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New Jersey State Legislature

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chris Christie
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Vincent Prieto
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, 2015, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pensions and other employee benefits trust funds and the Port Authority of New York and New Jersey which represent 92 percent of the assets and 46 percent of the revenues (including additions to fiduciary net assets) of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2-F of the basic financial statements, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the pensions and other employee benefits trust funds and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors. In addition, we did not audit the financial statements of the discretely presented component units. Our opinion on the aggregate discretely presented component units is based solely upon audit reports prepared by other auditors and furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the pensions and other employee benefits trust funds, and 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. 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 section and the other information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2016 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 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 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" and a distinct "Eells" at the end.

Stephen M. Eells
State Auditor
March 10, 2016



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, 2015. 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 \$46.7 billion, an increase of \$6.5 billion from the prior fiscal year. As of June 30, 2015, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$113.9 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 \$127.9 billion. The negative balance is primarily a result of the State implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (See Note 17 – 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 18 – Health Benefits and Post-Retirement Medical Benefits). Financing activities that have contributed to the State's negative unrestricted net position amount 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, 2015 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$16.9 billion. Total component unit assets and deferred outflows of resources decreased to \$49.8 billion, a \$186.0 million decrease from the prior fiscal year.

Fund Level

- The State's governmental funds reported June 30, 2015 combined ending fund balances of \$8.8 billion, an increase of \$1.7 billion when compared to the prior fiscal year. Fund balances are segregated into the following categories: nonspendable, restricted, committed, and unassigned. The nonspendable fund balance classification (\$20.4 million) includes amounts that are legally required to remain intact. The restricted fund balance classification (\$5.0 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 (\$2.9 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 (\$806.4 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 \$631.3 million resulting in net position of \$1.7 billion as of June 30, 2015.

Long-term Obligations

- The State's governmental long-term obligations increased 6.9 percent to \$153.5 billion, which includes a net increase in bonded obligations of \$1.4 billion. During the fiscal year, the State issued \$3.4 billion in bonds. New money issuances represented \$2.6 billion primarily for transportation program improvements, while \$0.8 billion represented refunding transactions that provided the State with \$8.6 million in net present value savings. During Fiscal Year 2015, the State paid \$3.3 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$110.3 billion. This amount represents a \$8.5 billion increase from the prior fiscal year and is mainly attributable to increases in the Net Pension Liability resulting from the implementation of GASB Statement No. 68 as well as the State's Net Other Postemployment Benefits (OPEB) Obligation.

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	<ul style="list-style-type: none"> · Statement of Net Position · Statement of Activities 	<ul style="list-style-type: none"> · Balance Sheet · Statement of Revenues, Expenditures, and Changes in Fund Balance 	<ul style="list-style-type: none"> · Statement of Net Position · Statement of Revenues, Expenses, and Changes in Net Position · Statement of Cash Flows 	<ul style="list-style-type: none"> · 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 liabilities, 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	<ul style="list-style-type: none"> · 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 21 authorities; of the latter 21, 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 19 – Component Units. Audit reports of the individual component units can 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.
- 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 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 is a Schedule of Changes in the State's Net Pension 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 2015 with combined net position for the primary government totaling a negative \$113.9 billion. This amount represents a reduction of net position of \$6.1 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	
	2015	2014*	2015	2014	2015	2014*
Current and other noncurrent assets	\$ 13,497.0	\$ 11,360.9	\$ 2,180.6	\$ 1,584.2	\$ 15,677.6	\$ 12,945.1
Capital assets, net	26,236.3	25,364.6	-	-	26,236.3	25,364.6
Total Assets	39,733.3	36,725.5	2,180.6	1,584.2	41,913.9	38,309.7
Deferred outflows of resources	4,747.7	1,875.4	-	-	4,747.7	1,875.4
Total Assets and Deferred Outflows of Resources	44,481.0	38,600.9	2,180.6	1,584.2	46,661.6	40,185.1
Current liabilities	6,965.1	5,959.0	252.5	270.5	7,217.6	6,229.5
Noncurrent liabilities	150,474.1	141,513.3	229.2	246.2	150,703.3	141,759.5
Total Liabilities	157,439.2	147,472.3	481.7	516.7	157,920.9	147,989.0
Deferred inflows of resources	2,617.9	-	-	-	2,617.9	-
Total Liabilities and Deferred Inflows of Resources	160,057.1	147,472.3	481.7	516.7	160,538.8	147,989.0
Net Position:						
Net investment in capital assets	8,368.4	7,870.8	-	-	8,368.4	7,870.8
Restricted	3,907.5	3,429.5	1,698.9	1,067.5	5,606.4	4,497.0
Unrestricted	(127,852.0)	(120,171.7)	-	-	(127,852.0)	(120,171.7)
Total Net Position	\$ (115,576.1)	\$ (108,871.4)	\$ 1,698.9	\$ 1,067.5	\$ (113,877.2)	\$ (107,803.9)

* 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 for equipment and software and infrastructure.

Changes in Net Position

The State's Fiscal Year 2015 net position decreased by \$6.1 billion. Approximately 50.8 percent of the State's total revenues came from general taxes, while 29.0 percent was derived from operating grants. Charges for services amounted to 18.2 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, 24.7 percent, was for educational, cultural, and intellectual development, which includes approximately \$310.1 million disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction. Government direction, management, and control amounted to 22.7 percent of total expenses, while physical and mental health amounted to 22.4 percent. Other major expenditures focused on economic planning, development, and security and public safety and criminal justice. During Fiscal Year 2015, governmental activity expenses exceeded program revenues. This imbalance was mainly funded through \$32.9 billion of general revenues (mostly taxes and transfers). The remaining \$6.7 billion resulted in a decrease in net position. Offsetting the governmental net position decrease, Business-type Activities reflected a net position increase of \$631.4 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 Activities		Business-type Activities		Primary Government Total	
	2015	2014*	2015	2014	2015	2014*
Revenues						
Program revenues						
Charges for services	\$ 5,151.4	\$ 4,802.7	\$ 5,848.6	\$ 5,942.5	\$ 11,000.0	\$ 10,745.2
Operating grants	17,258.2	15,638.0	45.7	680.6	17,303.9	16,318.6
Capital grants	363.7	658.8	-	-	363.7	658.8
General revenues						
General taxes	30,771.2	28,838.6	-	-	30,771.2	28,838.6
Interest earnings	331.1	16.3	-	-	331.1	16.3
Miscellaneous	836.4	916.7	-	-	836.4	916.7
Total Revenues	54,712.0	50,871.1	5,894.3	6,623.1	60,606.3	57,494.2
Expenses						
Public safety and criminal justice	3,287.6	3,459.9	-	-	3,287.6	3,459.9
Physical and mental health	14,930.4	12,933.2	-	-	14,930.4	12,933.2
Educational, cultural, and intellectual development	16,463.9	15,685.3	-	-	16,463.9	15,685.3
Community development and environmental management	2,393.9	2,274.3	-	-	2,393.9	2,274.3
Economic planning, development, and security	6,485.4	6,527.3	-	-	6,485.4	6,527.3
Transportation programs	1,982.0	1,907.8	-	-	1,982.0	1,907.8
Government direction, management, and control	15,134.3	11,725.3	-	-	15,134.3	11,725.3
Special government services	362.2	358.7	-	-	362.2	358.7
Interest expense	1,328.0	1,235.3	-	-	1,328.0	1,235.3
State Lottery Fund	-	-	2,102.1	1,985.6	2,102.1	1,985.6
Unemployment Compensation Fund	-	-	2,200.8	3,058.1	2,200.8	3,058.1
Total Expenses	62,367.7	56,107.1	4,302.9	5,043.7	66,670.6	61,150.8
Excess (Deficiency) Before Transfers	(7,655.7)	(5,236.0)	1,591.4	1,579.4	(6,064.3)	(3,656.6)
Transfers	951.0	965.0	(960.0)	(965.0)	(9.0)	-
Increase (Decrease) in Net Position	(6,704.7)	(4,271.0)	631.4	614.4	(6,073.3)	(3,656.6)
Net Position - July 1 (restated)	(108,871.4)	(104,600.4)	1,067.5	453.1	(107,803.9)	(104,147.3)
Net Position - June 30	\$ (115,576.1)	\$ (108,871.4)	\$ 1,698.9	\$ 1,067.5	\$ (113,877.2)	\$ (107,803.9)

