	1,124,984,452
Military and Veterans' Affairs	167,872,000	27,312,756	138,312,288
State	1,350,502,000	(12,123,476)	1,313,253,115
Transportation	1,389,481,582	1,955,313,261	2,391,480,604
Treasury	1,075,907,987	693,529,015	1,470,976,237
Miscellaneous Executive Commissions	776,000	17,019	785,473
Interdepartmental Accounts	4,408,810,103	93,026,421	4,152,765,316
Total Executive Branch	<u>33,142,285,797</u>	<u>8,318,428,108</u>	<u>35,767,111,042</u>
Judicial Branch	<u>880,980,000</u>	<u>134,903,709</u>	<u>817,811,098</u>
TOTAL GENERAL FUND SUMMARY	<u>\$ 34,108,648,513</u>	<u>\$ 8,472,835,789</u>	<u>\$ 36,665,361,895</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,336,987	\$ -	\$ 23,109,946
-	17,658	3,323,641
73,501,726	1,707,796	166,733,389
895,510	7,132,122	2,008,296
14,793,575	46,795,155	32,929,430
440,148,125	12,785,633	197,760,369
62,003,324	16,714,601	30,325,135
234,630,699	1,222,789	80,713,634
166,161,502	10,710,850	489,394,937
154,583,210	54,765,332	361,439,083
98,536,329	38,218,550	452,275,532
73,996,653	11,632,546	284,313,831
93,035,573	20,693,961	274,850,732
6,925,588	537,583	49,409,297
10,814,805	1,198,648	13,111,956
24,042,069	44,824,714	884,447,457
63,880,928	105,609,913	128,969,924
751	-	6,795
49,635,087	53,071,713	246,364,408
<u>1,567,585,454</u>	<u>427,639,564</u>	<u>3,698,377,846</u>
<u>65,273,304</u>	<u>132,030</u>	<u>132,667,277</u>
<u>\$ 1,634,195,745</u>	<u>\$ 427,771,594</u>	<u>\$ 3,854,155,069</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Executive Branch			
Law and Public Safety	\$ 42,530,000	\$ 1,231,626	\$ 42,040,645
Treasury	7,513,000	116,356	5,689,414
TOTAL CASINO CONTROL FUND	<u>\$ 50,043,000</u>	<u>\$ 1,347,982</u>	<u>\$ 47,730,059</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Executive Branch			
Human Services	\$ 871,000	\$ 32,598	\$ 741,048
Law and Public Safety	92,000	-	92,000
GRANTS-IN-AID			
Executive Branch			
Health	529,000	-	359,176
Human Services	215,480,430	-	212,024,387
Labor and Workforce Development	2,196,000	-	2,196,000
TOTAL CASINO REVENUE FUND	<u>\$ 219,168,430</u>	<u>\$ 32,598</u>	<u>\$ 215,412,611</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 36,506	\$ 350,395	\$ 1,334,080
38,690	1,580,685	320,567
\$ 75,196	\$ 1,931,080	\$ 1,654,647

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 103,425	\$ 21,700	\$ 37,425
-	-	-
127,906	41,918	-
3,291,961	164,082	-
-	-	-
\$ 3,523,292	\$ 227,700	\$ 37,425

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Executive Branch			
Law and Public Safety	\$ 19,680,000	\$ (566,177)	\$ 13,044,601
TOTAL GUBERNATORIAL ELECTIONS FUND	<u>\$ 19,680,000</u>	<u>\$ (566,177)</u>	<u>\$ 13,044,601</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Executive Branch			
Treasury	\$ 363,600,000	\$ -	\$ 363,139,563
STATE AID			
Executive Branch			
Agriculture	5,616,000	-	5,614,789
Community Affairs	742,413,000	(347,533,626)	392,628,593
Corrections	22,500,000	-	22,109,032
Education	13,028,750,524	(28,413,201)	12,985,642,428
Environmental Protection	4,046,000	754,000	1,641,820
Health	-	105,543,782	95,061,143
Human Services	186,148,000	(92,313,481)	93,834,519
Law and Public Safety	2,000,000	-	2,000,000
State	3,676,000	-	3,676,000
Transportation	217,801,000	-	201,725,133
Treasury	1,250,982,000	346,805,069	1,591,424,706
Interdepartmental Accounts	45,399,000	-	45,025,257
TOTAL PROPERTY TAX RELIEF FUND	<u>\$ 15,872,931,524</u>	<u>\$ (15,157,457)</u>	<u>\$ 15,803,522,983</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 6,069,222	\$ -
<u>\$ -</u>	<u>\$ 6,069,222</u>	<u>\$ -</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 459,285	\$ 1,152
-	1,211	-
-	2,250,781	-
-	390,968	-
-	14,694,895	-
3,157,725	455	-
-	4,384,000	6,098,639
-	-	-
-	-	-
-	-	-
16,075,867	-	-
-	6,348,874	13,489
-	373,743	-
<u>\$ 19,233,592</u>	<u>\$ 28,904,212</u>	<u>\$ 6,113,280</u>

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SECTION



**STATE OF NEW JERSEY
STATISTICAL SECTION
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STATE OF NEW JERSEY
NET POSITION BY COMPONENT
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2018</u>	<u>2017¹</u>	<u>2016²</u>	<u>2015³</u>
<u>Governmental Activities</u>				
Net investment in capital assets	\$ 8,123.9	\$ 8,966.2	\$ 9,000.2	\$ 8,506.6
Restricted	4,771.1	4,772.5	4,468.2	4,472.3
Unrestricted	<u>(214,093.2)</u>	<u>(207,554.1)</u>	<u>(137,062.6)</u>	<u>(127,852.0)</u>
Total	<u>(201,198.2)</u>	<u>(193,815.4)</u>	<u>(123,594.2)</u>	<u>(114,873.1)</u>
<u>Business-type Activities</u>				
Restricted	3,092.1	2,743.2	2,461.1	1,698.9
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,092.1</u>	<u>2,743.2</u>	<u>2,461.1</u>	<u>1,698.9</u>
<u>Total Primary Government</u>				
Net investment in capital assets	8,123.9	8,966.2	9,000.2	8,506.6
Restricted	7,863.2	7,515.7	6,929.3	6,171.2
Unrestricted	<u>(214,093.2)</u>	<u>(207,554.1)</u>	<u>(137,062.6)</u>	<u>(127,852.0)</u>
Total	<u>\$ (198,106.1)</u>	<u>\$ (191,072.2)</u>	<u>\$ (121,133.1)</u>	<u>\$ (113,174.2)</u>

Notes:

- ¹ Net Position was restated to reflect the following: implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulting in the removal of the Net OPEB Obligation of \$36,493.6 million and the addition of a Total OPEB Liability of \$97,114.4 million offset by deferred outflows of resources of \$2,024.8 million; prior period adjustments to account for an increase in capital assets of \$312.1 million, an increase in accumulated depreciation of \$123.8 million, and a decrease of Group Homes of \$87.3 million; correction of a Governmental Funds understatement of liabilities of \$29.3 million and a New Jersey Building Authority accounts payable overstatement of \$22.3 million; and to capitalize school district loans previously expensed for \$20.2 million.
- ² Net Position was restated by \$822.4 million to reflect a prior period adjustment for a decrease in capital assets – (\$561.6 million); an increase in accumulated depreciation – (\$44.8 million); implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, resulting in the inclusion of state health benefit funds incurred but not reported obligations – (\$158.1 million); a portion of the Master Settlement Agreement receipts are now classified as deferred inflows of resources – (\$107.5 million); offset by state health benefits fund balances – \$49.6 million.
- ³ Net Position was restated by \$703.0 million to reflect the following prior period adjustments: the inclusion of increased capital assets (\$138.2 million) and the reduction of overstated contributory life insurance payable (\$564.8 million).
- ⁴ Net Position was restated to reflect the following: implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, resulting in the removal of the Net Pension Obligation of \$15,949.4 million, the addition of a Net Pension Liability of \$74,773.7 million offset by deferred outflows of resources of \$753.5 million; a decrease of capitalized software liability of \$52.0 million related to the State Lottery resulting from the assignment of the software contract to Northstar; and a decrease in capital assets of \$229.8 million offset by a decrease in accumulated depreciation of \$62.4 million across all statewide functions and categories.

Information presented is based on the accrual basis of accounting.

<u>2014⁴</u>	<u>2013⁵</u>	<u>2012⁶</u>	<u>2011</u>	<u>2010</u>	<u>2009⁷</u>
\$ 7,870.8	\$ 7,343.4	\$ 7,192.2	\$ 6,999.7	\$ 6,439.8	\$ 7,362.1
3,429.5	3,678.9	3,536.3	3,877.3	4,364.6	4,298.6
<u>(120,171.7)</u>	<u>(57,551.2)</u>	<u>(51,134.4)</u>	<u>(44,297.2)</u>	<u>(39,005.6)</u>	<u>(33,419.6)</u>
<u>(108,871.4)</u>	<u>(46,528.9)</u>	<u>(40,405.9)</u>	<u>(33,420.2)</u>	<u>(28,201.2)</u>	<u>(21,758.9)</u>
1,067.5	453.1	12.1	10.9	10.2	321.0
<u>-</u>	<u>-</u>	<u>(253.1)</u>	<u>(794.9)</u>	<u>(776.6)</u>	<u>-</u>
<u>1,067.5</u>	<u>453.1</u>	<u>(241.0)</u>	<u>(784.0)</u>	<u>(766.4)</u>	<u>321.0</u>
7,870.8	7,343.4	7,192.2	6,999.7	6,439.8	7,362.1
4,497.0	4,132.0	3,548.4	3,888.2	4,374.8	4,619.6
<u>(120,171.7)</u>	<u>(57,551.2)</u>	<u>(51,387.5)</u>	<u>(45,092.1)</u>	<u>(39,782.2)</u>	<u>(33,419.6)</u>
<u>\$ (107,803.9)</u>	<u>\$ (46,075.8)</u>	<u>\$ (40,646.9)</u>	<u>\$ (34,204.2)</u>	<u>\$ (28,967.6)</u>	<u>\$ (21,437.9)</u>

⁵ Net Position was restated to reflect the following: implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, resulting in \$301.6 million in debt issuance costs, previously reported as assets and amortized, being immediately recognized in the current reporting period; implementation of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, resulting in an increase in non-bonded debt of \$184.1 million relating to the South Jersey Port Corporation bonds; an increase in capital assets of \$60.4 million and an increase in accumulated depreciation of \$4.7 million across all statewide functions and categories; and an increase in unamortized premium on bonds payable of \$52.5 million due to over amortization in prior years.

⁶ Net Position was restated by \$633.8 million to reflect prior period adjustments for inclusion of: long-term obligations of Business Employment Incentive Grants (\$630.1) million, capital leases (\$39.5) million, and unclaimed personal property (\$31.0) million, offset by increase in capital assets, net of accumulated depreciation \$49.3 million, and increase in Other Assets (group homes), net of accumulated amortization \$17.5 million.

