

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

Financial Statements
December 31, 2007

(With Independent Auditor's Report Thereon)

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)



2007 ANNUAL AUDIT REPORT
AND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2007

[You Are Viewing an Archived Report from the New Jersey State Library](#)
NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Financial Statements
December 31, 2007

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
 FINANCIAL SECTION	
Independent Auditor's Report	8-9
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	10-11
Management's Discussion and Analysis	12-17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Proprietary Fund Financial Statements:	
Statement of Net Assets	22-23
Statement of Revenues, Expenses and Changes in Fund Net Assets	24
Statement of Cash Flows	25
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets	26
Statement of Changes in Fiduciary Net Assets	27
Notes to Financial Statements	28-47

You Are Viewing an Archived Report from the New Jersey State Library
NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Financial Statements
December 31, 2007

TABLE OF CONTENTS, (CONTINUED)

	<u>Page</u>
Required Supplementary Information:	
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Environmental Center Fund	49
Other Governmental Funds:	
Capital Projects Fund - Summary Schedule of Project Revenues, Expenditures, Project Balances and Project Status Budgetary Basis	50
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	51
Other Supplemental Schedules:	
Schedule of Net Assets by Component	52
Schedule of Changes in Net Assets	53
NJMC Property Acquisition Total Acreage by Municipality	54
NJMC Landfill Tonnage	55
Schedule of Expenditures of Federal Awards	56
Schedule of Expenditures of State Awards	57
Other Comments and Recommendations	58



Governor
Jon S. Corzine

Chairman
Joseph V. Doria, Jr.

Commissioners
James A. Anzevino
Michael J. Gonnelli
Leonard R. Kaiser
Mia M. Macri
Eleanore S. Nissley
Arlene F. Walther

Executive Director
Robert R. Ceberio

New Jersey Meadowlands Commission

Administration Building: One DeKorte Park Plaza ☎ Phone: 201-460-1700 ☎ Fax: 201-460-1722
Meadowlands Environment Center: Two DeKorte Park Plaza ☎ Phone: 201-460-8300 ☎ Fax: 201-842-0630
Lyndhurst, NJ ☎ 07071 ☎ www.njmeadowlands.gov

April 23, 2008

The Board of Commissioners
New Jersey Meadowlands Commission

RE: Letter of Transmittal

The Comprehensive Annual Financial Report of the New Jersey Meadowlands Commission ("NJMC" or "Commission") for the year ended December 31, 2007 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the NJMC. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the NJMC's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles. In accordance with the accounting principles, the NJMC is a component unit of the State of New Jersey, and as such, is included in the State of New Jersey's Annual Report. The accompanying Management Discussion and Analysis provides detailed narrative information on the financial statements provided in the Comprehensive Annual Financial Report.

Independent Audit

The certified public accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva was retained by the Commission to perform an audit of the 2007 fiscal year in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. In June 1999, the GASB adopted their Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for state and local governments. The Commission adopted GASB Statement No. 34 in fiscal year 2001, including the Management Discussion and Analysis (MD&A). The MD&A is considered to be required supplemental data and precedes the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The audit firm of Ferraioli, Wielkottz, Cerullo & Cuva reports directly to the audit committee of the Board of Commissioners. An initial meeting prior to the start of the audit and a subsequent exit conference was held to discuss the results of the audit.

Profile of the New Jersey Meadowlands Commission

The NJMC, formerly known as the Hackensack Meadowlands Development Commission, was established within the Department of Community Affairs through an Act of Legislation in 1968. The name was officially changed to the New Jersey Meadowlands Commission under Chapter 232, Laws of 2001. The Commission operates with a seven-member Board of Commissioners and is given mandates on environmental protection, solid waste management and economic development over a 20-square mile region in Northern New Jersey known as the Hackensack Meadowlands District (HMD). The District is comprised of 10 towns in Bergen and 4 towns in Hudson counties. The NJMC's executive director heads a staff of professional, technical and operating personnel totaling 115 employees.

The NJMC holds monthly board meetings scheduled on the fourth Wednesday of each month. Action may be taken, and motions and resolutions adopted by the NJMC at such meetings by the affirmative vote of at least four members of the Board. All meetings held by the NJMC are in accordance with the Open Public Meetings Act, which requires that all meetings of public bodies be open to the public.

Accounting System and Budgetary Controls

The NJMC's financial statements are prepared in accordance with generally accepted accounting principles. The Commission operates and reports the following major governmental funds:

- General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.
- The NJMC's Environmental Center Fund includes revenues and expenditures associated with the operation of the Commission's Environmental Center.

The Commission also reports using an Enterprise Fund for its solid waste landfill operations. This fund includes revenues and expenditures associated with the operation of the Commission's landfills, as well as the closure and post-closure costs of such landfills.

In an effort to ensure compliance with the Commission's By-Laws and to safeguard its assets, an internal control structure has been developed and implemented by management.

The internal control areas include:

- authorization levels for expenditures of Commission's funds;

- specific procedures to follow when initiating purchase requisitions, processing purchase orders, receiving goods and paying for services;
- separation of the accounts payable and receivable functions;
- solid waste revenue and scale house operations;
- bank reconciliation review;
- controls over deposits; and
- production of system-generated and manual checks.

The internal control structure also includes approved organization structures and approved budgets for capital and operating expenditures.

The Commission has also set up standards for procurement, which have been codified in a Purchasing Procedures Manual. The standards include a threshold, over which the Board of Commissioners must approve all transactions. The Commission is in compliance with Executive Order No. 37 (2006) with respect to procurement and has amended its procedures to ensure 100% compliance.

The Commission adopts an annual budget for its governmental operations. The solid waste operations and tariff are regulated by the New Jersey Department of Environmental Protection. Each year during the budget process, senior management, along with the Board of Commissioners, reviews operations to identify cost savings which when implemented will provide direct budget savings. This is an important step since the Commission's operations are entirely self-funded without any appropriations from the State of New Jersey.

In calendar year 2007, the Commission took several steps to implement cost savings:

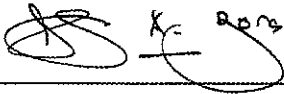
- Purchase of hybrid cars to replace existing fleet equipment including an overall reduction in the number of vehicles;
- Thorough review of insurance needs in an effort to reduce premiums;

- Periodic reviews of repetitive purchases to insure the best price is attained;
- Paperless initiative – posting of meeting agendas, minutes, public hearing notices, annual financial audit, annual reports, press materials and other agency documents online;
- Implementation of a project and contract management system to control costs and identify savings.

If you have any questions about this report or need additional financial information, contact the Director of Finance & Management's office at 1 DeKorte Park Plaza, Lyndhurst, New Jersey.

