

FINANCIAL SECTION





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INDEPENDENT AUDITOR'S REPORT

The Honorable Mikie Sherrill
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Maureen McMahon
Executive Director
Office of Legislative Services

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, 2025, 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 accompanying 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, 2025, 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 86 percent, 89 percent, and 44 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 2E of the basic financial statements. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the pensions and other employee benefits trust funds and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors. In addition, we did not audit the financial statements of the discretely presented component units. Our opinion on the aggregate discretely presented component units is based solely upon audit reports prepared by other auditors and furnished to us.

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*.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 2A, the State of New Jersey adopted the provisions of Governmental Accounting Standards Board Statement No. 102, *Certain Risk Disclosures*. Our opinion was not modified with respect to this matter.

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.

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, 2026 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 style with a large initial 'D' and 'K'.

David J. Kaschak
State Auditor
March 27, 2026



*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, 2025. 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 \$120.8 billion, an increase of \$1.0 billion from the prior fiscal year after restatements, that resulted in a \$8.4 billion increase in net position. Restatements were made to increase net position over various accounts. As of June 30, 2025, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$150.1 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 \$174.1 billion. The negative balance is primarily a result of the State's Net Pension Liability (NPL) and Other Postemployment Benefits (OPEB) Liability. Financing activities that have contributed to the State's negative unrestricted net position include liabilities from transportation bonds sold to finance highway and other transit construction, 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, 2025 component unit assets and deferred outflows of resources exceeded component unit liabilities and deferred inflows of resources by \$26.1 billion after restatements. Total component unit assets and deferred outflows of resources totaled \$72.0 billion, an increase of \$4.1 billion from the prior year, after restatements.

Fund Level

- The State's governmental funds reported June 30, 2025 combined ending fund balances of \$32.7 billion, a decrease of \$317.0 million 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 (\$10.3 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 (\$13.8 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 (\$8.6 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 \$437.5 million from the prior fiscal year resulting in net position of \$3.5 billion as of June 30, 2025.

Long-term Obligations

- The State's governmental long-term obligations increased 4.2 percent to \$209.4 billion, after restatements, which includes a net decrease in bonded obligations of \$1.1 billion. During the fiscal year, the State issued \$4.9 billion in bonds. New money issuances represented \$1.5 billion, issued primarily for transportation program improvements. The State also issued \$3.4 billion of refunding bonds that provided the State with \$140.2 million in net present value savings. During Fiscal Year 2025, the State made principal and interest payments totaling \$4.6 billion on its long-term obligations.
- Non-bonded portions of the State's governmental long-term obligations total \$170.8 billion. This amount represents a \$9.6 billion increase from the prior fiscal year, after restatements, and is mainly attributable to an increase in the OPEB Liability of \$11.7 billion, resulting from changes in actuarial assumptions relating to the pensions and OPEB plans, offset by a decrease in the NPL of \$2.0 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 of resources 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 2025 with combined net position for the primary government totaling a negative \$150.1 billion. This amount represents an increase of net position of \$8.4 billion from the prior fiscal year after restatements. Restricted net position includes funds used to pay unemployment claims, water infrastructure and other environmental projects, 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)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024*</u>	<u>2025</u>	<u>2024*</u>	<u>2025</u>	<u>2024*</u>
Current and other noncurrent assets	\$ 43,010.1	\$ 44,045.1	\$ 4,107.3	\$ 4,350.5	\$ 47,117.4	\$ 48,395.6
Capital assets, net	33,751.3	33,082.2	-	-	33,751.3	33,082.2
Total Assets	<u>76,761.4</u>	<u>77,127.3</u>	<u>4,107.3</u>	<u>4,350.5</u>	<u>80,868.7</u>	<u>81,477.8</u>
Deferred Outflows of Resources	<u>39,884.7</u>	<u>38,274.6</u>	<u>-</u>	<u>-</u>	<u>39,884.7</u>	<u>38,274.6</u>
Current liabilities	16,030.6	14,557.8	478.0	1,145.7	16,508.6	15,703.5
Noncurrent liabilities	202,993.2	196,695.9	151.2	164.2	203,144.4	196,860.1
Total Liabilities	<u>219,023.8</u>	<u>211,253.7</u>	<u>629.2</u>	<u>1,309.9</u>	<u>219,653.0</u>	<u>212,563.6</u>
Deferred Inflows of Resources	<u>51,156.4</u>	<u>65,639.7</u>	<u>-</u>	<u>-</u>	<u>51,156.4</u>	<u>65,639.7</u>
Net Position:						
Net investment in capital assets	11,581.3	13,358.8	-	-	11,581.3	13,358.8
Restricted	8,987.1	8,273.7	3,478.1	3,040.6	12,465.2	11,314.3
Unrestricted	(174,102.5)	(183,124.0)	-	-	(174,102.5)	(183,124.0)
Total Net Position	<u>\$ (153,534.1)</u>	<u>\$ (161,491.5)</u>	<u>\$ 3,478.1</u>	<u>\$ 3,040.6</u>	<u>\$ (150,056.0)</u>	<u>\$ (158,450.9)</u>

* Net Position was restated to reflect the following: prior period adjustments for increases in capital assets of \$523.9 million, an increase in accumulated depreciation of \$236.9 million, decreases in lease liabilities of \$82.3 million, an increase in compensated absences of \$45.4 million, and a correction of a Governmental Funds overstatement of revenues of \$47.3 million.

Changes in Net Position

The State's Fiscal Year 2025 net position increased by \$8.4 billion after restatements. Approximately 52.2 percent of the State's total revenues came from general taxes, while 31.7 percent was derived from operating grants. Charges for services amounted to 14.1 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 31.8 percent was educational cultural, and intellectual development, which includes approximately \$11.0 billion in state aid to school districts and \$271.9 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 12.0 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 2025, governmental activities expenses exceeded program revenues. This imbalance was mainly funded through \$53.8 billion of general revenues (mostly taxes). The remaining \$8.0 billion resulted in an increase in net position. Additionally, Business-type Activities reflected a net position increase of \$0.4 billion primarily because the Unemployment Compensation Fund's taxes assessed were greater than claims paid.

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

	Governmental Activities		Business-type Activities		Primary Government Total	
	2025	2024*	2025	2024*	2025	2024*
Revenues						
Program revenues						
Charges for services	\$ 7,316.0	\$ 6,954.3	\$ 6,650.7	\$ 7,269.7	\$ 13,966.7	\$ 14,224.0
Operating grants	31,358.8	31,136.2	105.1	69.4	31,463.9	31,205.6
Capital grants	138.3	96.8	-	-	138.3	96.8
General revenues						
General taxes	51,867.0	47,884.2	-	-	51,867.0	47,884.2
Interest earnings	937.7	1,224.2	-	-	937.7	1,224.2
Miscellaneous	1,005.7	959.7	-	-	1,005.7	959.7
Total Revenues	92,623.5	88,255.4	6,755.8	7,339.1	99,379.3	95,594.5
Expenses						
Public safety and criminal justice	4,605.6	4,369.0	-	-	4,605.6	4,369.0
Physical and mental health	24,226.0	23,210.6	-	-	24,226.0	23,210.6
Educational, cultural, and intellectual development	28,926.9	27,946.9	-	-	28,926.9	27,946.9
Community development and environmental management	3,563.7	3,039.3	-	-	3,563.7	3,039.3
Economic planning, development, and security	10,984.6	10,254.3	-	-	10,984.6	10,254.3
Transportation programs	3,983.0	3,450.8	-	-	3,983.0	3,450.8
Government direction, management, and control	6,697.9	5,847.1	-	-	6,697.9	5,847.1
Special government services	552.5	529.7	-	-	552.5	529.7
Interest expense	1,108.2	1,188.0	-	-	1,108.2	1,188.0
State Lottery Fund	-	-	3,414.2	3,694.9	3,414.2	3,694.9
Unemployment Compensation Fund	-	-	2,904.1	2,697.8	2,904.1	2,697.8
Total Expenses	84,648.4	79,835.7	6,318.3	6,392.7	90,966.7	86,228.4
Excess (Deficiency) Before Transfers	7,975.1	8,419.7	437.5	946.4	8,412.6	9,366.1
Transfers	(17.7)	(85.9)	-	-	(17.7)	(85.9)
Increase (Decrease) in Net Position	7,957.4	8,333.8	437.5	946.4	8,394.9	9,280.2
Net Position - July 1 (Restated)	(161,491.5)	(169,825.3)	3,040.6	2,094.2	(158,450.9)	(167,731.1)
Net Position - June 30	\$ (153,534.1)	\$ (161,491.5)	\$ 3,478.1	\$ 3,040.6	\$ (150,056.0)	\$ (158,450.9)

