

The background image shows a wooden building with a blue roof, likely a ticket booth or entrance. To the left is a roller coaster with a bright green track and blue structure. To the right is a large Ferris wheel with red and white passenger cars. A sign with a dinosaur and the word 'HYPER' is visible on the building. In the bottom right corner, there is a green sign with a picture of a beach and the words 'SENSIBLE HEIGHTS'.

New Jersey Comprehensive Annual Financial Report

For The Fiscal Year
Ended June 30, 2017



State of New Jersey



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017

Philip D. Murphy
Governor

Sheila Y. Oliver
Lieutenant Governor

Elizabeth Maher Muoio
Acting State Treasurer

David Ridolfino
Acting Director
Office of Management and Budget

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Associate Director
Financial Management

Brian Francz
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Assistant Director
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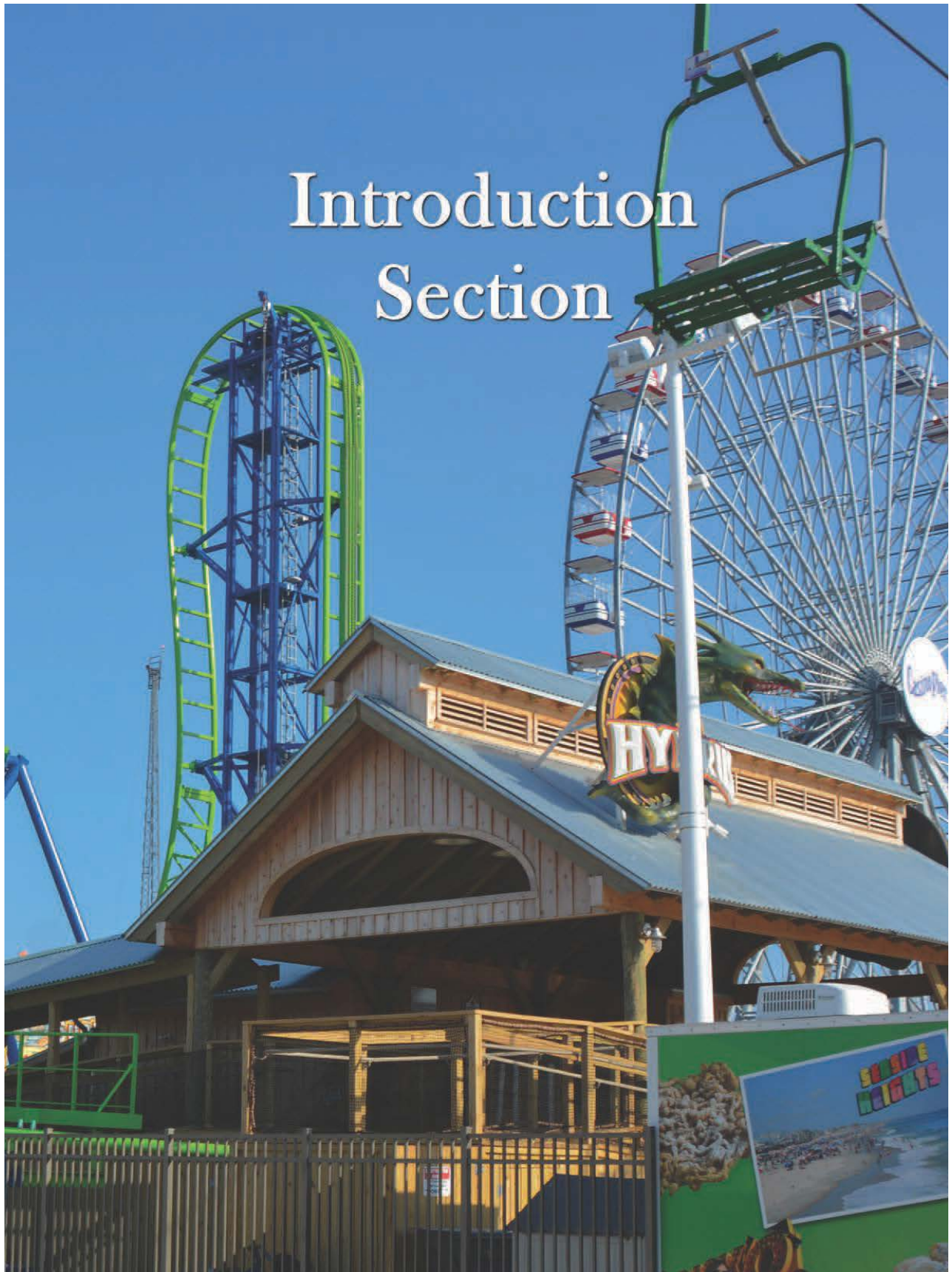
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**STATE OF NEW JERSEY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2017
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Introduction Section







State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

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March 29, 2018

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

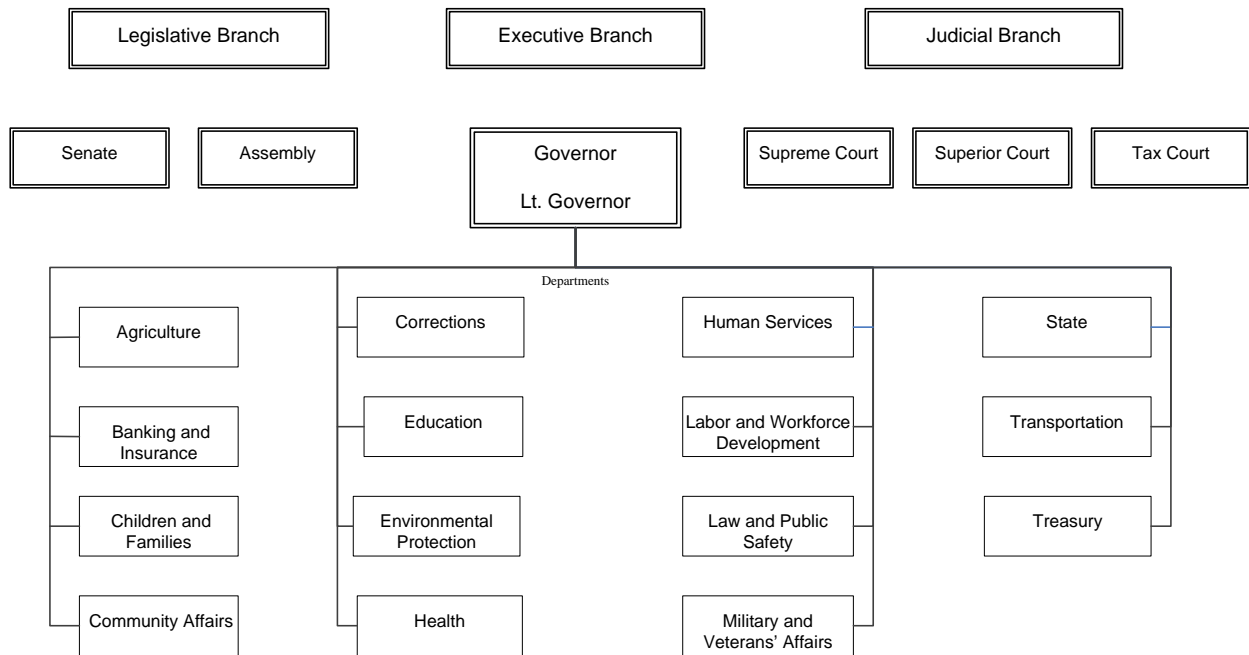
In accordance with the provisions of N.J.S.A.52:27B-46, it is our pleasure to transmit to you the State of New Jersey's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The Department of the Treasury's Office of Management and Budget prepared this report. The Department 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 – an Amendment of GASB Statement No. 34*. 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, 2017. 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 55,107 employees in 15 departments as of January 2017. The Executive Branch also oversees the performance of 565 municipalities and 590 school districts, and the incarceration and rehabilitation of 16,954 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 6.8 million new cases are filed in New Jersey’s courts every year, including 6.0 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, 2017, 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 April 2013, the State announced reauthorization of four additional higher education funding programs – 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). Together, these five programs will provide more than \$1.4 billion for the renewal of New Jersey’s higher education infrastructure.

COMPONENT UNITS

In accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, this CAFR for fiscal year ended June 30, 2017, 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, 2017, 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 has 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 will now only account for all activity associated with those pre-existing assets and liabilities and a new general ledger will account 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 was eliminated altogether 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.
- **Gross Income Tax**
The TTFA agreement 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 Projects 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 2017 revenue collections of \$34.1 billion or 3.6 percent above Fiscal Year 2016 revenue collections of \$32.9 billion. The New Jersey labor market continues to expand and unemployment is at 5.0 percent as of December 2017 with labor force participation slightly above the national average. With the current Fiscal Year 2018 revenue estimate projected to be \$34.7 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 2017 the State funded the various defined benefit pension systems at 4/10th 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, 2016, which is required to be recorded on the financial statements, is \$115.1 billion.

The Fiscal Year 2018 Appropriations Act includes an appropriation to the pension plans of \$2.509 billion representing 5/10th 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 2017, the State paid PRM benefits for 148,662 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 2017, the State contributed \$1.869 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 2016 and Fiscal Year 2017 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 2016 than in Fiscal Year 2017. The Fiscal Year 2018 Appropriations Act includes \$1.936 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 45, *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions* the State is required to quantify and disclose its obligations to pay PRM to current and future retirees. The Fiscal Year 2016 actuarial accrued liability of the State to provide PRM to active and retired members of the pension plans, which is based upon GASB Statement No. 43 results as of July 1, 2016, has been measured to be \$69.3 billion, an increase of \$1.8 billion or 2.7 percent as compared to the Fiscal Year 2015 actuarial accrued liability of \$67.5 billion. The liability included as a long-term obligation in these financial statements, in accordance with GASB Statement No. 45, is \$36.5 billion as opposed to \$32.3 billion for last year. Fiscal Year 2016 actuarial reports can be accessed via <http://www.state.nj.us/treasury/pensions/actuarial-rpts.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, 2016. 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
Acting 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
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Presented to

State of New Jersey

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

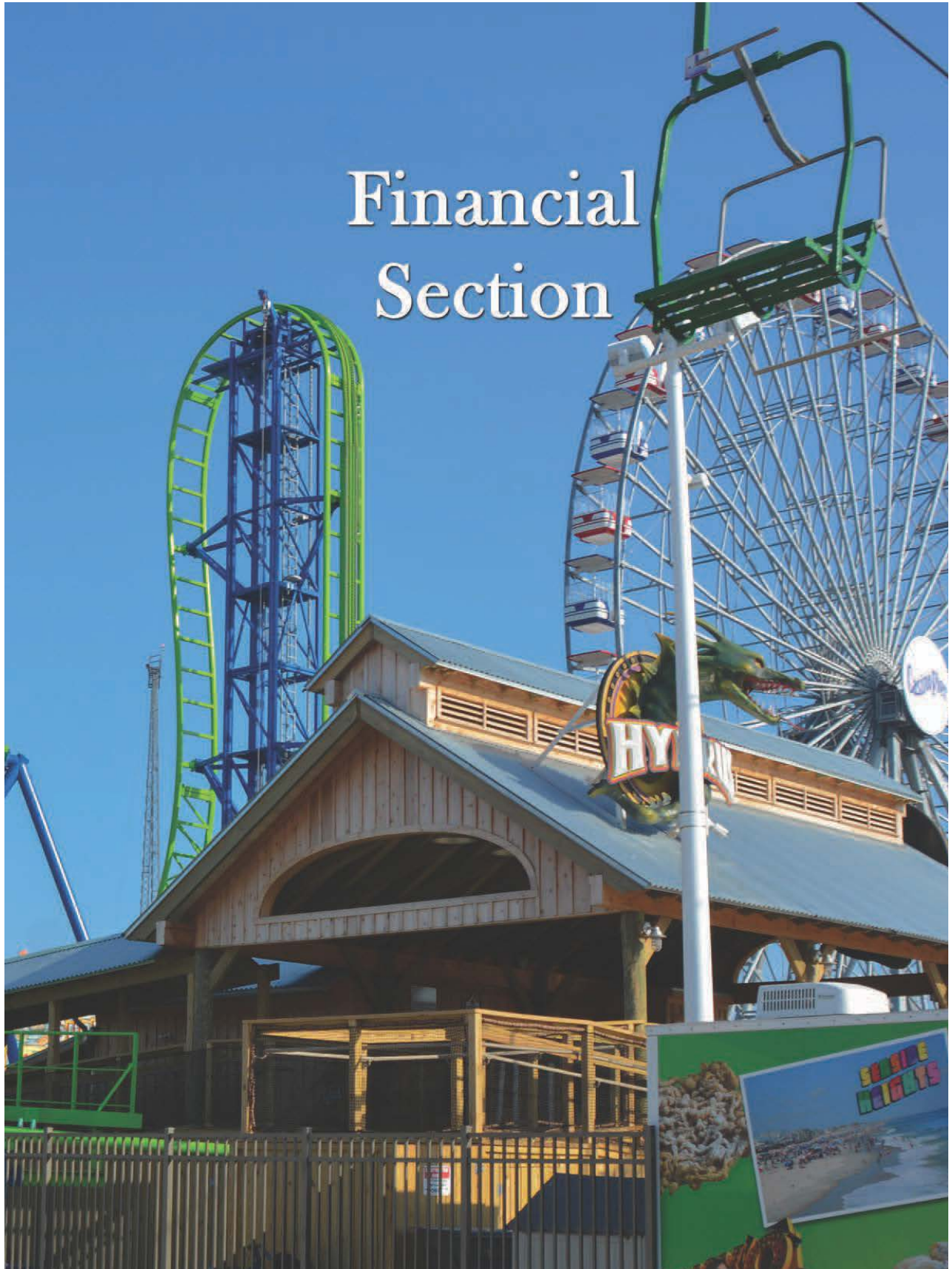
June 30, 2016

Christopher P. Morill

Executive Director/CEO

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Financial Section





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JOHN DIMAIO
THOMAS P. GIBLIN
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New Jersey State Legislature

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JOHN J. TERMYNA
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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, 2017, 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 pension trust funds, the State Health Benefits – Local Retired pension and other employee benefits trust fund, and the Port Authority of New York and New Jersey which represent 88 percent, 91 percent, and 47 percent, respectively, of the assets, net position and fund balance, and revenues of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2F of the basic financial statements. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the pension trust funds, the State Health Benefits – Local Retired pension and other employee benefits trust fund, 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 pension trust funds, the State Health Benefits – Local Retired pension and other employee benefits trust funds, and two discretely presented component units, the Higher Education Student Assistance Authority and the Casino Reinvestment Development Authority, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2017, 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. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 77, *Tax Abatement Disclosures*; GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*; GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*; and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73* as of July 1, 2016. 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 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 and schedules section and the other information section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2018 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 initial "S" and "M".

Stephen M. Eells
State Auditor
March 29, 2018

*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, 2017. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

FINANCIAL HIGHLIGHTS

Government-wide

- The primary government's assets and deferred outflows of resources totaled \$73.7 billion, an increase of \$17.9 billion from the prior fiscal year after three restatements that resulted in a \$822.4 million decrease in net position. Restatements were made to decrease net capital assets; increase noncurrent liabilities resulting from the inclusion of state health benefit funds incurred but not reported obligations; and account for 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*. As of June 30, 2017, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$132.6 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 \$148.9 billion. The negative balance is primarily a result of the State implementing, in Fiscal Year 2015, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (See Note 16 – Retirement Systems) and the State's recognition of other postemployment benefits under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (See Note 17 – Health Benefits and Post-Retirement Medical 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, 2017 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$17.1 billion. Total component unit assets and deferred outflows of resources totaled \$52.4 billion, a \$1.4 billion increase from the prior fiscal year.

Fund Level

- The State's governmental funds reported June 30, 2017 combined ending fund balances of \$11.9 billion, an increase of \$3.2 billion when compared to the prior fiscal year after a restatement to reflect the increase attributable to the inclusion of the State Health Benefit Funds to be in compliance with GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned. The nonspendable fund balance classification (\$20.4 million) includes amounts that are legally required to remain intact. The restricted fund balance classification (\$7.9 billion) is used when constraints have been placed upon the use of resources through enabling legislation initiated by voter referendum, constitutional provisions, debt covenants, or other external parties such as the federal government. The committed fund balance classification (\$3.1 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 (\$783.7 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 \$282.1 million resulting in net position of \$2.7 billion as of June 30, 2017.

Long-term Obligations

- The State's governmental long-term obligations increased 17.2 percent to \$201.3 billion, which includes a net increase in bonded obligations of \$3.4 billion. During the fiscal year, the State issued \$6.1 billion in bonds. New money issuances represented \$5.0 billion primarily for transportation program improvements, while \$1.1 billion represented refunding transactions that provided the State with \$12.6 million in net present value savings. During Fiscal Year 2017, the State paid \$3.9 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$155.2 billion. This amount represents a \$26.2 billion increase from the prior fiscal year and is mainly attributable to increases in the Net Pension Liability of \$21.9 billion resulting from the implementation of GASB Statement No. 68 in Fiscal Year 2015 as well as the State's Net Other Postemployment Benefits (OPEB) Obligation of \$4.2 billion.

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 (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) 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 a Schedule of Funding Progress for Health Benefits.

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 2017 with combined net position for the primary government totaling a negative \$132.6 billion. This amount represents a reduction of net position of \$11.5 billion from the prior fiscal year. 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 Net OPEB Obligation, 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	
	2017	2016*	2017	2016	2017	2016*
Current and other noncurrent assets	\$ 16,693.5	\$ 13,163.2	\$ 3,228.1	\$ 2,996.6	\$ 19,921.6	\$ 16,159.8
Capital assets, net	27,243.4	27,104.5	-	-	27,243.4	27,104.5
Total Assets	43,936.9	40,267.7	3,228.1	2,996.6	47,165.0	43,264.3
Deferred outflows of resources	26,548.9	12,548.7	-	-	26,548.9	12,548.7
Total Assets and Deferred Outflows of Resources	70,485.8	52,816.4	3,228.1	2,996.6	73,713.9	55,813.0
Current liabilities	6,440.0	6,271.4	256.0	307.6	6,696.0	6,579.0
Noncurrent liabilities	198,794.6	169,232.9	228.9	227.9	199,023.5	169,460.8
Total Liabilities	205,234.6	175,504.3	484.9	535.5	205,719.5	176,039.8
Deferred inflows of resources	584.8	906.3	-	-	584.8	906.3
Total Liabilities and Deferred Inflows of Resources	205,819.4	176,410.6	484.9	535.5	206,304.3	176,946.1
Net Position:						
Net investment in capital assets	8,777.9	9,000.2	-	-	8,777.9	9,000.2
Restricted	4,752.2	4,468.2	2,743.2	2,461.1	7,495.4	6,929.3
Unrestricted	(148,863.7)	(137,062.6)	-	-	(148,863.7)	(137,062.6)
Total Net Position	<u>\$ (135,333.6)</u>	<u>\$ (123,594.2)</u>	<u>\$ 2,743.2</u>	<u>\$ 2,461.1</u>	<u>\$ (132,590.4)</u>	<u>\$ (121,133.1)</u>

* Net Position was restated by \$822.4 million to reflect a prior period adjustment for a net 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 benefit fund balances - \$49.6 million.

Changes in Net Position

The State's Fiscal Year 2017 net position decreased by \$11.5 billion. Approximately 52.4 percent of the State's total revenues came from general taxes, while 28.9 percent was derived from operating grants. Charges for services amounted to 17.1 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, 26.4 percent, was for government direction, management, and control; educational, cultural, and intellectual development, which includes approximately \$401.0 million disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction amounted to 24.6 percent; and physical and mental health amounted to 20.8 percent. Other major expenditures focused on economic planning, development, and security and public safety and criminal justice. During Fiscal Year 2017, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$33.2 billion of general revenues (mostly taxes). The remaining \$11.7 billion resulted in a decrease in net position. Offsetting the governmental net position decrease, Business-type Activities reflected a net position increase of \$282.1 million as 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		Business-type		Primary Government	
	Activities		Activities		Total	
	2017	2016*	2017	2016	2017	2016*
Revenues						
Program revenues						
Charges for services	\$ 4,865.8	\$ 4,981.3	\$ 5,421.2	\$ 6,049.6	\$ 10,287.0	\$ 11,030.9
Operating grants	17,323.2	16,413.3	64.8	54.3	17,388.0	16,467.6
Capital grants	507.4	269.4	-	-	507.4	269.4
General revenues						
General taxes	31,605.3	30,463.4	-	-	31,605.3	30,463.4
Interest earnings	40.6	8.3	-	-	40.6	8.3
Miscellaneous	491.9	526.0	-	-	491.9	526.0
Total Revenues	54,834.2	52,661.7	5,486.0	6,103.9	60,320.2	58,765.6
Expenses						
Public safety and criminal justice	3,155.4	3,183.0	-	-	3,155.4	3,183.0
Physical and mental health	14,928.6	14,211.9	-	-	14,928.6	14,211.9
Educational, cultural, and intellectual development	17,642.4	17,127.3	-	-	17,642.4	17,127.3
Community development and environmental management	2,204.2	2,296.7	-	-	2,204.2	2,296.7
Economic planning, development, and security	6,294.2	6,267.1	-	-	6,294.2	6,267.1
Transportation programs	2,546.5	2,140.4	-	-	2,546.5	2,140.4
Government direction, management, and control	18,929.6	15,303.5	-	-	18,929.6	15,303.5
Special government services	352.6	338.5	-	-	352.6	338.5
Interest expense	1,533.6	1,382.5	-	-	1,533.6	1,382.5
State Lottery Fund	-	-	2,222.1	2,301.6	2,222.1	2,301.6
Unemployment Compensation Fund	-	-	1,986.2	2,053.1	1,986.2	2,053.1
Total Expenses	67,587.1	62,250.9	4,208.3	4,354.7	71,795.4	66,605.6
Excess (Deficiency) Before Transfers	(12,752.9)	(9,589.2)	1,277.7	1,749.2	(11,475.2)	(7,840.0)
Transfers	1,013.5	989.7	(995.6)	(987.0)	17.9	2.7
Increase (Decrease) in Net Position	(11,739.4)	(8,599.5)	282.1	762.2	(11,457.3)	(7,837.3)
Net Position - July 1 (Restated)	(123,594.2)	(114,994.7)	2,461.1	1,698.9	(121,133.1)	(113,295.8)
Net Position - June 30	\$ (135,333.6)	\$ (123,594.2)	\$ 2,743.2	\$ 2,461.1	\$ (132,590.4)	\$ (121,133.1)

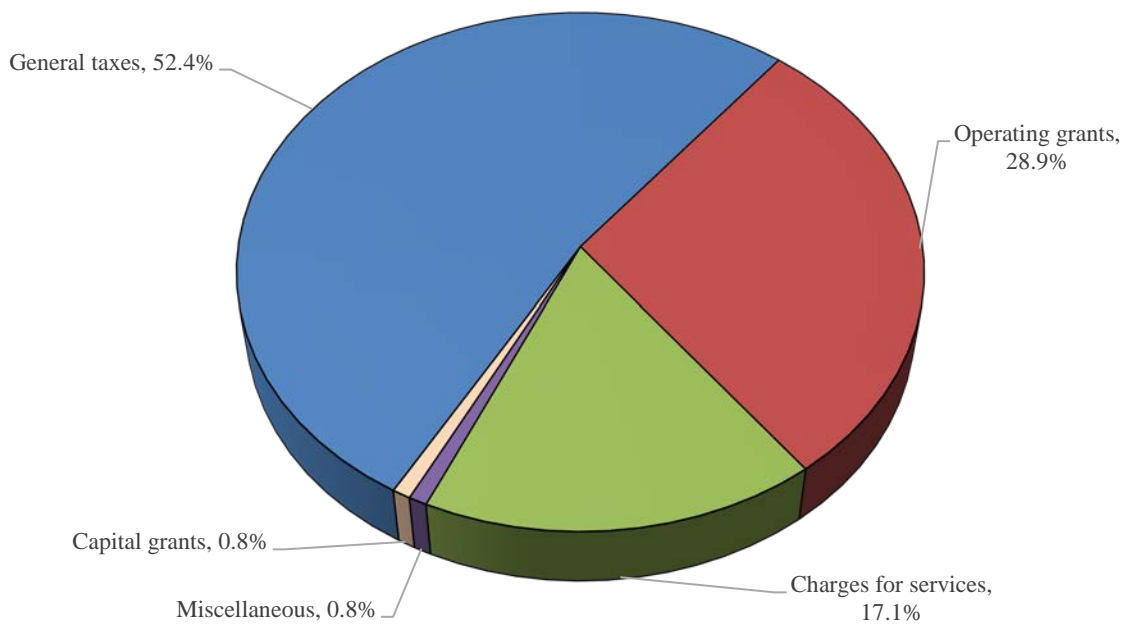
* Net Position was restated by \$822.4 million to reflect a prior period adjustment for a net decrease in capital assets - (\$561.6 million); an increase in accumulated depreciation - (\$44.8 million); implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other 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 benefit fund balances - \$49.6 million.

Primary Government – Fiscal Year 2017 Revenues and Expenses

During Fiscal Year 2017, State revenues, including transfers, totaled \$60.3 billion or an increase of \$1.6 billion when compared to the prior fiscal year. This increase is primarily attributable to operating grants and contributions in addition to higher Gross Income Tax collections. General taxes totaled \$31.6 billion and accounted for 52.4 percent of total State revenues for Fiscal Year 2017. The State’s Gross Income Tax totaled \$14.0 billion, the Sales and Use Tax totaled \$9.6 billion, and the Corporation Business Tax totaled \$2.1 billion. The State’s three major taxes comprised 81.2 percent of the total general taxes that were collected during Fiscal Year 2017. General taxes increased by \$1.1 billion when compared to Fiscal Year 2016.

The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2017:

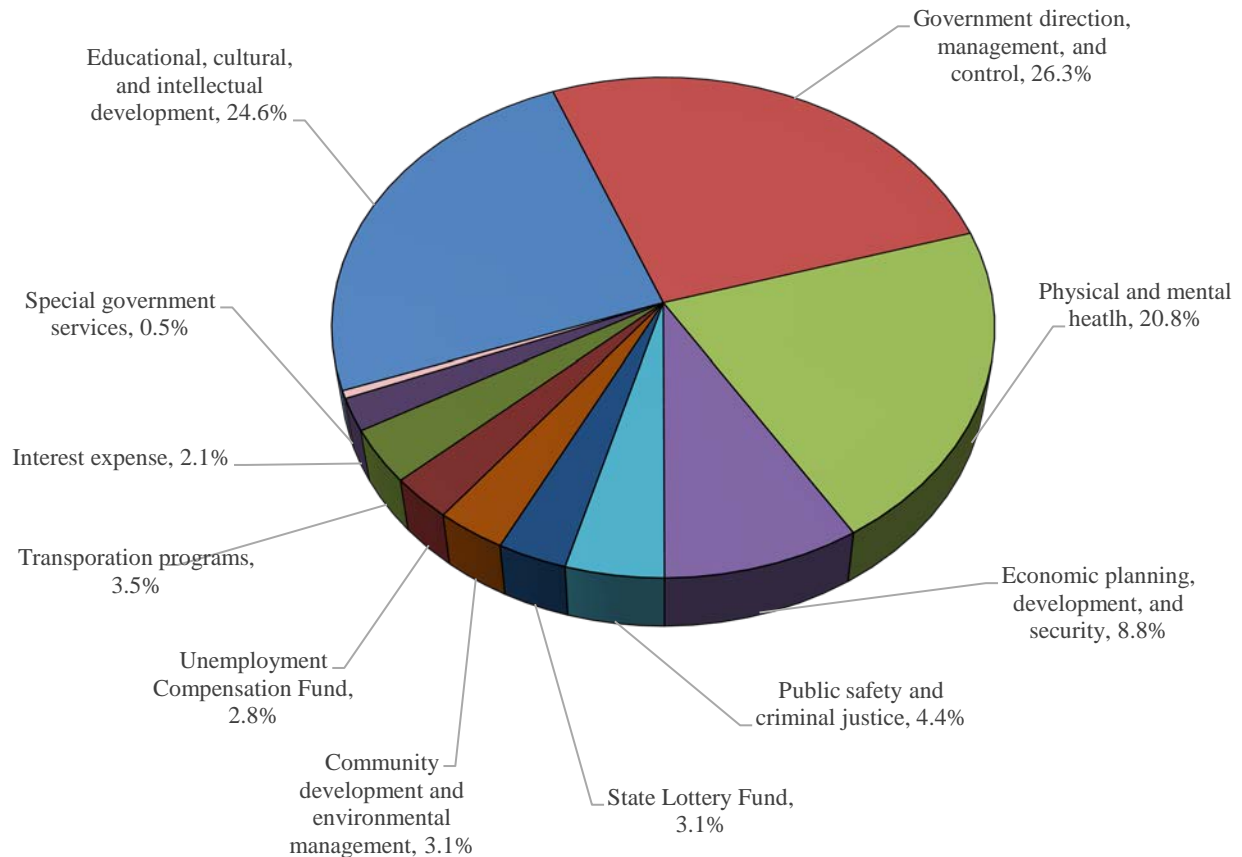
**Revenues – Primary Government
Fiscal Year Ended June 30, 2017**



Fiscal Year 2017 expenses totaled \$71.8 billion, an increase of \$5.2 billion in comparison to the prior fiscal year. State spending increased by \$3.6 billion in government direction, management, and control mainly due to the increase in the pension expense based on the requirements of GASB Statement No. 68, \$716.7 million in physical and mental health, \$515.1 million in educational, cultural, and intellectual development, and \$406.1 million in transportation programs.

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2017:

**Expenses – Primary Government
Fiscal Year Ended June 30, 2017**



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 2017 amounted to \$13.3 billion and \$13.6 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net assets at fiscal year end of \$17.1 billion. The component units received \$1.0 billion in State appropriations during Fiscal Year 2017.

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, 2017 fund balances of \$11.9 billion. The \$3.2 billion increase in fund balance was primarily due to borrowings related to the transportation program of \$3.2 billion.

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 \$4.7 billion of which \$783.7 million represented unassigned fund balance.

On a budgetary basis, general revenues of \$34.4 billion were \$2.0 billion lower than the final budget. The negative variance was the result of unearned federal and other grant revenues of \$1.5 billion and declines of \$1.2 billion in other revenues. Federal and other grant revenues are not earned unless there has been a grant award and eligible grant expenses incurred. To the extent that federal and grant appropriations are made in anticipation of grant awards and the incurrence of grant expenditures, grant revenues are budgeted.

Total expenditures were \$2.3 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 2017, the State's appropriation of federal funds and other grants exceeded expenditures by \$1.5 billion. These excess appropriations are available for use in future years. From a Fiscal Year 2017 program perspective, under-spending transpired in community development and environmental management (\$570.7 million); economic planning, development, and security (\$449.7 million); transportation programs (\$367.9 million); public safety and criminal justice (\$352.0 million); physical and mental health (\$322.1 million); government direction, management, and control (\$259.5 million); special government services (\$55.5 million); and offset by over-spending in educational, cultural, and intellectual development \$107.5 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 2017, \$14.6 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2017 ending fund balance was \$27.2 million.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

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, vendor fees in the production and distribution of Lottery tickets, and for the administrative expenses of the Division of the State Lottery. Available fund balances are transferred to the State's General Fund in support of the amounts annually appropriated for State institutions and for education. 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.

In Fiscal Year 2017, gross revenues totaled \$3.2 billion of which \$1.9 billion was returned in prizes; \$995.6 million went to State education and institutions; \$241.0 million was paid to sales agents and ticket vendors; and \$53.8 million covered Lottery operational and promotional expenses. As of June 30, 2017, the State Lottery, since its inception, has generated over \$70.5 billion in gross revenues, \$38.6 billion in prizes, and contributed \$26.0 billion to the State.

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 \$66.9 million in Fiscal Year 2017.

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 2017 capital appropriation included \$4.0 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 \$997.8 million for State highway infrastructure, \$279.7 million for local highways, and \$722.5 million for mass transit. During Fiscal Year 2017, the New Jersey Economic Development Authority issued \$342.9 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, 2017, a total of \$10.5 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 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 \$27.2 billion as of June 30, 2017. Depreciation expense charges for Fiscal Year 2017 totaled \$1.0 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)

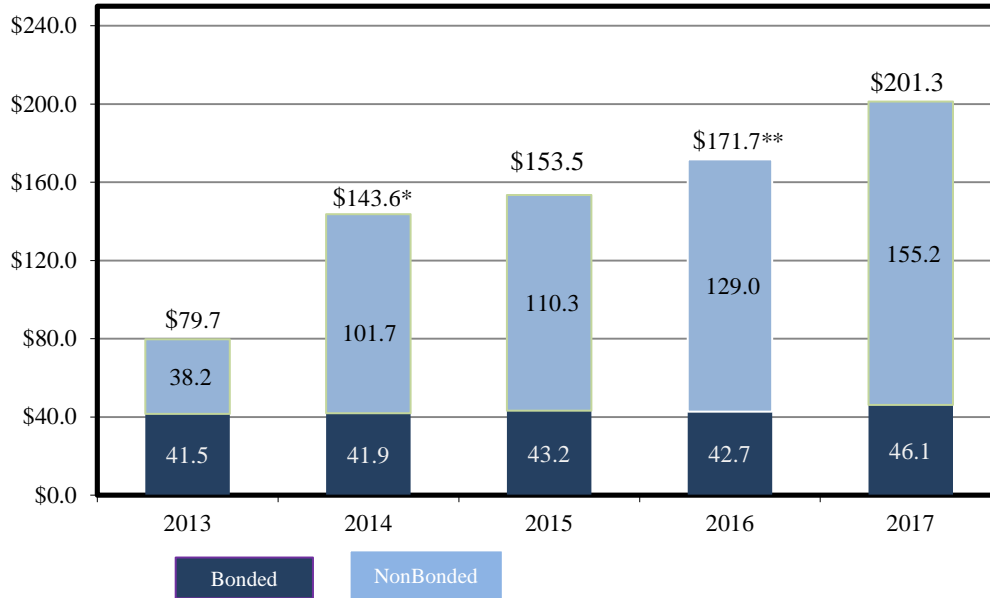
	Total Primary Government	
	2017	2016*
Land and Easements	\$ 5,276.6	\$ 5,220.6
Land Improvements	85.7	91.3
Buildings and Improvements	1,698.1	1,672.9
Equipment and Software	355.8	379.3
Infrastructure	17,343.0	17,705.9
Sub-Total	24,759.2	25,070.0
Construction In Progress	2,484.2	2,034.5
Total	<u>\$ 27,243.4</u>	<u>\$ 27,104.5</u>

* The July 1, 2016 capital asset balance has been restated by (\$561.6) million and the accumulated depreciation balance has been restated by \$44.8 million across construction in progress, land improvements, buildings and improvements, and infrastructure.

Debt Administration

As of June 30, 2017, New Jersey's outstanding long-term obligations for governmental activities totaled \$201.3 billion, a \$29.6 billion increase over the prior fiscal year. Of the \$29.6 billion increase, \$26.1 billion is attributable to increases in the Net Pension Liability and Net OPEB Obligation. Additionally, there were increases of \$3.4 billion in bonded debt and \$0.1 billion in other non-bonded debt. Long-term bonded obligations totaled \$46.1 billion, while other long-term obligations totaled \$155.2 billion. In addition, the State has \$15.2 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2017, the legislatively authorized but unissued debt increased by \$11.2 billion from the prior fiscal year (See Statistical Section – Legislatively Authorized But Unissued Debt, 2017 and 2016). In Fiscal Year 2015, the State implemented GASB Statement No. 68 which required the State to record its proportionate share of the Net Pension Liability for all State retirement systems. Only Fiscal Year 2014 was restated. Therefore, comparisons cannot be made to Fiscal Year 2013. The State's long-term obligations for the past five fiscal years are shown in the following chart.

**Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2013 to Fiscal Year 2017
(Expressed in Billions)**



* Due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* in Fiscal Year 2015, the July 1, 2014 Net Pension Obligation of \$15.9 billion was removed and replaced with a Net Pension Liability of \$74.8 billion.

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

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

ECONOMIC CONDITION AND OUTLOOK

The State's economic recovery entered its eighth year in 2017 with 42,900 new private-sector jobs added over the course of the year. The following sectors led job growth in 2017: education and health services (20,300); trade, transportation, and utilities (15,300); leisure and hospitality services (8,500); and manufacturing (3,200). The State's unemployment rate was 4.7 percent at the end of December 2017, matching the rate from a year ago.

The housing market also continued to expand with total existing home sales 9.0 percent higher than a year ago. Single-family home sales were 9.7 percent higher in 2017 and townhouse/condo sales were 8.5 percent higher. Residential construction also grew in 2017 following a down year in 2016. Permits to build single-family homes were 3.7 percent higher in 2017, while permits to build units in large apartment buildings were 9.4 percent higher.

New car sales in 2017 were lower in New Jersey, declining by 1.8 percent from the prior year. Aggregate personal income, defined as wage income as well as income from other sources such as assets and transfers, reached a new all-time high at the end of the third quarter of 2017. Aggregate personal income has grown at an average annual rate of 3.0 percent since the first quarter of 2009, which marked the low point during the Great Recession.

The national economy also continued its moderate expansion in 2017. Real Gross Domestic Product (GDP) grew 2.3 percent in 2017 and the labor market added 2.055 million jobs. Wage growth leveled off in 2017 with average hourly earnings growing 2.6 percent year-over-year, matching the revised 2016 growth rate. Consumer price inflation did strengthen in 2017. The personal consumption expenditures (PCE) price index, the Federal Reserve's preferred inflation measure, grew 1.7 percent year-over-year in 2017, below the 2.0 percent inflation target rate.

The Federal Reserve Bank, through the Federal Open Market Committee (FOMC), raised the federal funds rate three times over the course of Calendar Year 2017. The target range is now between 1.25 percent and 1.50 percent.

The outlook for the U.S. economy is positive according to FOMC meeting minutes and as a result the FOMC is projecting an additional three increases to the federal funds rate target over the course of Calendar Year 2018. In fact, meeting participants raised the median outlook for real GDP growth in Calendar Year 2018 from 2.1 percent to 2.5 percent during their December meeting. The labor market is expected to continue to strengthen, which should boost household income and consumer spending. Continued optimism surrounding the economy, combined with higher sales, should also boost business investment. The positive outlook for the national economy means the outlook is positive for the New Jersey economy as well.

However, there also continues to be some uncertainty surrounding the economic outlook going forward. The federal government's expansionary fiscal policy is underway, while international trade policy is being reviewed. There also continues to be uncertainty surrounding the impact of the recently passed federal tax reform, including how firms will allocate tax savings between further business investment, increases to worker compensation, dividends and share buybacks, and other uses.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017 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, 2017, 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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 74,603,776	\$ 7,401,331	\$ 82,005,107	\$ 3,803,469,639
Investments	8,481,444,195	269,894,132	8,751,338,327	7,793,008,181
Receivables, net of allowances for uncollectibles				
Federal government	1,056,926,422	2,089,752,013	3,146,678,435	259,806,275
Departmental accounts	4,070,147,049	662,839,070	4,732,986,119	-
Loans	1,666,136,292	-	1,666,136,292	223,691,119
Mortgages	-	-	-	137,184,000
Other	816,938,669	105,675,283	922,613,952	814,285,727
Internal balances	137,365,579	(137,365,579)	-	-
Due from external parties	29,066,649	-	29,066,649	161,332,363
Inventories	-	-	-	181,471,337
Deferred charges	-	1,703,996	1,703,996	-
Other	3,745,089	-	3,745,089	296,955,495
Total Current Assets	16,336,373,720	2,999,900,246	19,336,273,966	13,671,204,136
Noncurrent Assets				
Investments	-	228,216,100	228,216,100	3,303,670,440
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,298,561,047
Mortgages	-	-	-	1,919,077,244
Other	-	-	-	127,406,574
Capital assets - nondepreciated	7,760,725,301	-	7,760,725,301	5,192,217,447
Capital assets - depreciated, net	19,482,619,088	-	19,482,619,088	23,289,848,999
Other	357,154,610	-	357,154,610	539,901,181
Total Noncurrent Assets	27,600,498,999	228,216,100	27,828,715,099	36,670,682,932
Deferred Outflows of Resources	26,548,872,962	-	26,548,872,962	2,085,239,920
Total Assets and Deferred Outflows of Resources	70,485,745,681	3,228,116,346	73,713,862,027	52,427,126,988

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	2,604,450,947	161,093,089	2,765,544,036	1,286,094,235
Due to external parties	68,001,667	-	68,001,667	300,579,561
Interest payable	216,310,602	-	216,310,602	354,762,158
Unearned revenue	375,666,726	-	375,666,726	288,395,239
Current portion of long-term obligations	2,484,552,965	25,983,704	2,510,536,669	1,077,416,857
Refunds payable	383,454,896	67,642,187	451,097,083	-
Other	307,571,374	1,320,610	308,891,984	487,640,471
Total Current Liabilities	6,440,009,177	256,039,590	6,696,048,767	3,794,888,521
Noncurrent Liabilities				
Net pension liability	115,113,590,086	-	115,113,590,086	6,164,682,200
Net OPEB obligation	36,493,600,000	-	36,493,600,000	1,147,167,297
Revenue bonds payable, net	20,194,523,457	-	20,194,523,457	13,997,257,368
Installment obligations, net	16,975,447,200	-	16,975,447,200	2,664,512,091
Other	10,017,408,454	228,887,579	10,246,296,033	7,067,975,124
Total Noncurrent Liabilities	198,794,569,197	228,887,579	199,023,456,776	31,041,594,080
Deferred Inflows of Resources	584,721,816	-	584,721,816	460,847,044
Total Liabilities and Deferred Inflows of Resources	205,819,300,190	484,927,169	206,304,227,359	35,297,329,645
NET POSITION				
Net investment in capital assets	8,777,931,925	-	8,777,931,925	10,796,276,844
Restricted for:				
Capital projects	-	-	-	200,918,747
Public safety and criminal justice	440	-	440	-
Physical and mental health	6,242,848	-	6,242,848	-
Educational, cultural, and intellectual development	700,187,372	-	700,187,372	-
Community development and environmental management	2,932,605,843	-	2,932,605,843	-
Economic planning, development and security	467,040,236	-	467,040,236	-
Transportation programs	6,343,129	-	6,343,129	-
Employee benefits	639,808,133	-	639,808,133	-
Debt service	-	-	-	1,063,604,664
Unemployment	-	2,743,189,177	2,743,189,177	-
Other purposes	-	-	-	7,474,701,054
Unrestricted	(148,863,714,435)	-	(148,863,714,435)	(2,405,703,966)
Total Net Position	\$ (135,333,554,509)	\$ 2,743,189,177	\$ (132,590,365,332)	\$ 17,129,797,343

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 3,155,349,403	\$ 1,114,889,845	\$ 469,881,299	\$ 1,963,630
Physical and mental health	14,928,621,014	853,023,443	622,888,383	-
Educational, cultural, and intellectual development	17,642,396,496	47,335,779	1,022,406,559	-
Community development and environmental management	2,204,174,616	340,110,422	1,274,985,168	99,063,732
Economic planning, development, and security	6,294,234,681	1,292,900,369	792,030,894	12,000,000
Transportation programs	2,546,524,278	22,603,040	1,485,357,475	394,346,237
Government direction, management, and control	18,929,611,656	1,003,872,150	11,633,099,091	-
Special government services	352,622,844	191,093,691	22,556,012	20,973
Interest expense	1,533,532,083	-	-	-
Total governmental activities	<u>67,587,067,071</u>	<u>4,865,828,739</u>	<u>17,323,204,881</u>	<u>507,394,572</u>
Business-type activities:				
State Lottery Fund	2,222,127,958	3,204,956,891	1,351,613	-
Unemployment Compensation Fund	1,986,164,542	2,216,231,658	63,502,396	-
Total business-type activities	<u>4,208,292,500</u>	<u>5,421,188,549</u>	<u>64,854,009</u>	<u>-</u>
Total Primary Government	<u>\$ 71,795,359,571</u>	<u>\$ 10,287,017,288</u>	<u>\$ 17,388,058,890</u>	<u>\$ 507,394,572</u>
Component Units				
Authorities	\$ 6,748,768,300	\$ 3,852,533,380	\$ 1,611,196,802	\$ 1,599,362,226
Colleges and Universities	6,826,528,193	3,685,029,744	2,301,611,766	249,998,985
Total Component Units	<u>\$ 13,575,296,493</u>	<u>\$ 7,537,563,124</u>	<u>\$ 3,912,808,568</u>	<u>\$ 1,849,361,211</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, 2016 (Restated)				
Net Position - June 30, 2017				

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
\$ (1,568,614,629)	\$ -	\$ (1,568,614,629)	\$ -
(13,452,709,188)	-	(13,452,709,188)	-
(16,572,654,158)	-	(16,572,654,158)	-
(490,015,294)	-	(490,015,294)	-
(4,197,303,418)	-	(4,197,303,418)	-
(644,217,526)	-	(644,217,526)	-
(6,292,640,415)	-	(6,292,640,415)	-
(138,952,168)	-	(138,952,168)	-
(1,533,532,083)	-	(1,533,532,083)	-
<u>(44,890,638,879)</u>	<u>-</u>	<u>(44,890,638,879)</u>	<u>-</u>
-	984,180,546	984,180,546	-
-	293,569,512	293,569,512	-
-	1,277,750,058	1,277,750,058	-
<u>\$ (44,890,638,879)</u>	<u>\$ 1,277,750,058</u>	<u>\$ (43,612,888,821)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 314,324,108
-	-	-	(589,887,698)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (275,563,590)</u>
13,958,119,470	-	13,958,119,470	-
9,571,773,590	-	9,571,773,590	-
2,144,029,786	-	2,144,029,786	-
5,931,384,178	-	5,931,384,178	-
40,574,960	-	40,574,960	-
-	-	-	1,032,650,646
491,897,449	-	491,897,449	-
1,013,511,503	(995,627,539)	17,883,964	-
<u>33,151,290,936</u>	<u>(995,627,539)</u>	<u>32,155,663,397</u>	<u>1,032,650,646</u>
(11,739,347,943)	282,122,519	(11,457,225,424)	757,087,056
(123,594,206,566)	2,461,066,658	(121,133,139,908)	16,372,710,287
<u>\$ (135,333,554,509)</u>	<u>\$ 2,743,189,177</u>	<u>\$ (132,590,365,332)</u>	<u>\$ 17,129,797,343</u>

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<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	\$ 38,906,042	\$ -	\$ 35,697,734	\$ 74,603,776
Investments	2,116,389,287	-	6,365,054,908	8,481,444,195
Receivables, net of allowances for uncollectibles				
Federal government	924,304,576	-	132,621,846	1,056,926,422
Departmental accounts	2,903,325,147	745,156,388	421,665,514	4,070,147,049
Loans	292,823,184	-	1,373,313,108	1,666,136,292
Other	583,761,328	-	233,177,341	816,938,669
Due from other funds	759,326,729	11,248,493	192,093,615	962,668,837
Other	3,732,190	-	12,899	3,745,089
Total Assets	<u>\$ 7,622,568,483</u>	<u>\$ 756,404,881</u>	<u>\$ 8,753,636,965</u>	<u>\$ 17,132,610,329</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 1,496,681,759	\$ 356,470,028	\$ 751,299,160	\$ 2,604,450,947
Unearned revenue	150,543,653	-	225,123,073	375,666,726
Due to other funds	168,729,314	154,360,879	541,148,083	864,238,276
Refunds payable	165,106,402	218,348,494	-	383,454,896
Other	303,798,329	-	3,773,045	307,571,374
Total Liabilities	<u>2,284,859,457</u>	<u>729,179,401</u>	<u>1,521,343,361</u>	<u>4,535,382,219</u>
Deferred Inflows of Resources	<u>621,709,078</u>	<u>-</u>	<u>116,250,000</u>	<u>737,959,078</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	1,135,591,636	27,225,480	6,762,346,535	7,925,163,651
Committed	2,776,250,720	-	353,697,069	3,129,947,789
Unassigned	783,741,519	-	-	783,741,519
Total Fund Balances	<u>4,715,999,948</u>	<u>27,225,480</u>	<u>7,116,043,604</u>	<u>11,859,269,032</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,622,568,483</u>	<u>\$ 756,404,881</u>	<u>\$ 8,753,636,965</u>	<u>\$ 17,132,610,329</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, 2017

Total fund balances of governmental funds \$ 11,859,269,032

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

Land and easements	\$ 5,276,565,226	
Land improvements	254,297,121	
Buildings and improvements	3,994,773,299	
Equipment and software	1,353,067,391	
Infrastructure	29,136,415,116	
Construction in progress	2,484,160,075	
Accumulated depreciation	<u>(15,255,933,839)</u>	27,243,344,389

The other noncurrent assets (Group Homes) are not current resources and, therefore, are not reported in the fund perspective. 357,154,610

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 26,548,872,962

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	(216,310,602)	
Current portion of long-term obligations	<u>(2,484,552,965)</u>	(2,700,863,567)
Noncurrent Liabilities		
General Obligation Bonds Payable	(1,795,260,000)	
Revenue Bonds Payable, net	(20,194,523,457)	
Installment Obligations, net	(16,975,447,200)	
Certificates of Participation	(58,441,664)	
Loans Payable	(1,279,358,087)	
Capital Leases	(462,114,458)	
Compensated Absences	(202,549,960)	
Unamortized Premium	(1,969,095,399)	
Tobacco Settlement Financing Corporation Bonds, net	(3,168,221,557)	
Net Pension Liability	(115,113,590,086)	
Net OPEB Obligation	(36,493,600,000)	
Other	<u>(1,082,367,329)</u>	(198,794,569,197)

Certain deferred inflows of resources are not current liabilities and, therefore, are not reported in the fund perspective. 153,237,262

Net Position of governmental activities \$ (135,333,554,509)

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, 2017

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 15,917,964,853	\$ 14,700,875,666	\$ 1,571,905,534	\$ 32,190,746,053
Federal and other grants	14,911,931,135	-	1,026,264,028	15,938,195,163
Licenses and fees	1,413,500,225	-	115,090,283	1,528,590,508
Services and assessments	1,803,487,336	-	1,215,162,679	3,018,650,015
Component Units and Port Authority	641,086,523	-	-	641,086,523
Investment earnings	42,624,573	-	32,394,485	75,019,058
Other	1,067,320,061	-	401,689,514	1,469,009,575
Total Revenues	<u>35,797,914,706</u>	<u>14,700,875,666</u>	<u>4,362,506,523</u>	<u>54,861,296,895</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	3,076,517,837	24,419,875	110,365,581	3,211,303,293
Physical and mental health	14,777,165,818	87,330,786	39,025,320	14,903,521,924
Educational, cultural, and intellectual development	4,159,139,010	12,980,915,499	578,226,946	17,718,281,455
Community development and environmental management	1,859,945,995	294,836,588	119,589,487	2,274,372,070
Economic planning, development, and security	5,260,294,633	51,903,000	970,692,904	6,282,890,537
Transportation programs	747,188,687	-	1,869,610,909	2,616,799,596
Government direction, management, and control	3,364,244,100	1,194,886,433	2,616,254,282	7,175,384,815
Special government services	344,466,368	-	175,124	344,641,492
Capital Outlay	187,376,897	-	-	187,376,897
Debt Service:				
Principal	251,660,000	-	764,393,000	1,016,053,000
Interest	91,272,088	-	984,467,881	1,075,739,969
Total Expenditures	<u>34,119,271,433</u>	<u>14,634,292,181</u>	<u>8,052,801,434</u>	<u>56,806,365,048</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,678,643,273</u>	<u>66,583,485</u>	<u>(3,690,294,911)</u>	<u>(1,945,068,153)</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	1,786,992,348	-	3,241,425,000	5,028,417,348
Refunding bonds issued	1,015,142,984	-	97,585,000	1,112,727,984
Premiums/discounts	78,376,399	-	185,593,101	263,969,500
Payment to bond escrow agents	(2,135,875,511)	-	(103,619,972)	(2,239,495,483)
Transfers from other funds	2,512,060,761	-	5,104,337,646	7,616,398,407
Transfers to other funds	(4,143,352,185)	(57,697,188)	(2,401,797,664)	(6,602,847,037)
Total Other Financing Sources (Uses)	<u>(886,655,204)</u>	<u>(57,697,188)</u>	<u>6,123,523,111</u>	<u>5,179,170,719</u>
Net Change in Fund Balance	791,988,069	8,886,297	2,433,228,200	3,234,102,566
Fund Balances - July 1, 2016 (Restated)	<u>3,924,011,879</u>	<u>18,339,183</u>	<u>4,682,815,404</u>	<u>8,625,166,466</u>
Fund Balances - June 30, 2017	<u>\$ 4,715,999,948</u>	<u>\$ 27,225,480</u>	<u>\$ 7,116,043,604</u>	<u>\$ 11,859,269,032</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, 2017

Net change in fund balances of total governmental funds \$ 3,234,102,566

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	\$	1,096,362,941	
Depreciation expense		<u>(957,563,887)</u>	
Excess of capital outlay over depreciation expense			138,799,054

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term obligations in the statement of net position. In the current period, proceeds were received from revenue and general obligation bonds. (3,498,650,000)

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In the governmental funds these arrangements are considered a source of financing, but in the statement of net position, these arrangements are reported as an obligation. (1,529,767,348)

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		251,660,000	
Revenue Bonds principal		670,080,000	
Capital Leases		49,927,919	
Installment Obligations		978,268,947	
Certificates of Participation		39,057,643	
Tobacco Settlement Financing Corporation Bonds		<u>246,235,000</u>	
Total long-term obligations			2,235,229,509

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. The Fiscal Year 2017 receivable balances decreased by this amount. (27,129,135)

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		(52,372,727)	
Decrease in deferral on refunding issues		<u>20,405,641</u>	
Total capitalized and amortized items			(31,967,086)

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		(541,750,893)	
Increase in compensated absences, Medicaid, and other		(71,163,709)	
Increase in net pension liability		(21,917,714,366)	
Increase in OPEB obligations		(4,210,900,000)	
Increase in deferred outflow of resources		14,000,159,358	
Decrease in deferred inflow of resources		437,822,606	
Increase in other assets (Group Homes)		<u>43,581,501</u>	
Total additional expenditures			<u>(12,259,965,503)</u>

Change in net position of governmental activities \$ (11,739,347,943)