* 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 for equipment and software and infrastructure.

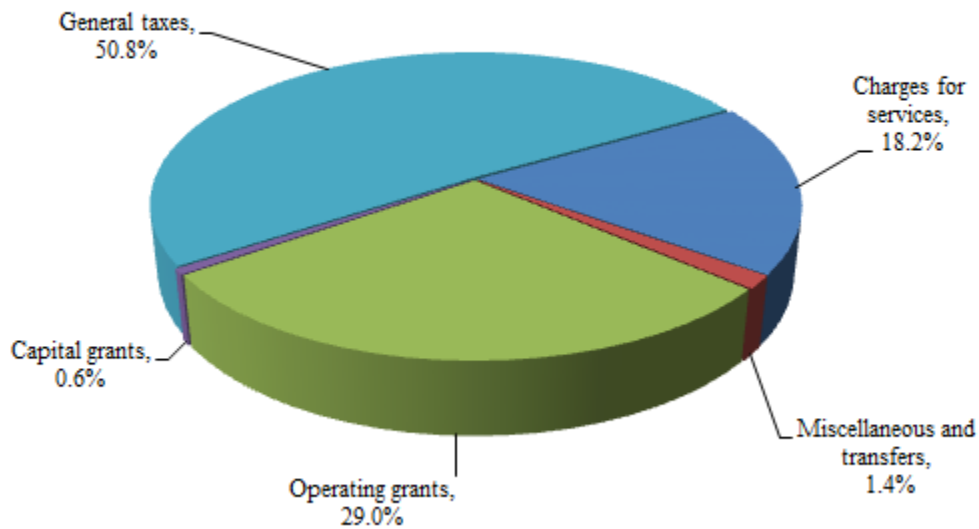
Primary Government – Fiscal Year 2015 Revenues and Expenses

During Fiscal Year 2015, State revenues, including transfers, totaled \$60.6 billion or an increase of \$3.1 billion when compared to the prior fiscal year. This increase in total revenues is primarily attributable to an overall increase in general taxes, primarily the State’s Gross Income Tax and Corporate Business Tax resulting from a strengthening of the economy. General taxes totaled \$30.8 billion and accounted for 50.8 percent of total State revenues for Fiscal Year 2015. The State’s Gross Income Tax totaled \$13.3 billion, the Sales and Use Tax totaled \$9.1 billion, and the Corporation Business Tax totaled \$2.7 billion. The State’s three major taxes comprised 81.6 percent of the total general taxes that were collected during Fiscal Year 2015. The State’s economy showed improvement, as indicated by the \$1.9 billion increase in general taxes when compared to Fiscal Year 2014.

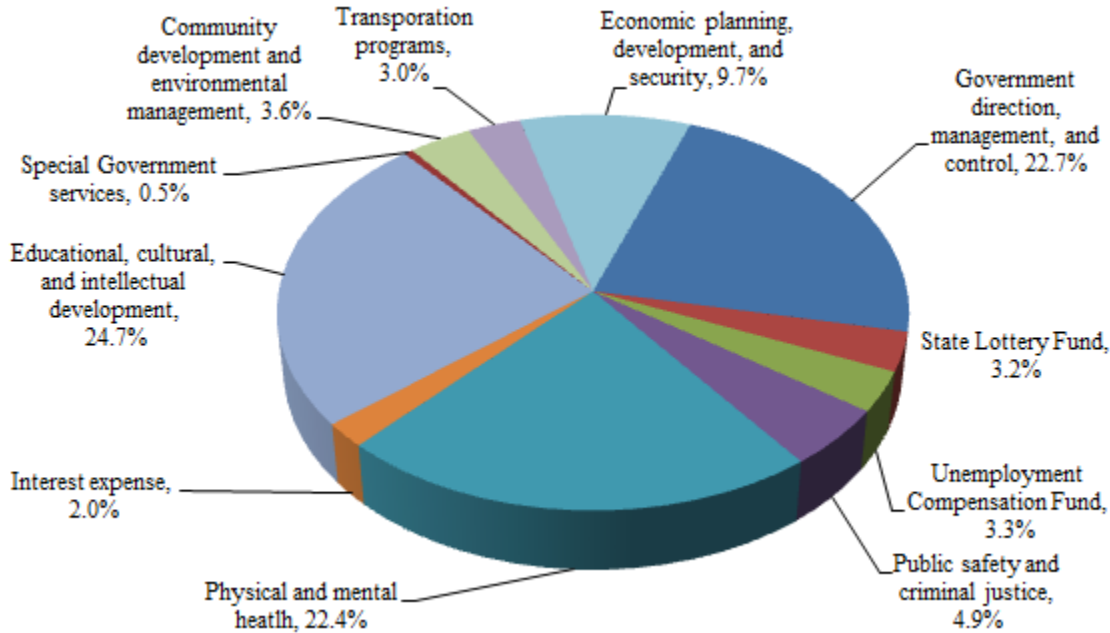
Fiscal Year 2015 expenses totaled \$66.7 billion, an increase of \$5.5 billion in comparison to the prior fiscal year. State spending increased by \$3.4 billion in government direction, management, and control mainly due to the increase in the pension expense based on the requirements of GASB Statement No. 68, \$2.0 billion in physical and mental health predominately attributable to Medicaid expansion, and \$778.6 million in educational, cultural, and intellectual development.