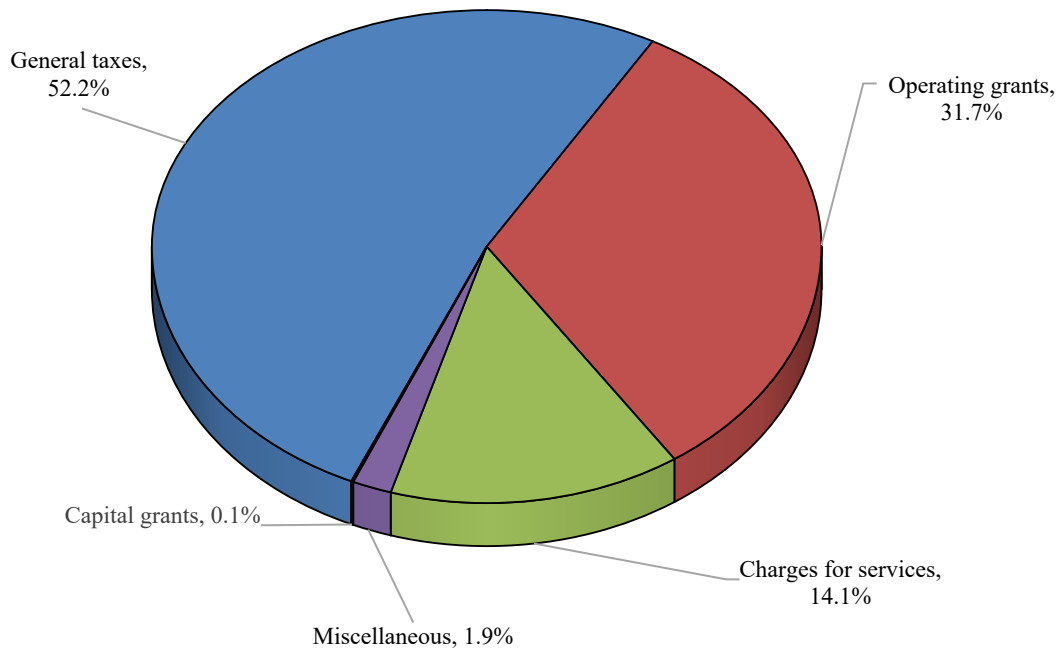
* Net Position was restated to reflect the following: prior period adjustments for increases in capital assets of \$523.9 million, an increase in accumulated depreciation of \$236.9 million, decreases in lease liabilities of \$82.3 million, an increase in compensated absences of \$45.4 million, and a correction of a Governmental Funds overstatement of revenues of \$47.3 million.

Primary Government – Fiscal Year 2025 Revenues and Expenses

During Fiscal Year 2025, State revenues totaled \$99.4 billion or an increase of \$3.8 billion when compared to the prior fiscal year after restatements. This increase is primarily attributable to higher general taxes. General taxes totaled \$51.9 billion and operating grants totaled \$31.5 billion, accounting for 52.2 percent and 31.7 percent, respectively, of total State revenues for Fiscal Year 2025. The State’s Gross Income Tax totaled \$21.0 billion, the Sales and Use Tax totaled \$14.0 billion, and the Corporation Business Tax totaled \$4.8 billion. The State’s three major taxes comprised 76.7 percent of the total general taxes that were collected during Fiscal Year 2025. General taxes increased by \$4.0 billion when compared to Fiscal Year 2024.

The following pie chart depicts the primary government revenue activity for the fiscal year ended June 30, 2025:

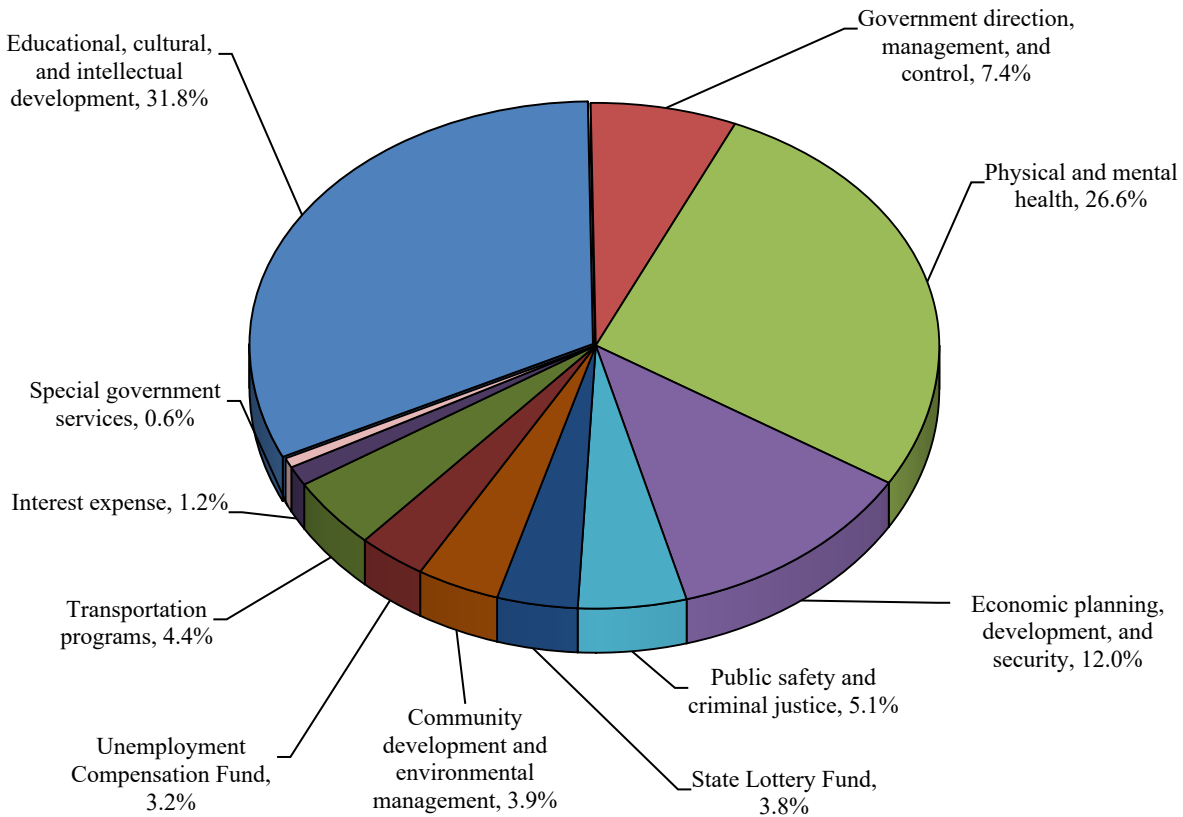
**Revenues – Primary Government
Fiscal Year Ended June 30, 2025**



Fiscal Year 2025 expenses totaled \$91.0 billion, an increase of \$4.7 billion after restatements in comparison to the prior fiscal year. State spending increased in physical and mental health (\$1.0 billion); education, cultural, and intellectual development (\$1.0 billion); government direction, management, and control (\$0.9 billion); and economic planning, development, and security (\$0.7 billion).