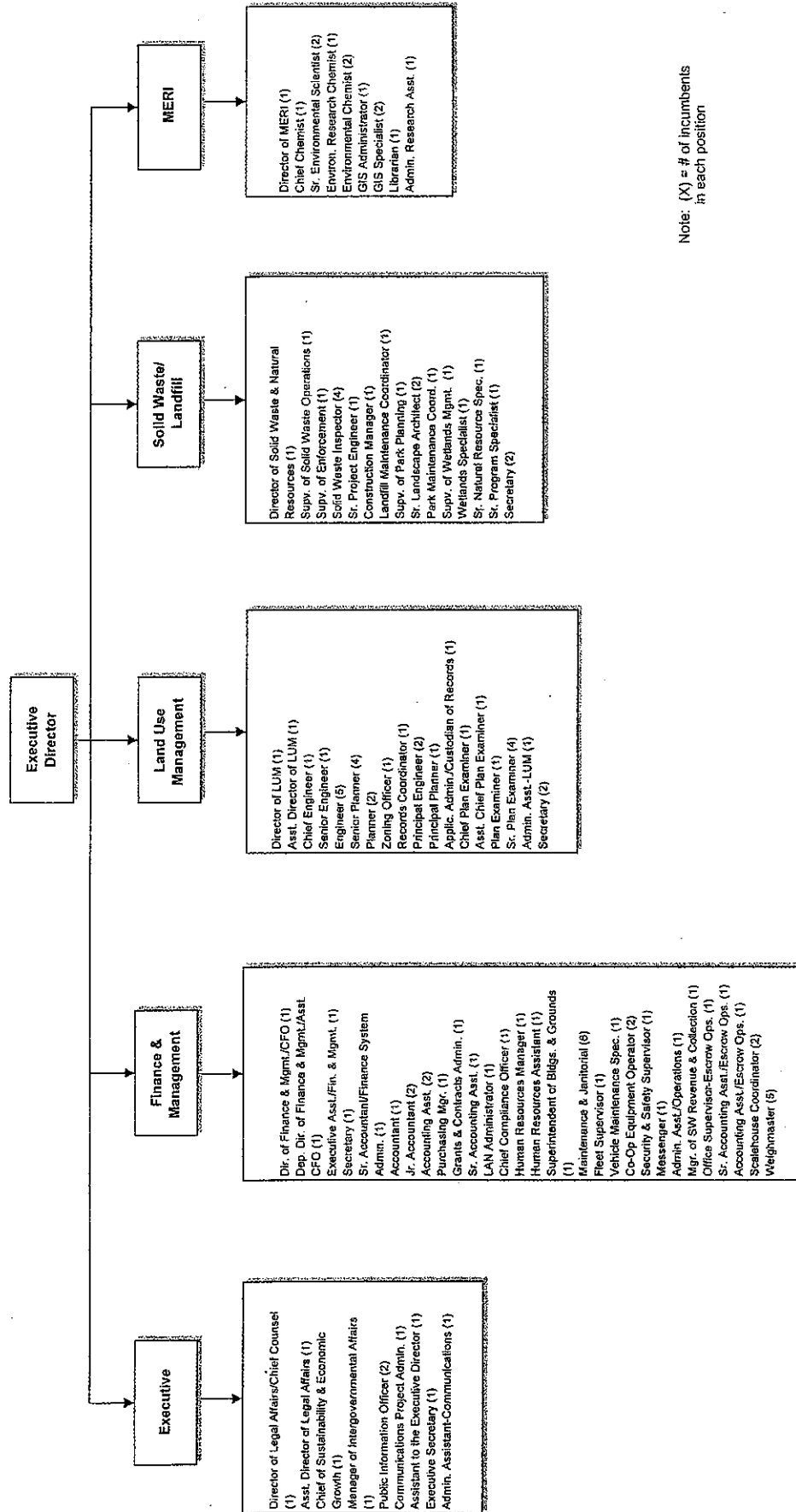


Robert R. Ceberio
Executive Director



Irfan A. Bora
Director of Finance & Management
and Chief Fiscal Officer

Incumbent List by Division New Jersey Meadowlands Commission



Note: (X) = # of incumbents in each position



Governor
Jon S. Corzine

**New Jersey Meadowlands Commission
Board of Commissioners**

Chairman

Joseph V. Doria, Jr.
Commissioner, New Jersey Department of Community Affairs

Commissioners

James A. Anzevino
Michael J. Gonnelli
Leonard R. Kaiser
Mia M. Macri
Eleanore S. Nissley
Arleen F. Walther

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

April 10, 2008

The Board of Commissioners
New Jersey Meadowlands Commission:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission (the Commission), (A Component Unit of the State of New Jersey), as of and for the year ended December 31, 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

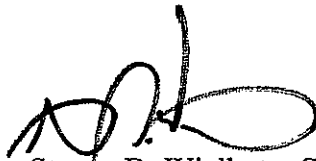


The Board of Commissioners
New Jersey Meadowlands Commission
April 10, 2008
Page 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 10, 2008 on our consideration of the New Jersey Meadowlands Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the New Jersey Meadowlands Commission's basic financial statements. The accompanying combining fund financial statements and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

April 10, 2008

The Board of Commissioners
New Jersey Meadowlands Commission:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission (the Commission) (A Component Unit of the State of New Jersey) as of and for the year ended December 31, 2007, and have issued our report thereon dated April 10, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the New Jersey Meadowlands Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the New Jersey Meadowlands Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the New Jersey Meadowlands Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the New Jersey Meadowlands Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the New Jersey Meadowlands Commission's financial statements that is more than inconsequential will not be prevented or detected by the New Jersey Meadowlands Commission's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the New Jersey Meadowlands Commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New Jersey Meadowlands Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners and management of New Jersey Meadowlands Commission and the State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkottz, C.P.A.
Registered Municipal Accountant
No. 413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2007

This section of the New Jersey Meadowlands Commission's (NJMC) annual financial report represents our discussion and analysis of the NJMC's financial performance during the fiscal year that ended December 31, 2007. Please read it in conjunction with the NJMC's financial statements.

Financial Highlights

- The Commission's net assets increased by \$1.1 million or 1.2% due primarily to increased revenues from solid waste operations. In CY2006, the Commission's net assets increased by \$1.7 million or 2% due to one-time revenues from sale of NJMC property.
- The total revenues for governmental funds decreased by 3% or \$0.5 million due to the absence of one-time revenues relating to sale of assets in CY2006. In CY2006, the total revenues for governmental funds had decreased by \$22.2 million due to the absence of one-time revenue relating to MAGNET funds.
- The total revenues for business type activities increased by \$8.4 million to \$29.2 million due to an increase in solid waste fees due to higher tonnage at the facility. In CY2006, the total revenues for business type activities had decreased by \$8.2 million to \$20.8 million due to a decline in solid waste fees from a lower tipping fee rate and the absence of transfers from the Operating Fund.

Overview of the Financial Statements

The annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Commission:

- The first two statements are **government wide financial statements** that provide long-term and short-term information about the Commission's overall financial status.
- The remaining statements are **fund financial statements** that focus on the individual parts of the Commission, reporting operations in more detail than the government wide statements.
- The **governmental funds statements** tell how the Commission services were financed in the short-term and what remains for future spending.
- **Proprietary funds statements** offer short- and long-term financial information about the solid waste activities that are operated like a business.
- **Fiduciary funds** provide information about the financial relationships where the Commission acts as a trustee for the benefit of those outside of the government.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary financial information that sets forth comparisons of actual activity to the budgets of the General and Environmental Center Funds.

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2007

Financial Summary

The Commission's net assets increased \$1.1 million in 2007, from \$95.3 million to \$96.4 million. The Commission's net assets had increased \$1.7 million in 2006 from \$93.6 million to \$95.3 million. A comparative condensed summary of the Commission's statement of net assets at December 31 is shown in Figure 1.