⁷ Net Position was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

**STATE OF NEW JERSEY
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30 (Expressed in Millions)**

	<u>2018</u>	<u>2017¹</u>	<u>2016²</u>
<u>Governmental Activities</u>			
Expenses			
Public safety and criminal justice	\$ 3,281.9	\$ 3,152.4	\$ 3,183.0
Physical and mental health	15,225.3	15,015.1	14,211.9
Educational, cultural, and intellectual development	17,758.7	17,646.9	17,127.3
Community development and environmental management	2,242.6	2,192.2	2,296.7
Economic planning, development, and security	6,156.1	6,292.2	6,267.1
Transportation programs	2,295.1	2,363.8	2,140.4
Government direction, management, and control	15,212.7	18,917.2	15,303.5
Special government services	361.8	352.6	338.5
Interest expense	1,768.5	1,533.5	1,382.5
Total Expenses	<u>64,302.7</u>	<u>67,465.9</u>	<u>62,250.9</u>
Program Revenues			
Charges for services			
Public safety and criminal justice	1,092.4	1,086.4	1,078.0
Physical and mental health	838.4	838.5	961.2
Educational, cultural, and intellectual development	42.5	47.3	110.7
Community development and environmental management	349.8	340.1	318.2
Economic planning, development, and security	1,258.6	1,292.9	1,326.3
Transportation programs	24.7	22.6	20.2
Government direction, management, and control	1,577.0	1,003.9	1,018.8
Special government services	216.1	191.1	147.9
Operating grants and contributions	17,528.0	17,323.2	16,413.3
Capital grants and contributions	212.6	507.4	269.4
Total Program Revenues	<u>23,140.1</u>	<u>22,653.4</u>	<u>21,664.0</u>
Net (Expense) Revenue	<u>(41,162.6)</u>	<u>(44,812.5)</u>	<u>(40,586.9)</u>
General Revenues and Transfers			
Taxes	32,683.4	31,605.3	30,463.4
Investment earnings	51.3	38.6	8.3
Miscellaneous	968.8	491.9	526.0
Transfers	76.3	1,013.5	989.7
Total General Revenue and Transfers	<u>33,779.8</u>	<u>33,149.3</u>	<u>31,987.4</u>
Change in Net Position	<u>(7,382.8)</u>	<u>(11,663.2)</u>	<u>(8,599.5)</u>
Net Position - July 1	<u>(193,815.4)</u>	<u>(182,152.2)</u>	<u>(114,994.7)</u>
Net Position - June 30	<u>\$ (201,198.2)</u>	<u>\$ (193,815.4)</u>	<u>\$ (123,594.2)</u>

Notes:

- 1 Net Position was restated to reflect the following: implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulting in the removal of the Net OPEB Obligation of \$36,493.6 million and the addition of a Total OPEB Liability of \$97,114.4 million offset by deferred outflows of resources of \$2,024.8 million; prior period adjustments to account for an increase in capital assets of \$312.1 million, an increase in accumulated depreciation of \$123.8 million, and a decrease of Group Homes of \$87.3 million; correction of a Governmental Funds understatement of liabilities of \$29.3 million and a New Jersey Building Authority accounts payable overstatement of \$22.3 million; and to capitalize school district loans previously expensed for \$20.2 million.
- 2 Net Position was restated by \$822.4 million to reflect a prior period adjustment for a decrease in capital assets – (\$561.6 million); an increase in accumulated depreciation – (\$44.8 million); implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, resulting in the inclusion of state health benefit funds incurred but not reported obligations – (\$158.1 million); a portion of the Master Settlement Agreement receipts are now classified as deferred inflows of resources – (\$107.5 million); offset by state health benefits fund balances – \$49.6 million.
- 3 Net Position was restated by \$703.0 million to reflect the following prior period adjustments: the inclusion of increased capital assets (\$138.2 million) and the reduction of overstated contributory life insurance payable (\$564.8 million).

Information presented is based on the accrual basis of accounting.

	<u>2015³</u>	<u>2014⁴</u>	<u>2013⁵</u>	<u>2012⁶</u>	<u>2011</u>	<u>2010</u>	<u>2009⁷</u>
\$	3,272.7	\$ 3,459.9	\$ 3,375.1	\$ 3,274.0	\$ 3,169.2	\$ 3,133.2	\$ 3,087.7
	14,283.6	12,933.2	11,777.2	11,794.4	11,392.4	10,989.6	10,589.0
	16,409.7	15,685.3	15,632.4	15,249.5	14,091.6	15,013.1	14,681.3
	2,385.9	2,274.3	1,708.4	1,560.6	1,694.1	2,166.9	2,271.8
	6,484.7	6,527.3	6,741.5	6,861.9	6,729.5	6,663.1	6,126.8
	1,831.0	1,907.8	2,144.9	1,715.9	1,927.5	2,017.7	1,859.2
	14,461.7	11,725.3	11,509.8	11,489.5	11,671.6	11,627.1	11,846.1
	357.5	358.7	344.5	342.1	348.9	337.9	364.5
	<u>1,328.0</u>	<u>1,235.3</u>	<u>1,354.3</u>	<u>1,275.8</u>	<u>1,227.7</u>	<u>1,125.9</u>	<u>1,092.4</u>
	<u>60,814.8</u>	<u>56,107.1</u>	<u>54,588.1</u>	<u>53,563.7</u>	<u>52,252.5</u>	<u>53,074.5</u>	<u>51,918.8</u>
	1,108.6	1,111.4	1,101.2	1,120.4	1,033.6	1,038.8	1,027.1
	861.3	848.7	861.5	858.7	912.3	875.7	851.7
	109.7	113.6	110.7	111.7	119.8	118.8	119.9
	406.4	342.3	271.0	271.1	302.5	381.5	283.2
	1,298.6	1,275.0	1,330.7	1,313.2	1,190.5	1,207.8	1,185.2
	26.1	30.5	32.2	30.5	27.5	24.0	27.3
	897.6	880.1	963.3	971.3	995.3	846.8	910.0
	415.5	201.0	163.4	144.0	154.5	128.2	148.3
	16,533.7	15,638.0	13,680.3	13,238.6	13,326.1	14,240.8	11,375.9
	<u>363.7</u>	<u>658.9</u>	<u>349.5</u>	<u>325.8</u>	<u>139.6</u>	<u>212.5</u>	<u>204.1</u>
	<u>22,021.2</u>	<u>21,099.5</u>	<u>18,863.8</u>	<u>18,385.3</u>	<u>18,201.7</u>	<u>19,074.9</u>	<u>16,132.7</u>
	(38,793.6)	(35,007.6)	(35,724.3)	(35,178.4)	(34,050.8)	(33,999.6)	(35,786.1)
	30,771.2	28,838.6	28,313.6	26,666.3	26,569.4	25,745.0	26,910.6
	331.1	16.3	335.8	(274.9)	48.9	(63.1)	(263.5)
	738.6	916.7	982.9	851.2	762.0	818.9	890.5
	<u>951.0</u>	<u>965.0</u>	<u>1,085.0</u>	<u>950.1</u>	<u>1,451.5</u>	<u>1,056.5</u>	<u>264.5</u>
	<u>32,791.9</u>	<u>30,736.6</u>	<u>30,717.3</u>	<u>28,192.7</u>	<u>28,831.8</u>	<u>27,557.3</u>	<u>27,802.1</u>
	(6,001.7)	(4,271.0)	(5,007.0)	(6,985.7)	(5,219.0)	(6,442.3)	(7,984.0)
	<u>(108,871.4)</u>	<u>(104,600.4)</u>	<u>(41,521.9)</u>	<u>(33,420.2)</u>	<u>(28,201.2)</u>	<u>(21,758.9)</u>	<u>(13,774.9)</u>
\$	<u>(114,873.1)</u>	<u>(108,871.4)</u>	<u>(46,528.9)</u>	<u>(40,405.9)</u>	<u>(33,420.2)</u>	<u>(28,201.2)</u>	<u>(21,758.9)</u>

- 4 Net Position was restated to reflect the following: implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, resulting in the removal of the Net Pension Obligation of \$15,949.4 million, the addition of a Net Pension Liability of \$74,773.7 million offset by deferred outflows of resources of \$753.5 million; a decrease of capitalized software liability of \$52.0 million related to the State Lottery resulting from the assignment of the software contract to Northstar; and a decrease in capital assets of \$229.8 million offset by a decrease in accumulated depreciation of \$62.4 million across all statewide functions and categories.
- 5 Net Position was restated to reflect the following: implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, resulting in \$301.6 million in debt issuance costs, previously reported as assets and amortized, being immediately recognized in the current reporting period; implementation of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, resulting in an increase in non-bonded debt of \$184.1 million relating to the South Jersey Port Corporation bonds; an increase in capital assets of \$60.4 million and an increase in accumulated depreciation of \$4.7 million across all statewide functions and categories; and an increase in unamortized premium on bonds payable of \$52.5 million due to over amortization in prior years.
- 6 Net Position was restated by \$633.8 million to reflect prior period adjustments for inclusion of: long-term obligations of Business Employment Incentive Grants (\$630.1) million, capital leases (\$39.5) million, and unclaimed personal property (\$31.0) million, offset by increase in capital assets, net of accumulated depreciation \$49.3 million, and increase in Other Assets (group homes), net of accumulated amortization \$17.5 million.
- 7 Net Position was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

STATE OF NEW JERSEY
CHANGES IN NET POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30 (Expressed in Millions)

	2018	2017¹	2016²
<u>Business-type Activities</u>			
Expenses			
State Lottery Fund	\$ 3,302.5	\$ 2,222.1	\$ 2,301.6
Unemployment Compensation Fund	1,967.8	1,986.2	2,053.1
Total Expenses	5,270.3	4,208.3	4,354.7
Program Revenues			
Charges for services			
State Lottery Fund	3,353.4	3,205.0	3,297.6
Unemployment Compensation Fund	2,247.6	2,216.2	2,752.0
Operating grants	70.9	64.8	54.3
Total Program Revenues	5,671.9	5,486.0	6,103.9
Net (Expense) Revenue	401.6	1,277.7	1,749.2
General Revenues and Transfers			
Investment earnings	-	-	-
Transfers	(52.7)	(995.6)	(987.0)
Total General Revenue and Transfers	(52.7)	(995.6)	(987.0)
Change in Net Assets	348.9	282.1	762.2
Net Position - July 1	2,743.2	2,461.1	1,698.9
Net Position - June 30	\$ 3,092.1	\$ 2,743.2	\$ 2,461.1
 <u>Total Primary Government</u>			
Expenses	\$ 69,573.0	\$ 71,674.2	\$ 66,605.6
Program revenues	28,812.0	28,139.4	27,767.9
Net (Expense) Revenue	(40,761.0)	(43,534.8)	(38,837.7)
General revenues and other changes in net assets	33,727.1	32,153.7	31,000.4
Change in Net Position	(7,033.9)	(11,381.1)	(7,837.3)
Net Position - July 1	(191,072.2)	(179,691.1)	(113,295.8)
Net Position - June 30	\$ (198,106.1)	\$ (191,072.2)	\$ (121,133.1)

Notes:

- 1 Net Position was restated to reflect the following: implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulting in the removal of the Net OPEB Obligation of \$36,493.6 million and the addition of a Total OPEB Liability of \$97,114.4 million offset by deferred outflows of resources of \$2,204.8 million; prior period adjustments to account for an increase in capital assets of \$312.1 million, an increase in accumulated depreciation of \$123.8 million, and a decrease of Group Homes of \$87.3 million; correction of a Governmental Funds understatement of liabilities of \$29.3 million and a New Jersey Building Authority accounts payable overstatement of \$22.3 million; and to capitalize school district loans previously expensed for \$20.2 million.
- 2 Net Position was restated by \$822.4 million to reflect a prior period adjustment for a decrease in capital assets – (\$561.6 million); an increase in accumulated depreciation - (\$44.8 million); implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, resulting in the inclusion of state health benefit funds incurred but not reported obligations – (\$158.1 million); a portion of the Master Settlement Agreement receipts are now classified as deferred inflows of resources – (\$107.5 million); offset by state health benefits fund balances – \$49.6 million.
- 3 Net Position was restated by \$703.0 million to reflect the following prior period adjustments: the inclusion of increased capital assets (\$138.2 million) and the reduction of overstated contributory life insurance payable (\$564.8 million).

Information presented is based on the accrual basis of accounting.