The following pie charts depict primary government activities for revenues and expenses for the fiscal year ended June 30, 2015:

**Revenues – Primary Government
Fiscal Year Ended June 30, 2015**



**Expenses – Primary Government
Fiscal Year Ended June 30, 2015**



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 2015 amounted to \$12.6 billion and \$13.0 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net assets at fiscal year end of \$16.9 billion. The component units received \$1.1 billion in State appropriations during Fiscal Year 2015.

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, 2015 fund balances of \$8.8 billion. The \$1.7 billion increase in fund balance was primarily from higher Fiscal Year 2015 revenues.

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 \$4.5 billion of which \$806.4 million represented unassigned fund balance.

On a budgetary basis, general revenues of \$35.2 billion were \$3.0 billion lower than the final budget. The negative variance was the result of unearned federal and other grant revenues of \$2.5 billion and declines of \$0.5 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 \$3.3 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 2015, the State's appropriation of federal funds and other grants exceeded expenditures by \$2.5 billion. These excess appropriations are available for use in future years. From a Fiscal Year 2015 program perspective, under-spending transpired in community development and environmental management (\$857.3 million); physical and mental health (\$702.7 million); economic planning, development, and security (\$496.8 million); public safety and criminal justice (\$444.7 million); government direction, management, and control (\$325.5 million); educational, cultural, and intellectual development (\$186.4 million); special government services (\$180.1 million); and transportation programs (\$105.4 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 2015, \$13.9 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2015 ending fund balance was \$30.9 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 2015, gross revenues totaled \$3.1 billion of which \$1.8 billion was returned in prizes; \$960.0 million went to State education and institutions; \$223.5 million was paid to sales agents and ticket vendors; and \$53.4 million covered Lottery operational and promotional expenses. As of June 30, 2015, the State Lottery, since its inception, has generated over \$64.0 billion in gross revenues, \$34.7 billion in prizes, and contributed \$24.0 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

New Jersey’s Office of Management and Budget, under the purview of the Department of the Treasury, is responsible for recording all 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 2015 capital appropriation included \$2.7 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 \$478.5 million for State highway infrastructure, \$276.0 million for local highways, and \$470.5 million for mass transit. During Fiscal Year 2015, the New Jersey Economic Development Authority issued \$525.0 million of School Facilities Construction Bonds, net of refundings, to help fund the New Jersey Schools Development Authority’s program; accordingly, as of June 30, 2015, a total of \$9.6 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 \$26.2 billion as of June 30, 2015. Depreciation expense charges for Fiscal Year 2015 totaled \$953.9 million.

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

	Total Primary Government	
	2015	2014*
Land and Easements	\$ 5,152.1	\$ 5,045.4
Land Improvements	55.3	76.4
Buildings and Improvements	1,675.3	1,709.8
Equipment and Software	410.1	369.1
Infrastructure	16,538.5	15,325.6
Sub-Total	23,831.3	22,526.3
Construction-In-Progress	2,405.0	2,838.3
Total	\$ 26,236.3	\$ 25,364.6

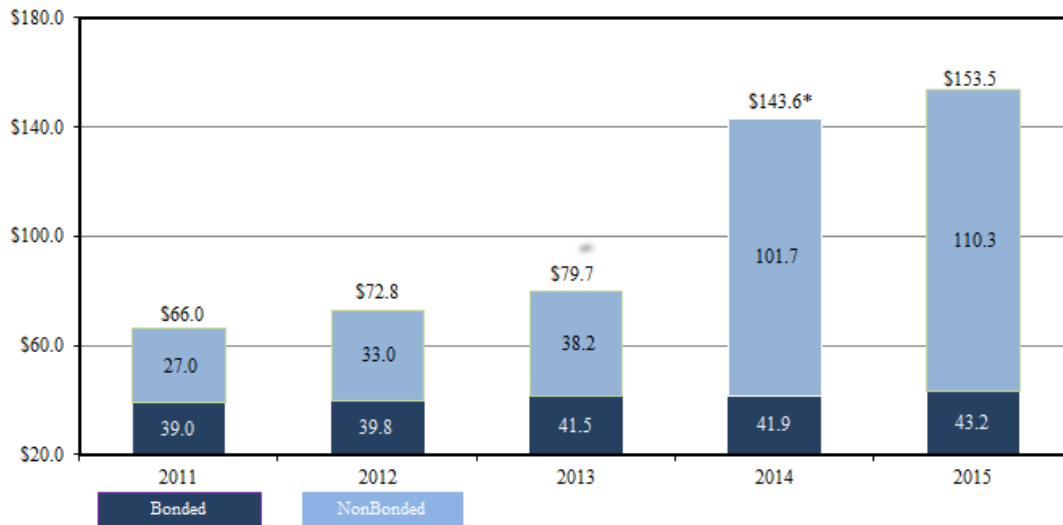
Notes:

* The July 1, 2014 capital asset balance has been restated by \$(229.8) million and the accumulated depreciation balance has been restated by \$(62.4) million across Construction in Progress, Equipment and Software, and Infrastructure.

Debt Administration

As of June 30, 2015, New Jersey’s outstanding long-term obligations for governmental activities totaled \$153.5 billion, a \$9.9 billion increase over the prior fiscal year. Of the \$9.9 billion increase, \$8.5 billion is attributable to increases in the Net Pension Liability and Net OPEB Obligation. Long-term bonded obligations totaled \$43.2 billion, while other long-term obligations totaled \$110.3 billion. In addition, the State has \$4.8 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2015, the legislatively authorized but unissued debt decreased by \$2.3 billion (See Statistical Section – Legislatively Authorized But Unissued Debt, 2015 and 2014). 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 to fiscal years 2011 to 2013 are incompatible. The State’s long-term obligations for the past five fiscal years are shown below.

**Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2011 to Fiscal Year 2015
(Expressed in Billions)**



Note:

* Restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result of implementing GASB Statement No. 68, the July 1, 2014 Net Pension Obligation of \$15,949.4 million was removed and replaced with a Net Pension Liability of \$74,773.7 million. In addition, there was a restatement of non-bonded obligations to reflect a decrease in the July 1, 2014 capitalized software liability of \$52.0 million related to the State Lottery resulting from the assignment of the software contract to Northstar.

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 continued, having added 64,500 new private sector jobs over the course of 2015. The increase in payrolls was led by the following sectors – education and health services; trade, transportation and utilities; and construction. The State gained 222,000 new private sector jobs from the start of February 2010 through the end of 2015. The State's unemployment rate continued to decline over the course of 2015, falling from 6.3 percent in December 2014 to 5.1 percent in December 2015. The national unemployment rate was 5.0 percent as of December 2015.