Figure 1
Condensed Summary of Net Assets (Balance Sheets)
(In millions of dollars)

	<u>2007</u>	<u>2006</u>	<u>Dollar change</u>	<u>Percent Change</u>
Governmental Activities:				
Current and other assets	\$ 57.7	64.5	(6.8)	(10.5)%
Capital assets	26.3	20.3	6.0	29.6%
Total assets	<u>\$ 84.0</u>	<u>84.8</u>	<u>(0.8)</u>	<u>(0.9)%</u>
Other liabilities	5.6	2.8	2.8	100.0%
Total liabilities	<u>\$ 5.6</u>	<u>2.8</u>	<u>2.8</u>	<u>100.0%</u>
Invested in capital assets, net	26.3	20.3	6.0	29.6%
Restricted	46.7	34.7	12.0	34.6%
Unrestricted	5.5	27.0	(21.5)	(79.6)%
Total net assets	<u>\$ 78.5</u>	<u>82.0</u>	<u>(3.5)</u>	<u>(4.3)%</u>
Business type activities				
Current and other assets	\$ 35.1	29.0	6.1	21.0%
Capital assets	2.6	2.7	(0.1)	(3.7)%
Total assets	<u>\$ 37.7</u>	<u>31.7</u>	<u>6.0</u>	<u>18.9%</u>
Other liabilities	19.7	18.3	1.4	7.7%
Total liabilities	<u>\$ 19.7</u>	<u>18.3</u>	<u>1.4</u>	<u>7.7%</u>
Invested in capital assets, net	2.6	2.7	(0.1)	(3.7)%
Restricted	10.4	8.8	1.6	18.2%
Unrestricted	5.0	1.9	3.1	163.2%
Total net assets	<u>\$ 18.0</u>	<u>13.4</u>	<u>4.6</u>	<u>34.3%</u>

Capital assets change is due primarily to the acquisition of property for Open Space purposes.

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2007

Revenue Highlights

While the Balance Sheet shows the change in the financial position of net assets, the Statements of Revenues, Expenses and Net assets indicates the nature and source of these changes. The NJMC solid waste facility averaged approximately 911 tons per day in CY2007 compared to 679 tons per day in CY2006.

Figure 2
Condensed Summary of Statement of Activities
(In millions of dollars)

	<u>2007</u>	<u>2006</u>	<u>Dollar change</u>	<u>Percent Change</u>
Governmental activities				
Program revenue	\$ 8.1	7.7	0.4	5.2%
General revenues and transfers	10.0	10.8	(0.8)	(7.4)%
Total revenues	<u>\$ 18.1</u>	<u>18.5</u>	<u>(0.4)</u>	<u>(2.2)%</u>
Commission operations	\$ 13.6	11.7	1.9	16.2%
Environmental center	0.8	0.8	0.0	0.0%
MAGNET funds	6.6	2.3	4.3	187.0%
Miscellaneous	0.6	2.0	(1.4)	(70.0)%
Total expenses	<u>\$ 21.6</u>	<u>16.8</u>	<u>4.8</u>	<u>28.6%</u>
Change in net assets	\$ (3.5)	1.7	(5.2)	(305.9)%
Beginning net assets	82.0	80.3	1.7	2.1%
Ending net assets	<u>\$ 78.5</u>	<u>82.0</u>	<u>(3.5)</u>	<u>(4.3)%</u>
Business type activities				
Program revenue	\$ 18.0	12.9	5.1	39.5%
General revenues and transfers	11.2	7.9	3.3	41.8%
Total revenues	<u>\$ 29.2</u>	<u>20.8</u>	<u>8.4</u>	<u>40.4%</u>
Solid Waste	24.6	20.7	3.9	18.8%
Total expenses	<u>\$ 24.6</u>	<u>20.7</u>	<u>3.9</u>	<u>18.8%</u>
Change in net assets	\$ 4.6	0.0	4.6	0.0%
Beginning net assets	13.4	13.4	0.0	0.0%
Ending net assets	<u>\$ 18.0</u>	<u>13.4</u>	<u>4.6</u>	<u>34.3%</u>

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2007

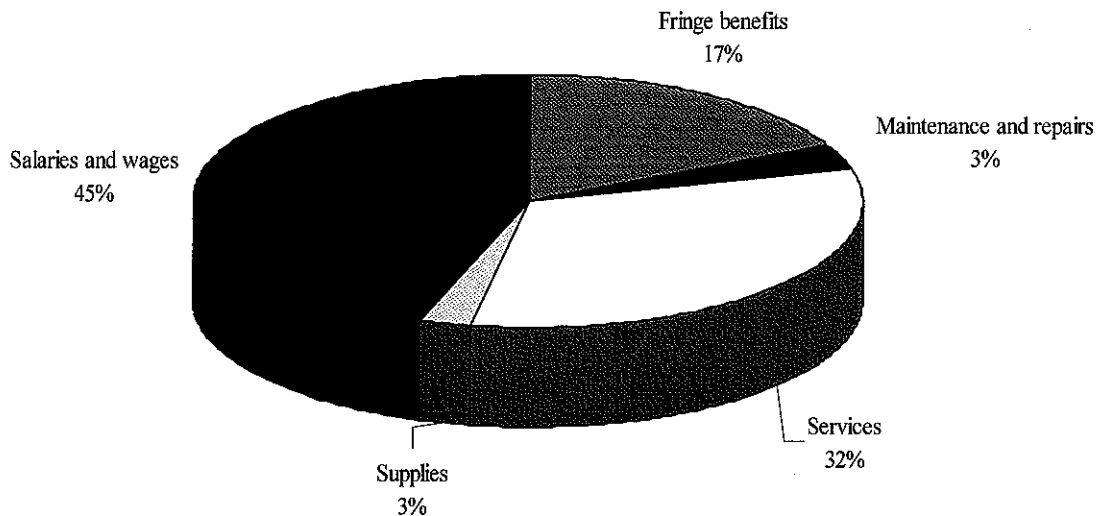
Budgetary Highlights

As required by its By Laws, the NJMC adopts an Operating and Capital Budget for its governmental operations prior to the start of its fiscal year. This budget remains in effect the entire year and can be revised by the NJMC Board of Commissioners during the fiscal year. The Commission revised its operating budget during the fiscal year 2007 to include funding and authorization to proceed on various special projects and funding for the tax sharing stabilization fund.

The NJMC solid waste operations are regulated as a utility by the Department of Environmental Protection and operate under a maximum permissible tariff inclusive of Host Community Payments and solid waste taxes. As of December 31, 2007, the NJMC approved tariff for its solid waste facility was \$60.00 per ton.

The following graphs show the breakdown of the NJMC governmental fund budgets.