2015 ³	2014 ⁴	2013 ⁵	2012 ⁶	2011	2010	2009 ⁷
\$ 2,102.1	\$ 1,985.6	\$ 1,899.2	\$ 1,845.6	\$ 1,724.3	\$ 1,705.0	\$ 1,645.7
2,200.8	3,058.1	4,666.5	5,822.3	7,206.7	8,214.4	5,283.6
<u>4,302.9</u>	<u>5,043.7</u>	<u>6,565.7</u>	<u>7,667.9</u>	<u>8,931.0</u>	<u>9,919.4</u>	<u>6,929.3</u>
3,062.9	2,942.2	2,981.0	2,797.6	2,676.9	2,648.3	2,538.1
2,785.7	3,000.3	3,143.0	3,055.2	2,780.3	2,172.5	1,855.2
45.7	680.6	2,220.8	3,309.1	4,408.5	4,953.4	2,351.9
<u>5,894.3</u>	<u>6,623.1</u>	<u>8,344.8</u>	<u>9,161.9</u>	<u>9,865.7</u>	<u>9,774.2</u>	<u>6,745.2</u>
1,591.4	1,579.4	1,779.1	1,494.0	934.7	(145.2)	(184.1)
-	-	-	(0.9)	-	-	-
<u>(960.0)</u>	<u>(965.0)</u>	<u>(1,085.0)</u>	<u>(950.1)</u>	<u>(952.3)</u>	<u>(942.2)</u>	<u>(811.6)</u>
<u>(960.0)</u>	<u>(965.0)</u>	<u>(1,085.0)</u>	<u>(951.0)</u>	<u>(952.3)</u>	<u>(942.2)</u>	<u>(811.6)</u>
631.4	614.4	694.1	543.0	(17.6)	(1,087.4)	(995.7)
<u>1,067.5</u>	<u>453.1</u>	<u>(241.0)</u>	<u>(784.0)</u>	<u>(766.4)</u>	<u>321.0</u>	<u>1,316.7</u>
<u>\$ 1,698.9</u>	<u>\$ 1,067.5</u>	<u>\$ 453.1</u>	<u>\$ (241.0)</u>	<u>\$ (784.0)</u>	<u>\$ (766.4)</u>	<u>\$ 321.0</u>
\$ 65,117.7	\$ 61,150.8	\$ 61,153.8	\$ 61,231.6	\$ 61,183.5	\$ 62,993.9	\$ 58,848.1
27,915.5	27,722.6	27,208.6	27,547.2	28,067.4	28,849.1	22,877.9
<u>(37,202.2)</u>	<u>(33,428.2)</u>	<u>(33,945.2)</u>	<u>(33,684.4)</u>	<u>(33,116.1)</u>	<u>(34,144.8)</u>	<u>(35,970.2)</u>
31,831.9	29,771.6	29,632.3	27,241.7	27,879.5	26,615.1	26,990.5
(5,370.3)	(3,656.6)	(4,312.9)	(6,442.7)	(5,236.6)	(7,529.7)	(8,979.7)
<u>(107,803.9)</u>	<u>(104,147.3)</u>	<u>(41,762.9)</u>	<u>(34,204.2)</u>	<u>(28,967.6)</u>	<u>(21,437.9)</u>	<u>(12,458.2)</u>
<u>\$ (113,174.2)</u>	<u>\$ (107,803.9)</u>	<u>\$ (46,075.8)</u>	<u>\$ (40,646.9)</u>	<u>\$ (34,204.2)</u>	<u>\$ (28,967.6)</u>	<u>\$ (21,437.9)</u>

- 4 Net Position was restated to reflect the following: implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, resulting in the removal of the Net Pension Obligation of \$15,949.4 million, the addition of a Net Pension Liability of \$74,773.7 million offset by deferred outflows of resources of \$753.5 million; a decrease of capitalized software liability of \$52.0 million related to the State Lottery resulting from the assignment of the software contract to Northstar; and a decrease in capital assets of \$229.8 million offset by a decrease in accumulated depreciation of \$62.4 million across all statewide functions and categories.
- 5 Net Position was restated to reflect the following: implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, resulting in \$301.6 million in debt issuance costs, previously reported as assets and amortized, being immediately recognized in the current reporting period; implementation of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, resulting in an increase in non-bonded debt of \$184.1 million relating to the South Jersey Port Corporation bonds; an increase in capital assets of \$60.4 million and an increase in accumulated depreciation of \$4.7 million across all statewide functions and categories; and an increase in unamortized premium on bonds payable of \$52.5 million due to over amortization in prior years.
- 6 Net Position was restated by \$633.8 million to reflect prior period adjustments for inclusion of: long-term obligations of Business Employment Incentive Grants (\$630.1) million, capital leases (\$39.5) million, and unclaimed personal property (\$31.0) million, offset by increase in capital assets, net of accumulated depreciation \$49.3 million, and increase in Other Assets (group homes), net of accumulated amortization \$17.5 million.
- 7 Net Position was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

STATE OF NEW JERSEY
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2018</u>	<u>2017¹</u>	<u>2016²</u>	<u>2015</u>
<u>General Fund</u>				
Reserved				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Unreserved				
Nonspendable	20.4	20.4	20.4	20.4
Restricted	939.8	1,135.6	1,062.3	1,312.4
Committed	3,681.8	2,812.3	2,378.5	2,315.6
Unassigned	990.6	715.1	462.8	806.4
Total General Fund	<u>5,632.6</u>	<u>4,683.4</u>	<u>3,924.0</u>	<u>4,454.8</u>
<u>All Other Governmental Funds</u>				
Reserved				
Encumbrances	-	-	-	-
Other	-	-	-	-
Unreserved				
Restricted	5,526.6	6,835.4	4,259.8	4,292.2
Committed	387.2	353.7	441.4	628.1
Total All Other Governmental Funds	<u>5,913.8</u>	<u>7,189.1</u>	<u>4,701.2</u>	<u>4,920.3</u>
<u>Total</u>				
Reserved				
Encumbrances	-	-	-	-
Other	-	-	-	-
Unreserved				
Nonspendable	20.4	20.4	20.4	20.4
Restricted	6,466.4	7,971.0	5,322.1	5,604.6
Committed	4,069.0	3,166.0	2,819.9	2,943.7
Unassigned	990.6	715.1	462.8	806.4
Total Governmental Funds	<u>\$ 11,546.4</u>	<u>\$ 11,872.5</u>	<u>\$ 8,625.2</u>	<u>\$ 9,375.1</u>

Notes:

- ¹ The June 30, 2017 Restricted fund balance has been increased by \$45.8 million; the Committed fund balance has been increased by \$36.0 million; and the Unassigned fund balance has been decreased by \$68.6 million resulting from the correction of prior year's errors. For more detailed information about the State's fund balance restatement see Note 2 - Other Accounting Disclosures.
- ² The June 30, 2016 Restricted fund balance has been increased by \$49.6 million to reflect the inclusion of state health benefit funds resulting from the implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*.
- ³ As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 53 Special Revenue Funds have been reclassified to the General Fund. In addition, new fund balance classifications are required.

Information presented is based on the modified accrual basis of accounting.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011³</u>	<u>2010</u>	<u>2009</u>
\$ -	\$ -	\$ -	\$ -	\$ 799.0	\$ 868.4
-	-	-	-	47.3	46.2
-	-	-	-	1,833.9	2,185.5
20.4	20.4	20.4	20.4	-	-
999.2	1,154.2	884.2	985.9	-	-
2,008.4	1,718.0	1,570.7	1,896.9	-	-
295.1	301.4	425.4	864.1	-	-
<u>3,323.1</u>	<u>3,194.0</u>	<u>2,900.7</u>	<u>3,767.3</u>	<u>2,680.2</u>	<u>3,100.1</u>
-	-	-	-	1,127.3	1,195.1
-	-	-	-	1,882.0	1,716.6
-	-	-	-	1,697.2	2,122.1
3,381.0	3,813.2	3,494.6	3,417.8	-	-
415.1	420.2	458.6	1,127.7	-	-
<u>3,796.1</u>	<u>4,233.4</u>	<u>3,953.2</u>	<u>4,545.5</u>	<u>4,706.5</u>	<u>5,033.8</u>
-	-	-	-	1,926.3	2,063.5
-	-	-	-	1,929.3	1,762.8
-	-	-	-	3,531.1	4,307.6
20.4	20.4	20.4	20.4	-	-
4,380.2	4,967.4	4,378.8	4,403.7	-	-
2,423.5	2,138.2	2,029.3	3,024.6	-	-
295.1	301.4	425.4	864.1	-	-
<u>\$ 7,119.2</u>	<u>\$ 7,427.4</u>	<u>\$ 6,853.9</u>	<u>\$ 8,312.8</u>	<u>\$ 7,386.7</u>	<u>\$ 8,133.9</u>

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2018</u>	<u>2017¹</u>	<u>2016²</u>	<u>2015</u>
REVENUES				
Taxes	\$ 33,851.8	\$ 32,190.7	\$ 30,722.3	\$ 30,876.2
Federal and other grants	15,620.7	15,938.2	15,737.9	16,088.8
Licenses and fees	1,495.0	1,528.6	1,466.3	1,460.2
Services and assessments	2,951.5	3,004.2	3,218.8	3,088.9
Component Units and Port Authority	350.0	641.1	477.3	682.1
Investment earnings	120.0	73.0	19.5	8.2
Contributions	560.1	-	-	-
Other	2,010.2	1,440.5	1,171.0	1,278.1
Total Revenues	<u>56,959.3</u>	<u>54,816.3</u>	<u>52,813.1</u>	<u>53,482.5</u>
EXPENDITURES				
Public safety and criminal justice	3,261.6	3,211.3	3,302.7	3,282.5
Physical and mental health	15,234.9	14,903.5	14,244.4	14,266.9
Educational, cultural, and intellectual development	17,761.4	17,718.3	17,190.6	16,399.0
Community development and environmental management	2,274.9	2,254.2	2,388.2	2,533.2
Economic planning, development, and security	6,146.5	6,282.9	6,244.2	6,479.8
Transportation programs	3,100.9	2,616.8	2,749.0	2,741.7
Government direction, management, and control	7,641.3	7,175.4	7,119.0	6,588.4
Special government services	357.6	344.6	343.5	349.0
Capital Outlay	469.0	187.4	135.8	253.2
Debt Service:				
Principal	927.9	1,016.1	1,034.1	848.3
Interest	1,054.2	1,075.7	1,012.2	995.0
Total Expenditures	<u>58,230.2</u>	<u>56,786.2</u>	<u>55,763.7</u>	<u>54,737.0</u>
Excess (deficiency) of revenues over expenditures	<u>(1,270.9)</u>	<u>(1,969.9)</u>	<u>(2,950.6)</u>	<u>(1,254.5)</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	819.0	5,028.4	1,178.2	2,364.8
Refunding bonds issued	4,003.0	1,112.7	2,089.2	1,081.2
Premiums/discounts	326.8	264.0	89.5	194.6
Payment to bond escrow agents	(4,280.3)	(2,239.5)	(2,024.4)	(1,081.2)
Transfers from other funds	7,587.4	7,616.4	7,675.9	5,615.9
Transfers to other funds	(7,511.0)	(6,602.9)	(6,686.1)	(4,664.9)
Total Other Financing Sources (Uses)	<u>944.9</u>	<u>5,179.1</u>	<u>2,322.3</u>	<u>3,510.4</u>
Net Change in Fund Balance	<u>(326.0)</u>	<u>3,209.2</u>	<u>(628.3)</u>	<u>2,255.9</u>
Fund balances - July 1	<u>11,872.4</u>	<u>8,663.2</u>	<u>9,253.5</u>	<u>7,119.2</u>
Fund balances - June 30	<u>\$ 11,546.4</u>	<u>\$ 11,872.4</u>	<u>\$ 8,625.2</u>	<u>\$ 9,375.1</u>
Debt Service as a percentage of noncapital expenditures:³	3.5%	3.8%	3.8%	3.5%

Notes:

- ¹ Fiscal Year 2017 has been restated to correct a Governmental Funds liabilities understatement of \$29.3 million, to correct a New Jersey Building Authority accounts payable overstatement of \$22.3 million, and to reflect \$20.2 million of capitalized school district loans previously expensed.
- ² Fiscal Year 2016 has been restated by \$49.6 million to reflect the inclusion of state health benefit funds resulting from the implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*.
- ³ Debt service as a percentage of noncapital expenditures is defined as total debt service divided by, total expenditures minus capital outlay and expenditures for capitalized assets included within the functional categories.