Other measures of the State's economy, also, showed signs of continued improvement. The State's housing market continued to expand with existing home sales in 2015 12.3 percent higher than a year ago and the number of residential building permits issued by the State 10.4 percent higher than a year ago. New car sales in 2015 were 5.2 percent higher than a year ago. Aggregate personal income, which includes wage income as well as income from other sources such as assets or transfers, grew for a tenth consecutive quarter and by the third quarter of 2015 had reached an all-time high.

The national economy continued to expand at a moderate pace. Payrolls increased by 2.65 million jobs in 2015. This was the second best total since 1999, but strong jobs growth had failed to translate into sustained wage growth with average hourly earnings increasing only 2.5 percent over the course of 2015. Preliminary estimates indicate real GDP grew by 2.4 percent in 2015 which was the same pace as in 2014.

Inflation continued to be restrained by falling energy prices with the headline CPI figure increasing only 0.7 percent over the course of 2015. The core CPI, which excludes food and energy prices, increased 2.1 percent over the same time frame. The retail price of a gallon of regular gasoline fell from an average of \$3.61 in July 2014 to \$2.04 in December 2015.

The Federal Reserve Bank ended its zero interest rate policy in December 2015 by raising the federal funds rate target range to between 0.25 and 0.50 percent. The move had been expected to occur during the middle of 2015, but was delayed, first, because of concerns about the inflation outlook and then by financial market volatility which arose due to concerns about the global economic outlook.

The economic recovery is expected to continue for both the Garden State and for the nation as a whole, but there is a risk of near-term deterioration in the rate of growth. The global economic outlook for 2016 has been downgraded over the past few months because of concerns about the slowdown in the Chinese economy. The national economy is primarily driven by domestic consumption and domestic demand continues to remain strong, however, global events will weigh on the pace of the economic recovery for both the State and the nation.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015 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, 2015, 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>.

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*Basic Financial
Statements*

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 279,184,816	\$ 3,479,900	\$ 282,664,716	\$ 3,554,832,066
Investments	5,555,101,739	247,465,243	5,802,566,982	7,108,605,087
Receivables, net of allowances for uncollectibles				
Federal government	819,420,224	919,673,103	1,739,093,327	486,465,977
Departmental accounts	3,639,319,678	806,591,921	4,445,911,599	-
Loans	1,934,376,636	-	1,934,376,636	136,761,340
Mortgages	-	-	-	87,559,000
Other	802,609,038	121,279,556	923,888,594	731,328,296
Internal balances	149,132,205	(149,132,205)	-	-
Due from external parties	31,752,551	-	31,752,551	166,730,568
Inventories	-	-	-	167,795,557
Deferred charges	-	2,724,776	2,724,776	-
Other	31,106,735	-	31,106,735	287,290,807
Total Current Assets	<u>13,242,003,622</u>	<u>1,952,082,294</u>	<u>15,194,085,916</u>	<u>12,727,368,698</u>
Noncurrent Assets				
Investments	-	228,525,068	228,525,068	4,337,531,751
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,434,778,628
Mortgages	-	-	-	2,152,541,455
Other	-	-	-	156,080,699
Pension assets	3,206,565	-	3,206,565	-
Capital assets - nondepreciated	7,557,146,467	-	7,557,146,467	5,345,995,174
Capital assets - depreciated, net	18,679,204,049	-	18,679,204,049	21,305,462,441
Other	251,700,365	-	251,700,365	624,367,093
Total Noncurrent Assets	<u>26,491,257,446</u>	<u>228,525,068</u>	<u>26,719,782,514</u>	<u>36,356,757,241</u>
Deferred Outflows of Resources	<u>4,747,737,760</u>	<u>-</u>	<u>4,747,737,760</u>	<u>734,981,473</u>
Total Assets and Deferred Outflows of Resources	<u>44,480,998,828</u>	<u>2,180,607,362</u>	<u>46,661,606,190</u>	<u>49,819,107,412</u>

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	2,255,439,764	155,026,305	2,410,466,069	1,274,073,740
Due to external parties	103,905,240	-	103,905,240	283,043,372
Interest payable	235,112,016	-	235,112,016	344,673,517
Unearned revenue	266,102,907	-	266,102,907	399,478,755
Current portion of long-term obligations	3,044,762,291	40,211,749	3,084,974,040	891,354,715
Refunds payable	457,089,411	54,876,000	511,965,411	-
Contributory life insurance	579,127,226	-	579,127,226	-
Other	23,559,573	2,382,749	25,942,322	730,226,529
Total Current Liabilities	6,965,098,428	252,496,803	7,217,595,231	3,922,850,628
Noncurrent Liabilities				
Net pension liability	78,881,826,624	-	78,881,826,624	3,526,324,249
Net OPEB obligation	27,973,800,000	-	27,973,800,000	909,884,365
Derivative instrument liability	-	-	-	167,437,854
Other	43,618,454,622	229,248,137	43,847,702,759	24,032,935,479
Total Noncurrent Liabilities	150,474,081,246	229,248,137	150,703,329,383	28,636,581,947
Deferred Inflows of Resources	2,617,916,925	-	2,617,916,925	357,721,292
Total Liabilities and Deferred Inflows of Resources	160,057,096,599	481,744,940	160,538,841,539	32,917,153,867
NET POSITION				
Net investment in capital assets	8,368,357,585	-	8,368,357,585	10,157,966,254
Restricted for:				
Capital projects	-	-	-	172,170,572
Public safety and criminal justice	26,121	-	26,121	-
Physical and mental health	2,862,046	-	2,862,046	-
Educational, cultural, and intellectual development	684,305,670	-	684,305,670	-
Community development and environmental management	2,774,843,178	-	2,774,843,178	-
Economic planning, development and security	407,208,601	-	407,208,601	-
Transportation programs	38,308,581	-	38,308,581	-
Government direction, management, Debt service	-	-	-	1,117,223,564
Unemployment	-	1,697,063,741	1,697,063,741	-
Prize awards and State contributions	-	1,798,681	1,798,681	-
Other purposes	-	-	-	6,576,712,747
Unrestricted	(127,852,009,553)	-	(127,852,009,553)	(1,122,119,592)
Total Net Position	\$ (115,576,097,771)	\$ 1,698,862,422	\$ (113,877,235,349)	\$ 16,901,953,545