GENERAL OPERATIONS



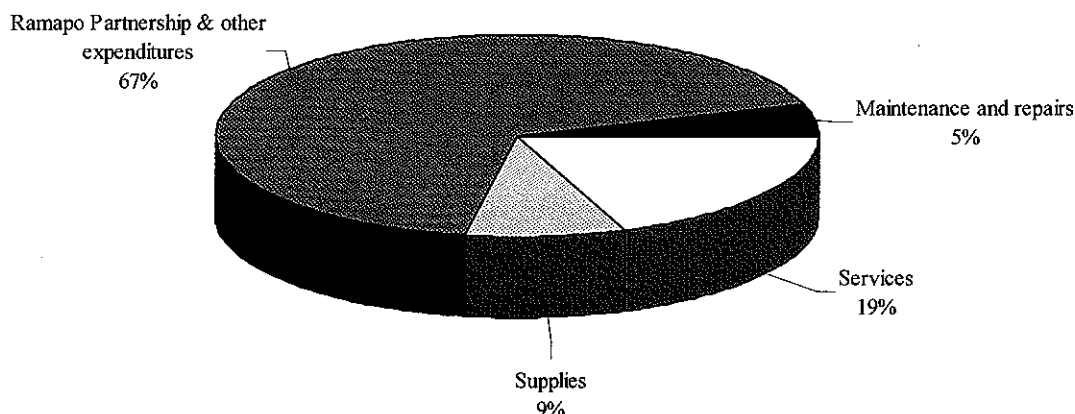
NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2007

ENVIRONMENT CENTER OPERATIONS



Remediation of Keegan Landfill

On June 14, 2005, the NJMC entered into a lease agreement with the Town of Kearny for the remediation of Keegan Landfill through future reopening of the facility for construction and demolition waste. It is expected that sufficient revenues will be generated through the tipping fees at Keegan Landfill to reimburse the Commission for all costs associated with this lease. At the completion of operations and closure of the Keegan Landfill, the NJMC will assist the Town of Kearny with the construction of recreational facilities at the site. In calendar years 2005 and 2006, the Commission made payments to the Town of Kearny totaling \$5,902,319. The NJMC has currently entered into a contract for the sum of \$22 million to begin the remediation part of the project, which is expected to be completed by December 31, 2008.

Meadowlands Area Grants for Natural and Economic Transformation (MAGNET)

In calendar year 2005, the NJMC launched the MAGNET Program with funding from the Kingsland Post-Closure Fund. As part of its agreement with EnCap Golf, the golf course developer assumed the post-closure responsibilities for Kingsland Landfill resulting in the release of monies from this Fund for the creation of the MAGNET fund. The intention of the MAGNET is to enhance the NJMC's existing Municipal Aid Program (MAP), by ensuring that monies are set aside over the next 5 years for tax relief incentives for District municipalities. A detailed budget outlining the amounts appropriated for MAP, environmental, economic development and improvement initiatives is currently in place. As of December 31, 2007, the balance in the MAGNET fund was \$20.4 million. There were commitments of \$19.3 million outstanding as of the end of the year.

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2007

Capital Assets and Debt Administration

At the end of 2007, the Commission had invested \$55.7 million in a broad range of capital assets, including open space acquisition, land, solid waste facilities, its headquarters, and in equipment as shown in the following table:

Capital Assets				
(In millions of dollars)				
	2007	2006	Dollar change	Total percent change
NJMC/Environment center				
Building	\$ 7.4	7.4	0.0	0.0%
Land	17.1	16.6	0.5	3.0%
Infrastructure	1.1	1.1	0.0	0.0%
Construction in Progress	6.4	0.7	5.7	814.3%
Equipment	2.8	2.7	0.1	3.7%
Total	<u>\$ 34.8</u>	<u>28.5</u>	<u>6.3</u>	<u>22.1%</u>
Solid waste facilities				
Building	\$ 11.4	11.4	0.0	0.0%
Land	4.9	4.9	0.0	0.0%
Equipment	4.6	4.6	0	0.0%
Total	<u>\$ 20.9</u>	<u>20.9</u>	<u>0</u>	<u>0.0%</u>

Long-Term Debt

As of December 31, 2007, the NJMC did not have any outstanding debt.

Economic Factors

For fiscal year 2007, the Commission does not expect a significant change in operating requirements. The amount of funding from solid waste operations has remained constant and inflation is not a significant factor.

Contacting Financial Management

The financial report is designed to provide citizens, people served by the Commission, vendors, and creditors with a general overview of the NJMC's finances. If you have any questions about this report or need additional financial information, contact the Director of Finance & Management's office at 1 DeKorte Park Plaza, Lyndhurst, New Jersey.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Balance Sheet
Governmental Funds
December 31, 2007

	<u>General Fund</u>	<u>Environmental Center Fund</u>	<u>MAGNET Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	2,667,970	1,375,328	195,492	1,360,790	5,599,580
Cash management fund	30,597,800	8,028	20,235,741	99,029	50,940,598
Receivables, net:					
Other	3,114			1,188,700	1,191,814
Due from other funds	<u>2,614,320</u>	<u>361,933</u>		<u>13,600</u>	<u>2,989,853</u>
Total assets	<u>35,883,204</u>	<u>1,745,289</u>	<u>20,431,233</u>	<u>2,662,119</u>	<u>60,721,845</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	29,985	(628)		578,745	608,102
Accrued liabilities	957,712	473,331	1,160,311	207,481	2,798,835
Due to other funds	<u>7,564,072</u>	<u>(1,064)</u>	<u>3,155,580</u>	<u>(7,338,329)</u>	<u>3,380,259</u>
Total liabilities	<u>8,551,769</u>	<u>471,639</u>	<u>4,315,891</u>	<u>(6,552,103)</u>	<u>6,787,196</u>
Fund Balances:					
Reserved for:					
Maintenance	1,119,486	283,000			1,402,486
Additions and replacements	2,595,186	382,819			2,978,005
Student transportation		109,305			109,305
Open space acquisition	4,283,016				4,283,016
Environmental improvement fund				2,200,000	2,200,000
Project Commitments	2,608,339				2,608,339
Insurance	100,000				100,000
Flood Control	1,225,898				1,225,898
MAGNET Funds			16,115,342		16,115,342
Keegan Remediation	10,600,000			5,800,000	16,400,000
Other Reserves	440,329				440,329
Unreserved - undesignated	<u>4,359,181</u>	<u>498,526</u>		<u>1,214,222</u>	<u>6,071,929</u>
Total Fund balances	<u>27,331,435</u>	<u>1,273,650</u>	<u>16,115,342</u>	<u>9,214,222</u>	<u>53,934,649</u>
Total liabilities and fund balances	<u>35,883,204</u>	<u>1,745,289</u>	<u>20,431,233</u>	<u>2,662,119</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$34,726,237 and the accumulated depreciation is \$8,446,753.	26,279,484
Postemployment Healthcare Benefits Other than Pension Obligation	(1,199,892)
Accrued liability for compensated absences	(562,254)
Net assets of governmental activities	<u>78,451,987</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Activities
Year Ended December 31, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Governmental Activities	Business-type Activities	Total
Governmental activities:					
Commission operations	13,556,746	6,149,009	(7,407,737)		(7,407,737)
Environmental center	800,379	1,905,702	1,105,323		1,105,323
MAGNET fund	6,650,330		(6,650,330)		(6,650,330)
Miscellaneous	567,320		(567,320)		(567,320)
Total governmental activities	21,574,775	8,054,711	(13,520,064)	-	(13,520,064)
Business-type activities:					
Solid waste	24,577,979	18,031,189		(6,546,790)	(6,546,790)
Total business-type activities	24,577,979	18,031,189	-	(6,546,790)	(6,546,790)
Total primary government	46,152,754	26,085,900	(13,520,064)	(6,546,790)	(20,066,854)
General revenues:					
Lease payments			3,706,783		3,706,783
Investment earnings			3,021,985	1,544,917	4,566,902
Dredge revenue			1,453,564		1,453,564
Grants			1,142,850		1,142,850
Baler Lease				2,238,115	2,238,115
Beneficial reuse material				7,375,685	7,375,685
Miscellaneous			693,280		693,280
Transfers					-
Total general revenues			10,018,462	11,158,717	21,177,179
Change in Net Assets			(3,501,602)	4,611,927	1,110,325
Net Assets—beginning Restated			81,953,589	13,368,278	95,321,867
Net Assets—ending			78,451,987	17,980,205	96,432,192

