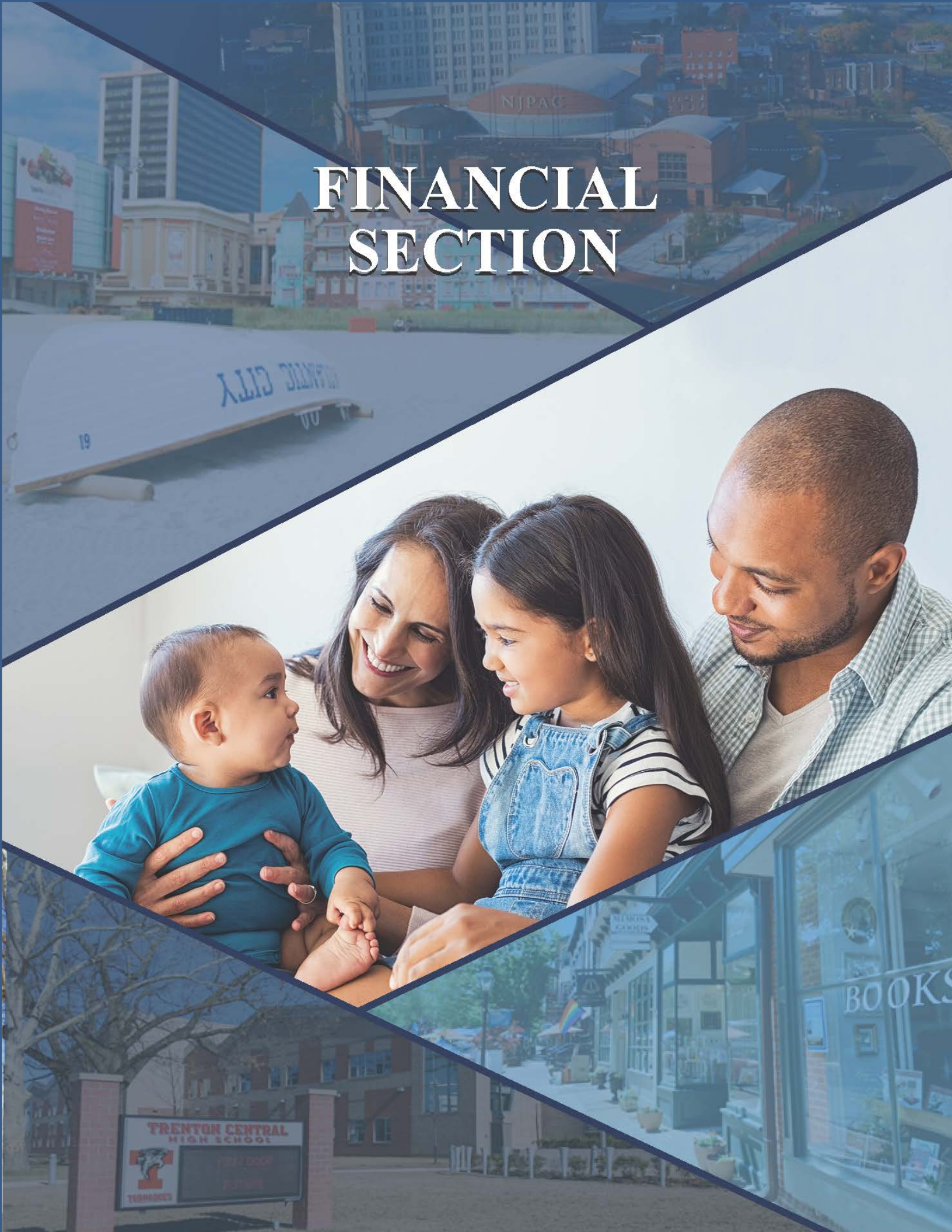


FINANCIAL SECTION



TRENTON CENTRAL
HIGH SCHOOL

BOOKS



SENATE

Anthony M. Bucco
Kristin M. Corrado
Linda R. Greenstein
Joseph Pennacchio
M. Teresa Ruiz
Nicholas P. Scutari
Robert W. Singer
Shirley K. Turner

GENERAL ASSEMBLY

Craig J. Coughlin
Christopher P. DePhillips
John DiMaio
Louis D. Greenwald
Antwan L. McClellan
Nancy F. Muñoz
Verlina Reynolds-Jackson
Shanique Speight



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David J. Kaschak
State Auditor

Brian M. Klingele
Assistant State Auditor

Thomas Troutman
Assistant State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Maureen McMahon
Executive Director
Office of Legislative Services

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

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, 2023, 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.

We did not audit the financial statements of the pensions and other employee benefits trust funds, which represent 87 percent, 90 percent, and 48 percent, respectively, of the assets, net position and fund balance, and revenues of the aggregate remaining fund information, and we did not audit the Port Authority of New York and New Jersey, which represents 100 percent of the information disclosed in Note 2F of the basic financial statements. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the pensions and other employee benefits trust funds and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors. In addition, we did not audit the financial statements of the discretely presented component units. Our opinion on the aggregate discretely presented component units is based solely upon audit reports prepared by other auditors and furnished to us.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of New Jersey and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the pensions and other employee benefits trust funds and one discretely presented component unit, the Higher Education Student Assistance Authority, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 State of New Jersey’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of New Jersey’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Emphasis of Matters

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. 91, *Conduit Debt Obligations*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; GASB Statement No. 99, *Omnibus 2022* (certain paragraphs). Our opinion was not modified with respect to these matters.

New Jersey City University

The financial statements of the New Jersey City University have not been audited for fiscal year 2023. We were not engaged to audit those financial statements as part of the State of New Jersey’s basic financial statements. The New Jersey City University was audited by other auditors; however, their report was not finalized as of the date of this report. The New Jersey City University’s financial activities are included in the State of New Jersey’s basic financial statements as a discretely presented component unit and represent 0.66 percent, 1.84 percent, and 0.13 percent, respectively, of the assets and deferred outflows, revenues, and net position of the aggregate discretely presented component units. Our opinion was not modified with respect to this matter.

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 is the responsibility of management and, 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.

Supplementary 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 combining financial statements and schedules section and the other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of New Jersey's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of New Jersey's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "David J. Kaschak". The signature is written in a cursive, flowing style.

David J. Kaschak
State Auditor
March 27, 2024



*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, 2023. 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 \$124.7 billion, an increase of \$2.9 billion from the prior fiscal year after restatements that resulted in a \$12.4 billion increase in net position. Restatements were made to increase net position over various accounts. As of June 30, 2023, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$168.0 billion. The State's unrestricted net position, which represents net position that has no statutory commitments and is available for discretionary use, totaled a negative \$190.4 billion. The negative balance is primarily a result of the State implementing, in Fiscal Year 2015, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (See Note 16 – Retirement Systems) and the State implementing, in Fiscal Year 2018, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (See Note 17 – Other Postemployment Benefits and Active Employee Health Benefits). Financing activities that have contributed to the State's negative unrestricted net position include liabilities from pension obligation bonds, the funding of a portion of local elementary and high school construction, and the securitization of all annual tobacco master settlement agreement receipts with no corresponding assets.
- June 30, 2023 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$21.6 billion after restatements. Total component unit assets and deferred outflows of resources totaled \$65.0 billion, an increase of \$5.3 billion from the prior year, after restatements.

Fund Level

- The State's governmental funds reported June 30, 2023 combined ending fund balances of \$32.8 billion, an increase of \$2.3 billion after restatements when compared to the prior fiscal year. Fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned. The nonspendable fund balance classification (\$20.4 million) includes amounts that are legally required to remain intact. The restricted fund balance classification (\$9.5 billion) is used when constraints have been placed upon the use of resources through enabling legislation initiated by voter referendum, constitutional provisions, debt covenants, or other external parties such as the federal government. The committed fund balance classification (\$12.8 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 (\$10.5 billion) represents the fund balance amount that has not been restricted or committed to a specific purpose within the General Fund.
- During the fiscal year, the proprietary funds' net position increased by \$1.1 billion resulting in net position of \$2.1 billion as of June 30, 2023.

Long-term Obligations

- The State's governmental long-term obligations decreased 5.5 percent to \$200.7 billion, after restatements, which includes a net decrease in bonded obligations of \$2.4 billion. During the fiscal year, the State issued \$3.4 billion in bonds. New money issuances represented \$1.5 billion, issued primarily for transportation program improvements. The State also issued \$1.9 billion of refunding bonds that provided the State with \$120.9 million in net present value savings. During Fiscal Year 2023, the State made principal and interest payments totaling \$4.8 billion on its long-term obligations; an additional \$1.0 billion was expended from the New Jersey Debt Defeasance and Prevention Fund to defease certain outstanding long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$159.2 billion. This amount represents a \$9.4 billion decrease from the prior fiscal year, after restatements, and is mainly attributable to a decrease in the Other Postemployment Benefits (OPEB) Liability of \$13.9 billion, resulting from changes in actuarial assumptions relating to the pensions and OPEB plans, offset by an increase in the Net Pension Liability of \$4.7 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 Annual Comprehensive Financial Report also contains required supplementary information (RSI) and other information, in addition to the basic financial statements.