Information presented is based on the modified accrual basis of accounting.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	28,998.6	\$ 28,343.1	\$ 26,637.8	\$ 26,555.1	\$ 25,858.7	\$ 26,939.0
	14,357.5	12,666.5	12,325.6	12,781.7	13,592.6	10,694.3
	1,371.9	1,322.2	1,274.3	1,296.4	1,239.4	1,194.1
	2,937.4	2,846.2	2,860.8	2,792.6	2,695.3	2,712.1
	-	-	-	-	-	-
	24.6	9.8	20.5	51.0	41.6	75.0
	-	-	-	-	-	-
	3,775.0	3,593.1	3,308.1	2,611.7	2,773.7	2,834.5
	<u>51,465.0</u>	<u>48,780.9</u>	<u>46,427.1</u>	<u>46,088.5</u>	<u>46,201.3</u>	<u>44,449.0</u>
	3,600.0	3,519.4	3,360.7	3,267.1	3,321.5	3,279.2
	12,992.6	11,801.5	11,807.8	11,407.5	11,007.5	10,628.6
	16,004.5	15,931.7	15,499.1	14,313.6	15,233.0	14,892.1
	2,445.8	1,881.0	1,687.1	1,766.8	2,272.4	2,437.0
	6,617.0	6,825.8	6,917.6	6,773.5	6,706.5	6,203.0
	2,946.5	2,855.3	2,466.2	2,919.6	3,092.7	2,835.4
	7,043.8	6,555.5	6,622.9	6,170.6	6,775.3	7,168.3
	348.9	345.6	340.6	350.5	338.8	346.0
	221.8	189.3	122.5	81.7	39.1	32.0
	760.5	892.0	580.5	423.3	486.4	639.1
	992.8	954.3	920.7	834.7	856.7	843.7
	<u>53,974.2</u>	<u>51,751.4</u>	<u>50,325.7</u>	<u>48,308.9</u>	<u>50,129.9</u>	<u>49,304.4</u>
	<u>(2,509.2)</u>	<u>(2,970.5)</u>	<u>(3,898.6)</u>	<u>(2,220.4)</u>	<u>(3,928.6)</u>	<u>(4,855.4)</u>
	1,184.9	2,181.4	1,437.5	1,681.7	2,108.0	2,561.4
	1,887.7	3,816.9	2,114.6	3,253.8	1,319.6	648.0
	51.1	277.6	52.0	193.0	16.9	12.8
	(1,887.7)	(3,816.9)	(2,114.5)	(3,433.5)	(1,319.6)	(648.0)
	5,288.1	5,610.9	4,784.8	5,485.1	6,113.8	6,248.3
	<u>(4,323.1)</u>	<u>(4,525.9)</u>	<u>(3,834.7)</u>	<u>(4,033.6)</u>	<u>(5,057.3)</u>	<u>(5,980.8)</u>
	<u>2,201.0</u>	<u>3,544.0</u>	<u>2,439.7</u>	<u>3,146.5</u>	<u>3,181.4</u>	<u>2,841.7</u>
	(308.2)	573.5	(1,458.9)	926.1	(747.2)	(2,013.7)
	7,427.4	6,853.9	8,312.8	7,386.7	8,133.9	10,147.6
\$	<u>7,119.2</u>	<u>7,427.4</u>	<u>6,853.9</u>	<u>8,312.8</u>	<u>7,386.7</u>	<u>8,133.9</u>
	3.4%	3.7%	3.1%	2.7%	2.8%	3.1%

STATE OF NEW JERSEY
FUND BALANCE SUMMARY FOR BUDGETED FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

<u>Budgeted Fund</u>	Comprehensive Annual Financial Report			
	2018	2017	2016	2015
General Fund	\$ 990.6	\$ 783.8	\$ 469.8	\$ 806.4
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	-	2.7	3.3	10.2
Casino Control Fund	-	-	0.7	6.0
Casino Revenue Fund	-	-	7.5	-
Gubernatorial Elections Fund	-	-	1.1	0.6
Total	\$ 990.6	\$ 786.5	\$ 482.4	\$ 823.2

<u>Budgeted Fund</u>	Appropriations Act			
	2018	2017	2016	2015
General Fund	\$ 108.7	\$ 540.0	\$ 494.7	\$ 140.4
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	300.3	96.0	269.7	247.4
Casino Control Fund	-	0.3	-	-
Casino Revenue Fund	-	13.5	-	-
Gubernatorial Elections Fund	-	-	1.4	0.7
Total	\$ 409.0	\$ 649.8	\$ 765.8	\$ 388.5

<u>Budgeted Fund</u>	Dollar Variance			
	2018	2017	2016	2015
General Fund	\$ 881.9	\$ 243.8	\$ (24.9)	\$ 666.0
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	(300.3)	(93.3)	(266.4)	(237.2)
Casino Control Fund	-	(0.3)	0.7	6.0
Casino Revenue Fund	-	(13.5)	7.5	-
Gubernatorial Elections Fund	-	-	(0.3)	(0.1)
Total	\$ 581.6	\$ 136.7	\$ (283.4)	\$ 434.7

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2014	2013	2012	2011	2010	2009
\$ 295.1	\$ 301.4	\$ 441.4	\$ 864.1	\$ 794.3	\$ 614.2
-	-	-	-	-	-
1.1	8.6	2.4	5.8	10.0	-
3.8	3.2	1.8	2.8	-	(0.4)
-	-	-	-	-	-
-	-	1.0	0.5	-	-
<u>\$ 300.0</u>	<u>\$ 313.2</u>	<u>\$ 446.6</u>	<u>\$ 873.2</u>	<u>\$ 804.3</u>	<u>\$ 613.8</u>

2014	2013	2012	2011	2010	2009
\$ 302.8	\$ 465.1	\$ 255.6	\$ 302.5	\$ 501.0	\$ 116.8
-	-	-	-	-	483.2
-	183.0	383.5	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1.4	0.7	-	-
<u>\$ 302.8</u>	<u>\$ 648.1</u>	<u>\$ 640.5</u>	<u>\$ 303.2</u>	<u>\$ 501.0</u>	<u>\$ 600.0</u>

2014	2013	2012	2011	2010	2009
\$ (7.7)	\$ (163.7)	\$ 185.8	\$ 561.6	\$ 293.3	\$ 497.4
-	-	-	-	-	(483.2)
1.1	(174.4)	(381.1)	5.8	10.0	-
3.8	3.2	1.8	2.8	-	(0.4)
-	-	-	-	-	-
-	-	(0.4)	(0.2)	-	-
<u>\$ (2.8)</u>	<u>\$ (334.9)</u>	<u>\$ (193.9)</u>	<u>\$ 570.0</u>	<u>\$ 303.3</u>	<u>\$ 13.8</u>

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

<u>Major Tax</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gross Income Tax	\$ 15,037.8	\$ 13,958.1	\$ 13,356.0	\$ 13,250.0
Sales and Use Tax	10,459.4	9,592.0	9,267.7	9,146.0
Corporation Business Tax	2,331.7	2,144.0	2,299.0	2,738.7
Other Major Taxes	3,581.8	3,774.2	3,415.8	3,353.0
Miscellaneous Taxes, Fees	4,109.7	3,393.2	3,297.9	3,391.9
State Lottery	-	995.6	987.0	960.0
Casino Taxes and Fees	265.5	263.8	249.2	257.6
Total	\$ 35,785.9	\$ 34,120.9	\$ 32,872.6	\$ 33,097.2

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the gubernatorial elections fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR TAX
FOR THE FISCAL YEAR ENDED JUNE 30

<u>Major Tax</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gross Income Tax	42.0 %	40.9 %	40.6 %	40.0 %
Sales and Use Tax	29.2	28.1	28.2	27.6
Corporation Business Tax	6.5	6.3	7.0	8.3
Other Major Taxes	10.1	11.1	10.4	10.1
Miscellaneous Taxes, Fees	11.5	9.9	10.0	10.3
State Lottery	-	2.9	3.0	2.9
Casino Taxes and Fees	0.7	0.8	0.8	0.8
Total	100.0 %	100.0 %	100.0 %	100.0 %

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the gubernatorial elections fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

	2014	2013	2012	2011	2010	2009
\$	12,311.7	\$ 12,108.6	\$ 11,128.4	\$ 10,617.0	\$ 10,322.9	\$ 10,476.3
	8,849.4	8,454.8	8,099.7	8,144.4	7,898.2	8,264.2
	2,112.9	2,371.4	2,037.0	2,344.4	2,144.6	2,665.2
	3,243.3	3,131.1	3,117.3	2,902.2	2,831.7	2,884.5
	3,590.1	3,502.7	3,463.3	3,394.6	3,398.4	3,292.4
	965.0	1,085.0	950.1	930.0	924.0	887.2
	275.3	270.5	290.7	327.1	360.2	415.5
\$	<u>31,347.7</u>	<u>\$ 30,924.1</u>	<u>\$ 29,086.5</u>	<u>\$ 28,659.7</u>	<u>\$ 27,880.0</u>	<u>\$ 28,885.3</u>

	2014	2013	2012	2011	2010	2009
	39.3 %	39.2 %	38.3 %	37.1 %	37.0 %	36.3 %
	28.2	27.3	27.8	28.5	28.3	28.6
	6.7	7.7	7.0	8.2	7.7	9.2
	10.3	10.1	10.7	10.1	10.2	10.0
	11.5	11.3	11.9	11.8	12.2	11.4
	3.1	3.5	3.3	3.2	3.3	3.1
	0.9	0.9	1.0	1.1	1.3	1.4
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

STATE OF NEW JERSEY
REAL GROSS STATE PRODUCT BY INDUSTRY
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Billions)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Gross State Product¹	\$ 511.3	\$ 506.6	\$ 503.5	\$ 496.9
<u>Goods Producing Sector</u>				
Agriculture, forestry, fishing, and hunting	0.7	0.8	0.7	0.5
Mining	0.3	0.3	0.4	0.3
Manufacturing	41.4	42.1	39.7	40.5
Construction	18.7	19.0	19.0	18.5
<u>Private Service Producing Sector</u>				
Transportation and warehousing	16.7	16.1	15.5	15.3
Information	23.5	23.7	24.5	22.6
Utilities	8.6	8.6	9.3	10.4
Wholesale trade	42.5	42.0	43.3	41.5
Retail trade	32.3	31.4	30.2	29.2
Finance and insurance	30.1	29.2	30.3	29.3
Real estate, rental, and leasing	87.9	87.5	85.8	85.6
Services ²	172.6	165.6	159.0	152.6
Other services	9.9	9.8	9.8	9.9
<u>Government Sector</u>	52.6	53.9	54.6	55.3
Total Personal Income³	563.3	549.8	538.2	514.4

Notes:

- ¹ Gross State Product data, which is expressed in billions of chained Calendar Year 2009 dollars, has been revised for Calendar Years 2014 through 2016. Industry numbers do not sum to the total because of technical considerations.
- ² Services include professional and technical services, management of companies and enterprises, administrative and waste services, educational services, health care and social services, arts, entertainment and recreation, and accommodation and food services.
- ³ Total Personal Income data, which is expressed in billions of current dollars, has been revised for Calendar Years 2014 through 2016.

Sources:

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.
United States Bureau of Economic Analysis.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	\$ 496.1	\$ 489.5	\$ 480.1	\$ 484.4	\$ 482.1	\$ 503.4
	0.5	0.6	0.6	0.7	0.8	0.6
	0.4	0.3	0.2	0.2	0.3	0.3
	39.1	39.1	42.1	46.0	46.4	54.8
	18.2	17.0	15.6	15.6	16.8	19.0
	15.5	15.4	16.2	16.1	15.3	16.1
	23.5	21.2	20.4	21.6	22.1	23.5
	9.7	8.6	8.9	9.3	8.8	9.2
	39.8	38.8	38.3	38.4	37.6	43.1
	28.6	27.8	28.0	28.0	27.5	28.7
	33.5	35.3	29.8	30.2	29.6	26.7
	86.7	87.5	86.6	86.0	83.4	83.5
	145.7	138.9	132.8	128.8	124.9	121.3
	9.7	9.9	9.8	9.8	10.2	10.7
	55.4	54.7	54.9	57.3	58.2	58.1
	494.0	490.6	473.7	451.9	442.7	455.9

**STATE OF NEW JERSEY
GROSS INCOME TAX (GIT) RATES
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

Top Income Tax Rate Is Applied To Taxable Income In Excess Of

<u>Year</u>	<u>Top Rate</u>	<u>Single</u>	<u>Married Filing Jointly</u>	<u>Head of Household</u>	<u>Average Effective Rate*</u>
2009	10.75 %	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	3.27 %
2010	8.97	500,000	500,000	500,000	3.13
2011	8.97	500,000	500,000	500,000	3.15
2012	8.97	500,000	500,000	500,000	3.39
2013	8.97	500,000	500,000	500,000	3.32
2014	8.97	500,000	500,000	500,000	3.39
2015	8.97	500,000	500,000	500,000	3.39
2016	8.97	500,000	500,000	500,000	3.34
2017	8.97	500,000	500,000	500,000	3.30
2018	10.75	5,000,000	5,000,000	5,000,000	3.42

Note:

* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability.

Data for 2016 and 2017 has been revised.