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Balance Sheet
Governmental Funds
December 31, 2007

	<u>General Fund</u>	<u>Environmental Center Fund</u>	<u>MAGNET Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	2,667,970	1,375,328	195,492	1,360,790	5,599,580
Cash management fund	30,597,800	8,028	20,235,741	99,029	50,940,598
Receivables, net:					
Other	3,114			1,188,700	1,191,814
Due from other funds	<u>2,614,320</u>	<u>361,933</u>		<u>13,600</u>	<u>2,989,853</u>
Total assets	<u>35,883,204</u>	<u>1,745,289</u>	<u>20,431,233</u>	<u>2,662,119</u>	<u>60,721,845</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	29,985	(628)		578,745	608,102
Accrued liabilities	844,093	473,331	1,160,311	207,481	2,685,216
Due to other funds	<u>7,677,691</u>	<u>(1,064)</u>	<u>3,155,580</u>	<u>(7,338,329)</u>	<u>3,493,878</u>
Total liabilities	<u>8,551,769</u>	<u>471,639</u>	<u>4,315,891</u>	<u>(6,552,103)</u>	<u>6,787,196</u>
Fund Balances:					
Reserved for:					
Maintenance	1,119,486	283,000			1,402,486
Additions and replacements	2,595,186	382,819			2,978,005
Student transportation		109,305			109,305
Open space acquisition	4,283,016				4,283,016
Environmental improvement fund				2,200,000	2,200,000
Project Commitments	2,608,339				2,608,339
Insurance	100,000				100,000
Flood Control	1,225,898				1,225,898
MAGNET Funds			16,115,342		16,115,342
Keegan Remediation	10,600,000			5,800,000	16,400,000
Other Reserves	440,329				440,329
Unreserved - undesignated	<u>4,359,181</u>	<u>498,526</u>		<u>1,214,222</u>	<u>6,071,929</u>
Total Fund balances	<u>27,331,435</u>	<u>1,273,650</u>	<u>16,115,342</u>	<u>9,214,222</u>	<u>53,934,649</u>
Total liabilities and fund balances	<u>35,883,204</u>	<u>1,745,289</u>	<u>20,431,233</u>	<u>2,662,119</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$34,726,237 and the accumulated depreciation is \$8,446,753.	26,279,484
Postemployment Healthcare Benefits Other than Pension Obligation	(1,199,892)
Accrued liability for compensated absences	<u>(562,254)</u>
Net assets of governmental activities	<u>78,451,987</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2007

	<u>General Fund</u>	<u>Environmental Center Fund</u>	<u>MAGNET Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Lease Payments	3,706,783				3,706,783
Fees and Charges	1,123,805	50,702			1,174,507
Baler overhead reimbursements	5,025,204	1,855,000			6,880,204
Composting Revenues	331,838				331,838
Other income	126,764	80,023		1,142,850	1,349,637
Methane Royalties	154,656				154,656
Dredge revenues	1,453,564				1,453,564
Interest Income	1,636,679	60,261	1,127,955	197,088	3,021,983
Total revenues	<u>13,559,293</u>	<u>2,045,986</u>	<u>1,127,955</u>	<u>1,339,938</u>	<u>18,073,172</u>
EXPENDITURES					
Environmental center		674,536			674,536
Commission operations	9,969,805				9,969,805
Capital expenditures	580,740	102,910			683,650
Construction in progress				5,625,814	5,625,814
Ramapo College Partnership		1,328,738			1,328,738
Other expenditures	550,907	41,871	6,650,330	803,997	8,047,105
Total expenditures	<u>11,101,452</u>	<u>2,148,055</u>	<u>6,650,330</u>	<u>6,429,811</u>	<u>26,329,648</u>
Excess of revenues over expenditures	2,457,841	(102,069)	(5,522,375)	(5,089,873)	(8,256,476)
Fund balance, beginning of year - restated	<u>24,873,594</u>	<u>1,375,719</u>	<u>21,637,717</u>	<u>14,304,095</u>	<u>62,191,125</u>
Fund balance, end of year	<u>27,331,435</u>	<u>1,273,650</u>	<u>16,115,342</u>	<u>9,214,222</u>	<u>53,934,649</u>
Net change in fund balance - total governmental funds					(8,256,476)
Amounts reported for governmental activities in the statement of activities are different because:					
Capital outlays, net of depreciation expense					5,959,582
Expenses in the statement of activities that do not require current financial resources and therefore are not reported as expenditures in the governmental funds					(4,816)
Postemployment Healthcare Benefits Other than Pension Obligation					(1,199,892)
Change in net assets of governmental activities					<u>(3,501,602)</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Solid Waste Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	12,146,210
Cash management fund	16,218,172
Prepaid costs	233,530
Due from other funds	3,289
Receivables, net:	
Accounts	<u>819,515</u>
Total current assets	<u>29,420,716</u>
Noncurrent assets:	
Investments	116,921
Restricted assets:	
Cash management fund	2,860,288
Interest receivable	27,280
Investments	2,725,320
Capital assets	<u>2,592,305</u>
Total noncurrent assets	<u>8,322,114</u>
Total assets	<u><u>37,742,830</u></u>

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Solid Waste Enterprise Fund
	<hr/>
LIABILITIES	
Current liabilities:	
Accounts payable	260,689
Accrued liabilities	1,052,912
Deferred revenue	1,485,342
Due to other funds	904,794
	<hr/>
Total current liabilities	3,703,737
	<hr/>
Noncurrent liabilities:	
Compensated absences	389,643
Accrued liability for closure and post-closure costs	8,535,612
Reserve for MERI Operations	1,510,563
Reserve for Keegan Landfill remediation	5,623,070
	<hr/>
Total noncurrent liabilities	16,058,888
	<hr/>
NET ASSETS	
Invested in capital assets	2,592,305
Restricted	10,384,280
Unrestricted	5,003,620
	<hr/>
Total net assets	17,980,205
	<hr/>
Total liabilities and net assets	37,742,830
	<hr/>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2007

	Solid Waste Enterprise Fund
Operating revenues:	
Fees for services	18,031,189
Beneficial reuse materials	7,375,685
Miscellaneous	<u>2,238,115</u>
Total operating revenues	<u>27,644,989</u>
Operating expenses:	
Balefill	4,380,980
Hudson/Union County Authorities	3,289,449
General operating	13,713,116
Equipment maintenance and garage	33,867
Parks and Open Space/Laboratory	2,939,615
Depreciation	100,282
Closure expenses	<u>120,670</u>
Total Operating Expenses	<u>24,577,979</u>
Operating income (loss)	<u>3,067,010</u>
Nonoperating revenues (losses):	
Net change in fair value of investments	66,927
Investment income	<u>1,477,990</u>
Total nonoperating revenues (losses), net	<u>1,544,917</u>
Income before other financing sources	4,611,927
Total net assets, beginning of year	<u>13,368,278</u>
Total net assets, end of year	<u><u>17,980,205</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2007