Major Features of the Basic Financial Statements

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

Government-wide Financial Statements

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

- **Statement of Net Position**

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

- **Statement of Activities**

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

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

- **Governmental Activities**

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

- **Business-type Activities**

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

- **Component Units**

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

Reconciliation of Government-wide and Governmental Funds Financial Statements

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

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

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

Fund Financial Statements

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

- **Governmental Funds Financial Statements**

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

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

- **Proprietary Funds Financial Statements**

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

- **Fiduciary Funds Financial Statements**

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

Notes to the Financial Statements

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

Required Supplementary Information

The basic financial statements are followed by a required supplementary information section. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also, there are various schedules relating to the State’s Net Pension Liability, Related Ratios, Employer Contributions, and Schedules of Changes in the State’s OPEB Liability and Related Ratios.

Combining Financial Statements

Combining financial statements are presented for non-major governmental, proprietary, and fiduciary funds. Non-major funds are shown in the aggregate in the basic financial statements. Combining schedules are presented for the General Fund.

Other Information

Information on New Jersey’s capital assets, long-term obligations, and non-major budgetary comparison schedules are displayed in this section. Schedules of Anticipated and Appropriated Revenues provide detailed information on major and miscellaneous taxes, fees, and other revenues. The Schedule of Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation. The Schedule of Appropriations and Expenditures details the comparison of expenditures at the legal level of control to the final budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The State ended Fiscal Year 2023 with combined net position for the primary government totaling a negative \$168.0 billion. This amount represents an increase of net position of \$12.4 billion from the prior fiscal year after restatements. Restricted net position includes funds used to pay unemployment claims and open space preservation. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently, these assets are not available for future spending. Net investment in capital assets includes land, land easements, land improvements, buildings and improvements, equipment and software, infrastructure (roads, bridges, and other immovable assets), and construction in progress. The deficit in unrestricted governmental net position arose primarily as a result of the cost of the State's bonded obligations, depreciation expense related to capital assets, and certain liabilities, including, but not limited to, the Net Pension Liability and the OPEB Liability, that are required to be included in the government-wide financial statements.

**Net Position
For Fiscal Year Ended June 30
(Expressed in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022*	2023	2022*	2023	2022*
Current and other noncurrent assets	\$ 45,554.7	\$ 42,970.1	\$ 2,902.6	\$ 1,774.2	\$ 48,457.3	\$ 44,744.3
Capital assets, net	32,199.0	31,785.2	0.3	0.6	32,199.3	31,785.8
Total Assets	<u>77,753.7</u>	<u>74,755.3</u>	<u>2,902.9</u>	<u>1,774.8</u>	<u>80,656.6</u>	<u>76,530.1</u>
Deferred Outflows of Resources	<u>44,023.8</u>	<u>45,227.5</u>	<u>-</u>	<u>-</u>	<u>44,023.8</u>	<u>45,227.5</u>
Current liabilities	15,816.7	15,323.0	634.3	573.7	16,451.0	15,896.7
Noncurrent liabilities	196,724.1	208,522.2	173.8	186.5	196,897.9	208,708.7
Total Liabilities	<u>212,540.8</u>	<u>223,845.2</u>	<u>808.1</u>	<u>760.2</u>	<u>213,348.9</u>	<u>224,605.4</u>
Deferred Inflows of Resources	<u>79,298.0</u>	<u>77,523.4</u>	<u>-</u>	<u>-</u>	<u>79,298.0</u>	<u>77,523.4</u>
Net Position:						
Net investment in capital assets	12,375.9	11,789.4	-	-	12,375.9	11,789.4
Restricted	8,004.0	11,148.5	2,094.8	1,014.6	10,098.8	12,163.1
Unrestricted	(190,441.2)	(204,323.7)	-	-	(190,441.2)	(204,323.7)
Total Net Position	<u>\$ (170,061.3)</u>	<u>\$ (181,385.8)</u>	<u>\$ 2,094.8</u>	<u>\$ 1,014.6</u>	<u>\$ (167,966.5)</u>	<u>\$ (180,371.2)</u>

* Net Position was restated to reflect the following: prior period adjustments for increases in capital assets of \$249.8 million, an increase in accumulated depreciation of \$203.6 million, increases in lease liabilities of \$18.2 million, decreases in capitalized software of \$4.8 million, correction of a Governmental Funds understatement of receivables of \$691.7 million, and implementation of GASB Statement No. 96, *Subscription –Based Information Technology Arrangements*, resulting in a decrease of \$4.2 million.

Changes in Net Position

The State's Fiscal Year 2023 net position increased by \$12.4 billion after restatements. Approximately 50.9 percent of the State's total revenues came from general taxes, while 32.5 percent was derived from operating grants. Charges for services amounted to 14.6 percent of total revenues, while other items such as capital grants, miscellaneous revenues, and interest earnings accounted for the remainder. State expenses cover a range of services. The largest expense, at 31.6 percent was educational cultural, and intellectual development, which includes approximately \$293.5 million disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction; physical and mental health amounted to 26.6 percent; and economic planning, development, and security amounted to 11.9 percent. Other major expenditures focused on government direction, management, and control; public safety and criminal justice; the State Lottery Fund; the Unemployment Compensation Fund; community development and environmental management; and transportation programs. During Fiscal Year 2023, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$50.2 billion of general revenues (mostly taxes). The remaining \$11.3 billion resulted in an increase in net position. Additionally, Business-type Activities reflected a net position increase of \$1.1 billion primarily because the Unemployment Compensation Fund's claims were less than available resources.

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

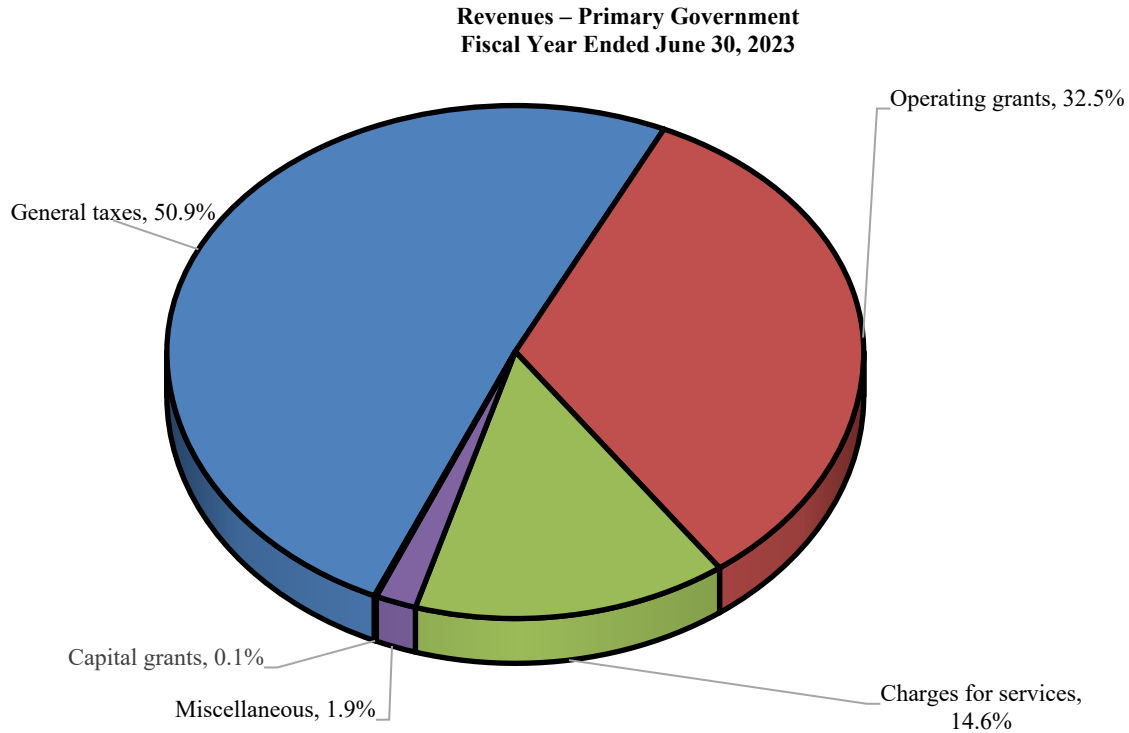
	Governmental		Business-type		Primary Government	
	Activities		Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Revenues						
Program revenues						
Charges for services	\$ 7,002.9	\$ 6,332.3	\$ 6,916.3	\$ 6,431.7	\$ 13,919.2	\$ 12,764.0
Operating grants	30,882.8	28,409.2	61.2	3,955.1	30,944.0	32,364.3
Capital grants	96.2	156.6	-	-	96.2	156.6
General revenues						
General taxes	48,392.2	50,681.9	-	-	48,392.2	50,681.9
Interest earnings	909.9	36.8	-	-	909.9	36.8
Miscellaneous	881.6	1,009.4	-	-	881.6	1,009.4
Total Revenues	88,165.6	86,626.2	6,977.5	10,386.8	95,143.1	97,013.0
Expenses						
Public safety and criminal justice	4,813.4	4,281.8	-	-	4,813.4	4,281.8
Physical and mental health	22,013.8	20,489.8	-	-	22,013.8	20,489.8
Educational, cultural, and intellectual development	26,189.1	24,475.4	-	-	26,189.1	24,475.4
Community development and environmental management	3,191.6	3,333.3	-	-	3,191.6	3,333.3
Economic planning, development, and security	9,895.0	9,265.5	-	-	9,895.0	9,265.5
Transportation programs	3,868.1	2,740.2	-	-	3,868.1	2,740.2
Government direction, management, and control	5,309.7	5,895.5	-	-	5,309.7	5,895.5
Special government services	431.8	429.4	-	-	431.8	429.4
Interest expense	1,165.2	1,147.9	-	-	1,165.2	1,147.9
State Lottery Fund	-	-	3,782.1	3,684.2	3,782.1	3,684.2
Unemployment Compensation Fund	-	-	2,115.2	5,960.2	2,115.2	5,960.2
Total Expenses	76,877.7	72,058.8	5,897.3	9,644.4	82,775.0	81,703.2
Excess (Deficiency) Before Transfers	11,287.9	14,567.4	1,080.2	742.4	12,368.1	15,309.8
Transfers	36.6	351.4	-	-	36.6	351.4
Increase (Decrease) in Net Position	11,324.5	14,918.8	1,080.2	742.4	12,404.7	15,661.2
Net Position - July 1 (Restated)	(181,385.8)	(196,304.6)	1,014.6	272.2	(180,371.2)	(196,032.4)
Net Position - June 30	\$ (170,061.3)	\$ (181,385.8)	\$ 2,094.8	\$ 1,014.6	\$ (167,966.5)	\$ (180,371.2)