Data for 2017 and 2018 are estimates based on projections.

Source:

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY
GROSS INCOME TAX (GIT) FILERS AND LIABILITY BY INCOME LEVEL
2016 AS COMPARED TO 2007
(GIT Liability Expressed in Millions)**

<u>Income Level</u>	<u>2016</u>				<u>2007</u>			
	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>GIT Liability</u>	<u>Percent of Total</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>GIT Liability</u>	<u>Percent of Total</u>
\$500,001 and higher	62,836	2.2 %	\$ 4,404.4	39.2 %	50,951	1.8 %	\$ 4,631.1	45.5 %
\$250,001 - \$500,000	267,872	9.3	2,860.6	25.5	103,401	3.7	1,341.5	13.2
\$100,001 - \$250,000	624,020	21.6	2,886.8	25.7	636,508	22.8	2,701.7	26.6
\$75,001 - \$100,000	297,252	10.3	237.2	2.1	299,845	10.8	520.6	5.1
\$50,001 - \$75,000	504,188	17.5	609.7	5.4	498,324	17.9	538.4	5.3
\$35,001 - \$50,000	401,879	13.9	112.4	1.0	442,004	15.9	253.0	2.5
\$20,001 - \$35,000	441,331	15.3	80.6	0.7	487,318	17.5	140.9	1.4
\$10,001 - \$20,000	284,420	9.9	43.0	0.4	267,777	9.6	41.1	0.4
\$0 - \$10,000	1,107	-	0.1	-	-	-	-	-
Total	2,884,905	100.0 %	\$ 11,234.8	100.0 %	2,786,128	100.0 %	\$ 10,168.3	100.0 %

Note:

This table displays taxable returns only, as opposed to all tax returns. Therefore, 2007 has been revised.

Source:

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY
FOR THE CALENDAR YEAR ENDED DECEMBER 31***

Year	Dollar Amount (Expressed in Millions)							Sales and Use Tax Rate
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total	
2008	\$ 5,705.2	\$ 4,462.3	\$ 57,051.9	\$ 29,145.5	\$ 2,142.0	\$ 1,721.2	\$ 100,228.1	7.000 %
2009	5,186.9	4,040.4	53,325.8	27,640.4	1,809.2	1,680.4	93,683.1	7.000
2010	5,806.8	4,135.7	54,164.0	28,631.9	1,901.4	1,615.2	96,255.0	7.000
2011	6,569.1	4,729.5	57,911.4	30,178.9	2,307.4	1,620.3	103,316.6	7.000
2012	6,954.8	4,874.0	58,850.5	30,108.9	2,316.8	1,622.3	104,727.3	7.000
2013	7,782.0	5,520.8	61,838.9	31,160.0	2,715.5	1,668.9	110,686.1	7.000
2014	8,093.7	5,701.3	62,944.2	32,189.2	2,691.5	1,694.9	113,314.8	7.000
2015	8,697.2	5,895.7	65,062.1	33,446.5	2,811.6	1,804.3	117,717.4	7.000
2016	9,173.3	6,249.1	66,059.6	33,786.9	2,901.1	1,726.0	119,896.0	7.000
2017	9,282.4	6,692.2	67,530.2	34,188.9	3,072.1	1,672.6	122,438.4	6.875

Year	Percent Distribution												
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total						
2008	5.7	4.5	56.9	29.1	2.1	1.7	100.0	%	%	%	%	%	%
2009	5.6	4.3	56.9	29.5	1.9	1.8	100.0						
2010	6.0	4.3	56.3	29.7	2.0	1.7	100.0						
2011	6.4	4.6	56.0	29.2	2.2	1.6	100.0						
2012	6.6	4.7	56.2	28.8	2.2	1.5	100.0						
2013	7.0	5.0	55.9	28.1	2.5	1.5	100.0						
2014	7.1	5.0	55.6	28.4	2.4	1.5	100.0						
2015	7.4	5.0	55.3	28.4	2.4	1.5	100.0						
2016	7.7	5.2	55.1	28.2	2.4	1.4	100.0						
2017	7.6	5.5	55.1	27.9	2.5	1.4	100.0						

* Data for 2010 through 2016 has been revised.

Source:

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis and Division of Taxation.

STATE OF NEW JERSEY
RATIO OF OUTSTANDING LONG-TERM OBLIGATIONS (BONDED)
FOR THE FISCAL YEAR ENDED
(Expressed in Thousands Except for General Long-Term Debt Ratios)

<u>Governmental Activities</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Bonded Debt</u>			
General Obligation Bonds	\$ 1,795,260	\$ 2,039,985	\$ 1,991,645
Revenue Bonds Payable	24,232,075	24,930,080	22,418,610
Less: Unamortized Interest on CABS	<u>(4,027,520)</u>	<u>(4,215,266)</u>	<u>(4,392,980)</u>
Revenue Bonds Payable, net	20,204,555	20,714,814	18,025,630
Capital Leases	247,725	271,295	285,190
Installment Obligations Payable	18,219,489	18,668,628	18,199,887
Less: Unamortized Interest on CABS	<u>(668,067)</u>	<u>(843,211)</u>	<u>(1,029,216)</u>
Installment Obligations Payable, net	17,551,422	17,825,417	17,170,671
Certificates of Participation	137,412	96,335	79,015
Tobacco Settlement Financing Corporation (TSFC) Bonds	3,146,655	3,977,100	4,223,335
Less: Unamortized Interest on CABS	<u>-</u>	<u>(792,979)</u>	<u>(965,095)</u>
TSFC Bonds, net	3,146,655	3,184,121	3,258,240
Unamortized Premium	<u>2,081,477</u>	<u>1,969,095</u>	<u>1,916,723</u>
Total Bonded Debt	<u>\$ 45,164,506</u>	<u>\$ 46,101,062</u>	<u>\$ 42,727,114</u>
New Jersey Total Personal Income ¹	\$ 600,693,728	\$ 563,339,400	\$ 549,835,795
Percentage of Personal Income ²	7.5%	8.2%	7.8%
New Jersey Population ¹	9,041	9,006	8,978
General Obligation Debt Per Capita ²	\$ 198.57	\$ 226.51	\$ 221.84
Total Long-Term Obligations Per Capita ²	\$ 4,995.52	\$ 5,118.93	\$ 4,759.09

Notes:

¹ Fiscal Year 2018 data for New Jersey Total Personal Income and New Jersey Population are estimates; Fiscal Year 2011 through 2017 data reflect revisions.

² Debt expressed as a percentage of personal income equals total bonded debt divided by New Jersey personal income; general obligation debt per capita equals general obligation bonds divided by New Jersey population; total long-term obligations per capita equals total bonded debt divided by New Jersey population.

Sources:

New Jersey Department of the Treasury, Office of Management and Budget.

New Jersey Department of the Treasury, Office of Public Finance.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

United States Census Bureau, Population Division.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	2,372,695	\$ 2,157,465	\$ 2,400,910	\$ 2,384,665	\$ 2,566,895	\$ 2,596,740	\$ 2,526,710
	22,421,135	21,956,915	21,544,905	20,698,950	19,770,565	18,576,710	16,838,010
	<u>(4,561,200)</u>	<u>(4,720,464)</u>	<u>(4,871,211)</u>	<u>(5,013,954)</u>	<u>(5,149,095)</u>	<u>(5,277,047)</u>	<u>(4,472,924)</u>
	17,859,935	17,236,451	16,673,694	15,684,996	14,621,470	13,299,663	12,365,086
	298,420	311,055	314,775	212,700	232,565	251,460	269,440
	18,504,712	18,081,143	18,243,358	18,293,915	18,714,603	18,968,688	18,716,431
	<u>(1,221,531)</u>	<u>(1,417,686)</u>	<u>(1,618,202)</u>	<u>(1,821,163)</u>	<u>(2,024,671)</u>	<u>(2,224,487)</u>	<u>(2,419,366)</u>
	17,283,181	16,663,457	16,625,156	16,472,752	16,689,932	16,744,201	16,297,065
	79,957	84,964	92,906	100,314	85,413	30,546	35,130
	4,272,855	4,296,685	4,293,892	4,444,092	4,469,033	4,492,958	4,524,563
	<u>(982,349)</u>	<u>(998,657)</u>	<u>(1,014,077)</u>	<u>(1,028,653)</u>	<u>(1,042,433)</u>	<u>(1,055,460)</u>	<u>(1,067,775)</u>
	3,290,506	3,298,028	3,279,815	3,415,439	3,426,600	3,437,498	3,456,788
	2,050,188	2,083,864	2,119,262	1,518,506	1,403,949	1,323,722	1,356,541
\$	<u>43,234,882</u>	<u>41,835,284</u>	<u>41,506,518</u>	<u>39,789,372</u>	<u>39,026,824</u>	<u>37,683,830</u>	<u>36,306,760</u>
\$	538,220,307	\$ 514,382,313	\$ 494,040,279	\$ 490,610,937	\$ 473,742,591	\$ 451,895,490	\$ 442,746,079
	8.0%	8.1%	8.4%	8.1%	8.2%	8.3%	8.2%
	8,960	8,943	8,914	8,882	8,845	8,804	8,756
\$	264.81	\$ 241.25	\$ 269.34	\$ 268.48	\$ 290.21	\$ 294.95	\$ 288.57
\$	4,825.32	\$ 4,677.99	\$ 4,656.33	\$ 4,479.78	\$ 4,412.30	\$ 4,280.31	\$ 4,146.50

STATE OF NEW JERSEY
OUTSTANDING LONG-TERM OBLIGATIONS (NON-BONDED)
FOR THE FISCAL YEAR ENDED
(Expressed in Thousands)

	2018	2017 *	2016
<u>Non-bonded Debt</u>			
Compensated Absences	\$ 486,868	\$ 505,422	\$ 547,613
Capital Leases	215,462	243,916	256,874
Loans Payable	1,279,358	1,279,358	1,279,358
Total Other Postemployment Benefits (OPEB) Liability/Obligation	90,487,141	97,114,402	32,282,700
Net Pension Liability/Obligation	99,641,657	115,113,590	93,195,876
Pollution Remediation Obligation	68,649	99,238	83,661
Other	1,697,172	1,442,936	1,345,158
Total Non-bonded Debt	193,876,307	215,798,862	128,991,240
Total Bonded Debt	45,164,506	46,101,062	42,727,114
Grand Total	\$ 239,040,813	\$ 261,899,924	\$ 171,718,354

Note:

*Restated to reflect the implementation of Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of implementing GASB No. 75, the July 1, 2017 Net OPEB Obligation of \$36,493,600,000 was removed and replaced with a Total OPEB Liability of \$97,114,401,941.