	<u>Solid Waste Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	18,336,565
Payments to employees	(12,459,288)
Payments to suppliers	(13,744,099)
Beneficial reuse materials	7,375,685
Miscellaneous	<u>2,159,560</u>
Net cash provided by (used for) operating activities	<u>1,668,423</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers from other funds	<u>117,952</u>
Net cash provided by (used for) noncapital financing activities	<u>117,952</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	<u>(21,139)</u>
Net cash provided by (used for) capital financing activities	<u>(21,139)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	1,464,832
Purchase of investments	(15,703,311)
Proceeds from sales of investments	<u>3,852,231</u>
Net cash provided by (used for) investing activities	<u>(10,386,248)</u>
Net increase (decrease) in cash and cash equivalents	(8,621,012)
Cash and cash equivalents, beginning of year	<u>20,767,222</u>
Cash and cash equivalents, end of year	<u><u>12,146,210</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	3,067,010
Depreciation expense	100,282
Change in assets and liabilities:	
Receivables, net	(78,555)
Prepaid costs	(41,035)
Accounts payable	195,586
Accrued liabilities	(10,485)
Deferred revenue	346,411
Due to other funds	<u>(1,910,791)</u>
Net cash provided by (used for) operating activities	<u><u>1,668,423</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

ASSETS

Cash and cash equivalents	7,965,133
Cash management fund	2,395,260
Due from other funds	<u>1,291,910</u>
 Total assets	 <u>11,652,303</u>

LIABILITIES

Accounts payable and accrued liabilities	82,404
Accrued Liability for Sick and Vacation Pay	27,882
Other liabilities	5,725,918
Construction deposit	<u>626,221</u>
 Total liabilities	 <u>6,462,425</u>

NET ASSETS

Net assets held in trust	<u>5,189,878</u>
	<u><u>5,189,878</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended December 31, 2007

ADDITIONS

Grant Revenues	151,791
Other	74,250
Interest	<u>177,716</u>
Total additions	<u>403,757</u>

DEDUCTIONS

Mitigation payments	<u>1,622,262</u>
Change in net assets	<u>(1,218,505)</u>
Net assets, beginning of the year - Restated	<u>5,873,906</u>
Net assets, end of the year	<u><u>4,655,401</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the New Jersey Meadowlands Commission, formerly known as Hackensack Meadowlands Development Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant policies:

A. Reporting Entity

New Jersey Meadowlands Commission (the Commission), which is considered a component unit of the State of New Jersey, was established in 1968. The Commission operates with a board of commissioners and provides oversight of the solid waste removal, environmental protection, and development in the Hackensack Meadowlands district.

The basic financial statements include all funds of the Commission over which the Commission exercises oversight responsibility. The decision to include a potential component unit in the Commission's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Commission has no component units. Furthermore, the Commission is includable in the State of New Jersey reporting entity on the basis of such criteria.

B. Basis of Presentation - Fund Accounting

Government-wide Statements

The statement of net assets and the statement of activities display information which include the overall financial activities of the Commission. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Commission. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the Commission's business-type activity and for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fund Financial Statements

The fund financial statements provide information about the Commission's funds. Separate statements for each fund category applicable to the Commission -governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as fees for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The Commission reports the following major governmental funds:

- General fund. This is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.
- New Jersey Meadowlands Commission Environmental Center fund. This fund accounts for the proceeds of revenues generated by the Commission's Environmental Center.

The Commission reports the following major enterprise fund:

- Solid Waste Enterprise fund. This fund accounts for the activities of the landfills operated by the Commission, as well as the closure and post-closure costs of such landfills.

Fiduciary Fund

This fund accounts for the proceeds of deposits held in trust for others. Mitigation, tax sharing and environmental activities are reported in this fund.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The accounts of the Commission are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary.

C. Basis of Accounting

Effective for the year ended December 31, 2001, the Commission adopted three pronouncements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and No. 38, *Certain Financial Statement Note Disclosures*.

As a result of its adoption, the financial statements herein present a section for Management's Discussion and Analysis and present a statement of cash flows using the direct method as specified in GASB Statement No. 9.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and other contributions. Revenue from such nonexchange transactions is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to pay liabilities of the current period. The Commission recognizes revenues that are expected to be collected within 90 days of year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest of general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in government funds. Proceeds of long-term debt are reported as other financing sources.

GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Funds*, provides proprietary activities with a choice of authoritative guidance after November 30, 1989. The Commission has elected to follow GASB pronouncements exclusively after that date for all business-type activities and enterprise funds. The following is a summary of other significant accounting policies of the Commission.

D. Investments

Investments are stated in the financial statements at fair value based upon quoted market prices.

E. Accumulated Unpaid Vacation and Sick Pay

The Commission employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to the actual days accrued. Reimbursement for accumulated sick leave is only made to employees at retirement, based upon a formula contained in the Commission personnel manual. Accumulated unpaid vacation and sick pay is accrued when incurred in the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Deferred Revenues

Revenues from the sale of solid waste disposal tickets are deferred until such time as the tickets are turned in by haulers at the Commission landfill facility. In calendar year 2004, the NJMC discontinued the use of the prepaid ticketing system and replaced it with a prepaid hauler escrow account system.

G. Capital Assets

Capital assets are stated at cost or estimated historical cost. Contributed fixed assets are recorded at their estimated fair market value at the time received. Depreciation is provided using the straight-line method over estimated useful lives ranging from five to ten years for all assets. There is no capitalized interest included in capital assets.

H. Accrued Liability for Closure and Post-closure Costs

The accrued liability for closure and post-closure costs represents funds collected as part of the solid waste tariff, which are required to be established to pay for the cost of closure and post-closure of landfills.

I. Payable from Restricted Assets - Landfill Closure

The payable from restricted assets - landfill closure, represents funds collected as part of the solid waste surcharge, which is determined by the Department of Environmental Protection, which are required to be established to pay for the cost of closure and post-closure of landfills. These amounts are based upon engineering studies which are evaluated on a yearly basis.

J. Cash and Cash Equivalents

Cash and cash equivalents are stated at cost. Cash and cash equivalents include cash in banks and certificates of deposit with original maturities of less than three months from date of purchase.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The year-end amount on deposit with banks was \$101,962,224. The Commission's deposits at year-end were partially insured by Federal Depository insurance in the amount of \$200,000. The Commission's primary depository has provided to a third-party trustee collateral in the name of the Commission to cover the remaining interest bearing account balance of the Commission.

The Commission's investment policy permits the investing of funds in the following types of investments:

- (a) Any direct and general obligation of the United States of America;
- (b) Any bond, debenture, note, or participation certificate issued by any of the following Federal agencies: Bank for Cooperatives, Federal Intermediate Credit Bank, Federal Home Loan Bank Systems, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Federal National Mortgage Association, Government National Mortgage Association, or Farmers Home Administration;
- (c) Negotiable or nonnegotiable certificates of deposit issued by any bank, savings and loan association, or national banking association, if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41, et seq.;

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 2: CASH AND INVESTMENTS, (continued)

- (d) Negotiable or nonnegotiable certificates of deposit issued by any bank, savings and loan association, trust company, or national banking association having capital and surplus of more than \$25,000,000, and which certificates of deposit are continuously secured by direct obligations of the United States of America that shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Commission or a designated custodian;
- (e) Deposits in the State of New Jersey Cash Management Fund; and
- (f) Deposits in interest-bearing accounts in any bank, savings and loan association, trust company, or national banking association, if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Deposit Protection Act, N.J.S.A. 17:9-41, et seq., or if having capital and surplus of more than \$25,000,000.

The Commission's investments are summarized below as category 1 which include investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name.