* Net Position was restated to reflect the following: prior period adjustments for increases in capital assets of \$249.8 million, an increase in accumulated depreciation of \$203.6 million, increases in lease liabilities of \$18.2 million, decreases in capitalized software of \$4.8 million, correction of a Governmental Funds understatement of receivables of \$691.7 million, and implementation of GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, resulting in a decrease of \$4.2 million.

Primary Government – Fiscal Year 2023 Revenues and Expenses

During Fiscal Year 2023, State revenues totaled \$95.1 billion or a decrease of \$1.9 billion when compared to the prior fiscal year after restatements. This decrease is primarily attributable to lower general taxes and operating grants offset by higher charges for services. General taxes totaled \$48.4 billion and operating grants totaled \$30.9 billion, accounting for 50.9 percent and 32.5 percent, respectively, of total State revenues for Fiscal Year 2023. The State’s Gross Income Tax totaled \$18.8 billion, the Sales and Use Tax totaled \$13.3 billion, and the Corporation Business Tax totaled \$5.5 billion. The State’s three major taxes comprised 77.7 percent of the total general taxes that were collected during Fiscal Year 2023. General taxes decreased by \$2.3 billion when compared to Fiscal Year 2022.

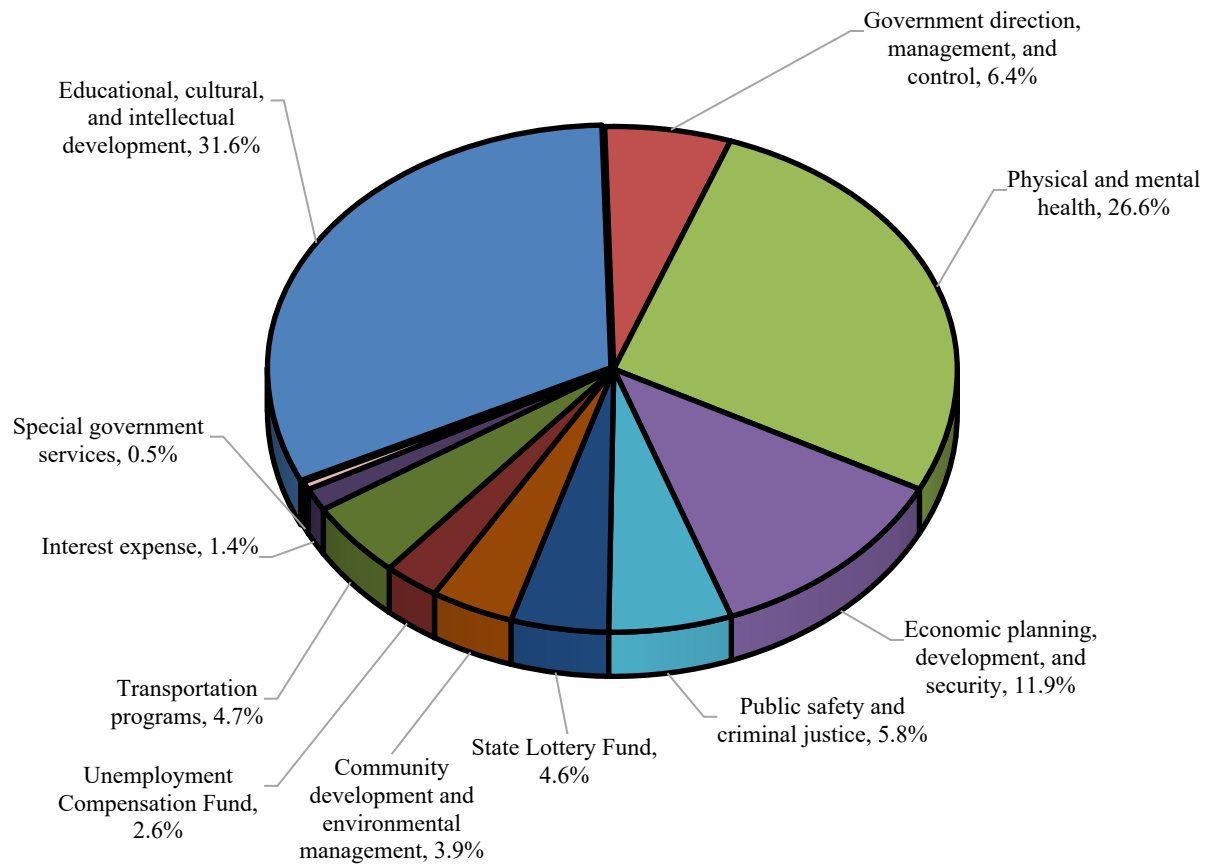
The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2023:



Fiscal Year 2023 expenses totaled \$82.8 billion, an increase of \$1.1 billion after restatements in comparison to the prior fiscal year. State spending increased in education, cultural, and intellectual development (\$1.7 billion); physical and mental health (\$1.5 billion); transportation programs (\$1.1 billion); and economic planning, development, and security (\$0.6 billion). The aforementioned increases were partially offset by a spending decrease in the Unemployment Compensation Fund (\$3.8 billion) due to available resources exceeding claims.

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2023:

**Expenses – Primary Government
Fiscal Year Ended June 30, 2023**



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 2023 amounted to \$17.8 billion and \$17.7 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net position at fiscal year end of \$21.6 billion. The component units received \$1.8 billion in State appropriations during Fiscal Year 2023.

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, 2023 fund balances of \$32.8 billion, a \$2.3 billion increase after restatements from the prior fiscal year.

General Fund

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's ending fund balance totaled \$24.1 billion of which \$10.5 billion represented unassigned fund balance. During Fiscal Year 2023, unassigned fund balance increased by \$5.2 billion. A primary reason for the increase in fund balance was due to a \$1.7 billion increase in federal and other grants. The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund". Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the General Fund revenues certified by the Governor at the time of the approval of the annual Appropriations Act and the amount of revenue reported from the annual financial report of the General Fund for the fiscal year. Any General Fund excess is then subtracted by the amount of revenue reported from the annual financial report of the Property Tax Relief Fund that is less than revenue amounts certified by the Governor at the time of the approval of the annual Appropriations Act. The State made a deposit of \$305.6 million in Fiscal Year 2023 to the Surplus Revenue Fund. As of June 30, 2023, this deposit composes the entire balance in the fund.

On a budgetary basis, the General Fund collected general revenues of \$58.9 billion. These general revenues were \$0.1 billion higher than final budget and were \$7.9 billion higher than originally anticipated, primarily due to increases in taxes and federal and other grants.

Total expenditures and transfers were \$0.3 billion lower than final budgeted expenditures. From a Fiscal Year 2023 program perspective, under spending transpired in government direction, management, and control (\$1.5 billion); educational, cultural, and intellectual development (\$1.0 billion); economic planning, development, and security (\$549.8 million); transportation programs (\$524.9 million); special government services (\$426.9 million); and community development and environmental management (\$276.7 million); while over spending transpired in: physical and mental health (\$1.1 billion) and public safety and criminal justice (\$308.7 million). Additionally, transfers to other funds were \$2.6 billion higher than original plus supplemental appropriations.