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

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 7,204,746	\$ 196,585	\$ 7,401,331
Investments	269,870,315	23,817	269,894,132
Receivables, net of allowances for uncollectibles			
Federal government	-	2,089,752,013	2,089,752,013
Departmental accounts	-	662,839,070	662,839,070
Other	8,596,404	97,078,879	105,675,283
Due from other funds	-	7,147,518	7,147,518
Deferred charges	1,703,996	-	1,703,996
Total Current Assets	<u>287,375,461</u>	<u>2,857,037,882</u>	<u>3,144,413,343</u>
Noncurrent Assets			
Investments	228,216,100	-	228,216,100
Total Noncurrent Assets	<u>228,216,100</u>	<u>-</u>	<u>228,216,100</u>
Total Assets	<u>515,591,561</u>	<u>2,857,037,882</u>	<u>3,372,629,443</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	116,679,596	44,413,493	161,093,089
Due to other funds	144,040,682	472,415	144,513,097
Refunds payable	-	67,642,187	67,642,187
Current portion of long - term obligations	25,983,704	-	25,983,704
Other	-	1,320,610	1,320,610
Total Current Liabilities	<u>286,703,982</u>	<u>113,848,705</u>	<u>400,552,687</u>
Noncurrent Liabilities			
Due in more than one year	228,887,579	-	228,887,579
Total Noncurrent Liabilities	<u>228,887,579</u>	<u>-</u>	<u>228,887,579</u>
Total Liabilities	<u>515,591,561</u>	<u>113,848,705</u>	<u>629,440,266</u>
NET POSITION			
Restricted for:			
Unemployment compensation	-	2,743,189,177	2,743,189,177
Prize awards and State contributions	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ 2,743,189,177</u>	<u>\$ 2,743,189,177</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, 2017

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sales and charges for services	\$ 3,186,909,894	\$ -	\$ 3,186,909,894
Assessments	-	2,202,696,883	2,202,696,883
From federal agencies	-	20,546,860	20,546,860
Other	<u>46,272,640</u>	<u>842,700</u>	<u>47,115,340</u>
Total Operating Revenues	<u>3,233,182,534</u>	<u>2,224,086,443</u>	<u>5,457,268,977</u>
OPERATING EXPENSES			
Unemployment compensation	-	1,986,164,542	1,986,164,542
Lottery prize awards	1,927,302,259	-	1,927,302,259
Other	<u>294,825,699</u>	<u>-</u>	<u>294,825,699</u>
Total Operating Expenses	<u>2,222,127,958</u>	<u>1,986,164,542</u>	<u>4,208,292,500</u>
Operating Income (Loss)	<u>1,011,054,576</u>	<u>237,921,901</u>	<u>1,248,976,477</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,351,613	42,955,536	44,307,149
Other	<u>(28,225,643)</u>	<u>12,692,075</u>	<u>(15,533,568)</u>
Total Nonoperating Revenues (Expenses)	<u>(26,874,030)</u>	<u>55,647,611</u>	<u>28,773,581</u>
Income (Loss) Before Transfers	984,180,546	293,569,512	1,277,750,058
Transfers to other funds	<u>(995,627,539)</u>	<u>-</u>	<u>(995,627,539)</u>
Change in Net Position	(11,446,993)	293,569,512	282,122,519
Net Position - July 1, 2016	<u>11,446,993</u>	<u>2,449,619,665</u>	<u>2,461,066,658</u>
Net Position - June 30, 2017	<u>\$ -</u>	<u>\$ 2,743,189,177</u>	<u>\$ 2,743,189,177</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, 2017**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,497,304,267	\$ -	\$ 1,497,304,267
Receipts from federal government	-	27,256,715	27,256,715
Receipts from state, local, and non-profit agencies	-	113,146,128	113,146,128
Receipts from assessments	-	2,270,226,677	2,270,226,677
Payments to suppliers	(10,048,217)	-	(10,048,217)
Payments to prize winners	(389,661,085)	-	(389,661,085)
Payments for vendor commissions and fees	(113,830,053)	-	(113,830,053)
Claims paid	-	(2,410,720,178)	(2,410,720,178)
Cash flows from annuity operations:			
Annuity receipts	26,759,204	-	26,759,204
Payments of annuity prizes	(17,358,486)	-	(17,358,486)
Other receipts (payments)	(21,584)	-	(21,584)
Net Cash Provided (Used) by Operating Activities	<u>993,144,046</u>	<u>(90,658)</u>	<u>993,053,388</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(964,000,000)	-	(964,000,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(964,000,000)</u>	<u>-</u>	<u>(964,000,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,194,200,000	-	1,194,200,000
Purchase of investments	(1,185,600,000)	-	(1,185,600,000)
Proceeds from Northstar New Jersey	(30,623,965)	-	(30,623,965)
Net Cash Provided (Used) by Investing Activities	<u>(22,023,965)</u>	<u>-</u>	<u>(22,023,965)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,120,081	(90,658)	7,029,423
Cash and Cash Equivalents - July 1, 2016	84,665	287,243	371,908
Cash and Cash Equivalents - June 30, 2017	<u>\$ 7,204,746</u>	<u>\$ 196,585</u>	<u>\$ 7,401,331</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,011,054,576	\$ 237,921,901	\$ 1,248,976,477
Net changes in assets and liabilities:			
Current assets	38,683,245	(239,608,834)	(200,925,589)
Noncurrent assets	(1,046,084)	-	(1,046,084)
Current liabilities	(57,162,623)	1,596,275	(55,566,348)
Noncurrent liabilities	1,614,932	-	1,614,932
Net Cash Provided (Used) by Operating Activities	<u>\$ 993,144,046</u>	<u>\$ (90,658)</u>	<u>\$ 993,053,388</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in fair value of investments	\$ 1,677,084	\$ -	\$ 1,677,084

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, 2017**

	Agency Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 42,588,690	\$ 3,680
Securities lending collateral	-	-
Investments		
Cash Management Fund	782,355,120	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	1,516,116,424
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
Receivables, net of allowances for uncollectibles		
Members	-	-
Employers	258,955	-
Interest and dividends	-	1,213,772
Other	226,345,429	-
Due from other funds	40,221,177	-
Other	-	-
Total Assets	1,091,769,371	1,517,333,876
LIABILITIES		
Accounts payable and accruals	1,090,085,771	728
Benefits payable	-	-
Securities lending collateral and rebates payable	-	-
Due to other funds	1,683,600	3,365,324
Total Liabilities	1,091,769,371	3,366,052
NET POSITION		
Held in Trust for Pension Benefits and Other Purposes	\$ -	\$ 1,513,967,824

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 883,469,869	\$ 103,924
958,403,742	-
427,050,474	12,821,749
50,656,688,406	-
23,977,861,553	-
2,145,109,469	-
-	-
370,265,876	-
1,693,408,450	-
170,138,601	-
2,103,040,606	-
5,146,689	-
-	-
27,780,490	-
2,454,077,897	-
<u>85,872,442,122</u>	<u>12,925,673</u>
205,083,727	4,390,467
936,106,498	-
958,120,840	-
23,862,685	155,040
<u>2,123,173,750</u>	<u>4,545,507</u>
<u>\$ 83,749,268,372</u>	<u>\$ 8,380,166</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Investment Trust Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ 2,322,645,150	\$ -
Employers	-	4,198,737,875	-
Other	<u>13,462,705,067</u>	<u>33,826,150</u>	<u>-</u>
Total Contributions	<u>13,462,705,067</u>	<u>6,555,209,175</u>	<u>-</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	7,879,003,796	-
Interest and dividends	<u>11,210,753</u>	<u>1,533,308,446</u>	<u>77,931</u>
Total Investment Income	<u>11,210,753</u>	<u>9,412,312,242</u>	<u>77,931</u>
Less investment expense	-	18,636,260	-
Net Investment Income	<u>11,210,753</u>	<u>9,393,675,982</u>	<u>77,931</u>
Miscellaneous	-	-	<u>29,144</u>
Total Additions	<u>13,473,915,820</u>	<u>15,948,885,157</u>	<u>107,075</u>
DEDUCTIONS			
Benefit payments	-	11,218,404,095	-
Refunds of contributions	-	219,513,451	-
Refunds and transfers to other systems	-	-	39,867
Administrative expense	3,365,324	45,489,693	-
Payments in accordance with trust agreements	-	-	530,237
Distributions to shareholders	<u>13,513,264,835</u>	<u>-</u>	<u>-</u>
Total Deductions	<u>13,516,630,159</u>	<u>11,483,407,239</u>	<u>570,104</u>
Total Changes in Net Position Held in Trust	(42,714,339)	4,465,477,918	(463,029)
Net Position - July 1, 2016 (Restated)	<u>1,556,682,163</u>	<u>79,283,790,454</u>	<u>8,843,195</u>
Net Position - June 30, 2017	<u>\$ 1,513,967,824</u>	<u>\$ 83,749,268,372</u>	<u>\$ 8,380,166</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, 2017**

	New Jersey Transit Corporation	New Jersey Turnpike Authority
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 224,697,985	\$ 319,638,730
Investments	48,875,057	1,291,879,092
Receivables, net of allowances for uncollectibles		
Federal government	75,922,643	-
Loans	-	-
Mortgages	-	-
Other	33,360,286	73,736,166
Due from external parties	130,883,975	447,949
Inventories	135,391,637	22,692,412
Other	16,850,187	34,838,702
Total Current Assets	665,981,770	1,743,233,051
Noncurrent Assets		
Investments	296,345,861	468,291,220
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	-
Capital assets - nondepreciated	1,029,304,185	2,088,928,329
Capital assets - depreciated, net	5,316,723,012	9,366,797,076
Other	1,944,793	-
Total Noncurrent Assets	6,644,317,851	11,924,016,625
Deferred Outflows of Resources	338,171,338	288,804,999
Total Assets and Deferred Outflows of Resources	7,648,470,959	13,956,054,675
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	329,196,884	172,154,723
Due to external parties	14,777,150	242,478,177
Interest payable	-	268,049,788
Unearned revenue	16,997,424	30,465,954
Current portion of long - term obligations	195,626,781	225,494,933
Other	66,122,889	-
Total Current Liabilities	622,721,128	938,643,575
Noncurrent Liabilities		
Net pension liability	765,288,176	561,453,166
Net OPEB liability	541,584,062	432,545,115
Revenue bonds payable, net	-	10,873,381,262
Installment obligations, net	-	-
Other	1,488,903,550	217,614,311
Total Noncurrent Liabilities	2,795,775,788	12,084,993,854
Deferred Inflows of Resources	17,388,547	14,108,223
Total Liabilities and Deferred Inflows of Resources	3,435,885,463	13,037,745,652
NET POSITION		
Net investment in capital assets	5,318,558,250	1,064,120,721
Restricted for:		
Capital projects	1,240,000	-
Debt service	-	24,069,000
Other purposes	-	197,741,872
Unrestricted	(1,107,212,754)	(367,622,570)
Total Net Position	\$ 4,212,585,496	\$ 918,309,023

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>
\$ 303,557,000	\$ 2,955,575,924	\$ 3,803,469,639
517,613,000	5,934,641,032	7,793,008,181
41,593,000	142,290,632	259,806,275
8,334,000	215,357,119	223,691,119
-	137,184,000	137,184,000
423,591,000	283,598,275	814,285,727
-	30,000,439	161,332,363
3,868,000	19,519,288	181,471,337
8,020,000	237,246,606	296,955,495
<u>1,306,576,000</u>	<u>9,955,413,315</u>	<u>13,671,204,136</u>
1,114,374,000	1,424,659,359	3,303,670,440
58,684,000	2,239,877,047	2,298,561,047
-	1,919,077,244	1,919,077,244
91,243,000	36,163,574	127,406,574
540,445,000	1,533,539,933	5,192,217,447
3,034,784,000	5,571,544,911	23,289,848,999
184,192,000	353,764,388	539,901,181
<u>5,023,722,000</u>	<u>13,078,626,456</u>	<u>36,670,682,932</u>
<u>583,172,000</u>	<u>875,091,583</u>	<u>2,085,239,920</u>
<u>6,913,470,000</u>	<u>23,909,131,354</u>	<u>52,427,126,988</u>
389,835,000	394,907,628	1,286,094,235
-	43,324,234	300,579,561
11,481,000	75,231,370	354,762,158
90,403,000	150,528,861	288,395,239
125,549,000	530,746,143	1,077,416,857
108,200,000	313,317,582	487,640,471
<u>725,468,000</u>	<u>1,508,055,818</u>	<u>3,794,888,521</u>
2,057,977,000	2,779,963,858	6,164,682,200
-	173,038,120	1,147,167,297
-	3,123,876,106	13,997,257,368
1,792,404,000	872,108,091	2,664,512,091
144,110,000	5,217,347,263	7,067,975,124
<u>3,994,491,000</u>	<u>12,166,333,438</u>	<u>31,041,594,080</u>
<u>17,045,000</u>	<u>412,305,274</u>	<u>460,847,044</u>
<u>4,737,004,000</u>	<u>14,086,694,530</u>	<u>35,297,329,645</u>
1,750,777,000	2,662,820,873	10,796,276,844
72,441,000	127,237,747	200,918,747
13,563,000	1,025,972,664	1,063,604,664
1,127,821,000	6,149,138,182	7,474,701,054
(788,136,000)	(142,732,642)	(2,405,703,966)
<u>\$ 2,176,466,000</u>	<u>\$ 9,822,436,824</u>	<u>\$ 17,129,797,343</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
Expenses	\$ 2,804,597,550	\$ 1,441,551,200
 Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	1,080,031,821	1,689,352,795
Operating grants and contributions	944,241,237	12,217,000
Capital grants and contributions	<u>293,691,004</u>	<u>-</u>
Net (Expense) Revenue	<u>(486,633,488)</u>	<u>260,018,595</u>
 General Revenue		
Payments from State	<u>140,856,000</u>	<u>-</u>
Total General Revenue	<u>140,856,000</u>	<u>-</u>
 Change in Net Position	 (345,777,488)	 260,018,595
 Net Position - Beginning of Year (Restated)	 <u>4,558,362,984</u>	 <u>658,290,428</u>
Net Position - End of Year	<u>\$ 4,212,585,496</u>	<u>\$ 918,309,023</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>
\$ 4,003,118,000	\$ 5,326,029,743	\$ 13,575,296,493
2,104,828,000	2,663,350,508	7,537,563,124
1,390,470,000	1,565,880,331	3,912,808,568
<u>115,311,000</u>	<u>1,440,359,207</u>	<u>1,849,361,211</u>
<u>(392,509,000)</u>	<u>343,560,303</u>	<u>(275,563,590)</u>
<u>435,175,000</u>	<u>456,619,646</u>	<u>1,032,650,646</u>
<u>435,175,000</u>	<u>456,619,646</u>	<u>1,032,650,646</u>
42,666,000	800,179,949	757,087,056
<u>2,133,800,000</u>	<u>9,022,256,875</u>	<u>16,372,710,287</u>
<u>\$ 2,176,466,000</u>	<u>\$ 9,822,436,824</u>	<u>\$ 17,129,797,343</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.

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."

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.

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 Environmental Infrastructure Trust
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 placed on them 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 (expense) revenue of the State's individual functions. The net (expense) revenue 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.

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. Remaining balances are paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. 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, 2017, 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 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 estimated fair 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 Outflow 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 two items: (1) the unamortized deferral on refundings, and (2) the sources of changes in the pension liability resulting from changes in assumptions and changes in proportion and differences between employer contributions and proportionate share of contributions.

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, other postemployment benefits obligation (OPEB), 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 Inflow 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 represent the net differences between projected and actual investment earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate share of contributions. Additionally, unearned tobacco settlement revenue is recorded as a deferred inflow 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 Pension Benefits and Other Purposes** - This is used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

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, 2016:

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 2017 the State adopted seven new Governmental Accounting Standards Board (GASB) standards as follows:

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

GASB Statement No. 77, *Tax Abatement Disclosures.*

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.*

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73.*

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

B. Restatement of Net Position

The July 1, 2016 Net Position for the primary government was adjusted for the following:

	Government-wide Net Position
Balance July 1, 2016 - As Reported	\$ (120,310,738,217)
Certain tobacco receipts are now classified as deferred inflows	(107,500,000)
Decrease in Capital Assets	(561,560,323)
Increase in Accumulated Depreciation	(44,799,968)
Increase in Long-term Obligations	(158,096,617)
Inclusion of State Health Benefit Funds (GASB Statement No. 74)	<u>49,555,217</u>
Balance July 1, 2016 - Restated	<u><u>\$ (121,133,139,908)</u></u>

C. Restatement of Fund Balance

The July 1, 2016 Restricted Fund Balance has been increased by \$49,555,217 to reflect the reclassification of Health Benefit Funds from Fiduciary Funds to Special Revenue Funds:

	Total Governmental Funds Fund Balance
Balance July 1, 2016 - As Reported	\$ 8,575,611,249
Inclusion of State Health Benefit Funds (GASB Statement No. 74)	<u>49,555,217</u>
Balance July 1, 2016 - Restated	<u><u>\$ 8,625,166,466</u></u>

D. Reclassifications

The Judiciary Superior Court – Miscellaneous Fund, previously included in the General Fund, is now recorded as an agency fund.

Additionally, as a result of Pensions and Benefits adopting GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, certain funds that were previously displayed as Pension and Other Employee Benefits Trust Funds were reclassified as follows:

1. Health Benefits Program Fund – State became State Health Benefit Program Fund – State Active (Special Revenue Fund) and State Health Benefit Program Fund – State Retired (Special Revenue Fund).
2. Health Benefits Program Fund – Local Education became State Health Benefit Program Fund – Local Education Active (Agency Fund) and State Health Benefit Program Fund – Local Education Retired (Agency Fund).
3. Health Benefits Program Fund – Local Government was divided into two funds, State Health Benefit Program Fund – Local Government Active (Agency Fund) and State Health Benefits – Local Government Retired (Pension Trust Fund).

E. Deficit Fund Balance

It is anticipated that bond sales during Fiscal Year 2018 will relieve the current deficit fund balances in the Cultural Centers and Historic Preservation Fund.

F. 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, 2016 disclosed the following (expressed in millions):

Financial Position	<u>Combined Total</u>
Total Assets and Deferred Outflows of Resources	\$ 45,896.5
Total Liabilities and Deferred Inflow of Resources	<u>29,321.6</u>
Net Position	<u><u>\$ 16,574.9</u></u>

Operating Results	
Operating Revenues	\$ 5,431.7
Operating Expenses	(3,013.1)
Depreciation and Amortization	<u>(1,238.5)</u>
Income from Operations	1,180.1
Non-operating Revenues (Expense), Net	<u>(134.8)</u>
Net Income	<u><u>\$ 1,045.3</u></u>

Changes in Net Position	
Balance January 1, 2016	\$ 15,529.6
Net Income	<u>1,045.3</u>
Balance December 31, 2016	<u><u>\$ 16,574.9</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, 2016, Port Authority debt consisted of the following (expressed in millions):

Bonds, Notes, and Other Obligations	
Consolidated Bonds and Notes	\$ 21,285.9
Special Project Bonds	1,391.2
Operating Asset Financing	466.2
Capital Asset Financing	<u>2,268.0</u>
	25,411.3
Less: Unamortized Discount	<u>(14.3)</u>
Total	<u><u>\$ 25,397.0</u></u>

G. 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 \$377.8 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2016.

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$1.2 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, 2017, the State's bank balances amounted to \$282.1 million. Of these balances, \$5.9 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 \$254.2 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, 2017, are as follows (expressed in millions):

	Amount Reported As Investments
Domestic equities	\$ 23,071.0
Domestic fixed income securities	22,292.3
International equities	14,297.1
Absolute return strategy funds	7,841.3
Private equities	5,912.0
Real estate	3,561.2
Global diversified credit funds	3,427.8
International fixed income securities	3,107.0
Equity mutual funds	3,020.9
Real assets	1,829.0
Fixed income money market funds	443.9
Fixed income mutual funds	430.2
Opportunistic private equity investments	342.0
Annuity contracts	254.2
Put options	1.2
Total investments	<u>89,831.1</u>
Unallocated administrative expenses and transaction exchanges	730.1
Net amount recorded as investments	<u><u>\$ 90,561.2</u></u>

As Reported on the Government-wide Statement of Net Position and Statement of Fiduciary Net Position as of June 30, 2017
(expressed in millions):

	Current	Non-Current	
	Investments	Investments	Total
Governmental activities	\$ 8,481.4	\$ -	\$ 8,481.4
Business-type activities	269.9	228.2	498.1
Fiduciary funds	81,581.7	-	81,581.7
Total	<u>\$ 90,333.0</u>	<u>\$ 228.2</u>	<u>\$ 90,561.2</u>

The asset allocation policy as of June 30, 2017 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>
Cash equivalents	5.50
U.S. Treasuries	3.00
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	1.00
Total income	<u>21.50</u>
Private real assets	2.50
Equity related real estate	6.25
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	8.25
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 securities. 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, 2017, 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; not more than 5% of fund assets can be invested in this category
Commercial paper	P-1	A-1	F1	-	-	Not more than 5% of fund assets can be invested in any one issuer
Certificates of deposit:						
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	Cannot exceed 10% of issuer's primary capital; not more than 5% of fund assets can be invested in any one issuer
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Global diversified credit investments:						
Direct bank loans	Baa3	BBB-	BBB-	10%	-	Not more than 7% of fund assets can be invested in this category; not more than 5% of fund assets can be invested in any one issuer
Funds	Baa3	BBB-	BBB-	-	-	
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
Mortgage backed:						
Pass-through securities	A3	A-	A-	-	-	Not more than 10% of fund assets can be invested in this category
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 market value of the combined assets of the pension funds may be invested in global debt obligations, collateralized notes and mortgages, global diversified credit investments, 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, 2017. 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	\$ 718.0	\$ 682.8	\$ 2,556.5	\$ 402.8	\$ 642.5	\$ -
United States Treasury bills	5,390.0	-	-	-	-	-
United States Treasury notes	4,430.5	-	-	-	-	-
Foreign government obligations	611.2	1,510.1	189.7	-	-	-
United States Treasury bonds	1,808.3	-	-	-	-	-
Commercial paper	-	-	-	-	-	1,800.2
Certificates of deposit	-	-	-	-	-	1,671.9
Federal agency obligations	782.1	-	-	-	-	-
International corporate obligations	15.4	49.5	422.6	48.9	84.2	-
Money market funds	443.9	-	-	-	-	-
United States Treasury TIPS	346.3	-	-	-	-	-
Mortgages (FHLMC/FNMA/GNMA)	19.4	-	-	-	-	-
Bank loans	-	-	-	-	1.3	-
SBA passthrough certificates	3.9	-	-	-	-	-
Other	14.1	197.8	141.4	-	1.5	-
Total	<u>\$ 14,583.1</u>	<u>\$ 2,440.2</u>	<u>\$ 3,310.2</u>	<u>\$ 451.7</u>	<u>\$ 729.5</u>	<u>\$ 3,472.1</u>

	Standard & Poor's Rating					
	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>CCC</u>
Domestic corporate obligations	\$ -	\$ -	\$ 65.2	\$ 9.8	\$ 5.8	\$ 1.3
International corporate obligations	-	-	1.1	13.5	5.2	1.5
Foreign government obligations	-	39.3	-	1.0	-	-
Federal agency obligations	30.7	-	-	-	-	-
Municipal obligations	17.4	7.6	-	-	-	-
Asset backed securities	-	-	3.0	-	-	-
Total	<u>\$ 48.1</u>	<u>\$ 46.9</u>	<u>\$ 69.3</u>	<u>\$ 24.3</u>	<u>\$ 11.0</u>	<u>\$ 2.8</u>

The above tables do not include various domestic corporate obligations given a Moody's rating of Ba (\$282.7 million), Ca (\$3.5 million), and Caa (\$243.9 million). They also do not include international corporate obligations given a Moody's rating of Ba (\$68.1 million), Ca (\$1.2 million), and Caa (\$38.9 million). Also, not included are bank loan investments given a Moody's rating of Ba (\$1.6 million), Ca (\$0.5 million), and Caa (\$0.8 million).

The tables do not include certain domestic and international corporations and certain fixed income mutual funds which invest in an underlying portfolio of fixed income securities totaling \$442.5 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, 2017 (expressed in millions):

	Maturities in Years*				
	Total Fair Value	Less than 1	1-5	6-10	More than 10
Domestic corporate obligations	\$ 5,621.7	\$ 925.5	\$ 1,683.5	\$ 2,617.5	\$ 395.2
United States Treasury bills	5,390.0	5,390.0	-	-	-
United States Treasury notes	4,430.5	4,310.4	113.2	6.9	-
Foreign government obligations	2,351.3	83.1	1,151.3	909.3	207.6
United States Treasury bonds	1,808.3	-	576.3	1,092.4	139.6
Commercial paper	1,800.2	1,800.2	-	-	-
Certificates of deposit	1,671.9	1,671.9	-	-	-
Federal agency obligations	812.8	588.6	173.6	50.6	-
International corporate obligations	755.2	119.7	214.9	343.8	76.8
Money market funds	443.9	443.9	-	-	-
United States Treasury TIPS	346.3	-	62.6	234.0	49.7
Municipal obligations	320.1	-	45.6	-	274.5
Mortgages (FHLMC/FNMA/GNMA)	19.4	-	0.2	3.8	15.4
Bank loans	4.8	0.3	2.8	1.7	-
SBA passthrough certificates	3.9	1.1	2.8	-	-
Asset backed securities	3.0	-	-	-	3.0
Total	\$ 25,783.3	\$ 15,334.7	\$ 4,026.8	\$ 5,260.0	\$ 1,161.8

* \$489.9 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, 2017, 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	\$ 550.1	\$ 550.1	\$ -	\$ -
Brazilian real	333.0	333.0	-	-
Canadian dollar	819.5	741.5	78.0	-
Chilean peso	26.9	26.9	-	-
Columbian peso	1.3	-	1.3	-
Czech koruna	27.6	27.6	-	-
Danish krone	146.7	146.7	-	-
Euro	3,081.4	2,396.4	25.8	659.2
Hong Kong dollar	1,076.0	1,076.0	-	-
Hungarian forint	58.3	58.3	-	-
Indonesian rupiah	158.0	158.0	-	-
Japanese yen	1,893.6	1,893.6	-	-
Malaysian ringgit	90.8	90.8	-	-
Mexican peso	124.9	124.9	-	-
Moroccan dirham	2.7	2.7	-	-
New Israeli sheqel	5.9	5.9	-	-
New Taiwan dollar	12.5	12.5	-	-
New Zealand dollar	5.3	5.3	-	-
Norwegian krone	55.1	55.1	-	-
Pakistan rupee	34.1	34.1	-	-
Philippines peso	49.7	49.7	-	-
Polish zolty	81.8	81.8	-	-
Qutari rial	12.7	12.7	-	-
Singapore dollar	96.9	96.9	-	-
South African rand	314.8	314.8	-	-
South Korean won	695.5	695.5	-	-
Swedish krona	237.3	237.3	-	-
Swiss franc	724.5	724.5	-	-
Thailand baht	106.3	106.3	-	-
Turkish lira	110.3	110.3	-	-
UAE dirham	25.3	25.3	-	-
United Kingdom pound sterling	1,620.7	1,426.0	2.5	192.2
Total	\$ 12,579.5	\$ 11,620.5	\$ 107.6	\$ 851.4

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 market 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 market 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, 2017.

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, 2017, Pension Trust Fund's derivative investments included foreign currency forward contracts and equity options:

	Notional value (local currency)		Receivable	Payable	Change in fair value
Foreign currency forward contracts:					
Buy:					
Euro	€	888,427	\$ 1,014,191	\$ 997,171	\$ 17,020
Pound sterling	£	423,186	549,978	542,357	7,621
Sell:					
Euro	€	397,667,415	429,418,949	455,560,356	(26,141,407)
Japanese yen	¥	25,000,000,000	219,849,423	222,793,923	(2,944,500)
Pound sterling	£	102,519,845	127,308,414	133,485,348	(6,176,934)
Total Forward contracts			<u>\$ 778,140,955</u>	<u>\$ 813,379,155</u>	<u>\$ (35,238,200)</u>

	Notional value	Fair value	Change in fair value
Options:			
Purchased Options:			
Put	\$ 96,936,400	\$ 1,222,000	\$ (102,000)
Written Options:			
Put	96,936,400	(490,000)	122,000
Call	235,487,800	(682,000)	259,810
Total Options	<u>\$ 429,360,600</u>	<u>\$ 50,000</u>	<u>\$ 279,810</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, 2017, 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, 2017 (expressed in millions):

	Fair Value Measurements Using			
	June 30, 2017	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	\$ 22,720.4	\$ 22,717.6	\$ 2.8	\$ -
International equities	13,457.5	13,437.3	20.2	-
Equity mutual funds	3,020.9	3,020.9	-	-
Exchange traded funds	1,190.2	1,190.2	-	-
Total equity securities	40,389.0	40,366.0	23.0	-
Debt securities:				
Corporate obligations	5,621.8	-	5,621.8	-
United States Treasury bills	5,390.0	-	5,390.0	-
United States Treasury notes	4,430.5	-	4,430.5	-
Foreign government obligations	2,351.3	-	2,351.3	-
United States Treasury bonds	1,808.3	-	1,808.3	-
Commercial paper	1,800.2	-	1,800.2	-
Federal agency obligations	812.8	-	812.8	-
International corporate obligations	755.3	-	755.3	-
Exchange Traded Funds	489.9	489.9	-	-
United States Treasury TIPS	346.3	-	346.3	-
Municipal obligations	320.1	-	320.1	-
Annuity contracts	254.2	40.3	-	213.9
Mortgages (FHLMC/ FNMA/ GNMA)	19.4	-	19.4	-
Bank loans	4.8	-	4.8	-
SBA pass through certificates	3.9	-	3.9	-
Asset backed securities	3.0	-	3.0	-
Total debt securities	24,411.8	530.2	23,667.7	213.9
Total investments by fair value level	\$ 64,800.8	\$ 40,896.2	\$ 23,690.7	\$ 213.9
Investments measured at the net asset value (NAV)				
Buyout private equity funds	\$ 6,597.4			
Global diversified credit funds	3,427.8			
Real estate funds - equity	3,114.4			
Credit oriented hedge funds	2,346.0			
Real asset funds	1,829.0			
Multi-Strategy hedge funds	1,482.3			
Opportunistic hedge funds	1,067.5			
Equity oriented hedge funds	1,016.3			
Debt related private equity funds	698.5			
Venture capital equity funds	482.0			
Real estate funds - debt	446.8			
Opportunistic private equity funds	342.0			
Secondary private equity funds	63.4			
Total investments measured at the NAV	\$ 22,913.4			
Investments measured at cost				
Certificates of deposit	\$ 1,671.9			
Money market funds	443.9			
Total investments measured at cost	\$ 2,115.8			
Investment derivative instruments				
Put options (assets)	\$ 1.2	\$ 1.2	\$ -	
Foreign currency forward contracts (assets)	778.2	-	778.2	
Foreign currency forward contracts (liabilities)	(813.4)	-	(813.4)	
Options written (liabilities)	(1.2)	(1.2)	-	
Total investment derivative instruments	\$ (35.2)	\$ -	\$ (35.2)	

The following table represents the unfunded commitments, redemptions frequency, and redemption notice period for investments measured at the NAV as of June 30, 2017 (expressed in millions):

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently Eligible)	Notice Period
Buyout private equity funds ¹	\$ 6,597.4	\$ 3,301.1	None	N/A
Global diversified credit funds ²	3,427.8	1,778.2	Semi-annual	90 days
Real estate funds - equity ³	3,114.4	1,854.2	Quarterly	90 days
Credit oriented hedge funds ⁴	2,346.0	125.0	Monthly, quarterly, semi-annual, annually	45-60 days
Real asset funds ⁵	1,829.0	1,056.1	Daily, monthly	1-30 days
Multi-strategy hedge funds ⁶	1,482.3	58.7	Quarterly, semi-annual	None
Opportunistic hedge funds ⁷	1,067.5	45.0	Monthly, quarterly	2-90 days
Equity oriented hedge funds ⁸	1,016.3	187.5	Quarterly, semi-annual, annually	45-92 days
Debt related private equity funds ⁹	698.5	866.3	None	N/A
Venture capital private equity funds ¹⁰	482.0	87.9	None	N/A
Real estate funds - debt ¹¹	446.8	429.3	Quarterly	90 days
Opportunistic private equity funds ¹²	342.0	298.3	None	N/A
Secondary private equity funds ¹³	63.4	28.1	None	N/A
Total investment measured at the NAV	\$ 22,913.4	\$ 10,115.7		

Notes:

- ¹ Buyout private equity funds includes investments in 75 partnership 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. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment. It is expected that the underlying assets will be liquidated over the next 1 to 12 years.
- ² Global diversified credit funds includes investments in 15 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. Investments in this type cannot be redeemed because the investments include restrictions. As of June 30, 2017, these remaining redemption restriction periods range from 30 to 84 months. It is expected that the underlying assets will be liquidated over the next 3 to 7 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 includes investments in 46 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 59% of real estate equity investments can never be redeemed. 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 12 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 Credit oriented hedge funds includes investments in 13 hedge funds and separate account strategies that includes 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 60% of the value of the investments cannot be redeemed because the investment includes restrictions that do not allow for redemptions. As of June 30, 2017, these remaining redemption restriction periods range from 3 to 30 months. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- ⁵ Real asset funds includes investments in 17 funds or separate account strategies which invests 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. Investments representing approximately 92% of the value of the investments can never be redeemed. 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 2 to 12 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 Multi-strategy hedge funds includes investments in nine hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Investments representing approximately 56% of the value of the investments cannot be redeemed because the investment includes restrictions that do not allow for redemptions. As of June 30, 2017, the remaining redemption restriction periods range from 6 to 18 months.
- 7 Opportunistic hedge funds includes 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 33% of the value of the investments in this type cannot be redeemed because the investments include restrictions. As of June 30, 2017, this remaining redemption restriction period is 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.
- 8 Equity oriented hedge funds includes investments in nine 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 29% of the value of the investments cannot be redeemed because the investment includes restrictions that do not allow for redemptions. As of June 30, 2017, these remaining redemption restriction periods range from 9 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.
- 9 Debt related private equity funds includes investments in 25 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. 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 12 years. 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 includes 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 1 to 12 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 Real estate debt funds includes 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 representing approximately 61% of real estate debt investments can never be redeemed. 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 four to nine years. The fair value of the investments in this type have been determined using the NAV per share (or its equivalent) of the investment.
- 12 Opportunistic private equity funds includes investments in three funds and separate accounts which acquire minority equity interests in investment management companies. Investments representing approximately 80% of the value of the investments have a perpetual term and cannot be redeemed. Investments representing approximately 20% of the value of the investments can be redeemed after 8 years or December 2025. 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 includes 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 two to ten 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, 2017, 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, 2017 (expressed in millions):

	Rating		
	Aaa/AAA	Not Rated	Total
Repurchase Agreements	\$ 807.5	\$ -	\$ 807.5
State Street Institutional Liquid Reserves Fund	-	158.0	158.0
Cash Overdraft	-	(7.1)	(7.1)
Total	\$ 807.5	\$ 150.9	\$ 958.4

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, 2017, the Pension Funds had outstanding loaned investment securities with an aggregate fair value of \$930.2 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 \$3.8 billion of Federal government awards consisting of encumbrances which are considered unearned and unrecorded as of June 30, 2017.

B. Departmental

Departmental receivables of \$4.7 billion are reported net of allowances of \$643.6 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, 2017 are deemed to be collectible.

C. Loans

Loan receivables of \$1.7 billion are reported net of allowances of \$63.0 million. Major loan receivables include \$1.6 billion loaned to local units of government and other recipients for environmental projects; \$32.4 million loaned for economic development projects within local units of government; \$8.7 million loaned to eligible homeowners to make their homes lead-safe; and \$2.0 million loaned for housing and mortgage assistance projects.

D. Other

Other receivables of \$922.6 million are reported net of allowances of \$557.9 million. Major other receivables include \$481.1 million of Transfer Inheritance Tax and Public Utility Gross Receipts and Franchise Taxes due from taxpayers; \$116.3 million due from the tobacco companies; \$101.3 million due from the Port Authority of New York and New Jersey; \$97.1 million due from claimants representing overpaid unemployment benefits; \$77.9 million representing rebates from pharmaceutical companies; \$19.3 million due from proceeds of Motor Vehicle Commission bonds which are held by the trustee; and \$6.5 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, 2017 is as follows (expressed in millions):

	<u>Balance July 1, 2016*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2017</u>
Capital assets, not being depreciated:					
Land and easements	\$ 5,220.6	\$ 54.8	\$ 0.1	\$ 1.3	\$ 5,276.6
Construction in progress	2,034.5	1,087.4	-	(637.7)	2,484.2
Capital assets, being depreciated:					
Land improvements	252.1	-	-	2.1	254.2
Buildings and improvements	3,859.4	19.5	5.6	121.5	3,994.8
Equipment and software	1,330.8	47.4	95.0	69.9	1,353.1
Infrastructure	28,705.5	-	1.3	432.2	29,136.4
Total at historical cost	<u>41,402.9</u>	<u>1,209.1</u>	<u>102.0</u>	<u>(10.7)</u>	<u>42,499.3</u>
Less accumulated depreciation:					
Land improvements	160.8	7.7	-	-	168.5
Buildings and improvements	2,186.5	114.4	4.2	-	2,296.7
Equipment and software	951.5	120.0	69.9	(4.3)	997.3
Infrastructure	10,999.6	794.2	0.4	-	11,793.4
Total accumulated depreciation	<u>14,298.4</u>	<u>1,036.3</u>	<u>74.5</u>	<u>(4.3)</u>	<u>15,255.9</u>
Governmental activities capital assets, net	<u>\$ 27,104.5</u>	<u>\$ 172.8</u>	<u>\$ 27.5</u>	<u>\$ (6.4)</u>	<u>\$ 27,243.4</u>

* The July 1, 2016 capital asset balance has been restated by (\$561.6) million and the accumulated depreciation balance has been restated by \$44.8 million across construction-in-progress, land improvements, buildings and improvements, 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	\$ 166.1
Physical and mental health	17.2
Educational, cultural, and intellectual development	30.8
Community development and environmental management	86.5
Economic planning, development, and security	10.0
Transportation programs	874.8
Government direction, management, and control	20.4
Special government services	3.3
Total	<u>\$ 1,209.1</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	\$ 102.1
Physical and mental health	22.3
Educational, cultural, and intellectual development	28.9
Community development and environmental management	17.5
Economic planning, development, and security	15.4
Transportation programs	802.0
Government direction, management, and control	38.6
Special government services	9.5
Total	<u>\$ 1,036.3</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, 2017 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	\$ -	\$ -	\$ 100.7	\$ -	\$ -	\$ 68.0	\$ 168.7
Property Tax Relief Fund	146.3	-	2.0	-	6.1	-	154.4
Non-Major Governmental Funds	450.6	0.3	89.3	-	1.0	-	541.2
State Lottery Fund	144.0	-	-	-	-	-	144.0
Unemployment Compensation Fund	-	0.4	0.1	-	-	-	0.5
Fiduciary Funds	18.4	10.6	-	-	-	-	29.0
Total Due from	<u>\$ 759.3</u>	<u>\$ 11.3</u>	<u>\$ 192.1</u>	<u>\$ -</u>	<u>\$ 7.1</u>	<u>\$ 68.0</u>	<u>\$ 1,037.8</u>
Due to:							
General Fund	\$ -	\$ 146.3	\$ 450.6	\$ 144.0	\$ -	\$ 18.4	\$ 759.3
Property Tax Relief Fund	-	-	0.3	-	0.4	10.6	11.3
Non-Major Governmental Funds	100.7	2.0	89.3	-	0.1	-	192.1
Unemployment Compensation Fund	-	6.1	1.0	-	-	-	7.1
Fiduciary Funds	68.0	-	-	-	-	-	68.0
Total Due to	<u>\$ 168.7</u>	<u>\$ 154.4</u>	<u>\$ 541.2</u>	<u>\$ 144.0</u>	<u>\$ 0.5</u>	<u>\$ 29.0</u>	<u>\$ 1,037.8</u>

B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2017 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	\$ -	\$ (57.7)	\$ (1,458.7)	\$ (995.6)	\$ -	\$ -	\$ (2,512.0)
Non-Major Governmental Funds	(4,143.4)	-	(943.1)	-	-	-	(5,086.5)
Total Transfers (Out)	<u>\$ (4,143.4)</u>	<u>\$ (57.7)</u>	<u>\$ (2,401.8)</u>	<u>\$ (995.6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,598.5)</u>
Transfers in from:							
General Fund	\$ -	\$ -	\$ 4,161.2	\$ -	\$ -	\$ -	\$ 4,161.2
Property Tax Relief Fund	57.7	-	-	-	-	-	57.7
Non-Major Governmental Funds	1,458.7	-	943.1	-	-	-	2,401.8
State Lottery Fund	995.6	-	-	-	-	-	995.6
Total Transfers In	<u>\$ 2,512.0</u>	<u>\$ -</u>	<u>\$ 5,104.3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,616.3</u>
Net Transfers	<u>\$ (1,631.4)</u>	<u>\$ (57.7)</u>	<u>\$ 2,702.5</u>	<u>\$ (995.6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17.8</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, 2016. Due to the State having a June 30, 2017 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 DEBT

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 2017, the State, under a resolution executed by the Treasurer on July 1, 2016, authorized the issuance of \$1.9 billion of TRAN. On July 6, 2016, the State issued \$1.5 billion of TRAN through a private placement. On September 15, 2016, the State issued \$250.0 million 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 70 percent of one month London Interbank Offered Rate (LIBOR) plus 37.5 basis points.

Short-term debt activity for the year ended June 30, 2017, was as follows (expressed in millions):

	<u>Outstanding</u> <u>July 1, 2016</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding</u> <u>June 30, 2017</u>
Tax and Revenue Anticipation Notes-Series 2017 A	\$ -	\$ 1,500.0	\$ (1,500.0)	\$ -
Tax and Revenue Anticipation Notes-Series 2017 B	-	250.0	(250.0)	-
Total Tax and Revenue Anticipation Notes	<u>\$ -</u>	<u>\$ 1,750.0</u>	<u>\$ (1,750.0)</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, 2017, consists of the following (expressed in millions):

Deferred Outflows and Inflows of Resources

	<u>Governmental</u> <u>Activities</u>
Deferred Outflows:	
Unamortized deferral on refundings of long-term obligations	\$ 789.9
Deferred outflows related to Pensions	25,759.0
Total Deferred Outflows	<u>\$ 26,548.9</u>
Deferred Inflows:	
Unearned tobacco revenue	\$ 116.3
Deferred inflows related to Pensions	468.5
Total Deferred Inflows	<u>\$ 584.8</u>

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 \$789.9 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. The pension related amounts consist of: 1) changes in assumptions of \$20,815.5 million; 2) employer contributions of \$1,821.2 million subsequent to the measurement date; 3) difference between expected and actual experience of \$834.9 million; 4) changes in proportion and differences between employer contributions and proportionate share of contributions of \$173.6 million; and, 5) net difference between projected and actual investment earnings on pension plan investments of \$2,113.8 million.

Deferred inflows of resources in the statement of net position consists of \$116.3 million of unearned tobacco revenue reported in accordance with GASB Statement No. 65. The pension related amounts consist of: 1) net difference between projected and actual investment earnings on pension plan investments of \$166.6 million; 2) changes in proportion of \$94.3 million; 3) differences between expected and actual experience of \$189.0 million; and, 4) changes in assumptions of \$18.6 million.

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, Net OPEB Obligation, 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):

	<u>Outstanding July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 2017</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
<u>Bonded Debt</u>					
General Obligation Bonds	\$ 1,991.6	\$ 300.0	\$ 251.7	\$ 2,039.9	\$ 244.7
Revenue Bonds Payable	22,418.6	3,241.4	729.9	24,930.1	698.0
Less: Unamortized Interest on CABS	<u>(4,393.0)</u>	-	<u>(177.7)</u>	<u>(4,215.3)</u>	<u>(177.7)</u>
Revenue Bonds Payable, net	18,025.6	3,241.4	552.2	20,714.8	520.3
Capital Leases	285.2	-	13.9	271.3	14.6
Installment Obligations	18,199.9	2,520.2	2,051.5	18,668.6	1,036.0
Less: Unamortized Interest on CABS	<u>(1,029.2)</u>	-	<u>(186.0)</u>	<u>(843.2)</u>	<u>(186.0)</u>
Installment Obligations Payable, net	17,170.7	2,520.2	1,865.5	17,825.4	850.0
Certificates of Participation	79.0	56.4	39.1	96.3	37.9
Tobacco Settlement Financing Corporation (TSFC) Bonds	4,223.4	-	246.2	3,977.2	34.2
Less: Unamortized Interest on CABS	<u>(965.1)</u>	-	<u>(172.1)</u>	<u>(793.0)</u>	<u>(18.3)</u>
TSFC Bonds, net	3,258.3	-	74.1	3,184.2	15.9
Unamortized Premium	1,916.7	246.8	194.4	1,969.1	198.5
<u>Non-Bonded Debt</u>					
Compensated Absences	547.7	302.8	345.1	505.4	302.8
Capital Leases	256.9	23.1	36.0	244.0	38.5
Loans Payable	1,279.4	-	-	1,279.4	-
Net OPEB Obligation	32,282.7	6,225.3	2,014.4	36,493.6	-
Net Pension Liability	93,195.8	21,917.8	-	115,113.6	-
Pollution Remediation	83.7	15.5	-	99.2	-
Other	1,345.1 *	483.3	385.6	1,442.8	459.8
Subtotal Governmental Activities	<u>\$ 171,718.4</u>	<u>\$ 35,332.6</u>	<u>\$ 5,772.0</u>	<u>\$ 201,279.0</u>	<u>\$ 2,683.0</u>
Business-type Activities					
Compensated Absences	\$ 0.7	\$ 0.5	\$ 0.5	\$ 0.7	\$ 0.4
Deposit Fund Contracts	252.5	25.7	24.0	254.2	26.0
Subtotal Business-type Activities	<u>253.2</u>	<u>26.2</u>	<u>24.5</u>	<u>254.9</u>	<u>26.4</u>
Total Governmental and Business-type Activities	<u>\$ 171,971.6</u>	<u>\$ 35,358.8</u>	<u>\$ 5,796.5</u>	<u>\$ 201,533.9</u>	<u>\$ 2,709.4</u>

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

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
2018	\$ 244.7	\$ 698.0	\$ 53.1	\$ 1,036.0	\$ 37.9	\$ 34.2	\$ 2,103.9
2019	244.6	914.7	55.1	1,575.1	23.1	36.4	2,849.0
2020	277.0	967.8	50.2	1,333.3	11.5	28.2	2,668.0
2021	216.6	1,014.2	44.1	1,355.9	4.4	79.9	2,715.1
2022	144.5	1,067.5	40.5	1,375.8	2.5	83.5	2,714.3
2023-2027	322.1	5,972.6	136.6	6,953.6	7.5	480.3	13,872.7
2028-2032	351.3	5,538.0	92.4	3,691.2	8.1	611.5	10,292.5
2033-2037	239.1	4,208.2	41.3	938.1	1.3	777.8	6,205.8
2038-2042	-	4,175.6	0.2	409.6	-	1,845.4	6,430.8
2043-2047	-	373.5	0.3	-	-	-	373.8
2048-2064	-	-	1.5	-	-	-	1.5
Total Principal	2,039.9	24,930.1	515.3	18,668.6	96.3	3,977.2	50,227.4
2018	92.4	867.3	32.2	777.1	2.0	141.1	1,912.1
2019	80.0	833.8	27.2	732.1	1.1	139.4	1,813.6
2020	66.7	793.7	22.6	687.8	0.8	137.6	1,709.2
2021	54.4	739.0	19.3	646.1	0.6	136.4	1,595.8
2022	45.9	685.6	16.4	605.3	0.5	132.8	1,486.5
2023-2027	167.0	2,671.5	48.9	2,268.3	1.8	603.0	5,760.5
2028-2032	96.2	1,692.4	18.7	748.0	0.8	475.2	3,031.3
2033-2037	22.6	1,055.9	1.9	227.3	0.1	313.0	1,620.8
2038-2042	-	488.2	0.2	176.6	-	99.0	764.0
2043-2047	-	34.8	0.2	-	-	-	35.0
2048-2064	-	-	0.2	-	-	-	0.2
Total Interest	625.2	9,862.2	187.8	6,868.6	7.7	2,177.5	19,729.0
2018	337.1	1,565.3	85.3	1,813.1	39.9	175.3	4,016.0
2019	324.6	1,748.5	82.3	2,307.2	24.2	175.8	4,662.6
2020	343.7	1,761.5	72.8	2,021.1	12.3	165.8	4,377.2
2021	271.0	1,753.2	63.4	2,002.0	5.0	216.3	4,310.9
2022	190.4	1,753.1	56.9	1,981.1	3.0	216.3	4,200.8
2023-2027	489.1	8,644.1	185.5	9,221.9	9.3	1,083.3	19,633.2
2028-2032	447.5	7,230.4	111.1	4,439.2	8.9	1,086.7	13,323.8
2033-2037	261.7	5,264.1	43.2	1,165.4	1.4	1,090.8	7,826.6
2038-2042	-	4,663.8	0.4	586.2	-	1,944.4	7,194.8
2043-2047	-	408.3	0.5	-	-	-	408.8
2048-2064	-	-	1.7	-	-	-	1.7
Total Principal and Interest	\$ 2,665.1	\$ 34,792.3	\$ 703.1	\$ 25,537.2	\$ 104.0	\$ 6,154.7	\$ 69,956.4

Notes:

¹ Fiscal Years 2018, 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, 2017, the State had \$2.0 billion of State general obligation bonds outstanding with another \$468.2 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 2017 was \$342.9 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 2017, the State did not issue any general obligation refunding bonds. As of June 30, 2017, 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 2017, the TTFA issued \$3.2 billion of Federal Highway Reimbursement Revenue Notes Series 2016 A and 2016 B for the purpose of paying State Transportation System Costs. The notes are payable from federal transportation funds received by the New Jersey Department of Transportation which represent a federal reimbursement for approved transportation projects. During Fiscal Year 2017, the NJBA and GSPT issued no debt. Total authorized but unissued revenue bonds equal \$12.0 billion as of June 30, 2017.

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 2017.

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 2017, these authorities issued \$2.5 billion of bonds, of which \$1.1 billion were refunding bonds, that were issued in order to defease \$1.1 billion 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 2.3 years were decreased by \$13.4 million and resulted in a net present value savings of \$12.6 million. The State's installment obligations outstanding as of June 30, 2017 total \$18.7 billion. Total authorized but unissued installment obligations equal \$2.8 billion as of June 30, 2017.

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 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 Master Settlement Agreement 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 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.

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. Net OPEB Obligation

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after December 15, 2006, requires the reporting of future Other Postemployment Benefits (OPEB) as a general long-term obligation of the State. Based upon an actuarial valuation, the OPEB obligation as of June 30, 2017 is estimated to be \$36.5 billion.

O. Net Pension Liability

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for fiscal years beginning after June 30, 2014, requires the reporting of net pension liability as a general long-term obligation of the State. 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, 2017 is \$115.1 billion.

P. Pollution Remediation Obligation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective for periods beginning after December 15, 2007, requires the reporting of Pollution Remediation Obligations as a general long-term obligation of the State. The Pollution Remediation Obligation represents contractual commitments of the State 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, 2017 is \$99.2 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 general long-term obligation of the State. This includes Business Employment Incentive Program (BEIP) grants of \$752.9 million which have been incurred but not reported. This also includes Medicaid benefit claims (\$270.2 million of which \$168.0 million is federally reimbursable) which have been incurred but not reported. South Jersey Port Corporation has an obligation of \$190.7 million, health benefit claims of \$158.8 million also have been incurred but not reported, and Unclaimed Property of \$43.7 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, 2016, 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 2017 in the amount of \$18.8 million. This obligation also includes \$26.7 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 \$254.2 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, and the Business Retention and Relocation Assistance Grant Program. Only tax credit programs with greater than \$5.0 million in taxes abated during Fiscal Year 2017 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 2017, 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 or 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 does not exceed the amount of credits available. The purpose of the credit is to stimulate investment in New Jersey emerging technology businesses. Under the program, investors may be eligible for a credit of up to ten percent of the qualified investment made in a qualified New Jersey emerging technology business, capped at \$500,000 for each investment transaction per investor.

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 General 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 equaled 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. Fiscal Year 2017 Revenues Reduced by Abatement Programs

<u>Program</u>	<u>Amount (in thousands)</u>
Grow New Jersey Assistance Program	\$ 54,451
Economic Redevelopment and Growth Program	8,057
Angel Investor Tax Credit	9,739
Technology Business Tax Certificate Transfer (NOL) Program	35,221
Urban Transit Hub Tax Credit Program	86,925
Business Retention and Relocation Assistance Grant Program	14,766
Total Tax Abatements	\$ 209,159

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, 2017, 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 2017 and 2016 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year</u>	
	<u>2017</u>	<u>2016</u>
Tort	\$ 23.4	\$ 10.2
Workers' compensation	91.0	91.8
Automobile	2.4	1.1

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2017. 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 ASSETS RESTRICTED BY ENABLING LEGISLATION/GOVERNMENTAL FUND BALANCES

A. Net Assets Restricted by Enabling Legislation

As of June 30, 2017, \$7.5 billion of restricted net assets are reported in the Statement of Net Position. Net assets are 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 (\$3.2 billion) have been deducted from the restricted net asset 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 assets 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 \$150.8 million restricted fund balance, \$67.7 million has been reserved as of June 30, 2017, 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.

Unassigned

Unassigned balance is \$783.8 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, 2017, are as follows (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 62.6
2019	53.1
2020	44.1
2021	32.1
2022	24.7
2023 - 2027	29.8
2028 - 2030	<u>0.8</u>
Total Future Minimum Lease Payments	\$ <u>247.2</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

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, 2016. 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 or more years of judicial service; members between ages 65-69 with 15 or more years of judicial service or between ages 60-64 with 20 or more years 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 or more years in aggregate public service. The amount of benefits is actuarially reduced for the number of months remaining until the member reaches age 60.

Police and Firemen's Retirement System (PFRS):

The State of New Jersey PFRS is a cost-sharing multiple-employer defined benefit pension plan 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.