The following is a summary of investments at December 31, 2007:

	<u>Fair Value</u>	<u>Category</u>
Categorized:		
United States Agency Notes	\$2,468,194	1
United States Treasury Notes	102,493	1
Money Market Funds:		
United States Government	<u>341,368</u>	1
	2,912,055	
Noncategorized:		
State of New Jersey Cash Management Fund -		
pooled investments	<u>72,414,318</u>	
	<u>\$75,326,373</u>	

New Jersey Meadowlands Commission
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 3: RETROACTIVE RESTATEMENT DUE TO REALLOCATION OF RECEIVABLES

During calendar year 2007, the Commission identified Environmental Center Fund receivables which cash had been received to clear the balance. This resulted in the following restatement of fund balance and net assets as of December 31, 2006.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Restatement of Fund Balance:		
Fund Balance, December 31, 2006	\$62,199,721	\$13,368,278
Restatement of Other Receivables	<u>(8,596)</u>	<u>0</u>
Fund Balance, December 31, 2006, as Restated	<u>\$62,191,125</u>	<u>\$13,368,278</u>
Restatement of Net Assets:		
Net Assets, December 31, 2006	81,962,185	13,368,278
Restatement of Other Receivables	<u>(8,596)</u>	<u>0</u>
Net Assets, December 31, 2006, as Restated	<u>\$81,953,589</u>	<u>\$13,368,278</u>

NOTE 4: CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2007:

	<u>Balance Dec. 31, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2007</u>
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$16,557,262	\$499,627	\$	\$17,056,889
Infrastructure	1,090,300			1,090,300
Construction in progress	<u>728,207</u>	<u>5,625,813</u>	<u> </u>	<u>6,354,020</u>
Total capital assets not being depreciated	<u>18,375,769</u>	<u>6,125,440</u>	<u>0</u>	<u>24,501,209</u>
Capital assets that are eligible for depreciation:				
Building and building improvements	7,391,262			7,391,262
Machinery and equipment	<u>2,651,879</u>	<u>184,022</u>	<u>(2,135)</u>	<u>2,833,766</u>
Totals at historical cost	<u>10,043,141</u>	<u>184,022</u>	<u>(2,135)</u>	<u>10,225,028</u>
Less accumulated depreciation for:				
Building and Building Improvements	(5,984,625)	(100,052)		(6,084,677)
Machinery and equipment	<u>(2,114,383)</u>	<u>(249,828)</u>	<u>2,135</u>	<u>(2,362,076)</u>
Total accumulated depreciation	<u>(8,099,008)</u>	<u>(349,880)</u>	<u>2,135</u>	<u>(8,446,753)</u>
Total capital assets that are eligible for depreciation, net of accumulation	<u>1,944,133</u>	<u>(165,858)</u>	<u>0</u>	<u>1,778,275</u>
Government activities capital assets, net	<u>\$20,319,902</u>	<u>\$5,959,582</u>	<u>\$0</u>	<u>\$26,279,484</u>

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 4: CAPITAL ASSETS, (continued)

	<u>Balance</u> <u>Dec. 31, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
Business-type activities:				
Capital assets including items eligible for amortization:				
Land and landfills	\$4,894,786	\$	\$	\$4,894,786
Total historical cost	<u>4,894,786</u>	<u>0</u>	<u>0</u>	<u>4,894,786</u>
Less accumulated amortization for:				
Landfills	<u>(2,499,467)</u>	<u>0</u>	<u>0</u>	<u>(2,499,467)</u>
Total accumulated depreciation	<u>(2,499,467)</u>	<u>0</u>	<u>0</u>	<u>(2,499,467)</u>
Total capital assets including items eligible for amortization, net of accumulation	<u>2,395,319</u>	<u>0</u>	<u>0</u>	<u>2,395,319</u>
Capital assets that are eligible for depreciation:				
Building and building improvements	11,375,083			11,375,083
Machinery and equipment	<u>4,550,866</u>	<u>21,140</u>	<u>(16,011)</u>	<u>4,555,995</u>
Total historical cost	<u>15,925,949</u>	<u>21,140</u>	<u>(16,011)</u>	<u>15,931,078</u>
Less accumulated depreciation for:				
Building and building improvements	<u>(11,375,083)</u>			<u>(11,375,083)</u>
Machinery and equipment	<u>(4,274,739)</u>	<u>(100,281)</u>	<u>16,011</u>	<u>(4,359,009)</u>
Total accumulated depreciation	<u>(15,649,822)</u>	<u>(100,281)</u>	<u>16,011</u>	<u>(15,734,092)</u>
Total capital assets that are eligible for depreciation, net of accumulation	<u>276,127</u>	<u>(79,141)</u>	<u>0</u>	<u>196,986</u>
Business-type activities capital assets, net	<u>2,671,446</u>	<u>(79,141)</u>	<u>0</u>	<u>2,592,305</u>

Depreciation for buildings and furniture, fixtures and equipment for the year was \$349,880 allocated as follows: Commission operations - \$265,909 and Environmental Center - \$83,971.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 5: RETIREMENT SYSTEMS

Substantially all of the Commission's employees participate in the Public Employees' Retirement System (PERS) contributory defined benefit retirement system (retirement system) which has been established by State statute and is sponsored and administered by the State of New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625.

PERS is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits, as well as medical benefits for certain qualified members. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60 and, under recently enacted legislation referred to below, are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

The System provides specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 5: RETIREMENT SYSTEMS, (continued)

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Two pieces of legislation passed during 2001 have a significant impact on the System's benefit provisions: Chapter 133, Public Law of 2001, increases retirement benefits for service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increases the retirement benefit for veteran members with 35 or more years of service and reduces the age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, Public Law of 2001, establishes an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the retiree's death) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. From January 1, 1998 to December 31, 1999, the contribution rate was 4.5% of base salary. In accordance with Chapter 415, P.L. 1999, the member rate was lowered to 3.0% effective January 1, 2000. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. The State of New Jersey's contribution also includes funding for the cost of medical premiums after retirement for qualified retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits are funded on a pay-as-you-go basis plus an additional contribution that will ensure an increase in the Post-Retirement Medical Reserve Fund equal to ½ of 1% of the salary of active state employees.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 5: RETIREMENT SYSTEMS, (continued)

Chapter 133, P.L. 2001, provides for increased benefits for certain types of retirement. Under this legislation, the cost of the increased benefits will be funded using excess assets. To fund the initial accrued liability, the actuarial value of assets for the valuation period ending June 30, 1999, will be the full market value of the assets as of that date. The required normal contributions on behalf of active members will also be funded using available excess assets. A benefit enhancement fund will be established and maintained from which required normal contributions for the benefit enhancements will be charged. The legislation requires that the assets of the benefit enhancement fund shall not exceed the present value of the expected additional normal contribution over the expected working lives of the active members for the valuation period. If excess assets are not available when contributions are required, the legislation further provides that the state shall be responsible for the cost of the increased benefits for both State and local members. The amount of excess assets that can be utilized is also limited to the employee contributions for the year in which a payment is required. If the required funding in any year exceeds the employee contributions, the State shall also be responsible for funding the excess amount.

Legislation passed in 1997 (Chapter 115, P.L. 1997) provided for the use of excess actuarial valuation assets to offset the required normal contributions of the State of New Jersey and the local participating employers.

Through FY 2003, excess assets may be used to the extent possible to offset normal contributions. Thereafter, a certain percentage of available excess assets may be used as specified in the legislation.

As a result of Chapter 115, for the years ended June 30, 2004, 2003 and 2002, contributions by the State of New Jersey were limited to funding for post-retirement medical benefits while local employer contributions were limited to funding for early retirement incentive benefits. Employer contributions for basic pension benefits, noncontributory death benefits and cost-of-living adjustments were funded by excess assets for both the State and local employers.