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 2023, \$22.4 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2023 ending fund balance was \$0.5 billion. Gross Income Tax collections decreased \$1.9 billion from Fiscal Year 2022.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

State Lottery Fund (Common Pension Fund L)

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

For Fiscal Year 2023, gross revenues totaled \$3.8 billion of which \$2.2 billion was returned in prizes; \$1.2 billion was transferred to pension funds; \$288.0 million was paid to sales agents and ticket vendors; and \$62.5 million covered Lottery operational and promotional expenses. As of June 30, 2023, the State Lottery, since its inception, has generated over \$91.9 billion in gross revenues, \$51.3 billion in prizes, contributed \$26.0 billion to the State, and \$6.5 billion in pension contributions.

Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers' and employees' contributions for unemployment compensation, amounts credited or advances made by the federal government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund. Total unemployment claims paid decreased by \$3.8 billion in Fiscal Year 2023, continuing their descent after COVID-19 Pandemic highs in Fiscal Year 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Department of the Treasury is responsible for ensuring all departments record their capital assets in the State's capital asset system. In addition to New Jersey's Department of Transportation identifying significant requirements for bridge repair and maintenance, the New Jersey Commission on Capital Budgeting and Planning has identified a significant amount of capital investment requirements for State facilities. The State's annual budget and planning process prioritizes these requirements and recommends funding, as can be accommodated within available resources.

The Fiscal Year 2023 capital appropriation included \$4.6 billion of State and matching federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority, produced \$810.0 million for State highway infrastructure, \$430.0 million for local highways, and \$760.0 million for mass transit. During Fiscal Year 2023, no new issuances of School Facilities Construction Bonds occurred. As of June 30, 2023, a total of \$11.9 billion of the \$12.5 billion school facilities construction bond program has been issued. The constitutional dedication of 6.0 percent of the Corporation Business Tax was appropriated and/or reserved to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital asset data is shown below. In Fiscal Year 2023, the State implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The State is a lessee for SBITAs from external parties. For all SBITA financing arrangements with a maximum possible term of more than twelve months, these assets are now recognized as a capitalized SBITA asset. See Note 7 - Leases and Similar Subscription-Based Information Technology Arrangements, for additional details on lease activity and Note 2 - Other Accounting Disclosures, for additional details on restatements pertaining to the impact of GASB Statement No. 96.

The State's investment in capital assets, net of accumulated depreciation, totaled \$32.2 billion as of June 30, 2023. Depreciation expense charges for Fiscal Year 2023 totaled \$1.2 billion. More detailed information on capital asset activity can be found in Note 8 – Capital Assets.

Capital Assets (Net of Accumulated Depreciation) As of June 30 (Expressed in Millions)

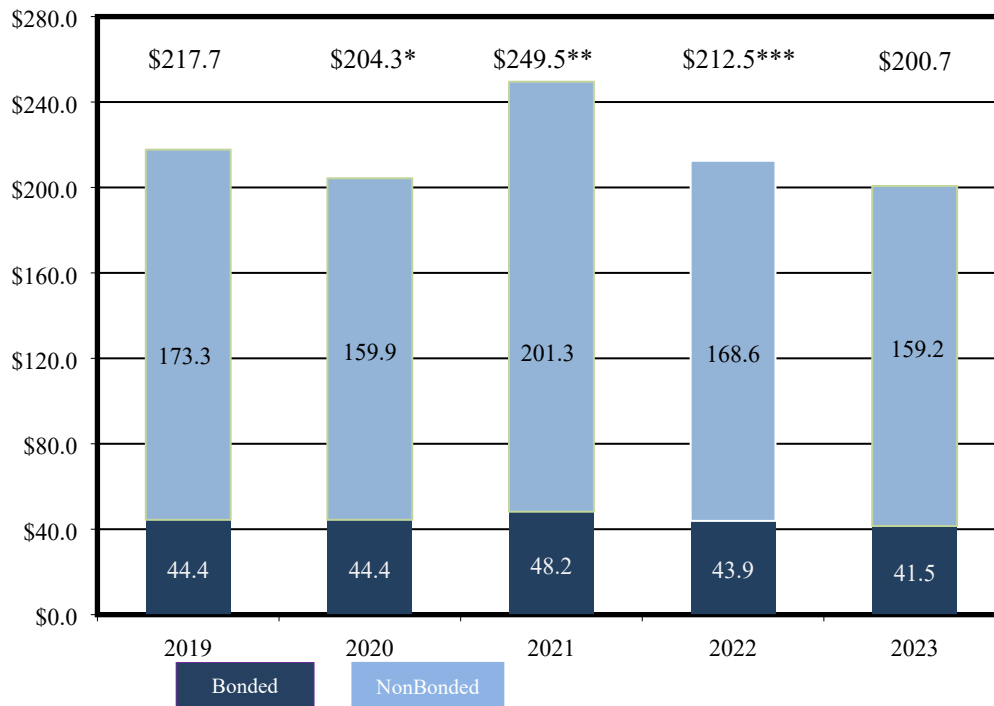
	Total Primary Government	
	2023	2022*
Land and Easements	\$ 5,564.2	\$ 5,525.3
Land Improvements	66.7	68.3
Buildings and Improvements	1,262.8	1,327.0
Equipment and Software	355.4	344.4
Infrastructure	18,277.0	18,652.0
Sub-Total	25,526.1	25,917.0
Construction In Progress	5,899.4	5,021.6
Net Right of Use Leases	740.4	833.6
Net SBITA Assets	33.4	13.6
Total	<u>\$ 32,199.3</u>	<u>\$ 31,785.8</u>

* The July 1, 2022 capital asset balance has been restated by \$286.1 million and the accumulated depreciation balance has been restated by \$226.3 million across construction in progress, land improvements, buildings and improvements, equipment and software, and infrastructure.

Debt Administration

As of June 30, 2023, New Jersey’s outstanding long-term obligations for governmental activities totaled \$200.7 billion, a \$11.8 billion decrease, after restatements, relative to the prior fiscal year. The decrease is primarily attributable to a decrease in OPEB Liability of \$13.9 billion. Additionally, there was a decrease of \$2.4 billion in bonded debt. Long-term bonded obligations totaled \$41.5 billion, while other long-term non-bonded obligations totaled \$159.2 billion. In addition, the State has \$8.5 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2023, the legislatively authorized but unissued debt decreased by \$0.8 billion from the prior fiscal year after restatements (See Statistical Section – Legislatively Authorized But Unissued Debt, 2023 and 2022).

**Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2019 to Fiscal Year 2023
(Expressed in Billions)**



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

** Restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. As a result of implementing GASB No. 87, lease liabilities increased by \$842.4 million.

*** Restated to reflect an increase of leases of \$36.0 million and a decrease of capitalized software of \$4.8 million.

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

ECONOMIC CONDITION AND OUTLOOK

In 2023, New Jersey's economy experienced stable growth. The State's Gross Domestic Product (GDP) – a broad measure of economic output – showed moderate growth overall and employment levels continued to rise, surpassing pre-pandemic levels in most industries. Price inflation continued to decline over the course of the year. Higher interest rates, intended to tame inflation and slow economic activity, have plateaued since the summer of 2023, but continue to restrict economic activity in some sectors, most notably the housing market. The State's economic growth over the first three quarters of 2023 was slower than the U.S. as a whole. Over the first three quarters of 2023, New Jersey's GDP growth (1.8 percent) was outpaced by both New York (2.3 percent) and Pennsylvania (2.9 percent) and ranked 38th out of the fifty states.

New Jersey's labor market proved resilient in 2023. Following two consecutive years of record jobs growth, preliminary estimates indicate that 89,600 jobs were added in 2023. Employment rose in ten out of twelve months, with positive job growth in each of the final five months of the year. Job growth in 2023 was most concentrated in three industries as other sectors experienced relatively softer growth or small declines in employment. The three sectors that added more than 10,000 jobs over the course of the year were Educational & Health Services (+37,800 jobs), Leisure & Hospitality (+20,000 jobs), and Trade / Transportation & Utilities (+10,400 jobs). Goods-producing sectors such as Construction and Manufacturing each added 3,400 jobs and 1,700 jobs, respectively.

The State's unemployment rate increased a percentage point over the course of the year, rising to 4.8 percent in December 2023 as the number of unemployed persons rose quicker than the labor force. This was 1.1 percentage points higher than the national rate (3.7 percent). The labor force participation rate rose by 0.2 percentage points in 2023, reaching 64.8 percent in December 2023, further surpassing the pre-pandemic rate of 64.5 percent in December 2019.

The housing market continued to slow from 2022 into 2023 amidst elevated mortgage interest rates and high home price levels. The average U.S. 30-Year fixed rate mortgage in December 2023 hovered over 6.0 percent, double its 3.0 percent level in December 2021. According to New Jersey Realtors data, existing-home sales started to weaken near the end of 2021 and total closed sales fell 17.8 percent in 2022, matching levels last seen in 2015. Sales continued to decline in 2023, falling 22.1 percent and matching levels not seen since 2012-2013 as both the inventory of homes for sale and the affordability index reached their lowest levels since at least 2010. The share of mortgages in foreclosure remained low at 0.7 percent in the fourth quarter of 2023, unchanged from the third quarter.