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 3,287,624,030	\$ 1,121,221,442	\$ 539,560,687	\$ 2,086,330
Physical and mental health	14,930,377,733	861,326,252	1,160,436,097	-
Educational, cultural, and intellectual development	16,463,921,123	109,709,977	950,028,024	-
Community development and environmental management	2,393,902,267	406,437,228	1,568,980,771	108,758,203
Economic planning, development, and security	6,485,445,476	1,298,533,308	810,189,846	-
Transportation programs	1,981,963,734	26,112,005	1,132,600,635	251,871,535
Government direction, management, and control	15,134,304,051	907,917,771	11,079,332,276	-
Special government services	362,155,079	420,174,348	17,121,315	985,764
Interest expense	1,327,984,708	-	-	-
Total governmental activities	<u>62,367,678,201</u>	<u>5,151,432,331</u>	<u>17,258,249,651</u>	<u>363,701,832</u>
Business-type activities:				
State Lottery Fund	2,102,146,778	3,062,900,565	225,611	-
Unemployment Compensation Fund	2,200,801,780	2,785,708,208	45,436,376	-
Total business-type activities	<u>4,302,948,558</u>	<u>5,848,608,773</u>	<u>45,661,987</u>	<u>-</u>
Total Primary Government	<u>\$ 66,670,626,759</u>	<u>\$ 11,000,041,104</u>	<u>\$ 17,303,911,638</u>	<u>\$ 363,701,832</u>
Component Units				
Authorities	\$ 6,959,147,804	\$ 3,580,207,945	\$ 1,741,401,797	\$ 1,687,899,836
Colleges and Universities	6,060,777,025	3,158,891,165	2,118,273,214	280,293,069
Total Component Units	<u>\$ 13,019,924,829</u>	<u>\$ 6,739,099,110</u>	<u>\$ 3,859,675,011</u>	<u>\$ 1,968,192,905</u>
General Revenues and Transfers				
Taxes:				
Gross Income Tax				
Sales and Use Tax				
Corporate Business Tax				
Other taxes				
Investment earnings				
Payments from State				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in Net Position				
Net Position - July 1, 2014 (Restated)				
Net Position - June 30, 2015				

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
\$ (1,624,755,571)	\$ -	\$ (1,624,755,571)	\$ -
(12,908,615,384)	-	(12,908,615,384)	-
(15,404,183,122)	-	(15,404,183,122)	-
(309,726,065)	-	(309,726,065)	-
(4,376,722,322)	-	(4,376,722,322)	-
(571,379,559)	-	(571,379,559)	-
(3,147,054,004)	-	(3,147,054,004)	-
76,126,348	-	76,126,348	-
(1,327,984,708)	-	(1,327,984,708)	-
<u>(39,594,294,387)</u>	<u>-</u>	<u>(39,594,294,387)</u>	<u>-</u>
-	960,979,398	960,979,398	-
-	630,342,804	630,342,804	-
-	1,591,322,202	1,591,322,202	-
\$ (39,594,294,387)	\$ 1,591,322,202	\$ (38,002,972,185)	\$ -
\$ -	\$ -	\$ -	\$ 50,361,774
-	-	-	(503,319,577)
\$ -	\$ -	\$ -	\$ (452,957,803)
13,250,001,844	-	13,250,001,844	-
9,123,912,326	-	9,123,912,326	-
2,738,758,941	-	2,738,758,941	-
5,658,490,623	-	5,658,490,623	-
331,089,558	-	331,089,558	-
-	-	-	1,059,795,789
836,382,271	-	836,382,271	-
951,039,020	(960,000,000)	(8,960,980)	-
<u>32,889,674,583</u>	<u>(960,000,000)</u>	<u>31,929,674,583</u>	<u>1,059,795,789</u>
(6,704,619,804)	631,322,202	(6,073,297,602)	606,837,986
<u>(108,871,477,967)</u>	<u>1,067,540,220</u>	<u>(107,803,937,747)</u>	<u>16,295,115,559</u>
\$ (115,576,097,771)	\$ 1,698,862,422	\$ (113,877,235,349)	\$ 16,901,953,545

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<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	\$ 170,365,590	\$ -	\$ 108,819,226	\$ 279,184,816
Investments	2,541,669,921	-	3,013,431,818	5,555,101,739
Receivables, net of allowances for uncollectibles				
Federal government	567,034,578	-	77,916,741	644,951,319
Departmental accounts	3,082,390,684	181,179,326	375,749,668	3,639,319,678
Loans	334,298,796	-	1,600,077,840	1,934,376,636
Other	135,724,689	-	150,981,727	286,706,416
Due from other funds	583,074,484	244,753,395	259,864,299	1,087,692,178
Other	31,098,808	-	7,927	31,106,735
Total Assets	<u>\$ 7,445,657,550</u>	<u>\$ 425,932,721</u>	<u>\$ 5,586,849,246</u>	<u>\$ 13,458,439,517</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 1,584,626,724	\$ 71,817,352	\$ 545,064,688	\$ 2,201,508,764
Unearned revenue	259,734,027	-	116,368,880	376,102,907
Due to other funds	404,761,969	9,885,429	596,065,264	1,010,712,662
Refunds payable	143,722,027	313,367,384	-	457,089,411
Contributory life insurance payable	579,127,226	-	-	579,127,226
Other	18,836,561	-	4,723,012	23,559,573
Total Liabilities	<u>2,990,808,534</u>	<u>395,070,165</u>	<u>1,262,221,844</u>	<u>4,648,100,543</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	1,312,430,656	-	3,727,391,599	5,039,822,255
Committed	2,315,618,468	30,862,556	597,235,803	2,943,716,827
Unassigned	806,383,819	-	-	806,383,819
Total Fund Balances	<u>4,454,849,016</u>	<u>30,862,556</u>	<u>4,324,627,402</u>	<u>8,810,338,974</u>
Total Liabilities and Fund Balances	<u>\$ 7,445,657,550</u>	<u>\$ 425,932,721</u>	<u>\$ 5,586,849,246</u>	<u>\$ 13,458,439,517</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, 2015

Total fund balances of governmental funds \$ 8,810,338,974

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

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 deferred in the funds. 690,371,527

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	\$ 5,152,123,936	
Land improvements	212,290,202	
Buildings and improvements	3,762,987,078	
Equipment and software	1,265,739,289	
Infrastructure	26,752,871,376	
Construction in progress	2,405,022,531	
Accumulated depreciation	<u>(13,314,683,896)</u>	26,236,350,516

Unearned tobacco settlement revenue recorded in the fund perspective is recognized as revenue in the statement of net position. 110,000,000

Deferred outflows of resources are not current resources and therefore are not reported in the fund perspective. 4,747,737,760

The pension and other assets are not current resources and therefore are not reported in the fund perspective. 254,906,930