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, 2016. The vesting and benefit provisions were set by N.J.S.A. 43:7.

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:

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 or more years of service credit before age 62, and tier 5 members with 30 or more years 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.

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 annual retirement allowance benefit is equal to the greater of (a), (b), or (c), as follows: (a) 50% of final compensation; (b) for members retiring with 25 or more years 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; (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 as defined in (a) above plus 3% 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, by 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 or more years of service credit before age 62, and tier 5 members with 30 or more years 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.

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 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, CPFPPF, 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.

Single-Employer Plan Membership

Single-employer defined membership pension plans consisted of the following as of June 30, 2016:

Number of Employees Covered By Single-Employer Defined Benefit Plans

	Consolidated Police and Firemen's Pension Fund	Judicial Retirement System	Prison Officers' Pension Fund	State Police Retirement System
Inactive plan members or beneficiaries currently receiving benefits	89	638	88	3,553
Inactive plan members entitled to but not yet receiving benefits	-	4	-	-
Active plan members	-	409	-	2,746
Total	89	1,051	88	6,299

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/pensions.

B. Basis of Presentation

TPAF - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State.

PERS - The Schedules present amounts that are considered elements of the financial statements of PERS or the participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers.

PFRS - The Schedules present amounts that are considered elements of the financial statements of PFRS, its participating employers, or the State as nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State.

CPFPF, JRS, POPF, and SPRS - The Schedules present amounts that are considered elements of the financial statement of each related fund or the State of New Jersey. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of each related fund or the State.

The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of each fund to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

C. Allocation Methodology and Reconciliation to Financial Statements

1. Teachers' Pension Annuity Fund (TPAF)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB Statement No. 68), requires participating employers in TPAF 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 excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the Schedules are based on the ratio of the State's contributions made as an employer and nonemployer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2016. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedules of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2016, the State's pension contribution was less than the actuarial determined amount.

2. Public Employees' Retirement System (PERS)

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. The employer allocation percentages presented in the Schedules are based on the ratio of the contributions as an individual employer to the total contributions to PERS during the fiscal year ended June 30, 2016. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedules of pension amounts by employer may result in immaterial differences.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group in the Schedules. The allocation

percentages for each group as of June 30, 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2016.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

3. 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. The employer and nonemployer allocation percentages presented in the Schedules of employer and nonemployer allocations and applied to amounts presented in the Schedules of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions of PFRS during the measurement period from July 1, 2015 through June 30, 2016. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore, amounts presented in the Schedules of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the Schedules of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2016, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2016.

A special funding situation exists for the local employers of the Police and Firemen's Retirement System of New Jersey. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under 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. For the fiscal year ended June 30, 2016, the State special funding situation net pension liability amount of \$1,604,141,087 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. For the fiscal year ending June 30, 2016, the State special funding situation pension expense of \$204,886,666 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution amount is based on an actuarially determined amount which includes the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

D. Special Funding Situations

1. Teachers' Pension Annuity Fund

The employer contributions for local participating employers are legally required to be funded by the State 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 or deferred outflows or inflows 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 collective net pension liability that is associated with the local participating employer.

2. Police and Firemen's Retirement System

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 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 (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows 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 collective net pension liability that is associated with the local participating employer.

E. 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, 2016 are as follows:

	Police and Firemen's Retirement System		
	State	Local	Total
Total pension liability	\$ 6,255,619,682	\$ 43,146,550,231	\$ 49,402,169,913
Plan fiduciary net position	1,544,875,489	22,439,851,175	23,984,726,664
Net pension liability	<u>\$ 4,710,744,193</u>	<u>\$ 20,706,699,056</u>	<u>\$ 25,417,443,249</u>
Plan fiduciary net position as a percentage of the total pension liability	24.70%	52.01%	48.55%

The components of the net pension liability of the participating employers for PERS as of June 30, 2016 are as follows:

	Public Employees' Retirement System		
	State	Local	Total
Total pension liability	\$ 36,295,189,928	\$ 49,474,698,146	\$ 85,769,888,074
Plan fiduciary net position	6,904,504,223	19,857,566,387	26,762,070,610
Net pension liability	<u>\$ 29,390,685,705</u>	<u>\$ 29,617,131,759</u>	<u>\$ 59,007,817,464</u>
Plan fiduciary net position as a percentage of the total pension liability	19.02%	40.14%	31.20%

The components of the net pension liability of the participating employers for the defined benefit plans at June 30, 2016 are as follows:

Components of Net Pension Liability

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>	<u>POPF</u>
Total pension liability	\$ 9,892,635	\$ 980,742,106	\$ 49,402,169,913	\$ 7,505,870
Plan fiduciary net position	1,894,928	179,999,820	23,984,726,664	6,111,233
Net pension liability	<u>\$ 7,997,707</u>	<u>\$ 800,742,286</u>	<u>\$ 25,417,443,249</u>	<u>\$ 1,394,637</u>

Plan fiduciary net position as a percentage of the total pension liability

19.15%	18.35%	48.55%	81.42%
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	<u>PERS</u>	<u>SPRS</u>	<u>TPAF</u>
Total pension liability	\$ 85,769,888,074	\$ 5,673,706,321	\$ 101,746,770,000
Plan fiduciary net position	26,762,070,610	1,694,962,112	22,717,862,967
Net pension liability	<u>\$ 59,007,817,464</u>	<u>\$ 3,978,744,209</u>	<u>\$ 79,028,907,033</u>

Plan fiduciary net position as a percentage of the total pension liability

31.20%	29.87%	22.33%
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The total pension liability for the June 30, 2016 measurement date was determined by actuarial valuations as of July 1, 2015, which was rolled forward to June 30, 2016 using the following actuarial assumptions, applied to all periods in the measurement:

	Actuarial Assumptions			
	CPFPF	JRS	POPF	SPRS
Inflation rate	3.08%	3.08%	3.08%	3.08%
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	2.85%	7.65%	2.85%	7.65%
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
	PFRS	PERS	TPAF	
Inflation rate	3.08%	3.08%	2.50%	
Salary increases:				
Through 2026	2.10%-8.98% based on age	1.65%-4.15% based on age	Varies based on experience	
Thereafter	3.10%-9.98% based on age	2.65%-5.15% based on age	Varies based on experience	
Investment rate of return	7.65%	7.65%	7.65%	
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, 2010 - June 30, 2013	July 1, 2011 - June 30, 2014	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.

2. Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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, 2016 are summarized in the following table:

Long-term Expected Real Rate of Return							
Asset Class	CPFPF	JRS	PFRS	POPF	PERS	SPRS	TPAF
Cash	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.39%
U.S treasuries	-	1.74%	1.74%	-	1.74%	1.74%	-
U.S. government bonds	-	-	-	-	-	-	1.28%
U.S. credit bonds	-	-	-	-	-	-	2.76%
Investment grade credit	-	1.79%	1.79%	-	1.79%	1.79%	-
Mortgages	-	1.67%	1.67%	-	1.67%	1.67%	2.38%
High yield bonds	-	4.56%	4.56%	-	4.56%	4.56%	4.70%
Inflation-indexed bonds	-	3.44%	3.44%	-	3.44%	3.44%	1.41%
Broad U.S. equities	-	8.53%	8.53%	-	8.53%	8.53%	5.14%
Developed foreign equities	-	6.83%	6.83%	-	6.83%	6.83%	5.91%
Emerging market equities	-	9.95%	9.95%	-	9.95%	9.95%	8.16%
Private equity	-	12.40%	12.40%	-	12.40%	12.40%	8.97%
Hedge funds/absolute return	-	4.68%	4.68%	-	4.68%	4.68%	-
Multi strategy	-	-	-	-	-	-	3.70%
Equity hedge	-	-	-	-	-	-	4.72%
Distressed	-	-	-	-	-	-	3.49%
Real estate (property)	-	6.91%	6.91%	-	6.91%	6.91%	3.64%
Commodities	-	5.45%	5.45%	-	5.45%	5.45%	2.87%
Timber	-	-	-	-	-	-	3.86%
Farmland	-	-	-	-	-	-	4.39%
Global debt excluding U.S.	-	-0.25%	-0.25%	-	-0.25%	-0.25%	-
Real estate investment trusts	-	5.63%	5.63%	-	5.63%	5.63%	-

3. Discount Rates

The discount rates used to measure the total pension liabilities of each pension plan as of June 30, 2016, 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 7.65% and a municipal bond rate of 2.85% as of June 30, 2016, 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	2.85%
Judiciary Retirement System	3.11%
Police and Firemen's Retirement System	5.55%
Prison Officers' Pension Fund	2.85%
Public Employees' Retirement System	3.98%
State Police Retirement System	3.55%
Teachers' Pension and Annuity Fund	3.22%

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

	<u>CPFPP</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, 2022	Through June 30, 2050	Not applicable	Through June 30, 2034	Through June 30, 2033	Through June 30, 2029
Municipal bond rate*	All periods	From July 1, 2022 and thereafter	From July 1, 2050 and thereafter	All periods	From July 1, 2034 and thereafter	From July 1, 2033 and thereafter	From July 1, 2029 and thereafter

*The municipal bond return rate used is 2.85%. 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.

4. 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 on percentage point higher than the current rate:

Pension Plan	Rates	At 1% Decrease	At Current Discount Rate	At 1% Increase
CPFPF	(1.85%, 2.85%, 3.85%)	\$ 8,455,736	\$ 7,997,707	\$ 7,582,792
JRS	(2.11%, 3.11%, 4.11%)	912,241,750	800,742,286	706,550,300
PFRS	(4.55%, 5.55%, 6.55%)	32,312,095,296	25,417,443,249	19,797,527,320
POPF	(1.85%, 2.85%, 3.85%)	1,810,906	1,394,637	1,020,534
PERS	(2.98%, 3.98%, 4.98%)	70,715,189,252	59,007,817,464	49,352,744,647
SPRS	(2.55%, 3.55%, 4.55%)	4,948,165,769	3,978,744,209	3,213,322,784
TPAF	(2.22%, 3.22%, 4.22%)	94,378,176,033	79,028,907,033	66,494,248,033

F. Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2016:

Judicial Retirement System						
	Year of Deferral	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:						
Difference between expected and actual experience	2016	3.44 years	\$ -	\$ 254,822	\$ 74,076	\$ 180,746
Changes of assumptions	2014	3.84 years	12,893,331	-	7,007,245	5,886,086
	2016	3.44 years	-	85,677,552	24,906,265	60,771,287
Subtotal			12,893,331	85,677,552	31,913,510	66,657,373
Difference between projected and actual earnings on pension plan investments	2014	5 years	(11,002,996)	-	(3,667,665)	(7,335,331)
	2015	5 years	6,478,870	-	1,619,718	4,859,152
	2016	5 years	-	17,793,684	3,558,737	14,234,947
Subtotal			(4,524,126)	17,793,684	1,510,790	11,758,768
Total			\$ 8,369,205	\$ 103,726,058	\$ 33,498,376	\$ 78,596,887
Deferred Inflows of Resources:						
Difference between expected and actual experience	2015	3.60 years	\$ 1,251,753	\$ -	\$ 481,444	\$ 770,309
Changes of assumptions	2015	3.60 years	30,241,994	-	11,631,536	18,610,458
Total			\$ 31,493,747	\$ -	\$ 12,112,980	\$ 19,380,767

Police and Firemen's Retirement System

	Year of Deferral	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:						
State:						
Changes of assumptions	2014	6.17 years	\$ 58,262,794	\$ -	\$ 13,971,893	\$ 44,290,901
	2015	5.53 years	382,073,552	-	84,342,947	297,730,605
	2016	5.58 years	-	30,248,141	5,420,814	24,827,327
Subtotal			<u>440,336,346</u>	<u>30,248,141</u>	<u>103,735,654</u>	<u>366,848,833</u>
Difference between projected and actual earnings on	2014	5 years	(65,842,271)	-	(21,947,423)	(43,894,848)
pension plan investments	2015	5 years	77,423,418	-	19,355,854	58,067,564
	2016	5 years	-	165,898,157	33,179,631	132,718,526
Subtotal			<u>11,581,147</u>	<u>165,898,157</u>	<u>30,588,062</u>	<u>146,891,242</u>
Subtotal State			<u>451,917,493</u>	<u>196,146,298</u>	<u>134,323,716</u>	<u>513,740,075</u>
Local:						
Changes of assumptions	2014	6.17 years	380,914,681	-	91,346,447	289,568,234
	2015	5.53 years	2,694,291,613	-	594,766,360	2,099,525,253
	2016	5.58 years	-	312,830,596	56,062,831	256,767,765
Subtotal			<u>3,075,206,294</u>	<u>312,830,596</u>	<u>742,175,638</u>	<u>2,645,861,252</u>
Difference between projected and actual earnings on	2014	5 years	(962,739,078)	-	(320,913,025)	(641,826,053)
pension plan investments	2015	5 years	672,847,098	-	168,211,775	504,635,323
	2016	5 years	-	1,844,585,642	368,917,128	1,475,668,514
Subtotal			<u>(289,891,980)</u>	<u>1,844,585,642</u>	<u>216,215,878</u>	<u>1,338,477,784</u>
Subtotal Local			<u>2,785,314,314</u>	<u>2,157,416,238</u>	<u>958,391,516</u>	<u>3,984,339,036</u>
Total			<u>\$ 3,237,231,807</u>	<u>\$ 2,353,562,536</u>	<u>\$ 1,092,715,232</u>	<u>\$ 4,498,079,111</u>
Deferred Inflows of Resources:						
State:						
Difference between expected and actual experience	2015	5.53 years	\$ 32,553,727	\$ -	\$ 7,186,253	\$ 25,367,474
	2016	5.58 years	-	18,752,809	3,360,718	15,392,091
Subtotal State			<u>32,553,727</u>	<u>18,752,809</u>	<u>10,546,971</u>	<u>40,759,565</u>
Local:						
Difference between expected and actual experience	2015	5.53 years	143,667,728	-	31,714,730	111,952,998
	2016	5.58 years	-	16,163,828	2,896,743	13,267,085
Subtotal Local			<u>143,667,728</u>	<u>16,163,828</u>	<u>34,611,473</u>	<u>125,220,083</u>
Total			<u>\$ 176,221,455</u>	<u>\$ 34,916,637</u>	<u>\$ 45,158,444</u>	<u>\$ 165,979,648</u>

Public Employees' Retirement System

	Year of Deferral	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:						
State:						
Difference between expected and actual experience	2015	5.72 years	\$ 331,559,381	\$ -	\$ 70,245,632	\$ 261,313,749
	2016	5.57 years	-	443,922,203	79,698,780	364,223,423
Subtotal			<u>331,559,381</u>	<u>443,922,203</u>	<u>149,944,412</u>	<u>625,537,172</u>
Changes of assumptions	2014	6.44 years	362,280,141	-	81,594,626	280,685,515
	2015	5.72 years	1,446,033,147	-	306,362,955	1,139,670,192
	2016	5.57 years	-	3,623,172,812	650,479,859	2,972,692,953
Subtotal			<u>1,808,313,288</u>	<u>3,623,172,812</u>	<u>1,038,437,440</u>	<u>4,393,048,660</u>
Difference between projected and actual earnings on pension plan investments	2014	5 years	(458,143,691)	-	(152,714,563)	(305,429,128)
	2015	5 years	341,033,059	-	85,258,265	255,774,794
	2016	5 years	-	669,041,733	133,808,347	535,233,386
Subtotal			<u>(117,110,632)</u>	<u>669,041,733</u>	<u>66,352,049</u>	<u>485,579,052</u>
Subtotal State			<u>2,022,762,037</u>	<u>4,736,136,748</u>	<u>1,254,733,901</u>	<u>5,504,164,884</u>
Local:						
Difference between expected and actual experience	2015	5.72 years	\$ 535,530,329	\$ -	\$ 113,459,816	\$ 422,070,513
	2016	5.57 years	-	156,884,302	28,165,943	128,718,359
Subtotal			<u>535,530,329</u>	<u>156,884,302</u>	<u>141,625,759</u>	<u>550,788,872</u>
Changes of assumptions	2014	6.44 years	480,518,421	-	108,224,870	372,293,551
	2015	5.72 years	1,930,217,065	-	408,944,294	1,521,272,771
	2016	5.57 years	-	5,169,644,253	928,122,846	4,241,521,407
Subtotal			<u>2,410,735,486</u>	<u>5,169,644,253</u>	<u>1,445,292,010</u>	<u>6,135,087,729</u>
Difference between projected and actual earnings on pension plan investments	2014	5 years	(836,829,958)	-	(278,943,320)	(557,886,638)
	2015	5 years	475,909,354	-	118,977,338	356,932,016
	2016	5 years	-	1,662,853,507	332,570,701	1,330,282,806
Subtotal			<u>(360,920,604)</u>	<u>1,662,853,507</u>	<u>172,604,719</u>	<u>1,129,328,184</u>
Subtotal Local			<u>2,585,345,211</u>	<u>6,989,382,062</u>	<u>1,759,522,488</u>	<u>7,815,204,785</u>
Total			<u>\$ 4,608,107,248</u>	<u>\$ 11,725,518,810</u>	<u>\$ 3,014,256,389</u>	<u>\$ 13,319,369,669</u>

State Police Retirement System

	Year of Deferral	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:						
Difference between expected and actual experience	2015	5.34 years	\$ 28,645,254	\$ -	\$ 6,600,289	\$ 22,044,965
Changes of assumptions	2014	5.14 years	56,621,958	-	18,032,471	38,589,487
	2015	5.34 years	354,101,001	-	81,590,093	272,510,908
	2016	5.70 years	-	747,941,075	131,217,732	616,723,343
Subtotal			410,722,959	747,941,075	230,840,296	927,823,738
Difference between projected and actual earnings on pension plan investments	2014	5 years	(91,528,247)	-	(30,509,415)	(61,018,832)
	2015	5 years	56,339,203	-	14,084,801	42,254,402
	2016	5 years	-	159,435,901	31,887,180	127,548,721
Subtotal			(35,189,044)	159,435,901	15,462,566	108,784,291
Total			\$ 404,179,169	\$ 907,376,976	\$ 252,903,151	\$ 1,058,652,994
Deferred Inflows of Resources:						
Difference between expected and actual experience	2016	5.70 years	\$ -	\$ 17,580,385	\$ 3,084,278	\$ 14,496,107
Total			\$ -	\$ 17,580,385	\$ 3,084,278	\$ 14,496,107

Teachers' Pension and Annuity Fund

	Year of Deferral	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:						
Difference between expected and actual experience	2015	8.3 years	\$ 321,224,871	\$ -	\$ 44,003,407	\$ 277,221,464
Changes of assumptions	2014	8.5 years	1,999,074,013	-	307,549,848	1,691,524,165
	2015	8.3 years	5,201,079,373	-	712,476,627	4,488,602,746
	2016	8.3 years	-	10,827,093,000	1,304,469,036	9,522,623,964
Subtotal			7,200,153,386	10,827,093,000	2,324,495,511	15,702,750,875
Difference between projected and actual earnings on pension plan investments	2014	5 years	(1,305,927,430)	-	(435,309,144)	(870,618,286)
	2015	5 years	770,568,242	-	192,642,060	577,926,182
	2016	5 years	-	2,159,275,959	431,855,192	1,727,420,767
Subtotal			(535,359,188)	2,159,275,959	189,188,108	1,434,728,663
Total			\$ 6,986,019,069	\$ 12,986,368,959	\$ 2,557,687,026	\$ 17,414,701,002
Deferred Inflows of Resources:						
Difference between expected and actual experience	2014	8.5 years	\$ 19,039,817	\$ -	\$ 2,929,202	\$ 16,110,615
	2016	8.3 years	-	134,644,168	16,222,189	118,421,979
Total			\$ 19,039,817	\$ 134,644,168	\$ 19,151,391	\$ 134,532,594

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

**Judicial Retirement System
For the Fiscal Year Ending June 30,**

Year	Amount
2017	\$ 20,264,237
2018	19,223,343
2019	16,169,804
2020	3,558,736
Total	\$ 59,216,120

**Police and Firemen's Retirement System
For the Fiscal Year Ending June 30,**

Year	State	Local	Total
2017	\$ 123,776,745	\$ 923,780,041	\$ 1,047,556,786
2018	123,776,745	923,780,041	1,047,556,786
2019	145,724,168	1,244,693,067	1,390,417,235
2020	78,508,000	736,029,476	814,537,476
2021	1,194,852	30,836,328	32,031,180
Total	\$ 472,980,510	\$ 3,859,118,953	\$ 4,332,099,463

**Public Employees' Retirement System
For the Fiscal Year Ending June 30,**

Year	State	Local	Total
2017	\$ 1,254,733,900	\$ 1,759,522,489	\$ 3,014,256,389
2018	1,254,733,900	1,759,522,489	3,014,256,389
2019	1,407,448,463	2,038,465,810	3,445,914,273
2020	1,171,046,801	1,712,609,385	2,883,656,186
2021	416,201,820	545,084,612	961,286,432
Total	\$ 5,504,164,884	\$ 7,815,204,785	\$ 13,319,369,669

**State Police Retirement System
For the Fiscal Year Ending June 30,**

Year	Amount
2017	\$ 249,818,872
2018	249,818,872
2019	264,820,361
2020	190,005,362
2021	89,693,420
Total	\$ 1,044,156,887

**Teachers' Pension and Annuity Fund
For the Fiscal Year Ending June 30,**

Year	Amount
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
Total	\$ 17,280,168,408

G. Pension Expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for State and local employers for the year ending June 30, 2016 are as follows:

Judicial Retirement System

	Amount
Service cost	\$ 33,333,864
Interest on total pension liability	36,471,524
Member contributions	(9,271,869)
Administrative expense	168,008
Expected investment return net of investment expenses	(15,071,735)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	(407,368)
Changes of assumptions	20,281,974
Difference between projected and actual investment earnings on pension plan investments	1,510,790
Total pension expense	\$ 67,015,188

Police and Firemen's Retirement System

	State	Local	Total
Service cost	\$ 153,113,893	\$ 995,499,819	\$ 1,148,613,712
Interest on total pension liability	350,423,556	2,401,021,664	2,751,445,220
Member contributions	(50,916,706)	(337,764,702)	(388,681,408)
Administrative expense	585,636	3,707,255	4,292,891
Expected investment return net of investment expenses	(128,843,519)	(1,730,947,121)	(1,859,790,640)
Pension expense related to specific liabilities of individual employers	8,452	(6,498,294)	(6,489,842)
Recognition (amortization) of deferred outflows/inflows of resources:			
Difference between expected and actual experience	(10,546,971)	(34,611,473)	(45,158,444)
Changes of assumptions	103,735,654	742,175,638	845,911,292
Difference between projected and actual investment earnings on pension plan investments	30,588,062	216,215,878	246,803,940
Total pension expense	\$ 448,148,057	\$ 2,248,798,664	\$ 2,696,946,721

Public Employees' Retirement System

	State	Local	Total
Service cost	\$ 661,497,954	\$ 966,567,724	\$ 1,628,065,678
Interest on total pension liability	1,543,000,974	2,110,372,452	3,653,373,426
Member contributions	(320,331,293)	(500,974,494)	(821,305,787)
Administrative expense	7,296,783	15,989,137	23,285,920
Expected investment return net of investment expenses	(573,965,830)	(1,520,713,767)	(2,094,679,597)
Pension expense related to specific liabilities of individual employers	(45,541)	(3,153,345)	(3,198,886)
Recognition (amortization) of deferred outflows/inflows of resources:			
Difference between expected and actual experience	149,944,412	141,625,759	291,570,171
Changes of assumptions	1,038,437,440	1,445,292,010	2,483,729,450
Difference between projected and actual investment earnings on pension plan investments	66,352,049	172,604,719	238,956,768
Total pension expense	\$ 2,572,186,948	\$ 2,827,610,195	\$ 5,399,797,143

State Police Retirement System

	Amount
Service cost	\$ 113,546,510
Interest on total pension liability	221,675,495
Member contributions	(22,818,295)
Administrative expense	334,630
Expected investment return net of investment expenses	(140,151,847)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	3,516,011
Changes of assumptions	230,840,296
Difference between projected and actual investment earnings on pension plan investments	15,462,566
Total pension expense	\$ 422,405,366

Teachers' Pension and Annuity Fund

	Amount
Service cost	\$ 2,344,321,810
Interest on total pension liability	3,694,844,118
Member contributions	(761,711,695)
Administrative expense	13,768,112
Expected investment return net of investment expenses	(1,891,591,606)
Pension expense related to specific liabilities of individual employers	(243,660)
Recognition (amortization) of deferred outflows/inflows of resources:	
Economic/demographic gains or losses	24,852,016
Changes of assumptions	2,324,495,511
Investment gains or losses	189,188,108
Total pension expense	\$ 5,937,922,714

H. Additional Information

For additional information and supporting documents regarding GASB Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No.25*, and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, please refer to the New Jersey Department of the Treasury, Division of Pensions website at: <http://www.state.nj.us/treasury/pensions>.

NOTE 17 - HEALTH BENEFITS AND POST-RETIREMENT MEDICAL BENEFITS

As a result of Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for fiscal year 2007, the State Health Benefit Program (SHBP) and the Prescription Drug Program (PDP) and Post-Retirement Medical (PRM) of the Public Employees' Retirement System (PERS) and the Teachers' Pension Annuity Fund (TPAF) are combined and reported as State Health Benefit Program Funds. The post-retirement benefit programs had a total of 580 state and local participating employers for fiscal year 2017.

The State of New Jersey sponsors and administers the following health benefit programs covering substantially all State and local government employees:

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.

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.

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 SHBP. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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.

State Health Benefit Program 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 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.

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.

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 for the State Health Benefit Program Fund- Local Government Retired. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the State Health Benefit Program Fund - Local Education Active, Local Education Retired, Local Government Active, and Local Government Retired, are prepared on the accrual basis of accounting. The financial statements of the State Health Benefit Program Fund - State Active and State Retired, are prepared on the modified accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the unfunded actuarial accrued liability for OPEB is \$69.3 billion which is made up of \$25.5 billion for State active and retired members and \$43.8 billion for education employees and retired members that become the obligation of the State of New Jersey upon retirement.

The required supplementary information regarding the funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

The required schedule of funding progress in the required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2016 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c.384 and P.L. 1990, c.6 required the TPAF and the PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the NJ Direct 10 Plan shall be subject to premium sharing based on the negotiated contracts.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. The State contributed \$184.6 million for 10,994 eligible retired members for fiscal year 2017. This benefit covers the Police and Firemen's Retirement System, the Prison Officers' Pension Fund, the Judicial Retirement System, the Central Pension Fund, the State Police Retirement System, and the Alternate Benefit Program.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides employer-paid health benefits to members of PERS and ABP who retired from a board of education or county college with 25 years of service. The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in fiscal year 2017.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization

participating in the program, whichever provides the lower charge. The State contributed \$52.1 million in the current year to provide benefits under Chapter 330 to qualified retirees.

Annual OPEB Cost (AOC)

The annual OPEB cost for the fiscal year ending June 30, 2017 and related information, including a summary of the significant actuarial methods and assumptions used by OPEB, are presented on the following pages.

The calculation of the employer contributions rates on the following page for OPEB represents the AOC divided by the covered payroll as reflected in the Schedule of Funding Progress per the actuarial valuations as of July 1, 2016.

Other Postemployment Benefit Plans (OPEB)

Annual OPEB Cost (AOC)

State:	June 30, 2015	\$	6,045,300,000
	June 30, 2016		6,143,700,000
	June 30, 2017		6,225,300,000

Contributions Made

State:	June 30, 2015	\$	1,645,200,000
	June 30, 2016		1,834,800,000
	June 30, 2017		2,014,400,000

Percentage of

State:	June 30, 2015	27.2%
	June 30, 2016	29.9%
	June 30, 2017	32.4%

Net OPEB

State:	June 30, 2015	\$	27,973,800,000
	June 30, 2016		32,282,700,000
	June 30, 2017		36,493,600,000

Contribution rates

State	29.5%
Employees	N/A

Significant Actuarial Assumptions and Methods

Date of actuarial valuation	7/1/2016
Actuarial cost method	Projected Unit Credit Actual Cost Method
Amortization method	Level Dollar, Open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.50% (assuming no prefunding)
Projected salary increases	N/A
Cost-of-Living adjustments	N/A

For pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For HMO medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium.

The Annual OPEB Cost (AOC) and the Net OPEB Obligation (NOO) for the State-funded post-retirement medical obligations for the fiscal year ending June 30, 2017 are presented below:

Annual Required Contribution, June 30, 2017	\$ 6,754,500,000
Interest Adjustment on Net OPEB Obligation	1,452,700,000
Adjustment to Annual Required Contribution	<u>(1,981,900,000)</u>
Annual OPEB Cost as of June 30, 2017	6,225,300,000
Total Fiscal Year 2017 Contribution	<u>2,014,400,000</u>
Increase in Net OPEB Obligation	4,210,900,000
Net OPEB Obligation as of June 30, 2016	<u>32,282,700,000</u>
Net OPEB Obligation as of June 30, 2017	<u><u>\$ 36,493,600,000</u></u>

Additional Information

For additional information and supporting documents regarding health benefits and post-retirement medical coverage, please refer to the New Jersey Department of the Treasury, Division of Pensions' 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
<http://www.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.

In Fiscal Year 2011, the scope of the Authority's responsibilities was expanded to encompass (1) the creation of the Atlantic City Tourism District, (2) the assumption of all functions, powers and duties of the Atlantic City Special Improvement District and, (3) the assumption of all powers, rights, duties, assets and responsibilities of the Atlantic City Convention and Visitors Authority ("ACCVA"). The transfer of the ACCVA was effective on April 1, 2013.

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 545
Trenton, New Jersey 08625-0545
<http://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
<http://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
<http://www.njefa.com>

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 Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)
3131 Princeton Pike, Bldg. 4, Suite 216
Lawrenceville, New Jersey 08648-2201
<http://www.njeit.org>

The New Jersey Environmental Infrastructure Trust provides low-cost financing for the construction of environmental 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 Trust 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
<http://www.njhcffa.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
<http://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
<http://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, NJ 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
<http://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. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority.

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
<https://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, P.O. Box 27050
Newark, New Jersey 07101-6750
<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
<http://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
<http://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, NJ 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/index.cfm>

New Jersey Institute of Technology
(N.J.S.A. 18A:64E-14)
General Accounting Office
Fenster Hall, Room 550
University Heights
Newark, New Jersey 07102-1982
<http://www.njit.edu>

William Paterson University of New Jersey
(N.J.S.A. 18A:62-1)
300 Pompton Road
Wayne, New Jersey 07470
<https://www.wpuni.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, 2017, 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, 2017, there were approximately \$941.0 million of overpayments.

New Jersey Lawyers' Fund for Client Protection

Claims of approximately \$17.2 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 \$10.6 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

Various claims totaling approximately \$10.8 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, 2017, there were approximately \$2,393.0 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.

Tobacco Settlement Financing Corporation

The following is information about arbitration of disputes under the multi-state Master Settlement Agreement (MSA), which settled litigation with participating tobacco companies.

Tobacco Settlement Financing Corporation (TSFC) was not a party to the arbitration and the arbitration did not involve any claims against TSFC; rather the arbitration involved the State as a signatory to the MSA. This information is being provided because the State assigned its right to all tobacco settlement receipts under the MSA to TSFC.

On December 14, 2012, New Jersey joined other states in a settlement of the disputes for 2003 through 2012, as well as potential disputes for 2013 and 2014. The settlement included both 2013 payments to New Jersey from a disputed payments account and credits to the participating manufacturers for MSA payments due in each April, from 2013 through 2017. The settlement was challenged by other states before the arbitration panel. On March 12, 2013, the arbitration panel entered a Stipulated Partial Settlement and Award (“Stipulated Award”) implementing the settlement. Some of the objecting states moved to have the Stipulated Award vacated prior to the distribution of settlement funds in April 2013. However, those actions were not successful and, in April 2013, pursuant to the settlement, New Jersey received approximately \$170.0 million more in 2013 MSA payments than it would have otherwise received, but will receive a total of approximately \$75.0 million less from 2014 through 2017. Some modest decreased payments can be expected in later years, but, as is always the case with long term projections of MSA payments, such payments are subject to too many variables to estimate the impact.

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, 2017 projected unpaid claims were \$155.6 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 \$64.2 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, 2017, audits of expenditures for Fiscal Year 2016 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 2017 (which ends September 30, 2017) or 2018 (which ends September 30, 2018) 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. Twenty 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 14,000 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 \$1.0 billion and to receive federal matching funds of approximately \$500.0 million over the life of the contracts.

NOTE 20 - SUBSEQUENT EVENTS

Short-term Debt

For Fiscal Year 2018, 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, 2017, the State authorized \$2.0 billion of Tax and Revenue Anticipation Notes, Series Fiscal 2018 A, of which, \$900.0 million was issued on August 31, 2017, and \$600.0 million was issued on February 22, 2018. The Notes were issued at a rate equal to the Securities Industry and Financial Markets Association municipal swap index plus 34 basis points, with accrued interest payable at final maturity on June 28, 2018.

Long-term Obligations

On September 20, 2017, the New Jersey Economic Development Authority (NJEDA) issued \$577.7 million of Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds. Interest on the bonds ranges from 3.0 to 5.0 percent per annum and is payable January 1 and July 1, commencing on July 1, 2018.

On October 5, 2017, the New Jersey Economic Development Authority issued \$350.0 million of School Facilities Construction Bonds, 2017 Series DDD. 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, 2018.

On December 28, 2017, the Health Care Facilities Financing Authority issued \$170.5 million of State Contract Refunding Bonds Series 2017, related to the Hospital Asset Transformation Program. Interest on the bonds is 5.0 percent per annum and is payable April 1 and October 1, commencing on April 1, 2018.

On January 8, 2018, the New Jersey Economic Development Authority issued \$375.7 million of State Lease Revenue Bonds. Interest on the bonds ranges from 3.0 to 5.0 percent per annum and is payable June 15 and December 15, commencing on June 15, 2018.

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, and \$1.3 million, to date, during fiscal year 2018. At this time, it is not known by management if any additional payments will be received.

State Lottery

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, Public Employees' Retirement System, and Police and Fireman's Retirement System for a 30-year term (the "Lottery Contribution"). Under LECA, the Department of the Treasury, Division of the State Lottery will continue to operate the Lottery Enterprise with the 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 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.

LECA has a neutral budget impact for 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 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. This requirement compels the Division of State Lottery to maintain two general ledgers. The residual State Lottery Fund ledger will now only account for activity associated with those pre-existing assets and liabilities and a new general ledger will account for the obligations and assets resulting from lottery sales and games emanating on and after July 1, 2017, the transfer date.

Pension Plans

The Acting State Treasurer authorized a change in the statutory assumed rate of return utilized in the July 1, 2017 actuarial valuations from 7.0%, which was the rate set in December of 2017 by the former State Treasurer, to 7.5%. The assumed rate of return utilized in the July 1, 2016 actuarial valuations was 7.65%. Milliman, Inc., the actuary for Teachers' Pension and Annuity Fund, considered the 7.65% assumed rate of return only achievable approximately one-third of the time based on their annualized 30-year return. The change in the

expected rate of return from 7.65% to 7.5% impacts the actuarial valuation of the Pension Plans in two ways. First, it increases the Unfunded Actuarial Accrued Liability from \$39.3 billion to \$40.7 billion. Second, it increases the State's full actuarially recommended contribution to the Pension Plans for Fiscal Year 2019 by \$42.5 million from \$5.31 billion to \$5.35 billion (from \$4.27 billion to \$4.31 billion net of the expected net lottery proceeds). As a result of this change, the State expects its aggregate contribution to all Pension Plans, net of expected lottery revenues, for Fiscal Year 2019 will be approximately \$2.17 billion and for Fiscal Year 2020 will be approximately \$2.82 billion, up from \$2.12 billion and \$2.77 billion, respectively (based on the State following its policy of increasing its contributions by one-tenth of the actuarial recommended contribution for each Fiscal Year until the amount of the contribution reaches the full actuarial recommended contribution).

In addition to changing the assumed rate of return to 7.5% effective with the July 1, 2017 actuarial valuations, the Acting 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).

Constitutional Amendment

Effective December 7, 2017, the New Jersey Constitution was amended to create a special account in the General Fund to collect annual revenues derived from damages received from environmental contamination settlements.

*Required
Supplementary
Information*

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 15,827,614,000	\$ 15,256,940,000	\$ 15,917,964,853	\$ 661,024,853
Federal and other grants	15,014,273,887	15,252,124,061	13,755,575,223	(1,496,548,838)
Licenses and fees	1,390,588,276	1,338,879,143	1,413,456,357	74,577,214
Port Authority and Component Units	242,608,000	242,608,000	641,086,523	398,478,523
Services and assessments	2,261,754,015	2,179,663,254	1,803,487,336	(376,175,918)
Investment earnings	-	957,072	12,721,665	11,764,593
Other	2,939,705,616	2,132,221,306	889,319,708	(1,242,901,598)
Total Revenues	<u>37,676,543,794</u>	<u>36,403,392,836</u>	<u>34,433,611,665</u>	<u>(1,969,781,171)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	<u>2,596,570,000</u>	<u>2,651,173,136</u>	<u>2,700,143,783</u>	<u>48,970,647</u>
Total Other Financing Sources	<u>2,596,570,000</u>	<u>2,651,173,136</u>	<u>2,700,143,783</u>	<u>48,970,647</u>
Total Revenues and Other Financing Sources	<u>40,273,113,794</u>	<u>39,054,565,972</u>	<u>37,133,755,448</u>	<u>(1,920,810,524)</u>
EXPENDITURES				
Public safety and criminal justice	3,681,849,377	3,559,862,666	3,207,815,844	352,046,822
Physical and mental health	15,339,956,200	14,960,772,883	14,638,642,787	322,130,096
Educational, cultural, and intellectual development	4,457,578,519	4,126,857,485	4,234,375,221	(107,517,736)
Community development and environmental management	2,363,991,233	2,321,453,208	1,750,746,351	570,706,857
Economic planning, development, and security	4,701,627,774	4,550,683,596	4,100,948,661	449,734,935
Transportation programs	1,308,889,139	1,308,050,225	940,125,519	367,924,706
Government direction, management, and control	3,864,841,740	3,716,506,299	3,457,036,028	259,470,271
Special government services	421,199,627	401,728,425	346,199,963	55,528,462
Total Expenditures	<u>36,139,933,609</u>	<u>34,945,914,787</u>	<u>32,675,890,374</u>	<u>2,270,024,413</u>
OTHER FINANCING USES				
Transfers to other funds	<u>4,143,852,185</u>	<u>4,143,852,185</u>	<u>4,143,852,185</u>	<u>-</u>
Total Other Financing Uses	<u>4,143,852,185</u>	<u>4,143,852,185</u>	<u>4,143,852,185</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>40,283,785,794</u>	<u>39,089,766,972</u>	<u>36,819,742,559</u>	<u>2,270,024,413</u>
Net Change in Fund Balance	<u>(10,672,000)</u>	<u>(35,201,000)</u>	<u>314,012,889</u>	<u>349,213,889</u>
Fund Balances - July 1, 2016	<u>550,704,000</u>	<u>469,766,000</u>	<u>469,766,000</u>	<u>-</u>
Fund Balances - June 30, 2017	<u>\$ 540,032,000</u>	<u>\$ 434,565,000</u>	<u>\$ 783,778,889</u>	<u>\$ 349,213,889</u>

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$ 14,746,361,784	\$ 14,591,617,784	\$ 14,700,875,666	\$ 109,257,882
Federal and other grants	-	-	-	-
Licenses and fees	-	-	-	-
Port Authority and Component Units	-	-	-	-
Services and assessments	-	-	-	-
Investment earnings	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>14,746,361,784</u>	<u>14,591,617,784</u>	<u>14,700,875,666</u>	<u>109,257,882</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>14,746,361,784</u>	<u>14,591,617,784</u>	<u>14,700,875,666</u>	<u>109,257,882</u>
EXPENDITURES				
Public safety and criminal justice	24,500,000	23,967,792	24,436,438	(468,646)
Physical and mental health	113,028,315	110,573,028	87,472,438	23,100,590
Educational, cultural, and intellectual development	12,953,780,779	12,863,446,203	13,046,477,384	(183,031,181)
Community development and environmental management	295,375,690	288,959,314	295,487,787	(6,528,473)
Economic planning, development, and security	51,903,000	50,775,524	51,938,203	(1,162,679)
Transportation programs	-	-	-	-
Government direction, management, and control	1,211,774,000	1,185,450,923	1,195,696,867	(10,245,944)
Special government services	-	-	-	-
Total Expenditures	<u>14,650,361,784</u>	<u>14,523,172,784</u>	<u>14,701,509,117</u>	<u>(178,336,333)</u>
OTHER FINANCING USES				
Transfers to other funds	-	71,786,000	-	71,786,000
Total Other Financing Uses	<u>-</u>	<u>71,786,000</u>	<u>-</u>	<u>71,786,000</u>
Total Expenditures and Other Financing Uses	<u>14,650,361,784</u>	<u>14,594,958,784</u>	<u>14,701,509,117</u>	<u>(106,550,333)</u>
Net Change in Fund Balance	<u>96,000,000</u>	<u>(3,341,000)</u>	<u>(633,451)</u>	<u>2,707,549</u>
Fund Balances - July 1, 2016	<u>-</u>	<u>3,341,000</u>	<u>3,341,000</u>	<u>-</u>
Fund Balances - June 30, 2017	<u>\$ 96,000,000</u>	<u>\$ -</u>	<u>\$ 2,707,549</u>	<u>\$ 2,707,549</u>

(Continued on next page)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Total Major Governmental Funds			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 30,573,975,784	\$ 29,848,557,784	\$ 30,618,840,519	\$ 770,282,735
Federal and other grants	15,014,273,887	15,252,124,061	13,755,575,223	(1,496,548,838)
Licenses and fees	1,390,588,276	1,338,879,143	1,413,456,357	74,577,214
Port Authority and Component Units	242,608,000	242,608,000	641,086,523	398,478,523
Services and assessments	2,261,754,015	2,179,663,254	1,803,487,336	(376,175,918)
Investment earnings	-	957,072	12,721,665	11,764,593
Other	2,939,705,616	2,132,221,306	889,319,708	(1,242,901,598)
Total Revenues	52,422,905,578	50,995,010,620	49,134,487,331	(1,860,523,289)
OTHER FINANCING SOURCES				
Transfers from other funds	2,596,570,000	2,651,173,136	2,700,143,783	48,970,647
Total Other Financing Sources	2,596,570,000	2,651,173,136	2,700,143,783	48,970,647
Total Revenues and Other Financing Sources	55,019,475,578	53,646,183,756	51,834,631,114	(1,811,552,642)
EXPENDITURES				
Public safety and criminal justice	3,706,349,377	3,583,830,458	3,232,252,282	351,578,176
Physical and mental health	15,452,984,515	15,071,345,911	14,726,115,225	345,230,686
Educational, cultural, and intellectual development	17,411,359,298	16,990,303,688	17,280,852,605	(290,548,917)
Community development and environmental management	2,659,366,923	2,610,412,522	2,046,234,138	564,178,384
Economic planning, development, and security	4,753,530,774	4,601,459,120	4,152,886,864	448,572,256
Transportation programs	1,308,889,139	1,308,050,225	940,125,519	367,924,706
Government direction, management, and control	5,076,615,740	4,901,957,222	4,652,732,895	249,224,327
Special government services	421,199,627	401,728,425	346,199,963	55,528,462
Total Expenditures	50,790,295,393	49,469,087,571	47,377,399,491	2,091,688,080
OTHER FINANCING USES				
Transfers to other funds	4,143,852,185	4,215,638,185	4,143,852,185	71,786,000
Total Other Financing Uses	4,143,852,185	4,215,638,185	4,143,852,185	71,786,000
Total Expenditures and Other Financing Uses	54,934,147,578	53,684,725,756	51,521,251,676	2,163,474,080
Net Change in Fund Balance	85,328,000	(38,542,000)	313,379,438	351,921,438
Fund Balances - July 1, 2016	550,704,000	473,107,000	473,107,000	-
Fund Balances - June 30, 2017	\$ 636,032,000	\$ 434,565,000	\$ 786,486,438	\$ 351,921,438

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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	\$ 37,133,755,448	\$ 14,700,875,666
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).	1,156,355,912	-
Fiscal versus calendar year difference in recording of Building Authority debt and premium	(106,091,208)	-
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.	2,589,746,067	-
Additions to other debt are not inflows of budgetary resources but are financing sources for financial reporting purposes.	79,452,348	-
Subfund activity: revenues, bonds, notes, installment obligations, COPS issued, capital lease acquisitions, refunding bonds issued, premiums/discounts and transfers from other funds.	337,268,631	-
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 41,190,487,198	\$ 14,700,875,666
GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total revenues	\$ 35,797,914,706	\$ 14,700,875,666
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	1,786,992,348	-
Refunding bonds issued	1,015,142,984	-
Premiums/discounts	78,376,399	-
Transfers from other funds	2,512,060,761	-
Total revenues and other financing sources	\$ 41,190,487,198	\$ 14,700,875,666

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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	\$ 36,819,742,559	\$ 14,701,509,117
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.	(1,210,929,214)	(2,797,425)
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.	777,831,317	(6,722,323)
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB Statement No. 24).	1,156,355,912	-
Fiscal versus calendar year difference in recording of Building authority debt and premium	(106,091,208)	-
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.	2,589,746,067	-
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	79,452,348	-
Subfund activity: expenditures, payment to bond escrow agents and transfers to other funds	292,391,348	
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 40,398,499,129	\$ 14,691,989,369
 GAAP-basis statement of revenues, expenditures, and changes in fund balances - governmental funds reconciliation:		
Total expenditures	\$ 34,119,271,433	\$ 14,634,292,181
Payment to bond escrow agents	2,135,875,511	-
Transfers to other funds	4,143,352,185	57,697,188
Total expenditures and other financing uses	\$ 40,398,499,129	\$ 14,691,989,369

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
FOR THE FISCAL YEAR ENDED JUNE 30

Consolidated Police and Firemen's Pension Fund

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

*Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS*
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30

Judicial Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 33,333,864	\$ 30,702,986	\$ 32,123,341
Interest on the total pension liability	36,471,524	41,473,055	40,332,123
Effect of economic/demographic (gains) or losses	254,822	(1,733,197)	-
Effect of assumptions changes or inputs	85,677,552	(41,873,530)	26,907,821
Transfers from other systems	726,284	2,081,523	-
Benefit payments	(54,686,521)	(52,430,016)	(49,604,080)
Net change in total pension liability	<u>101,777,525</u>	<u>(21,779,179)</u>	<u>49,759,205</u>
Total pension liability - Beginning	<u>878,964,581</u>	<u>900,743,760</u>	<u>850,984,555</u>
Total pension liability - Ending	<u>\$ 980,742,106</u>	<u>\$ 878,964,581</u>	<u>\$ 900,743,760</u>
Plan fiduciary net position:			
Contributions - employer	\$ 14,794,774	\$ 17,031,026	\$ 15,874,857
Contributions - employee	9,271,869	6,310,124	5,096,577
Net investment income	(2,721,949)	8,475,641	34,448,036
Transfers from other systems	726,284	2,081,523	-
Benefit payments, including refunds of employee contributions	(54,686,521)	(52,430,016)	(49,604,080)
Administrative expense	(168,008)	(168,762)	(162,372)
Net change in plan fiduciary net position	<u>(32,783,551)</u>	<u>(18,700,464)</u>	<u>5,653,018</u>
Plan fiduciary net position - Beginning	<u>212,783,371</u>	<u>231,483,835</u>	<u>225,830,817</u>
Plan fiduciary net position - Ending	<u>\$ 179,999,820</u>	<u>\$ 212,783,371</u>	<u>\$ 231,483,835</u>
Net pension liability - Ending	<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	18.35%	24.21%	25.70%
Covered payroll	\$ 67,097,166	\$ 66,028,491	\$ 67,810,110
State's net pension liability as a percentage of covered payroll	1,193.41%	1,008.93%	986.96%

*Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS*
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30

Prison Officers' Pension Fund

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

*Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS*
SINGLE-EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30

State Police Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 113,546,510	\$ 93,740,921	\$ 93,623,020
Interest on the total pension liability	221,675,495	216,980,562	209,010,706
Effect of economic/demographic (gains) or losses	(17,580,385)	35,245,543	-
Effect of assumptions changes or inputs	747,941,075	435,691,094	92,686,900
Transfers from other systems	54,000	222,557	-
Benefit payments	(213,436,150)	(206,493,624)	(197,958,938)
Net change in total pension liability	<u>852,200,545</u>	<u>575,387,053</u>	<u>197,361,688</u>
Total pension liability - Beginning	<u>4,821,505,776</u>	<u>4,246,118,723</u>	<u>4,048,757,035</u>
Total pension liability - Ending	<u>\$ 5,673,706,321</u>	<u>\$ 4,821,505,776</u>	<u>\$ 4,246,118,723</u>
Plan fiduciary net position:			
Contributions - employer	\$ 37,435,541	\$ 38,527,297	\$ 36,436,923
Contributions - employee	22,818,295	22,315,431	24,034,496
Net investment income	(19,284,054)	75,532,779	287,098,217
Transfers from other systems	54,000	222,557	-
Benefit payments, including refunds of employee contributions	(213,436,150)	(206,493,624)	(197,958,938)
Administrative expense	(334,630)	(351,724)	(280,026)
Net change in plan fiduciary net position	<u>(172,746,998)</u>	<u>(70,247,284)</u>	<u>149,330,672</u>
Plan fiduciary net position - Beginning	<u>1,867,709,110</u>	<u>1,937,956,394</u>	<u>1,788,625,722</u>
Plan fiduciary net position - Ending	<u>\$ 1,694,962,112</u>	<u>\$ 1,867,709,110</u>	<u>\$ 1,937,956,394</u>
Net pension liability - Ending	<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	29.87%	38.74%	45.64%
Covered payroll	\$ 275,477,457	\$ 262,496,289	\$ 262,063,829
State's net pension liability as a percentage of covered payroll	1,444.31%	1,125.27%	880.76%

*Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINGLE-EMPLOYER PENSION PLANS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>Actuarially determined contribution</u>		<u>Actual employer contribution</u>		<u>Difference (unfunded)</u>		<u>Covered payroll</u>		<u>Actual employer contribution as a percentage of covered payroll</u>
Consolidated Police and Firemen's Pension Fund									
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
2013		1.1		0.9		(0.2)		N/A	N/A
2012		1.2		0.2		(1.0)		N/A	N/A
2011		0.5		-		(0.5)		N/A	N/A
2010		1.7		-		(1.7)		N/A	N/A
2009		1.8		1.3		(0.5)		N/A	N/A
2008		2.4		0.5		(1.9)		N/A	N/A
2007		8.5		1.8		(6.7)		N/A	N/A
Judicial Retirement System									
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
2013		45.4		12.3		(33.1)		67.5	18.22
2012		42.5		6.0		(36.5)		67.4	8.90
2011		38.5		0.7		(37.8)		71.7	0.98
2010		32.5		1.0		(31.5)		70.1	1.43
2009		29.8		1.7		(28.1)		67.2	2.53
2008		27.2		12.9		(14.3)		63.1	20.44
2007		25.2		12.7		(12.5)		62.5	20.32
State Police Retirement System									
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
2013		99.9		27.8		(72.1)		283.2	9.82
2012		98.9		13.5		(85.4)		275.2	4.91
2011		114.1		2.2		(111.9)		290.0	0.76
2010		91.4		1.0		(90.4)		287.3	0.35
2009		86.4		5.6		(80.8)		281.1	1.99
2008		78.8		36.4		(42.4)		275.3	13.22
2007		56.5		29.3		(27.2)		263.2	11.13

*There are no active members in the Prison Officers' Pension Fund. Based on the recent actual valuation, there was no normal cost or accrued liability contribution required by the State for the fiscal year ended June 30, 2016.

Assumptions used in calculating actuarially determined contribution are presented in Note 16.

STATE OF NEW JERSEY
SCHEDULE OF EMPLOYER (STATE) CONTRIBUTIONS
COST-SHARING EMPLOYER PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>Statutorily required employer contribution</u>		<u>Actual employer contribution</u>		<u>Difference (unfunded)</u>		<u>Covered payroll</u>		<u>Actual employer contribution as a percentage of covered payroll</u>
Public Employees' Retirement System									
2016	\$	1,324.3	\$	117.2	\$	(1,207.1)	\$	4,369.1	2.68 %
2015		1,263.7		131.9		(1,131.8)		4,443.6	2.97
2014		1,182.0		143.6		(1,038.4)		4,543.4	3.16
2013		604.7		78.9		(525.8)		4,556.7	1.73
2012		425.6		60.5		(365.1)		4,571.0	1.32
2011		264.1		54.6		(209.5)		4,608.9	1.18
2010		124.9		30.9		(94.0)		4,564.9	0.68
2009		754.2		250.7		(503.5)		4,627.1	5.42
2008		580.4		224.2		(356.2)		4,609.0	4.86
2007		506.3		212.3		(294.0)		4,434.9	4.79
Police and Firemen's Retirement System									
2016	\$	502.9	\$	120.3	\$	(382.6)	\$	485.5	24.78 %
2015		483.9		124.4		(359.5)		494.3	25.17
2014		461.1		130.1		(331.0)		507.0	25.66
2013		236.8		66.8		(170.0)		510.8	13.08
2012		167.0		49.6		(117.4)		517.3	9.59
2011		112.5		40.1		(72.4)		526.1	7.62
2010		53.6		21.8		(31.8)		530.7	4.11
2009		373.5		201.7		(171.8)		525.9	38.35
2008		339.5		200.8		(138.7)		527.5	38.07
2007		299.1		197.8		(101.3)		527.6	37.49
Teachers' Pensions and Annuity Fund									
2016	\$	2,999.6	\$	1,499.8	\$	(1,499.8)	\$	10,436.2	14.37 %
2015		2,737.2		1,094.9		(1,642.3)		10,305.5	10.62
2014		2,544.8		763.4		(1,781.4)		10,162.3	7.51
2013		2,306.6		504.3		(1,802.3)		10,038.8	5.02
2012		2,158.3		392.0		(1,766.3)		9,779.2	4.01
2011		2,148.2		613.8		(1,534.4)		9,682.3	6.34
2010		2,009.8		287.1		(1,722.7)		10,025.4	2.86
2009		1,826.7		-		(1,826.7)		9,747.0	-
2008		1,526.2		62.4		(1,463.8)		9,419.1	0.66
2007		1,348.1		64.4		(1,283.7)		9,077.6	0.71

STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY*
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Public Employees' Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's portion of the collective net pension liability	42.52 %	44.06 %	44.46 %
Employer's proportionate share of the collective net pension liability	\$ 25,092.9	\$ 20,344.6	\$ 17,274.1
Employer's covered payroll	\$ 4,369.1	\$ 4,443.6	\$ 4,543.4
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	574.33 %	457.84 %	380.20 %
Plan fiduciary net position as a percentage of the total pension liability	31.20 %	38.21 %	42.74 %

*Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY¹
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Police and Firemen's Retirement System (Special Funding)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's portion of the collective net pension liability	17.80 %	18.40 %	19.51 %
Employer's proportionate share of the collective net pension liability	\$ 4,525.2	\$ 4,122.8	\$ 3,412.1
Nonemployer proportionate share of the collective net pension liability²	1,604.1	1,460.7	1,354.6
Total proportionate share of the collective net pension liability	<u>\$ 6,129.3</u>	<u>\$ 5,583.5</u>	<u>\$ 4,766.7</u>
Employer's covered payroll	\$ 485.5	\$ 494.3	\$ 507.0
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	932.07 %	834.07 %	673.00 %
Plan fiduciary net position as a percentage of the total pension liability	48.55 %	52.84 %	58.86 %

Notes:

¹Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

²Nonemployer amounts are updated to include the State's share of special funding situation as defined by GASB Statement No. 68. Data has been updated to display amounts in lieu of percentages.