The following pie chart depicts the primary government expenses activity for the fiscal year ended June 30, 2025:

**Expenses – Primary Government
Fiscal Year Ended June 30, 2025**



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 2025 amounted to \$19.5 billion and \$18.9 billion, respectively. Total operations along with other revenue and expenses contributed to total combined net position at fiscal year end of \$26.1 billion. The component units received \$1.9 billion in State appropriations during Fiscal Year 2025.

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, 2025 fund balances of \$32.7 billion, a \$0.3 billion decrease 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 \$22.4 billion of which \$8.6 billion represented unassigned fund balance. During Fiscal Year 2025, unassigned fund balance decreased by \$514.5 million, after restatements. A primary reason for the decrease in fund balance was due to an \$808.8 million decrease in services and assessments, mainly attributable to a one-time settlement received for \$700 million in Fiscal Year 2024. 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. During Fiscal Year 2025, the State made a \$15.4 million deposit to the Surplus Revenue Fund. As of June 30, 2025, this fund has a zero balance.

On a budgetary basis, the General Fund collected general revenues of \$61.2 billion. These general revenues were \$1.1 billion lower than final budgeted revenues and were \$0.1 billion lower than originally anticipated, primarily due to decreases in federal and other grants. Major tax revenues were \$535 million lower than originally anticipated, primarily due to lower collections than projected from the Corporate Business Tax and Corporate Transit Fee.

Total expenditures and transfers were \$1.6 billion lower than final budgeted expenditures. From a Fiscal Year 2025 program perspective, under spending transpired in economic planning, development, and security (\$1.5 billion); community development and environmental (\$1.0 billion); transportation programs (\$1.0 billion); physical and mental health (\$629.1 million); and special government services (\$449.9 million); while over spending transpired in government direction, management, and control (\$326.9 million) and educational, cultural, and intellectual development (\$84.6 million). Additionally, transfers to other funds were \$2.9 billion higher than original plus supplemental appropriations.

Looking forward to Fiscal Year 2026, General Fund unassigned fund balances are projected to decrease another \$1.4 billion. This is primarily due to major tax revenues projecting \$0.8 billion lower than originally anticipated, and original and supplemental appropriations are projecting to increase by \$0.8 billion compared to the appropriations act.

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 2025, \$21.6 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2025 ending fund balance was \$1.1 billion. Gross Income Tax collections increased by \$2.2 billion from Fiscal Year 2024. Fiscal Year 2026 gross income tax collections are expected to increase by \$1.5 billion when compared to Fiscal Year 2025 and \$1.0 billion compared to amounts originally anticipated.

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 2025, gross revenues totaled \$3.4 billion of which \$2.0 billion was returned in prizes; \$1.1 billion was transferred to pension funds; \$260.6 million was paid to sales agents and ticket vendors; and \$64.8 million covered Lottery operational and promotional expenses. As of June 30, 2025, the State Lottery, since its inception, has generated over \$99.0 billion in gross revenues, \$55.5 billion in prizes, contributed \$26.0 billion to the State, and \$8.8 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 increased by \$213.8 million in Fiscal Year 2025, due to increases in the State's unemployment rate.

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. Several upgrades to the State's credit rating in recent years should result in favorable borrowing costs when the need arises.

The Fiscal Year 2025 capital appropriation included \$4.8 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 \$833.0 million for State highway infrastructure, \$400.0 million for local highways, and \$767.0 million for mass transit. During Fiscal Year 2025, there were no new issuances of School Facilities Construction Bonds. As of June 30, 2025, 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. The State's investment in capital assets, net of accumulated depreciation, totaled \$33.8 billion as of June 30, 2025. Depreciation expense charges for Fiscal Year 2025 totaled \$1.3 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)

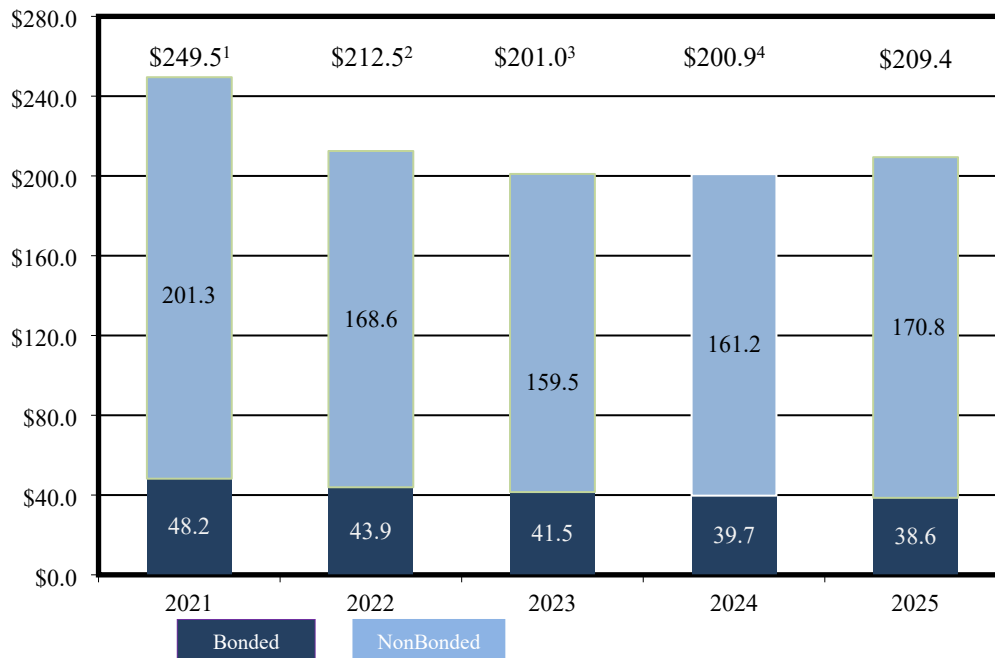
	Total Primary Government	
	2025	2024*
Land and Easements	\$ 5,756.2	\$ 5,603.9
Land Improvements	71.2	64.5
Buildings and Improvements	1,284.0	1,243.2
Equipment and Software	457.0	431.0
Infrastructure	17,937.7	18,277.8
Sub-Total	25,506.1	25,620.4
Construction In Progress	7,560.6	6,668.2
Net Right of Use Leases	666.2	758.3
Net SBITA Assets	18.4	35.3
Total	<u>\$ 33,751.3</u>	<u>\$ 33,082.2</u>

* The July 1, 2024 capital asset balance has been restated by \$523.9 million and the accumulated depreciation balance has been restated by \$236.9 million across construction in progress, land improvements, buildings and improvements, equipment and software, and infrastructure.

Debt Administration

As of June 30, 2025, New Jersey’s outstanding long-term obligations for governmental activities totaled \$209.4 billion, a \$8.5 billion increase, or 4.21 percent after restatements, relative to the prior fiscal year. The change in outstanding obligations is primarily attributable to an increase in OPEB Liability of \$11.7 billion, offset by a \$1.1 billion decrease in bonded debt. Long-term bonded obligations totaled \$38.6 billion, while other long-term non-bonded obligations totaled \$170.8 billion. In addition, the State has \$8.9 billion of legislatively authorized bonding capacity that has not yet been issued. As of June 30, 2025, the legislatively authorized but unissued debt decreased by \$1.5 billion from the prior fiscal year after restatements (See Statistical Section – Legislatively Authorized But Unissued Debt, 2025 and 2024).

**Long-Term Bonded and Non-Bonded Obligations
Fiscal Year 2021 to Fiscal Year 2025
(Expressed in Billions)**



- 1 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.
- 2 Restated to reflect an increase of leases of \$36.0 million and a decrease of capitalized software of \$4.8 million.
- 3 Restated to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No.101, *Compensated Absences*. As a result of implementing GASB No. 101, compensated absences increased by \$178.3 million. Additionally, non-bonded obligations were restated to reflect an increase in leases of \$22.3 million and an increase in Arbitrage Rebate Liability of \$37.2 million.
- 4 Restated to reflect an increase of compensated absences of \$45.4 million and a decrease of leases of \$82.3 million.