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		
Swap contract agreement accounts payable	(53,931,000)	
Accrued interest	(235,112,016)	
Current portion of long-term obligations	<u>(3,044,762,291)</u>	(3,333,805,307)
Noncurrent Liabilities		
General Obligation Bonds Payable	(1,993,665,000)	
Revenue Bonds Payable	(21,746,235,000)	
Installment Obligations and Certificates of Participation	(17,312,137,958)	
Loans Payable	(1,279,358,087)	
Capital Leases	(535,195,701)	
Compensated Absences	(236,107,689)	
Unamortized Premium	(2,050,187,777)	
Tobacco Settlement Financing Corporation Bonds	(4,246,665,001)	
Unamortized Interest on Capital Appreciation Bonds	6,765,080,112	
Net Pension Liability	(78,881,826,624)	
Net OPEB Obligation	(27,973,800,000)	
Other	<u>(983,982,521)</u>	(150,474,081,246)

Deferred inflows of resources are not current liabilities and therefore are not reported in the fund perspective. (2,617,916,925)

Net Position of governmental activities \$ (115,576,097,771)

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, 2015

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 15,330,177,188	\$ 13,949,322,918	\$ 1,570,212,318	\$ 30,849,712,424
Federal and other grants	15,155,506,266	-	933,328,075	16,088,834,341
Licenses and fees	1,263,198,017	-	118,623,100	1,381,821,117
Services and assessments	1,778,665,788	-	1,237,489,134	3,016,154,922
Investment earnings	5,249,536	-	2,983,734	8,233,270
Other	3,238,472,255	137,500	326,462,037	3,565,071,792
Total Revenues	<u>36,771,269,050</u>	<u>13,949,460,418</u>	<u>4,189,098,398</u>	<u>54,909,827,866</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	3,287,912,113	23,354,268	98,869,323	3,410,135,704
Physical and mental health	14,786,681,497	108,385,365	41,203,601	14,936,270,463
Educational, cultural, and intellectual development	4,112,955,297	12,078,904,604	530,318,692	16,722,178,593
Community development and environmental management	2,245,231,498	253,682,985	112,445,042	2,611,359,525
Economic planning, development, and security	5,433,179,328	51,903,000	1,070,113,643	6,555,195,971
Transportation programs	628,380,863	182,000,000	1,981,385,046	2,791,765,909
Government direction, management, and control	5,733,623,746	1,228,627,902	188,163,302	7,150,414,950
Special government services	357,524,365	-	225,195	357,749,560
Capital Outlay	253,212,076	-	-	253,212,076
Debt Service:				
Principal	309,770,000	-	538,550,000	848,320,000
Interest	98,826,888	-	896,191,340	995,018,228
Contributory life insurance payment	97,520,718	-	-	97,520,718
Total Expenditures	<u>37,344,818,389</u>	<u>13,926,858,124</u>	<u>5,457,465,184</u>	<u>56,729,141,697</u>
Excess (deficiency) of revenues over expenditures	<u>(573,549,339)</u>	<u>22,602,294</u>	<u>(1,268,366,786)</u>	<u>(1,819,313,831)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	518,000,000	-	1,068,555,000	1,586,555,000
Transfers from other funds	2,300,305,034	-	3,315,606,496	5,615,911,530
Transfers to other funds	(2,022,216,316)	-	(2,642,650,153)	(4,664,866,469)
Other sources	1,692,928,815	-	361,089,166	2,054,017,981
Payment to bond escrow agents	(783,740,000)	-	(297,500,000)	(1,081,240,000)
Total other financing sources (uses)	<u>1,705,277,533</u>	<u>-</u>	<u>1,805,100,509</u>	<u>3,510,378,042</u>
Net Change in Fund Balance	1,131,728,194	22,602,294	536,733,723	1,691,064,211
Fund Balances - July 1, 2014	<u>3,323,120,822</u>	<u>8,260,262</u>	<u>3,787,893,679</u>	<u>7,119,274,763</u>
Fund Balances - June 30, 2015	<u>\$ 4,454,849,016</u>	<u>\$ 30,862,556</u>	<u>\$ 4,324,627,402</u>	<u>\$ 8,810,338,974</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, 2015

Net change in fund balances of total governmental funds \$ 1,691,064,211

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	\$ 1,737,351,352	
Depreciation expense	(865,590,537)	
Excess of capital outlay over depreciation expense		871,760,815

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. (1,586,555,000)

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. (1,075,712,076)

The changes in fair value related to nonqualifying swap agreements and swap termination costs are not considered current resources and are only reported in the statement of activities. 28,541,593

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	309,770,000	
Revenue Bonds principal	894,835,000	
Capital Leases	65,146,598	
Installment Obligations	647,016,289	
Certificates of Participation	37,639,425	
Tobacco Settlement Financing Corporation Bonds	23,830,000	
Total long-term obligations		1,978,237,312

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 2015 receivable balances increased by this amount. 64,409,870

Some revenues recorded in the statement of activities do not provide current financial resources and therefore are unearned in the fund perspective. (11,030,000)

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	33,676,256	
Decrease in deferral on refunding issues	(217,267,524)	
Total capitalized and amortized items		(183,591,268)

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	(410,134,966)	
Increase in compensated absences, medicaid, and other	(2,528,244)	
Increase in pension assets	88,838	
Increase in net pension liability and OPEB obligations	(8,072,604,005)	
Increase in other assets	3,433,116	
Total additional expenditures		(8,481,745,261)

Change in net position of governmental activities \$ (6,704,619,804)

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 3,301,670	\$ 178,230	\$ 3,479,900
Investments	247,441,644	23,599	247,465,243
Receivables, net of allowances for uncollectibles			
Federal government	-	919,673,103	919,673,103
Departmental accounts	-	806,591,921	806,591,921
Other	29,322,886	91,956,670	121,279,556
Due from other funds	-	10,000,057	10,000,057
Deferred charges	2,724,776	-	2,724,776
Total Current Assets	<u>282,790,976</u>	<u>1,828,423,580</u>	<u>2,111,214,556</u>
Noncurrent Assets			
Investments	228,525,068	-	228,525,068
Total Assets	<u>511,316,044</u>	<u>1,828,423,580</u>	<u>2,339,739,624</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	97,055,454	57,970,851	155,026,305
Due to other funds	143,002,023	16,130,239	159,132,262
Refunds payable	-	54,876,000	54,876,000
Current portion of long-term obligations	40,211,749	-	40,211,749
Other	-	2,382,749	2,382,749
Total Current Liabilities	<u>280,269,226</u>	<u>131,359,839</u>	<u>411,629,065</u>
Noncurrent Liabilities			
Due in more than one year	229,248,137	-	229,248,137
Total Noncurrent Liabilities	<u>229,248,137</u>	<u>-</u>	<u>229,248,137</u>
Total Liabilities	<u>509,517,363</u>	<u>131,359,839</u>	<u>640,877,202</u>
NET POSITION			
Restricted for:			
Unemployment compensation	-	1,697,063,741	1,697,063,741
Prize awards and State contributions	1,798,681	-	1,798,681
Total Net Position	<u>\$ 1,798,681</u>	<u>\$ 1,697,063,741</u>	<u>\$ 1,698,862,422</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, 2015