STATE OF NEW JERSEY
SCHEDULE OF NET PENSION LIABILITY¹
COST-SHARING EMPLOYER PENSIONS PLANS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Teachers' Pension and Annuity Fund (Special Funding)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's portion of the collective net pension liability	0.46 %	0.59 %	0.68 %
Employer's proportionate share of the collective net pension liability	\$ 362.5	\$ 373.6	\$ 366.3
Nonemployer proportionate share of the collective net pension liability²	78,666.4	63,204.3	53,446.7
Total proportionate share of the collective net pension liability	<u>\$ 79,028.9</u>	<u>\$ 63,577.9</u>	<u>\$ 53,813.0</u>
Employer's covered payroll	\$ 10,436.2	\$ 10,305.5	\$ 10,162.3
Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	3.47 %	3.63 %	3.60 %
Plan fiduciary net position as a percentage of the total pension liability	22.33 %	28.71 %	33.64 %

Notes:

¹Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2014.

²Nonemployer amounts are updated to include the State's share of special funding situation as defined by GASB Statement No. 68. Data has been updated to display amounts in lieu of percentages.

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**STATE OF NEW JERSEY
SCHEDULE OF FUNDING PROGRESS*
HEALTH BENEFITS PROGRAM FUND (OPEB)
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarial value of assets	\$ -	\$ -	\$ -
Actuarial accrued liability	\$ 69,323.8	\$ 67,503.3	\$ 65,046.2
Unfunded actuarial accrued liability	\$ 69,323.8	\$ 67,503.3	\$ 65,046.2
Funded ratio	-	-	-
Covered payroll	\$ 21,102.7	\$ 19,937.6	\$ 20,081.7
Unfunded actuarial accrued liability as a percentage of covered payroll	328.5%	338.6%	323.9%

* Schedule is intended to show information for 10 years. The State will report prospectively starting with Fiscal Year 2008.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 53,000.1	\$ 51,502.6	\$ 48,949.7	\$ 59,281.9	\$ 56,782.5	\$ 55,913.5
\$ 53,000.1	\$ 51,502.6	\$ 48,949.7	\$ 59,281.9	\$ 56,782.5	\$ 55,913.5
-	-	-	-	-	-
\$ 20,964.3	\$ 20,513.9	\$ 20,286.7	\$ 20,870.0	\$ 20,794.4	\$ 20,180.2
252.8%	251.1%	241.3%	284.1%	273.1%	277.1%

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*Combining
Financial Statements
and
Schedules*

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2017**

	<u>General Fund</u>	<u>Beaches and Harbor Fund</u>	<u>Building Our Future Fund</u>
ASSETS			
Cash and cash equivalents	\$ 32,186,088	\$ 100	\$ 78,155
Investments	1,145,738,523	917,837	195,867,587
Receivables, net of allowances for uncollectibles			
Federal government	924,304,576	-	-
Departmental accounts	2,903,249,171	-	-
Loans	21,164,123	-	-
Other	582,443,925	-	-
Due from other funds	775,406,855	-	-
Other	3,732,190	-	-
Total Assets	<u>\$ 6,388,225,451</u>	<u>\$ 917,937</u>	<u>\$ 195,945,742</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 1,338,138,154	\$ -	\$ 24,588,454
Unearned revenue	150,543,653	-	-
Due to other funds	160,790,305	5,584	1,097,907
Refunds payable	165,106,402	-	-
Other	303,798,329	-	-
Total Liabilities	<u>2,118,376,843</u>	<u>5,584</u>	<u>25,686,361</u>
Deferred Inflows of Resources	<u>621,709,078</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	193,229,463	912,353	170,259,381
Committed	2,671,131,178	-	-
Unassigned	783,778,889	-	-
Total Fund Balances	<u>3,648,139,530</u>	<u>912,353</u>	<u>170,259,381</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,388,225,451</u>	<u>\$ 917,937</u>	<u>\$ 195,945,742</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	\$ 40,746	\$ 424,517	\$ 10,000
10,709	22,293	37,119,256	7,298,379
-	-	-	-
-	-	-	-
-	-	47,789,192	-
-	-	223,286	-
-	-	116,031	-
-	-	-	-
<u>\$ 63,538</u>	<u>\$ 63,039</u>	<u>\$ 85,672,282</u>	<u>\$ 7,308,379</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
67	100,409	-	57,200
-	-	-	-
-	-	-	-
<u>67</u>	<u>100,409</u>	<u>-</u>	<u>57,200</u>
-	-	-	-
-	-	-	-
63,471	-	85,672,282	7,251,179
-	-	-	-
-	(37,370)	-	-
<u>63,471</u>	<u>(37,370)</u>	<u>85,672,282</u>	<u>7,251,179</u>
<u>\$ 63,538</u>	<u>\$ 63,039</u>	<u>\$ 85,672,282</u>	<u>\$ 7,308,379</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	<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	\$ 130,573	\$ 100	\$ 207,152
Investments	12,845,206	369,965	884,797
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	4,675,142	-	-
Other	31,729	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 17,682,650</u>	<u>\$ 370,065</u>	<u>\$ 1,091,949</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	-	3,848	5,406
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>3,848</u>	<u>5,406</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	17,682,650	366,217	1,086,543
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>17,682,650</u>	<u>366,217</u>	<u>1,086,543</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,682,650</u>	<u>\$ 370,065</u>	<u>\$ 1,091,949</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>
\$ 79,277	\$ 280	\$ 155	\$ -
7,602,901	215,061	285,702	1,358,109
-	-	-	-
-	-	-	-
-	222,347	-	-
-	-	-	-
-	-	-	1,610,604
-	-	-	-
<u>\$ 7,682,178</u>	<u>\$ 437,688</u>	<u>\$ 285,857</u>	<u>\$ 2,968,713</u>
\$ 67,130	\$ -	\$ -	\$ 757,446
-	-	-	-
-	-	1,746	-
-	-	-	-
-	-	-	-
<u>67,130</u>	<u>-</u>	<u>1,746</u>	<u>757,446</u>
-	-	-	-
7,615,048	437,688	284,111	-
-	-	-	2,211,267
-	-	-	-
<u>7,615,048</u>	<u>437,688</u>	<u>284,111</u>	<u>2,211,267</u>
<u>\$ 7,682,178</u>	<u>\$ 437,688</u>	<u>\$ 285,857</u>	<u>\$ 2,968,713</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	<u>1996 Environmental Cleanup Fund</u>	<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>
ASSETS			
Cash and cash equivalents	\$ 101,702	\$ 100	\$ 100
Investments	19,215,310	233,385	49,162
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	-	-
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 19,317,012</u>	<u>\$ 233,485</u>	<u>\$ 49,262</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 26,353	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>26,353</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	19,290,659	233,485	49,262
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>19,290,659</u>	<u>233,485</u>	<u>49,262</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,317,012</u>	<u>\$ 233,485</u>	<u>\$ 49,262</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>
\$ 100	\$ 19,426	\$ 513,910	\$ 139,952
1,053,959	11,757,178	26,921,082	20,550,109
-	-	-	-
-	-	-	-
-	-	-	4,286,256
-	-	-	11,124
-	-	-	-
-	-	-	-
<u>\$ 1,054,059</u>	<u>\$ 11,776,604</u>	<u>\$ 27,434,992</u>	<u>\$ 24,987,441</u>
\$ -	\$ -	\$ 7,260	\$ -
-	-	-	-
-	-	2,632,847	-
-	-	-	-
-	-	-	-
-	-	2,640,107	-
-	-	-	-
-	-	-	-
1,054,059	11,776,604	24,794,885	24,987,441
-	-	-	-
-	-	-	-
<u>1,054,059</u>	<u>11,776,604</u>	<u>24,794,885</u>	<u>24,987,441</u>
<u>\$ 1,054,059</u>	<u>\$ 11,776,604</u>	<u>\$ 27,434,992</u>	<u>\$ 24,987,441</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	<u>2009 Green Acres Fund</u>	<u>Green Trust Fund</u>	<u>1981 Hazardous Discharge Fund</u>
ASSETS			
Cash and cash equivalents	\$ 188,339	\$ 272,679	\$ 711
Investments	37,424,502	28,006,235	181,346
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	2,723,738	13,873,821	-
Other	-	47,116	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 40,336,579</u>	<u>\$ 42,199,851</u>	<u>\$ 182,057</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 2,650,269	\$ 259,696	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	1,108
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>2,650,269</u>	<u>259,696</u>	<u>1,108</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	37,686,310	41,940,155	180,949
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>37,686,310</u>	<u>41,940,155</u>	<u>180,949</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 40,336,579</u>	<u>\$ 42,199,851</u>	<u>\$ 182,057</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>
\$ 100	\$ 1,354	\$ 19,537	\$ 1,000	\$ 100
30,226,118	137,908	11,161	55,842	1,655,652
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 30,226,218</u>	<u>\$ 139,262</u>	<u>\$ 30,698</u>	<u>\$ 56,842</u>	<u>\$ 1,655,752</u>
\$ 76,598	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>76,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
30,149,620	139,262	30,698	56,842	1,655,752
-	-	-	-	-
-	-	-	-	-
<u>30,149,620</u>	<u>139,262</u>	<u>30,698</u>	<u>56,842</u>	<u>1,655,752</u>
<u>\$ 30,226,218</u>	<u>\$ 139,262</u>	<u>\$ 30,698</u>	<u>\$ 56,842</u>	<u>\$ 1,655,752</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	2009 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Housing Assistance Fund
ASSETS			
Cash and cash equivalents	\$ 160,000	\$ 1,837	\$ 1,383,684
Investments	4,541,634	4,504,061	4,132,389
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	3,419	822,159
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 4,701,634</u>	<u>\$ 4,509,317</u>	<u>\$ 6,338,232</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 19,225	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	82,945	-	25,248
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>102,170</u>	<u>-</u>	<u>25,248</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	4,599,464	4,509,317	6,312,984
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>4,599,464</u>	<u>4,509,317</u>	<u>6,312,984</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,701,634</u>	<u>\$ 4,509,317</u>	<u>\$ 6,338,232</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>
\$ 36	\$ 100	\$ -	\$ 100	\$ 100
38,055	1,473,372	-	5,297,872	840,708
-	-	-	-	-
-	-	-	-	-
-	-	-	1,218,019	-
-	-	-	723,913	-
-	-	1,334,356	-	-
-	-	-	-	-
<u>\$ 38,091</u>	<u>\$ 1,473,472</u>	<u>\$ 1,334,356</u>	<u>\$ 7,239,904</u>	<u>\$ 840,808</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
232	-	-	756,089	5,128
-	-	-	-	-
-	-	-	-	-
<u>232</u>	<u>-</u>	<u>-</u>	<u>756,089</u>	<u>5,128</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
37,859	1,473,472	-	6,483,815	835,680
-	-	1,334,356	-	-
-	-	-	-	-
<u>37,859</u>	<u>1,473,472</u>	<u>1,334,356</u>	<u>6,483,815</u>	<u>835,680</u>
<u>\$ 38,091</u>	<u>\$ 1,473,472</u>	<u>\$ 1,334,356</u>	<u>\$ 7,239,904</u>	<u>\$ 840,808</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	<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	\$ 15,379	\$ 214,038	\$ 362
Investments	5,472,587	22,545,879	708,162
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	273,762	-	-
Other	1,746	49,483	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 5,763,474</u>	<u>\$ 22,809,400</u>	<u>\$ 708,524</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 3,237	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>3,237</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	20,000,000	-
Restricted	5,763,474	-	-
Committed	-	2,806,163	708,524
Unassigned	-	-	-
Total Fund Balances	<u>5,763,474</u>	<u>22,806,163</u>	<u>708,524</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,763,474</u>	<u>\$ 22,809,400</u>	<u>\$ 708,524</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>
\$ 2,813 873,780	\$ 149 434,395	\$ 2,843 98,744	\$ 201,452 37,573,412	\$ 92,061 12,751,541
-	-	-	-	-
-	-	-	-	-
-	-	-	8,644,819	6,163,350
-	-	-	44,686	30,399
-	-	-	-	-
-	-	-	-	-
<u>\$ 876,593</u>	<u>\$ 434,544</u>	<u>\$ 101,587</u>	<u>\$ 46,464,369</u>	<u>\$ 19,037,351</u>
\$ -	\$ 13,289	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	13,289	-	-	-
-	-	-	-	-
-	-	-	-	-
876,593	421,255	101,587	46,464,369	19,037,351
-	-	-	-	-
-	-	-	-	-
<u>876,593</u>	<u>421,255</u>	<u>101,587</u>	<u>46,464,369</u>	<u>19,037,351</u>
<u>\$ 876,593</u>	<u>\$ 434,544</u>	<u>\$ 101,587</u>	<u>\$ 46,464,369</u>	<u>\$ 19,037,351</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	<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	\$ 303,464	\$ -	\$ 100
Investments	17,398,151	42,858,461	8,934,070
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	13,091,135	7,218,618	186,985
Other	76,789	74,102	3,030
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 30,869,539</u>	<u>\$ 50,151,181</u>	<u>\$ 9,124,185</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 36,500	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>36,500</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	30,869,539	50,114,681	9,124,185
Committed	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>30,869,539</u>	<u>50,114,681</u>	<u>9,124,185</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 30,869,539</u>	<u>\$ 50,151,181</u>	<u>\$ 9,124,185</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
\$ 100 500,631	\$ 1,000 5,950,245	\$ 102 205,438	\$ - 614,779	\$ 100 5,546,154
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 500,731</u>	<u>\$ 5,951,245</u>	<u>\$ 205,540</u>	<u>\$ 614,779</u>	<u>\$ 5,546,254</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	35,645	1,001	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>35,645</u>	<u>1,001</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	416,073	-
500,731	5,915,600	204,539	-	5,546,254
-	-	-	198,706	-
-	-	-	-	-
<u>500,731</u>	<u>5,915,600</u>	<u>204,539</u>	<u>614,779</u>	<u>5,546,254</u>
<u>\$ 500,731</u>	<u>\$ 5,951,245</u>	<u>\$ 205,540</u>	<u>\$ 614,779</u>	<u>\$ 5,546,254</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
GENERAL FUND (Continued)
JUNE 30, 2017**

	Unclaimed Personal Property Trust Fund	Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	1992 Wastewater Treatment Fund
ASSETS			
Cash and cash equivalents	\$ 1,902,200	\$ 143,456	\$ 100
Investments	244,238,323	12,615,341	17,363,373
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	75,976	-	-
Loans	-	9,487,820	25,848,314
Other	-	-	-
Due from other funds	115,173	-	-
Other	-	-	-
Total Assets	<u>\$ 246,331,672</u>	<u>\$ 22,246,617</u>	<u>\$ 43,211,787</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 130,038,148	\$ -	\$ -
Unearned revenue	-	-	-
Due to other funds	18,432,998	-	-
Refunds payable	-	-	-
Other	-	-	-
Total Liabilities	<u>148,471,146</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	-	-	-
Restricted	-	22,246,617	43,211,787
Committed	97,860,526	-	-
Unassigned	-	-	-
Total Fund Balances	<u>97,860,526</u>	<u>22,246,617</u>	<u>43,211,787</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 246,331,672</u>	<u>\$ 22,246,617</u>	<u>\$ 43,211,787</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	\$ -	\$ 38,906,042
795,985	8,827,011	61,239,460	-	2,116,389,287
-	-	-	-	924,304,576
-	-	-	-	2,903,325,147
-	33,686,841	91,443,324	-	292,823,184
-	-	-	-	583,761,328
-	-	-	(19,256,290)	759,326,729
-	-	-	-	3,732,190
<u>\$ 796,087</u>	<u>\$ 42,513,952</u>	<u>\$ 152,693,966</u>	<u>\$ (19,256,290)</u>	<u>\$ 7,622,568,483</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,496,681,759
-	-	-	-	150,543,653
4,514	-	3,945,377	(19,256,290)	168,729,314
-	-	-	-	165,106,402
-	-	-	-	303,798,329
<u>4,514</u>	<u>-</u>	<u>3,945,377</u>	<u>(19,256,290)</u>	<u>2,284,859,457</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621,709,078</u>
-	-	-	-	20,416,073
791,573	42,513,952	148,748,589	-	1,135,591,636
-	-	-	-	2,776,250,720
-	-	-	-	-
-	-	-	-	783,741,519
<u>791,573</u>	<u>42,513,952</u>	<u>148,748,589</u>	<u>-</u>	<u>4,715,999,948</u>
<u>\$ 796,087</u>	<u>\$ 42,513,952</u>	<u>\$ 152,693,966</u>	<u>\$ (19,256,290)</u>	<u>\$ 7,622,568,483</u>

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Beaches and Harbor Fund</u>	<u>Building Our Future Fund</u>
REVENUES			
Taxes	\$ 15,917,964,853	\$ -	\$ -
Federal and other grants	14,911,931,135	-	-
Licenses and fees	1,413,456,357	-	-
Services and assessments	1,803,487,336	-	-
Component Units and Port Authority	641,086,523	-	-
Investment earnings	12,721,665	5,584	1,097,907
Other	889,319,708	-	-
Total Revenues	<u>35,589,967,577</u>	<u>5,584</u>	<u>1,097,907</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	3,076,517,837	-	-
Physical and mental health	14,777,165,818	-	-
Educational, cultural, and intellectual development	3,964,704,097	-	194,427,517
Community development and environmental management	1,789,395,581	-	-
Economic planning, development, and security	5,259,312,980	-	-
Transportation programs	741,832,000	-	-
Government direction, management, and control	3,342,676,419	-	13,768,728
Special government services	344,466,368	-	-
Capital Outlay	187,376,897	-	-
Debt Service:			
Principal	251,660,000	-	-
Interest	91,272,088	-	-
Total Expenditures	<u>33,826,380,085</u>	<u>-</u>	<u>208,196,245</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,763,587,492</u>	<u>5,584</u>	<u>(207,098,338)</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	1,486,992,348	-	200,000,000
Refunding bonds issued	1,015,142,984	-	-
Premiums/discounts	60,971,873	-	11,602,257
Payment to bond escrow agents	(2,135,875,511)	-	-
Transfers from other funds	2,700,143,785	-	-
Transfers to other funds	(4,143,852,185)	(5,584)	(1,097,907)
Total Other Financing Sources (Uses)	<u>(1,016,476,706)</u>	<u>(5,584)</u>	<u>210,504,350</u>
Net Change in Fund Balance	747,110,786	-	3,406,012
Fund Balances - July 1, 2016	2,901,028,744	912,353	166,853,369
Fund Balances - June 30, 2017	<u>\$ 3,648,139,530</u>	<u>\$ 912,353</u>	<u>\$ 170,259,381</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>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
66	136	197,928	45,200
-	-	993,261	-
<u>66</u>	<u>136</u>	<u>1,191,189</u>	<u>45,200</u>
-	-	-	-
-	-	-	-
-	-	112,409	927,521
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	112,409	927,521
<u>66</u>	<u>136</u>	<u>1,078,780</u>	<u>(882,321)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(66)	(136)	-	(45,200)
<u>(66)</u>	<u>(136)</u>	<u>-</u>	<u>(45,200)</u>
-	-	1,078,780	(927,521)
63,471	(37,370)	84,593,502	8,178,700
<u>\$ 63,471</u>	<u>\$ (37,370)</u>	<u>\$ 85,672,282</u>	<u>\$ 7,251,179</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, 2017

	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	68,522	5,778	5,406
Other	102,587	-	-
Total Revenues	<u>171,109</u>	<u>5,778</u>	<u>5,406</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	7,396
Community development and environmental management	5,149	5,032,728	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	103,053	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>5,149</u>	<u>5,135,781</u>	<u>7,396</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>165,960</u>	<u>(5,130,003)</u>	<u>(1,990)</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	-	4,600,000	-
Refunding bonds issued	-	-	-
Premiums/discounts	-	266,304	-
Payment to bond escrow agents	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	(3,848)	(5,406)
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,862,456</u>	<u>(5,406)</u>
Net Change in Fund Balance	<u>165,960</u>	<u>(267,547)</u>	<u>(7,396)</u>
Fund Balances - July 1, 2016	<u>17,516,690</u>	<u>633,764</u>	<u>1,093,939</u>
Fund Balances - June 30, 2017	<u>\$ 17,682,650</u>	<u>\$ 366,217</u>	<u>\$ 1,086,543</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>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
55,614	494	1,746	12,979
-	-	-	-
<u>55,614</u>	<u>494</u>	<u>1,746</u>	<u>12,979</u>
-	-	-	-
-	-	-	-
-	-	-	39,017
-	-	-	-
5,356,687	-	-	-
276,654	24,581	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>5,633,341</u>	<u>24,581</u>	<u>-</u>	<u>39,017</u>
<u>(5,577,727)</u>	<u>(24,087)</u>	<u>1,746</u>	<u>(26,038)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(1,746)	-
-	-	(1,746)	-
<u>(5,577,727)</u>	<u>(24,087)</u>	<u>-</u>	<u>(26,038)</u>
13,192,775	461,775	284,111	2,237,305
<u>\$ 7,615,048</u>	<u>\$ 437,688</u>	<u>\$ 284,111</u>	<u>\$ 2,211,267</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, 2017

	<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	118,284	1,424	300
Other	-	-	-
Total Revenues	<u>118,284</u>	<u>1,424</u>	<u>300</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	587,318	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>587,318</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(469,034)</u>	<u>1,424</u>	<u>300</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>(469,034)</u>	<u>1,424</u>	<u>300</u>
Fund Balances - July 1, 2016	<u>19,759,693</u>	<u>232,061</u>	<u>48,962</u>
Fund Balances - June 30, 2017	<u>\$ 19,290,659</u>	<u>\$ 233,485</u>	<u>\$ 49,262</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>	<u>2009 Green Acres Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,347	72,331	185,762	98,116	154,355
-	-	-	78,337	-
<u>6,347</u>	<u>72,331</u>	<u>185,762</u>	<u>176,453</u>	<u>154,355</u>
-	-	-	-	-
-	-	-	-	-
3,955	1,082,760	13,109,309	3,976,462	26,330,767
-	-	-	-	-
-	-	1,282,048	311,688	1,571,467
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,955</u>	<u>1,082,760</u>	<u>14,391,357</u>	<u>4,288,150</u>	<u>27,902,234</u>
<u>2,392</u>	<u>(1,010,429)</u>	<u>(14,205,595)</u>	<u>(4,111,697)</u>	<u>(27,747,879)</u>
-	-	10,000,000	14,000,000	68,400,000
-	-	-	-	-
-	-	580,339	812,007	3,969,517
-	-	-	-	-
-	-	-	-	-
-	-	(2,632,847)	-	-
-	-	7,947,492	14,812,007	72,369,517
<u>2,392</u>	<u>(1,010,429)</u>	<u>(6,258,103)</u>	<u>10,700,310</u>	<u>44,621,638</u>
1,051,667	12,787,033	31,052,988	14,287,131	(6,935,328)
<u>\$ 1,054,059</u>	<u>\$ 11,776,604</u>	<u>\$ 24,794,885</u>	<u>\$ 24,987,441</u>	<u>\$ 37,686,310</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, 2017

	<u>Green Trust Fund</u>	<u>1981 Hazardous Discharge Fund</u>	<u>1986 Hazardous Discharge Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	192,265	1,108	180,707
Other	294,384	-	-
Total Revenues	<u>486,649</u>	<u>1,108</u>	<u>180,707</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	11,018,709	-	163,643
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>11,018,709</u>	<u>-</u>	<u>163,643</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,532,060)</u>	<u>1,108</u>	<u>17,064</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	-	(1,108)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,108)</u>	<u>-</u>
Net Change in Fund Balance	<u>(10,532,060)</u>	<u>-</u>	<u>17,064</u>
Fund Balances - July 1, 2016	<u>52,472,215</u>	<u>180,949</u>	<u>30,132,556</u>
Fund Balances - June 30, 2017	<u>\$ 41,940,155</u>	<u>\$ 180,949</u>	<u>\$ 30,149,620</u>

Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	1995 Historic Preservation Fund	2007 Historic Preservation Fund	2009 Historic Preservation Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
824	68	229	10,177	22,991
-	-	-	-	-
<u>824</u>	<u>68</u>	<u>229</u>	<u>10,177</u>	<u>22,991</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	285,906	459,032
-	-	-	-	-
-	-	-	-	108,135
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	285,906	567,167
-	-	-	(275,729)	(544,176)
<u>824</u>	<u>68</u>	<u>229</u>	<u>(275,729)</u>	<u>(544,176)</u>
-	-	-	-	3,000,000
-	-	-	-	-
-	-	-	-	174,102
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(82,945)
-	-	-	-	3,091,157
<u>824</u>	<u>68</u>	<u>229</u>	<u>(275,729)</u>	<u>2,546,981</u>
138,438	30,630	56,613	1,931,481	2,052,483
<u>\$ 139,262</u>	<u>\$ 30,698</u>	<u>\$ 56,842</u>	<u>\$ 1,655,752</u>	<u>\$ 4,599,464</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, 2017

	Historic Preservation Revolving Loan Fund	Housing Assistance Fund	Jobs, Education and Competitiveness Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	25,475	25,248	232
Other	308	-	-
Total Revenues	<u>25,783</u>	<u>25,248</u>	<u>232</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	-	-	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>25,783</u>	<u>25,248</u>	<u>232</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	-	(25,248)	(232)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,248)</u>	<u>(232)</u>
Net Change in Fund Balance	25,783	-	-
Fund Balances - July 1, 2016	4,483,534	6,312,984	37,859
Fund Balances - June 30, 2017	<u>\$ 4,509,317</u>	<u>\$ 6,312,984</u>	<u>\$ 37,859</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>	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,538	-	32,177	5,128	32,041
2,826	-	723,912	-	6,051
<u>7,364</u>	<u>-</u>	<u>756,089</u>	<u>5,128</u>	<u>38,092</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,364</u>	<u>-</u>	<u>756,089</u>	<u>5,128</u>	<u>38,092</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(756,089)	(5,128)	-
-	-	(756,089)	(5,128)	-
<u>7,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,092</u>
1,466,108	1,334,356	6,483,815	835,680	5,725,382
<u>\$ 1,473,472</u>	<u>\$ 1,334,356</u>	<u>\$ 6,483,815</u>	<u>\$ 835,680</u>	<u>\$ 5,763,474</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, 2017

	<u>New Jersey Cultural Trust Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation Fund</u>	<u>1989 New Jersey Green Acres Fund</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	(40,211)	4,322	5,332
Other	-	-	-
Total Revenues	<u>(40,211)</u>	<u>4,322</u>	<u>5,332</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	279,691	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>279,691</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(319,902)</u>	<u>4,322</u>	<u>5,332</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>500,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>180,098</u>	<u>4,322</u>	<u>5,332</u>
Fund Balances - July 1, 2016	<u>22,626,065</u>	<u>704,202</u>	<u>871,261</u>
Fund Balances - June 30, 2017	<u>\$ 22,806,163</u>	<u>\$ 708,524</u>	<u>\$ 876,593</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>	<u>1995 New Jersey Green Trust Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,617	603	224,094	74,527	89,280
-	-	163,037	118,426	296,223
<u>2,617</u>	<u>603</u>	<u>387,131</u>	<u>192,953</u>	<u>385,503</u>
-	-	-	-	-
-	-	-	-	-
30,815	-	1,071,196	2,380,672	4,732,972
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>30,815</u>	<u>-</u>	<u>1,071,196</u>	<u>2,380,672</u>	<u>4,732,972</u>
<u>(28,198)</u>	<u>603</u>	<u>(684,065)</u>	<u>(2,187,719)</u>	<u>(4,347,469)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(28,198)</u>	<u>603</u>	<u>(684,065)</u>	<u>(2,187,719)</u>	<u>(4,347,469)</u>
449,453	100,984	47,148,434	21,225,070	35,217,008
<u>\$ 421,255</u>	<u>\$ 101,587</u>	<u>\$ 46,464,369</u>	<u>\$ 19,037,351</u>	<u>\$ 30,869,539</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, 2017

	<u>1995 New Jersey Inland Blue Acres 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	-	43,868	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	17	228,988	53,097
Other	-	446,563	6,734
Total Revenues	<u>17</u>	<u>719,419</u>	<u>59,831</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	-	236,715	-
Transportation programs	-	-	-
Government direction, management, and control	4,184	-	-
Special government services	-	-	-
Capital Outlay			
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>4,184</u>	<u>236,715</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,167)</u>	<u>482,704</u>	<u>59,831</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>(4,167)</u>	<u>482,704</u>	<u>59,831</u>
Fund Balances - July 1, 2016	<u>4,167</u>	<u>49,631,977</u>	<u>9,064,354</u>
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ 50,114,681</u>	<u>\$ 9,124,185</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
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,006	35,645	1,001	3,749	33,463
-	-	-	-	-
<u>3,006</u>	<u>35,645</u>	<u>1,001</u>	<u>3,749</u>	<u>33,463</u>
-	-	-	-	-
-	-	-	-	-
-	(113,488)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	361,742
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(113,488)	-	-	361,742
<u>3,006</u>	<u>149,133</u>	<u>1,001</u>	<u>3,749</u>	<u>(328,279)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(35,645)	(1,001)	-	-
-	(35,645)	(1,001)	-	-
<u>3,006</u>	<u>113,488</u>	<u>-</u>	<u>3,749</u>	<u>(328,279)</u>
<u>497,725</u>	<u>5,802,112</u>	<u>204,539</u>	<u>611,030</u>	<u>5,874,533</u>
<u>\$ 500,731</u>	<u>\$ 5,915,600</u>	<u>\$ 204,539</u>	<u>\$ 614,779</u>	<u>\$ 5,546,254</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, 2017

	<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>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Component Units and Port Authority	-	-	-
Investment earnings	25,944,528	79,295	94,469
Other	174,761,446	1,391	-
Total Revenues	<u>200,705,974</u>	<u>80,686</u>	<u>94,469</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	3,475,710	-	-
Special government services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,475,710</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>197,230,264</u>	<u>80,686</u>	<u>94,469</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	(179,432,998)	-	-
Total Other Financing Sources (Uses)	<u>(179,432,998)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>17,797,266</u>	<u>80,686</u>	<u>94,469</u>
Fund Balances - July 1, 2016	<u>80,063,260</u>	<u>22,165,931</u>	<u>43,117,318</u>
Fund Balances - June 30, 2017	<u>\$ 97,860,526</u>	<u>\$ 22,246,617</u>	<u>\$ 43,211,787</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>
\$ -	\$ -	\$ -	\$ -	\$ 15,917,964,853
-	-	-	-	14,911,931,135
-	-	-	-	1,413,500,225
-	-	-	-	1,803,487,336
-	-	-	-	641,086,523
4,514	39,920	353,165	-	42,624,573
-	-	4,867	-	1,067,320,061
<u>4,514</u>	<u>39,920</u>	<u>358,032</u>	<u>-</u>	<u>35,797,914,706</u>
-	-	-	-	3,076,517,837
-	-	-	-	14,777,165,818
-	-	-	-	4,159,139,010
-	-	58,500	-	1,859,945,995
-	-	-	-	5,260,294,633
-	-	-	-	747,188,687
-	-	-	-	3,364,244,100
-	-	-	-	344,466,368
-	-	-	-	187,376,897
-	-	-	-	251,660,000
-	-	-	-	91,272,088
-	-	58,500	-	34,119,271,433
<u>4,514</u>	<u>39,920</u>	<u>299,532</u>	<u>-</u>	<u>1,678,643,273</u>
-	-	-	-	1,786,992,348
-	-	-	-	1,015,142,984
-	-	-	-	78,376,399
-	-	-	-	(2,135,875,511)
-	-	-	-	2,512,060,761
(4,514)	-	(3,945,376)	(188,583,024)	(4,143,352,185)
<u>(4,514)</u>	<u>-</u>	<u>(3,945,376)</u>	<u>188,583,024</u>	<u>(886,655,204)</u>
-	39,920	(3,645,844)	-	791,988,069
791,573	42,474,032	152,394,433	-	3,924,011,879
<u>\$ 791,573</u>	<u>\$ 42,513,952</u>	<u>\$ 148,748,589</u>	<u>\$ -</u>	<u>\$ 4,715,999,948</u>

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**STATE OF NEW JERSEY
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 35,281,006	\$ 416,728	\$ 35,697,734
Investments	6,338,288,543	26,766,365	6,365,054,908
Receivables, net of allowances for uncollectibles			
Federal government	40,348,279	92,273,567	132,621,846
Departmental accounts	421,665,514	-	421,665,514
Loans	1,369,813,108	3,500,000	1,373,313,108
Other	213,906,276	19,271,065	233,177,341
Due from other funds	98,616,518	93,477,097	192,093,615
Other	12,899	-	12,899
Total Assets	<u>\$ 8,517,932,143</u>	<u>\$ 235,704,822</u>	<u>\$ 8,753,636,965</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 563,550,990	\$ 187,748,170	\$ 751,299,160
Unearned revenue	225,123,073	-	225,123,073
Due to other funds	540,620,196	527,887	541,148,083
Other	3,773,045	-	3,773,045
Total Liabilities	<u>1,333,067,304</u>	<u>188,276,057</u>	<u>1,521,343,361</u>
Deferred Inflows of Resources	<u>116,250,000</u>	<u>-</u>	<u>116,250,000</u>
Fund Balances			
Restricted	6,743,164,004	19,182,531	6,762,346,535
Committed	325,450,835	28,246,234	353,697,069
Total Fund Balances	<u>7,068,614,839</u>	<u>47,428,765</u>	<u>7,116,043,604</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,517,932,143</u>	<u>\$ 235,704,822</u>	<u>\$ 8,753,636,965</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, 2017

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Taxes	\$ 1,571,905,534	\$ -	\$ 1,571,905,534
Federal and other grants	130,892,792	895,371,236	1,026,264,028
Licenses and fees	115,090,283	-	115,090,283
Services and assessments	1,214,792,458	370,221	1,215,162,679
Investment earnings	32,102,776	291,709	32,394,485
Other	401,689,514	-	401,689,514
Total Revenues	<u>3,466,473,357</u>	<u>896,033,166</u>	<u>4,362,506,523</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	102,564,030	7,801,551	110,365,581
Physical and mental health	39,025,320	-	39,025,320
Educational, cultural, and intellectual development	578,226,946	-	578,226,946
Community development and environmental management	119,059,286	530,201	119,589,487
Economic planning, development, and security	970,692,904	-	970,692,904
Transportation programs	30,917,472	1,838,693,437	1,869,610,909
Government direction, management, and control	2,616,109,697	144,585	2,616,254,282
Special government services	175,124	-	175,124
Debt Service:			
Principal	764,393,000	-	764,393,000
Interest	984,467,881	-	984,467,881
Total Expenditures	<u>6,205,631,660</u>	<u>1,847,169,774</u>	<u>8,052,801,434</u>
Excess (deficiency) of revenues over expenditures	<u>(2,739,158,303)</u>	<u>(951,136,608)</u>	<u>(3,690,294,911)</u>
OTHER FINANCING SOURCES (USES)			
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	3,241,425,000	-	3,241,425,000
Refunding bonds issued	97,585,000	-	97,585,000
Premiums/discounts	185,593,101	-	185,593,101
Payment to bond escrow agents	(103,619,972)	-	(103,619,972)
Transfers from other funds	4,161,402,744	942,934,902	5,104,337,646
Transfers to other funds	(2,401,755,917)	(41,747)	(2,401,797,664)
Total Other Financing Sources (Uses)	<u>5,180,629,956</u>	<u>942,893,155</u>	<u>6,123,523,111</u>
Net Change in Fund Balance	2,441,471,653	(8,243,453)	2,433,228,200
Fund Balances - July 1, 2016 (Restated)	<u>4,627,143,186</u>	<u>55,672,218</u>	<u>4,682,815,404</u>
Fund Balances - June 30, 2017	<u>\$ 7,068,614,839</u>	<u>\$ 47,428,765</u>	<u>\$ 7,116,043,604</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	<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	\$ 188,935	\$ 1,754,726	\$ 1,001
Investments	6,606,594	3,856	5,779,491
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	1,751,502	8,385,909
Loans	-	-	-
Other	-	-	-
Due from other funds	1,834,363	-	2,424,172
Other	-	-	-
Total Assets	<u>\$ 8,629,892</u>	<u>\$ 3,510,084</u>	<u>\$ 16,590,573</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 549,114	\$ 2,942,435	\$ 16,590,573
Unearned revenue	-	-	-
Due to other funds	2,220,137	567,649	-
Other	-	-	-
Total Liabilities	<u>2,769,251</u>	<u>3,510,084</u>	<u>16,590,573</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	5,860,641	-	-
Total Fund Balances	<u>5,860,641</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,629,892</u>	<u>\$ 3,510,084</u>	<u>\$ 16,590,573</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>
\$ 99,668	\$ 12,492	\$ 102	\$ 98,496
2,926,794	2,149,974	1,210,505	6,192,889
-	-	-	-
1,495,861	-	-	-
-	-	79,656	-
-	-	-	-
-	-	-	215
-	-	-	-
<u>\$ 4,522,323</u>	<u>\$ 2,162,466</u>	<u>\$ 1,290,263</u>	<u>\$ 6,291,600</u>
\$ 2,098,151	\$ 882,931	\$ -	\$ -
-	-	-	-
2,424,172	-	-	404,012
-	-	-	-
<u>4,522,323</u>	<u>882,931</u>	<u>-</u>	<u>404,012</u>
-	-	-	-
-	1,279,535	1,290,263	5,887,588
-	<u>1,279,535</u>	<u>1,290,263</u>	<u>5,887,588</u>
<u>\$ 4,522,323</u>	<u>\$ 2,162,466</u>	<u>\$ 1,290,263</u>	<u>\$ 6,291,600</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>
ASSETS			
Cash and cash equivalents	\$ 50,250	\$ -	\$ 43,789
Investments	-	-	122,806
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	2,207,200	31,187,735	-
Loans	-	-	-
Other	-	-	-
Due from other funds	5,724,656	16,037,627	-
Other	-	-	-
Total Assets	<u>\$ 7,982,106</u>	<u>\$ 47,225,362</u>	<u>\$ 166,595</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 7,982,106	\$ 20,456,902	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	166,595
Other	-	-	-
Total Liabilities	<u>7,982,106</u>	<u>20,456,902</u>	<u>166,595</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	-	26,768,460	-
Total Fund Balances	<u>-</u>	<u>26,768,460</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,982,106</u>	<u>\$ 47,225,362</u>	<u>\$ 166,595</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>
\$ 463,309	\$ 52,392	\$ 188,120	\$ -
627,122	3,752,855	2,432,178	277,977,428
-	-	-	-
-	8,930,951	356,050	41,396,938
-	-	-	-
-	-	-	-
-	7,555	-	-
-	-	-	-
<u>\$ 1,090,431</u>	<u>\$ 12,743,753</u>	<u>\$ 2,976,348</u>	<u>\$ 319,374,366</u>
\$ -	\$ 12,001	\$ 4,048	\$ 27,546,588
-	-	-	-
-	7,826,518	-	158,107,327
-	-	-	-
<u>-</u>	<u>7,838,519</u>	<u>4,048</u>	<u>185,653,915</u>
-	-	-	-
-	4,905,234	-	-
<u>1,090,431</u>	<u>-</u>	<u>2,972,300</u>	<u>133,720,451</u>
<u>1,090,431</u>	<u>4,905,234</u>	<u>2,972,300</u>	<u>133,720,451</u>
<u>\$ 1,090,431</u>	<u>\$ 12,743,753</u>	<u>\$ 2,976,348</u>	<u>\$ 319,374,366</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<u>Clean Water State Revolving Fund</u>	<u>Contributory Group Insurance Premium Fund</u>	<u>Disciplinary Oversight Committee</u>
ASSETS			
Cash and cash equivalents	\$ 1,000	\$ 426,857	\$ 796,568
Investments	59,946,800	606,030,538	7,079,221
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	669,989	-
Loans	274,752,879	-	-
Other	-	-	-
Due from other funds	123,073	-	-
Other	-	-	-
Total Assets	<u>\$ 334,823,752</u>	<u>\$ 607,127,384</u>	<u>\$ 7,875,789</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 15,101,259	\$ 4,345,181
Unearned revenue	123,073	-	-
Due to other funds	-	-	-
Other	-	-	-
Total Liabilities	<u>123,073</u>	<u>15,101,259</u>	<u>4,345,181</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	334,700,679	592,026,125	-
Committed	-	-	3,530,608
Total Fund Balances	<u>334,700,679</u>	<u>592,026,125</u>	<u>3,530,608</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 334,823,752</u>	<u>\$ 607,127,384</u>	<u>\$ 7,875,789</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>
\$ 1,419,001	\$ 1,000	\$ 63,085	\$ 289,113	\$ 100
446,895	69,397,033	4,358,465	9,086,059	148,423,899
-	2,708,246	-	-	-
2,860,733	-	-	11,536,621	-
-	295,889,140	-	-	-
-	-	-	-	604,765
-	-	-	-	2,926,444
-	-	-	-	-
<u>\$ 4,726,629</u>	<u>\$ 367,995,419</u>	<u>\$ 4,421,550</u>	<u>\$ 20,911,793</u>	<u>\$ 151,955,208</u>
\$ 4,726,629	\$ 162,703	\$ -	\$ -	\$ -
-	-	-	-	-
-	2,654,300	506,360	20,911,793	1,177,600
-	-	-	-	-
<u>4,726,629</u>	<u>2,817,003</u>	<u>506,360</u>	<u>20,911,793</u>	<u>1,177,600</u>
-	-	-	-	-
-	365,178,416	-	-	150,777,608
-	-	3,915,190	-	-
-	<u>365,178,416</u>	<u>3,915,190</u>	-	<u>150,777,608</u>
<u>\$ 4,726,629</u>	<u>\$ 367,995,419</u>	<u>\$ 4,421,550</u>	<u>\$ 20,911,793</u>	<u>\$ 151,955,208</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<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	\$ 23,218	\$ 999,707	\$ 121,954
Investments	8,056,754	35,619,717	2,951,987
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	-
Loans	-	37,953,775	-
Other	-	198,794	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 8,079,972</u>	<u>\$ 74,771,993</u>	<u>\$ 3,073,941</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 5,760	\$ 175,000
Unearned revenue	-	-	-
Due to other funds	-	4,623,092	-
Other	-	-	-
Total Liabilities	<u>-</u>	<u>4,628,852</u>	<u>175,000</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	8,079,972	70,143,141	2,898,941
Committed	-	-	-
Total Fund Balances	<u>8,079,972</u>	<u>70,143,141</u>	<u>2,898,941</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,079,972</u>	<u>\$ 74,771,993</u>	<u>\$ 3,073,941</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>
\$ 22,964	\$ -	\$ 2,686,691	\$ 2,454,774	\$ 111,894
9,791	-	515,532,622	65,255,950	1,543
-	-	-	-	-
-	136,500	3,521,685	36,176,975	-
-	-	-	-	-
-	-	-	-	-
-	363,500	149,347	6,067,509	-
-	-	-	-	-
<u>\$ 32,755</u>	<u>\$ 500,000</u>	<u>\$ 521,890,345</u>	<u>\$ 109,955,208</u>	<u>\$ 113,437</u>
\$ -	\$ -	\$ 1,467,955	\$ 4,000	\$ -
-	-	225,000,000	-	-
-	-	16,880,978	101,961,878	-
-	-	-	-	-
-	-	<u>243,348,933</u>	<u>101,965,878</u>	-
-	-	-	-	-
-	-	278,541,412	-	-
<u>32,755</u>	<u>500,000</u>	-	<u>7,989,330</u>	<u>113,437</u>
<u>32,755</u>	<u>500,000</u>	<u>278,541,412</u>	<u>7,989,330</u>	<u>113,437</u>
<u>\$ 32,755</u>	<u>\$ 500,000</u>	<u>\$ 521,890,345</u>	<u>\$ 109,955,208</u>	<u>\$ 113,437</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	Lead Hazard Control Assistance Fund	Luxury Tax Fund	Mandatory Continuing Legal Education Fund
ASSETS			
Cash and cash equivalents	\$ 6,948	\$ 99	\$ 16,674
Investments	606,729	238,398	1,754,053
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	5,615,699	-
Loans	8,670,503	-	-
Other	-	-	-
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 9,284,180</u>	<u>\$ 5,854,196</u>	<u>\$ 1,770,727</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 5,854,196	\$ 135,279
Unearned revenue	-	-	-
Due to other funds	175,430	-	-
Other	-	-	-
Total Liabilities	<u>175,430</u>	<u>5,854,196</u>	<u>135,279</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	9,108,750	-	1,635,448
Total Fund Balances	<u>9,108,750</u>	<u>-</u>	<u>1,635,448</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,284,180</u>	<u>\$ 5,854,196</u>	<u>\$ 1,770,727</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>
\$ 1,142,919	\$ 765,368	\$ 346,463	\$ 5,160	\$ 7,688,168
7,524,252	5,670,468	48,958,618	1,494,933	11,732,350
-	-	-	-	-
5,843,802	-	-	-	-
-	-	-	-	-
-	-	-	-	26,786
-	-	-	-	-
-	-	-	-	12,899
<u>\$ 14,510,973</u>	<u>\$ 6,435,836</u>	<u>\$ 49,305,081</u>	<u>\$ 1,500,093</u>	<u>\$ 19,460,203</u>
\$ 4,200,000	\$ -	\$ 23,045,345	\$ 208,439	\$ 500,082
-	-	-	-	-
-	1,553,350	-	-	-
-	-	223,658	-	-
<u>4,200,000</u>	<u>1,553,350</u>	<u>23,269,003</u>	<u>208,439</u>	<u>500,082</u>
-	-	-	-	-
-	-	26,036,078	-	-
<u>10,310,973</u>	<u>4,882,486</u>	<u>-</u>	<u>1,291,654</u>	<u>18,960,121</u>
<u>10,310,973</u>	<u>4,882,486</u>	<u>26,036,078</u>	<u>1,291,654</u>	<u>18,960,121</u>
<u>\$ 14,510,973</u>	<u>\$ 6,435,836</u>	<u>\$ 49,305,081</u>	<u>\$ 1,500,093</u>	<u>\$ 19,460,203</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<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	\$ 1,662,082	\$ 3,344,638	\$ 853,909
Investments	408,227	553,901,681	15,988,934
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	-	4,709,264
Loans	-	-	-
Other	-	48,578	6,267,512
Due from other funds	-	-	-
Other	-	-	-
Total Assets	<u>\$ 2,070,309</u>	<u>\$ 557,294,897</u>	<u>\$ 27,819,619</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 61,399,825	\$ 19,164
Unearned revenue	-	-	-
Due to other funds	-	-	16,452,108
Other	-	3,480,289	-
Total Liabilities	<u>-</u>	<u>64,880,114</u>	<u>16,471,272</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	492,414,783	-
Committed	2,070,309	-	11,348,347
Total Fund Balances	<u>2,070,309</u>	<u>492,414,783</u>	<u>11,348,347</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,070,309</u>	<u>\$ 557,294,897</u>	<u>\$ 27,819,619</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>
\$ 21,142	\$ -	\$ 112,558	\$ 100	\$ 51,000
6,020,180	2,626,786,528	50,699,881	2,125,651	1,339,855
-	-	-	-	-
-	-	34,360,015	-	1,271,346
-	-	-	-	-
-	-	-	-	-
344,906	-	11,367,400	-	-
-	-	-	-	-
<u>\$ 6,386,228</u>	<u>\$ 2,626,786,528</u>	<u>\$ 96,539,854</u>	<u>\$ 2,125,751</u>	<u>\$ 2,662,201</u>
\$ 340,277	\$ 61,336	\$ 2,817,105	\$ -	\$ -
-	-	-	-	-
-	54,458,262	35,406,231	336,369	893,624
-	-	-	-	-
<u>340,277</u>	<u>54,519,598</u>	<u>38,223,336</u>	<u>336,369</u>	<u>893,624</u>
-	-	-	-	-
-	2,572,266,930	58,316,518	-	-
6,045,951	-	-	1,789,382	1,768,577
<u>6,045,951</u>	<u>2,572,266,930</u>	<u>58,316,518</u>	<u>1,789,382</u>	<u>1,768,577</u>
<u>\$ 6,386,228</u>	<u>\$ 2,626,786,528</u>	<u>\$ 96,539,854</u>	<u>\$ 2,125,751</u>	<u>\$ 2,662,201</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<u>Real Estate Guaranty Fund</u>	<u>Remediation Guarantee Fund</u>	<u>Safe Drinking Water Fund</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 98,608	\$ 247,113
Investments	1,253,864	30,015,782	4,211,541
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	464,236	9,987
Loans	-	-	-
Other	-	-	-
Due from other funds	90,530	-	-
Other	-	-	-
Total Assets	<u>\$ 1,344,394</u>	<u>\$ 30,578,626</u>	<u>\$ 4,468,641</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 10,294	\$ 148,710	\$ -
Unearned revenue	-	-	-
Due to other funds	-	-	2,495,132
Other	-	-	-
Total Liabilities	<u>10,294</u>	<u>148,710</u>	<u>2,495,132</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	30,429,916	-
Committed	1,334,100	-	1,973,509
Total Fund Balances	<u>1,334,100</u>	<u>30,429,916</u>	<u>1,973,509</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,344,394</u>	<u>\$ 30,578,626</u>	<u>\$ 4,468,641</u>

<u>Sanitary Landfill Facility Contingency Fund</u>	<u>State Disability Benefit Fund</u>	<u>State Health Benefits Fund - State Active</u>	<u>State Health Benefits Fund - State Retired</u>	<u>State - Owned Real Property Fund</u>
\$ 528,010	\$ -	\$ 278,402	\$ 110,302	\$ 100
2,427,464	121,761,525	48,568,412	-	5,660,634
-	-	-	37,640,033	-
-	198,625,590	-	-	-
-	-	-	-	-
-	2,796,819	45,148,457	32,755,144	-
-	2,608,286	41,239,446	-	-
-	-	-	-	-
<u>\$ 2,955,474</u>	<u>\$ 325,792,220</u>	<u>\$ 135,234,717</u>	<u>\$ 70,505,479</u>	<u>\$ 5,660,734</u>
\$ 2,606	\$ 52,240,464	\$ 86,697,398	\$ 38,520,218	\$ -
-	-	-	-	-
-	9,384,828	755,311	31,985,261	-
-	69,098	-	-	-
<u>2,606</u>	<u>61,694,390</u>	<u>87,452,709</u>	<u>70,505,479</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	264,097,830	47,782,008	-	-
2,952,868	-	-	-	5,660,734
<u>2,952,868</u>	<u>264,097,830</u>	<u>47,782,008</u>	<u>-</u>	<u>5,660,734</u>
<u>\$ 2,955,474</u>	<u>\$ 325,792,220</u>	<u>\$ 135,234,717</u>	<u>\$ 70,505,479</u>	<u>\$ 5,660,734</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<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	\$ 23,815	\$ 293	\$ 1,928,987
Investments	11,300,585	180,505,146	10,618,538
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	23,558	-	9,672,157
Loans	-	-	-
Other	-	-	-
Due from other funds	7,098,591	-	97,500
Other	-	-	-
Total Assets	<u>\$ 18,446,549</u>	<u>\$ 180,505,439</u>	<u>\$ 22,317,182</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 179,448,063	\$ 338,547
Unearned revenue	-	-	-
Due to other funds	16,800,810	-	2,120,876
Other	-	-	-
Total Liabilities	<u>16,800,810</u>	<u>179,448,063</u>	<u>2,459,423</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	19,857,759
Committed	1,645,739	1,057,376	-
Total Fund Balances	<u>1,645,739</u>	<u>1,057,376</u>	<u>19,857,759</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,446,549</u>	<u>\$ 180,505,439</u>	<u>\$ 22,317,182</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
\$ -	\$ 26,485	\$ 1,822	\$ -	\$ 102,966
286,314,000	17,129	291,180	3,545,251	2,556,558
-	-	-	-	-
-	1,725,699	-	-	-
-	-	-	-	-
116,250,000	-	13,709	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 402,564,000</u>	<u>\$ 1,769,313</u>	<u>\$ 306,711</u>	<u>\$ 3,545,251</u>	<u>\$ 2,659,524</u>
\$ 20,000	\$ 1,654,313	\$ 73,353	\$ 1,243	\$ -
-	-	-	-	-
25,521,000	115,000	-	-	2,158,314
-	-	-	-	-
<u>25,541,000</u>	<u>1,769,313</u>	<u>73,353</u>	<u>1,243</u>	<u>2,158,314</u>
<u>116,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
260,773,000	-	-	-	-
-	-	233,358	3,544,008	501,210
<u>260,773,000</u>	<u>-</u>	<u>233,358</u>	<u>3,544,008</u>	<u>501,210</u>
<u>\$ 402,564,000</u>	<u>\$ 1,769,313</u>	<u>\$ 306,711</u>	<u>\$ 3,545,251</u>	<u>\$ 2,659,524</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Unemployment Compensation Interest Repayment Fund</u>	<u>Universal Services Fund</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 3,484,465
Investments	8,404,345	2,794,857	25,654,693
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Departmental accounts	-	317,367	5,039,867
Loans	-	-	-
Other	3,297,000	-	6,498,712
Due from other funds	111,398	-	-
Other	-	-	-
Total Assets	<u>\$ 11,812,743</u>	<u>\$ 3,112,224</u>	<u>\$ 40,677,737</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ -	\$ 135,453
Unearned revenue	-	-	-
Due to other funds	4,273,104	1,009	12,374,837
Other	-	-	-
Total Liabilities	<u>4,273,104</u>	<u>1,009</u>	<u>12,510,290</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	-	-
Committed	7,539,639	3,111,215	28,167,447
Total Fund Balances	<u>7,539,639</u>	<u>3,111,215</u>	<u>28,167,447</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,812,743</u>	<u>\$ 3,112,224</u>	<u>\$ 40,677,737</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>
\$ 98	\$ 38,680	\$ 11,337	\$ 11,089	\$ 35,281,006
8,131	1,058,165	412,420,092	1,670,147	6,338,288,543
-	-	-	-	40,348,279
75,228	-	-	3,297,050	421,665,514
-	418,110	752,049,045	-	1,369,813,108
-	-	-	-	213,906,276
-	-	-	-	98,616,518
-	-	-	-	12,899
<u>\$ 83,457</u>	<u>\$ 1,514,955</u>	<u>\$ 1,164,480,474</u>	<u>\$ 4,978,286</u>	<u>\$ 8,517,932,143</u>
\$ 83,124	\$ -	\$ 542,820	\$ -	\$ 563,550,990
-	-	-	-	225,123,073
-	-	-	2,926,929	540,620,196
-	-	-	-	3,773,045
<u>83,124</u>	<u>-</u>	<u>542,820</u>	<u>2,926,929</u>	<u>1,333,067,304</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,250,000</u>
-	-	1,163,937,654	-	6,743,164,004
333	1,514,955	-	2,051,357	325,450,835
<u>333</u>	<u>1,514,955</u>	<u>1,163,937,654</u>	<u>2,051,357</u>	<u>7,068,614,839</u>
<u>\$ 83,457</u>	<u>\$ 1,514,955</u>	<u>\$ 1,164,480,474</u>	<u>\$ 4,978,286</u>	<u>\$ 8,517,932,143</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, 2017