New Jersey wages and salaries rose 5.3 percent during the first three quarters of 2023, rising 5.8 percent and 5.9 percent in the second and third quarters, respectively. Overall, personal income in the State rose 4.9 percent over the first three quarters, rising 4.3 percent and 4.0 percent in the second and third quarters, respectively. U.S. personal saving as a percentage of disposable personal income has fluctuated sharply in recent years, rising to a high of 24.5 percent in the second quarter of 2020 spurred by federal economic impact payments, falling to 3.0 percent in 2022 as households adjusted to high price inflation, and increasing to an average of 4.5 percent in 2023.

The national economic expansion continued in 2023 and accelerated from its pace in 2022. The U.S. labor market added more than 3.0 million jobs, while real GDP grew 2.5 percent. Existing home sales were 18.7 percent lower than 2022 as high home prices and tight financial conditions continued to cool national housing markets. Inflation continued to recede, with consumer prices growing 3.1 percent year-over-year in December 2023, compared to 6.5 percent growth at the end of 2022, as measured by the Consumer Price Index. From December 2022 to December 2023, growth in core prices, which excludes food and energy goods, was slightly higher, at 3.9 percent.

The U.S. economic outlook has brightened recently, as interest rates are thought to have peaked and inflation continues to recede. Members of the FOMC estimated real (adjusted for inflation) GDP in the U.S. to grow 2.1 percent in 2024 off of a surprisingly strong 2023 (preliminary estimates show U.S. real GDP rose 2.5 percent in 2023), according to their March 2024 projection. Economists surveyed by the Wall Street Journal in January 2024 forecasted real GDP growth of 1.0 percent for the U.S. in 2024.

REQUEST FOR INFORMATION

This Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors, and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, or for additional information, should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, Trenton, New Jersey, 08625. Historical copies of the Annual Comprehensive Financial Report, the State Budget, and the Appropriations Handbook are accessible via: <http://www.state.nj.us/treasury/omb>.

*Basic Financial
Statements*

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 361,984,493	\$ 966,712	\$ 362,951,205	\$ 5,482,710,685
Investments	34,862,076,392	316,038,919	35,178,115,311	10,197,323,555
Receivables, net of allowances for uncollectibles				
Federal government	1,425,584,924	1,036,405,699	2,461,990,623	613,578,059
Departmental accounts	5,120,315,630	1,114,744,178	6,235,059,808	-
Loans	1,799,778,191	-	1,799,778,191	739,389,809
Mortgages	-	-	-	94,119,000
Other	1,368,839,170	273,706,098	1,642,545,268	1,505,634,750
Internal balances	14,071,320	(14,071,320)	-	-
Due from external parties	84,277,872	-	84,277,872	336,944,093
Inventories	-	-	-	216,330,023
Deferred charges	-	1,861,934	1,861,934	-
Other	26,119,501	-	26,119,501	187,702,930
Total Current Assets	<u>45,063,047,493</u>	<u>2,729,652,220</u>	<u>47,792,699,713</u>	<u>19,373,732,904</u>
Noncurrent Assets				
Investments	-	173,073,632	173,073,632	5,968,414,648
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	1,939,134,230
Mortgages	-	-	-	1,852,620,959
Other	212,481,805	-	212,481,805	1,081,110,051
Net pension assets	2,128,686	-	2,128,686	-
Capital assets - nondepreciated	11,463,593,901	-	11,463,593,901	7,309,787,338
Capital assets - depreciated, net	20,735,413,893	251,087	20,735,664,980	24,569,101,899
Other	277,010,233	-	277,010,233	792,655,248
Total Noncurrent Assets	<u>32,690,628,518</u>	<u>173,324,719</u>	<u>32,863,953,237</u>	<u>43,512,824,373</u>
Total Assets	<u>77,753,676,011</u>	<u>2,902,976,939</u>	<u>80,656,652,950</u>	<u>62,886,557,277</u>
Deferred Outflows of Resources	<u>44,023,821,859</u>	<u>-</u>	<u>44,023,821,859</u>	<u>2,150,390,624</u>

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2023

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	4,967,824,962	307,746,574	5,275,571,536	1,738,911,647
Due to external parties	34,461,212	132,000,000	166,461,212	64,026,214
Interest payable	184,947,457	-	184,947,457	376,496,510
Unearned revenue	5,712,681,692	-	5,712,681,692	875,143,042
Current portion of long-term obligations	4,007,881,020	20,795,291	4,028,676,311	1,238,145,866
Refunds payable	729,045,876	165,961,607	895,007,483	-
Other	179,880,743	7,811,918	187,692,661	614,291,159
Total Current Liabilities	<u>15,816,722,962</u>	<u>634,315,390</u>	<u>16,451,038,352</u>	<u>4,907,014,438</u>
Noncurrent Liabilities				
Net pension liability	79,782,855,359	-	79,782,855,359	5,225,146,706
OPEB liability	74,932,328,427	-	74,932,328,427	3,673,952,270
Revenue bonds payable, net	19,691,610,874	-	19,691,610,874	13,657,774,695
Installment obligations, net	9,496,035,355	-	9,496,035,355	4,586,857,080
Other	12,821,243,702	173,809,594	12,995,053,296	8,424,822,991
Total Noncurrent Liabilities	<u>196,724,073,717</u>	<u>173,809,594</u>	<u>196,897,883,311</u>	<u>35,568,553,742</u>
Total Liabilities	<u>212,540,796,679</u>	<u>808,124,984</u>	<u>213,348,921,663</u>	<u>40,475,568,180</u>
Deferred Inflows of Resources	<u>79,298,014,724</u>	<u>-</u>	<u>79,298,014,724</u>	<u>2,932,537,791</u>
NET POSITION				
Net investment in capital assets	12,375,845,807	-	12,375,845,807	12,609,807,047
Restricted for:				
Capital projects	-	-	-	179,550,519
Physical and mental health	91,230,004	-	91,230,004	-
Educational, cultural, and intellectual development	526,401,379	-	526,401,379	-
Community development and environmental management	4,247,256,336	-	4,247,256,336	-
Economic planning, development, and security	1,176,725,146	-	1,176,725,146	-
Transportation programs	631,625,873	-	631,625,873	-
Employee benefits	833,337,997	-	833,337,997	-
Debt service	-	-	-	1,223,976,799
Property tax relief	497,445,193	-	497,445,193	-
Unemployment	-	2,093,989,090	2,093,989,090	-
Prize awards and Pension Fund contributions	-	862,865	862,865	-
Other purposes	-	-	-	10,713,204,641
Unrestricted	<u>(190,441,181,268)</u>	<u>-</u>	<u>(190,441,181,268)</u>	<u>(3,097,697,076)</u>
Total Net Position	<u>\$ (170,061,313,533)</u>	<u>\$ 2,094,851,955</u>	<u>\$ (167,966,461,578)</u>	<u>\$ 21,628,841,930</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	\$ 4,813,429,180	\$ 939,629,518	\$ 1,413,993,376	\$ 745,573
Physical and mental health	22,013,798,959	1,131,713,475	2,554,401,707	-
Educational, cultural, and intellectual development	26,189,052,368	35,842,530	2,381,062,094	-
Community development and environmental management	3,191,635,246	320,865,965	2,404,582,958	75,562,751
Economic planning, development, and security	9,895,049,861	2,254,079,043	1,863,051,165	-
Transportation programs	3,868,062,020	28,263,740	2,448,722,815	19,836,203
Government direction, management, and control	5,309,666,243	2,004,995,576	17,474,710,726	-
Special government services	431,752,157	287,531,663	342,280,773	-
Interest expense	1,165,248,954	-	-	-
Total governmental activities	76,877,694,988	7,002,921,510	30,882,805,614	96,144,527
Business-type activities:				
State Lottery Fund	3,782,101,660	3,772,721,443	8,952,069	-
Unemployment Compensation Fund	2,115,207,100	3,143,576,601	52,297,930	-
Total business-type activities	5,897,308,760	6,916,298,044	61,249,999	-
Total Primary Government	\$ 82,775,003,748	\$ 13,919,219,554	\$ 30,944,055,613	\$ 96,144,527
Component Units				
Authorities	\$ 9,730,045,921	\$ 4,348,917,989	\$ 2,566,848,661	\$ 3,584,368,082
Colleges and Universities	7,996,377,243	4,217,387,123	2,978,756,895	69,319,165
Total Component Units	\$ 17,726,423,164	\$ 8,566,305,112	\$ 5,545,605,556	\$ 3,653,687,247
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, 2022 (Restated)				
Net Position - June 30, 2023				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,459,060,713)	\$ -	\$ (2,459,060,713)	\$ -
(18,327,683,777)	-	(18,327,683,777)	-
(23,772,147,744)	-	(23,772,147,744)	-
(390,623,572)	-	(390,623,572)	-
(5,777,919,653)	-	(5,777,919,653)	-
(1,371,239,262)	-	(1,371,239,262)	-
14,170,040,059	-	14,170,040,059	-
198,060,279	-	198,060,279	-
(1,165,248,954)	-	(1,165,248,954)	-
(38,895,823,337)	-	(38,895,823,337)	-
-	(428,148)	(428,148)	-
-	1,080,667,431	1,080,667,431	-
-	1,080,239,283	1,080,239,283	-
\$ (38,895,823,337)	\$ 1,080,239,283	\$ (37,815,584,054)	\$ -
\$ -	\$ -	\$ -	\$ 770,088,811
-	-	-	(730,914,060)
\$ -	\$ -	\$ -	\$ 39,174,751
18,798,700,879	-	18,798,700,879	-
13,301,487,730	-	13,301,487,730	-
5,522,430,568	-	5,522,430,568	-
10,769,588,730	-	10,769,588,730	-
909,875,790	-	909,875,790	-
-	-	-	1,844,676,615
881,604,386	-	881,604,386	-
36,645,923	-	36,645,923	-
50,220,334,006	-	50,220,334,006	1,844,676,615
11,324,510,669	1,080,239,283	12,404,749,952	1,883,851,366
(181,385,824,202)	1,014,612,672	(180,371,211,530)	19,744,990,564
\$ (170,061,313,533)	\$ 2,094,851,955	\$ (167,966,461,578)	\$ 21,628,841,930