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Sales and charges for services	\$ 3,000,528,636	\$ -	\$ 3,000,528,636
Assessments	-	2,764,870,618	2,764,870,618
From federal agencies	-	32,040,015	32,040,015
Other	49,461,693	3,188,252	52,649,945
Total Operating Revenues	<u>3,049,990,329</u>	<u>2,800,098,885</u>	<u>5,850,089,214</u>
OPERATING EXPENSES			
Unemployment compensation	-	2,200,801,780	2,200,801,780
Lottery prize awards	1,825,233,183	-	1,825,233,183
Other	276,913,595	-	276,913,595
Total Operating Expenses	<u>2,102,146,778</u>	<u>2,200,801,780</u>	<u>4,302,948,558</u>
Operating Income (Loss)	<u>947,843,551</u>	<u>599,297,105</u>	<u>1,547,140,656</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	225,611	13,396,361	13,621,972
Other	12,910,236	17,649,338	30,559,574
Total Nonoperating Revenues (Expenses)	<u>13,135,847</u>	<u>31,045,699</u>	<u>44,181,546</u>
Income (Loss) Before Transfers	960,979,398	630,342,804	1,591,322,202
Transfers to other funds	(960,000,000)	-	(960,000,000)
Change in Net Position	979,398	630,342,804	631,322,202
Net Position - July 1, 2014	<u>819,283</u>	<u>1,066,720,937</u>	<u>1,067,540,220</u>
Net Position - June 30, 2015	<u>\$ 1,798,681</u>	<u>\$ 1,697,063,741</u>	<u>\$ 1,698,862,422</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, 2015**

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,400,922,317	\$ -	\$ 1,400,922,317
Receipts from federal and local agencies	-	174,181,719	174,181,719
Receipts from assessments	-	2,650,060,920	2,650,060,920
Payments to suppliers	(2,628,159)	-	(2,628,159)
Payments to prize winners	(376,612,147)	-	(376,612,147)
Payments for vendor commissions and fees	(95,987,279)	-	(95,987,279)
Claims paid	-	(2,824,240,152)	(2,824,240,152)
Cash flows from annuity operations			
Annuity receipts	48,049,662	-	48,049,662
Purchase of annuities	(2,862,726)	-	(2,862,726)
Payments of annuity prizes	(35,297,300)	-	(35,297,300)
Other receipts (payments)	(27,741)	-	(27,741)
Net cash provided (used) by operating activities	<u>935,556,627</u>	<u>2,487</u>	<u>935,559,114</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	<u>(943,009,999)</u>	<u>-</u>	<u>(943,009,999)</u>
Net cash provided (used) by noncapital financing activities	<u>(943,009,999)</u>	<u>-</u>	<u>(943,009,999)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,251,147,624	-	1,251,147,624
Purchase of investments	(1,240,800,000)	-	(1,240,800,000)
Net cash provided (used) by investing activities	<u>10,347,624</u>	<u>-</u>	<u>10,347,624</u>
Net increase (decrease) in cash and cash equivalents	<u>2,894,252</u>	<u>2,487</u>	<u>2,896,739</u>
Cash and cash equivalents - July 1, 2014	<u>407,418</u>	<u>175,743</u>	<u>583,161</u>
Cash and cash equivalents - June 30, 2015	<u>\$ 3,301,670</u>	<u>\$ 178,230</u>	<u>\$ 3,479,900</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 947,843,551	\$ 599,297,105	\$ 1,547,140,656
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Net changes in assets and liabilities:			
Current assets	(5,270,830)	(571,749,891)	(577,020,721)
Noncurrent assets	16,977,205	-	16,977,205
Current liabilities	3,504,486	(27,544,727)	(24,040,241)
Noncurrent liabilities	(27,497,785)	-	(27,497,785)
Net cash provided (used) by operating activities	<u>\$ 935,556,627</u>	<u>\$ 2,487</u>	<u>\$ 935,559,114</u>

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, 2015**

	Agency Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 32,154,507	\$ 36,428,689
Securities lending collateral	-	-
Investments		
Cash management fund	91,643,184	-
Common pension fund D	-	-
Common pension fund E	-	-
Common stocks	-	-
Mortgages	-	-
Domestic equities	-	-
International equities	-	-
Domestic fixed income	-	1,767,931,214
International fixed income	-	-
Receivables, net of allowances for uncollectibles		
Members	-	-
Employers	426,251	-
Interest and dividends	-	678,182
Other	45,703	-
Due from other funds	36,011,260	-
Other	-	-
	Total Assets	1,805,038,085
LIABILITIES		
Accounts payable	160,061,638	142,509
Benefits payable	-	-
Securities lending collateral and rebates payable	-	-
Due to other funds	219,267	1,434,469
	Total Liabilities	1,576,978
NET POSITION		
Held in Trust for Pension Benefits and Other Purposes	\$ -	\$ 1,803,461,107

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 9,388,816	\$ 1,324,989
1,060,832,090	-
1,893,308,716	12,512,080
51,222,834,892	-
25,921,246,067	-
210,119,031	-
840,098,565	-
1,690,548,942	-
328,042,823	-
1,499,328,386	-
1,142,386	-
167,963,056	-
2,007,080,225	-
4,363,138	-
-	-
67,893,980	-
1,339,154,477	-
88,263,345,590	13,837,069
171,139,244	4,258,437
1,575,319,616	-
1,059,479,792	-
29,950,955	147,860
2,835,889,607	4,406,297
\$ 85,427,455,983	\$ 9,430,772

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Investment Trust Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS			
Contributions:			
Members	\$ -	\$ 2,651,633,067	\$ -
Employers	-	8,516,588,235	-
Other	<u>12,965,266,925</u>	<u>46,528,586</u>	<u>-</u>
Total Contributions	<u>12,965,266,925</u>	<u>11,214,749,888</u>	<u>-</u>
Investment Income:			
Net increase (decrease) in fair value of investments	-	1,552,595,116	-
Interest and dividends	<u>1,621,437</u>	<u>1,803,587,336</u>	<u>16,090</u>
Total Investment Income	<u>1,621,437</u>	<u>3,356,182,452</u>	<u>16,090</u>
Less investment expense	<u>-</u>	<u>14,900,344</u>	<u>-</u>
Net Investment Income	<u>1,621,437</u>	<u>3,341,282,108</u>	<u>16,090</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>73,562</u>
Total Additions	<u>12,966,888,362</u>	<u>14,556,031,996</u>	<u>89,652</u>
DEDUCTIONS			
Benefit payments	-	16,210,276,964	-
Refunds of contributions	-	204,178,357	-
Refunds and transfers to other systems	-	-	6,041
Administrative expense	1,434,469	52,323,840	-
Payments in accordance with trust agreements	-	-	866,899
Distributions to shareholders	<u>13,191,729,824</u>	<u>-</u>	<u>-</u>
Total Deductions	<u>13,193,164,293</u>	<u>16,466,779,161</u>	<u>872,940</u>
Total Changes in Net Position Held in Trust	(226,275,931)	(1,910,747,165)	(783,288)
Net Position - July 1, 2014	<u>2,029,737,038</u>	<u>87,338,203,148</u>	<u>10,214,060</u>
Net Position - June 30, 2015	<u>\$ 1,803,461,107</u>	<u>\$ 85,427,455,983</u>	<u>\$ 9,430,772</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, 2015**