	<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	\$ 16,800,050	\$ 26,934,518
Federal and other grants	-	-	-
Licenses and fees	1,708,008	-	-
Services and assessments	-	-	-
Investment earnings	33,202	494	27,690
Other	-	-	-
Total Revenues	<u>12,741,210</u>	<u>16,800,544</u>	<u>26,962,208</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	1,652,249	-	-
Physical and mental health	8,276,381	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	16,800,544	26,962,208
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>9,928,630</u>	<u>16,800,544</u>	<u>26,962,208</u>
Excess (deficiency) of revenues over expenditures	<u>2,812,580</u>	<u>-</u>	<u>-</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	(1,668,637)	-	-
Total Other Financing Sources (Uses)	<u>(1,668,637)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,143,943	-	-
Fund Balances - July 1, 2016 (Restated)	<u>4,716,698</u>	<u>-</u>	<u>-</u>
Fund Balances - June 30, 2017	<u>\$ 5,860,641</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>
\$ 2,461,419	\$ -	\$ -	\$ -
-	-	-	-
-	1,748,952	-	-
-	-	-	-
9,860	16,068	3,286	27,592
-	108,300	1,632	3,790,144
<u>2,471,279</u>	<u>1,873,320</u>	<u>4,918</u>	<u>3,817,736</u>
-	3,311,326	-	3,051,109
-	-	-	-
-	-	-	-
-	-	-	-
2,471,279	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,471,279</u>	<u>3,311,326</u>	<u>-</u>	<u>3,051,109</u>
<u>-</u>	<u>(1,438,006)</u>	<u>4,918</u>	<u>766,627</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(404,013)
-	-	-	(404,013)
-	(1,438,006)	4,918	362,614
-	2,717,541	1,285,345	5,524,974
<u>\$ -</u>	<u>\$ 1,279,535</u>	<u>\$ 1,290,263</u>	<u>\$ 5,887,588</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, 2017

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>
REVENUES			
Taxes	\$ -	\$ 218,351,808	\$ -
Federal and other grants	-	-	-
Licenses and fees	45,183,686	-	-
Services and assessments	-	-	-
Investment earnings	-	-	281
Other	-	131,793	166,314
Total Revenues	<u>45,183,686</u>	<u>218,483,601</u>	<u>166,595</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	40,992,262	-	-
Physical and mental health	-	26,845,115	-
Educational, cultural, and intellectual development	-	177,246,107	-
Community development and environmental management	-	-	-
Economic planning, development, and security	-	2,196,000	-
Transportation programs	-	16,755,918	-
Government direction, management, and control	6,187,511	-	-
Special government services	-	92,000	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>47,179,773</u>	<u>223,135,140</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,996,087)</u>	<u>(4,651,539)</u>	<u>166,595</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	-	166,595	-
Transfers to other funds	-	-	(166,595)
Total Other Financing Sources (Uses)	<u>-</u>	<u>166,595</u>	<u>(166,595)</u>
Net Change in Fund Balance	<u>(1,996,087)</u>	<u>(4,484,944)</u>	<u>-</u>
Fund Balances - July 1, 2016 (Restated)	<u>1,996,087</u>	<u>31,253,404</u>	<u>-</u>
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ 26,768,460</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>
\$ -	\$ -	\$ 21,728,529	\$ -
-	-	-	-
-	-	-	-
-	9,218,332	-	344,664,999
3,213	15,952	38,172	1,544,263
<u>1,610,048</u>	<u>-</u>	<u>-</u>	<u>210,600</u>
<u>1,613,261</u>	<u>9,234,284</u>	<u>21,766,701</u>	<u>346,419,862</u>
1,665,157	-	-	-
-	94,968	-	-
-	-	-	-
-	-	22,893,040	-
-	-	-	177,313,330
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,665,157</u>	<u>94,968</u>	<u>22,893,040</u>	<u>177,313,330</u>
<u>(51,896)</u>	<u>9,139,316</u>	<u>(1,126,339)</u>	<u>169,106,532</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	(7,826,518)	-	(228,107,327)
-	(7,826,518)	-	(228,107,327)
<u>(51,896)</u>	<u>1,312,798</u>	<u>(1,126,339)</u>	<u>(59,000,795)</u>
<u>1,142,327</u>	<u>3,592,436</u>	<u>4,098,639</u>	<u>192,721,246</u>
<u>\$ 1,090,431</u>	<u>\$ 4,905,234</u>	<u>\$ 2,972,300</u>	<u>\$ 133,720,451</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, 2017

	<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	67,755,774	-	-
Licenses and fees	-	-	12,167,053
Services and assessments	-	-	-
Investment earnings	314,006	3,503,210	41,474
Other	-	97,999,992	418,751
Total Revenues	<u>68,069,780</u>	<u>101,503,202</u>	<u>12,627,278</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	12,630,829
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	3,648,920	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	94,329,966	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>3,648,920</u>	<u>94,329,966</u>	<u>12,630,829</u>
Excess (deficiency) of revenues over expenditures	<u>64,420,860</u>	<u>7,173,236</u>	<u>(3,551)</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	(4,167,114)	-	-
Total Other Financing Sources (Uses)	<u>(4,167,114)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>60,253,746</u>	<u>7,173,236</u>	<u>(3,551)</u>
Fund Balances - July 1, 2016 (Restated)	<u>274,446,933</u>	<u>584,852,889</u>	<u>3,534,159</u>
Fund Balances - June 30, 2017	<u>\$ 334,700,679</u>	<u>\$ 592,026,125</u>	<u>\$ 3,530,608</u>

Division of Motor Vehicles Surcharge Fund	Drinking Water State Revolving Fund	Emergency Medical Technician Training Fund	Enterprise Zone Assistance Fund
\$ -	\$ -	\$ -	\$ 72,865,196
-	27,086,400	-	-
-	-	-	-
132,986,766	-	1,919,790	-
4,864	376,252	22,984	47,453
-	-	-	-
<u>132,991,630</u>	<u>27,462,652</u>	<u>1,942,774</u>	<u>72,912,649</u>
-	-	-	-
-	-	941,273	-
-	-	-	-
-	3,576,029	-	-
-	-	-	-
-	-	-	-
132,991,630	-	-	-
-	-	-	-
-	-	-	-
<u>132,991,630</u>	<u>3,576,029</u>	<u>941,273</u>	<u>-</u>
<u>-</u>	<u>23,886,623</u>	<u>1,001,501</u>	<u>72,912,649</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	(2,724,241)	(506,361)	(72,912,649)
-	(2,724,241)	(506,361)	(72,912,649)
-	21,162,382	495,140	-
-	344,016,034	3,420,050	-
<u>\$ -</u>	<u>\$ 365,178,416</u>	<u>\$ 3,915,190</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, 2017

	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	9,527,112	-	-
Services and assessments	-	-	-
Investment earnings	637,923	55,659	229,549
Other	-	4,745	929,415
Total Revenues	<u>10,165,035</u>	<u>60,404</u>	<u>1,158,964</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	2,151,373	5,935,708
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>2,151,373</u>	<u>5,935,708</u>
Excess (deficiency) of revenues over expenditures	<u>10,165,035</u>	<u>(2,090,969)</u>	<u>(4,776,744)</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	(7,778,267)	-	(4,623,092)
Total Other Financing Sources (Uses)	<u>(7,778,267)</u>	<u>-</u>	<u>(4,623,092)</u>
Net Change in Fund Balance	2,386,768	(2,090,969)	(9,399,836)
Fund Balances - July 1, 2016 (Restated)	<u>148,390,840</u>	<u>10,170,941</u>	<u>79,542,977</u>
Fund Balances - June 30, 2017	<u>\$ 150,777,608</u>	<u>\$ 8,079,972</u>	<u>\$ 70,143,141</u>

Garden State Historic Preservation Trust Fund	Garden State Preservation Trust	Global Warming Solutions Fund	Gubernatorial Elections Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
19,694	-	66	-
-	-	-	167,480
<u>19,694</u>	<u>-</u>	<u>66</u>	<u>167,480</u>
-	-	-	6,662,001
-	-	-	-
-	-	-	-
-	-	-	-
999,240	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	61,940,000	-	-
-	35,694,620	-	-
<u>999,240</u>	<u>97,634,620</u>	<u>-</u>	<u>6,662,001</u>
<u>(979,546)</u>	<u>(97,634,620)</u>	<u>66</u>	<u>(6,494,521)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	97,634,620	-	5,884,409
-	-	-	-
-	<u>97,634,620</u>	<u>-</u>	<u>5,884,409</u>
<u>(979,546)</u>	<u>-</u>	<u>66</u>	<u>(610,112)</u>
<u>3,878,487</u>	<u>-</u>	<u>32,689</u>	<u>1,110,112</u>
<u>\$ 2,898,941</u>	<u>\$ -</u>	<u>\$ 32,755</u>	<u>\$ 500,000</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, 2017

	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Horse Racing Injury Compensation Fund
REVENUES			
Taxes	\$ -	\$ 418,578,236	\$ -
Federal and other grants	-	-	-
Licenses and fees	27,836,437	-	-
Services and assessments	62,237,236	373,718,733	2,127,093
Investment earnings	2,882,816	487,071	9
Other	-	-	-
Total Revenues	92,956,489	792,784,040	2,127,102
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	2,070,718
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	14,538,484	-	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	14,538,484	-	2,070,718
Excess (deficiency) of revenues over expenditures	78,418,005	792,784,040	56,384
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	-	2,322,607	-
Transfers to other funds	(33,687,555)	(791,795,211)	-
Total Other Financing Sources (Uses)	(33,687,555)	(789,472,604)	-
Net Change in Fund Balance	44,730,450	3,311,436	56,384
Fund Balances - July 1, 2016 (Restated)	233,810,962	4,677,894	57,053
Fund Balances - June 30, 2017	\$ 278,541,412	\$ 7,989,330	\$ 113,437

<u>Lead Hazard Control Assistance Fund</u>	<u>Legal Services Fund</u>	<u>Luxury Tax Fund</u>	<u>Mandatory Continuing Legal Education Fund</u>
\$ -	\$ -	\$ 29,325,824	\$ -
-	-	-	-
12,900	8,803,579	-	879,017
-	-	-	-
1,654	-	1,435	7,436
-	-	-	-
<u>14,554</u>	<u>8,803,579</u>	<u>29,327,259</u>	<u>886,453</u>
-	-	-	436,433
-	-	-	-
-	-	-	-
-	-	-	-
359,757	-	-	-
-	-	-	-
-	-	29,327,259	-
-	-	-	-
-	-	-	-
<u>359,757</u>	<u>-</u>	<u>29,327,259</u>	<u>436,433</u>
<u>(345,203)</u>	<u>8,803,579</u>	<u>-</u>	<u>450,020</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(175,430)	(8,803,579)	-	-
<u>(175,430)</u>	<u>(8,803,579)</u>	<u>-</u>	<u>-</u>
(520,633)	-	-	450,020
9,629,383	-	-	1,185,428
<u>\$ 9,108,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,635,448</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, 2017

	<u>Medical Malpractice Self Insurance Fund</u>	<u>Municipal Landfill Closure and Remediation Fund</u>	<u>New Home Warranty Security Fund</u>
REVENUES			
Taxes	\$ -	\$ 72,229	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	649,082
Services and assessments	13,299,305	-	3,473,282
Investment earnings	49,675	-	22,382
Other	-	-	78,902
Total Revenues	<u>13,348,980</u>	<u>72,229</u>	<u>4,223,648</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	140,364	562,741
Economic planning, development, and security	19,575,847	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>19,575,847</u>	<u>140,364</u>	<u>562,741</u>
Excess (deficiency) of revenues over expenditures	<u>(6,226,867)</u>	<u>(68,135)</u>	<u>3,660,907</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	-	-	(1,553,349)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,553,349)</u>
Net Change in Fund Balance	<u>(6,226,867)</u>	<u>(68,135)</u>	<u>2,107,558</u>
Fund Balances - July 1, 2016 (Restated)	<u>16,537,840</u>	<u>68,135</u>	<u>2,774,928</u>
Fund Balances - June 30, 2017	<u>\$ 10,310,973</u>	<u>\$ -</u>	<u>\$ 4,882,486</u>

<u>New Jersey Building Authority</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>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	813,965	4,205,176	399,294
-	-	-	-
181,895	9,374	141,775	14,016
-	-	720,221	23,932,342
<u>181,895</u>	<u>823,339</u>	<u>5,067,172</u>	<u>24,345,652</u>
-	883,936	3,891,668	24,889,810
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,262,828	-	-	-
-	-	-	-
78,420,000	-	-	-
18,126,530	-	-	-
<u>102,809,358</u>	<u>883,936</u>	<u>3,891,668</u>	<u>24,889,810</u>
<u>(102,627,463)</u>	<u>(60,597)</u>	<u>1,175,504</u>	<u>(544,158)</u>
-	-	-	-
97,585,000	-	-	-
8,506,206	-	-	-
(103,619,972)	-	-	-
97,102,805	-	-	-
-	-	-	-
<u>99,574,039</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,053,424)</u>	<u>(60,597)</u>	<u>1,175,504</u>	<u>(544,158)</u>
29,089,502	1,352,251	17,784,617	2,614,467
<u>\$ 26,036,078</u>	<u>\$ 1,291,654</u>	<u>\$ 18,960,121</u>	<u>\$ 2,070,309</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, 2017

	<u>New Jersey Schools Development Authority</u>	<u>New Jersey Spill Compensation Fund</u>	<u>New Jersey Spinal Cord Research Fund</u>
REVENUES			
Taxes	\$ -	\$ 23,240,668	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	788,292	-
Services and assessments	-	-	-
Investment earnings	1,730,650	95,293	49,829
Other	809,223	1,174,622	3,716,546
Total Revenues	<u>2,539,873</u>	<u>25,298,875</u>	<u>3,766,375</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	2,867,583
Educational, cultural, and intellectual development	400,980,839	-	-
Community development and environmental management	-	828,039	-
Economic planning, development, and security	-	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>400,980,839</u>	<u>828,039</u>	<u>2,867,583</u>
Excess (deficiency) of revenues over expenditures	<u>(398,440,966)</u>	<u>24,470,836</u>	<u>898,792</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	342,573,648	-	-
Transfers to other funds	-	(25,452,108)	(3,371,641)
Total Other Financing Sources (Uses)	<u>342,573,648</u>	<u>(25,452,108)</u>	<u>(3,371,641)</u>
Net Change in Fund Balance	<u>(55,867,318)</u>	<u>(981,272)</u>	<u>(2,472,849)</u>
Fund Balances - July 1, 2016 (Restated)	<u>548,282,101</u>	<u>12,329,619</u>	<u>8,518,800</u>
Fund Balances - June 30, 2017	<u>\$ 492,414,783</u>	<u>\$ 11,348,347</u>	<u>\$ 6,045,951</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>
\$ -	\$ 120,117,800	\$ -	\$ -
36,050,618	-	-	-
-	-	-	-
-	-	-	1,416,230
11,875,773	348,381	12,394	4,652
-	-	-	-
<u>47,926,391</u>	<u>120,466,181</u>	<u>12,394</u>	<u>1,420,882</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	19,779,539	-	-
14,161,554	-	-	-
-	-	-	-
-	-	-	-
533,190,000	-	-	-
<u>787,764,731</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,335,116,285</u>	<u>19,779,539</u>	<u>-</u>	<u>-</u>
<u>(1,287,189,894)</u>	<u>100,686,642</u>	<u>12,394</u>	<u>1,420,882</u>
3,241,425,000	-	-	-
-	-	-	-
177,086,895	-	-	-
-	-	-	-
1,276,396,000	-	-	-
<u>(942,934,902)</u>	<u>(95,974,045)</u>	<u>(336,368)</u>	<u>(887,988)</u>
<u>3,751,972,993</u>	<u>(95,974,045)</u>	<u>(336,368)</u>	<u>(887,988)</u>
2,464,783,099	4,712,597	(323,974)	532,894
<u>107,483,831</u>	<u>53,603,921</u>	<u>2,113,356</u>	<u>1,235,683</u>
<u>\$ 2,572,266,930</u>	<u>\$ 58,316,518</u>	<u>\$ 1,789,382</u>	<u>\$ 1,768,577</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, 2017

	<u>Real Estate Guaranty Fund</u>	<u>Remediation Guarantee Fund</u>	<u>Safe Drinking Water Fund</u>
REVENUES			
Taxes	\$ -	\$ 4,440,153	\$ 2,698,727
Federal and other grants	-	-	-
Licenses and fees	90,530	-	-
Services and assessments	-	-	-
Investment earnings	5,563	167,752	19,541
Other	-	-	-
Total Revenues	<u>96,093</u>	<u>4,607,905</u>	<u>2,718,268</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	-	1,642,266	-
Economic planning, development, and security	5,172	-	-
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>5,172</u>	<u>1,642,266</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>90,921</u>	<u>2,965,639</u>	<u>2,718,268</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	-	-	(2,495,132)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,495,132)</u>
Net Change in Fund Balance	<u>90,921</u>	<u>2,965,639</u>	<u>223,136</u>
Fund Balances - July 1, 2016 (Restated)	<u>1,243,179</u>	<u>27,464,277</u>	<u>1,750,373</u>
Fund Balances - June 30, 2017	<u>\$ 1,334,100</u>	<u>\$ 30,429,916</u>	<u>\$ 1,973,509</u>

<u>Sanitary Landfill Facility Contingency Fund</u>	<u>State Disability Benefit Fund</u>	<u>State Health Benefits Fund - State Active</u>	<u>State Health Benefits Fund - State Retired</u>	<u>State - Owned Real Property Fund</u>
\$ -	\$ 536,310,321	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
1,863,852	25,652,764	-	-	-
8,965	738,438	826,183	384,824	14,284
-	3,776,240	-	-	4,064,851
<u>1,872,817</u>	<u>566,477,763</u>	<u>826,183</u>	<u>384,824</u>	<u>4,079,135</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
508,873	-	-	-	-
-	514,030,372	-	-	-
-	-	-	-	-
-	-	1,657,005,091	685,301,185	-
-	-	-	-	-
-	-	-	-	-
<u>508,873</u>	<u>514,030,372</u>	<u>1,657,005,091</u>	<u>685,301,185</u>	<u>-</u>
<u>1,363,944</u>	<u>52,447,391</u>	<u>(1,656,178,908)</u>	<u>(684,916,361)</u>	<u>4,079,135</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,654,405,699	684,916,361	-
-	(33,684,222)	-	-	-
-	(33,684,222)	1,654,405,699	684,916,361	-
<u>1,363,944</u>	<u>18,763,169</u>	<u>(1,773,209)</u>	<u>-</u>	<u>4,079,135</u>
<u>1,588,924</u>	<u>245,334,661</u>	<u>49,555,217</u>	<u>-</u>	<u>1,581,599</u>
<u>\$ 2,952,868</u>	<u>\$ 264,097,830</u>	<u>\$ 47,782,008</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, 2017

	<u>State Recycling Fund</u>	<u>Superior Court of New Jersey Trust Fund</u>	<u>Supplemental Workforce Fund for Basic Skills</u>
REVENUES			
Taxes	\$ 26,749,526	\$ -	\$ 33,464,331
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	-	-
Investment earnings	62,403	1,033,205	90,429
Other	-	-	162,999
Total Revenues	<u>26,811,929</u>	<u>1,033,205</u>	<u>33,717,759</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	242,300	-
Physical and mental health	-	-	-
Educational, cultural, and intellectual development	-	-	-
Community development and environmental management	(11,632)	-	-
Economic planning, development, and security	-	-	25,305,765
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>(11,632)</u>	<u>242,300</u>	<u>25,305,765</u>
Excess (deficiency) of revenues over expenditures	<u>26,823,561</u>	<u>790,905</u>	<u>8,411,994</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	(30,800,810)	-	(1,999,999)
Total Other Financing Sources (Uses)	<u>(30,800,810)</u>	<u>-</u>	<u>(1,999,999)</u>
Net Change in Fund Balance	<u>(3,977,249)</u>	<u>790,905</u>	<u>6,411,995</u>
Fund Balances - July 1, 2016 (Restated)	<u>5,622,988</u>	<u>266,471</u>	<u>13,445,764</u>
Fund Balances - June 30, 2017	<u>\$ 1,645,739</u>	<u>\$ 1,057,376</u>	<u>\$ 19,857,759</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
\$ -	\$ 6,766,199	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	277,200	-	-
-	-	-	-	-
1,040,000	101	1,989	20,108	(88,078)
<u>230,812,000</u>	<u>-</u>	<u>6,250</u>	<u>151,477</u>	<u>2,776,752</u>
<u>231,852,000</u>	<u>6,766,300</u>	<u>285,439</u>	<u>171,585</u>	<u>2,688,674</u>
-	-	184,232	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,651,300	-	-	-
-	-	-	-	-
88,000	-	-	49,360	4,566,867
-	-	-	-	-
90,843,000	-	-	-	-
<u>142,882,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>233,813,000</u>	<u>6,651,300</u>	<u>184,232</u>	<u>49,360</u>	<u>4,566,867</u>
<u>(1,961,000)</u>	<u>115,000</u>	<u>101,207</u>	<u>122,225</u>	<u>(1,878,193)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(115,000)	-	-	(2,158,314)
-	(115,000)	-	-	(2,158,314)
<u>(1,961,000)</u>	<u>-</u>	<u>101,207</u>	<u>122,225</u>	<u>(4,036,507)</u>
<u>262,734,000</u>	<u>-</u>	<u>132,151</u>	<u>3,421,783</u>	<u>4,537,717</u>
<u>\$ 260,773,000</u>	<u>\$ -</u>	<u>\$ 233,358</u>	<u>\$ 3,544,008</u>	<u>\$ 501,210</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, 2017

	Unemployment Compensation Auxiliary Fund	Unemployment Compensation Interest Repayment Fund	Universal Services Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Federal and other grants	-	-	-
Licenses and fees	-	-	-
Services and assessments	-	547,051	238,246,911
Investment earnings	38,556	15,973	295,151
Other	20,112,676	-	-
Total Revenues	<u>20,151,232</u>	<u>563,024</u>	<u>238,542,062</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	-	-	158,242,551
Transportation programs	-	-	-
Government direction, management, and control	-	-	-
Special government services	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>158,242,551</u>
Excess (deficiency) of revenues over expenditures	<u>20,151,232</u>	<u>563,024</u>	<u>80,299,511</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	(17,273,104)	-	(74,449,386)
Total Other Financing Sources (Uses)	<u>(17,273,104)</u>	<u>-</u>	<u>(74,449,386)</u>
Net Change in Fund Balance	2,878,128	563,024	5,850,125
Fund Balances - July 1, 2016 (Restated)	<u>4,661,511</u>	<u>2,548,191</u>	<u>22,317,322</u>
Fund Balances - June 30, 2017	<u>\$ 7,539,639</u>	<u>\$ 3,111,215</u>	<u>\$ 28,167,447</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>
\$ -	\$ -	\$ -	\$ -	\$ 1,571,905,534
-	-	-	-	130,892,792
-	-	-	-	115,090,283
-	-	-	3,420,114	1,214,792,458
15	4,649	2,525,704	7,304	32,102,776
<u>83,124</u>	<u>10,609</u>	<u>3,761,466</u>	<u>-</u>	<u>401,689,514</u>
<u>83,139</u>	<u>15,258</u>	<u>6,287,170</u>	<u>3,427,418</u>	<u>3,466,473,357</u>
-	-	-	-	102,564,030
-	-	-	-	39,025,320
-	-	-	-	578,226,946
-	-	62,645,081	-	119,059,286
-	-	-	-	970,692,904
-	-	-	-	30,917,472
-	-	-	-	2,616,109,697
83,124	-	-	-	175,124
-	-	-	-	764,393,000
-	-	-	-	984,467,881
<u>83,124</u>	<u>-</u>	<u>62,645,081</u>	<u>-</u>	<u>6,205,631,660</u>
<u>15</u>	<u>15,258</u>	<u>(56,357,911)</u>	<u>3,427,418</u>	<u>(2,739,158,303)</u>
-	-	-	-	3,241,425,000
-	-	-	-	97,585,000
-	-	-	-	185,593,101
-	-	-	-	(103,619,972)
-	-	-	-	4,161,402,744
-	-	-	(2,922,960)	(2,401,755,917)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,922,960)</u>	<u>5,180,629,956</u>
<u>15</u>	<u>15,258</u>	<u>(56,357,911)</u>	<u>504,458</u>	<u>2,441,471,653</u>
<u>318</u>	<u>1,499,697</u>	<u>1,220,295,565</u>	<u>1,546,899</u>	<u>4,627,143,186</u>
<u>\$ 333</u>	<u>\$ 1,514,955</u>	<u>\$ 1,163,937,654</u>	<u>\$ 2,051,357</u>	<u>\$ 7,068,614,839</u>

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2017**

	<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	\$ 266,666	\$ 440
Investments	4,181,741	6,344,832	-
Receivables, net of allowances for uncollectibles			
Federal government	-	1,520,761	-
Loans	-	-	-
Other	-	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,182,841</u>	<u>\$ 8,132,259</u>	<u>\$ 440</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ -	\$ 6,843	\$ -
Due to other funds	<u>-</u>	<u>60</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>6,903</u>	<u>-</u>
Fund Balances			
Restricted	4,182,841	8,125,356	440
Committed	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,182,841</u>	<u>8,125,356</u>	<u>440</u>
Total Liabilities and Fund Balances	<u>\$ 4,182,841</u>	<u>\$ 8,132,259</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	\$ 76,449	\$ 1,001	\$ 100
281,289	9,396,224	2,370,965	252,494
-	-	-	-
-	-	-	-
-	19,271,065	-	-
-	-	-	-
<u>\$ 281,390</u>	<u>\$ 28,743,738</u>	<u>\$ 2,371,966</u>	<u>\$ 252,594</u>
\$ -	\$ 11,424	\$ -	\$ -
<u>1,696</u>	<u>486,080</u>	<u>14,463</u>	<u>1,523</u>
<u>1,696</u>	<u>497,504</u>	<u>14,463</u>	<u>1,523</u>
279,694	-	2,357,503	251,071
-	<u>28,246,234</u>	-	-
<u>279,694</u>	<u>28,246,234</u>	<u>2,357,503</u>	<u>251,071</u>
<u>\$ 281,390</u>	<u>\$ 28,743,738</u>	<u>\$ 2,371,966</u>	<u>\$ 252,594</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2017**

	<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	\$ -	\$ 70,871	\$ 416,728
Investments	-	3,938,820	26,766,365
Receivables, net of allowances for uncollectibles			
Federal government	90,752,806	-	92,273,567
Loans	3,500,000	-	3,500,000
Other	-	-	19,271,065
Due from other funds	<u>93,477,097</u>	<u>-</u>	<u>93,477,097</u>
Total Assets	<u>\$ 187,729,903</u>	<u>\$ 4,009,691</u>	<u>\$ 235,704,822</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 187,729,903	\$ -	\$ 187,748,170
Due to other funds	<u>-</u>	<u>24,065</u>	<u>527,887</u>
Total Liabilities	<u>187,729,903</u>	<u>24,065</u>	<u>188,276,057</u>
Fund Balances			
Restricted	-	3,985,626	19,182,531
Committed	<u>-</u>	<u>-</u>	<u>28,246,234</u>
Total Fund Balances	<u>-</u>	<u>3,985,626</u>	<u>47,428,765</u>
Total Liabilities and Fund Balances	<u>\$ 187,729,903</u>	<u>\$ 4,009,691</u>	<u>\$ 235,704,822</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, 2017

	<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>18,485</u>	<u>36,640</u>	<u>-</u>
Total Revenues	<u>18,485</u>	<u>36,640</u>	<u>-</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	358
Community development and environmental management	(334,549)	864,750	-
Transportation programs	-	-	-
Government direction, management, and control	<u>-</u>	<u>144,585</u>	<u>-</u>
Total Expenditures	<u>(334,549)</u>	<u>1,009,335</u>	<u>358</u>
Excess (deficiency) of revenues over expenditures	<u>353,034</u>	<u>(972,695)</u>	<u>(358)</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	353,034	(972,695)	(358)
Fund Balances - July 1, 2016	<u>3,829,807</u>	<u>9,098,051</u>	<u>798</u>
Fund Balances - June 30, 2017	<u>\$ 4,182,841</u>	<u>\$ 8,125,356</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>1,696</u>	<u>194,837</u>	<u>14,463</u>	<u>1,523</u>
<u>1,696</u>	<u>194,837</u>	<u>14,463</u>	<u>1,523</u>
-	7,801,193	-	-
-	-	-	-
-	-	17,078	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>7,801,193</u>	<u>17,078</u>	<u>-</u>
<u>1,696</u>	<u>(7,606,356)</u>	<u>(2,615)</u>	<u>1,523</u>
-	-	-	-
<u>(1,696)</u>	<u>-</u>	<u>(14,463)</u>	<u>(1,523)</u>
<u>(1,696)</u>	<u>-</u>	<u>(14,463)</u>	<u>(1,523)</u>
-	(7,606,356)	(17,078)	-
<u>279,694</u>	<u>35,852,590</u>	<u>2,374,581</u>	<u>251,071</u>
<u>\$ 279,694</u>	<u>\$ 28,246,234</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, 2017

	<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	\$ 895,371,236	\$ -	\$ 895,371,236
Services and assessments	370,221	-	370,221
Investment earnings	<u>-</u>	<u>24,065</u>	<u>291,709</u>
Total Revenues	<u>895,741,457</u>	<u>24,065</u>	<u>896,033,166</u>
EXPENDITURES			
Current:			
Public safety and criminal justice	-	-	7,801,551
Community development and environmental management	-	-	530,201
Transportation programs	1,838,676,359	-	1,838,693,437
Government direction, management, and control	<u>-</u>	<u>-</u>	<u>144,585</u>
Total Expenditures	<u>1,838,676,359</u>	<u>-</u>	<u>1,847,169,774</u>
Excess (deficiency) of revenues over expenditures	<u>(942,934,902)</u>	<u>24,065</u>	<u>(951,136,608)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	942,934,902	-	942,934,902
Transfers to other funds	<u>-</u>	<u>(24,065)</u>	<u>(41,747)</u>
Total Other Financing Sources (Uses)	<u>942,934,902</u>	<u>(24,065)</u>	<u>942,893,155</u>
Net Change in Fund Balance	-	-	(8,243,453)
Fund Balances - July 1, 2016	<u>-</u>	<u>3,985,626</u>	<u>55,672,218</u>
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ 3,985,626</u>	<u>\$ 47,428,765</u>

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2017**

	<u>Alternate Benefit Program Fund</u>	<u>Dental Expense Program</u>	<u>Judiciary Bail Fund</u>
ASSETS			
Cash and cash equivalents	\$ 950,247	\$ 225,496	\$ -
Investments			
Cash Management Fund	896,915	47,362,532	16,940,965
Receivables, net of allowances for uncollectibles			
Employers	-	-	-
Other	46,763	-	-
Due from other funds	<u>38,833,053</u>	<u>1,388,124</u>	<u>-</u>
Total Assets	<u><u>\$ 40,726,978</u></u>	<u><u>\$ 48,976,152</u></u>	<u><u>\$ 16,940,965</u></u>
LIABILITIES			
Accounts payable and accruals	\$ 40,644,958	\$ 48,976,152	\$ 16,940,965
Due to other funds	<u>82,020</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>\$ 40,726,978</u></u>	<u><u>\$ 48,976,152</u></u>	<u><u>\$ 16,940,965</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>
\$ 23,865,591	\$ 114,202	\$ 129,639	\$ 14,656,434	\$ 411,010
-	7,412,519	3,465,967	4,435,762	5,795,313
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 23,865,591</u>	<u>\$ 7,526,721</u>	<u>\$ 3,595,606</u>	<u>\$ 19,092,196</u>	<u>\$ 6,206,323</u>
\$ 23,865,591	\$ 7,526,721	\$ 3,595,606	\$ 19,092,196	\$ 6,206,323
-	-	-	-	-
<u>\$ 23,865,591</u>	<u>\$ 7,526,721</u>	<u>\$ 3,595,606</u>	<u>\$ 19,092,196</u>	<u>\$ 6,206,323</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (Continued)
JUNE 30, 2017

	<u>Pension</u> <u>Adjustment Fund</u>	<u>Resource Recovery</u> <u>Investment Tax Fund</u>	<u>Solid Waste</u> <u>Service Tax Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,028,528	\$ 100	\$ 100
Investments			
Cash Management Fund	1,009,611	577,530	1,020,927
Receivables, net of allowances for uncollectibles			
Employers	258,955	-	-
Other	3,457	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,300,551</u>	<u>\$ 577,630</u>	<u>\$ 1,021,027</u>
LIABILITIES			
Accounts payable and accruals	\$ 2,256,131	\$ 577,630	\$ 1,021,027
Due to other funds	<u>44,420</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 2,300,551</u>	<u>\$ 577,630</u>	<u>\$ 1,021,027</u>

<u>State Health Benefits Fund - Local Education Active</u>	<u>State Health Benefits Fund - Local Education Retired</u>	<u>State Health Benefits Fund - Local Government Active</u>	<u>Wage and Hour Trust Fund</u>	<u>Total Agency Funds</u>
\$ 176,888	\$ 103,895	\$ 550,218	\$ 376,342	\$ 42,588,690
420,850,500	29,751,622	242,830,092	4,865	782,355,120
-	-	-	-	258,955
64,248,115	56,772,675	105,274,419	-	226,345,429
-	-	-	-	40,221,177
<u>\$ 485,275,503</u>	<u>\$ 86,628,192</u>	<u>\$ 348,654,729</u>	<u>\$ 381,207</u>	<u>\$ 1,091,769,371</u>
\$ 484,515,391	\$ 86,193,717	\$ 348,296,817	\$ 376,546	\$ 1,090,085,771
760,112	434,475	357,912	4,661	1,683,600
<u>\$ 485,275,503</u>	<u>\$ 86,628,192</u>	<u>\$ 348,654,729</u>	<u>\$ 381,207</u>	<u>\$ 1,091,769,371</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ALTERNATE BENEFIT PROGRAM FUND				
Assets				
Cash and cash equivalents	\$ 1,050,138	\$ 170,856,707	\$ 170,956,598	\$ 950,247
Investments				
Cash Management Fund	712,038	202,437,328	202,252,451	896,915
Receivables, net - other	54,272	46,763	54,272	46,763
Due from other funds	35,023,405	38,833,053	35,023,405	38,833,053
Total Assets	<u>\$ 36,839,853</u>	<u>\$ 412,173,851</u>	<u>\$ 408,286,726</u>	<u>\$ 40,726,978</u>
Liabilities				
Accounts payable and accruals	\$ 36,833,743	\$ 41,261,781	\$ 37,450,566	\$ 40,644,958
Due to other funds	6,110	82,020	6,110	82,020
Total Liabilities	<u>\$ 36,839,853</u>	<u>\$ 41,343,801</u>	<u>\$ 37,456,676</u>	<u>\$ 40,726,978</u>
 DENTAL EXPENSE PROGRAM				
Assets				
Cash and cash equivalents	\$ 35,083	\$ 44,965,818	\$ 44,775,405	\$ 225,496
Investments				
Cash Management Fund	40,175,944	221,464,831	214,278,243	47,362,532
Due from other funds	1,090,883	144,406,272	144,109,031	1,388,124
Total Assets	<u>\$ 41,301,910</u>	<u>\$ 410,836,921</u>	<u>\$ 403,162,679</u>	<u>\$ 48,976,152</u>
Liabilities				
Accounts payable and accruals	\$ 41,301,910	\$ 39,397,820	\$ 31,723,578	\$ 48,976,152
Total Liabilities	<u>\$ 41,301,910</u>	<u>\$ 39,397,820</u>	<u>\$ 31,723,578</u>	<u>\$ 48,976,152</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
JUDICIARY BAIL FUND				
Assets				
Cash and cash equivalents	\$ 114,861	\$ 71,336,108	\$ 71,450,969	\$ -
Investments				
Cash Management Fund	29,205,965	4,329,000	16,594,000	16,940,965
Total Assets	<u>\$ 29,320,826</u>	<u>\$ 75,665,108</u>	<u>\$ 88,044,969</u>	<u>\$ 16,940,965</u>
Liabilities				
Accounts payable and accruals	\$ 29,320,826	\$ 49,508,555	\$ 61,888,416	\$ 16,940,965
Total Liabilities	<u>\$ 29,320,826</u>	<u>\$ 49,508,555</u>	<u>\$ 61,888,416</u>	<u>\$ 16,940,965</u>
 JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
Assets				
Cash and cash equivalents	\$ 32,611,355	\$ 1,378,138,061	\$ 1,386,883,825	\$ 23,865,591
Total Assets	<u>\$ 32,611,355</u>	<u>\$ 1,378,138,061</u>	<u>\$ 1,386,883,825</u>	<u>\$ 23,865,591</u>
Liabilities				
Accounts payable and accruals	\$ 32,611,355	\$ 1,378,138,061	\$ 1,386,883,825	\$ 23,865,591
Total Liabilities	<u>\$ 32,611,355</u>	<u>\$ 1,378,138,061</u>	<u>\$ 1,386,883,825</u>	<u>\$ 23,865,591</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
JUDICIARY PROBATION FUND				
Assets				
Cash and cash equivalents	\$ 99,060	\$ 55,136,908	\$ 55,121,766	\$ 114,202
Investments				
Cash Management Fund	7,387,518	12,600,615	12,575,614	7,412,519
Total Assets	<u>\$ 7,486,578</u>	<u>\$ 67,737,523</u>	<u>\$ 67,697,380</u>	<u>\$ 7,526,721</u>
Liabilities				
Accounts payable and accruals	\$ 7,486,578	\$ 40,772,520	\$ 40,732,377	\$ 7,526,721
Total Liabilities	<u>\$ 7,486,578</u>	<u>\$ 40,772,520</u>	<u>\$ 40,732,377</u>	<u>\$ 7,526,721</u>
JUDICIARY SPECIAL CIVIL FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 47,213,513	\$ 47,083,874	\$ 129,639
Investments				
Cash Management Fund	2,736,966	8,521,564	7,792,563	3,465,967
Total Assets	<u>\$ 2,736,966</u>	<u>\$ 55,735,077</u>	<u>\$ 54,876,437</u>	<u>\$ 3,595,606</u>
Liabilities				
Accounts payable and accruals	\$ 2,736,966	\$ 39,293,768	\$ 38,435,128	\$ 3,595,606
Total Liabilities	<u>\$ 2,736,966</u>	<u>\$ 39,293,768</u>	<u>\$ 38,435,128</u>	<u>\$ 3,595,606</u>
JUDICIARY SUPERIOR COURT - MISCELLANEOUS FUND				
Assets				
Cash and cash equivalents	\$ 12,014,079	\$ 284,685,952	\$ 282,043,597	\$ 14,656,434
Investments				
Cash Management Fund	4,324,439	35,469,660	35,358,337	4,435,762
Total Assets	<u>\$ 16,338,518</u>	<u>\$ 320,155,612</u>	<u>\$ 317,401,934</u>	<u>\$ 19,092,196</u>
Liabilities				
Accounts payable and accruals	\$ 16,326,841	\$ 178,029,911	\$ 175,264,556	\$ 19,092,196
Due to other funds	11,677	-	11,677	-
Total Liabilities	<u>\$ 16,338,518</u>	<u>\$ 178,029,911</u>	<u>\$ 175,276,233</u>	<u>\$ 19,092,196</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
LUXURY TAX DEVELOPMENT FUND				
Assets				
Cash and cash equivalents	\$ 411,010	\$ -	\$ -	\$ 411,010
Investments				
Cash Management Fund	5,759,945	35,368	-	5,795,313
Total Assets	<u>\$ 6,170,955</u>	<u>\$ 35,368</u>	<u>\$ -</u>	<u>\$ 6,206,323</u>
Liabilities				
Accounts payable and accruals	\$ 6,170,955	\$ 35,368	\$ -	\$ 6,206,323
Total Liabilities	<u>\$ 6,170,955</u>	<u>\$ 35,368</u>	<u>\$ -</u>	<u>\$ 6,206,323</u>
PENSION ADJUSTMENT FUND				
Assets				
Cash and cash equivalents	\$ 1,737,674	\$ 856,998	\$ 1,566,144	\$ 1,028,528
Investments				
Cash Management Fund	525,341	2,155,239	1,670,969	1,009,611
Receivables, net - employers	316,085	1,077,286	1,134,416	258,955
Receivables, net - other	683	14,879	12,105	3,457
Total Assets	<u>\$ 2,579,783</u>	<u>\$ 4,104,402</u>	<u>\$ 4,383,634</u>	<u>\$ 2,300,551</u>
Liabilities				
Accounts payable and accruals	\$ 2,555,803	\$ 2,548,272	\$ 2,847,944	\$ 2,256,131
Due to other funds	23,980	44,420	23,980	44,420
Total Liabilities	<u>\$ 2,579,783</u>	<u>\$ 2,592,692</u>	<u>\$ 2,871,924</u>	<u>\$ 2,300,551</u>
RESOURCE RECOVERY INVESTMENT TAX FUND				
Assets				
Cash and cash equivalents	\$ 99,784	\$ 37,718	\$ 137,402	\$ 100
Investments				
Cash Management Fund	474,718	102,812	-	577,530
Total Assets	<u>\$ 574,502</u>	<u>\$ 140,530</u>	<u>\$ 137,402</u>	<u>\$ 577,630</u>
Liabilities				
Accounts payable and accruals	\$ 574,502	\$ 3,128	\$ -	\$ 577,630
Total Liabilities	<u>\$ 574,502</u>	<u>\$ 3,128</u>	<u>\$ -</u>	<u>\$ 577,630</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
SOLID WASTE SERVICE TAX FUND				
Assets				
Cash and cash equivalents	\$ 81,347	\$ -	\$ 81,247	\$ 100
Investments				
Cash Management Fund	933,772	87,155	-	1,020,927
Total Assets	<u>\$ 1,015,119</u>	<u>\$ 87,155</u>	<u>\$ 81,247</u>	<u>\$ 1,021,027</u>
Liabilities				
Accounts payable and accruals	\$ 1,015,119	\$ 5,908	\$ -	\$ 1,021,027
Total Liabilities	<u>\$ 1,015,119</u>	<u>\$ 5,908</u>	<u>\$ -</u>	<u>\$ 1,021,027</u>
STATE HEALTH BENEFITS FUND - LOCAL EDUCATION ACTIVE				
Assets				
Cash and cash equivalents	\$ 511,763	\$ 1,147,844,303	\$ 1,148,179,178	\$ 176,888
Investments				
Cash Management Fund	355,989,124	3,385,002,567	3,320,141,191	420,850,500
Receivables, net - other	78,013,107	1,636,451,918	1,650,216,910	64,248,115
Total Assets	<u>\$ 434,513,994</u>	<u>\$ 6,169,298,788</u>	<u>\$ 6,118,537,279</u>	<u>\$ 485,275,503</u>
Liabilities				
Accounts payable and accruals	\$ 433,780,304	\$ 1,869,619,433	\$ 1,818,884,346	\$ 484,515,391
Due to other funds	733,690	760,112	733,690	760,112
Total Liabilities	<u>\$ 434,513,994</u>	<u>\$ 1,870,379,545</u>	<u>\$ 1,819,618,036</u>	<u>\$ 485,275,503</u>
STATE HEALTH BENEFITS FUND - LOCAL EDUCATION RETIRED				
Assets				
Cash and cash equivalents	\$ 261,869	\$ 911,072,002	\$ 911,229,976	\$ 103,895
Investments				
Cash Management Fund	-	2,904,406,480	2,874,654,858	29,751,622
Receivables, net - other	86,136,004	1,273,297,598	1,302,660,927	56,772,675
Total Assets	<u>\$ 86,397,873</u>	<u>\$ 5,088,776,080</u>	<u>\$ 5,088,545,761</u>	<u>\$ 86,628,192</u>
Liabilities				
Accounts payable and accruals	\$ 85,990,153	\$ 1,520,689,558	\$ 1,520,485,994	\$ 86,193,717
Due to other funds	407,720	434,475	407,720	434,475
Total Liabilities	<u>\$ 86,397,873</u>	<u>\$ 1,521,124,033</u>	<u>\$ 1,520,893,714</u>	<u>\$ 86,628,192</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
STATE HEALTH BENEFITS FUND - LOCAL GOVERNMENT ACTIVE				
Assets				
Cash and cash equivalents	\$ 226,364	\$ 946,522,593	\$ 946,198,739	\$ 550,218
Investments				
Cash Management Fund	161,832,830	1,916,781,900	1,835,784,638	242,830,092
Receivables, net - other	115,726,254	984,865,434	995,317,269	105,274,419
Total Assets	<u>\$ 277,785,448</u>	<u>\$ 3,848,169,927</u>	<u>\$ 3,777,300,646</u>	<u>\$ 348,654,729</u>
Liabilities				
Accounts payable and accruals	\$ 277,442,772	\$ 1,095,066,082	\$ 1,024,212,037	\$ 348,296,817
Due to other funds	342,676	357,912	342,676	357,912
Total Liabilities	<u>\$ 277,785,448</u>	<u>\$ 1,095,423,994</u>	<u>\$ 1,024,554,713</u>	<u>\$ 348,654,729</u>
WAGE AND HOUR TRUST FUND				
Assets				
Cash and cash equivalents	\$ 3,451,424	\$ 1,787,002	\$ 4,862,084	\$ 376,342
Investments				
Cash Management Fund	2,811,440	4,865	2,811,440	4,865
Total Assets	<u>\$ 6,262,864</u>	<u>\$ 1,791,867</u>	<u>\$ 7,673,524</u>	<u>\$ 381,207</u>
Liabilities				
Accounts payable and accruals	\$ 6,256,031	\$ 1,787,002	\$ 7,666,487	\$ 376,546
Due to other funds	6,833	4,865	7,037	4,661
Total Liabilities	<u>\$ 6,262,864</u>	<u>\$ 1,791,867</u>	<u>\$ 7,673,524</u>	<u>\$ 381,207</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 52,705,811	\$ 5,060,453,683	\$ 5,070,570,804	\$ 42,588,690
Investments				
Cash Management Fund	612,870,040	8,693,399,384	8,523,914,304	782,355,120
Receivables, net - employers	316,085	1,077,286	1,134,416	258,955
Receivables, net - other	279,930,320	3,894,676,592	3,948,261,483	226,345,429
Due from other funds	36,114,288	183,239,325	179,132,436	40,221,177
Total Assets	<u>\$ 981,936,544</u>	<u>\$ 17,832,846,270</u>	<u>\$ 17,723,013,443</u>	<u>\$ 1,091,769,371</u>
Liabilities				
Accounts payable and accruals	\$ 980,403,858	\$ 6,256,157,167	\$ 6,146,475,254	\$ 1,090,085,771
Due to other funds	1,532,686	1,683,804	1,532,890	1,683,600
Total Liabilities	<u>\$ 981,936,544</u>	<u>\$ 6,257,840,971</u>	<u>\$ 6,148,008,144</u>	<u>\$ 1,091,769,371</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2017**

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ 36,858	\$ 177,544
Securities lending collateral	-	-	-
Investments			
Cash Management Fund	216,602	2,298	1,638,567
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	-	5	26
Due from other funds	-	-	-
Other	1,665,561	-	237,752
Total Assets	1,882,163	39,161	2,053,889
LIABILITIES			
Accounts payable and accruals	-	13,107	-
Benefits payable	-	25,954	147,488
Securities lending collateral and rebates payable	-	-	-
Due to other funds	-	100	1,905
Total Liabilities	-	39,161	149,393
NET POSITION			
Held in Trust for Pension Benefits and Other Purposes	\$ 1,882,163	\$ -	\$ 1,904,496

<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>
\$ 19,635	\$ 5,000,117	\$ 14,231	\$ 196,682,671
-	2,296,449	-	295,395,064
7,700,276	3,912,496	13,116,786	46,031,975
-	121,379,434	-	15,613,185,805
-	47,103,013	-	7,640,826,759
-	-	1,922,035,345	-
-	-	370,265,876	-
-	-	1,693,408,450	-
-	373,412	-	48,937,063
-	-	-	1,032,697,967
-	486	641,034	4,201,002
-	302,654	-	3,081,355
-	1,819,172	5,823,311	1,469,464,162
<u>7,719,911</u>	<u>182,187,233</u>	<u>4,005,305,033</u>	<u>26,350,503,823</u>
-	8,468	17,424,654	5,988,986
30,295	4,406,781	-	197,109,119
-	2,295,771	-	295,307,869
-	150,880	-	4,379,450
<u>30,295</u>	<u>6,861,900</u>	<u>17,424,654</u>	<u>502,785,424</u>
<u>\$ 7,689,616</u>	<u>\$ 175,325,333</u>	<u>\$ 3,987,880,379</u>	<u>\$ 25,847,718,399</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, 2017

	<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	\$ 284,097	\$ 307,314,387	\$ 226,254
Securities lending collateral	-	342,931,177	-
Investments			
Cash Management Fund	5,417,728	38,789,354	234,067,822
Common Pension Fund D	-	18,125,719,900	-
Common Pension Fund E	-	8,669,662,392	-
Domestic Equities	-	-	-
Equity Mutual Funds	-	-	-
Fixed Income Mutual Funds	-	-	-
Receivables, net of allowances for uncollectibles			
Members	-	44,000,180	-
Employers	-	1,038,844,322	9,010,679
Interest and dividends	17	35,826	-
Due from other funds	-	19,078,912	-
Other	2,507	641,688,822	20,782,269
Total Assets	<u>5,704,349</u>	<u>29,228,065,272</u>	<u>264,087,024</u>
LIABILITIES			
Accounts payable and accruals	1,011	96,699,759	3,063,577
Benefits payable	80,461	314,127,913	47,630,851
Securities lending collateral and rebates payable	-	342,829,950	-
Due to other funds	2,009	10,168,132	136,679
Total Liabilities	<u>83,481</u>	<u>763,825,754</u>	<u>50,831,107</u>
NET POSITION			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 5,620,868</u>	<u>\$ 28,464,239,518</u>	<u>\$ 213,255,917</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>
\$ 18,969,604	\$ 1,566,373	\$ 353,178,098	\$ 883,469,869
22,234,804	-	295,546,248	958,403,742
13,376,644	1,314,281	61,465,645	427,050,474
1,175,226,557	-	15,621,176,710	50,656,688,406
553,910,211	-	7,066,359,178	23,977,861,553
-	223,074,124	-	2,145,109,469
-	-	-	370,265,876
-	-	-	1,693,408,450
776	366,119	76,461,051	170,138,601
-	-	22,487,638	2,103,040,606
2,024	225,041	41,228	5,146,689
1,173,974	17,748	4,125,847	27,780,490
16,739,049	-	295,855,292	2,454,077,897
<u>1,801,633,643</u>	<u>226,563,686</u>	<u>23,796,696,935</u>	<u>85,872,442,122</u>
-	195,584	81,688,581	205,083,727
17,427,450	271,503	354,848,683	936,106,498
22,228,241	-	295,459,009	958,120,840
480,617	4,080	8,538,833	23,862,685
<u>40,136,308</u>	<u>471,167</u>	<u>740,535,106</u>	<u>2,123,173,750</u>
<u>\$ 1,761,497,335</u>	<u>\$ 226,092,519</u>	<u>\$ 23,056,161,829</u>	<u>\$ 83,749,268,372</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, 2017