Sources:

New Jersey Department of the Treasury, Office of Management and Budget.
New Jersey Department of the Treasury, Office of Public Finance.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	556,751	\$ 568,802	\$ 574,724	\$ 606,047	\$ 623,185	\$ 566,750	\$ 635,820
	285,188	316,975	353,929	379,352	311,219	351,766	379,729
	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358
	27,973,800	23,573,700	20,176,700	16,818,300	13,501,000	10,028,800	6,636,300
	78,881,827	74,773,688	14,515,981	12,838,529	10,857,719	8,403,007	6,365,698
	80,903	73,964	86,162	92,175	80,401	92,654	101,829
	1,226,135	1,218,495	1,219,207	982,145	340,255	300,926	304,727
	<u>110,283,962</u>	<u>101,804,982</u>	<u>38,206,061</u>	<u>32,995,906</u>	<u>26,993,137</u>	<u>21,023,261</u>	<u>15,703,461</u>
	<u>43,234,882</u>	<u>41,835,284</u>	<u>41,506,518</u>	<u>39,789,372</u>	<u>39,026,824</u>	<u>37,683,830</u>	<u>36,306,760</u>
\$	<u>153,518,844</u>	<u>\$ 143,640,266</u>	<u>\$ 79,712,579</u>	<u>\$ 72,785,278</u>	<u>\$ 66,019,961</u>	<u>\$ 58,707,091</u>	<u>\$ 52,010,221</u>

**STATE OF NEW JERSEY
STATE CONSTITUTION – LEGAL DEBT LIMITATIONS**

The State Constitution of 1947 provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or have been submitted to the people at a general election and approved by a majority of State voters. These Constitutional provisions do not apply to the creation of any debt or liability for purposes of war, repelling invasion, suppressing insurrection, or meeting emergencies caused by a disaster or an act of God (N.J. Const. art. VIII, § 2).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY
CALCULATION OF LEGAL LIMITS
(Expressed in Millions)**

<u>Fiscal Year</u>	<u>Total Appropriations For Budgeted Funds</u>	<u>Legal Debt Limit</u>
2009	\$ 33,059.2	\$ 330.5
2010	28,842.5	288.4
2011	29,447.2	294.5
2012	30,332.6	303.3
2013	31,728.8	317.3
2014	33,256.4	332.6
2015	33,125.1	331.3
2016	33,967.4	339.7
2017	34,703.9	347.0
2018	36,021.4	360.2

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2018 AND 2017
(Expressed in Millions)

Debt Program*	Year	Amount Authorized	Unissued As Of	
			6/30/2018	6/30/2017
<u>General Obligation Bonds</u>				
Clean Waters	1976	\$ 120.0	\$ 3.4	\$ 3.4
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200.0	38.7	38.7
Energy Conservation	1980	50.0	1.6	1.6
Green Acres, Cultural Centers, and Historic Preservation	1987	100.0	1.0	1.0
Green Acres, Farmland, Blue Acres, and Historic Preservation	2007	200.0	13.5	13.5
Green Acres, Farmland and Historic Preservation, and Blue Acres	1995	340.0	18.0	18.0
Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation	2009	400.0	88.8	88.8
Hazardous Discharge	1981	100.0	43.0	43.0
Hazardous Discharge	1986	200.0	38.0	38.0
Library Construction	2017	125.0	125.0	-
Natural Resources	1980	145.0	9.6	9.6
New Jersey Green Acres	1983	135.0	14.5	14.5
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345.0	12.9	12.9
New Jersey Open Space Preservation	1989	300.0	18.0	18.0
Pinelands Infrastructure Trust	1985	30.0	6.8	6.8
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300.0	72.8	72.8
Public Purpose Buildings and Community-Based Facilities Construction	1989	125.0	5.0	5.0
Stormwater Management and Combined Sewer Overflow Abatement	1989	50.0	9.5	9.5
Water Supply	1981	350.0	73.1	73.1
Total General Obligation Bonds		3,615.0	593.2	468.2
<u>Revenue Bonds Payable</u>				
<u>Transportation Trust Fund Authority</u>				
Transportation Program Bonds	2016	12,000.0	12,000.0	12,000.0
Total Revenue Bonds Payable		12,000.0	12,000.0	12,000.0
<u>Installment Obligations</u>				
<u>Economic Development Authority</u>				
Market Transition Facility	1994	750.0	44.7	44.7
School Facilities Construction	2000	8,600.0	454.1	454.1
School Facilities Construction	2008	3,950.0	1,294.1	1,644.1
Stem Cell, Life Sciences, and Biomedical Research Facilities	2006	270.0	223.2	223.2
<u>Educational Facilities Authority</u>				
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Higher Education Capital Improvement Fund	1999	550.0	248.9	239.4
Higher Education Equipment Leasing Fund	1993	100.0	60.9	47.2
Higher Education Facilities Trust Fund	1993	220.0	52.4	41.1
Higher Education Technology Infrastructure Fund	1997	55.0	24.9	22.6
Public Library Project Fund	1999	45.0	28.6	25.8
Total Installment Obligations		14,630.0	2,442.6	2,753.0
Grand Total		\$ 30,245.0	\$ 15,035.8	\$ 15,221.2

* The Legislature has authorized additional Revenue Bonds Payable and Installment Obligations programs. These programs, which do not have a limit on the amount of bonds that can be issued in order to fund their associated projects, are not included in this Statistical Section.

For debt issued after June 30, 2018, refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

Source:

New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY
DEBT SERVICE COVERAGE RATIO
(Expressed in Millions Except for Coverage Ratio)**

Motor Vehicle Surcharges Revenue Bonds, 2004 Series A

Enactment of P.L. 2004, c.70 enabled the State of New Jersey to authorize issuance of Motor Vehicle Surcharges (MVS) Revenue Bonds, which provided the State with the ability to dedicate an additional revenue source for the purpose of retiring previously issued bonds. Repayment of these bonds derives solely from: 1) unsafe driving surcharges, which are additional fines assessed by the New Jersey Motor Vehicle Commission and collected by the courts from drivers convicted of unsafe driving violations pursuant to P.L. 2000, c.75 et seq., and 2) excess motor vehicle violation surcharge revenues not required for repaying current outstanding debt service on the New Jersey Motor Vehicle Commission Bonds, Series 2003A, or after final retirement of these bonds on July 1, 2015. Scheduled final retirement of the MVS bonds occurs on July 1, 2034.

Fiscal Year	Motor Vehicle/ Unsafe Driver	MTF/MVC	Net Available	Debt Service			Coverage Ratio
	Surcharges ¹	Surplus	Revenue	Principal	Interest	Total	
2009	\$ 35.9	\$ 55.7	\$ 91.6	\$ -	\$ 37.8	\$ 37.8	2.4
2010	30.5	57.1	87.6	-	37.8	37.8	2.3
2011	27.5	60.1	87.6	-	37.8	37.8	2.3
2012	25.1	77.5	102.6	27.7	37.2	64.9	1.6
2013	22.8	45.0	67.8	-	36.6	36.6	1.9
2014	21.1	44.2	65.3	-	36.6	36.6	1.8
2015	20.6	43.3	63.9	-	36.6	36.6	1.7
2016	20.6	105.7	126.3	29.8	35.8	65.6	1.9
2017	133.0	-	133.0	31.4	34.2	65.6	2.0
2018	126.7	-	126.7	33.0	32.6	65.6	1.9

**Motor Vehicle Surcharges Revenue Bonds - Special Needs Housing Program,
2005 Series A and 2007 Series A-1, A-2, & B**

P.L. 2005, c.163 enabled the State of New Jersey to authorize issuance of Motor Vehicle Surcharges (MVS) Revenue Bonds-Special Needs Housing Program to provide the New Jersey Housing and Mortgage Finance Agency with funds to develop community residences and permanent supportive housing for individuals with special needs. Repayment of these bonds derives solely from: 1) unsafe driving surcharges, which are additional fines assessed by the New Jersey Motor Vehicle Commission and collected by the courts from drivers convicted of unsafe driving violations pursuant to P.L. 2000, c.75 et seq., and 2) excess motor vehicle violation surcharge revenues not required for repaying current outstanding debt service on the New Jersey Motor Vehicle Commission Bonds, Series 2003A, or after final retirement of these bonds on July 1, 2015. Scheduled final retirement of the MVS - Special Needs Housing Program bonds, both 2005 Series A and 2007 Series A-1, A-2, & B, occurs on July 1, 2034.

Fiscal Year	MVS	Debt Service			Coverage Ratio
	Surplus	Principal ²	Interest ²	Total	
2009	\$ 53.8	\$ -	\$ 5.5	\$ 5.5	9.8
2010	49.8	-	5.5	5.5	9.1
2011	49.8	-	5.5	5.5	9.1
2012	37.7	-	5.5	5.5	6.9
2013	31.2	-	5.5	5.5	5.7
2014	28.7	-	5.5	5.5	5.2
2015	27.3	-	5.5	5.5	5.0
2016	60.7	16.6	5.5	22.1	2.7
2017	67.4	27.9	5.5	33.4	2.0
2018	61.1	27.8	2.8	30.6	2.0

Tobacco Settlement Financing Corporation

Tobacco Settlement Asset-Backed Bonds, Series 2018 Series A-B

On November 23, 1998, the State of New Jersey, as well as 46 other states and six United States jurisdictions, entered into a Master Settlement Agreement (MSA) with participating cigarette manufacturers. In 2018, the TSFC issued bonds to refund the balance of the Series 2007 bonds. The proceeds of the Series 2018 bonds are secured by the TSFC's right, title and interest in the pledged Tobacco Settlement Revenues, consisting of 100% of the tobacco assets received by the Corporation on or after December 1, 2018. As part of the agreement, MSA receipts for 2018 were transferred in full to the General Fund. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledge to the payment of, principal or interest on these bonds. Scheduled final retirement of these bonds occurs on June 1, 2046.

Fiscal Year	MSA Payments	Existing Surplus	Net Available Revenue	Debt Service ³			Coverage Ratio
				Principal	Interest	Total	
2009	\$ 218.8	\$ 261.0	\$ 479.8	\$ 67.7	\$ 161.0	\$ 228.7	2.1
2010	182.6	260.6	443.2	32.5	158.1	190.6	2.3
2011	172.6	258.7	431.3	24.8	156.7	181.5	2.4
2012	184.4	265.7	450.1	25.8	155.6	181.4	2.5
2013	302.1	262.3	564.4	151.1	154.5	305.6	1.8
2014	157.3	250.2	407.5	21.8	147.6	169.4	2.4
2015	173.3	253.2	426.5	23.8	146.5	170.3	2.5
2016	172.0	262.7	434.7	49.5	144.8	194.3	2.2
2017	255.0	286.3	541.3	90.8	142.9	233.7	2.3
2018	265.6	299.5	565.1	-	92.0	92.0	6.1

Cigarette Tax Revenue Bonds

Cigarette Tax Revenue Refunding Bonds, Series 2012

Based on the provisions pursuant to P.L. 2004, c.68, funds for repayment of these bonds derive solely from the nonlapsing "Dedicated Cigarette Tax Revenue Fund." Effective July 1, 2009, the State of New Jersey's Cigarette Tax rate increased from \$2.58 to \$2.70 per pack of 20 cigarettes. Of the total Cigarette Tax charged per pack, the Fund receives \$0.65 in dedicated revenues. The surplus is returned to the General Fund. Scheduled final retirement of these bonds occurs on July 1, 2034.

Fiscal Year	Cigarette Dedication	Existing Surplus	Net Available Revenue	Debt Service ³			Coverage Ratio
				Principal	Interest	Total	
2009	\$ 144.3	\$ 17.0	\$ 161.3	\$ 84.5	\$ 70.6	\$ 155.1	1.0
2010	140.3	6.2	146.5	92.8	65.6	158.4	0.9
2011	145.5	-	145.5	82.9	61.6	144.5	1.0
2012	136.5	-	136.5	101.5	36.3	137.8	1.0
2013	160.4	-	160.4	40.2	48.3	88.5	1.8
2014	171.5	59.7	231.2	45.7	46.3	92.0	2.5
2015	166.6	139.2	305.8	67.4	44.0	111.4	2.7
2016	163.0	194.4	357.4	67.2	40.6	107.8	3.3
2017	161.7	249.6	411.3	67.2	37.3	104.5	3.9
2018	152.2	306.8	459.0	64.0	33.9	97.9	4.7

Notes:

¹ Fiscal Year 2017 through 2018 include Motor Vehicle and Unsafe Driver Surcharges. Prior fiscal years only include Unsafe Driver Surcharges due to the Motor Vehicle Surcharges revenue being dedicated to pay the debt service on the New Jersey Motor Vehicle Commission Bonds, Series 2003A.

² Fiscal Year 2016 through 2018 principal and interest includes compounded interest as a component of principal.

³ Includes optional accelerated payments.

Sources:

New Jersey Department of the Treasury, Office of Management and Budget.
New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY
TEN LARGEST EMPLOYERS
2017 AS COMPARED TO 2008**

2017 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	64,522	1.5 %
2	Wakefern Food Corporation (ShopRite)	39,500	0.9
3	Wal-Mart Stores, Inc.	20,563	0.5
4	United Parcel Service (UPS)	19,243	0.5
5	Verizon Communications	14,600	0.3
6	Johnson & Johnson	14,500	0.3
7	The Home Depot	13,806	0.3
8	Amazon	13,000	0.3
9	United Airlines	12,000	0.3
10	Public Service Electric and Gas Company	10,758	0.3
		222,492	5.2 %

2008 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	76,229	1.8 %
2	Wakefern Food Corporation (ShopRite)	34,356	0.8
3	Verizon Communications	18,000	0.4
4	The Great Atlantic and Pacific Tea Company	17,406	0.4
5	Wal-Mart Stores, Inc.	16,868	0.4
6	United Parcel Service (UPS)	15,035	0.4
7	Harrah's Entertainment, LLC	14,773	0.3
8	Continental Airlines	14,000	0.3
9	Johnson & Johnson	14,000	0.3
10	The Home Depot	11,300	0.3
		231,967	5.4 %

Notes:

Aggregate New Jersey resident employment for Calendar Years 2017 and 2008 totaled 4.3 million and 4.2 million, respectively.
 New Jersey State Government data excludes State authorities, colleges, and universities.
 New Jersey Business' Top 100 Employers data derived from annual questionnaires submitted by private sector respondents, excluding government, higher education institutions, and non-profit hospitals.
 Data reprinted with permission from the New Jersey Business and Industry Association.