	New Jersey Transit Corporation	New Jersey Turnpike Authority
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 141,235,342	\$ 289,731,809
Investments	40,552,853	1,072,617,562
Receivables, net of allowances for uncollectibles		
Federal government	325,925,942	-
Loans	-	-
Mortgages	-	-
Other	37,791,346	56,254,922
Due from external parties	123,958,993	508,043
Inventories	125,570,684	20,474,965
Other	16,569,709	29,278,908
Total Current Assets	811,604,869	1,468,866,209
Noncurrent Assets		
Investments	570,874,218	1,164,146,879
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	-
Capital assets - nondepreciated	969,263,870	2,380,110,064
Capital assets - depreciated, net	5,951,883,303	7,653,243,034
Other	8,000	-
Total Noncurrent Assets	7,492,029,391	11,197,499,977
Deferred Outflows of Resources	155,003,756	168,377,882
Total Assets and Deferred Outflows of Resources	8,458,638,016	12,834,744,068
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	361,230,764	143,175,114
Due to external parties	13,728,009	219,367,052
Interest payable	-	255,972,417
Unearned revenue	84,071,236	50,466,621
Current portion of long-term obligations	223,242,367	195,285,080
Other	320,900,386	-
Total Current Liabilities	1,003,172,762	864,266,284
Noncurrent Liabilities		
Net pension liability	465,679,708	-
Net OPEB obligation	431,479,888	319,905,504
Derivative instrument liability	-	45,365,911
Other	1,712,942,754	10,670,281,895
Total Noncurrent Liabilities	2,610,102,350	11,035,553,310
Deferred Inflows of Resources	8,891,326	-
Total Liabilities and Deferred Inflows of Resources	3,622,166,438	11,899,819,594
NET POSITION		
Net investment in capital assets	5,691,959,126	710,971,684
Restricted for:		
Capital projects	6,863,190	-
Debt service	-	183,764,635
Other purposes	-	-
Unrestricted	(862,350,738)	40,188,155
Total Net Position	\$ 4,836,471,578	\$ 934,924,474

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>
\$ 346,231,000	\$ 2,777,633,915	\$ 3,554,832,066
574,784,000	5,420,650,672	7,108,605,087
40,297,000	120,243,035	486,465,977
6,728,000	130,033,340	136,761,340
-	87,559,000	87,559,000
370,763,000	266,519,028	731,328,296
-	42,263,532	166,730,568
3,909,000	17,840,908	167,795,557
14,541,000	226,901,190	287,290,807
<u>1,357,253,000</u>	<u>9,089,644,620</u>	<u>12,727,368,698</u>
961,275,000	1,641,235,654	4,337,531,751
62,779,000	2,371,999,628	2,434,778,628
-	2,152,541,455	2,152,541,455
89,034,000	67,046,699	156,080,699
508,435,000	1,488,186,240	5,345,995,174
2,726,818,000	4,973,518,104	21,305,462,441
409,512,000	214,847,093	624,367,093
<u>4,757,853,000</u>	<u>12,909,374,873</u>	<u>36,356,757,241</u>
<u>171,594,000</u>	<u>240,005,835</u>	<u>734,981,473</u>
<u>6,286,700,000</u>	<u>22,239,025,328</u>	<u>49,819,107,412</u>
353,962,000	415,705,862	1,274,073,740
-	49,948,311	283,043,372
10,155,000	78,546,100	344,673,517
92,912,000	172,028,898	399,478,755
59,882,000	412,945,268	891,354,715
91,719,000	317,607,143	730,226,529
<u>608,630,000</u>	<u>1,446,781,582</u>	<u>3,922,850,628</u>
1,354,656,000	1,705,988,541	3,526,324,249
-	158,498,973	909,884,365
25,917,000	96,154,943	167,437,854
<u>2,184,215,000</u>	<u>9,465,495,830</u>	<u>24,032,935,479</u>
<u>3,564,788,000</u>	<u>11,426,138,287</u>	<u>28,636,581,947</u>
<u>67,660,000</u>	<u>281,169,966</u>	<u>357,721,292</u>
<u>4,241,078,000</u>	<u>13,154,089,835</u>	<u>32,917,153,867</u>
1,457,539,000	2,297,496,444	10,157,966,254
51,505,000	113,802,382	172,170,572
15,639,000	917,819,929	1,117,223,564
1,072,994,000	5,503,718,747	6,576,712,747
(552,055,000)	252,097,991	(1,122,119,592)
<u>\$ 2,045,622,000</u>	<u>\$ 9,084,935,493</u>	<u>\$ 16,901,953,545</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	New Jersey Transit Corporation	New Jersey Turnpike Authority
Expenses	\$ 2,571,495,097	\$ 1,252,291,400
 Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	1,012,862,633	1,539,071,026
Operating grants and contributions	1,074,816,672	(32,311,909)
Capital grants and contributions	321,892,313	-
Net (Expense) Revenue	(161,923,479)	254,467,717
 General Revenue		
Payments from State	40,284,000	10,669,349
Total General Revenue	40,284,000	10,669,349
 Change in Net Position	 (121,639,479)	 265,137,066
 Net Position - Beginning of Year (Restated)	 4,958,111,057	 669,787,408
Net Position - End of Year	\$ 4,836,471,578	\$ 934,924,474

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>
\$ 3,533,482,000	\$ 5,662,656,332	\$ 13,019,924,829
1,858,149,000	2,329,016,451	6,739,099,110
1,231,774,000	1,585,396,248	3,859,675,011
<u>121,066,000</u>	<u>1,525,234,592</u>	<u>1,968,192,905</u>
<u>(322,493,000)</u>	<u>(223,009,041)</u>	<u>(452,957,803)</u>
<u>455,194,000</u>	<u>553,648,440</u>	<u>1,059,795,789</u>
<u>455,194,000</u>	<u>553,648,440</u>	<u>1,059,795,789</u>
132,701,000	330,639,399	606,837,986
<u>1,912,921,000</u>	<u>8,754,296,094</u>	<u>16,295,115,559</u>
<u>\$ 2,045,622,000</u>	<u>\$ 9,084,935,493</u>	<u>\$ 16,901,953,545</u>

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