	<u>Alternate Benefit Long-Term Disability Fund</u>	<u>Central Pension Fund</u>	<u>Consolidated Police and Firemen's Pension Fund</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ -	\$ -
Employers	4,980,312	248,000	575,000
Other	-	22,214	964,280
Total Contributions	<u>4,980,312</u>	<u>270,214</u>	<u>1,539,280</u>
Investment Income:			
Net increase (decrease) in fair value of investments	(39)	-	(486)
Interest and dividends	7,424	612	12,685
Total Investment Income	<u>7,385</u>	<u>612</u>	<u>12,199</u>
Less investment expense	-	-	2,100
Net Investment Income	<u>7,385</u>	<u>612</u>	<u>10,099</u>
Total Additions	<u>4,987,697</u>	<u>270,826</u>	<u>1,549,379</u>
DEDUCTIONS			
Benefit payments	4,980,312	258,290	1,535,623
Refunds of contributions	-	12,536	-
Administrative expense	-	-	4,188
Total Deductions	<u>4,980,312</u>	<u>270,826</u>	<u>1,539,811</u>
Total Changes in Net Assets Held in Trust	7,385	-	9,568
Net Position - July 1, 2016 (Restated)	<u>1,874,778</u>	-	<u>1,894,928</u>
Net Position - June 30, 2017	<u>\$ 1,882,163</u>	<u>\$ -</u>	<u>\$ 1,904,496</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>
\$ -	\$ 10,348,191	\$ 194,488,684	\$ 395,878,384
3,248,142	20,341,379	-	1,088,510,734
-	1,121,097	-	13,107,651
<u>3,248,142</u>	<u>31,810,667</u>	<u>194,488,684</u>	<u>1,497,496,769</u>
(1,483)	16,847,510	389,170,474	2,304,714,942
<u>37,863</u>	<u>3,208,312</u>	<u>10,495,318</u>	<u>488,450,683</u>
36,380	20,055,822	399,665,792	2,793,165,625
-	24,670	212,389	2,060,765
<u>36,380</u>	<u>20,031,152</u>	<u>399,453,403</u>	<u>2,791,104,860</u>
<u>3,284,522</u>	<u>51,841,819</u>	<u>593,942,087</u>	<u>4,288,601,629</u>
699,071	56,306,453	183,110,996	2,413,928,737
-	59,265	-	7,556,700
-	150,588	444,503	4,124,457
<u>699,071</u>	<u>56,516,306</u>	<u>183,555,499</u>	<u>2,425,609,894</u>
2,585,451	(4,674,487)	410,386,588	1,862,991,735
<u>5,104,165</u>	<u>179,999,820</u>	<u>3,577,493,791</u>	<u>23,984,726,664</u>
<u>\$ 7,689,616</u>	<u>\$ 175,325,333</u>	<u>\$ 3,987,880,379</u>	<u>\$ 25,847,718,399</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, 2017

	<u>Prison Officers' Pension Fund</u>	<u>Public Employees' Retirement System</u>	<u>State Health Benefits Fund - Local Government Retired</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ 847,952,137	\$ 53,585,505
Employers	-	1,465,931,579	434,877,635
Other	552,131	16,358,762	-
Total Contributions	<u>552,131</u>	<u>2,330,242,478</u>	<u>488,463,140</u>
Investment Income:			
Net increase (decrease) in fair value of investments	(1,719)	2,662,886,052	340
Interest and dividends	34,648	549,638,114	790,709
Total Investment Income	<u>32,929</u>	<u>3,212,524,166</u>	<u>791,049</u>
Less investment expense	2,082	10,130,329	-
Net Investment Income	<u>30,847</u>	<u>3,202,393,837</u>	<u>791,049</u>
Total Additions	<u>582,978</u>	<u>5,532,636,315</u>	<u>489,254,189</u>
DEDUCTIONS			
Benefit payments	1,069,209	3,667,217,598	417,488,848
Refunds of contributions	-	143,601,094	-
Administrative expense	4,134	19,648,715	8,894,576
Total Deductions	<u>1,073,343</u>	<u>3,830,467,407</u>	<u>426,383,424</u>
Total Changes in Net Assets Held in Trust	(490,365)	1,702,168,908	62,870,765
Net Position - July 1, 2016 (Restated)	<u>6,111,233</u>	<u>26,762,070,610</u>	<u>150,385,152</u>
Net Position - June 30, 2017	<u>\$ 5,620,868</u>	<u>\$ 28,464,239,518</u>	<u>\$ 213,255,917</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>
\$ 23,721,785	\$ 5,882,431	\$ 790,788,033	\$ 2,322,645,150
53,006,614	-	1,127,018,480	4,198,737,875
3,925	-	1,696,090	33,826,150
<u>76,732,324</u>	<u>5,882,431</u>	<u>1,919,502,603</u>	<u>6,555,209,175</u>
175,221,726	30,076,908	2,300,089,571	7,879,003,796
<u>32,328,268</u>	<u>5,349,069</u>	<u>442,954,741</u>	<u>1,533,308,446</u>
207,549,994	35,425,977	2,743,044,312	9,412,312,242
<u>148,404</u>	<u>-</u>	<u>6,055,521</u>	<u>18,636,260</u>
<u>207,401,590</u>	<u>35,425,977</u>	<u>2,736,988,791</u>	<u>9,393,675,982</u>
<u>284,133,914</u>	<u>41,308,408</u>	<u>4,656,491,394</u>	<u>15,948,885,157</u>
217,212,067	16,520,123	4,238,076,768	11,218,404,095
91,879	-	68,191,977	219,513,451
<u>294,745</u>	<u>-</u>	<u>11,923,787</u>	<u>45,489,693</u>
<u>217,598,691</u>	<u>16,520,123</u>	<u>4,318,192,532</u>	<u>11,483,407,239</u>
66,535,223	24,788,285	338,298,862	4,465,477,918
<u>1,694,962,112</u>	<u>201,304,234</u>	<u>22,717,862,967</u>	<u>79,283,790,454</u>
<u>\$ 1,761,497,335</u>	<u>\$ 226,092,519</u>	<u>\$ 23,056,161,829</u>	<u>\$ 83,749,268,372</u>

STATE OF NEW JERSEY
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2017

	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
ASSETS		
Cash and cash equivalents	\$ 6,100	\$ 27,993
Investments		
Cash Management Fund	188,690	235,999
Total Assets	194,790	263,992
LIABILITIES		
Accounts payable and accruals	-	-
Due to other funds	-	1,442
Total Liabilities	-	1,442
NET POSITION		
Held in Trust for Pension Benefits and Other Purposes	\$ 194,790	\$ 262,550

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 17,696	\$ 52,135	\$ 103,924
5,904,435	6,492,625	12,821,749
<u>5,922,131</u>	<u>6,544,760</u>	<u>12,925,673</u>
4,390,467	-	4,390,467
92,576	61,022	155,040
<u>4,483,043</u>	<u>61,022</u>	<u>4,545,507</u>
<u>\$ 1,439,088</u>	<u>\$ 6,483,738</u>	<u>\$ 8,380,166</u>

**STATE OF NEW JERSEY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
ADDITIONS		
Investment income:		
Interest and dividends	\$ 1,151	\$ 1,442
Total Investment Income	1,151	1,442
Miscellaneous	6,000	-
Total Additions	<u>7,151</u>	<u>1,442</u>
DEDUCTIONS		
Refunds and transfers to other systems	-	1,442
Payments in accordance with trust agreements	-	-
Total Deductions	<u>-</u>	<u>1,442</u>
Total Changes in Net Position Held in Trust	7,151	-
Net Position - July 1, 2016	<u>187,639</u>	<u>262,550</u>
Net Position - June 30, 2017	<u>\$ 194,790</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>
\$ 35,620	\$ 39,718	\$ 77,931
35,620	39,718	77,931
<u>23,144</u>	<u>-</u>	<u>29,144</u>
<u>58,764</u>	<u>39,718</u>	<u>107,075</u>
-	38,425	39,867
<u>392,637</u>	<u>137,600</u>	<u>530,237</u>
<u>392,637</u>	<u>176,025</u>	<u>570,104</u>
(333,873)	(136,307)	(463,029)
<u>1,772,961</u>	<u>6,620,045</u>	<u>8,843,195</u>
<u>\$ 1,439,088</u>	<u>\$ 6,483,738</u>	<u>\$ 8,380,166</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
JUNE 30, 2017

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 2,395,240,219	\$ 560,335,705	\$ 2,955,575,924
Investments	5,513,890,756	420,750,276	5,934,641,032
Receivables, net of allowances for uncollectibles			
Federal government	84,281,196	58,009,436	142,290,632
Loans	211,955,351	3,401,768	215,357,119
Mortgages	137,184,000	-	137,184,000
Other	160,506,415	123,091,860	283,598,275
Due from external parties	16,605,002	13,395,437	30,000,439
Inventories	19,519,288	-	19,519,288
Other	78,777,650	158,468,956	237,246,606
Total Current Assets	<u>8,617,959,877</u>	<u>1,337,453,438</u>	<u>9,955,413,315</u>
Noncurrent Assets			
Investments	717,328,767	707,330,592	1,424,659,359
Receivables, net of allowances for uncollectibles			
Loans	2,224,802,367	15,074,680	2,239,877,047
Mortgages	1,915,660,244	3,417,000	1,919,077,244
Other	13,414,256	22,749,318	36,163,574
Capital assets - nondepreciated	858,043,782	675,496,151	1,533,539,933
Capital assets - depreciated, net	1,247,279,401	4,324,265,510	5,571,544,911
Other	70,069,210	283,695,178	353,764,388
Total Noncurrent Assets	<u>7,046,598,027</u>	<u>6,032,028,429</u>	<u>13,078,626,456</u>
Deferred Outflows of Resources	<u>346,410,845</u>	<u>528,680,738</u>	<u>875,091,583</u>
Total Assets and Deferred Outflows of Resources	<u>16,010,968,749</u>	<u>7,898,162,605</u>	<u>23,909,131,354</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	157,132,892	237,774,736	394,907,628
Due to external parties	41,801,081	1,523,153	43,324,234
Interest payable	48,406,720	26,824,650	75,231,370
Unearned revenue	32,771,946	117,756,915	150,528,861
Current portion of long - term obligations	428,043,083	102,703,060	530,746,143
Other	261,425,375	51,892,207	313,317,582
Total Current Liabilities	<u>969,581,097</u>	<u>538,474,721</u>	<u>1,508,055,818</u>
Noncurrent Liabilities			
Net pension liability	906,719,309	1,873,244,549	2,779,963,858
Net OPEB liability	173,038,120	-	173,038,120
Revenue bonds payable, net	3,123,876,106	-	3,123,876,106
Installment obligations, net	60,835,554	811,272,537	872,108,091
Other	2,795,314,635	2,422,032,628	5,217,347,263
Total Noncurrent Liabilities	<u>7,059,783,724</u>	<u>5,106,549,714</u>	<u>12,166,333,438</u>
Deferred Inflows of Resources	<u>29,640,289</u>	<u>382,664,985</u>	<u>412,305,274</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,059,005,110</u>	<u>6,027,689,420</u>	<u>14,086,694,530</u>
NET POSITION			
Net investment in capital assets	1,001,732,622	1,661,088,251	2,662,820,873
Restricted for:			
Capital projects	18,251,852	108,985,895	127,237,747
Debt service	954,112,145	71,860,519	1,025,972,664
Other purposes	5,601,310,045	547,828,137	6,149,138,182
Unrestricted	<u>376,556,975</u>	<u>(519,289,617)</u>	<u>(142,732,642)</u>
Total Net Position	<u>\$ 7,951,963,639</u>	<u>\$ 1,870,473,185</u>	<u>\$ 9,822,436,824</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Authorities	Colleges and Universities	Total Non-Major Component Units
Expenses	\$ 2,502,619,550	\$ 2,823,410,193	\$ 5,326,029,743
 Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	1,083,148,764	1,580,201,744	2,663,350,508
Operating grants and contributions	654,738,565	911,141,766	1,565,880,331
Capital grants and contributions	1,305,671,222	134,687,985	1,440,359,207
Net (Expense) Revenue	540,939,001	(197,378,698)	343,560,303
 General Revenue			
Payments from State	143,739,255	312,880,391	456,619,646
Total General Revenue	143,739,255	312,880,391	456,619,646
 Change in Net Position	 684,678,256	 115,501,693	 800,179,949
 Net Position - Beginning of Year (Restated)	 7,267,285,383	 1,754,971,492	 9,022,256,875
Net Position - End of Year	\$ 7,951,963,639	\$ 1,870,473,185	\$ 9,822,436,824

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2017

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority	New Jersey Economic Development Authority
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 306,274,667	\$ 652,619,921	\$ 101,041,548
Investments	15,381,988	5,265,764,071	79,224,522
Receivables, net of allowances for uncollectibles			
Federal government	-	3,254,641	-
Loans	-	93,602,999	17,407,584
Mortgages	-	-	-
Other	59,616,327	59,260,799	-
Due from external parties	-	651,282	-
Inventories	-	-	-
Other	-	-	1,162,484
Total Current Assets	381,272,982	6,075,153,713	198,836,138
Noncurrent Assets			
Investments	-	-	152,881,204
Receivables, net of allowances for uncollectibles			
Loans	15,119,502	1,701,248,950	167,272,159
Mortgages	59,982,244	-	-
Other	-	-	-
Capital assets - nondepreciated	274,810,017	-	28,983,065
Capital assets - depreciated, net	243,340,087	3,465,480	38,325,911
Other	1,913,141	-	607,069
Total Noncurrent Assets	595,164,991	1,704,714,430	388,069,408
Deferred Outflows of Resources	10,226,953	-	29,472,454
Total Assets and Deferred Outflows of Resources	986,664,926	7,779,868,143	616,378,000
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	38,282,934	14,474,996	8,672,975
Due to external parties	-	46,937	-
Interest payable	14,866,701	8,386,817	29,610
Unearned revenue	3,352,217	-	1,265,425
Current portion of long - term obligations	32,961,674	254,895,000	973,415
Other	-	4,795,973	1,568,182
Total Current Liabilities	89,463,526	282,599,723	12,509,607
Noncurrent Liabilities			
Net pension liability	19,420,368	-	67,068,246
Net OPEB liability	-	-	-
Revenue bonds payable, net	527,391,575	1,919,380,000	-
Installment obligations, net	-	-	-
Other	-	31,763,434	12,410,147
Total Noncurrent Liabilities	546,811,943	1,951,143,434	79,478,393
Deferred Inflows of Resources	8,191,312	-	-
Total Liabilities and Deferred Inflows of Resources	644,466,781	2,233,743,157	91,988,000
NET POSITION			
Net investment in capital assets	326,788,732	-	58,100,060
Restricted for:			
Capital projects	-	-	-
Debt service	48,464,127	275,839,447	-
Other purposes	113,811	5,270,285,539	33,287,850
Unrestricted	(33,168,525)	-	433,002,090
Total Net Position	\$ 342,198,145	\$ 5,546,124,986	\$ 524,390,000

<u>New Jersey Educational Facilities Authority</u>	<u>New Jersey Environmental Infrastructure Trust</u>	<u>New Jersey Health Care Facilities Financing Authority</u>	<u>New Jersey Housing and Mortgage Finance Agency</u>
\$ 92,212	\$ 128,516,738	\$ 8,241,000	\$ 923,016,000
9,826,650	26,845,036	-	13,217,000
-	-	-	-
-	87,292,753	301,000	2,389,000
-	-	-	137,184,000
-	2,933,542	1,907,000	7,064,000
-	-	-	2,101,000
-	-	-	-
26,308	90,217	3,387,000	33,483,000
<u>9,945,170</u>	<u>245,678,286</u>	<u>13,836,000</u>	<u>1,118,454,000</u>
-	86,538,466	-	316,854,000
-	53,401,569	1,146,000	276,396,000
-	-	-	1,855,678,000
-	-	-	127,000
-	-	-	1,225,000
100,296	95,464	29,000	6,246,000
-	-	-	50,819,000
<u>100,296</u>	<u>140,035,499</u>	<u>1,175,000</u>	<u>2,507,345,000</u>
<u>1,238,555</u>	<u>-</u>	<u>2,085,000</u>	<u>90,308,000</u>
<u>11,284,021</u>	<u>385,713,785</u>	<u>17,096,000</u>	<u>3,716,107,000</u>
203,485	1,238,889	168,000	8,733,000
-	-	-	16,321,000
-	-	-	15,028,000
-	-	1,780,000	-
-	-	-	110,525,000
-	-	-	235,458,000
<u>203,485</u>	<u>1,238,889</u>	<u>1,948,000</u>	<u>386,065,000</u>
4,200,640	-	6,498,000	87,342,000
467,762	-	-	78,942,000
-	-	-	-
-	-	-	-
16,165	-	-	2,262,040,000
<u>4,684,567</u>	<u>-</u>	<u>6,498,000</u>	<u>2,428,324,000</u>
<u>400,351</u>	<u>-</u>	<u>547,000</u>	<u>3,293,000</u>
<u>5,288,403</u>	<u>1,238,889</u>	<u>8,993,000</u>	<u>2,817,682,000</u>
100,296	95,464	29,000	7,471,000
-	-	-	-
-	115,031,752	-	412,485,000
-	245,863,269	2,203,000	25,367,000
5,895,322	23,484,411	5,871,000	453,102,000
<u>\$ 5,995,618</u>	<u>\$ 384,474,896</u>	<u>\$ 8,103,000</u>	<u>\$ 898,425,000</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - AUTHORITIES (Continued)
JUNE 30, 2017

	<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	\$ 115,865	\$ 30,329,205	\$ 48,506,593
Investments	-	-	5,329,485
Receivables, net of allowances for uncollectibles			
Federal government	-	-	-
Loans	312,015	-	-
Mortgages	-	-	-
Other	-	7,590,707	3,616,058
Due from external parties	-	459,700	-
Inventories	-	-	-
Other	26,145	250,722	1,000,513
Total Current Assets	<u>454,025</u>	<u>38,630,334</u>	<u>58,452,649</u>
Noncurrent Assets			
Investments	27,845,133	17,248,939	11,104,025
Receivables, net of allowances for uncollectibles			
Loans	10,218,187	-	-
Mortgages	-	-	-
Other	2,624,936	10,662,320	-
Capital assets - nondepreciated	-	177,171,594	35,771,831
Capital assets - depreciated, net	55,477	103,320,267	103,694,897
Other	-	-	-
Total Noncurrent Assets	<u>40,743,733</u>	<u>308,403,120</u>	<u>150,570,753</u>
Deferred Outflows of Resources	<u>2,461,120</u>	<u>11,474,895</u>	<u>9,612,405</u>
Total Assets and Deferred Outflows of Resources	<u>43,658,878</u>	<u>358,508,349</u>	<u>218,635,807</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	238,499	11,097,566	2,567,844
Due to external parties	297,360	-	-
Interest payable	-	-	-
Unearned revenue	-	23,292,046	2,165,583
Current portion of long - term obligations	-	3,109,595	3,851,691
Other	-	-	-
Total Current Liabilities	<u>535,859</u>	<u>37,499,207</u>	<u>8,585,118</u>
Noncurrent Liabilities			
Net pension liability	4,588,296	40,755,248	29,886,847
Net OPEB liability	-	-	-
Revenue bonds payable, net	-	-	-
Installment obligations, net	-	-	60,835,554
Other	1,899,657	92,340,946	-
Total Noncurrent Liabilities	<u>6,487,953</u>	<u>133,096,194</u>	<u>90,722,401</u>
Deferred Inflows of Resources	<u>298,296</u>	<u>8,944,997</u>	<u>340,094</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,322,108</u>	<u>179,540,398</u>	<u>99,647,613</u>
NET POSITION			
Net investment in capital assets	55,477	278,097,824	99,631,597
Restricted for:			
Capital projects	18,251,852	-	-
Debt service	-	-	7,262,065
Other purposes	-	16,733,442	-
Unrestricted	18,029,441	(115,863,315)	12,094,532
Total Net Position	<u>\$ 36,336,770</u>	<u>\$ 178,967,951</u>	<u>\$ 118,988,194</u>

<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>University Hospital</u>	<u>Total Non-Major Authorities</u>
\$ 45,238,490	\$ 71,847,980	\$ 79,400,000	\$ 2,395,240,219
9,786,394	82,473,610	6,042,000	5,513,890,756
-	248,555	80,778,000	84,281,196
-	10,650,000	-	211,955,351
-	-	-	137,184,000
11,598,872	5,397,110	1,522,000	160,506,415
13,393,020	-	-	16,605,002
1,225,454	62,834	18,231,000	19,519,288
1,017,954	2,228,307	36,105,000	78,777,650
<u>82,260,184</u>	<u>172,908,396</u>	<u>222,078,000</u>	<u>8,617,959,877</u>
-	-	104,857,000	717,328,767
-	-	-	2,224,802,367
-	-	-	1,915,660,244
-	-	-	13,414,256
165,122,911	173,361,364	1,598,000	858,043,782
95,294,838	456,434,684	196,877,000	1,247,279,401
-	-	16,730,000	70,069,210
<u>260,417,749</u>	<u>629,796,048</u>	<u>320,062,000</u>	<u>7,046,598,027</u>
<u>9,948,630</u>	<u>28,337,833</u>	<u>151,245,000</u>	<u>346,410,845</u>
<u>352,626,563</u>	<u>831,042,277</u>	<u>693,385,000</u>	<u>16,010,968,749</u>
2,266,763	10,695,941	58,492,000	157,132,892
218,450	208,334	24,709,000	41,801,081
6,554,916	3,540,676	-	48,406,720
-	667,675	249,000	32,771,946
12,815,000	8,696,708	215,000	428,043,083
-	10,718,220	8,885,000	261,425,375
<u>21,855,129</u>	<u>34,527,554</u>	<u>92,550,000</u>	<u>969,581,097</u>
23,837,140	71,025,524	552,097,000	906,719,309
-	93,628,358	-	173,038,120
243,784,531	433,320,000	-	3,123,876,106
-	-	-	60,835,554
10,165,366	16,495,920	368,183,000	2,795,314,635
<u>277,787,037</u>	<u>614,469,802</u>	<u>920,280,000</u>	<u>7,059,783,724</u>
<u>2,374,526</u>	<u>5,250,713</u>	<u>-</u>	<u>29,640,289</u>
<u>302,016,692</u>	<u>654,248,069</u>	<u>1,012,830,000</u>	<u>8,059,005,110</u>
21,909,778	194,179,394	15,274,000	1,001,732,622
-	-	-	18,251,852
24,923,939	64,083,815	6,022,000	954,112,145
1,225,454	6,230,680	-	5,601,310,045
2,550,700	(87,699,681)	(340,741,000)	376,556,975
<u>\$ 50,609,871</u>	<u>\$ 176,794,208</u>	<u>\$ (319,445,000)</u>	<u>\$ 7,951,963,639</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Casino Reinvestment Development Authority</u>	<u>Higher Education Student Assistance Authority</u>	<u>New Jersey Economic Development Authority</u>
Expenses	\$ 93,958,563	\$ 973,596,513	\$ 124,186,145
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	49,275,350	22,672,092	58,129,546
Operating grants and contributions	74,043,659	258,372,462	57,146,575
Capital grants and contributions	<u>-</u>	<u>1,287,363,168</u>	<u>-</u>
Net (Expense) Revenue	<u>29,360,446</u>	<u>594,811,209</u>	<u>(8,910,024)</u>
General Revenue			
Payments from State	<u>-</u>	<u>-</u>	<u>19,703,582</u>
Total General Revenue	<u>-</u>	<u>-</u>	<u>19,703,582</u>
Change in Net Position	29,360,446	594,811,209	10,793,558
Net Position - Beginning of Year (Restated)	<u>312,837,699</u>	<u>4,951,313,777</u>	<u>513,596,442</u>
Net Position - End of Year	<u>\$ 342,198,145</u>	<u>\$ 5,546,124,986</u>	<u>\$ 524,390,000</u>

<u>New Jersey Educational Facilities Authority</u>	<u>New Jersey Environmental Infrastructure Trust</u>	<u>New Jersey Health Care Facilities Financing Authority</u>	<u>New Jersey Housing and Mortgage Finance Agency</u>
\$ 3,224,194	\$ 5,754,113	\$ 3,856,000	\$ 279,434,000
4,011,165	6,646,968	4,086,000	222,580,000
32,633	530,477	77,000	120,474,000
-	-	-	-
<u>819,604</u>	<u>1,423,332</u>	<u>307,000</u>	<u>63,620,000</u>
-	<u>51,612,673</u>	-	-
-	<u>51,612,673</u>	-	-
819,604	53,036,005	307,000	63,620,000
<u>5,176,014</u>	<u>331,438,891</u>	<u>7,796,000</u>	<u>834,805,000</u>
<u>\$ 5,995,618</u>	<u>\$ 384,474,896</u>	<u>\$ 8,103,000</u>	<u>\$ 898,425,000</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>New Jersey Redevelopment Authority</u>	<u>New Jersey Sports and Exposition Authority</u>	<u>New Jersey Water Supply Authority</u>
Expenses	\$ 2,620,080	\$ 84,374,852	\$ 22,660,658
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	276,596	61,015,614	27,893,983
Operating grants and contributions	700,560	74,604	146,122
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>
Net (Expense) Revenue	<u>(1,642,924)</u>	<u>(23,284,634)</u>	<u>5,379,447</u>
General Revenue			
Payments from State	<u>-</u>	<u>15,000,000</u>	<u>-</u>
Total General Revenue	<u>-</u>	<u>15,000,000</u>	<u>-</u>
Change in Net Position	(1,642,924)	(8,284,634)	5,379,447
Net Position - Beginning of Year (Restated)	<u>37,979,694</u>	<u>187,252,585</u>	<u>113,608,747</u>
Net Position - End of Year	<u>\$ 36,336,770</u>	<u>\$ 178,967,951</u>	<u>\$ 118,988,194</u>

<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>University Hospital</u>	<u>Total Non-Major Authorities</u>
\$ 60,586,002	\$ 126,488,430	\$ 721,880,000	\$ 2,502,619,550
22,673,956	107,343,494	496,544,000	1,083,148,764
17,890,528	1,693,945	123,556,000	654,738,565
5,100,224	12,218,830	989,000	1,305,671,222
<u>(14,921,294)</u>	<u>(5,232,161)</u>	<u>(100,791,000)</u>	<u>540,939,001</u>
<u>18,750,000</u>	<u>-</u>	<u>38,673,000</u>	<u>143,739,255</u>
<u>18,750,000</u>	<u>-</u>	<u>38,673,000</u>	<u>143,739,255</u>
3,828,706	(5,232,161)	(62,118,000)	684,678,256
<u>46,781,165</u>	<u>182,026,369</u>	<u>(257,327,000)</u>	<u>7,267,285,383</u>
<u>\$ 50,609,871</u>	<u>\$ 176,794,208</u>	<u>\$ (319,445,000)</u>	<u>\$ 7,951,963,639</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2017

	<u>The College of New Jersey</u>	<u>Kean University</u>	<u>Montclair State University</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 19,904,000	\$ 167,198,938	\$ 41,146,133
Investments	65,145,000	33,453,113	95,473,844
Receivables, net of allowances for uncollectibles			
Federal government	-	3,342,373	10,317,023
Loans	862,000	190,186	576,277
Other	14,888,000	2,526,320	21,145,610
Due from external parties	-	2,777,173	5,951,264
Other	20,237,000	6,149,652	1,845,703
Total Current Assets	<u>121,036,000</u>	<u>215,637,755</u>	<u>176,455,854</u>
Noncurrent Assets			
Investments	59,040,000	7,188,213	177,519,140
Receivables, net of allowances for uncollectibles			
Loans	2,854,000	2,208,220	3,241,867
Mortgages	-	-	-
Other	-	125,038	5,614,359
Capital assets - nondepreciated	138,093,000	22,965,620	65,704,329
Capital assets - depreciated, net	535,062,000	459,376,884	850,995,626
Other	61,451,000	1,645,478	2,112,406
Total Noncurrent Assets	<u>796,500,000</u>	<u>493,509,453</u>	<u>1,105,187,727</u>
Deferred Outflows of Resources	<u>76,821,000</u>	<u>48,880,053</u>	<u>63,168,082</u>
Total Assets and Deferred Outflows of Resources	<u>994,357,000</u>	<u>758,027,261</u>	<u>1,344,811,663</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	32,962,000	13,775,404	28,226,140
Due to external parties	-	-	-
Interest payable	-	5,889,155	10,149,044
Unearned revenue	1,051,000	14,696,586	23,722,175
Current portion of long - term obligations	12,023,000	14,087,304	12,083,775
Other	6,440,000	3,257,873	6,944,066
Total Current Liabilities	<u>52,476,000</u>	<u>51,706,322</u>	<u>81,125,200</u>
Noncurrent Liabilities			
Net pension liability	180,206,000	179,202,732	236,776,033
Installment obligations, net	-	-	-
Other	420,816,000	317,936,874	438,465,712
Total Noncurrent Liabilities	<u>601,022,000</u>	<u>497,139,606</u>	<u>675,241,745</u>
Deferred Inflows of Resources	<u>129,000</u>	<u>12,049,875</u>	<u>218,839,666</u>
Total Liabilities and Deferred Inflows of Resources	<u>653,627,000</u>	<u>560,895,803</u>	<u>975,206,611</u>
NET POSITION			
Net investment in capital assets	324,924,000	166,973,675	233,585,764
Restricted for:			
Capital projects	3,363,000	39,308,895	-
Debt service	11,479,000	2,524,516	20,464,090
Other purposes	32,011,000	34,192,805	121,908,829
Unrestricted	<u>(31,047,000)</u>	<u>(45,868,433)</u>	<u>(6,353,631)</u>
Total Net Position	<u>\$ 340,730,000</u>	<u>\$ 197,131,458</u>	<u>\$ 369,605,052</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>
\$ 28,667,444	\$ 21,042,000	\$ 74,390,000	\$ 96,987,372	\$ 5,620,407
34,530,776	76,737,000	42,000	47,483,337	18,983,672
1,155,550	28,981,000	-	8,992,325	895,037
-	276,000	110,000	-	354,083
23,612,588	4,964,000	5,504,000	1,838,147	23,477,706
-	4,667,000	-	-	-
528,334	2,101,000	23,910,000	67,668,633	24,675,099
<u>88,494,692</u>	<u>138,768,000</u>	<u>103,956,000</u>	<u>222,969,814</u>	<u>74,006,004</u>
20,059,005	220,821,000	36,498,000	87,783,603	88,770,593
639,306	725,000	563,000	2,492,662	2,015,056
-	3,417,000	-	-	-
1,460,437	9,115,000	3,322,000	-	3,112,484
31,537,693	118,729,000	11,804,000	85,237,586	158,898,463
260,109,097	358,093,000	319,748,000	852,620,016	277,403,030
925,745	808,000	37,000	193,304,859	23,410,690
<u>314,731,283</u>	<u>711,708,000</u>	<u>371,972,000</u>	<u>1,221,438,726</u>	<u>553,610,316</u>
<u>41,968,924</u>	<u>44,834,000</u>	<u>22,144,000</u>	<u>108,857,497</u>	<u>57,350,803</u>
<u>445,194,899</u>	<u>895,310,000</u>	<u>498,072,000</u>	<u>1,553,266,037</u>	<u>684,967,123</u>
9,530,013	37,906,000	13,380,000	48,573,686	29,486,328
-	1,465,000	-	-	-
4,542,451	6,244,000	-	-	-
6,139,361	13,357,000	6,345,000	23,250,822	16,525,008
11,194,722	9,585,000	8,738,000	18,281,122	7,222,307
9,757,223	13,197,000	2,044,000	37,630	5,468,979
<u>41,163,770</u>	<u>81,754,000</u>	<u>30,507,000</u>	<u>90,143,260</u>	<u>58,702,622</u>
169,295,597	162,353,000	105,486,000	355,619,853	205,993,729
-	-	-	639,894,011	-
230,317,649	366,812,000	260,731,000	22,315,687	348,723,229
<u>399,613,246</u>	<u>529,165,000</u>	<u>366,217,000</u>	<u>1,017,829,551</u>	<u>554,716,958</u>
270,780	3,308,000	4,695,000	138,466,035	339,087
<u>441,047,796</u>	<u>614,227,000</u>	<u>401,419,000</u>	<u>1,246,438,846</u>	<u>613,758,667</u>
81,079,886	175,132,000	92,855,000	222,483,068	102,594,398
-	19,968,000	46,346,000	-	-
4,825,063	2,500,000	-	17,755,000	4,807,850
14,780,156	101,173,000	23,830,000	157,860,775	33,296,478
(96,538,002)	(17,690,000)	(66,378,000)	(91,271,652)	(69,490,270)
<u>\$ 4,147,103</u>	<u>\$ 281,083,000</u>	<u>\$ 96,653,000</u>	<u>\$ 306,827,191</u>	<u>\$ 71,208,456</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES (Continued)
JUNE 30, 2017

	Thomas Edison State University	The William Paterson University of New Jersey	Total Non-Major Colleges and Universities
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 6,140,626	\$ 99,238,785	\$ 560,335,705
Investments	29,825,576	19,075,958	420,750,276
Receivables, net of allowances for uncollectibles			
Federal government	3,524,627	801,501	58,009,436
Loans	-	1,033,222	3,401,768
Other	8,791,476	16,344,013	123,091,860
Due from external parties	-	-	13,395,437
Other	400,551	10,952,984	158,468,956
Total Current Assets	<u>48,682,856</u>	<u>147,446,463</u>	<u>1,337,453,438</u>
Noncurrent Assets			
Investments	9,651,038	-	707,330,592
Receivables, net of allowances for uncollectibles			
Loans	-	335,569	15,074,680
Mortgages	-	-	3,417,000
Other	-	-	22,749,318
Capital assets - nondepreciated	4,583,327	37,943,133	675,496,151
Capital assets - depreciated, net	64,968,195	345,889,662	4,324,265,510
Other	-	-	283,695,178
Total Noncurrent Assets	<u>79,202,560</u>	<u>384,168,364</u>	<u>6,032,028,429</u>
Deferred Outflows of Resources	<u>21,534,700</u>	<u>43,121,679</u>	<u>528,680,738</u>
Total Assets and Deferred Outflows of Resources	<u>149,420,116</u>	<u>574,736,506</u>	<u>7,898,162,605</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	7,713,557	16,221,608	237,774,736
Due to external parties	58,153	-	1,523,153
Interest payable	-	-	26,824,650
Unearned revenue	8,606,117	4,063,846	117,756,915
Current portion of long - term obligations	1,354,131	8,133,699	102,703,060
Other	1,917,931	2,827,505	51,892,207
Total Current Liabilities	<u>19,649,889</u>	<u>31,246,658</u>	<u>538,474,721</u>
Noncurrent Liabilities			
Net pension liability	83,635,756	194,675,849	1,873,244,549
Installment obligations, net	-	171,378,526	811,272,537
Other	11,848,399	4,066,078	2,422,032,628
Total Noncurrent Liabilities	<u>95,484,155</u>	<u>370,120,453</u>	<u>5,106,549,714</u>
Deferred Inflows of Resources	<u>1,429,948</u>	<u>3,137,594</u>	<u>382,664,985</u>
Total Liabilities and Deferred Inflows of Resources	<u>116,563,992</u>	<u>404,504,705</u>	<u>6,027,689,420</u>
NET POSITION			
Net investment in capital assets	57,131,126	204,329,334	1,661,088,251
Restricted for:			
Capital projects	-	-	108,985,895
Debt service	-	7,505,000	71,860,519
Other purposes	7,988,864	20,786,230	547,828,137
Unrestricted	<u>(32,263,866)</u>	<u>(62,388,763)</u>	<u>(519,289,617)</u>
Total Net Position	<u>\$ 32,856,124</u>	<u>\$ 170,231,801</u>	<u>\$ 1,870,473,185</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, 2017**

	<u>The College of New Jersey</u>	<u>Kean University</u>	<u>Montclair State University</u>
Expenses	\$ 243,579,000	\$ 245,663,624	\$ 451,313,271
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	156,660,000	134,120,294	273,641,875
Operating grants and contributions	55,726,000	98,599,065	135,692,386
Capital grants and contributions	<u>19,212,000</u>	<u>-</u>	<u>4,510,324</u>
Net (Expense) Revenue	<u>(11,981,000)</u>	<u>(12,944,265)</u>	<u>(37,468,686)</u>
General Revenue			
Payments from State	<u>27,177,000</u>	<u>35,855,731</u>	<u>35,859,000</u>
Total General Revenue	<u>27,177,000</u>	<u>35,855,731</u>	<u>35,859,000</u>
Change in Net Position	15,196,000	22,911,466	(1,609,686)
Net Position - Beginning of Year	<u>325,534,000</u>	<u>174,219,992</u>	<u>371,214,738</u>
Net Position - End of Year	<u><u>\$ 340,730,000</u></u>	<u><u>\$ 197,131,458</u></u>	<u><u>\$ 369,605,052</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>
\$ 214,777,562	\$ 386,953,000	\$ 160,849,000	\$ 540,110,360	\$ 248,411,233
108,347,675	154,410,000	117,699,000	370,608,002	105,015,401
63,935,556	207,292,000	28,914,000	98,093,707	110,471,065
19,520,295	13,964,000	1,082,000	46,547,829	28,662,558
<u>(22,974,036)</u>	<u>(11,287,000)</u>	<u>(13,154,000)</u>	<u>(24,860,822)</u>	<u>(4,262,209)</u>
<u>24,154,000</u>	<u>35,440,000</u>	<u>14,953,000</u>	<u>82,220,183</u>	<u>18,391,000</u>
<u>24,154,000</u>	<u>35,440,000</u>	<u>14,953,000</u>	<u>82,220,183</u>	<u>18,391,000</u>
1,179,964	24,153,000	1,799,000	57,359,361	14,128,791
<u>2,967,139</u>	<u>256,930,000</u>	<u>94,854,000</u>	<u>249,467,830</u>	<u>57,079,665</u>
<u>\$ 4,147,103</u>	<u>\$ 281,083,000</u>	<u>\$ 96,653,000</u>	<u>\$ 306,827,191</u>	<u>\$ 71,208,456</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, 2017

	<u>Thomas Edison State University</u>	<u>The William Patterson University of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
Expenses	\$ 101,023,673	\$ 230,729,470	\$ 2,823,410,193
Net (Expense) Revenue and Changes in Net Position			
Program Revenues			
Charges for services	47,877,844	111,821,653	1,580,201,744
Operating grants and contributions	36,140,172	76,277,815	911,141,766
Capital grants and contributions	<u>277,236</u>	<u>911,743</u>	<u>134,687,985</u>
Net (Expense) Revenue	<u>(16,728,421)</u>	<u>(41,718,259)</u>	<u>(197,378,698)</u>
General Revenue			
Payments from State	<u>8,473,477</u>	<u>30,357,000</u>	<u>312,880,391</u>
Total General Revenue	<u>8,473,477</u>	<u>30,357,000</u>	<u>312,880,391</u>
Change in Net Position	(8,254,944)	(11,361,259)	115,501,693
Net Position - Beginning of Year	<u>41,111,068</u>	<u>181,593,060</u>	<u>1,754,971,492</u>
Net Position - End of Year	<u>\$ 32,856,124</u>	<u>\$ 170,231,801</u>	<u>\$ 1,870,473,185</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.

562 - 1995 New Jersey Inland Blue Acres 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 acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have 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.

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 and internet gaming. 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.

714 - Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

This fund is dedicated for the purpose of reimbursing a developer who enters into a certified redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for a 75 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

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 four 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 CPFPPF 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. Remaining balances are paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. 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, 2017**

	<u>Balance July 1, 2016¹</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments²</u>	<u>Balance June 30, 2017</u>
FUNCTION:					
Public safety and criminal justice	\$ 2,479,438,759	\$ 166,088,954	\$ 36,502,367	\$ (676,825)	\$ 2,608,348,521
Physical and mental health	537,389,933	17,179,582	6,043,040	(48,934,083)	499,592,392
Educational, cultural, and intellectual development	598,798,308	30,817,949	27,096,556	40,845,618	643,365,319
Community development and environmental management	3,505,948,633	86,464,620	989,041	1,675,706	3,593,099,918
Economic planning, development, and security	406,384,537	9,940,264	9,337,005	13,308,560	420,296,356
Transportation programs	32,738,880,407	874,802,461	2,265,931	(2,510,800)	33,608,906,137
Government direction, management, and control	845,838,607	20,438,689	19,810,525	(12,605,685)	833,861,086
Special government services	<u>290,236,103</u>	<u>3,339,891</u>	<u>-</u>	<u>(1,767,495)</u>	<u>291,808,499</u>
Total Gross Capital Assets By Function	<u>\$ 41,402,915,287</u>	<u>\$ 1,209,072,410</u>	<u>\$ 102,044,465</u>	<u>\$ (10,665,004)</u>	<u>\$ 42,499,278,228</u>

¹ Beginning Balance was restated by (\$561,560,323) across all statewide functions.

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, 2017**

	<u>Land and Easements</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
FUNCTION:			
Public safety and criminal justice	\$ 28,806,674	\$ 72,576,340	\$ 1,689,577,480
Physical and mental health	2,169,082	20,976,316	379,196,460
Educational, cultural, and intellectual development	4,947,337	15,653,843	444,349,344
Community development and environmental management	2,811,383,758	94,087,650	291,814,692
Economic planning, development, and security	1,355,472	2,116,943	234,525,734
Transportation programs	2,416,412,159	10,387,172	249,640,846
Government direction, management, and control	7,697,759	37,395,926	441,503,742
Special government services	<u>3,792,985</u>	<u>1,102,931</u>	<u>264,165,001</u>
Total Gross Capital Assets By Function	<u>\$ 5,276,565,226</u>	<u>\$ 254,297,121</u>	<u>\$ 3,994,773,299</u>

<u>Equipment and Software</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 532,358,301	\$ 69,521,220	\$ 215,508,506	\$ 2,608,348,521
37,501,234	7,225,889	52,523,411	499,592,392
120,937,047	16,028,088	41,449,660	643,365,319
30,797,597	157,356,668	207,659,553	3,593,099,918
171,947,301	1,276,527	9,074,379	420,296,356
167,302,566	28,877,005,578	1,888,157,816	33,608,906,137
285,712,367	7,470,221	54,081,071	833,861,086
6,510,978	530,925	15,705,679	291,808,499
\$ 1,353,067,391	\$ 29,136,415,116	\$ 2,484,160,075	\$ 42,499,278,228

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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, 2017**

FUNCTION:	<u>Balance July 1, 2016¹</u>	<u>Depreciation Expense</u>	<u>Deductions</u>	<u>Transfers/ Adjustments²</u>	<u>Balance June 30, 2017</u>
Public safety and criminal justice	\$ 1,395,072,867	\$ 102,101,843	\$ 29,136,286	\$ (9,685)	\$ 1,468,028,739
Physical and mental health	207,925,736	22,313,097	3,634,830	(31,872,531)	194,731,472
Educational, cultural, and intellectual development	365,996,818	28,876,643	25,817,805	9,589,868	378,645,524
Community development and environmental management	315,343,153	17,476,201	964,505	442,135	332,296,984
Economic planning, development, and security	262,570,066	15,441,975	9,013,153	18,937,801	287,936,689
Transportation programs	11,142,400,465	801,985,512	2,235,100	-	11,942,150,877
Government direction, management, and control	481,108,482	38,556,550	3,628,461	(1,399,130)	514,637,441
Special government services	127,952,365	9,553,748	-	-	137,506,113
Total Accumulated Depreciation By Function	<u>\$ 14,298,369,952</u>	<u>\$ 1,036,305,569</u>	<u>\$ 74,430,140</u>	<u>\$ (4,311,542)</u>	<u>\$ 15,255,933,839</u>

¹ Beginning Balance was restated by \$44,799,968 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, 2017**

	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
FUNCTION:		
Public safety and criminal justice	\$ 54,020,248	\$ 1,036,241,318
Physical and mental health	4,861,469	156,746,290
Educational, cultural, and intellectual development	10,650,033	275,231,774
Community development and environmental management	76,234,447	173,192,267
Economic planning, development, and security	1,423,225	142,290,690
Transportation programs	7,045,121	121,809,856
Government direction, management, and control	13,678,052	259,285,196
Special government services	<u>552,822</u>	<u>131,889,687</u>
Total Accumulated Depreciation by Function	<u>\$ 168,465,417</u>	<u>\$ 2,296,687,078</u>

<u>Equipment and Software</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 348,944,451	\$ 28,822,722	\$ 1,468,028,739
31,001,730	2,121,983	194,731,472
84,677,696	8,086,021	378,645,524
21,144,857	61,725,413	332,296,984
143,247,216	975,558	287,936,689
126,174,626	11,687,121,274	11,942,150,877
237,322,765	4,351,428	514,637,441
4,780,444	283,160	137,506,113
<u>\$ 997,293,785</u>	<u>\$ 11,793,487,559</u>	<u>\$ 15,255,933,839</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land Improvements	66.2 %	75.0 %	74.0 %	67.4 %
Buildings and Improvements	57.5	57.7	55.5	54.4
Equipment	74.0	71.0	67.8	65.9
Software	73.4	72.1	67.4	66.7
Infrastructure	40.5	38.8	38.2	38.3

* 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, 2017

<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	74.4 %	23.2 %	68.0 %
Building Improvements	61.3	41.3	61.9
Equipment	72.5	74.2	81.9
Software	57.7	89.3	66.2
Infrastructure	41.5	29.4	50.4

* Calculated by dividing the Accumulated Depreciation by the Capital Asset for that function.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
64.2 %	63.1 %	60.8 %	58.9 %	57.4 %	55.8 %
55.4	54.1	52.9	50.8	48.4	54.5
73.0	72.7	71.6	66.2	62.2	59.5
55.0	45.6	32.9	36.2	45.2	28.2
37.6	36.8	38.8	38.5	38.2	38.1

<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>
81.0 %	67.2 %	67.8 %	36.6 %	50.1 %
59.4	60.7	48.8	58.7	49.9
70.9	80.9	75.6	71.7	72.1
43.1	84.3	73.3	93.4	80.8
39.2	76.4	40.5	58.3	53.3

**STATE OF NEW JERSEY
SCHEDULE OF LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Obligation Bonds		
	Amount Authorized	Amount Unissued	Year Authorized
Bonded Debt			
General Obligation Bond Act			
Building Our Future	\$ 750,000,000	\$ -	2012
Clean Waters	120,000,000	3,400,000	1976
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	200,000,000	38,750,000	2003
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction	160,000,000	-	1994
Energy Conservation	50,000,000	1,600,000	1980
Green Acres, Cultural Centers, and Historic Preservation	100,000,000	1,000,000	1987
Green Acres, Farmland, Blue Acres, and Historic Preservation	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
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
State Land Acquisition and Development	200,000,000	-	1978
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	\$ 10,734,329,598	\$ 468,230,000	
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			
Net OPEB Obligation			
Net Pension Liability			
Pollution Remediation Obligation			
Other			
Subtotal Non-Bonded Debt			
Total Obligations			

* Restated to reflect State Health Benefits claims incurred but not reported (IBNR) of \$158,096,617.