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

ECONOMIC CONDITION AND OUTLOOK

New Jersey experienced stable but slowing economic growth in 2025. The State's Gross Domestic Product (GDP) – a broad measure of economic output – showed moderate growth overall, while employment levels rose slightly. Price inflation continued to decline over the course of the year. Higher interest rates, which were intended to slow economic activity in order to tame inflation, eased slightly over the second half of 2025. However, despite this modest retreat, borrowing costs remained elevated enough to restrain activity in certain sectors, particularly the housing market. As 2026 begins, the economic outlook for both New Jersey and the nation points to continued slow growth. The Federal Open Market Committee (FOMC) lowered interest rates at the end of 2025 to encourage spending and investment, but additional rate cuts in 2026 remain uncertain and may depend on the upcoming change in leadership.

The State's economic growth over the first three quarters of 2025 slightly lagged behind the U.S. as a whole. Over the first three quarters of 2025, New Jersey's rate of real GDP growth (2.2 percent) was outpaced by New York (3.5 percent) and Pennsylvania (2.8 percent) and ranked 25th out of the fifty states. The State's unemployment rate increased 0.8 percentage points over the course of the year, ending 2025 at 5.4 percent. This was 1.0 percentage point higher than the national rate (4.4 percent). It was also higher than the unemployment rate of New York (4.6 percent), Pennsylvania (4.2 percent), and Connecticut (4.2 percent), and ranked second highest in the United States.

New Jersey's labor market has slowed in recent years. Following gains of 115,400 jobs in 2022, 64,200 jobs in 2023, and 39,200 jobs in 2024, preliminary estimates indicate only 9,000 jobs were added in 2025. Employment increased modestly in six of the year's twelve months. Payroll employment fell by an average of 2,600 jobs per month during the first half of 2025 but grew by an average of 4,100 jobs per month in the second half of the year, suggesting the potential for a rebound in momentum.

Job growth in 2025 was largely concentrated in the Educational & Health Services sector, while most other sectors saw minimal growth or declines. Only two sectors added more than 500 jobs over the year: Educational & Health Services (+28,400 jobs) and Professional & Business Services (+8,900). Construction lost 10,200 jobs, Trade, Transportation & Utilities declined by 9,800 jobs, and the Information sector lost 3,400 jobs. Employment in most sectors remained above pre-pandemic levels at the end of 2025. The only sectors still below their pre-pandemic employment levels were Construction (-8,300 jobs), Government (-2,100 jobs) and Other Services (-1,100 jobs).

New Jersey wages and salaries rose 4.3 percent over the first three quarters of 2025 with personal income growing by 4.5 percent. Weaker growth in many industries caused New Jersey wage and salary growth to lag behind its regional peers. Stock markets have just completed three years of strong gains, likely boosting non-wage income sources. From the end of 2022 to the end of 2025, the S&P 500 grew 78.3 percent, and the Dow Jones Industrial Average increased 45.0 percent over the same period. New Jersey wage and salary growth was faster than New York (3.4 percent), Connecticut (3.2 percent), and Pennsylvania (4.2 percent). When it comes to personal income growth, New Jersey ranked second among its regional peers with New York (4.4 percent), Connecticut (4.1 percent), and Pennsylvania (5.4 percent).

U.S. price inflation edged lower in 2025, as the national consumer price index (CPI) rose 2.4 percent year-over-year in January 2026, representing a decline of 0.6 percentage points from January 2025's level of 3.0 percent. Core Consumer Price Index (Core CPI), which excludes food and energy items, rose 2.5 percent year-over-year in January. Regional year-over-year CPI in the metropolitan area containing much of northern and central New Jersey grew 2.9 percent and regional Core CPI was up 2.8 percent in January 2026.

The U.S. housing market was relatively flat in 2025 as elevated mortgage rates and home prices continued to constrain activity. The average U.S. 30-year fixed rate mortgage softened in the second half of the 2025 and now hovers just above 6.1 percent in January to begin 2026. The median sales price for a single-family home in New Jersey reached \$575,000 in January 2026, rising 1.8 percent from January 2025.

Looking ahead, economic forecasters generally expect moderate growth will continue for both New Jersey and the United States in 2026 and 2027, despite several lingering uncertainties. International trade could face additional rounds of tariff adjustments, and while interest rates are more likely than not to decline further, inflation remains above the 2.0 percent target. Recent, significant escalations in the Middle East have introduced substantial shocks to global markets and unknown outcomes. According to the FOMC's December 2025 projection, real (inflation-adjusted) GDP in the U.S. is expected to grow 2.3 percent in 2026, following a modest performance in 2025. Economists surveyed by the Wall Street Journal in January 2026 forecasted real GDP growth of 2.2 percent for the nation in 2026.

REQUEST FOR INFORMATION

This Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025 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, 2025, 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>.

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*Basic Financial
Statements*

STATE OF NEW JERSEY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 348,464,459	\$ 686,197	\$ 349,150,656	\$ 6,144,155,419
Investments	30,388,911,407	266,498,958	30,655,410,365	11,785,467,945
Receivables, net of allowances for uncollectibles				
Federal government	1,810,924,569	2,418,904,160	4,229,828,729	350,451,664
Departmental accounts	5,615,545,388	1,056,016,347	6,671,561,735	-
Loans	1,964,057,250	-	1,964,057,250	546,624,092
Mortgages	-	-	-	178,232,000
Other	1,230,925,660	255,311,494	1,486,237,154	1,865,606,053
Internal balances	40,704,235	(40,704,235)	-	-
Due from external parties	263,528,555	-	263,528,555	307,068,917
Advances	798,798,217	-	798,798,217	-
Inventories	-	-	-	260,884,132
Deferred charges	-	934,658	934,658	-
Other	4,408,567	-	4,408,567	330,689,155
Total Current Assets	42,466,268,307	3,957,647,579	46,423,915,886	21,769,179,377
Noncurrent Assets				
Investments	-	149,654,497	149,654,497	6,318,673,003
Receivables, net of allowances for uncollectibles				
Loans	-	-	-	2,350,475,087
Mortgages	-	-	-	2,300,975,191
Other	269,126,464	-	269,126,464	1,059,394,161
Net pension assets	3,392,969	-	3,392,969	-
Capital assets - nondepreciated	13,316,776,527	-	13,316,776,527	9,446,914,635
Capital assets - depreciated, net	20,434,543,360	-	20,434,543,360	25,567,953,249
Other	271,283,624	-	271,283,624	1,318,671,653
Total Noncurrent Assets	34,295,122,944	149,654,497	34,444,777,441	48,363,056,979
Total Assets	76,761,391,251	4,107,302,076	80,868,693,327	70,132,236,356
Deferred Outflows of Resources	39,884,675,113	-	39,884,675,113	1,824,047,583

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

STATE OF NEW JERSEY
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	5,701,016,487	212,271,353	5,913,287,840	2,132,691,243
Due to external parties	33,578,459	172,000,000	205,578,459	135,482,956
Interest payable	168,890,847	-	168,890,847	398,025,604
Unearned revenue	2,779,527,376	-	2,779,527,376	1,021,044,883
Advances	1,320,138	-	1,320,138	-
Current portion of long-term obligations	6,428,031,684	18,228,500	6,446,260,184	1,555,435,861
Refunds payable	875,892,393	74,730,736	950,623,129	-
Other	42,335,330	751,856	43,087,186	1,855,477,594
Total Current Liabilities	16,030,592,714	477,982,445	16,508,575,159	7,098,158,141
Noncurrent Liabilities				
Net pension liability	77,460,398,549	-	77,460,398,549	4,843,902,295
OPEB liability	86,276,107,370	-	86,276,107,370	3,554,739,188
Revenue bonds payable, net	20,889,997,709	-	20,889,997,709	13,254,633,539
Installment obligations, net	7,142,011,537	-	7,142,011,537	4,764,879,733
Other	11,224,681,121	151,231,001	11,375,912,122	9,047,518,209
Total Noncurrent Liabilities	202,993,196,286	151,231,001	203,144,427,287	35,465,672,964
Total Liabilities	219,023,789,000	629,213,446	219,653,002,446	42,563,831,105
 Deferred Inflows of Resources	 51,156,379,871	 -	 51,156,379,871	 3,306,691,186
NET POSITION				
Net investment in capital assets	11,581,283,373	-	11,581,283,373	14,743,823,079
Restricted for:				
Capital projects	-	-	-	196,958,693
Physical and mental health	254,169,155	-	254,169,155	-
Educational, cultural, and intellectual development	284,850,768	-	284,850,768	-
Community development and environmental management	4,838,563,896	-	4,838,563,896	-
Economic planning, development, and security	563,129,690	-	563,129,690	-
Transportation programs	871,696,374	-	871,696,374	-
Government direction, management, and control	30,869	-	30,869	-
Employee benefits	1,119,495,066	-	1,119,495,066	-
Debt service	-	-	-	1,333,822,220
Property tax relief	1,055,185,989	-	1,055,185,989	-
Unemployment	-	3,477,474,951	3,477,474,951	-
Prize awards and Pension Fund contributions	-	613,679	613,679	-
Other purposes	-	-	-	11,410,895,854
Unrestricted	(174,102,507,687)	-	(174,102,507,687)	(1,599,738,198)
Total Net Position	\$ (153,534,102,507)	\$ 3,478,088,630	\$ (150,056,013,877)	\$ 26,085,761,648