Sources:

Pytell, J. (2018, August). "Employment Matters, 46th Annual Top 100 Employers." *New Jersey Business Magazine*, 64(8), 23-34.
 Saliba, G. N. (2009, September). "37th Annual Top 100 Employers." *New Jersey Business Magazine*, 55(9), 62-68.
 New Jersey Department of the Treasury, Office of Management and Budget.
 New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)**

<u>Year</u>	<u>New Jersey Population¹</u>	<u>Civilian Labor Force¹</u>	<u>Resident Employment¹</u>	<u>Resident Unemployment¹</u>	<u>New Jersey Unemployment Rate²</u>	<u>United States Unemployment Rate²</u>
2008	8,711	4,531	4,218	313	6.9 %	7.3 %
2009	8,756	4,544	4,099	446	9.8	9.9
2010	8,804	4,553	4,122	431	9.5	9.3
2011	8,845	4,580	4,159	421	9.2	8.5
2012	8,882	4,594	4,173	422	9.2	7.9
2013	8,914	4,503	4,172	330	7.3	6.7
2014	8,943	4,549	4,251	298	6.5	5.6
2015	8,960	4,532	4,303	230	5.1	5.0
2016	8,978	4,527	4,313	214	4.7	4.7
2017	9,006	4,514	4,300	214	4.7	4.1

Notes:

¹ New Jersey Population, Civilian Labor Force, Resident Employment and Unemployment data for 2008 through 2016 has been revised to reflect seasonally adjusted data.

² New Jersey Unemployment Rate and United States Unemployment Rate data for 2008 through 2016 has been revised to reflect seasonally adjusted data.

Sources:

United States Department of Labor, Bureau of Labor Statistics.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME
(Expressed in Millions Except as Indicated)**

<u>Year</u>	<u>New Jersey Population (Thousands)¹</u>	<u>Assessed Valuation of Property</u>	<u>True Valuation of Property</u>	<u>Personal Income²</u>	<u>Per Capita Income (Thousands)³</u>
2008	8,711	\$ 834,782	\$ 1,326,297	\$ 455,850	\$ 52.3
2009	8,756	893,342	1,355,004	442,746	50.5
2010	8,804	959,282	1,331,604	451,895	51.3
2011	8,845	983,963	1,278,578	473,743	53.6
2012	8,882	988,356	1,235,474	490,611	55.2
2013	8,914	990,697	1,183,032	494,040	55.4
2014	8,943	971,600	1,158,322	514,382	57.5
2015	8,960	983,032	1,164,399	538,220	60.1
2016	8,978	981,731	1,183,048	549,836	61.2
2017	9,006	1,000,760	1,207,591	563,339	62.6

Notes:

¹ New Jersey Population data for 2011 through 2016 has been revised.

² Personal Income data for 2014 through 2016 has been revised.

³ Per Capita Income equals Personal Income divided by New Jersey Population.

Sources:

United States Census Bureau, Population Division.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30**

Dollar Amount (Expressed in Millions)

Fiscal Year	Direct						Total
	State Services	Grants- In-Aid	State Aid	Capital Construction	Debt Service		
2009	\$ 6,404.4	\$ 10,904.7	\$ 12,141.7	\$ 1,227.6	\$ 270.7	\$ 30,949.1	
2010	6,582.6	9,850.8	11,229.1	1,124.0	263.6	29,050.1	
2011	6,707.0	9,169.3	11,486.4	1,174.2	120.4	28,657.3	
2012	6,992.3	10,142.6	12,420.8	1,241.5	277.3	31,074.5	
2013	7,177.5	9,750.6	13,319.0	1,272.6	430.6	31,950.3	
2014	7,291.0	9,812.4	13,258.2	1,299.5	320.8	31,981.9	
2015	7,417.7	10,022.9	13,892.6	1,304.2	380.1	33,017.5	
2016	7,488.1	9,929.7	14,391.2	1,540.3	437.8	33,787.1	
2017	7,558.9	10,134.5	14,838.3	1,587.1	332.0	34,450.8	
2018	7,817.4	10,413.6	15,898.3	1,364.3	326.4	35,820.0	

Percent Distribution

Fiscal Year	Direct						Total
	State Services	Grants- In-Aid	State Aid	Capital Construction	Debt Service		
2009	20.7 %	35.2 %	39.2 %	4.0 %	0.9 %	100.0 %	
2010	22.6	33.9	38.6	3.9	1.0	100.0	
2011	23.4	32.0	40.1	4.1	0.4	100.0	
2012	22.5	32.6	40.0	4.0	0.9	100.0	
2013	22.5	30.5	41.7	4.0	1.3	100.0	
2014	22.8	30.7	41.4	4.1	1.0	100.0	
2015	22.5	30.3	42.0	4.0	1.2	100.0	
2016	22.2	29.4	42.6	4.6	1.2	100.0	
2017	22.0	29.4	43.0	4.6	1.0	100.0	
2018	21.8	29.1	44.4	3.8	0.9	100.0	

Note:

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURES FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Expressed in Millions)

<u>Government Branch</u>	<u>Direct State Services</u>	<u>Grants- In-Aid</u>	<u>State Aid</u>	<u>Capital Construction</u>	<u>Debt Service</u>	<u>Total</u>
Executive Branch						
Chief Executive	\$ 6.5	\$ -	\$ -	\$ -	\$ -	\$ 6.5
Agriculture	7.8	6.8	5.6	16.0	-	36.2
Banking and Insurance	56.9	-	-	-	-	56.9
Children and Families	294.5	881.5	-	-	-	1,176.0
Community Affairs	59.7	56.3	394.1	0.4	-	510.5
Corrections	918.6	102.8	22.1	0.9	-	1,044.4
Education	93.3	3.2	13,209.5	-	-	13,306.0
Environmental Protection	250.9	1.0	10.0	109.9	39.1	410.9
Health	343.3	665.5	95.1	-	-	1,103.9
Human Services	375.3	5,623.4	267.6	0.1	-	6,266.4
Labor and Workforce						
Development	115.2	72.8	-	-	-	188.0
Law and Public Safety	721.2	16.6	3.0	1.9	-	742.7
Military and Veterans'						
Affairs	99.8	2.4	-	1.0	-	103.2
State	33.1	1,244.4	15.0	-	-	1,292.5
Transportation	133.7	141.1	217.8	1,074.7	-	1,567.3
Treasury	559.2	557.4	1,613.5	-	287.3	3,017.4
Miscellaneous	0.8	-	-	-	-	0.8
Interdepartmental Accounts	2,978.0	1,038.4	45.0	159.4	-	4,220.8
Subtotal	<u>7,047.8</u>	<u>10,413.6</u>	<u>15,898.3</u>	<u>1,364.3</u>	<u>326.4</u>	<u>35,050.4</u>
Legislative Branch	81.8	-	-	-	-	81.8
Judicial Branch	687.8	-	-	-	-	687.8
Grand Total	<u>\$ 7,817.4</u>	<u>\$ 10,413.6</u>	<u>\$ 15,898.3</u>	<u>\$ 1,364.3</u>	<u>\$ 326.4</u>	<u>\$ 35,820.0</u>

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES
FOR THE CALENDAR YEAR STARTING JANUARY 1**

Department/Agency	2018	2017	2016
Executive Branch			
Agriculture	203	201	207
Banking and Insurance	454	459	452
Chief Executive	68	86	98
Children and Families	6,689	6,631	6,549
Community Affairs	870	876	904
Corrections	7,833	7,772	7,592
Parole Board	561	577	572
Education	689	735	750
Environmental Protection	2,659	2,665	2,684
Health	5,602	1,074	1,064
Human Services	6,594	11,306	11,553
Labor and Workforce Development	2,611	2,696	2,695
Civil Service Commission	225	231	245
Public Employment Relations Commission	30	33	33
Law and Public Safety	6,381	6,280	6,244
Election Law Enforcement Commission	67	65	62
State Ethics Commission	9	10	10
Juvenile Justice Commission	1,104	1,111	1,106
Victims of Crime Compensation Office	31	30	31
Military and Veterans' Affairs	1,431	1,371	1,406
State	134	150	156
Commission on Higher Education	19	18	18
Public Broadcasting Authority	N/A	N/A	N/A
Higher Education Student Assistance Authority	143	138	128
Transportation	5,310	5,214	5,155
Treasury	3,212	3,083	3,156
Casino Control Commission	38	40	44
Office of Administrative Law	96	84	91
Office of Information Technology	614	731	733
Office of the Public Defender	1,217	1,209	1,190
Board of Public Utilities	215	230	228
Miscellaneous Executive Commissions	1	1	1
	<u>55,110</u>	<u>55,107</u>	<u>55,157</u>
Legislative Branch	484	482	483
Judicial Branch	8,928	8,790	8,793
	<u>64,522</u>	<u>64,379</u>	<u>64,433</u>

Notes:

Full-time paid employees were tabulated as of Pay Period No.1 in January for each year displayed. Certain offices within departments have been reorganized throughout various fiscal years. These offices have been displayed in a manner that meets the State organization chart.

For 2018, the Division of Mental Health and Addiction Services was moved from the Department of Human Services to the Department of Health.

Pursuant to P. L. 2010 c. 104, in Fiscal Year 2012, the New Jersey Public Broadcasting Authority sold its licenses and certain related assets to the New York Public Radio and WHYI.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2015	2014	2013	2012	2011	2010	2009
197	204	207	205	207	216	224
471	474	495	487	500	419	423
97	112	107	111	104	90	83
6,557	6,546	6,625	6,494	6,790	6,866	6,913
899	890	895	931	1,025	1,064	1,076
7,790	7,933	8,098	8,195	8,381	8,898	9,311
597	588	607	615	639	676	696
761	791	799	761	768	804	850
2,749	2,749	2,722	2,744	2,842	2,956	3,051
1,132	1,148	1,185	1,562	1,672	1,764	1,850
12,472	14,099	14,476	14,570	14,838	15,166	15,449
2,770	2,884	2,902	2,977	3,080	3,128	3,167
236	246	244	224	222	237	294
32	31	32	31	31	33	34
6,277	6,392	6,414	6,596	6,835	7,194	7,341
63	67	68	63	65	71	71
10	11	10	11	12	12	13
1,119	1,142	1,214	1,326	1,462	1,574	1,624
28	29	29	32	32	35	30
1,440	1,473	1,475	1,471	1,488	1,475	1,486
153	158	160	214	194	208	212
18	20	18	15	13	16	18
N/A	N/A	N/A	N/A	124	132	138
136	150	151	152	163	170	183
5,140	5,253	5,278	5,155	5,400	5,695	5,880
3,273	3,262	3,369	3,341	3,450	3,515	3,579
49	50	57	58	262	281	293
86	91	93	96	99	93	98
724	739	710	717	779	809	816
1,183	1,175	1,148	1,086	1,060	1,065	1,031
227	232	239	244	259	267	268
1	1	1	1	1	2	2
<u>56,687</u>	<u>58,940</u>	<u>59,828</u>	<u>60,485</u>	<u>62,797</u>	<u>64,931</u>	<u>66,504</u>
483	485	486	492	487	515	520
8,848	8,893	8,881	8,924	8,944	9,090	9,205
<u>66,018</u>	<u>68,318</u>	<u>69,195</u>	<u>69,901</u>	<u>72,228</u>	<u>74,536</u>	<u>76,229</u>