<u>Outstanding July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding June 30, 2017</u>
\$ 526,485,000	\$ 200,000,000	\$ 18,035,000	\$ 708,450,000
65,000	-	35,000	30,000
9,765,000	-	3,580,000	6,185,000
135,000	-	135,000	-
-	-	-	-
215,000	-	215,000	-
54,130,000	14,000,000	7,110,000	61,020,000
2,800,000	-	205,000	2,595,000
211,340,000	81,400,000	8,070,000	284,670,000
-	-	-	-
9,020,000	-	360,000	8,660,000
-	-	-	-
-	-	-	-
2,065,000	-	535,000	1,530,000
620,000	4,600,000	145,000	5,075,000
230,000	-	55,000	175,000
43,005,000	-	3,765,000	39,240,000
-	-	-	-
1,124,205,000	-	208,140,000	916,065,000
25,000	-	25,000	-
3,850,000	-	395,000	3,455,000
3,690,000	-	855,000	2,835,000
<u>1,991,645,000</u>	<u>300,000,000</u>	<u>251,660,000</u>	<u>2,039,985,000</u>
22,418,610,000	3,241,425,000	729,955,000	24,930,080,000
(4,392,980,053)	-	(177,714,047)	(4,215,266,006)
285,190,000	-	13,895,000	271,295,000
18,199,887,459	2,520,267,984	2,051,527,872	18,668,627,571
(1,029,215,811)	-	(186,004,624)	(843,211,187)
79,014,925	56,377,343	39,057,643	96,334,625
4,223,335,001	-	246,235,000	3,977,100,001
(965,094,684)	-	(172,116,108)	(792,978,576)
<u>1,916,722,672</u>	<u>246,791,444</u>	<u>194,418,718</u>	<u>1,969,095,398</u>
<u>42,727,114,509</u>	<u>6,364,861,771</u>	<u>2,990,914,454</u>	<u>46,101,061,826</u>
547,612,869	302,872,287	345,062,908	505,422,248
256,873,586	23,075,005	36,032,919	243,915,672
1,279,358,087	-	-	1,279,358,087
32,282,700,000	6,225,300,000	2,014,400,000	36,493,600,000
93,195,875,720	21,917,714,366	-	115,113,590,086
83,660,709	15,577,483	-	99,238,192
1,345,158,903 *	483,271,284	385,494,437	1,442,935,750
<u>128,991,239,874</u>	<u>28,967,810,425</u>	<u>2,780,990,264</u>	<u>155,178,060,035</u>
<u>\$ 171,718,354,383</u>	<u>\$ 35,332,672,196</u>	<u>\$ 5,771,904,718</u>	<u>\$ 201,279,121,861</u>

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Casino Control Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	51,002,371	50,325,371	45,183,686	(5,141,685)
Investment earnings	11,000	11,000	-	(11,000)
Other	-	-	-	-
Total Revenues	<u>51,013,371</u>	<u>50,336,371</u>	<u>45,183,686</u>	<u>(5,152,685)</u>
EXPENDITURES				
Public safety and criminal justice	43,228,220	43,227,373	39,836,076	3,391,297
Physical and mental health	-	-	-	-
Educational, cultural, and intellectual development	-	-	-	-
Economic planning, development, and security	-	-	-	-
Transportation programs	-	-	-	-
Government direction, management, and control	7,785,151	7,784,998	6,023,610	1,761,388
Special government services	-	-	-	-
Total Expenditures	<u>51,013,371</u>	<u>51,012,371</u>	<u>45,859,686</u>	<u>5,152,685</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(676,000)	(676,000)	-
Fund Balances - July 1, 2016	<u>260,000</u>	<u>676,000</u>	<u>676,000</u>	<u>-</u>
Fund Balances - June 30, 2017	<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Casino Revenue Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
\$ 208,398,138	\$ 217,241,000	\$ 218,351,808	\$ 1,110,808
-	-	-	-
-	-	-	-
-	-	131,793	131,793
<u>208,398,138</u>	<u>217,241,000</u>	<u>218,483,601</u>	<u>1,242,601</u>
-	-	-	-
28,203,138	28,023,932	28,010,447	13,485
151,938,000	177,185,950	178,308,875	(1,122,925)
2,196,000	2,182,046	2,195,875	(13,829)
17,523,000	17,411,657	17,522,004	(110,347)
-	-	-	-
92,000	91,415	91,995	(580)
<u>199,952,138</u>	<u>224,895,000</u>	<u>226,129,196</u>	<u>(1,234,196)</u>
<u>175,000</u>	<u>175,000</u>	<u>166,595</u>	<u>(8,405)</u>
<u>175,000</u>	<u>175,000</u>	<u>166,595</u>	<u>(8,405)</u>
8,621,000	(7,479,000)	(7,479,000)	-
<u>4,891,000</u>	<u>7,479,000</u>	<u>7,479,000</u>	<u>-</u>
<u>\$ 13,512,000</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, 2017

	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	167,480	(532,520)
Total Revenues	700,000	700,000	167,480	(532,520)
EXPENDITURES				
Public safety and criminal justice	6,200,000	12,280,000	6,662,001	5,617,999
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	6,200,000	12,280,000	6,662,001	5,617,999
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	4,208,000	10,469,000	5,884,409	(4,584,591)
Total Other Financing Sources (Uses)	4,208,000	10,469,000	5,884,409	(4,584,591)
Net Change in Fund Balance	(1,292,000)	(1,111,000)	(610,112)	500,888
Fund Balances - July 1, 2016	1,292,000	1,111,000	1,110,112	(888)
Fund Balances - June 30, 2017	\$ -	\$ -	\$ 500,000	\$ 500,000

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>
\$ 208,398,138	\$ 217,241,000	\$ 218,351,808	\$ 1,110,808
51,002,371	50,325,371	45,183,686	(5,141,685)
11,000	11,000	-	(11,000)
<u>700,000</u>	<u>700,000</u>	<u>299,273</u>	<u>(400,727)</u>
<u>260,111,509</u>	<u>268,277,371</u>	<u>263,834,767</u>	<u>(4,442,604)</u>
49,428,220	55,507,373	46,498,077	9,009,296
28,203,138	28,023,932	28,010,447	13,485
151,938,000	177,185,950	178,308,875	(1,122,925)
2,196,000	2,182,046	2,195,875	(13,829)
<u>17,523,000</u>	<u>17,411,657</u>	<u>17,522,004</u>	<u>(110,347)</u>
7,785,151	7,784,998	6,023,610	1,761,388
<u>92,000</u>	<u>91,415</u>	<u>91,995</u>	<u>(580)</u>
<u>257,165,509</u>	<u>288,187,371</u>	<u>278,650,883</u>	<u>9,536,488</u>
<u>4,383,000</u>	<u>10,644,000</u>	<u>6,051,004</u>	<u>(4,592,996)</u>
<u>4,383,000</u>	<u>10,644,000</u>	<u>6,051,004</u>	<u>(4,592,996)</u>
7,329,000	(9,266,000)	(8,765,112)	500,888
<u>6,443,000</u>	<u>9,266,000</u>	<u>9,265,112</u>	<u>(888)</u>
<u>\$ 13,772,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION - NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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	\$ 45,183,686	\$ 218,650,196	\$ 6,051,889
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>\$ 45,183,686</u>	<u>\$ 218,650,196</u>	<u>\$ 6,051,889</u>
Uses/outflows of resources:			
Total expenditures and other financing uses - actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 45,859,686	\$ 226,129,196	\$ 6,662,001
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.	(276,587)	(26,735,859)	-
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.	1,596,674	23,741,803	-
<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>\$ 47,179,773</u>	<u>\$ 223,135,140</u>	<u>\$ 6,662,001</u>

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**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ANTICIPATED TO JUNE 30, 2017</u>	<u>REALIZED TO JUNE 30, 2017 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
MAJOR TAXES				
Sales	\$ 9,597,412,000	\$ 9,448,390,305	98	\$ (149,021,695)
Sales Tax Dedication	(729,000,000)	(722,648,398)	99	6,351,602
Sales Energy	164,208,000	123,383,283	75	(40,824,717)
Corporation Business Tax	2,470,973,000	2,141,508,650	87	(329,464,350)
Corporation Business Energy	22,000,000	2,521,136	11	(19,478,864)
Transfer Inheritance	848,496,000	748,629,879	88	(99,866,121)
Insurance Premium	688,716,000	574,802,081	83	(113,913,919)
Motor Fuels	540,000,000	532,878,138	99	(7,121,862)
Motor Vehicles Fees	515,585,000	521,693,194	101	6,108,194
Realty Transfer	330,366,000	345,513,660	105	15,147,660
Petroleum Products Gross Receipts	218,064,000	862,362,757	395	644,298,757
Petroleum Products Gross Receipts - Capital Reserves	-	(330,844,895)	-	(330,844,895)
Corporation Banks and Financial Institutions	150,000,000	200,336,277	134	50,336,277
Cigarette	149,040,000	171,012,656	115	21,972,656
Alcoholic Beverage Excise	110,827,000	104,757,529	95	(6,069,471)
Tobacco Products Wholesale Sales	22,396,000	25,604,446	114	3,208,446
Public Utility Excise (Reform)	15,570,000	17,522,068	113	1,952,068
TOTAL MAJOR TAXES	<u>15,114,653,000</u>	<u>14,767,422,766</u>	98	<u>(347,230,234)</u>
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	366,000	366,000	100	-
Miscellaneous Revenue	2,000	1,860	93	(140)
Total Department of Agriculture	<u>368,000</u>	<u>367,860</u>	100	<u>(140)</u>
Department of Banking and Insurance:				
Actuarial Services	29,000	19,725	68	(9,275)
Banking - Assessments	14,708,000	11,769,406	80	(2,938,594)
Banking - Licenses and Other Fees	1,900,000	1,855,071	98	(44,929)
Fraud Fines	1,300,000	1,492,094	115	192,094
HMO Covered Lives	275,000	125,085	45	(149,915)
Insurance - Examination Billings	1,000,000	819,679	82	(180,321)
Insurance - Licenses and Other Fees	49,961,000	55,932,166	112	5,971,166
Insurance - Special Purpose Assessment	42,022,000	35,387,637	84	(6,634,363)
Insurance Fraud Prevention	31,639,000	27,983,558	88	(3,655,442)
Real Estate Commission	11,000,000	11,806,304	107	806,304
Total Department of Banking and Insurance	<u>153,834,000</u>	<u>147,190,725</u>	96	<u>(6,643,275)</u>
Department of Children and Families:				
Child Care Licensing	320,000	320,314	100	314
Contract Recoveries	14,500,000	12,701,223	88	(1,798,777)
Divorce Filing Fees	1,300,000	1,272,850	98	(27,150)
Marriage License/Civil Union Fees	1,150,000	1,150,000	100	-
Total Department of Children and Families	<u>17,270,000</u>	<u>15,444,387</u>	89	<u>(1,825,613)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017 AMOUNT	PERCENT	REALIZATION OVER (UNDER) ANTICIPATED
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation - Fair Housing	41,247,000	41,247,000	100	-
Construction Fees	16,752,000	16,752,000	100	-
Fire Safety	17,343,000	17,343,000	100	-
Housing Inspection Fees	10,654,000	10,654,000	100	-
Planned Real Estate Development Fees	750,000	750,000	100	-
Total Department of Community Affairs	86,746,000	86,746,000	100	-
Department of Corrections:				
Miscellaneous Revenue	-	193,040	-	193,040
Total Department of Corrections	-	193,040	-	193,040
Department of Education:				
Audit of Recoveries	150,000	182,892	122	32,892
Audit of Enrollments	1,300,000	1,480,781	114	180,781
Nonpublic Schools Handicapped and Auxiliary Recoveries	4,500,000	15,614,888	347	11,114,888
Nonpublic Schools Textbook Recoveries	1,000,000	2,364,487	236	1,364,487
School Construction Inspection Fees	500,000	961,495	192	461,495
State Board of Examiners	4,264,000	4,264,000	100	-
Total Department of Education	11,714,000	24,868,543	212	13,154,543
Department of Environmental Protection:				
Air Pollution Fees - Minor Sources	9,000,000	7,684,189	85	(1,315,811)
Air Pollution Fees - Title V Operating Permits	4,500,000	3,894,948	87	(605,052)
Air Pollution Fines	1,000,000	1,456,164	146	456,164
Clean Water Enforcement Act	1,400,000	1,842,507	132	442,507
Coastal Area Facility Review Act	1,860,000	1,860,000	100	-
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	174,445	103	4,445
Freshwater Wetlands Fees	3,100,000	3,100,000	100	-
Freshwater Wetlands Fines	250,000	219,166	88	(30,834)
Hazardous Waste Fees	4,275,000	3,424,319	80	(850,681)
Hazardous Waste Fines	450,000	817,091	182	367,091
Hunters' and Anglers' Licenses	11,983,000	11,983,000	100	-
Industrial Site Recovery Act	30,000	37,800	126	7,800
Laboratory Certification Fees	2,500,000	2,435,017	97	(64,983)
Laboratory Certification Fines	30,000	50,000	167	20,000

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Marina Rentals	885,000	784,451	89	(100,549)
Marine Lands - Preparation and Filing Fees	145,000	123,684	85	(21,316)
Medical Waste	5,000,000	5,219,930	104	219,930
Miscellaneous Revenue	-	76,559	-	76,559
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	16,700,000	16,700,000	100	-
Parks Management Fees and Permits	4,300,000	4,400,550	102	100,550
Parks Management Fines	50,000	84,184	168	34,184
Pesticide Control Fees	4,400,000	4,400,000	100	-
Pesticide Control Fines	25,000	26,490	106	1,490
Radiation Protection Fees	5,000,000	4,987,643	100	(12,357)
Radiation Protection Fines	110,000	189,697	172	79,697
Radon Testers Certification	235,000	219,505	93	(15,495)
Shellfish and Marine Fisheries	-	55	-	55
Solid and Hazardous Waste Disclosure	202,000	169,385	84	(32,615)
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	-
Solid Waste Fines	1,000,000	584,850	58	(415,150)
Solid Waste Management Fees	10,510,000	11,471,802	109	961,802
Stream Encroachment	3,800,000	3,857,728	102	57,728
Toxic Catastrophe Prevention Fees	1,540,000	1,555,936	101	15,936
Toxic Catastrophe Prevention Fines	100,000	325,135	325	225,135
Treatment Works Approval	1,300,000	1,534,243	118	234,243
Underground Storage Tanks Fees	600,000	719,289	120	119,289
Water Allocation	2,425,000	2,425,000	100	-
Water Supply Management Regulations	1,215,000	1,277,488	105	62,488
Water/Wastewater Operators Licenses	210,000	210,000	100	-
Waterfront Development Fees	3,255,000	2,704,624	83	(550,376)
Waterfront Development Fines	20,000	202,526	1013	182,526
Well Permits/Well Drillers/Pump Installers Licenses	1,100,000	1,100,000	100	-
Wetlands	120,000	120,000	100	-
Worker Community Right to Know - Fines	5,000	3,050	61	(1,950)
Total Department of Environmental Protection	113,058,000	112,710,450	100	(347,550)
Department of Health:				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	-
Federal Funds - Graduate Medical Education	126,000,000	122,026,309	97	(3,973,691)
Health Care Reform	1,200,000	1,200,000	100	-
Licenses, Fines, Permits, Penalties, and Fees	2,540,000	2,540,000	100	-
Miscellaneous Revenue	150,000	501	-	(149,499)
Total Department of Health	135,890,000	131,766,810	97	(4,123,190)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ANTICIPATED TO JUNE 30, 2017</u>	<u>REALIZED TO JUNE 30, 2017 AMOUNT</u>	<u>PERCENT</u>	<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
Department of Human Services:				
Early Periodic Screening, Diagnosis, and Treatment	7,972,000	11,823,776	148	3,851,776
Medicaid Uncompensated Care - Acute	157,487,000	144,347,518	92	(13,139,482)
Medicaid Uncompensated Care - Mental Health	35,713,000	24,792,467	69	(10,920,533)
Medicaid Uncompensated Care - Psychiatric	178,685,000	185,308,469	104	6,623,469
Medicaid Assistance - Federal Match on PAAD/ Medicaid Dual Eligibles	-	8,182	-	8,182
Miscellaneous Revenue	3,746,000	170,792	5	(3,575,208)
Patients' and Residents' Cost Recovery - Developmental Disabilities	14,767,000	19,604,910	133	4,837,910
Patients' and Residents' Cost Recovery - Psychiatric Hospitals	81,222,000	78,768,000	97	(2,454,000)
School Based Medicaid	74,963,000	25,352,354	34	(49,610,646)
Total Department of Human Services	<u>554,555,000</u>	<u>490,176,468</u>	88	<u>(64,378,532)</u>
Department of Labor and Workforce Development:				
Miscellaneous Revenue	145,000	224,200	155	79,200
Special Compensation Fund	1,933,000	1,528,018	79	(404,982)
Workers' Compensation Assessment	13,617,000	13,617,000	100	-
Workplace Standards - Licenses, Permits, and Fines	4,358,000	4,358,000	100	-
Total Department of Labor and Workforce Development	<u>20,053,000</u>	<u>19,727,218</u>	98	<u>(325,782)</u>
Department of Law and Public Safety:				
Beverage Licenses	4,199,000	4,199,000	100	-
Casino Fines	-	185,543	-	185,543
Charities Registration Section	556,000	556,000	100	-
Consumer Affairs	830,000	836,600	101	6,600
Controlled Dangerous Substances	100,000	100,000	100	-
Court Fees	-	1,410	-	1,410
Elevator, Escalator, and Moving Walkway Mechanics Licensing Board	2,000	-	-	(2,000)
Forfeiture Funds	250,000	250,000	100	-
Legalized Games of Chance Control	1,200,000	1,200,000	100	-
Miscellaneous Revenue	20,000	39,400	197	19,400
New Jersey Cemetery Board	4,000	4,000	100	-
Private Employment Agencies	258,000	258,000	100	-
Recreational Boating	2,100,000	1,978,692	94	(121,308)
Securities Enforcement	13,394,000	13,394,000	100	-
Settlements	140,000,000	27,621,513	20	(112,378,487)
State Board of Architects	238,000	238,000	100	-
State Board of Audiology and Speech- Language Pathology Advisory	25,000	25,000	100	-
State Board of Certified Public Accountants	35,000	35,000	100	-
State Board of Chiropractors	14,000	14,000	100	-
State Board of Cosmetology and Hairstyling	1,960,000	1,960,000	100	-
State Board of Court Reporting	18,000	18,000	100	-
State Board of Dentistry	126,000	126,000	100	-
State Board of Electrical Contractors	140,000	140,000	100	-
State Board of HVAC Contractors	70,000	70,000	100	-
State Board of Marriage Counselor Examiners	595,000	595,000	100	-
State Board of Massage and Bodyworks	333,000	333,000	100	-
State Board of Master Plumbers	307,000	307,000	100	-

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017		REALIZATION OVER (UNDER) ANTICIPATED
		AMOUNT	PERCENT	
State Board of Medical Examiners	6,215,000.00	6,215,000.00	100	-
State Board of Mortuary Science	144,000	144,000	100	-
State Board of Nursing	3,217,000	3,217,000	100	-
State Board of Occupational Therapists and Assistants	18,000	18,000	100	-
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	13,000	13,000	100	-
State Board of Optometrists	298,000	298,000	100	-
State Board of Orthotics and Prosthetics	31,000	31,000	100	-
State Board of Pharmacy	1,505,000	1,505,000	100	-
State Board of Physical Therapy	23,000	23,000	100	-
State Board of Polysommography	70,000	70,000	100	-
State Board of Professional Engineers and Land Surveyors	228,000	228,000	100	-
State Board of Professional Planners	2,000	2,000	100	-
State Board of Psychological Examiners	357,000	357,000	100	-
State Board of Real Estate Appraisers	27,000	27,000	100	-
State Board of Respiratory Care	11,000	11,000	100	-
State Board of Social Workers	805,000	805,000	100	-
State Board of Veterinary Medical Examiners	210,000	210,000	100	-
State Police - Fingerprint Fees	3,694,000	3,694,000	100	-
State Police - Other Licenses	300,000	321,087	107	21,087
State Police - Private Detective Licenses	185,000	179,785	97	(5,215)
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>190,111,000</u>	<u>77,838,030</u>	41	<u>(112,272,970)</u>
Department of Military and Veterans' Affairs:				
Miscellaneous Revenue	-	3,366	-	3,366
Soldiers' Homes	51,000,000	52,083,912	102	1,083,912
Total Department of Military and Veterans' Affairs	<u>51,000,000</u>	<u>52,087,278</u>	102	<u>1,087,278</u>
Department of State:				
Miscellaneous Revenue	-	599	-	599
Total Department of State	<u>-</u>	<u>599</u>	-	<u>599</u>
Department of Transportation:				
Air Safety Fund	965,000	965,000	100	-
Applications and Highway Permits	2,000,000	2,000,000	100	-
Autonomous Transportation Authorities	24,500,000	24,500,000	100	-
Drunk Driving Fines	400,000	355,856	89	(44,144)
Federal Debt Service Offset Revenue	38,000,000	-	-	(38,000,000)
Good Driver	81,300,000	80,664,732	99	(635,268)
Logo Sign Program Fees	300,000	300,000	100	-
Maritime Program Receipts	2,000,000	1,939,216	97	(60,784)
Miscellaneous Revenue	40,000	36,900	92	(3,100)
Outdoor Advertising	740,000	740,000	100	-
Total Department of Transportation	<u>150,245,000</u>	<u>111,501,704</u>	74	<u>(38,743,296)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ANTICIPATED TO JUNE 30, 2017</u>	<u>REALIZED TO JUNE 30, 2017</u>		<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
		<u>AMOUNT</u>	<u>PERCENT</u>	
Department of the Treasury:				
Assessment on Real Property Greater Than \$1 Million	124,512,000	143,594,902	115	19,082,902
Assessments - Cable TV	5,121,000	4,696,000	92	(425,000)
Assessments - Public Utility	30,975,000	31,755,958	103	780,958
Cable Television (CATV) Universal Access	9,790,000	9,259,505	95	(530,495)
Commercial Recording - Expedited	1,150,000	1,150,000	100	-
Commissions (Notary)	1,100,000	1,318,560	120	218,560
Domestic Security	37,100,000	38,693,007	104	1,593,007
Dormitory Safety Trust Fund - Debt Service Recovery	362,000	-	-	(362,000)
Equipment Leasing Fund - Debt Service Recovery	4,141,000	-	-	(4,141,000)
General Revenue - Fees (Commercial Recording and UCC)	62,800,000	67,327,200	107	4,527,200
Higher Education Capital Improvement Fund - Debt Service Recovery	21,128,000	-	-	(21,128,000)
Hotel/Motel Occupancy Tax	105,452,000	101,206,200	96	(4,245,800)
Investment Earnings	-	11,764,480	-	11,764,480
Miscellaneous Revenue	1,500,000	6,520,304	435	5,020,304
New Jersey Economic Development Authority	17,000,000	12,000,000	71	(5,000,000)
New Jersey Public Broadcasting Authority	5,350,000	5,350,000	100	-
New Jersey Public Records Preservation	28,000,000	33,632,938	120	5,632,938
Nuclear Emergency Response Assessment	4,477,000	5,683,000	127	1,206,000
Office of Dispute Settlement Mediation	50,000	40,075	80	(9,925)
Public Defender Client Receipts	3,750,000	3,175,243	85	(574,757)
Public Utility Fines	1,050,000	1,837,000	175	787,000
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	120,000,000	136,462,789	114	16,462,789
Railroad Tax - Class II	4,635,000	4,761,324	103	126,324
Railroad Tax - Franchise	7,200,000	7,359,742	102	159,742
Rate Counsel	8,316,000	6,995,143	84	(1,320,857)
Surplus Property	1,500,000	1,653,720	110	153,720
Tax Referral Cost Recovery Fee	10,000,000	14,488,091	145	4,488,091
Telephone Assessment	122,100,000	121,909,490	100	(190,510)
Tire Clean-Up Surcharge	9,800,000	10,177,065	104	377,065
Total Department of Treasury	<u>748,359,000</u>	<u>782,811,736</u>	105	<u>34,452,736</u>
Other Sources:				
Miscellaneous Revenue	10,200,000	5,359,855	53	(4,840,145)
Total Other Sources	<u>10,200,000</u>	<u>5,359,855</u>	53	<u>(4,840,145)</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ANTICIPATED TO JUNE 30, 2017</u>	<u>REALIZED TO JUNE 30, 2017 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	2,629,452	94	(180,548)
Employee Maintenance Deductions	300,000	300,232	100	232
Federal Fringe Benefit Recoveries from School Districts	51,000,000	55,011,290	108	4,011,290
Fringe Benefit Recoveries from Colleges and Universities	242,063,000	249,897,255	103	7,834,255
Fringe Benefit Recoveries from Federal and Other Funds	356,304,000	394,852,200	111	38,548,200
Indirect Cost Recoveries - DEP Other Funds	11,500,000	13,021,195	113	1,521,195
Market Transition Facility Revenue Fund	15,700,000	21,151,755	135	5,451,755
Rent of State Building Space	3,470,000	2,860,311	82	(609,689)
Social Security Recoveries from Federal and Other Funds	62,784,000	64,327,012	102	1,543,012
Total Interdepartmental Accounts	<u>745,931,000</u>	<u>804,050,702</u>	108	<u>58,119,702</u>
Judicial Branch:				
Court Fees	51,000,000	49,577,990	97	(1,422,010)
Total Judicial Branch	<u>51,000,000</u>	<u>49,577,990</u>	97	<u>(1,422,010)</u>
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	<u>3,040,334,000</u>	<u>2,912,419,395</u>	96	<u>(127,914,605)</u>
INTERFUND TRANSFERS				
Beaches and Harbor Fund	2,000	5,584	279	3,584
Building Our Future Fund	216,000	1,097,907	508	881,907
Clean Waters Fund	-	66	-	66
Cultural Center and Historical Preservation Fund	-	136	-	136
Dam, Lake, Stream and Flood Control Project Fund - 2003	10,000	45,200	452	35,200
Developmental Disabilities Waiting List Reduction Fund	1,000	5,406	541	4,406
Emergency Flood Control	-	1,746	-	1,746
Energy Conservation Fund	-	1,696	-	1,696
Enterprise Zone Assistance Fund	78,557,000	71,611,597	91	(6,945,403)
Fund for the Support of Free Public Schools	5,091,000	5,678,345	112	587,345
Garden State Farmland Preservation Trust Fund	2,067,000	2,041,669	99	(25,331)
Garden State Green Acres Preservation Trust Fund	5,681,000	4,623,092	81	(1,057,908)
Garden State Historic Preservation Trust Fund	84,000	82,945	99	(1,055)
Hazardous Discharge Fund	-	1,108	-	1,108
Hazardous Discharge Site Cleanup Fund	18,951,000	18,949,525	100	(1,475)
Housing Assistance Fund	7,000	25,248	361	18,248
Jobs, Education and Competitiveness Fund	-	232	-	232
Judiciary Bail Fund	33,000	147,857	448	114,857
Judiciary Probation Fund	9,000	40,432	485	31,432
Judiciary Special Civil Fund	4,000	19,393	485	15,393
Judiciary Superior Court Miscellaneous Fund	3,000	25,660	855	22,660
Legal Services Fund	10,000,000	8,803,579	88	(1,196,421)
Mortgage Assistance Fund	300,000	756,089	252	456,089
Motor Vehicle Security Responsibility Fund	1,000	1,442	144	442

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ANTICIPATED TO JUNE 30, 2017</u>	<u>REALIZED TO JUNE 30, 2017</u>		<u>REALIZATION OVER (UNDER) ANTICIPATED</u>
		<u>AMOUNT</u>	<u>PERCENT</u>	
NJ Bridge Rehabilitation and Improvement and R.R. Right-of-Way Preservation Fund	4,000	14,463	362	10,463
Natural Resources Fund	1,000	5,128	513	4,128
New Jersey Spill Compensation Fund	16,820,000	15,937,347	95	(882,653)
New Jersey Workforce Development Partnership Fund	32,055,000	31,986,153	100	(68,847)
Pollution Prevention Fund	1,019,000	887,988	87	(131,012)
Public Purpose Buildings and Community-Based Facilities Construction Fund	-	1,523	-	1,523
Safe Drinking Water Fund	2,564,000	2,141,096	84	(422,904)
Shore Protection Fund	10,000	35,645	356	25,645
State Disability Benefit Fund	38,773,000	30,961,387	80	(7,811,613)
State Land Acquisition and Development Fund	1,000	1,001	100	1
State Lottery Fund	965,000,000	995,627,539	103	30,627,539
State Lottery Fund - Administration	13,271,000	9,413,143	71	(3,857,857)
State Recycling Fund	-	8,100,000	-	8,100,000
State of New Jersey Cash Management Fund	1,434,000	1,991,044	139	557,044
Statewide Transportation and Local Bridge Fund	7,000	24,065	344	17,065
Supplemental Workforce Fund for Basic Skills	2,000,000	1,999,999	100	(1)
Unclaimed Insurance Payments on Deposit Accounts Trust Fund	8,000	38,425	480	30,425
Unclaimed Personal Property Trust Fund	172,000,000	172,000,000	100	-
Unclaimed Utility Deposits Trust Fund	7,000	2,158,314	-	2,151,314
Unemployment Compensation Auxiliary Fund	13,322,000	13,212,001	99	(109,999)
Universal Services Fund	67,650,000	67,650,000	100	-
Wage and Hour Trust Fund	2,000	4,659	233	2,659
Water Conservation Fund	1,000	4,514	451	3,514
Water Supply Fund	4,406,000	3,945,376	90	(460,624)
Worker and Community Right to Know Fund	2,792,000	2,713,589	97	(78,411)
TOTAL INTERFUND TRANSFERS	<u>1,454,164,000</u>	<u>1,474,820,353</u>	101	<u>20,656,353</u>
 TOTAL REVENUES, GENERAL FUND	 <u>\$ 19,609,151,000</u>	 <u>\$ 19,154,662,514</u>	 98	 <u>\$ (454,488,486)</u>

**STATE OF NEW JERSEY
SCHEDULES OF ANTICIPATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

CASINO CONTROL FUND

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Licenses and Fees	\$ 50,257,000	\$ 45,183,686	90	\$ (5,073,314)
Investment Earnings	11,000	-	-	(11,000)
TOTAL CASINO CONTROL FUND	\$ 50,268,000	\$ 45,183,686	90	\$ (5,084,314)

CASINO REVENUE FUND

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 199,140,000	\$ 210,638,064	106	\$ 11,498,064
Other Casino Taxes and Fees	9,233,000	7,845,536	85	(1,387,464)
Casino Simulcasting Fund	175,000	166,595	95	(8,405)
TOTAL CASINO REVENUE FUND	\$ 208,548,000	\$ 218,650,195	105	\$ 10,102,195

GUBERNATORIAL ELECTIONS FUND

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 700,000	\$ 167,480	24	\$ (532,520)
TOTAL GUBERNATORIAL ELECTIONS FUND	\$ 700,000	\$ 167,480	24	\$ (532,520)

PROPERTY TAX RELIEF FUND

	ANTICIPATED TO JUNE 30, 2017	REALIZED TO JUNE 30, 2017		REALIZATION OVER/(UNDER) ANTICIPATED
		AMOUNT	PERCENT	
Gross Income Tax	\$ 13,982,280,000	\$ 13,958,119,470	100	\$ (24,160,530)
Sales Tax Dedication	751,100,000	742,756,196	99	(8,343,804)
TOTAL PROPERTY TAX RELIEF FUND	\$ 14,733,380,000	\$ 14,700,875,666	100	\$ (32,504,334)

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

GENERAL FUND

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED AND REVOLVING</u>	<u>TOTAL</u>
LEGISLATIVE BRANCH	\$ -	\$ -	\$ 1,418	\$ 1,418
EXECUTIVE BRANCH				
Chief Executive	-	-	760,000	760,000
Agriculture	2,367,694	475,079,193	4,675,175	482,122,062
Banking and Insurance	18,790	283,721	983,903	1,286,414
Children and Families	222,305	242,984,571	54,667,330	297,874,206
Community Affairs	25,543,525	866,716,575	101,176,017	993,436,117
Corrections	-	7,056,207	50,738,935	57,795,142
Education	453,989	905,875,983	15,238,331	921,568,303
Environmental Protection	41,134,460	44,094,701	77,458,936	162,688,097
Health	12,406,851	321,335,346	492,394,956	826,137,153
Human Services	994,470	11,343,130,877	1,630,209,951	12,974,335,298
Labor and Workforce Development	27,940,269	355,620,393	235,050,156	618,610,818
Law and Public Safety	153,388,672	265,498,353	161,305,839	580,192,864
Military and Veterans' Affairs	4,921,870	38,465,240	614,483	44,001,593
State	61,158	21,550,204	16,225,932	37,837,294
Transportation	4,913,386	8,211,680	1,429,530,012	1,442,655,078
Treasury	70,147,711	13,665,617	1,329,436,236	1,413,249,564
Interdepartmental Accounts	87,808	-	71,460,579	71,548,387
TOTAL EXECUTIVE BRANCH	<u>344,602,958</u>	<u>14,909,568,661</u>	<u>5,671,926,771</u>	<u>20,926,098,390</u>
JUDICIAL BRANCH	<u>2,628,929</u>	<u>1,198,888</u>	<u>94,624,722</u>	<u>98,452,539</u>
TOTAL GENERAL FUND	<u>\$ 347,231,887</u>	<u>\$ 14,910,767,549</u>	<u>\$ 5,766,552,911</u>	<u>\$ 21,024,552,347</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Legislative Branch	\$ 81,172,509	\$ 16,279,625	\$ 77,413,455
Executive Branch			
Chief Executive	6,736,000	930,940	5,621,348
Agriculture	7,519,000	3,192,484	9,983,178
Banking and Insurance	64,013,000	1,078,228	55,836,240
Children and Families	255,129,000	12,995,082	264,435,732
Community Affairs	40,672,000	19,176,705	56,307,453
Corrections	911,506,000	26,717,164	889,270,951
Education	90,126,532	1,597,242	79,875,191
Environmental Protection	207,795,623	72,062,762	237,775,827
Health	42,381,000	30,883,960	66,187,175
Human Services	576,939,000	89,423,811	610,541,499
Labor and Workforce Development	94,468,000	33,413,328	109,350,682
Law and Public Safety	519,457,000	205,583,852	652,493,685
Military and Veterans' Affairs	94,554,398	8,924,580	95,318,547
State	31,727,000	798,382	29,097,457
Transportation	90,985,000	24,703,313	86,039,548
Treasury	484,040,163	98,837,792	493,311,527
Miscellaneous Executive Commissions	776,000	44,469	803,450
Interdepartmental Accounts	3,034,579,384	54,883,892	2,874,604,746
Total Executive Branch	<u>6,553,404,100</u>	<u>685,247,986</u>	<u>6,616,854,236</u>
Judicial Branch	<u>724,429,000</u>	<u>(23,544,034)</u>	<u>629,069,883</u>
TOTAL DIRECT STATE SERVICES	<u>\$ 7,359,005,609</u>	<u>\$ 677,983,577</u>	<u>\$ 7,323,337,574</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,177,194	\$ -	\$ 18,861,485
-	36,591	2,009,001
145,763	161	582,382
252,980	7,903,041	1,098,967
3,406,365	281,985	-
1,522,126	936,729	1,082,397
24,318,540	21,662,724	2,970,949
5,773,207	2,235,644	3,839,732
11,043,800	4,661,617	26,377,141
5,002,931	1,267,577	807,277
15,705,884	24,208,086	15,907,342
5,238,683	9,693,430	3,598,533
14,950,216	5,795,679	51,801,272
3,125,092	13,100	5,022,239
2,011,660	1,033,072	383,193
3,776,403	21,486,179	4,386,183
23,607,481	47,159,931	18,799,015
728	-	16,291
<u>20,974,245</u>	<u>170,703,363</u>	<u>23,180,922</u>
<u>140,856,104</u>	<u>319,078,909</u>	<u>161,862,836</u>
<u>38,886,243</u>	<u>14,807,130</u>	<u>18,121,710</u>
<u>\$ 180,919,541</u>	<u>\$ 333,886,039</u>	<u>\$ 198,846,031</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Executive Branch			
Agriculture	\$ 6,818,000	\$ 689,079	\$ 6,879,716
Children and Families	869,019,000	10,095,830	850,899,954
Community Affairs	54,035,000	(679,183)	27,593,530
Corrections	109,861,000	(1,592,914)	104,063,245
Education	3,085,000	-	1,910,291
Environmental Protection	2,025,000	50,911,371	1,973,134
Health	473,235,000	3,297,152	438,107,977
Human Services	5,298,788,165	118,095,566	5,261,536,659
Labor and Workforce Development	70,674,000	2,000,000	60,872,949
Law and Public Safety	17,364,000	78,389	9,271,311
Military and Veterans' Affairs	2,664,000	(66,500)	2,469,461
State	1,236,208,000	(10,947,891)	1,177,727,271
Transportation	140,856,000	591,353	90,877,883
Treasury	219,718,000	5,171,093	148,492,759
Interdepartmental Accounts	1,133,086,510	(3,370,994)	1,101,489,702
Total Executive Branch	<u>9,637,436,675</u>	<u>174,272,351</u>	<u>9,284,165,842</u>
TOTAL GRANTS-IN-AID	<u>\$ 9,637,436,675</u>	<u>\$ 174,272,351</u>	<u>\$ 9,284,165,842</u>
STATE AID			
Executive Branch			
Agriculture	\$ 5,616,000	\$ -	\$ 5,616,000
Community Affairs	1,600,000	81,034	1,422,376
Education	369,078,540	(4,077)	366,126,481
Environmental Protection	6,310,000	732,385	6,010,068
Human Services	231,670,000	-	212,691,909
Labor and Workforce Development	-	-	(189,212)
Law and Public Safety	-	1,078,118	78,118
State	15,005,000	-	14,973,565
Treasury	34,633,000	908,831	32,484,381
Total Executive Branch	<u>663,912,540</u>	<u>2,796,291</u>	<u>639,213,686</u>
TOTAL STATE AID	<u>\$ 663,912,540</u>	<u>\$ 2,796,291</u>	<u>\$ 639,213,686</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ 627,363
10,621,193	17,593,683	-
6,347,769	18,500,000	914,518
5,870	4,198,971	-
1,173,945	764	-
-	-	50,963,237
33,322,611	4,997,118	104,446
53,087,300	48,686,450	53,573,322
10,665,576	1,135,475	-
6,949,802	1,146,386	74,890
88,915	39,124	-
5,590,333	37,954,001	3,988,504
82,593	50,000,000	486,877
412,333	68,930,115	7,053,886
-	28,225,814	-
<u>128,348,240</u>	<u>281,407,901</u>	<u>117,787,043</u>
<u>\$ 128,348,240</u>	<u>\$ 281,407,901</u>	<u>\$ 117,787,043</u>
\$ -	\$ -	\$ -
-	209,427	49,231
2,890,685	44,158	13,139
70,645	-	961,672
2,092,136	16,227,747	658,208
189,212	-	-
-	-	1,000,000
31,435	-	-
155,666	2,508,793	392,991
<u>5,429,779</u>	<u>18,990,125</u>	<u>3,075,241</u>
<u>\$ 5,429,779</u>	<u>\$ 18,990,125</u>	<u>\$ 3,075,241</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
CAPITAL CONSTRUCTION			
Executive Branch			
Corrections	-	6,602,525	9,325
Education	-	543,388	295,198
Environmental Protection	90,404,991	164,876,991	49,333,740
Human Services	-	1,048,923	83,949
Law and Public Safety	-	3,696,057	221,179
Military and Veterans' Affairs	-	5,607,685	2,302,471
Transportation	1,296,831,000	8,000,000	1,276,396,000
Treasury	-	477,056	73,078
Interdepartmental Accounts	194,979,000	37,901,655	179,957,809
Total Executive Branch	<u>1,582,214,991</u>	<u>228,754,280</u>	<u>1,508,672,749</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$ 1,582,214,991</u>	<u>\$ 228,754,280</u>	<u>\$ 1,508,672,749</u>
DEBT SERVICE			
Executive Branch			
Environmental Protection	\$ 50,712,000	\$ (11,757,659)	\$ 38,949,858
Treasury	290,122,000	4,437,901	293,115,190
Total Executive Branch	<u>340,834,000</u>	<u>(7,319,758)</u>	<u>332,065,048</u>
TOTAL DEBT SERVICE	<u>\$ 340,834,000</u>	<u>\$ (7,319,758)</u>	<u>\$ 332,065,048</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
110,282	1,937,973	4,544,945
4,425	50,546	193,219
67,700,924	-	138,247,318
8,820	734,206	221,948
432,659	1,017,055	2,025,164
1,936,311	-	1,368,903
-	28,435,000	-
398,122	290	5,566
7,788,348	13,539,259	31,595,239
<u>78,379,891</u>	<u>45,714,329</u>	<u>178,202,302</u>
<u>\$ 78,379,891</u>	<u>\$ 45,714,329</u>	<u>\$ 178,202,302</u>
\$ -	\$ 4,483	\$ -
<u>-</u>	<u>1,444,711</u>	<u>-</u>
<u>-</u>	<u>1,449,194</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 1,449,194</u>	<u>\$ -</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
FEDERAL			
Executive Branch			
Agriculture	541,614,000	30,351,695	421,546,729
Banking and Insurance	-	292,026	283,721
Children and Families	585,834,029	24,801,818	565,929,265
Community Affairs	461,392,000	286,424,167	633,166,475
Corrections	9,105,288	4,524,644	8,698,894
Education	897,206,732	83,736,530	685,296,146
Environmental Protection	195,535,189	102,201,075	73,126,615
Health	578,125,827	93,672,235	399,114,036
Human Services	9,838,528,819	149,147,096	9,513,504,459
Labor and Workforce Development	490,437,000	73,876,659	305,183,841
Law and Public Safety	215,178,792	223,182,362	220,387,281
Military and Veterans' Affairs	104,129,000	8,224,888	30,175,199
State	25,472,498	803,794	18,459,210
Transportation	14,816,000	26,990,633	26,653,167
Treasury	9,207,000	1,673,904	8,255,389
Total Executive Branch	<u>13,966,582,174</u>	<u>1,109,903,526</u>	<u>12,909,780,427</u>
Judicial Branch	<u>124,725,000</u>	<u>998,359</u>	<u>109,017,862</u>
TOTAL FEDERAL	<u>\$ 14,091,307,174</u>	<u>\$ 1,110,901,885</u>	<u>\$ 13,018,798,289</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
69,655,285	-	80,763,681
8,305	-	-
13,479,826	-	31,226,756
(35,581,456)	-	150,231,148
443,530	-	4,487,508
233,177,463	-	62,469,653
47,091,331	-	177,518,318
35,735,474	-	236,948,552
15,546,226	-	458,625,230
73,207,785	-	185,922,033
27,967,922	-	190,005,951
3,604,651	-	78,574,038
3,945,396	-	3,871,686
1,131,208	-	14,022,258
323,217	-	2,302,298
489,736,163	-	1,676,969,110
358,473	-	16,347,024
\$ 490,094,636	\$ -	\$ 1,693,316,134

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
REVOLVING FUNDS			
Legislative Branch	\$ -	\$ 1,984	\$ 1,984
Executive Branch			
Community Affairs	-	32,674,080	20,204,442
Corrections	-	29,685,422	22,416,993
Education	-	3,305,642	2,126,246
Environmental Protection	-	4,412,149	3,540,996
Health	-	20,700,081	15,299,617
Human Services	-	10,495,217	5,601,368
Labor and Workforce Development	-	1,640,339	472,092
Law and Public Safety	-	428,037	-
State	-	495,226	113,174
Transportation	-	10,831,588	9,468,802
Treasury	-	101,344,499	66,712,525
Total Executive Branch	<u>-</u>	<u>216,012,280</u>	<u>145,956,255</u>
TOTAL REVOLVING FUNDS	<u>\$ -</u>	<u>\$ 216,014,264</u>	<u>\$ 145,958,239</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ -
10,565,508	1,400,113	504,017
512,842	-	6,755,587
299,050	-	880,346
68,554	-	802,599
1,490,030	27,373	3,883,061
1,478,667	-	3,415,182
485,462	-	682,785
-	300,000	128,037
27,882	-	354,170
477,896	-	884,890
<u>13,090,683</u>	<u>5,500,000</u>	<u>16,041,291</u>
<u>28,496,574</u>	<u>7,227,486</u>	<u>34,331,965</u>
<u>\$ 28,496,574</u>	<u>\$ 7,227,486</u>	<u>\$ 34,331,965</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
ALL OTHER			
Legislative Branch	\$ -	\$ 15,431	\$ -
Executive Branch			
Chief Executive's Office	-	784,630	387,514
Agriculture	-	10,022,083	4,880,822
Banking and Insurance	-	1,772,136	422,843
Children and Families	-	56,379,145	54,471,312
Community Affairs	-	113,934,043	50,572,239
Corrections	-	32,792,566	24,359,783
Education	-	20,038,647	11,994,753
Environmental Protection	-	128,528,498	71,452,281
Health	-	543,529,111	465,302,277
Human Services	-	1,637,387,508	1,612,948,279
Labor and Workforce Development	-	308,591,444	231,237,048
Law and Public Safety	-	248,098,096	205,801,872
Military and Veterans' Affairs	-	1,361,506	472,744
State	-	19,277,241	16,016,634
Transportation	-	1,465,418,965	884,569,545
Treasury	-	1,276,026,574	1,132,898,013
Interdepartmental Accounts	-	30,060,162	26,809,717
Total Executive Branch	-	5,894,002,355	4,794,597,676
Judicial Branch	-	166,008,114	69,980,825
TOTAL ALL OTHER	\$ -	\$ 6,060,025,900	\$ 4,864,578,501

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ -	\$ 15,431
-	-	397,116
278,062	-	4,863,199
-	-	1,349,293
727,963	-	1,179,870
28,414,769	9,621,668	25,325,367
392,459	-	8,040,324
1,518,515	-	6,525,379
13,821,335	200,000	43,054,882
22,585,369	7,152,850	48,488,615
2,529,337	2,751,469	19,158,423
3,918,488	750,000	72,685,908
16,857,869	1,061,768	24,376,587
70,229	-	818,533
316,065	691,589	2,252,953
161,689,856	20,838,533	398,321,031
31,635,402	42,086,452	69,406,708
2,184,226	-	1,066,219
<u>286,939,944</u>	<u>85,154,329</u>	<u>727,310,407</u>
<u>12,320,608</u>	<u>94,113</u>	<u>83,612,568</u>
<u>\$ 299,260,552</u>	<u>\$ 85,248,442</u>	<u>\$ 810,938,406</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GENERAL FUND SUMMARY			
Legislative Branch	\$ 81,172,509	\$ 16,297,040	\$ 77,415,439
Executive Branch			
Chief Executive's Office	6,736,000	1,715,570	6,008,862
Agriculture	561,567,000	44,255,341	448,906,445
Banking and Insurance	64,013,000	3,142,390	56,542,804
Children and Families	1,709,982,029	104,271,875	1,735,736,263
Community Affairs	557,699,000	451,610,846	789,266,515
Corrections	1,030,472,288	98,729,407	1,048,819,191
Education	1,359,496,804	109,217,372	1,147,624,306
Environmental Protection	552,782,803	511,967,572	482,162,519
Health	1,093,741,827	692,082,539	1,384,011,082
Human Services	15,945,925,984	2,005,598,121	17,216,908,122
Labor and Workforce Development	655,579,000	419,521,770	706,927,400
Law and Public Safety	751,999,792	682,144,911	1,088,253,446
Military and Veterans' Affairs	201,347,398	24,052,159	130,738,422
State	1,308,412,498	10,426,752	1,256,387,311
Transportation	1,543,488,000	1,536,535,852	2,374,004,945
Treasury	1,037,720,163	1,488,877,650	2,175,342,862
Miscellaneous Executive Commissions	776,000	44,469	803,450
Interdepartmental Accounts	4,362,644,894	119,474,715	4,182,861,974
Total Executive Branch	<u>32,744,384,480</u>	<u>8,303,669,311</u>	<u>36,231,305,919</u>
Judicial Branch	<u>849,154,000</u>	<u>143,462,439</u>	<u>808,068,570</u>
TOTAL GENERAL FUND SUMMARY	<u>\$ 33,674,710,989</u>	<u>\$ 8,463,428,790</u>	<u>\$ 37,116,789,928</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,177,194	\$ -	\$ 18,876,916
-	36,591	2,406,117
70,079,110	161	86,836,625
261,285	7,903,041	2,448,260
28,235,347	17,875,668	32,406,626
11,268,716	30,667,937	178,106,678
25,783,523	27,799,668	26,799,313
244,837,290	2,331,112	73,921,468
139,796,589	4,866,100	437,925,167
98,136,415	13,444,918	290,231,951
90,448,370	92,607,958	551,559,655
93,705,206	11,578,905	262,889,259
67,158,468	9,320,888	269,411,901
8,825,198	52,224	85,783,713
11,922,771	39,678,662	10,850,506
167,157,956	120,759,712	418,101,239
69,622,904	167,630,292	114,001,755
728	-	16,291
30,946,819	212,468,436	55,842,380
<u>1,158,186,695</u>	<u>759,022,273</u>	<u>2,899,538,904</u>
<u>51,565,324</u>	<u>14,901,243</u>	<u>118,081,302</u>
<u>\$ 1,210,929,213</u>	<u>\$ 773,923,516</u>	<u>\$ 3,036,497,122</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 698,219	\$ 40,832,004
Treasury	7,738,000	47,151	6,183,470
TOTAL CASINO CONTROL FUND	<u>\$ 50,268,000</u>	<u>\$ 745,370</u>	<u>\$ 47,015,474</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Executive Branch			
Human Services	\$ 871,000	\$ 25,138	\$ 752,511
Law and Public Safety	92,000	-	92,000
GRANTS-IN-AID			
Executive Branch			
Health	529,000	-	404,665
Human Services	204,024,107	-	201,573,347
Labor and Workforce Development	2,196,000	-	2,196,000
STATE AID			
Executive Branch			
Transportation	17,523,000	-	3,940,142
TOTAL CASINO REVENUE FUND	<u>\$ 225,235,107</u>	<u>\$ 25,138</u>	<u>\$ 208,958,665</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 71,686	\$ 1,093,638	\$ 1,230,891
1,573	1,483,752	116,356
\$ 73,259	\$ 2,577,390	\$ 1,347,247

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 100,996	\$ 10,033	\$ 32,598
-	-	-
123,072	1,263	-
2,303,555	147,205	-
-	-	-
13,582,858	-	-
\$ 16,110,481	\$ 158,501	\$ 32,598

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Executive Branch			
Law and Public Safety	\$ 12,280,000	\$ (480,000)	\$ 6,662,001
TOTAL GUBERNATORIAL ELECTIONS FUND	<u>\$ 12,280,000</u>	<u>\$ (480,000)</u>	<u>\$ 6,662,001</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

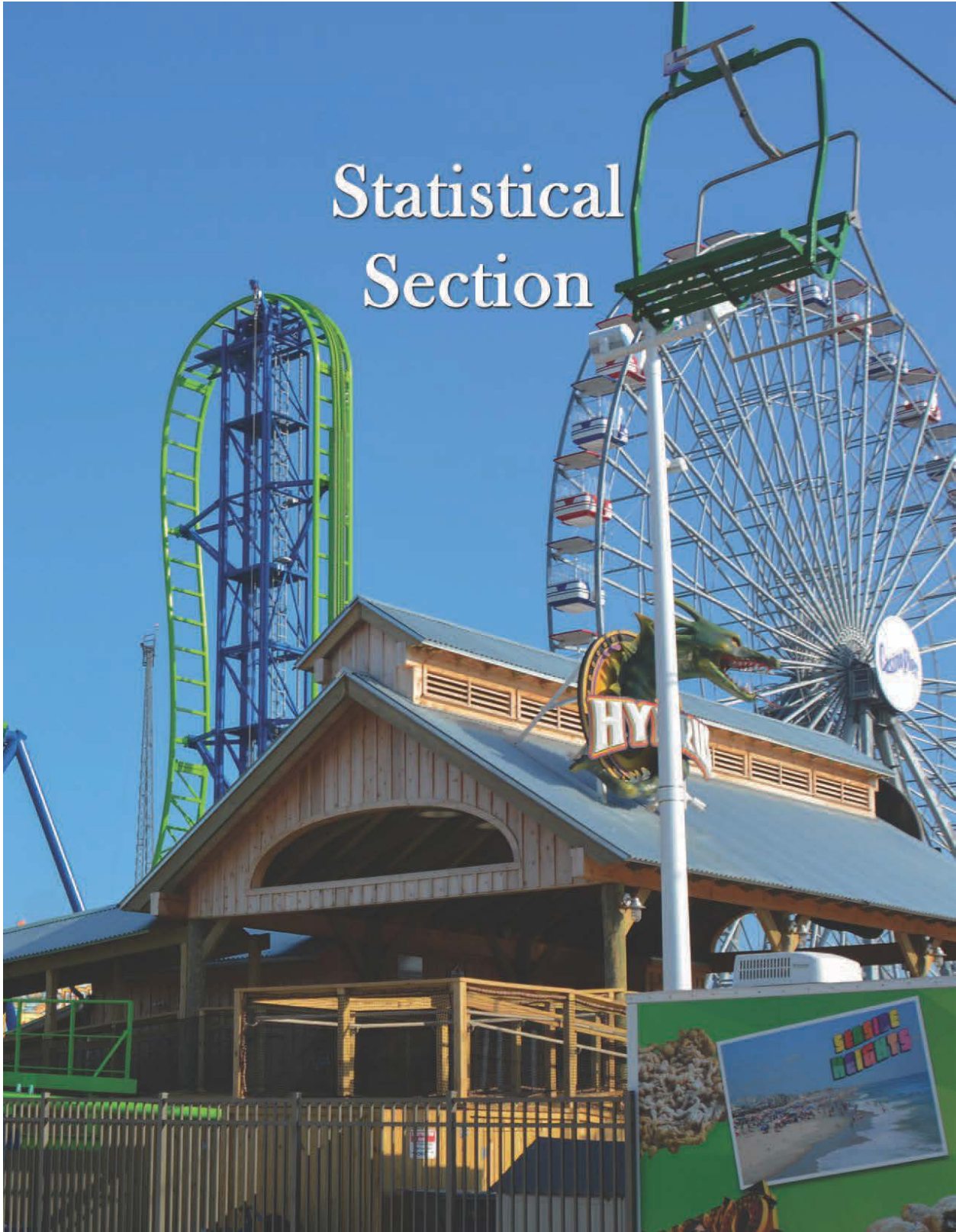
	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Executive Branch			
Treasury	\$ 527,400,000	\$ -	\$ 515,300,576
STATE AID			
Executive Branch			
Community Affairs	744,915,000	(335,161,242)	409,287,196
Corrections	22,500,000	-	22,419,875
Education	12,944,835,763	(222,703)	12,833,868,850
Environmental Protection	2,700,000	754,932	968,399
Human Services	159,615,000	5,316,315	139,233,787
Law and Public Safety	2,000,000	-	2,000,000
Treasury	428,714,000	342,294,481	765,668,452
TOTAL PROPERTY TAX RELIEF FUND	<u>\$ 14,832,679,763</u>	<u>\$ 12,981,783</u>	<u>\$ 14,688,747,135</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 4,637,999	\$ 500,000
<u>\$ -</u>	<u>\$ 4,637,999</u>	<u>\$ 500,000</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ -	\$ 12,099,424	\$ -
-	466,562	-
-	80,125	-
229,454	104,547,465	5,967,291
2,485,607	926	-
82,363	12,384,863	13,230,302
-	-	-
-	5,340,029	-
<u>\$ 2,797,424</u>	<u>\$ 134,919,394</u>	<u>\$ 19,197,593</u>

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Statistical 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>2017</u>	<u>2016¹</u>	<u>2015²</u>	<u>2014³</u>
<u>Governmental Activities</u>				
Net investment in capital assets	\$ 8,777.9	\$ 9,000.2	\$ 8,506.6	\$ 7,870.8
Restricted	4,752.2	4,468.2	4,472.3	3,429.5
Unrestricted	<u>(148,863.7)</u>	<u>(137,062.6)</u>	<u>(127,852.0)</u>	<u>(120,171.7)</u>
Total	<u>(135,333.6)</u>	<u>(123,594.2)</u>	<u>(114,873.1)</u>	<u>(108,871.4)</u>
<u>Business-type Activities</u>				
Restricted	2,743.2	2,461.1	1,698.9	1,067.5
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,743.2</u>	<u>2,461.1</u>	<u>1,698.9</u>	<u>1,067.5</u>
<u>Total Primary Government</u>				
Net investment in capital assets	8,777.9	9,000.2	8,506.6	7,870.8
Restricted	7,495.4	6,929.3	6,171.2	4,497.0
Unrestricted	<u>(148,863.7)</u>	<u>(137,062.6)</u>	<u>(127,852.0)</u>	<u>(120,171.7)</u>
Total	<u>\$ (132,590.4)</u>	<u>\$ (121,133.1)</u>	<u>\$ (113,174.2)</u>	<u>\$ (107,803.9)</u>

Notes:

- 1 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.
- 2 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).
- 3 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.
- 4 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.

Information presented is based on the accrual basis of accounting.

	<u>2013⁴</u>	<u>2012⁵</u>	<u>2011</u>	<u>2010</u>	<u>2009⁶</u>	<u>2008⁷</u>
\$	7,343.4	\$ 7,192.2	\$ 6,999.7	\$ 6,439.8	\$ 7,362.1	\$ 7,135.6
	3,678.9	3,536.3	3,877.3	4,364.6	4,298.6	5,492.5
	(57,551.2)	(51,134.4)	(44,297.2)	(39,005.6)	(33,419.6)	(26,403.0)
	<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>	<u>(13,774.9)</u>
	453.1	12.1	10.9	10.2	321.0	1,316.7
	-	(253.1)	(794.9)	(776.6)	-	-
	<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>
	7,343.4	7,192.2	6,999.7	6,439.8	7,362.1	7,135.6
	4,132.0	3,548.4	3,888.2	4,374.8	4,619.6	6,809.2
	(57,551.2)	(51,387.5)	(45,092.1)	(39,782.2)	(33,419.6)	(26,403.0)
\$	<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>	<u>(12,458.2)</u>

⁵ 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.

⁶ Net Position was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

⁷ Net Position was restated by \$267.1 million to reflect revised land improvements, building improvements, and infrastructure balances, net of depreciation, offset by \$7.0 million as the result of implementing GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

STATE OF NEW JERSEY
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30 (Expressed in Millions)

	<u>2017</u>	<u>2016¹</u>	<u>2015²</u>
<u>Governmental Activities</u>			
Expenses			
Public safety and criminal justice	\$ 3,155.4	\$ 3,183.0	\$ 3,272.7
Physical and mental health	14,928.6	14,211.9	14,283.6
Educational, cultural, and intellectual development	17,642.4	17,127.3	16,409.7
Community development and environmental management	2,204.2	2,296.7	2,385.9
Economic planning, development, and security	6,294.2	6,267.1	6,484.7
Transportation programs	2,546.5	2,140.4	1,831.0
Government direction, management, and control	18,929.6	15,303.5	14,461.7
Special government services	352.6	338.5	357.5
Interest expense	1,533.6	1,382.5	1,328.0
Total Expenses	<u>67,587.1</u>	<u>62,250.9</u>	<u>60,814.8</u>
Program Revenues			
Charges for services			
Public safety and criminal justice	1,114.9	1,078.0	1,108.6
Physical and mental health	853.0	961.2	861.3
Educational, cultural, and intellectual development	47.3	110.7	109.7
Community development and environmental management	340.1	318.2	406.4
Economic planning, development, and security	1,292.9	1,326.3	1,298.6
Transportation programs	22.6	20.2	26.1
Government direction, management, and control	1,003.9	1,018.8	897.6
Special government services	191.1	147.9	415.5
Operating grants and contributions	17,323.2	16,413.3	16,533.7
Capital grants and contributions	507.4	269.4	363.7
Total Program Revenues	<u>22,696.4</u>	<u>21,664.0</u>	<u>22,021.2</u>
Net (Expense) Revenue	<u>(44,890.7)</u>	<u>(40,586.9)</u>	<u>(38,793.6)</u>
General Revenues and Transfers			
Taxes	31,605.3	30,463.4	30,771.2
Investment earnings	40.6	8.3	331.1
Miscellaneous	491.9	526.0	738.6
Transfers	1,013.5	989.7	951.0
Total General Revenue and Transfers	<u>33,151.3</u>	<u>31,987.4</u>	<u>32,791.9</u>
Change in Net Position	<u>(11,739.4)</u>	<u>(8,599.5)</u>	<u>(6,001.7)</u>
Net Position - July 1	<u>(123,594.2)</u>	<u>(114,994.7)</u>	<u>(108,871.4)</u>
Net Position - June 30	<u>\$ (135,333.6)</u>	<u>\$ (123,594.2)</u>	<u>\$ (114,873.1)</u>

Notes:

- 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
- 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).
- 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>2014³</u>	<u>2013⁴</u>	<u>2012⁵</u>	<u>2011</u>	<u>2010</u>	<u>2009⁶</u>	<u>2008⁷</u>
\$	3,459.9	\$ 3,375.1	\$ 3,274.0	\$ 3,169.2	\$ 3,133.2	\$ 3,087.7	\$ 3,211.8
	12,933.2	11,777.2	11,794.4	11,392.4	10,989.6	10,589.0	10,177.4
	15,685.3	15,632.4	15,249.5	14,091.6	15,013.1	14,681.3	15,552.6
	2,274.3	1,708.4	1,560.6	1,694.1	2,166.9	2,271.8	2,502.0
	6,527.3	6,741.5	6,861.9	6,729.5	6,663.1	6,126.8	5,487.7
	1,907.8	2,144.9	1,715.9	1,927.5	2,017.7	1,859.2	1,717.9
	11,725.3	11,509.8	11,489.5	11,671.6	11,627.1	11,846.1	11,598.7
	358.7	344.5	342.1	348.9	337.9	364.5	344.1
	<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>1,048.3</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>	<u>51,640.5</u>
	1,111.4	1,101.2	1,120.4	1,033.6	1,038.8	1,027.1	1,046.9
	848.7	861.5	858.7	912.3	875.7	851.7	853.2
	113.6	110.7	111.7	119.8	118.8	119.9	117.1
	342.3	271.0	271.1	302.5	381.5	283.2	282.7
	1,275.0	1,330.7	1,313.2	1,190.5	1,207.8	1,185.2	1,055.9
	30.5	32.2	30.5	27.5	24.0	27.3	11.7
	880.1	963.3	971.3	995.3	846.8	910.0	941.0
	201.0	163.4	144.0	154.5	128.2	148.3	118.0
	15,638.0	13,680.3	13,238.6	13,326.1	14,240.8	11,375.9	10,231.0
	<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>116.6</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>	<u>14,774.1</u>
	(35,007.6)	(35,724.3)	(35,178.4)	(34,050.8)	(33,999.6)	(35,786.1)	(36,866.4)
	28,838.6	28,313.6	26,666.3	26,569.4	25,745.0	26,910.6	30,441.3
	16.3	335.8	(274.9)	48.9	(63.1)	(263.5)	181.3
	916.7	982.9	851.2	762.0	818.9	890.5	753.6
	<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>220.3</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>	<u>31,596.5</u>
	(4,271.0)	(5,007.0)	(6,985.7)	(5,219.0)	(6,442.3)	(7,984.0)	(5,269.9)
	<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>(8,505.0)</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>	<u>(13,774.9)</u>

⁴ 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.