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	\$ 4,605,575,793	\$ 1,042,779,137	\$ 970,136,656	\$ 688,360
Physical and mental health	24,226,020,882	882,070,692	1,987,197,931	-
Educational, cultural, and intellectual development	28,926,875,876	37,382,064	1,988,616,421	-
Community development and environmental management	3,563,726,112	346,401,301	2,793,153,918	181,978,323
Economic planning, development, and security	10,984,604,747	2,382,235,206	1,663,856,923	-
Transportation programs	3,982,976,299	27,087,175	2,764,707,736	(44,306,779)
Government direction, management, and control	6,697,850,927	2,349,290,016	19,160,797,142	-
Special government services	552,542,157	248,706,679	30,315,438	-
Interest expense	1,108,193,202	-	-	-
Total governmental activities	<u>84,648,365,995</u>	<u>7,315,952,270</u>	<u>31,358,782,165</u>	<u>138,359,904</u>
Business-type activities:				
State Lottery Fund	3,414,209,081	3,384,750,227	29,395,480	-
Unemployment Compensation Fund	2,904,135,057	3,265,941,931	75,731,763	-
Total business-type activities	<u>6,318,344,138</u>	<u>6,650,692,158</u>	<u>105,127,243</u>	<u>-</u>
Total Primary Government	<u>\$ 90,966,710,133</u>	<u>\$ 13,966,644,428</u>	<u>\$ 31,463,909,408</u>	<u>\$ 138,359,904</u>
Component Units				
Authorities	\$ 9,701,654,683	\$ 4,950,190,608	\$ 3,070,844,277	\$ 2,673,333,304
Colleges and Universities	9,179,695,687	4,826,925,724	3,689,878,714	242,253,620
Total Component Units	<u>\$ 18,881,350,370</u>	<u>\$ 9,777,116,332</u>	<u>\$ 6,760,722,991</u>	<u>\$ 2,915,586,924</u>
General Revenues and Transfers				
Taxes:				
Gross Income Tax				
Sales and Use Tax				
Corporation Business Tax				
Other taxes				
Investment earnings				
Payments from State				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in Net Position				
Net Position - July 1, 2024, as previously reported				
Restatements				
Net Position - July 1, 2024, as restated				
Net Position - June 30, 2025				

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
\$ (2,591,971,640)	\$ -	\$ (2,591,971,640)	\$ -
(21,356,752,259)	-	(21,356,752,259)	-
(26,900,877,391)	-	(26,900,877,391)	-
(242,192,570)	-	(242,192,570)	-
(6,938,512,618)	-	(6,938,512,618)	-
(1,235,488,167)	-	(1,235,488,167)	-
14,812,236,231	-	14,812,236,231	-
(273,520,040)	-	(273,520,040)	-
(1,108,193,202)	-	(1,108,193,202)	-
<u>(45,835,271,656)</u>	<u>-</u>	<u>(45,835,271,656)</u>	<u>-</u>
-	(63,374)	(63,374)	-
-	437,538,637	437,538,637	-
-	437,475,263	437,475,263	-
<u>\$ (45,835,271,656)</u>	<u>\$ 437,475,263</u>	<u>\$ (45,397,796,393)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 992,713,506
-	-	-	(420,637,629)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,075,877</u>
21,007,331,346	-	21,007,331,346	-
14,002,248,450	-	14,002,248,450	-
4,779,247,469	-	4,779,247,469	-
12,078,194,288	-	12,078,194,288	-
937,728,814	-	937,728,814	-
-	-	-	1,939,441,925
1,005,681,755	-	1,005,681,755	-
(17,714,848)	-	(17,714,848)	-
<u>53,792,717,274</u>	<u>-</u>	<u>53,792,717,274</u>	<u>1,939,441,925</u>
7,957,445,618	437,475,263	8,394,920,881	2,511,517,802
(161,768,140,463)	3,040,613,367	(158,727,527,096)	23,659,423,576
276,592,338	-	276,592,338	(85,179,730)
(161,491,548,125)	3,040,613,367	(158,450,934,758)	23,574,243,846
<u>\$ (153,534,102,507)</u>	<u>\$ 3,478,088,630</u>	<u>\$ (150,056,013,877)</u>	<u>\$ 26,085,761,648</u>

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	<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	\$ 152,570,103	\$ -	\$ 195,894,356	\$ 348,464,459
Investments	21,634,235,955	-	8,754,675,452	30,388,911,407
Receivables, net of allowances for uncollectibles				
Federal government	989,360,578	-	821,563,991	1,810,924,569
Departmental accounts	3,513,656,264	1,259,077,973	842,811,151	5,615,545,388
Loans	464,801,589	-	1,499,255,661	1,964,057,250
Other	103,811,900	-	1,127,113,760	1,230,925,660
Due from other funds	1,962,762,277	323,958,212	808,926,892	3,095,647,381
Advances	798,798,217	-	-	798,798,217
Other	4,365,147	-	43,423	4,408,570
Total Assets	<u>\$ 29,624,362,030</u>	<u>\$ 1,583,036,185</u>	<u>\$ 14,050,284,686</u>	<u>\$ 45,257,682,901</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 3,325,877,836	\$ 130,783,643	\$ 2,244,355,008	\$ 5,701,016,487
Unearned revenue	2,584,412,033	-	195,115,343	2,779,527,376
Due to other funds	536,104,573	55,597,373	2,233,291,107	2,824,993,053
Advances	-	-	1,320,138	1,320,138
Refunds payable	534,423,213	341,469,180	-	875,892,393
Other	40,035,176	-	2,300,154	42,335,330
Total Liabilities	<u>7,020,852,831</u>	<u>527,850,196</u>	<u>4,676,381,750</u>	<u>12,225,084,777</u>
Deferred Inflows of Resources	<u>222,918,521</u>	<u>-</u>	<u>105,265,577</u>	<u>328,184,098</u>
Fund Balances				
Nonspendable	20,416,073	-	-	20,416,073
Restricted	2,681,944,214	1,055,185,989	6,525,260,686	10,262,390,889
Committed	11,052,611,951	-	2,743,376,673	13,795,988,624
Unassigned	8,625,618,440	-	-	8,625,618,440
Total Fund Balances	<u>22,380,590,678</u>	<u>1,055,185,989</u>	<u>9,268,637,359</u>	<u>32,704,414,026</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 29,624,362,030</u>	<u>\$ 1,583,036,185</u>	<u>\$ 14,050,284,686</u>	<u>\$ 45,257,682,901</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, 2025

Total fund balances of governmental funds \$ 32,704,414,026

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	\$ 5,756,153,475	
Land improvements	77,384,486	
Buildings and improvements	1,943,412,087	
Equipment and software	476,040,009	
Infrastructure	17,937,706,778	
Construction in progress	<u>7,560,623,052</u>	33,751,319,887