**STATE OF NEW JERSEY
OPERATING INDICATORS
FOR THE FISCAL YEAR ENDED JUNE 30**

Department/Agency	2018¹	2017²	2016²
Agriculture			
Farmland Preservation			
Cumulative acres permanently preserved	231,967	226,867	222,481
Children and Families			
Active caseload - children receiving services	176,513	172,183	170,022
Corrections			
Average daily population - State Facilities	16,666	16,931	17,574
Parole Board			
Parolees under supervision (beginning of year)	15,811	15,617	15,639
Total hearings	19,787	19,277	20,554
State hearings	14,212	13,417	14,571
Education			
Resident enrollment	1,394,633	1,407,384	1,410,379
Support per pupil	\$ 21,411	\$ 21,131	\$ 20,459
Local	\$ 11,477	\$ 11,235	\$ 10,902
State	\$ 9,382	\$ 9,288	\$ 8,948
Federal	\$ 552	\$ 608	\$ 609
Health			
Family Health Services			
Newborns screened-metabolic & genetic disorders	96,250	97,297	98,455
AIDS Services			
Number of clients tested and counseled	81,000	82,000	81,115
Human Services			
Work First New Jersey			
Average monthly recipients	40,255	48,169	63,975
Average monthly grant	\$ 128	\$ 128	\$ 128
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	85,652	88,169	90,845
Aged: Annual prescriptions	1,942,587	1,840,969	1,951,351
Disabled: Average monthly eligibles	30,657	29,559	28,434
Disabled: Annual prescriptions	687,943	673,945	672,180
Labor and Workforce Development			
Unemployment Insurance			
Covered workers	3,968,000	3,933,100	3,877,207
State Disability Insurance Plan			
Covered workers	2,744,000	2,719,800	2,681,189
Claims received	141,661	136,437	150,624
Law and Public Safety			
State Police Operations			
Criminal investigations	17,500	17,277	17,514
Accident investigations	44,000	46,141	44,028
General investigations	865,000	830,145	860,920
Transportation			
Motor Vehicle Services			
Registrations and title documents issued	11,071,721	11,776,490	11,282,065
Total licensed drivers	6,420,684	6,338,673	6,468,068
Total registered vehicles	7,571,737	7,642,067	7,456,631
Total NJ inspections/reinspections	2,261,050	2,186,146	2,418,975

Notes:

¹ Fiscal Year 2018 amounts are estimates.

² Fiscal Years 2017 and 2016 have been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget, Fiscal Year 2019 Governor's Budget Message.

	2015	2014	2013	2012	2011	2010	2009
	216,931	210,065	203,996	198,426	193,078	185,709	179,303
	173,242	166,916	156,339	167,337	159,689	158,117	150,356
	18,646	19,495	20,222	20,855	21,504	21,454	22,125
	15,668	15,732	15,932	16,250	15,976	15,929	15,656
	20,889	21,177	25,781	27,899	30,858	33,095	35,597
	15,249	15,071	18,046	19,759	21,428	23,996	25,285
	1,415,468	1,415,589	1,423,614	1,421,576	1,427,344	1,436,208	1,434,581
\$	19,621	\$ 19,074	\$ 18,867	\$ 18,530	\$ 17,464	\$ 17,849	\$ 17,193
\$	10,620	\$ 10,366	\$ 10,153	\$ 10,021	\$ 9,850	\$ 9,664	\$ 9,242
\$	8,411	\$ 8,123	\$ 8,114	\$ 7,723	\$ 6,872	\$ 6,518	\$ 7,393
\$	590	\$ 585	\$ 600	\$ 786	\$ 742	\$ 1,667	\$ 558
	99,092	99,628	99,523	100,600	102,315	105,000	108,909
	91,966	95,359	94,657	103,443	103,749	75,000	75,000
	83,199	92,061	101,937	107,189	105,647	98,418	96,889
\$	129	\$ 130	\$ 131	\$ 131	\$ 133	\$ 133	\$ 132
	92,675	94,603	98,953	105,689	109,728	112,660	124,327
	2,246,442	2,383,996	2,636,108	2,967,747	3,397,179	3,555,550	4,058,033
	27,025	26,771	26,003	27,429	26,912	25,354	29,225
	681,030	722,817	745,766	829,453	913,932	897,532	1,059,114
	3,815,100	3,779,189	3,738,799	3,702,911	3,673,299	3,681,516	3,794,084
	2,621,088	2,623,500	2,599,552	2,709,400	2,687,700	2,693,600	2,776,000
	152,166	159,470	158,598	161,714	163,714	171,100	171,241
	16,211	20,300	20,130	19,747	19,343	15,186	15,015
	42,364	40,000	39,200	39,668	40,731	34,578	33,163
	745,869	720,000	706,500	683,768	733,462	809,584	810,413
	10,922,733	10,126,762	9,547,826	10,022,884	9,806,553	10,297,294	10,175,714
	5,157,869	5,157,869	5,080,727	5,095,883	5,078,814	5,484,565	5,500,932
	6,069,922	5,703,368	5,283,099	5,584,763	5,343,306	5,724,040	5,701,297
	2,390,778	2,590,898	2,347,350	2,562,437	2,354,057	3,139,621	3,033,389

**STATE OF NEW JERSEY
CAPITAL ASSET STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30**

Function	2018	2017	2016
Public safety and criminal justice			
Adult and juvenile correctional institutions	27	27	27
State police stations	39	39	39
State police officers	2,820	2,764	2,684
Motor vehicle facilities	63	64	65
Number of active armories	27	27	29
Total acreage dedicated to function*	6,567	6,567	6,567
Total buildings dedicated to function*	1,550	1,546	1,555
Physical and mental health			
Number of mental health facilities	4	4	4
Average daily number of residents	1,498	1,558	1,607
Number of residential addiction treatment programs (RTPs)	5	5	5
Total acreage dedicated to function*	1,390	1,390	1,390
Total buildings dedicated to function*	292	295	301
Educational, cultural, and intellectual development			
Number of Regional Day Schools (RDS)	9	10	11
Number of developmental centers	5	5	5
Average daily number of residents	1,362	1,438	1,537
Total acreage dedicated to function*	2,285	2,277	2,277
Total buildings dedicated to function*	525	528	530
Community development and environmental management			
State parks, historic sites, natural areas, marinas, other	232	232	232
Land preservation acres (easements/farmland)	95,293	93,439	92,670
Total acreage dedicated to function (includes preservation)*	847,299	841,570	839,037
Total buildings dedicated to function*	2,100	2,103	2,104
Economic planning, development, and security			
Total acreage dedicated to function*	610	610	610
Total buildings dedicated to function*	143	143	143
Transportation programs			
Lane miles, state highways	13,355	13,347	13,344
Bridges, state owned	2,583	2,582	2,584
Facilities	97	97	97
Total acreage dedicated to function	33,489	33,488	33,487
Total buildings dedicated to function*	621	617	615
Government direction, management, and control			
Total acreage dedicated to function*	4,515	4,515	4,515
Total buildings dedicated to function*	207	207	206
Special government services			
Veteran homes and residential transitional housing	5	5	5
Veterans in residence	1,057	1,060	1,064
Total acreage dedicated to function	90	89	89
Total buildings dedicated to function	33	33	33

* Data for 2009 - 2017 has been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
27	27	27	31	32	32	35
39	38	38	38	43	34	34
2,640	2,490	2,454	2,669	2,814	3,001	3,050
65	65	65	65	65	70	72
29	29	29	31	31	31	32
6,567	6,567	6,566	6,566	6,566	6,566	6,566
1,561	1,563	1,582	1,588	1,582	1,581	1,583
4	4	4	4	5	5	5
1,622	1,644	1,650	1,734	1,790	1,871	2,006
4	4	4	4	4	7	6
1,390	1,390	1,390	1,390	1,390	1,390	1,390
346	346	342	342	341	341	340
11	11	11	11	11	11	12
5	7	7	7	7	7	7
1,701	2,023	2,315	2,434	2,587	2,703	2,785
2,277	2,277	2,277	2,277	2,277	2,277	2,277
533	533	532	532	535	535	537
231	231	231	231	231	231	231
90,250	87,653	84,901	82,491	80,547	78,564	76,844
832,878	827,641	814,398	809,076	804,110	798,439	791,472
2,103	2,102	2,111	2,187	2,226	2,226	2,221
610	610	610	610	610	610	610
143	141	141	140	139	136	125
13,341	13,341	13,341	13,305	13,305	13,518	13,508
2,586	2,574	2,575	2,578	2,585	2,585	2,577
93	88	88	88	87	87	87
33,439	33,436	33,435	33,434	33,432	33,431	33,431
611	603	604	603	606	603	578
4,515	4,515	4,515	4,515	4,515	4,515	4,515
204	203	202	201	201	201	219
5	5	4	3	3	3	3
1,053	928	916	914	911	913	913
89	89	89	89	89	89	89
33	33	33	33	32	32	32



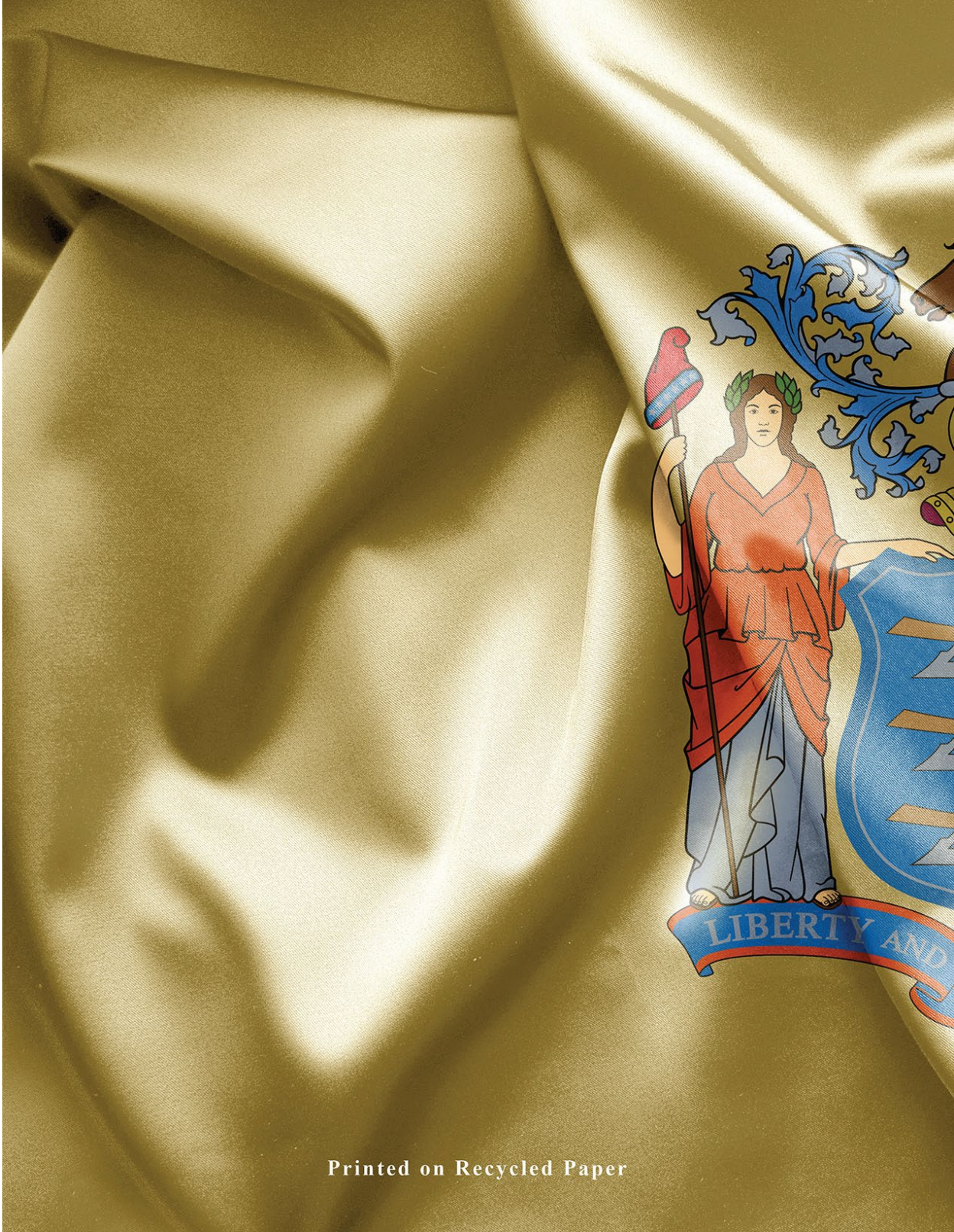
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