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<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	\$ 225,547,200	\$ -	\$ 136,437,293	\$ 361,984,493
Investments	27,173,886,258	-	7,688,190,134	34,862,076,392
Receivables, net of allowances for uncollectibles				
Federal government	940,580,898	-	485,004,026	1,425,584,924
Departmental accounts	3,642,070,892	985,952,043	492,292,695	5,120,315,630
Loans	383,938,961	-	1,415,839,230	1,799,778,191
Other	392,387,700	-	976,451,477	1,368,839,177
Due from other funds	1,427,840,218	144,337,875	484,099,316	2,056,277,409
Other	26,100,459	-	19,042	26,119,501
Total Assets	<u>\$ 34,212,352,586</u>	<u>\$ 1,130,289,918</u>	<u>\$ 11,678,333,213</u>	<u>\$ 47,020,975,717</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 3,101,833,734	\$ 192,926,656	\$ 1,673,064,572	\$ 4,967,824,962
Unearned revenue	5,704,886,909	-	7,794,783	5,712,681,692
Due to other funds	331,097,023	60,647,047	1,600,645,365	1,992,389,435
Refunds payable	349,774,854	379,271,022	-	729,045,876
Other	171,894,331	-	7,986,412	179,880,743
Total Liabilities	<u>9,659,486,851</u>	<u>632,844,725</u>	<u>3,289,491,132</u>	<u>13,581,822,708</u>
Deferred Inflows of Resources	<u>497,247,924</u>	<u>-</u>	<u>120,000,000</u>	<u>617,247,924</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	2,414,637,947	497,445,193	6,596,988,057	9,509,071,197
Committed	11,102,386,733	-	1,671,854,024	12,774,240,757
Unassigned	10,518,177,058	-	-	10,518,177,058
Total Fund Balances	<u>24,055,617,811</u>	<u>497,445,193</u>	<u>8,268,842,081</u>	<u>32,821,905,085</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,212,352,586</u>	<u>\$ 1,130,289,918</u>	<u>\$ 11,678,333,213</u>	<u>\$ 47,020,975,717</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, 2023

Total fund balances of governmental funds \$ 32,821,905,085

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

Land and easements	\$ 5,564,216,781	
Land improvements	72,787,234	
Buildings and improvements	1,994,342,359	
Equipment and software	391,361,382	
Infrastructure	18,276,922,918	
Construction in progress	<u>5,899,377,120</u>	32,199,007,794

Noncurrent assets are not current resources and, therefore, are not reported in the fund perspective. 491,620,724

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 44,023,821,859

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	(184,947,457)	
Current portion of long-term obligations	<u>(4,007,881,020)</u>	(4,192,828,477)
Noncurrent Liabilities		
General Obligation Bonds Payable	(4,210,140,000)	
Revenue Bonds Payable	(22,355,290,000)	
Unamortized Interest on CABs Revenue Bonds	2,663,679,126	
Installment Obligations	(9,523,237,020)	
Unamortized Interest on CABs Installment Obligations	27,201,665	
Certificates of Participation	(65,280,150)	
Loans Payable	(1,279,358,087)	
Leases	(936,249,181)	
Compensated Absences	(212,733,000)	
Unamortized Premium	(2,477,127,621)	
Tobacco Settlement Financing Corporation Bonds	(2,443,445,000)	
Net Pension Liability	(79,782,855,359)	
OPEB Liability	(74,932,328,427)	
Other	<u>(1,196,910,664)</u>	(196,724,073,718)

Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reflected as deferred inflows of resources in the governmental funds. 284,766,119

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

Net Pension Liability	(22,698,732,612)	
OPEB Liability	<u>(56,266,800,307)</u>	<u>(78,965,532,919)</u>

Net Position of governmental activities **\$ (170,061,313,533)**

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, 2023

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 27,093,040,155	\$ 19,894,340,876	\$ 2,198,086,396	\$ 49,185,467,427
Federal and other grants	26,449,583,346	-	1,397,463,166	27,847,046,512
Licenses and fees	1,456,856,815	-	148,481,860	1,605,338,675
Services and assessments	2,265,920,747	-	2,235,048,089	4,500,968,836
Component Units and Port Authority	769,111,407	-	5,188,387	774,299,794
Investment earnings	928,949,659	-	272,360,773	1,201,310,432
Contributions	-	-	588,775,529	588,775,529
Other	2,053,171,608	-	550,409,835	2,603,581,443
Total Revenues	<u>61,016,633,737</u>	<u>19,894,340,876</u>	<u>7,395,814,035</u>	<u>88,306,788,648</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	4,676,751,590	36,758,143	113,374,812	4,826,884,545
Physical and mental health	21,846,545,988	134,720,231	37,342,115	22,018,608,334
Educational, cultural, and intellectual development	7,359,960,199	18,045,222,606	766,229,535	26,171,412,340
Community development and environmental management	2,884,977,217	150,351,908	184,540,699	3,219,869,824
Economic planning, development, and security	7,533,972,119	133,117,385	2,259,389,219	9,926,478,723
Transportation programs	1,256,240,674	32,053,865	2,968,790,430	4,257,084,969
Government direction, management, and control	6,983,170,691	3,860,445,872	3,203,889,189	14,047,505,752
Special government services	416,822,820	-	177,491	417,000,311
Capital Outlay	50,457,408	-	-	50,457,408
Debt Service:				
Principal	417,010,000	-	1,178,174,201	1,595,184,201
Interest	214,240,923	-	912,900,264	1,127,141,187
Total Expenditures	<u>53,640,149,629</u>	<u>22,392,670,010</u>	<u>11,624,807,955</u>	<u>87,657,627,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,376,484,108</u>	<u>(2,498,329,134)</u>	<u>(4,228,993,920)</u>	<u>649,161,054</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and lease acquisitions	791,561,129	-	750,000,000	1,541,561,129
Refunding bonds issued	797,670,000	-	1,117,955,000	1,915,625,000
Premiums/discounts	54,830,266	-	92,183,377	147,013,643
Payment to bond escrow agents	(844,559,748)	-	(1,159,906,526)	(2,004,466,274)
Transfers from other funds	2,228,085,993	-	7,182,710,482	9,410,796,475
Transfers to other funds	(4,819,456,430)	(349,671,482)	(4,204,966,262)	(9,374,094,174)
Total other financing sources (uses)	<u>(1,791,868,790)</u>	<u>(349,671,482)</u>	<u>3,777,976,071</u>	<u>1,636,435,799</u>
Net Change in Fund Balance	5,584,615,318	(2,848,000,616)	(451,017,849)	2,285,596,853
Fund Balances - July 1, 2022 (Restated)	<u>18,471,002,493</u>	<u>3,345,445,809</u>	<u>8,719,859,930</u>	<u>30,536,308,232</u>
Fund Balances - June 30, 2023	<u>\$ 24,055,617,811</u>	<u>\$ 497,445,193</u>	<u>\$ 8,268,842,081</u>	<u>\$ 32,821,905,085</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, 2023

Net change in fund balances of total governmental funds \$ 2,285,596,853

Amounts reported for governmental activities in the statement of activities are different as a result of the following items:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,500,414,862	
Depreciation expense	<u>(1,086,613,573)</u>	
Excess of capital outlay over depreciation expense		413,801,289

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 bonds. (750,000,000)

Some capital additions were financed through certificates of participation. 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. (791,561,129)

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	417,010,000	
Revenue Bonds principal	1,045,960,000	
Leases	132,406,568	
Installment Obligations	2,334,346,087	
Certificates of Participation	23,668,728	
Tobacco Settlement Financing Corporation Bonds	<u>123,310,000</u>	
Total long-term obligations		4,076,701,383