Noncurrent assets are not current resources and, therefore, are not reported in the fund perspective. 543,803,057

Deferred outflows of resources are not current resources and, therefore, are not reported in the fund perspective. 39,884,675,113

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	(168,890,847)	
Current portion of long-term obligations	<u>(6,428,031,684)</u>	(6,596,922,531)
Noncurrent Liabilities		
General Obligation Bonds Payable	(3,054,175,000)	
Revenue Bonds Payable	(23,032,685,000)	
Unamortized Interest on CABs Revenue Bonds	2,142,687,291	
Installment Obligations	(7,142,502,532)	
Unamortized Interest on CABs Installment Obligations	490,995	
Certificates of Participation	(54,356,616)	
Loans Payable	(1,279,358,087)	
Leases	(659,194,436)	
SBITAs	(18,653,424)	
Compensated Absences	(320,146,844)	
Unamortized Premium	(2,440,118,193)	
Tobacco Settlement Financing Corporation Bonds	(2,241,060,000)	
Net Pension Liability	(77,460,398,549)	
OPEB Liability	(86,276,107,370)	
Other	<u>(1,157,618,521)</u>	(202,993,196,286)

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. (46,207,943)

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

Net Pension Liability	(11,250,213,723)	
OPEB Liability	<u>(39,531,774,107)</u>	<u>(50,781,987,830)</u>

Net Position of governmental activities **\$ (153,534,102,507)**

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, 2025

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 27,535,370,653	\$ 22,157,701,664	\$ 3,010,962,087	\$ 52,704,034,404
Federal and other grants	25,944,819,933	-	2,167,867,789	28,112,687,722
Licenses and fees	1,582,616,065	-	178,312,146	1,760,928,211
Services and assessments	2,140,760,752	-	2,386,525,553	4,527,286,305
Component Units and Port Authority	437,090,402	-	8,081,058	445,171,460
Investment earnings	952,995,499	-	408,431,807	1,361,427,306
Contributions	-	-	652,151,659	652,151,659
Other	2,385,370,907	-	643,114,612	3,028,485,519
Total Revenues	<u>60,979,024,211</u>	<u>22,157,701,664</u>	<u>9,455,446,711</u>	<u>92,592,172,586</u>
EXPENDITURES				
Current:				
Public safety and criminal justice	4,384,995,823	47,343,861	173,688,494	4,606,028,178
Physical and mental health	24,066,301,495	138,448,614	54,364,015	24,259,114,124
Educational, cultural, and intellectual development	11,695,394,902	16,434,514,299	814,383,338	28,944,292,539
Community development and environmental management	3,277,032,324	30,748,676	393,103,402	3,700,884,402
Economic planning, development, and security	8,030,184,577	131,505,518	2,854,451,773	11,016,141,868
Transportation programs	901,904,480	66,135,193	3,484,711,875	4,452,751,548
Government direction, management, and control	6,125,847,029	4,759,659,922	3,664,397,104	14,549,904,055
Special government services	528,131,553	-	847,503	528,979,056
Capital Outlay	19,911,696	-	-	19,911,696
Debt Service:				
Principal	410,755,000	-	1,033,038,579	1,443,793,579
Interest	163,427,135	-	919,085,314	1,082,512,449
Total Expenditures	<u>59,603,886,014</u>	<u>21,608,356,083</u>	<u>13,392,071,397</u>	<u>94,604,313,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,375,138,197</u>	<u>549,345,581</u>	<u>(3,936,624,686)</u>	<u>(2,012,140,908)</u>
OTHER FINANCING SOURCES (USES)				
Bonds, notes, installment obligations, COPS issued, and lease acquisitions	49,911,696	-	1,500,000,000	1,549,911,696
Refunding bonds issued	149,453,876	-	3,249,980,000	3,399,433,876
Premiums/discounts	9,390,300	-	447,980,770	457,371,070
Payment to bond escrow agents	(157,842,339)	-	(3,536,017,526)	(3,693,859,865)
Transfers from other funds	2,449,979,763	-	7,330,486,038	9,780,465,801
Transfers to other funds	(4,958,220,502)	(293,641,717)	(4,546,260,704)	(9,798,122,923)
Total other financing sources (uses)	<u>(2,457,327,206)</u>	<u>(293,641,717)</u>	<u>4,446,168,578</u>	<u>1,695,199,655</u>
Net Change in Fund Balance	<u>(1,082,189,009)</u>	<u>255,703,864</u>	<u>509,543,892</u>	<u>(316,941,253)</u>
Fund Balances - July 1, 2024, as previously reported	23,495,091,783	799,482,125	8,774,093,467	33,068,667,375
Restatement	(32,312,096)	-	(15,000,000)	(47,312,096)
Fund Balances - July 1, 2024, as restated	<u>23,462,779,687</u>	<u>799,482,125</u>	<u>8,759,093,467</u>	<u>33,021,355,279</u>
Fund Balances - June 30, 2025	<u>\$ 22,380,590,678</u>	<u>\$ 1,055,185,989</u>	<u>\$ 9,268,637,359</u>	<u>\$ 32,704,414,026</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, 2025

Net change in fund balances of total governmental funds \$ (316,941,253)

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	\$ 1,965,836,968	
Depreciation expense	<u>(1,296,660,245)</u>	
Excess of capital outlay over depreciation expense		669,176,723

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. (1,500,000,000)

Some capital additions were financed through certain debt arrangements. 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. (49,911,696)

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	410,755,000	
Revenue Bonds principal	947,105,000	
Leases	93,144,054	
SBITAs	21,395,803	
Installment Obligations	1,423,758,406	
Certificates of Participation	21,988,621	
Tobacco Settlement Financing Corporation Bonds	<u>114,630,000</u>	
Total long-term obligations		3,032,776,884

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 decreased by this amount. 31,296,149

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:

Increase in unamortized premiums	(107,011,470)	
Decrease in unamortized interest on CABs	(301,357,470)	
Increase in deferral on refunding issues	<u>169,669,324</u>	
Total capitalized and amortized items		(238,699,616)

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	11,596,667	
Decrease in compensated absences, Medicaid, and other noncurrent liabilities	12,324,568	
Decrease in Net Pension Liability	1,987,653,444	
Increase in OPEB liability	(11,696,642,112)	
Increase in deferred outflows of resources	1,610,048,420	
Decrease in deferred inflows of resources related to Pensions and OPEB	14,407,543,093	
Increase in Net Pension Assets	507,188	
Decrease in Group Homes	<u>(3,282,841)</u>	
Total additional expenditures		<u>6,329,748,427</u>

Change in net position of governmental activities **\$ 7,957,445,618**

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

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 100,975	\$ 585,222	\$ 686,197
Investments	266,470,084	28,874	266,498,958
Receivables, net of allowances for uncollectibles			
Federal government	-	2,418,904,160	2,418,904,160
Departmental accounts	-	1,056,016,347	1,056,016,347
Other	44,961,852	210,349,642	255,311,494
Due from other funds	-	17,479,906	17,479,906
Deferred charges	934,658	-	934,658
Total Current Assets	<u>312,467,569</u>	<u>3,703,364,151</u>	<u>4,015,831,720</u>
Noncurrent Assets			
Investments	149,654,497	-	149,654,497
Total Noncurrent Assets	<u>149,654,497</u>	<u>-</u>	<u>149,654,497</u>
Total Assets	<u>462,122,066</u>	<u>3,703,364,151</u>	<u>4,165,486,217</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	107,658,328	104,613,025	212,271,353
Due to other funds	184,390,558	45,793,583	230,184,141
Refunds payable	-	74,730,736	74,730,736
Current portion of long-term obligations	18,228,500	-	18,228,500
Other	-	751,856	751,856
Total Current Liabilities	<u>310,277,386</u>	<u>225,889,200</u>	<u>536,166,586</u>
Noncurrent Liabilities			
Due in more than one year	151,231,001	-	151,231,001
Total Noncurrent Liabilities	<u>151,231,001</u>	<u>-</u>	<u>151,231,001</u>
Total Liabilities	<u>461,508,387</u>	<u>225,889,200</u>	<u>687,397,587</u>
NET POSITION			
Restricted for:			
Unemployment compensation	-	3,477,474,951	3,477,474,951
Prize awards and Pension Fund contributions	613,679	-	613,679
Total Net Position	<u>\$ 613,679</u>	<u>\$ 3,477,474,951</u>	<u>\$ 3,478,088,630</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, 2025