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⁶ Net Position was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

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STATE OF NEW JERSEY
CHANGES IN NET POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30 (Expressed in Millions)

	<u>2017</u>	<u>2016¹</u>	<u>2015²</u>
<u>Business-type Activities</u>			
Expenses			
State Lottery Fund	\$ 2,222.1	\$ 2,301.6	\$ 2,102.1
Unemployment Compensation Fund	1,986.2	2,053.1	2,200.8
Total Expenses	<u>4,208.3</u>	<u>4,354.7</u>	<u>4,302.9</u>
Program Revenues			
Charges for services			
State Lottery Fund	3,205.0	3,297.6	3,062.9
Unemployment Compensation Fund	2,216.2	2,752.0	2,785.7
Operating grants	64.8	54.3	45.7
Total Program Revenues	<u>5,486.0</u>	<u>6,103.9</u>	<u>5,894.3</u>
Net (Expense) Revenue	<u>1,277.7</u>	<u>1,749.2</u>	<u>1,591.4</u>
General Revenues and Transfers			
Investment earnings	-	-	-
Transfers	(995.6)	(987.0)	(960.0)
Total General Revenue and Transfers	<u>(995.6)</u>	<u>(987.0)</u>	<u>(960.0)</u>
Change in Net Assets	<u>282.1</u>	<u>762.2</u>	<u>631.4</u>
Net Position - July 1	<u>2,461.1</u>	<u>1,698.9</u>	<u>1,067.5</u>
Net Position - June 30	<u>\$ 2,743.2</u>	<u>\$ 2,461.1</u>	<u>\$ 1,698.9</u>
<u>Total Primary Government</u>			
Expenses	\$ 71,795.4	\$ 66,605.6	\$ 65,117.7
Program revenues	<u>28,182.4</u>	<u>27,767.9</u>	<u>27,915.5</u>
Net (Expense) Revenue	<u>(43,613.0)</u>	<u>(38,837.7)</u>	<u>(37,202.2)</u>
General revenues and other changes in net assets	<u>32,155.7</u>	<u>31,000.4</u>	<u>31,831.9</u>
Change in Net Position	<u>(11,457.3)</u>	<u>(7,837.3)</u>	<u>(5,370.3)</u>
Net Position - July 1	<u>(121,133.1)</u>	<u>(113,295.8)</u>	<u>(107,803.9)</u>
Net Position - June 30	<u>\$ (132,590.4)</u>	<u>\$ (121,133.1)</u>	<u>\$ (113,174.2)</u>

Notes:

- ¹ 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
- ² 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).
- ³ 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>2014³</u>	<u>2013⁴</u>	<u>2012⁵</u>	<u>2011</u>	<u>2010</u>	<u>2009⁶</u>	<u>2008⁷</u>
\$ 1,985.6	\$ 1,899.2	\$ 1,845.6	\$ 1,724.3	\$ 1,705.0	\$ 1,645.7	\$ 1,667.6
3,058.1	4,666.5	5,822.3	7,206.7	8,214.4	5,283.6	2,119.2
<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>	<u>3,786.8</u>
2,942.2	2,981.0	2,797.6	2,676.9	2,648.3	2,538.1	2,579.3
3,000.3	3,143.0	3,055.2	2,780.3	2,172.5	1,855.2	1,980.0
680.6	2,220.8	3,309.1	4,408.5	4,953.4	2,351.9	71.3
<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>	<u>4,630.6</u>
1,579.4	1,779.1	1,494.0	934.7	(145.2)	(184.1)	843.8
-	-	(0.9)	-	-	-	-
<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>(670.3)</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>	<u>(670.3)</u>
614.4	694.1	543.0	(17.6)	(1,087.4)	(995.7)	173.5
453.1	(241.0)	(784.0)	(766.4)	321.0	1,316.7	1,143.2
<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>
\$ 61,150.8	\$ 61,153.8	\$ 61,231.6	\$ 61,183.5	\$ 62,993.9	\$ 58,848.1	\$ 55,427.3
27,722.6	27,208.6	27,547.2	28,067.4	28,849.1	22,877.9	19,404.7
<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>	<u>(36,022.6)</u>
29,771.6	29,632.3	27,241.7	27,879.5	26,615.1	26,990.5	30,926.2
(3,656.6)	(4,312.9)	(6,442.7)	(5,236.6)	(7,529.7)	(8,979.7)	(5,096.4)
<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>(7,361.8)</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>	<u>\$ (12,458.2)</u>

⁴ 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.

⁵ 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.

⁶ Net Position was restated by \$288.5 million to reflect the implementation of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

⁷ Net Position was restated by \$267.1 million to reflect revised land improvements, building improvements, and infrastructure balances, net of depreciation, offset by \$7.0 million as the result of implementing GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

STATE OF NEW JERSEY
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>General Fund</u>				
Reserved				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Surplus Revenue	-	-	-	-
Other	-	-	-	-
Unreserved				
Nonspendable	20.4	20.4	20.4	20.4
Restricted	1,135.6	1,062.3	1,312.4	999.2
Committed	2,776.3	2,378.5	2,315.6	2,008.4
Unassigned	783.7	462.8	806.4	295.1
Total General Fund	<u>4,716.0</u>	<u>3,924.0</u>	<u>4,454.8</u>	<u>3,323.1</u>
<u>All Other Governmental Funds</u>				
Reserved				
Encumbrances	-	-	-	-
Other	-	-	-	-
Unreserved				
Restricted ²	6,789.6	4,259.8	4,292.2	3,381.0
Committed	353.7	441.4	628.1	415.1
Total All Other Governmental Funds	<u>7,143.3</u>	<u>4,701.2</u>	<u>4,920.3</u>	<u>3,796.1</u>
<u>Total</u>				
Reserved				
Encumbrances	-	-	-	-
Surplus Revenue	-	-	-	-
Other	-	-	-	-
Unreserved				
Nonspendable	20.4	20.4	20.4	20.4
Restricted ²	7,925.2	5,322.1	5,604.6	4,380.2
Committed	3,130.0	2,819.9	2,943.7	2,423.5
Unassigned	783.7	462.8	806.4	295.1
Total Governmental Funds	<u>\$ 11,859.3</u>	<u>\$ 8,625.2</u>	<u>\$ 9,375.1</u>	<u>\$ 7,119.2</u>

Notes:

¹ 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.

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*.

Information presented is based on the modified accrual basis of accounting.

<u>2013</u>	<u>2012</u>	<u>2011¹</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ -	\$ -	\$ -	\$ 799.0	\$ 868.4	\$ 923.9
-	-	-	-	-	734.7
-	-	-	47.3	46.2	65.8
-	-	-	1,833.9	2,185.5	2,816.9
20.4	20.4	20.4	-	-	-
1,154.2	884.2	985.9	-	-	-
1,718.0	1,570.7	1,896.9	-	-	-
301.4	425.4	864.1	-	-	-
<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>	<u>4,541.3</u>
-	-	-	1,127.3	1,195.1	1,247.4
-	-	-	1,882.0	1,716.6	1,633.1
-	-	-	1,697.2	2,122.1	2,732.8
3,813.2	3,494.6	3,417.8	-	-	-
420.2	458.6	1,127.7	-	-	-
<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>	<u>5,613.3</u>
-	-	-	1,926.3	2,063.5	2,171.3
-	-	-	-	-	734.7
-	-	-	1,929.3	1,762.8	1,698.9
-	-	-	3,531.1	4,307.6	5,549.7
20.4	20.4	20.4	-	-	-
4,967.4	4,378.8	4,403.7	-	-	-
2,138.2	2,029.3	3,024.6	-	-	-
301.4	425.4	864.1	-	-	-
<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>	<u>\$ 10,154.6</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>2017</u>	<u>2016¹</u>	<u>2015</u>	<u>2014</u>
REVENUES				
Taxes	\$ 32,190.7	\$ 30,722.3	\$ 30,876.2	\$ 28,998.6
Federal and other grants	15,938.2	15,737.9	16,088.8	14,357.5
Licenses and fees	1,528.6	1,466.3	1,460.2	1,371.9
Services and assessments	3,018.7	3,218.8	3,088.9	2,937.4
Component Units and Port Authority	641.1	477.3	682.1	-
Investment earnings	75.0	19.5	8.2	24.6
Other	1,469.0	1,171.0	1,278.1	3,775.0
Total Revenues	<u>54,861.3</u>	<u>52,813.1</u>	<u>53,482.5</u>	<u>51,465.0</u>
EXPENDITURES				
Public safety and criminal justice	3,211.3	3,302.7	3,282.5	3,600.0
Physical and mental health	14,903.5	14,244.4	14,266.9	12,992.6
Educational, cultural, and intellectual development	17,718.3	17,190.6	16,399.0	16,004.5
Community development and environmental management	2,274.4	2,388.2	2,533.2	2,445.8
Economic planning, development, and security	6,282.9	6,244.2	6,479.8	6,617.0
Transportation programs	2,616.8	2,749.0	2,741.7	2,946.5
Government direction, management, and control	7,175.4	7,119.0	6,588.4	7,043.8
Special government services	344.6	343.5	349.0	348.9
Capital Outlay	187.4	135.8	253.2	221.8
Debt Service:				
Principal	1,016.1	1,034.1	848.3	760.5
Interest	1,075.7	1,012.2	995.0	992.8
Total Expenditures	<u>56,806.4</u>	<u>55,763.7</u>	<u>54,737.0</u>	<u>53,974.2</u>
Excess (deficiency) of revenues over expenditures	<u>(1,945.1)</u>	<u>(2,950.6)</u>	<u>(1,254.5)</u>	<u>(2,509.2)</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and capital lease acquisitions	5,028.4	1,178.2	2,364.8	1,184.9
Refunding bonds issued	1,112.7	2,089.2	1,081.2	1,887.7
Premiums/discounts	264.0	89.5	194.6	51.1
Payment to bond escrow agents	(2,239.5)	(2,024.4)	(1,081.2)	(1,887.7)
Transfers from other funds	7,616.4	7,675.9	5,615.9	5,288.1
Transfers to other funds	(6,602.8)	(6,686.1)	(4,664.9)	(4,323.1)
Total Other Financing Sources (Uses)	<u>5,179.2</u>	<u>2,322.3</u>	<u>3,510.4</u>	<u>2,201.0</u>
Net Change in Fund Balance	3,234.1	(628.3)	2,255.9	(308.2)
Fund balances - July 1	<u>8,625.2</u>	<u>9,253.5</u>	<u>7,119.2</u>	<u>7,427.4</u>
Fund balances - June 30	<u>\$ 11,859.3</u>	<u>\$ 8,625.2</u>	<u>\$ 9,375.1</u>	<u>\$ 7,119.2</u>
Debt Service as a percentage of noncapital expenditures:³	3.8%	3.8%	3.5%	3.4%

Notes:

¹ 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*.

² As a result of implementing GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, fund balance was restated and reduced by \$7.0 million.

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	28,343.1	\$ 26,637.8	\$ 26,555.1	\$ 25,858.7	\$ 26,939.0	\$ 30,404.5
	12,666.5	12,325.6	12,781.7	13,592.6	10,694.3	9,480.3
	1,322.2	1,274.3	1,296.4	1,239.4	1,194.1	1,252.9
	2,846.2	2,860.8	2,792.6	2,695.3	2,712.1	2,613.8
	-	-	-	-	-	-
	9.8	20.5	51.0	41.6	75.0	321.3
	3,593.1	3,308.1	2,611.7	2,773.7	2,834.5	2,537.9
	<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>	<u>46,610.7</u>
	3,519.4	3,360.7	3,267.1	3,321.5	3,279.2	3,317.5
	11,801.5	11,807.8	11,407.5	11,007.5	10,628.6	10,251.2
	15,931.7	15,499.1	14,313.6	15,233.0	14,892.1	15,760.9
	1,881.0	1,687.1	1,766.8	2,272.4	2,437.0	2,659.1
	6,825.8	6,917.6	6,773.5	6,706.5	6,203.0	5,603.1
	2,855.3	2,466.2	2,919.6	3,092.7	2,835.4	2,788.1
	6,555.5	6,622.9	6,170.6	6,775.3	7,168.3	7,946.5
	345.6	340.6	350.5	338.8	346.0	331.8
	189.3	122.5	81.7	39.1	32.0	318.6
	892.0	580.5	423.3	486.4	639.1	613.9
	954.3	920.7	834.7	856.7	843.7	805.4
	<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>50,396.1</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>	<u>(3,785.4)</u>
	2,181.4	1,437.5	1,681.7	2,108.0	2,561.4	3,034.6
	3,816.9	2,114.6	3,253.8	1,319.6	648.0	2,021.0
	277.6	52.0	193.0	16.9	12.8	93.2
	(3,816.9)	(2,114.5)	(3,433.5)	(1,319.6)	(648.0)	(2,056.9)
	5,610.9	4,784.8	5,485.1	6,113.8	6,248.3	5,822.2
	<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>(5,601.9)</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>	<u>3,312.2</u>
	573.5	(1,458.9)	926.1	(747.2)	(2,013.7)	(473.2)
	6,853.9	8,312.8	7,386.7	8,133.9	10,147.6 ²	10,627.8
\$	<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>	<u>\$ 10,154.6</u>
	3.7%	3.1%	2.7%	2.8%	3.1%	2.9%

STATE OF NEW JERSEY
FUND BALANCE SUMMARY FOR BUDGETED FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Budgeted Fund	Comprehensive Annual Financial Report			
	2017	2016	2015	2014
General Fund	\$ 783.8	\$ 469.8	\$ 806.4	\$ 295.1
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	2.7	3.3	10.2	1.1
Casino Control Fund	-	0.7	6.0	3.8
Casino Revenue Fund	-	7.5	-	-
Gubernatorial Elections Fund	-	1.1	0.6	-
Total	\$ 786.5	\$ 482.4	\$ 823.2	\$ 300.0

Budgeted Fund	Appropriations Act			
	2017	2016	2015	2014
General Fund	\$ 540.0	\$ 494.7	\$ 140.4	\$ 302.8
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	96.0	269.7	247.4	-
Casino Control Fund	0.3	-	-	-
Casino Revenue Fund	13.5	-	-	-
Gubernatorial Elections Fund	-	1.4	0.7	-
Total	\$ 649.8	\$ 765.8	\$ 388.5	\$ 302.8

Budgeted Fund	Dollar Variance			
	2017	2016	2015	2014
General Fund	\$ 243.8	\$ (24.9)	\$ 666.0	\$ (7.7)
Surplus Revenue Fund	-	-	-	-
Property Tax Relief Fund	(93.3)	(266.4)	(237.2)	1.1
Casino Control Fund	(0.3)	0.7	6.0	3.8
Casino Revenue Fund	(13.5)	7.5	-	-
Gubernatorial Elections Fund	-	(0.3)	(0.1)	-
Total	\$ 136.7	\$ (283.4)	\$ 434.7	\$ (2.8)

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2013	2012	2011	2010	2009	2008
\$ 301.4	\$ 441.4	\$ 864.1	\$ 794.3	\$ 614.2	\$ 469.8
-	-	-	-	-	734.7
8.6	2.4	5.8	10.0	-	99.0
3.2	1.8	2.8	-	(0.4)	3.0
-	-	-	-	-	-
-	1.0	0.5	-	-	-
<u>\$ 313.2</u>	<u>\$ 446.6</u>	<u>\$ 873.2</u>	<u>\$ 804.3</u>	<u>\$ 613.8</u>	<u>\$ 1,306.5</u>

2013	2012	2011	2010	2009	2008
\$ 465.1	\$ 255.6	\$ 302.5	\$ 501.0	\$ 116.8	\$ 102.5
-	-	-	-	483.2	489.8
183.0	383.5	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10.0
-	1.4	0.7	-	-	-
<u>\$ 648.1</u>	<u>\$ 640.5</u>	<u>\$ 303.2</u>	<u>\$ 501.0</u>	<u>\$ 600.0</u>	<u>\$ 602.3</u>

2013	2012	2011	2010	2009	2008
\$ (163.7)	\$ 185.8	\$ 561.6	\$ 293.3	\$ 497.4	\$ 367.3
-	-	-	-	(483.2)	244.9
(174.4)	(381.1)	5.8	10.0	-	99.0
3.2	1.8	2.8	-	(0.4)	3.0
-	-	-	-	-	(10.0)
-	(0.4)	(0.2)	-	-	-
<u>\$ (334.9)</u>	<u>\$ (193.9)</u>	<u>\$ 570.0</u>	<u>\$ 303.3</u>	<u>\$ 13.8</u>	<u>\$ 704.2</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Gross Income Tax	\$ 13,958.1	\$ 13,356.0	\$ 13,250.0	\$ 12,311.7
Sales and Use Tax	9,592.0	9,267.7	9,146.0	8,849.4
Corporation Business Tax	2,144.0	2,299.0	2,738.7	2,112.9
Other Major Taxes	3,774.2	3,415.8	3,353.0	3,243.3
Miscellaneous Taxes, Fees	3,393.2	3,297.9	3,391.9	3,590.1
State Lottery	995.6	987.0	960.0	965.0
Casino Taxes and Fees	263.8	249.2	257.6	275.3
Total	\$ 34,120.9	\$ 32,872.6	\$ 33,097.2	\$ 31,347.7

* 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Gross Income Tax	40.9 %	40.6 %	40.0 %	39.3 %
Sales and Use Tax	28.1	28.2	27.6	28.2
Corporation Business Tax	6.3	7.0	8.3	6.7
Other Major Taxes	11.1	10.4	10.1	10.3
Miscellaneous Taxes, Fees	9.9	10.0	10.3	11.5
State Lottery	2.9	3.0	2.9	3.1
Casino Taxes and Fees	0.8	0.8	0.8	0.9
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.

	2013	2012	2011	2010	2009	2008
\$	12,108.6	\$ 11,128.4	\$ 10,617.0	\$ 10,322.9	\$ 10,476.3	\$ 12,605.5
	8,454.8	8,099.7	8,144.4	7,898.2	8,264.2	8,915.5
	2,371.4	2,037.0	2,344.4	2,144.6	2,665.2	3,062.4
	3,131.1	3,117.3	2,902.2	2,831.7	2,884.5	3,033.7
	3,502.7	3,463.3	3,394.6	3,398.4	3,292.4	3,598.9
	1,085.0	950.1	930.0	924.0	887.2	882.1
	270.5	290.7	327.1	360.2	415.5	486.0
\$	<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>	<u>\$ 32,584.1</u>

	2013	2012	2011	2010	2009	2008
	39.2 %	38.3 %	37.1 %	37.0 %	36.3 %	38.7 %
	27.3	27.8	28.5	28.3	28.6	27.4
	7.7	7.0	8.2	7.7	9.2	9.4
	10.1	10.7	10.1	10.2	10.0	9.3
	11.3	11.9	11.8	12.2	11.4	11.0
	3.5	3.3	3.2	3.3	3.1	2.7
	0.9	1.0	1.1	1.3	1.4	1.5
	<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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Gross State Product¹	\$ 510.6	\$ 504.6	\$ 496.5	\$ 496.1
<u>Goods Producing Sector</u>				
Agriculture, forestry, fishing, and hunting	0.7	0.6	0.5	0.5
Mining	0.2	0.3	0.3	0.4
Manufacturing	39.0	38.2	40.3	39.1
Construction	19.6	19.3	18.4	18.2
<u>Private Service Producing Sector</u>				
Transportation and warehousing	16.1	15.3	15.2	15.5
Information	24.1	23.5	22.7	23.5
Utilities	11.0	10.3	10.5	9.7
Wholesale trade	42.3	42.3	41.2	39.8
Retail trade	30.8	30.6	29.1	28.6
Finance and insurance	31.0	30.4	30.0	33.5
Real estate, rental, and leasing	87.0	87.0	85.1	86.7
Services ²	166.3	159.3	152.6	145.7
Other services	10.0	9.9	9.8	9.7
<u>Government Sector</u>	53.5	54.9	55.3	55.4
Total Personal Income³	554.3	537.0	516.0	494.0

Notes:

- ¹ Gross State Product data, which is expressed in billions of chained Calendar Year 2009 dollars, has been revised for Calendar Years 2007 through 2015. 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 2007 through 2015.

Source:

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.
United States Bureau of Economic Analysis.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 489.5	\$ 480.1	\$ 484.4	\$ 482.1	\$ 503.4	\$ 502.1
0.6	0.6	0.7	0.8	0.6	0.7
0.3	0.2	0.2	0.3	0.3	0.4
39.1	42.1	46.0	46.4	54.8	53.3
17.0	15.6	15.6	16.8	19.0	20.1
15.4	16.2	16.1	15.3	16.1	15.6
21.2	20.4	21.6	22.1	23.5	22.8
8.6	8.9	9.3	8.8	9.2	9.0
38.8	38.3	38.4	37.6	43.1	44.1
27.8	28.0	28.0	27.5	28.7	30.1
35.3	29.8	30.2	29.6	26.7	28.4
87.5	86.6	86.0	83.4	83.5	84.0
138.9	132.8	128.8	124.9	121.3	116.2
9.9	9.8	9.8	10.2	10.7	11.2
54.7	54.9	57.3	58.2	58.1	57.6
490.6	473.7	451.9	442.7	455.9	438.8

**STATE OF NEW JERSEY
GROSS INCOME TAX RATES (GIT)
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

Top Income Tax Rate Is Applied To Taxable Income In Excess Of

Year	Top Rate	Single	Married Filing Jointly	Head of Household	Average Effective Rate*
2008	8.97 %	\$ 500,000	\$ 500,000	\$ 500,000	3.20 %
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	3.38
2017	8.97	500,000	500,000	500,000	3.46

* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability.

Data for 2014 through 2016 has been revised.

Data for 2016 and 2017 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
2015 AS COMPARED TO 2006
(GIT Liability Expressed in Millions)**

Income Level	2015				2006			
	Number of Filers	Percent of Total	GIT Liability	Percent of Total	Number of Filers	Percent of Total	GIT Liability	Percent of Total
\$500,001 and higher	62,154	2.2 %	\$ 4,580.5	40.7 %	45,350	1.6 %	\$ 3,852.6	42.4 %
\$250,001 - \$500,000	146,693	5.1	1,899.1	16.8	92,717	3.3	1,209.7	13.3
\$100,001 - \$250,000	729,098	25.6	3,721.8	33.0	594,468	21.1	2,491.1	27.4
\$75,001 - \$100,000	295,731	10.4	233.8	2.1	311,727	11.1	536.1	5.9
\$50,001 - \$75,000	494,510	17.3	597.5	5.3	488,202	17.4	523.2	5.8
\$35,001 - \$50,000	397,517	13.9	110.6	1.0	440,857	15.7	254.9	2.8
\$20,001 - \$35,000	438,626	15.4	79.1	0.7	571,156	20.3	170.8	1.9
\$10,001 - \$20,000	288,906	10.1	43.6	0.4	266,749	9.5	41.3	0.5
\$0 - \$10,000	687	-	0.8	-	-	-	-	-
Total	2,853,922	100.0 %	\$ 11,266.8	100.0 %	2,811,226	100.0 %	\$ 9,079.7	100.0 %

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	
2007	\$ 5,505.1	\$ 4,778.7	\$ 59,711.9	\$ 29,462.3	\$ 2,205.6	\$ 1,512.9	\$ 103,176.5	7.0 %
2008	5,705.2	4,462.3	57,051.9	29,145.5	2,142.0	1,721.2	100,228.1	7.0
2009	5,186.9	4,040.4	53,325.8	27,640.4	1,809.2	1,680.4	93,683.1	7.0
2010	5,818.6	4,132.1	54,152.9	28,585.8	1,896.3	1,686.9	96,272.6	7.0
2011	6,584.1	4,721.9	57,910.5	30,123.9	2,302.9	1,698.3	103,341.6	7.0
2012	6,972.0	4,869.4	58,837.5	30,052.0	2,310.1	1,704.4	104,745.4	7.0
2013	7,800.2	5,514.7	61,783.0	31,122.0	2,712.1	1,747.5	110,679.5	7.0
2014	8,115.5	5,692.4	62,888.7	32,127.3	2,712.0	1,784.8	113,320.7	7.0
2015	8,712.7	5,889.8	64,924.0	33,320.6	2,827.8	1,893.9	117,568.8	7.0
2016	9,168.0	6,245.5	65,946.1	33,687.4	2,908.3	1,823.6	119,778.9	7.0

Year	Percent Distribution												
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total						
2007	5.3	4.6	57.9	28.6	2.1	1.5	100.0	%	%	%	%	%	%
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	56.2	29.7	2.0	1.8	100.0						
2011	6.4	4.6	56.1	29.1	2.2	1.6	100.0						
2012	6.7	4.6	56.2	28.7	2.2	1.6	100.0						
2013	7.0	5.0	55.8	28.1	2.5	1.6	100.0						
2014	7.2	5.0	55.4	28.4	2.4	1.6	100.0						
2015	7.4	5.0	55.3	28.3	2.4	1.6	100.0						
2016	7.7	5.2	55.1	28.1	2.4	1.5	100.0						

* Data for 2010 through 2015 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>2017</u>	<u>2016</u>	<u>2015</u>
<u>Bonded Debt</u>			
General Obligation Bonds	\$ 2,039,985	\$ 1,991,645	\$ 2,372,695
Less: Unamortized Interest on CABS	-	-	-
General Obligation Bonds, net	2,039,985	1,991,645	2,372,695
Revenue Bonds Payable	24,930,080	22,418,610	22,421,135
Less: Unamortized Interest on CABS	(4,215,266)	(4,392,980)	(4,561,200)
Revenue Bonds Payable, net	20,714,814	18,025,630	17,859,935
Capital Leases	271,295	285,190	298,420
Installment Obligations Payable	18,668,628	18,199,887	18,504,712
Less: Unamortized Interest on CABS	(843,211)	(1,029,216)	(1,221,531)
Installment Obligations Payable, net	17,825,417	17,170,671	17,283,181
Certificates of Participation	96,335	79,015	79,957
Tobacco Settlement Financing Corporation (TSFC) Bonds	3,977,100	4,223,335	4,272,855
Less: Unamortized Interest on CABS	(792,979)	(965,095)	(982,349)
TSFC Bonds, net	3,184,121	3,258,240	3,290,506
Unamortized Premium	1,969,095	1,916,723	2,050,188
Total Bonded Debt	<u>\$ 46,101,062</u>	<u>\$ 42,727,114</u>	<u>\$ 43,234,882</u>
New Jersey Total Personal Income ¹	\$ 569,137,355	\$ 554,267,581	\$ 537,026,391
Percentage of Personal Income ²	8.1%	7.7%	8.1%
New Jersey Population ¹	8,960	8,945	8,935
General Obligation Debt Per Capita ²	\$ 227.68	\$ 222.65	\$ 265.55
Total Long-Term Obligations Per Capita ²	\$ 5,145.21	\$ 4,776.65	\$ 4,838.82

Notes:

¹ Fiscal Year 2017 data for New Jersey Total Personal Income and New Jersey Population are estimates; Fiscal Year 2016 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	2,157,465	\$ 2,400,910	\$ 2,384,665	\$ 2,566,895	\$ 2,596,740	\$ 2,526,710	\$ 2,818,535
	-	-	-	-	-	-	(1,030)
	<u>2,157,465</u>	<u>2,400,910</u>	<u>2,384,665</u>	<u>2,566,895</u>	<u>2,596,740</u>	<u>2,526,710</u>	<u>2,817,505</u>
	21,956,915	21,544,905	20,698,950	19,770,565	18,576,710	16,838,010	13,702,395
	<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>	<u>(2,658,812)</u>
	17,236,451	16,673,694	15,684,996	14,621,470	13,299,663	12,365,086	11,043,583
	311,055	314,775	212,700	232,565	251,460	269,440	286,555
	18,081,143	18,243,358	18,293,915	18,714,603	18,968,688	18,716,431	18,218,030
	<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>	<u>(2,608,340)</u>
	16,663,457	16,625,156	16,472,752	16,689,932	16,744,201	16,297,065	15,609,690
	84,964	92,906	100,314	85,413	30,546	35,130	54,708
	4,296,685	4,293,892	4,444,092	4,469,033	4,492,958	4,524,563	4,591,409
	<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>	<u>(1,079,416)</u>
	3,298,028	3,279,815	3,415,439	3,426,600	3,437,498	3,456,788	3,511,993
	<u>2,083,864</u>	<u>2,119,262</u>	<u>1,518,506</u>	<u>1,403,949</u>	<u>1,323,722</u>	<u>1,356,541</u>	<u>1,412,761</u>
\$	<u><u>41,835,284</u></u>	<u><u>41,506,518</u></u>	<u><u>39,789,372</u></u>	<u><u>39,026,824</u></u>	<u><u>37,683,830</u></u>	<u><u>36,306,760</u></u>	<u><u>34,736,795</u></u>
\$	516,019,664	\$ 494,040,279	\$ 490,610,937	\$ 473,742,591	\$ 451,895,490	\$ 442,746,079	\$ 455,850,397
	8.1%	8.4%	8.1%	8.2%	8.3%	8.2%	7.6%
	8,925	8,899	8,873	8,841	8,804	8,756	8,711
\$	241.73	\$ 269.80	\$ 268.76	\$ 290.34	\$ 294.95	\$ 288.57	\$ 323.56
\$	4,687.43	\$ 4,664.18	\$ 4,484.32	\$ 4,414.30	\$ 4,280.31	\$ 4,146.50	\$ 3,987.69

STATE OF NEW JERSEY
OUTSTANDING LONG - TERM OBLIGATIONS (NON-BONDED)
FOR THE FISCAL YEAR ENDED
(Expressed in Thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Non-bonded Debt</u>			
Compensated Absences	\$ 505,422	\$ 547,613	\$ 556,751
Capital Leases	243,916	256,874	285,188
Loans Payable	1,279,358	1,279,358	1,279,358
Net Other Postemployment Benefits (OPEB) Obligation	36,493,600	32,282,700	27,973,800
Net Pension Liability/Obligation	115,113,590	93,195,876	78,881,827
Pollution Remediation Obligation	99,238	83,661	80,903
Other	<u>1,442,936</u>	<u>1,345,158</u> *	<u>1,226,135</u>
Total Non-bonded Debt	<u>155,178,060</u>	<u>128,991,240</u>	<u>110,283,962</u>
Total Bonded Debt	<u>46,101,062</u>	<u>42,727,114</u>	<u>43,234,882</u>
Grand Total	<u>\$ 201,279,122</u>	<u>\$ 171,718,354</u>	<u>\$ 153,518,844</u>

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

Sources:

New Jersey Department of the Treasury, Office of Management and Budget.
New Jersey Department of the Treasury, Office of Public Finance.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 568,802	\$ 574,724	\$ 606,047	\$ 623,185	\$ 566,750	\$ 635,820	\$ 595,856
316,975	353,929	379,352	311,219	351,766	379,729	410,552
1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358
23,573,700	20,176,700	16,818,300	13,501,000	10,028,800	6,636,300	3,177,400
74,773,688	14,515,981	12,838,529	10,857,719	8,403,007	6,365,698	4,759,367
73,964	86,162	92,175	80,401	92,654	101,829	-
1,218,495	1,219,207	982,145	340,255	300,926	304,727	276,655
<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>10,499,188</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>34,736,795</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>	<u>\$ 45,235,983</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>
2008	\$ 34,567.9	\$ 345.6
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

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2017 AND 2016
(Expressed in Millions)

Debt Program*	Year	Amount Authorized	Unissued As Of	
			6/30/2017	6/30/2016
<u>General Obligation Bonds</u>				
Building Our Future	2012	\$ 750.0	\$ -	\$ 200.0
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	27.5
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	170.2
Hazardous Discharge	1981	100.0	43.0	43.0
Hazardous Discharge	1986	200.0	38.0	38.0
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	22.6
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		<u>4,240.0</u>	<u>468.2</u>	<u>768.2</u>
<u>Revenue Bonds Payable</u>				
<u>Transportation Trust Fund Authority</u>				
Transportation Program Bonds	2016	12,000.0	12,000.0	-
Total Revenue Bonds Payable		<u>12,000.0</u>	<u>12,000.0</u>	<u>-</u>
<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	1,644.1	1,987.0
Stem Cell, Life Sciences, and Biomedical Research Facilities	2006	270.0	223.2	270.0
<u>Educational Facilities Authority</u>				
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Higher Education Capital Improvement Fund	1999	550.0	239.4	375.8
Higher Education Equipment Leasing Fund	1993	100.0	47.2	33.9
Higher Education Facilities Trust Fund	1993	220.0	41.1	30.4
Higher Education Technology Infrastructure Fund	1997	55.0	22.6	20.4
Public Library Project Fund	1999	45.0	25.8	23.1
Total Installment Obligations		<u>14,630.0</u>	<u>2,753.0</u>	<u>3,250.2</u>
Grand Total		<u>\$ 30,870.0</u>	<u>\$ 15,221.2</u>	<u>\$ 4,018.4</u>

* 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, 2017, 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 Surplus	Net Available Revenue	Debt Service			Coverage Ratio
	Surcharges ¹			Principal	Interest	Total	
2008	\$ 44.3	\$ 44.1	\$ 88.4	\$ -	\$ 37.8	\$ 37.8	2.3
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

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 Surplus	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2008	\$ 50.6	\$ -	\$ 1.8	\$ 1.8	28.1
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 ²	5.5 ²	22.1	2.7
2017	67.4	27.9	5.5	33.4	2.0

Tobacco Settlement Financing Corporation

Tobacco Settlement Asset-Backed Bonds, Series 2007-1

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. Pursuant to a Purchase and Sale Agreement with the Tobacco Settlement Financing Corporation, (TSFC), New Jersey has sold 76.26 percent of its future rights to receive MSA payments. The purchase price of the State's future rights, title, and interest in Tobacco Settlement Revenues has been financed by the issuance of these bonds. TSFC has pledged all future MSA receipts in order to secure these bonds. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of, principal or interest on these bonds. Scheduled final retirement of these bonds occurs on June 1, 2041.

Fiscal Year	MSA Payments	Existing Surplus	Net Available Revenue	Debt Service ³			Coverage Ratio
				Principal	Interest	Total	
2008	\$ 199.6	\$ 264.6	\$ 464.2	\$ 53.2	\$ 163.3	\$ 216.5	2.1
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

Cigarette Tax Revenue Bonds, Series 2004

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	
2008	\$ 153.7	\$ 23.9	\$ 177.6	\$ 85.5	\$ 75.1	\$ 160.6	1.1
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 ⁴	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

Notes:

¹Fiscal Year 2017 includes Motor Vehicle and Unsafe Driver Surcharges. Prior fiscal years only included 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.

²Fiscal Year 2016 principal and interest has been restated to display compounded interest as a component of principal.

³Includes optional accelerated payments.

⁴Cigarette dedication has been restated to reflect a miscalculation in Fiscal Year 2016.

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
2016 AS COMPARED TO 2007**

2016 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	64,379	1.5 %
2	Wakefern Food Corporation (ShopRite)	40,000	0.9
3	Wal-Mart Stores, Inc.	20,383	0.5
4	United Parcel Services (UPS)	19,243	0.4
5	Verizon Communications	14,600	0.3
6	Johnson & Johnson	14,500	0.3
7	The Home Depot	13,806	0.3
8	United Airlines	12,000	0.3
9	Public Service Electric and Gas Company	10,800	0.2
10	Bank of America	10,000	0.2
		219,711	4.9 %

2007 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	79,191	1.9 %
2	Wakefern Food Corporation (ShopRite)	31,671	0.7
3	The Great Atlantic and Pacific Tea Company	21,277	0.5
4	Verizon Communications	17,996	0.4
5	Harrah's Entertainment, Inc.	16,167	0.4
6	United Parcel Service (UPS)	16,120	0.4
7	Wal-Mart Stores, Inc.	14,717	0.3
8	Johnson & Johnson	14,500	0.3
9	Continental Airlines	13,752	0.3
10	The Home Depot	12,000	0.3
		237,391	5.5 %

Notes:

Aggregate New Jersey resident employment for Calendar Years 2016 and 2007 totaled 4.334 million and 4.252 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.

Sources:

Pytell, J. (2017, August). "45th Annual Top 100 Employers." *New Jersey Business*, 63(8), 32-41.

Saliba, G. N. (2008, May). "36th Annual Top 100 Employers." *New Jersey Business*, 54(5), 42-53.

Data reprinted with permission from the New Jersey Business and Industry Association.

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)**

Year	New Jersey Population	Civilian Labor Force¹	Resident Employment¹	Resident Unemployment¹	New Jersey Unemployment Rate	United States Unemployment Rate²
2007	8,678	4,442	4,252	190	4.3 %	4.6 %
2008	8,711	4,504	4,264	241	5.4	5.8
2009	8,756	4,551	4,139	412	9.1	9.3
2010	8,804	4,555	4,122	434	9.5	9.6
2011	8,841	4,565	4,139	427	9.3	8.9
2012	8,873	4,585	4,159	427	9.2	8.1
2013	8,899	4,529	4,158	371	8.1	7.4
2014	8,925	4,514	4,210	304	6.7	6.2
2015	8,935	4,544	4,289	255	5.6	5.3
2016	8,945	4,557	4,334	223	4.9	4.9

Notes:

¹ Civilian Labor Force, Resident Employment, and Resident Unemployment data for 2007 through 2015 has been revised.

² United States Unemployment Rate data for 2007 through 2015 has been revised.

Sources:

United States Census Bureau, Population Division.

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)**

Year	New Jersey Population (Thousands)	Assessed Valuation of Property	True Valuation of Property	Personal Income	Per Capita Income (Thousands)
2007	8,678	\$ 744,899	\$ 1,235,286	\$ 438,839	\$ 50.5
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	8,841	983,963	1,278,578	473,743	53.6
2012	8,873	988,356	1,235,474	490,611	55.3
2013	8,899	990,697	1,183,032	494,040	55.5
2014	8,925	971,600	1,158,322	516,020	57.8
2015	8,935	983,032	1,164,399	537,026	60.1
2016	8,945	981,731	1,183,048	554,268	62.0

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		
2008	\$ 7,031.2	\$ 12,089.9	\$ 12,921.3	\$ 1,947.3	\$ 428.7	\$ 34,418.4	
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	

Percent Distribution

Fiscal Year	Direct						Total
	State Services	Grants- In-Aid	State Aid	Capital Construction	Debt Service		
2008	20.4 %	35.1 %	37.5 %	5.7 %	1.3 %	100.0 %	
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	

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, 2017
(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	\$ 5.6	\$ -	\$ -	\$ -	\$ -	\$ 5.6
Agriculture	10.1	6.9	5.6	-	-	22.6
Banking and Insurance	56.1	-	-	-	-	56.1
Children and Families	267.8	861.5	-	-	-	1,129.3
Community Affairs	57.8	33.9	410.7	-	-	502.4
Corrections	913.6	104.1	22.4	0.1	-	1,040.2
Education	85.7	3.1	13,203.1	0.3	-	13,292.2
Environmental Protection	248.8	2.0	9.5	117.0	38.9	416.2
Health	71.2	472.0	-	-	-	543.2
Human Services	627.1	5,518.5	354.1	0.1	-	6,499.8
Labor and Workforce						
Development	114.6	73.7	-	-	-	188.3
Law and Public Safety	715.1	16.2	2.1	0.7	-	734.1
Military and Veterans'						
Affairs	98.4	2.6	-	4.2	-	105.2
State	31.1	1,183.3	15.0	-	-	1,229.4
Transportation	89.8	91.0	17.5	1,276.4	-	1,474.7
Treasury	523.1	664.2	798.3	0.5	293.1	2,279.2
Miscellaneous	0.8	-	-	-	-	0.8
Interdepartmental Accounts	2,895.6	1,101.5	-	187.8	-	4,184.9
Subtotal	<u>6,812.3</u>	<u>10,134.5</u>	<u>14,838.3</u>	<u>1,587.1</u>	<u>332.0</u>	<u>33,704.2</u>
Legislative Branch	78.6	-	-	-	-	78.6
Judicial Branch	668.0	-	-	-	-	668.0
Grand Total	<u>\$ 7,558.9</u>	<u>\$ 10,134.5</u>	<u>\$ 14,838.3</u>	<u>\$ 1,587.1</u>	<u>\$ 332.0</u>	<u>\$ 34,450.8</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	2017	2016	2015
Executive Branch			
Agriculture	201	207	197
Banking and Insurance	459	452	471
Chief Executive	86	98	97
Children and Families	6,631	6,549	6,557
Community Affairs	876	904	899
Corrections	7,772	7,592	7,790
Parole Board	577	572	597
Education	735	750	761
Environmental Protection	2,665	2,684	2,749
Health	1,074	1,064	1,132
Human Services	11,306	11,553	12,472
Labor and Workforce Development	2,696	2,695	2,770
Civil Service Commission	231	245	236
Public Employment Relations Commission	33	33	32
Law and Public Safety	6,280	6,244	6,277
Election Law Enforcement Commission	65	62	63
State Ethics Commission	10	10	10
Juvenile Justice Commission	1,111	1,106	1,119
Victims of Crime Compensation Office	30	31	28
Military and Veterans' Affairs	1,371	1,406	1,440
State	150	156	153
Commission on Higher Education	18	18	18
Public Broadcasting Authority	N/A	N/A	N/A
Higher Education Student Assistance Authority	138	128	136
Transportation	5,214	5,155	5,140
Treasury	3,083	3,156	3,273
Casino Control Commission	40	44	49
Office of Administrative Law	84	91	86
Office of Information Technology	731	733	724
Office of the Public Defender	1,209	1,190	1,183
Board of Public Utilities	230	228	227
Miscellaneous Executive Commissions	1	1	1
	<u>55,107</u>	<u>55,157</u>	<u>56,687</u>
Legislative Branch	482	483	483
Judicial Branch	8,790	8,793	8,848
	<u>64,379</u>	<u>64,433</u>	<u>66,018</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.

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.

2014	2013	2012	2011	2010	2009	2008
204	207	205	207	216	224	245
474	495	487	500	419	423	464
112	107	111	104	90	83	84
6,546	6,625	6,494	6,790	6,866	6,913	6,986
890	895	931	1,025	1,064	1,076	1,129
7,933	8,098	8,195	8,381	8,898	9,311	9,259
588	607	615	639	676	696	695
791	799	761	768	804	850	883
2,749	2,722	2,744	2,842	2,956	3,051	3,241
1,148	1,185	1,562	1,672	1,764	1,850	1,978
14,099	14,476	14,570	14,838	15,166	15,449	15,684
2,884	2,902	2,977	3,080	3,128	3,167	3,418
246	244	224	222	237	294	326
31	32	31	31	33	34	36
6,392	6,414	6,596	6,835	7,194	7,341	7,590
67	68	63	65	71	71	68
11	10	11	12	12	13	13
1,142	1,214	1,326	1,462	1,574	1,624	1,685
29	29	32	32	35	30	38
1,473	1,475	1,471	1,488	1,475	1,486	1,511
158	160	214	194	208	212	215
20	18	15	13	16	18	18
N/A	N/A	N/A	124	132	138	150
150	151	152	163	170	183	191
5,253	5,278	5,155	5,400	5,695	5,880	6,161
3,262	3,369	3,341	3,450	3,515	3,579	3,757
50	57	58	262	281	293	312
91	93	96	99	93	98	104
739	710	717	779	809	816	894
1,175	1,148	1,086	1,060	1,065	1,031	1,070
232	239	244	259	267	268	283
1	1	1	1	2	2	2
<u>58,940</u>	<u>59,828</u>	<u>60,485</u>	<u>62,797</u>	<u>64,931</u>	<u>66,504</u>	<u>68,490</u>
485	486	492	487	515	520	512
8,893	8,881	8,924	8,944	9,090	9,205	9,495
<u>68,318</u>	<u>69,195</u>	<u>69,901</u>	<u>72,228</u>	<u>74,536</u>	<u>76,229</u>	<u>78,497</u>

**STATE OF NEW JERSEY
OPERATING INDICATORS
FOR THE FISCAL YEAR ENDED JUNE 30**

Department/Agency	2017¹	2016²	2015²
Agriculture			
Farmland Preservation			
Cumulative acres permanently preserved	227,581	222,481	216,931
Children and Families			
Active caseload - children receiving services	172,522	170,022	173,242
Corrections			
Average daily population - State Facilities	16,954	17,574	18,646
Parole Board			
Parolees under supervision (beginning of year)	15,617	15,639	15,668
Total hearings	20,905	20,554	20,889
State hearings	14,800	14,571	15,249
Education			
Resident enrollment	1,407,384	1,410,379	1,415,468
Support per pupil	\$ 21,016	\$ 20,459	\$ 19,621
Local	\$ 11,103	\$ 10,902	\$ 10,620
State	\$ 9,284	\$ 8,948	\$ 8,411
Federal	\$ 629	\$ 609	\$ 590
Health			
Family Health Services			
Newborns screened-metabolic & genetic disorders	97,470	98,455	99,092
AIDS Services			
Number of clients tested and counseled	82,000	81,115	91,966
Human Services			
Work First New Jersey			
Average monthly recipients	49,609	63,975	83,199
Average monthly grant	\$ 128	\$ 128	\$ 129
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	88,214	90,845	92,675
Aged: Annual prescriptions	1,863,080	1,951,351	2,246,442
Disabled: Average monthly eligibles	29,558	28,434	27,025
Disabled: Annual prescriptions	673,922	672,180	681,030
Labor and Workforce Development			
Unemployment Insurance			
Covered workers	3,908,600	3,878,100	3,815,100
State Disability Insurance Plan			
Covered workers	2,685,400	2,664,300	2,621,088
Claims received	149,300	150,624	152,166
Law and Public Safety			
State Police Operations			
Criminal investigations	17,500	17,514	16,211
Accident investigations	44,000	44,028	42,364
General investigations	865,000	860,920	745,869
Transportation			
Motor Vehicle Services			
Registrations and title documents issued	11,448,620	11,282,065	10,922,733
Total licensed drivers	5,257,609	5,205,554	5,157,869
Total registered vehicles	6,082,763	5,774,683	6,069,922
Total NJ inspections/reinspections	2,335,250	2,418,975	2,390,778

Notes:

¹ Fiscal Year 2017 amounts are estimates.

² Fiscal Years 2015 and 2016 have been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget, Fiscal Year 2018 Governor's Budget Message.

	2014	2013	2012	2011	2010	2009	2008
	210,065	203,996	198,426	193,078	185,709	179,303	167,752
	166,916	156,339	167,337	159,689	158,117	150,356	142,339
	19,495	20,222	20,855	21,504	21,454	22,125	22,680
	15,732	15,932	16,250	15,976	15,929	15,656	14,770
	21,177	25,781	27,899	30,858	33,095	35,597	39,343
	15,071	18,046	19,759	21,428	23,996	25,285	28,716
	1,415,589	1,423,614	1,421,576	1,427,344	1,436,208	1,434,581	1,433,498
\$	19,074	\$ 18,867	\$ 18,530	\$ 17,464	\$ 17,849	\$ 17,193	\$ 17,038
\$	10,366	\$ 10,153	\$ 10,021	\$ 9,850	\$ 9,664	\$ 9,242	\$ 9,045
\$	8,123	\$ 8,114	\$ 7,723	\$ 6,872	\$ 6,518	\$ 7,393	\$ 7,454
\$	585	\$ 600	\$ 786	\$ 742	\$ 1,667	\$ 558	\$ 539
	99,628	99,523	100,600	102,315	105,000	108,909	111,123
	95,359	94,657	103,443	103,749	75,000	75,000	75,000
	92,061	101,937	107,189	105,647	98,418	96,889	99,500
\$	130	\$ 131	\$ 131	\$ 133	\$ 133	\$ 132	\$ 130
	94,603	98,953	105,689	109,728	112,660	124,327	130,051
	2,383,996	2,636,108	2,967,747	3,397,179	3,555,550	4,058,033	4,432,138
	26,771	26,003	27,429	26,912	25,354	29,225	28,563
	722,817	745,766	829,453	913,932	897,532	1,059,114	1,107,102
	3,779,189	3,738,799	3,702,911	3,673,299	3,681,516	3,794,084	3,904,700
	2,623,500	2,599,552	2,709,400	2,687,700	2,693,600	2,776,000	2,856,900
	159,470	158,598	161,714	163,714	171,100	171,241	171,368
	20,300	20,130	19,747	19,343	15,186	15,015	18,810
	40,000	39,200	39,668	40,731	34,578	33,163	42,238
	720,000	706,500	683,768	733,462	809,584	810,413	807,760
	10,126,762	9,547,826	10,022,884	9,806,553	10,297,294	10,175,714	11,078,091
	5,157,869	5,080,727	5,095,883	5,078,814	5,484,565	5,500,932	5,501,596
	5,703,368	5,283,099	5,584,763	5,343,306	5,724,040	5,701,297	5,846,217
	2,590,898	2,347,350	2,562,437	2,354,057	3,139,621	3,033,389	3,002,727

**STATE OF NEW JERSEY
CAPITAL ASSET STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30**

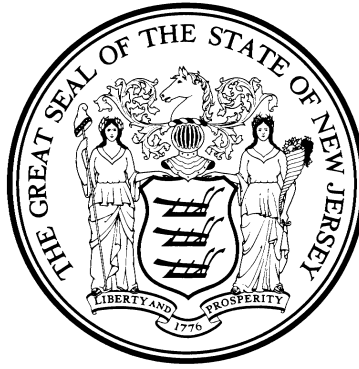
Function	2017	2016	2015
Public safety and criminal justice			
Adult and juvenile correctional institutions	27	27	27
State police stations	39	39	39
State police officers	2,764	2,684	2,640
Motor vehicle facilities	64	65	65
Number of active armories	27	29	29
Total acreage dedicated to function*	6,598	6,598	6,598
Total buildings dedicated to function*	1,540	1,549	1,555
Physical and mental health			
Number of mental health facilities	4	4	4
Average daily number of residents*	1,558	1,607	1,622
Number of residential addiction treatment programs (RTPs)	5	5	4
Total acreage dedicated to function*	1,267	1,267	1,267
Total buildings dedicated to function*	294	300	345
Educational, cultural, and intellectual development			
Number of Regional Day Schools (RDS)	10	11	11
Number of developmental centers	5	5	5
Average daily number of residents	1,438	1,537	1,701
Total acreage dedicated to function*	2,628	2,624	2,624
Total buildings dedicated to function*	529	531	534
Community development and environmental management			
State parks, historic sites, natural areas, marinas, other	232	232	231
Land preservation acres (easements/farmland)	93,439	92,670	90,250
Total acreage dedicated to function (includes preservation)*	840,556	838,022	831,863
Total buildings dedicated to function*	2,098	2,099	2,099
Economic planning, development, and security			
Total acreage dedicated to function*	608	608	608
Total buildings dedicated to function*	142	142	142
Transportation programs			
Lane miles, state highways	13,347	13,344	13,341
Bridges, state owned	2,582	2,584	2,586
Facilities	97	97	93
Total acreage dedicated to function*	33,488	33,487	33,439
Total buildings dedicated to function*	616	615	611
Government direction, management, and control			
Total acreage dedicated to function	4,295	4,295	4,295
Total buildings dedicated to function*	206	205	203
Special government services			
Veteran homes and Residential Transitional Housing	5	5	5
Veterans in residence	1,060	1,064	1,053
Total acreage dedicated to function*	89	89	89
Total buildings dedicated to function	33	33	33

* Data for 2008 - 2016 has been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
27	27	31	32	32	35	38
38	38	38	43	34	34	34
2,490	2,454	2,669	2,814	3,001	3,050	3,030
65	65	65	65	70	72	75
29	29	31	31	31	32	32
6,598	6,598	6,598	6,598	6,598	6,598	6,598
1,557	1,578	1,584	1,578	1,577	1,579	1,582
4	4	4	5	5	5	5
1,644	1,650	1,734	1,790	1,871	2,006	2,151
4	4	4	4	7	6	6
1,267	1,267	1,267	1,267	1,267	1,267	1,267
345	341	341	340	340	339	339
11	11	11	11	11	12	12
7	7	7	7	7	7	7
2,023	2,315	2,434	2,587	2,703	2,785	2,897
2,624	2,624	2,624	2,624	2,624	2,624	2,624
534	533	533	536	536	538	534
231	231	231	231	231	231	231
87,653	84,901	82,491	80,547	78,564	76,844	72,271
826,661	813,419	808,144	803,251	797,580	790,711	779,379
2,098	2,107	2,183	2,222	2,222	2,217	2,200
608	608	608	608	608	608	608
140	140	139	138	135	124	123
13,341	13,341	13,305	13,305	13,518	13,508	13,493
2,574	2,575	2,578	2,585	2,585	2,577	2,578
88	88	88	87	87	87	87
33,436	33,435	33,434	33,432	33,431	33,431	33,429
603	604	603	606	603	578	575
4,295	4,295	4,295	4,295	4,295	4,295	4,295
202	201	200	200	200	218	218
5	4	3	3	3	3	3
928	916	914	911	913	913	914
89	89	89	89	89	89	89
33	33	33	32	32	32	31



ACKNOWLEDGEMENTS

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