Some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds but are accrued on the Statement of Net Position. Deferred inflows of resources increased by this amount. (141,285,292)

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	186,442,789	
Decrease in unamortized interest on CABs	(318,652,641)	
Increase in deferral on refunding issues	<u>105,415,000</u>	
Total capitalized and amortized items		(26,794,852)

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

Net decrease in accrued interest payable	7,024,388	
Decrease in compensated absences, Medicaid, and other noncurrent liabilities	54,030,205	
Increase in Net Pension Liability	(4,707,575,235)	
Decrease in OPEB liability	13,922,121,135	
Decrease in deferred outflows of resources	(1,203,648,711)	
Increase in deferred inflows of resources	(1,812,190,570)	
Increase in Net Pension Assets	518,862	
Decrease in Group Homes	<u>(2,227,657)</u>	
Total additional expenditures		6,258,052,417

Change in net position of governmental activities \$ 11,324,510,669

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

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 797,024	\$ 169,688	\$ 966,712
Investments	316,012,797	26,122	316,038,919
Receivables, net of allowances for uncollectibles			
Federal government	-	1,036,405,699	1,036,405,699
Departmental accounts	-	1,114,744,178	1,114,744,178
Other	13,920,084	259,786,014	273,706,098
Due from other funds	-	6,867,698	6,867,698
Deferred charges	1,861,934	-	1,861,934
Total Current Assets	<u>332,591,839</u>	<u>2,417,999,399</u>	<u>2,750,591,238</u>
Noncurrent Assets			
Investments	173,073,632	-	173,073,632
Right of use assets	251,087	-	251,087
Total Noncurrent Assets	<u>173,324,719</u>	<u>-</u>	<u>173,324,719</u>
Total Assets	<u>505,916,558</u>	<u>2,417,999,399</u>	<u>2,923,915,957</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	166,419,975	141,326,599	307,746,574
Due to other funds	144,028,833	8,910,185	152,939,018
Refunds payable	-	165,961,607	165,961,607
Current portion of long-term obligations	20,795,291	-	20,795,291
Other	-	7,811,918	7,811,918
Total Current Liabilities	<u>331,244,099</u>	<u>324,010,309</u>	<u>655,254,408</u>
Noncurrent Liabilities			
Due in more than one year	173,809,594	-	173,809,594
Total Noncurrent Liabilities	<u>173,809,594</u>	<u>-</u>	<u>173,809,594</u>
Total Liabilities	<u>505,053,693</u>	<u>324,010,309</u>	<u>829,064,002</u>
NET POSITION			
Restricted for:			
Unemployment compensation	-	2,093,989,090	2,093,989,090
Prize awards and Pension Fund contributions	862,865	-	862,865
Total Net Position	<u>\$ 862,865</u>	<u>\$ 2,093,989,090</u>	<u>\$ 2,094,851,955</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, 2023

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sales and charges for services	\$ 3,726,948,568	\$ -	\$ 3,726,948,568
Assessments	-	3,114,763,963	3,114,763,963
From federal agencies	-	42,060,734	42,060,734
Other	<u>45,555,850</u>	<u>686,542</u>	<u>46,242,392</u>
Total Operating Revenues	<u>3,772,504,418</u>	<u>3,157,511,239</u>	<u>6,930,015,657</u>
OPERATING EXPENSES			
Unemployment compensation	-	2,105,207,100	2,105,207,100
Lottery prize awards	2,230,286,383	-	2,230,286,383
Other	<u>350,473,194</u>	<u>10,000,000</u>	<u>360,473,194</u>
Total Operating Expenses	<u>2,580,759,577</u>	<u>2,115,207,100</u>	<u>4,695,966,677</u>
Operating Income (Loss)	<u>1,191,744,841</u>	<u>1,042,304,139</u>	<u>2,234,048,980</u>
NONOPERATING REVENUES (EXPENSES)			
Contributions to Pension Funds	(1,173,000,000)	-	(1,173,000,000)
Investment income	8,952,069	10,237,196	19,189,265
Northstar NJ incentive payments	(28,342,083)	-	(28,342,083)
Other	<u>217,025</u>	<u>28,126,096</u>	<u>28,343,121</u>
Total Nonoperating Revenues (Expenses)	<u>(1,192,172,989)</u>	<u>38,363,292</u>	<u>(1,153,809,697)</u>
Income (Loss) Before Transfers	<u>(428,148)</u>	<u>1,080,667,431</u>	<u>1,080,239,283</u>
Change in Net Position	<u>(428,148)</u>	<u>1,080,667,431</u>	<u>1,080,239,283</u>
Net Position - July 1, 2022	<u>1,291,013</u>	<u>1,013,321,659</u>	<u>1,014,612,672</u>
Net Position - June 30, 2023	<u>\$ 862,865</u>	<u>\$ 2,093,989,090</u>	<u>\$ 2,094,851,955</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, 2023**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,785,808,292	\$ -	\$ 1,785,808,292
Receipts from federal government	-	122,813,116	122,813,116
Receipts from state, local, and non-profit agencies	-	70,840,828	70,840,828
Receipts from assessments	-	3,015,300,157	3,015,300,157
Payments to suppliers	(14,536,200)	-	(14,536,200)
Payments to prize winners	(429,508,225)	-	(429,508,225)
Payments for vendor commissions and fees	(117,756,663)	-	(117,756,663)
Claims paid	-	(3,207,016,213)	(3,207,016,213)
Cash flows from annuity operations:			
Annuity receipts	21,256,528	-	21,256,528
Payments of annuity prizes	(17,256,271)	-	(17,256,271)
Other receipts (payments)	(205,639)	-	(205,639)
Net Cash Provided (Used) by Operating Activities	<u>1,227,801,822</u>	<u>1,937,888</u>	<u>1,229,739,710</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loan from (payment to) federal government	-	(7,083,078)	(7,083,078)
Contributions to Pension Funds	(1,167,000,000)	-	(1,167,000,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,167,000,000)</u>	<u>(7,083,078)</u>	<u>(1,174,083,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,638,550,000	-	1,638,550,000
Purchase of investments	(1,679,400,000)	-	(1,679,400,000)
Payments to Northstar New Jersey	(19,314,696)	-	(19,314,696)
Net Cash Provided (Used) by Investing Activities	<u>(60,164,696)</u>	<u>-</u>	<u>(60,164,696)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	637,126	(5,145,190)	(4,508,064)
Cash and Cash Equivalents - July 1, 2022	<u>159,898</u>	<u>5,314,878</u>	<u>5,474,776</u>
Cash and Cash Equivalents - June 30, 2023	<u>\$ 797,024</u>	<u>\$ 169,688</u>	<u>\$ 966,712</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,191,744,841	\$ 1,042,304,139	\$ 2,234,048,980
Net changes in assets and liabilities:			
Current assets	28,548,715	(928,791,255)	(900,242,540)
Noncurrent assets	12,373,458	-	12,373,458
Current liabilities	8,003,587	(111,574,996)	(103,571,409)
Noncurrent liabilities	(12,868,779)	-	(12,868,779)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,227,801,822</u>	<u>\$ 1,937,888</u>	<u>\$ 1,229,739,710</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Change in fair value of investments	\$ (13,196,956)	\$ -	\$ (13,196,956)

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, 2023**

	Custodial Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 44,278,402	\$ 9,683
Securities lending collateral	-	-
Investments		
Cash Management Fund	655,793,936	-
Common Pension Fund A	-	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	3,178,716,593
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
Receivables, net of allowances for uncollectibles		
Members	696,805	-
Employers	115,421,625	-
Interest and dividends	-	500,320
Other	185,642,450	-
Due from other funds	-	-
Other	-	-
	Total Assets	3,179,226,596
	1,001,833,218	3,179,226,596
LIABILITIES		
Accounts payable and accruals	596,621,052	11,915
Benefits payable	171,485	-
Securities lending collateral and rebates payable	-	-
Due to other funds	19,433,285	2,092,767
	Total Liabilities	2,104,682
	616,225,822	2,104,682
NET POSITION		
Restricted for Individuals, Organizations, and Other Governments	385,607,396	-
Held in Trust for Pool Participants	-	3,177,121,914
Restricted for Pensions	-	-
Restricted for OPEB	-	-
	Total Net Position	3,177,121,914
	\$ 385,607,396	\$ 3,177,121,914