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
OPERATING REVENUES			
Sales and charges for services	\$ 3,343,477,411	\$ -	\$ 3,343,477,411
Assessments	-	3,232,907,749	3,232,907,749
From federal agencies	-	10,218,622	10,218,622
Other	41,272,816	477,073	41,749,889
Total Operating Revenues	<u>3,384,750,227</u>	<u>3,243,603,444</u>	<u>6,628,353,671</u>
OPERATING EXPENSES			
Unemployment compensation	-	2,898,128,108	2,898,128,108
Lottery prize awards	2,027,055,529	-	2,027,055,529
Other	325,387,603	6,006,949	331,394,552
Total Operating Expenses	<u>2,352,443,132</u>	<u>2,904,135,057</u>	<u>5,256,578,189</u>
Operating Income (Loss)	<u>1,032,307,095</u>	<u>339,468,387</u>	<u>1,371,775,482</u>
NONOPERATING REVENUES (EXPENSES)			
Contributions to Pension Funds	(1,083,000,000)	-	(1,083,000,000)
Investment income	29,395,480	65,513,141	94,908,621
Northstar NJ incentive payments	21,234,051	-	21,234,051
Other	-	32,557,109	32,557,109
Total Nonoperating Revenues (Expenses)	<u>(1,032,370,469)</u>	<u>98,070,250</u>	<u>(934,300,219)</u>
Income (Loss) Before Transfers	<u>(63,374)</u>	<u>437,538,637</u>	<u>437,475,263</u>
Change in Net Position	<u>(63,374)</u>	<u>437,538,637</u>	<u>437,475,263</u>
Net Position - July 1, 2024	<u>677,053</u>	<u>3,039,936,314</u>	<u>3,040,613,367</u>
Net Position - June 30, 2025	<u>\$ 613,679</u>	<u>\$ 3,477,474,951</u>	<u>\$ 3,478,088,630</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, 2025**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,499,975,960	\$ -	\$ 1,499,975,960
Receipts from federal government	-	20,974,192	20,974,192
Receipts from state, local, and non-profit agencies	-	223,043,921	223,043,921
Receipts from assessments	-	3,237,021,159	3,237,021,159
Payments to suppliers	(14,095,196)	-	(14,095,196)
Payments to prize winners	(980,309,596)	-	(980,309,596)
Payments for vendor commissions and fees	(118,205,508)	-	(118,205,508)
Claims paid	-	(3,480,504,959)	(3,480,504,959)
Cash flows from annuity operations:			
Annuity receipts	18,329,500	-	18,329,500
Payments of annuity prizes	(13,687,823)	-	(13,687,823)
Other receipts (payments)	(504,887)	-	(504,887)
Net Cash Provided (Used) by Operating Activities	<u>391,502,450</u>	<u>534,313</u>	<u>392,036,763</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contributions to Pension Funds	<u>(1,045,000,000)</u>	-	<u>(1,045,000,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,045,000,000)</u>	-	<u>(1,045,000,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	2,019,550,000	-	2,019,550,000
Purchase of investments	(1,344,200,000)	-	(1,344,200,000)
Payments to Northstar New Jersey	<u>(21,840,889)</u>	-	<u>(21,840,889)</u>
Net Cash Provided (Used) by Investing Activities	<u>653,509,111</u>	-	<u>653,509,111</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,561	534,313	545,874
Cash and Cash Equivalents - July 1, 2024	<u>89,414</u>	<u>50,909</u>	<u>140,323</u>
Cash and Cash Equivalents - June 30, 2025	<u>\$ 100,975</u>	<u>\$ 585,222</u>	<u>\$ 686,197</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,032,307,095	\$ 339,468,387	\$ 1,371,775,482
Net changes in assets and liabilities:			
Current assets	(6,909,537)	(273,335,549)	(280,245,086)
Noncurrent assets	12,980,604	-	12,980,604
Current liabilities	(633,909,508)	(65,598,525)	(699,508,033)
Noncurrent liabilities	<u>(12,966,204)</u>	-	<u>(12,966,204)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 391,502,450</u>	<u>\$ 534,313</u>	<u>\$ 392,036,763</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Change in fair value of investments	\$ (13,200,956)	\$ -	\$ (13,200,956)

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, 2025**

	Custodial Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 109,645,915	\$ 29,417
Securities lending collateral	-	-
Investments		
Cash Management Fund	559,767,596	-
Common Pension Fund A	-	-
Common Pension Fund D	-	-
Common Pension Fund E	-	-
Domestic Equities	-	-
Domestic Fixed Income	-	4,767,427,607
Equity Mutual Funds	-	-
Fixed Income Mutual Funds	-	-
PFRS Investments	-	-
Receivables, net of allowances for uncollectibles		
Members	895,724	-
Employers	153,911,805	-
Interest and dividends	-	880,465
Other	175,314,920	-
Due from other funds	-	-
Other	-	-
Total Assets	999,535,960	4,768,337,489
LIABILITIES		
Accounts payable and accruals	587,434,114	9,524
Benefits payable	157,025	-
Securities lending collateral and rebates payable	-	-
Due to other funds	135,994,287	2,822,859
Other	-	-
Total Liabilities	723,585,426	2,832,383
NET POSITION		
Restricted for Individuals, Organizations, and Other Governments	275,950,534	-
Restricted for Pool Participants	-	4,765,505,106
Restricted for Pensions	-	-
Restricted for OPEB	-	-
Total Net Position	\$ 275,950,534	\$ 4,765,505,106

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 2,102,418,504	\$ 8,857
2,439,808,059	-
3,392,514,658	6,611,409
8,453,978,390	-
49,546,556,209	-
22,823,077,172	-
1,230,441,976	-
-	-
4,889,018,429	-
518,758,974	-
23,977,397,052	-
217,372,388	-
2,932,556,101	-
118,730,522	-
-	-
205,578,459	-
3,605,166,262	-
<u>126,453,373,155</u>	<u>6,620,266</u>
543,608,406	9,335
1,249,284,064	-
2,439,404,261	-
124,550,152	161,257
481,789,421	-
<u>4,838,636,304</u>	<u>170,592</u>
-	6,449,674
-	-
121,799,119,758	-
(184,382,907)	-
<u>\$ 121,614,736,851</u>	<u>\$ 6,449,674</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds	Investment Trust Fund
ADDITIONS		
Contributions:		
Members	\$ 129,750,091	\$ -
Employers	4,372,565,500	-
Other	-	16,186,384,425
Total Contributions	4,502,315,591	16,186,384,425
Investment Income:		
Net increase (decrease) in fair value of investments	-	-
Interest and dividends	23,319,963	204,509,650
Total Investment Income	23,319,963	204,509,650
Less investment expense	-	-
Net Investment Income	23,319,963	204,509,650
Wage and hour settlements	4,602,934	-
Court ordered collections	1,317,779,763	-
Miscellaneous	-	-
Total Additions	5,848,018,251	16,390,894,075
DEDUCTIONS		
Benefit payments	4,642,461,687	-
Refunds of contributions	-	-
Refunds and transfers to other systems	-	-
Administrative expense	19,604,637	2,822,859
Payments in accordance with trust agreements	-	-
Distributions to shareholders	-	15,716,670,500
Disbursements of wage and hour settlements	4,602,934	-
Disbursements of court ordered collections	1,317,779,763	-
Total Deductions	5,984,449,021	15,719,493,359
Total Changes in Net Position	(136,430,770)	671,400,716
Net Position - July 1, 2024	412,381,304	4,094,104,390
Net Position - June 30, 2025	\$ 275,950,534	\$ 4,765,505,106

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 2,965,481,585	\$ -
10,519,271,201	-
43,532,153	-
<u>13,528,284,939</u>	<u>-</u>
9,323,318,244	-
<u>2,270,286,582</u>	<u>314,873</u>
11,593,604,826	314,873
31,938,333	-
<u>11,561,666,493</u>	<u>314,873</u>
-	-
-	-
-	80,934
<u>25,089,951,432</u>	<u>395,807</u>
14,611,589,766	-
335,192,480	-
-	57,726
89,004,847	-
-	720,450
-	-
-	-
-	-
<u>15,035,787,093</u>	<u>778,176</u>
10,054,164,339	(382,369)
<u>111,560,572,512</u>	<u>6,832,043</u>
<u>\$ 121,614,736,851</u>	<u>\$ 6,449,674</u>

**STATE OF NEW JERSEY
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 113,147,741	\$ 330,909,000
Investments	4,430,000	3,036,982,000
Receivables, net of allowances for uncollectibles		
Federal government	155,260,585	3,781,759
Loans	-	-
Mortgages	-	-
Other	104,804,403	139,826,241
Due from external parties	223,768,299	1,103,000
Inventories	200,835,206	24,278,000
Other	28,581,094	28,857,000
Total Current Assets	<u>830,827,328</u>	<u>3,565,737,000</u>
Noncurrent Assets		
Investments	881,728,552	535,383,000
Receivables, net of allowances for uncollectibles		
Loans	-	-
Mortgages	-	-
Other	-	596,040,000
Capital assets - nondepreciated	4,821,616,985	1,921,666,000
Capital assets - depreciated, net	4,164,831,326	11,563,084,000
Other	17,459,638	-
Total Noncurrent Assets	<u>9,885,636,501</u>	<u>14,616,173,000</u>
Total Assets	<u>10,716,463,829</u>	<u>18,181,910,000</u>
Deferred Outflows of Resources	<u>339,603,247</u>	<u>535,303,000</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	626,583,376	293,183,000
Due to external parties	3,686,277	4,549,000
Interest payable	-	292,561,000
Unearned revenue	-	219,057,000
Current portion of long-term obligations	187,999,387	411,884,000
Other	338,902,102	-
Total Current Liabilities	<u>1,157,171,142</u>	<u>1,221,234,000</u>
Noncurrent Liabilities		
Net pension liability	708,325,870	248,921,000
Net OPEB liability	-	-
Total OPEB liability	1,155,509,948	2,212,627,000
Revenue bonds payable, net	-	11,650,338,000
Installment obligations, net	1,269,256,211	-
Other	1,332,226,464	117,005,000
Total Noncurrent Liabilities	<u>4,465,318,493</u>	<u>14,228,891,000</u>
Total Liabilities	<u>5,622,489,635</u>	<u>15,450,125,000</u>
Deferred Inflows of Resources	<u>672,096,488</u>	<u>1,182,799,000</u>
NET POSITION		
Net investment in capital assets	7,340,630,525	2,407,289,000
Restricted for:		
Capital projects	-	-
Debt service	-	-
Other purposes	59,660,156	383,980,000
Unrestricted	(2,638,809,728)	(706,980,000)
Total Net Position	<u>\$ 4,761,480,953</u>	<u>\$ 2,084,289,000</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>
\$ 60,998,000	\$ 5,639,100,678	\$ 6,144,155,419
20,618,000	8,723,437,945	11,785,467,945
-	191,409,320	350,451,664
32,577,000	514,047,092	546,624,092
-	178,232,000	178,232,000
1,199,986,000	420,989,409	1,865,606,053
-	82,197,618	307,068,917
7,815,000	27,955,926	260,884,132
15,838,000	257,413,061	330,689,155
<u>1,337,832,000</u>	<u>16,034,783,049</u>	<u>21,769,179,377</u>
2,511,449,000	2,390,112,451	6,318,673,003
6,820,000	2,343,655,087	2,350,475,087
-	2,300,975,191	2,300,975,191
272,237,000	191,117,161	1,059,394,161
776,074,000	1,927,557,650	9,446,914,635
3,450,131,000	6,389,906,923	25,567,953,249
494,034,000	807,178,015	1,318,671,653
<u>7,510,745,000</u>	<u>16,350,502,478</u>	<u>48,363,056,979</u>
<u>8,848,577,000</u>	<u>32,385,285,527</u>	<u>70,132,236,356</u>
<u>264,637,000</u>	<u>684,504,336</u>	<u>1,824,047,583</u>
552,514,000	660,410,867	2,132,691,243
-	127,247,679	135,482,956
20,597,000	84,867,604	398,025,604
558,602,000	243,385,883	1,021,044,883
121,650,000	833,902,474	1,555,435,861
207,226,000	1,309,349,492	1,855,477,594
<u>1,460,589,000</u>	<u>3,259,163,999</u>	<u>7,098,158,141</u>
1,501,846,000	2,384,809,425	4,843,902,295
-	186,602,240	186,602,240
-	-	3,368,136,948
-	1,604,295,539	13,254,633,539
2,198,455,000	1,297,168,522	4,764,879,733
190,126,000	7,408,160,745	9,047,518,209
<u>3,890,427,000</u>	<u>12,881,036,471</u>	<u>35,465,672,964</u>
<u>5,351,016,000</u>	<u>16,140,200,470</u>	<u>42,563,831,105</u>
<u>362,859,000</u>	<u>1,088,936,698</u>	<u>3,306,691,186</u>
1,875,505,000	3,120,398,554	14,743,823,079
65,516,000	131,442,693	196,958,693
-	1,333,822,220	1,333,822,220
1,951,385,000	9,015,870,698	11,410,895,854
(493,067,000)	2,239,118,530	(1,599,738,198)
<u>\$ 3,399,339,000</u>	<u>\$ 15,840,652,695</u>	<u>\$ 26,085,761,648</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>
Expenses	\$ 3,789,827,366	\$ 2,242,328,000
 Net (Expense) Revenue and Changes in Net Position		
Program Revenues		
Charges for services	970,056,393	2,486,732,000
Operating grants and contributions	2,053,291,229	182,328,000
Capital grants and contributions	<u>974,355,422</u>	<u>-</u>
Net (Expense) Revenue	<u>207,875,678</u>	<u>426,732,000</u>
 General Revenue		
Payments from State	<u>165,000,000</u>	<u>-</u>
Total General Revenue	<u>165,000,000</u>	<u>-</u>
 Change in Net Position	 372,875,678	 426,732,000
 Net Position - July 1, 2024, as previously reported	 4,453,469,122	 1,657,557,000
Restatement	<u>(64,863,847)</u>	<u>-</u>
Net Position - July 1, 2024, as restated	<u>4,388,605,275</u>	<u>1,657,557,000</u>
 Net Position - June 30, 2025	 <u>\$ 4,761,480,953</u>	 <u>\$ 2,084,289,000</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>
\$ 5,318,580,000	\$ 7,530,615,004	\$ 18,881,350,370
2,973,112,000	3,347,215,939	9,777,116,332
2,070,374,000	2,454,729,762	6,760,722,991
<u>107,490,000</u>	<u>1,833,741,502</u>	<u>2,915,586,924</u>
<u>(167,604,000)</u>	<u>105,072,199</u>	<u>572,075,877</u>
<u>576,451,000</u>	<u>1,197,990,925</u>	<u>1,939,441,925</u>
<u>576,451,000</u>	<u>1,197,990,925</u>	<u>1,939,441,925</u>
408,847,000	1,303,063,124	2,511,517,802
2,990,492,000	14,557,905,454	23,659,423,576
<u>-</u>	<u>(20,315,883)</u>	<u>(85,179,730)</u>
<u>2,990,492,000</u>	<u>14,537,589,571</u>	<u>23,574,243,846</u>
<u>\$ 3,399,339,000</u>	<u>\$ 15,840,652,695</u>	<u>\$ 26,085,761,648</u>

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