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 1,070,688,521	\$ 17,041
1,760,458,605	-
2,552,933,916	6,951,793
1,721,272,358	-
58,524,876,919	-
28,485,801,575	-
1,012,667,143	-
-	-
4,168,024,032	-
534,097,624	-
195,119,838	-
2,750,590,231	-
5,338,275	-
-	-
166,461,212	-
2,944,881,122	-
<u>105,893,211,371</u>	<u>6,968,834</u>
423,660,166	-
1,185,787,426	-
1,759,813,560	-
62,647,225	104,595
<u>3,431,908,377</u>	<u>104,595</u>
-	6,864,239
-	-
102,578,265,685	-
(116,962,691)	-
<u>\$ 102,461,302,994</u>	<u>\$ 6,864,239</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Custodial Funds	Investment Trust Fund
ADDITIONS		
Contributions:		
Members	\$ 114,872,963	\$ -
Employers	4,024,554,444	-
Other	-	15,903,567,268
Total Contributions	4,139,427,407	15,903,567,268
Investment Income:		
Net increase (decrease) in fair value of investments	-	-
Interest and dividends	21,893,401	119,651,010
Total Investment Income	21,893,401	119,651,010
Less investment expense	-	-
Net Investment Income	21,893,401	119,651,010
Wage and hour settlements	3,346,152	-
Court ordered collections	1,315,797,714	-
Miscellaneous	-	-
Total Additions	5,480,464,674	16,023,218,278
DEDUCTIONS		
Benefit payments	4,352,841,613	-
Refunds of contributions	-	-
Refunds and transfers to other systems	-	-
Administrative expense	19,433,285	2,092,767
Payments in accordance with trust agreements	-	-
Distributions to shareholders	-	15,489,109,013
Disbursements of wage and hour settlements	3,346,152	-
Disbursements of court ordered collections	1,315,797,714	-
Total Deductions	5,691,418,764	15,491,201,780
Total Changes in Net Position	(210,954,090)	532,016,498
Net Position - July 1, 2022 (Restated)	596,561,486	2,645,105,416
Net Position - June 30, 2023	\$ 385,607,396	\$ 3,177,121,914

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 2,713,200,422	\$ -
10,161,188,980	-
<u>27,193,470</u>	<u>-</u>
<u>12,901,582,872</u>	<u>-</u>
6,218,224,506	-
<u>2,199,260,676</u>	<u>254,985</u>
8,417,485,182	254,985
<u>19,120,065</u>	<u>-</u>
<u>8,398,365,117</u>	<u>254,985</u>
-	-
-	-
<u>-</u>	<u>25,620</u>
<u>21,299,947,989</u>	<u>280,605</u>
13,790,397,906	-
296,426,057	-
-	56,378
58,188,392	-
-	224,052
-	-
-	-
<u>-</u>	<u>-</u>
<u>14,145,012,355</u>	<u>280,430</u>
7,154,935,634	175
<u>95,306,367,360</u>	<u>6,864,064</u>
<u>\$ 102,461,302,994</u>	<u>\$ 6,864,239</u>

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023

	New Jersey Transit Corporation	New Jersey Turnpike Authority
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 167,594,823	\$ 241,549,000
Investments	62,450,106	2,364,016,000
Receivables, net of allowances for uncollectibles		
Federal government	464,898,621	-
Loans	-	-
Mortgages	-	-
Other	65,634,835	139,214,000
Due from external parties	230,257,794	-
Inventories	162,830,660	22,965,000
Other	21,907,124	26,455,000
Total Current Assets	1,175,573,963	2,794,199,000
Noncurrent Assets		
Investments	1,085,199,553	1,233,830,000
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	638,535,000
Capital assets - nondepreciated	3,596,198,728	1,709,908,000
Capital assets - depreciated, net	3,807,160,407	10,965,396,000
Other	18,795,713	6,261,000
Total Noncurrent Assets	8,507,354,401	14,553,930,000
Total Assets	9,682,928,364	17,348,129,000
Deferred Outflows of Resources	636,698,249	419,054,000
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	497,914,360	256,595,000
Due to external parties	2,973,611	4,078,000
Interest payable	-	278,826,000
Unearned revenue	-	219,320,000
Current portion of long-term obligations	330,911,241	313,984,000
Other	216,942,590	-
Total Current Liabilities	1,048,741,802	1,072,803,000
Noncurrent Liabilities		
Net pension liability	954,789,010	283,141,000
Net OPEB liability	-	-
Total OPEB liability	1,518,196,227	2,005,146,000
Revenue bonds payable, net	-	11,991,456,000
Installment obligations, net	1,451,194,188	-
Other	1,003,680,830	249,629,000
Total Noncurrent Liabilities	4,927,860,255	14,529,372,000
Total Liabilities	5,976,602,057	15,602,175,000
Deferred Inflows of Resources	313,989,382	921,759,000
NET POSITION		
Net investment in capital assets	6,400,110,618	1,767,621,000
Restricted for:		
Capital projects	-	-
Debt service	-	-
Other purposes	38,925,530	306,105,000
Unrestricted	(2,410,000,974)	(830,477,000)
Total Net Position	\$ 4,029,035,174	\$ 1,243,249,000

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

<u>Rutgers, The State University of New Jersey</u>	<u>Non-Major Component Units</u>	<u>Total Component Units</u>
\$ 556,235,000	\$ 4,517,331,862	\$ 5,482,710,685
37,892,000	7,732,965,449	10,197,323,555
-	148,679,438	613,578,059
10,707,000	728,682,809	739,389,809
-	94,119,000	94,119,000
976,664,000	324,121,915	1,505,634,750
-	106,686,299	336,944,093
7,720,000	22,814,363	216,330,023
13,898,000	125,442,806	187,702,930
<u>1,603,116,000</u>	<u>13,800,843,941</u>	<u>19,373,732,904</u>
2,017,006,000	1,632,379,095	5,968,414,648
33,666,000	1,905,468,230	1,939,134,230
-	1,852,620,959	1,852,620,959
277,411,000	165,164,051	1,081,110,051
411,235,000	1,592,445,610	7,309,787,338
3,520,140,000	6,276,405,492	24,569,101,899
72,694,000	694,904,535	792,655,248
<u>6,332,152,000</u>	<u>14,119,387,972</u>	<u>43,512,824,373</u>
<u>7,935,268,000</u>	<u>27,920,231,913</u>	<u>62,886,557,277</u>
<u>319,993,000</u>	<u>774,645,375</u>	<u>2,150,390,624</u>
523,548,000	460,854,287	1,738,911,647
-	56,974,603	64,026,214
16,197,000	81,473,510	376,496,510
485,629,000	170,194,042	875,143,042
106,726,000	486,524,625	1,238,145,866
54,777,000	342,571,569	614,291,159
<u>1,186,877,000</u>	<u>1,598,592,636</u>	<u>4,907,014,438</u>
1,633,519,000	2,353,697,696	5,225,146,706
-	150,610,043	150,610,043
-	-	3,523,342,227
-	1,666,318,695	13,657,774,695
2,003,389,000	1,132,273,892	4,586,857,080
200,112,000	6,971,401,161	8,424,822,991
<u>3,837,020,000</u>	<u>12,274,301,487</u>	<u>35,568,553,742</u>
<u>5,023,897,000</u>	<u>13,872,894,123</u>	<u>40,475,568,180</u>
<u>413,219,000</u>	<u>1,283,570,409</u>	<u>2,932,537,791</u>
1,734,714,000	2,707,361,429	12,609,807,047
33,774,000	145,776,519	179,550,519
-	1,223,976,799	1,223,976,799
1,726,457,000	8,641,717,111	10,713,204,641
(676,800,000)	819,580,898	(3,097,697,076)
<u>\$ 2,818,145,000</u>	<u>\$ 13,538,412,756</u>	<u>\$ 21,628,841,930</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
Expenses	\$ 3,475,136,286	\$ 2,071,397,000
 Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	769,859,488	2,322,042,000
Operating grants and contributions	1,938,851,788	29,331,000
Capital grants and contributions	<u>964,512,775</u>	<u>400,000</u>
Net (Expense) Revenue	<u>198,087,765</u>	<u>280,376,000</u>
 General Revenue		
Payments from State	<u>100,000,000</u>	<u>-</u>
Total General Revenue	<u>100,000,000</u>	<u>-</u>
 Change in Net Position	 298,087,765	 280,376,000
 Net Position - Beginning of Year (Restated)	 <u>3,730,947,409</u>	 <u>962,873,000</u>
Net Position - End of Year	<u>\$ 4,029,035,174</u>	<u>\$ 1,243,249,000</u>

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

<u>Rutgers, The State University of New Jersey</u>	<u>Non-Major Component Units</u>	<u>Total Component Units</u>
\$ 4,697,481,000	\$ 7,482,408,878	\$ 17,726,423,164
2,528,409,000	2,945,994,624	8,566,305,112
1,693,431,000	1,883,991,768	5,545,605,556
<u>31,933,000</u>	<u>2,656,841,472</u>	<u>3,653,687,247</u>
<u>(443,708,000)</u>	<u>4,418,986</u>	<u>39,174,751</u>
<u>515,076,000</u>	<u>1,229,600,615</u>	<u>1,844,676,615</u>
<u>515,076,000</u>	<u>1,229,600,615</u>	<u>1,844,676,615</u>
71,368,000	1,234,019,601	1,883,851,366
<u>2,746,777,000</u>	<u>12,304,393,155</u>	<u>19,744,990,564</u>
<u>\$ 2,818,145,000</u>	<u>\$ 13,538,412,756</u>	<u>\$ 21,628,841,930</u>

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