The Commission's contribution to the public employee's retirement system, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2007	\$326,386
2006	212,149
2005	88,659

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 6: CLOSURE AND POST-CLOSURE REQUIREMENTS

The Commission has disclosed in the past its 30-year closure and post-closure financial plan for landfills it has owned and operated. In CY2002, the Commission negotiated with EnCap Golf Holdings, LLC (EnCap Golf), subject to satisfaction of certain material conditions, for the conversion of approximately 800 acres of landfill to recreational uses for Phase 1 of the project. These areas will be converted into golf courses with related residential and commercial development. In CY2005, an agreement was reached with EnCap Golf to modify the previous Phase 2 development on the 1-E landfill where the developer was to construct a golf course facility. The modified agreement calls for the Commission continuing its landfill operations through December 31, 2008 and dedicating the landfill as a park at its closure. A Memorandum of Understanding was entered into between the Counties of Bergen and Hudson and the NJMC to convert the landfill into a future joint county public golf course. The cost of constructing this facility, as well as all future maintenance, will be borne by the respective counties.

EnCap Golf, through an agreement with PVSC, will provide free leachate disposal and the Commission will use the balance of funds in the DEP statutory closure account for certain closure improvements at this site. In the event the monies in the statutory accounts are not sufficient, the State of New Jersey will address any future liabilities for closure and post-closure for this landfill. The assumption of this liability by the State occurred in CY2003, when the Commission transferred \$50 million from its closure and post-closure accounts to the State's General Fund to meet its statutory obligations under the New Jersey State 2003-2004 budget.

In addition to the 1-E landfill, the Commission operated the Erie Landfill for a 3-year period ending December 31, 2005. The Commission's original agreement with EnCap had this landfill's closure and post-closure costs included as a part of the company's responsibility. Subsequent modifications to the original agreement removing this responsibility due to the Commission's continuing use of the Erie Landfill requires that a 30-year post-closure plan be in place under the Sanitary Landfill Facility Closure and Contingency Fund Act N.J.S.A. 13:1E-100 et.seq and the Federal Sub-title D Regulations. The NJMC has prepared a 30-year post-closure plan and has set aside sufficient funds for these costs.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 7: REMEDiation OF KEEGAN LANDFILL

On June 14, 2005, the NJMC entered into a lease agreement with the Town of Kearny for the remediation of Keegan Landfill through future reopening of the facility for construction and demolition waste. It is expected that sufficient revenues will be generated through the tipping fees at Keegan Landfill to reimburse the Commission for all costs associated with this lease. At the completion of operations and closure of the Keegan Landfill, the NJMC will assist the Town of Kearny with the construction of recreational facilities at the site. The Commission has made payments to the Town of Kearny totaling \$5,902,319 since the agreement's inception.

NOTE 8. MEADOWLANDS AREA GRANTS FOR NATURAL AND ECONOMIC TRANSFORMATION (MAGNET)

In calendar year 2005, the NJMC launched the MAGNET Program with funding from the Kingsland Post-Closure Fund. As part of its agreement with EnCap Golf, the golf course developer has assumed the post-closure responsibilities for Kingsland Landfill resulting in the release of monies from this Fund for the creation of the MAGNET fund. The intention of the MAGNET is to enhance the NJMC's existing Municipal Aid Program (MAP), by ensuring that monies are set aside over the next 5 years for tax relief incentives for District municipalities. A detailed budget outlining the amounts appropriated for MAP, environmental, economic development and capital improvements initiatives is currently in place. As of December 31, 2007, the balance in the MAGNET fund was \$20,431,233. There were commitments of \$19,300,000 outstanding as of the end of the year.

NOTE 9: DEFERRED COMPENSATION PLANS

The Commission participates in two deferred compensation plans as follows:

- (a) New Jersey State Employees Deferred Compensation Plan - This Plan is an IRC Section 457 deferred compensation plan administered by the State of New Jersey and, accordingly, is included in the financial statements of the State. The Plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Plan is funded solely from voluntary employee contributions. Employee contributions and investment earnings thereon are a part of the State Plan. Employees may defer a maximum 50% of their salary or \$15,000, whichever is less. Investments are on an individual participant basis and the total investment for all the Commission employees is unknown.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 9: DEFERRED COMPENSATION PLANS, (continued)

- (b) AIG Retirement - This 457(b) plan, which commenced operations on December 31, 1985, is funded solely from voluntary employee contributions. The Plan is administered by AIG Retirement. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees, and are not included the accompanying financial statements. Employee contributions in 2007 were \$150,800.

NOTE 10: PROPRIETARY FUND - RESTRICTED ASSETS

Assets are restricted for closure and post-closure expenses in the Solid Waste Enterprise Fund based upon management's estimate.

NOTE 11: INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2007 consist of the following:

<u>Dollar Amount</u>	<u>Description</u>
165,293	Due to the General Fund from the Solid Waste Fund
226,512	Due to the General Fund from the Environmental Center
1,495,404	Due to the General Fund from the Mitigation Trust Fund
504,658	Due to the General Fund from the MAGNET Fund
602,005	Due to the Environmental Center from the Solid Waste Fund
1,064	Due to the Environmental Center from the Mitigation Trust
3,289	Due to the Solid Waste Fund from the Study Fund
137,456	Due to the Mitigation Trust Fund from the Solid Waste Fund
2,650,922	Due to the Mitigation Trust Fund from the MAGNET Fund
279,204	Due to the Capital Fund from the General Fund
13,600	Due to the Capital Fund from the Environment Center
<u>7,062,414</u>	Due to the Study Fund from the General Fund
 <u>13,141,821</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 12: GOVERNMENT-WIDE NET ASSETS

Net assets are reserved in the Governmental Funds as follows at December 31, 2007:

Maintenance	\$1,402,486
Additions and replacements	2,978,005
Student transportation	109,305
Open space acquisition	4,283,016
Environmental Improvement Fund	2,200,000
Project commitments	2,608,339
Insurance	100,000
Flood Control	1,225,898
MAGNET Funds	16,115,342
Keegan Remediation	16,400,000
Other Funds	440,329
	<u>\$47,862,720</u>

NOTE 13: LITIGATION

The Commission is a defendant in various legal proceedings. In the opinion of management, none is of such a nature that would have a material impact upon the general purpose financial statements.

NOTE 14: POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or disability retirement. As of June 30, 2005, there were 67,930 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State made Post Retirement (PRM) contributions of \$494.7 million for TPAF and \$190.8 million for PERS in fiscal year 2005.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 14: POST-RETIREMENT BENEFITS, (continued)

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2005, the State paid \$88.7 million toward Chapter 126 benefits for 9,966 eligible retired members.

NOTE 15: RISK MANAGEMENT

Property and Liability Insurance

The Commission maintains commercial insurance coverage for property, liability and surety bonds that covers the risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance

The Commission has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Commission is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Commission is billed quarterly for amounts due to the State. There were no reimbursements which were required to be paid to the State for the current year.

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN

Postemployment Benefits Other Than Pensions

The Commission sponsors a single employer postemployment benefits plan that provided benefits in accordance with State statute, through the State's Health Benefits Bureau to eligible retirees, their spouses/domestic partners and eligible dependent children and continues to be provided on behalf of the surviving spouse/domestic partner or a retiree. Employees and/or their spouses/domestic partners become eligible for these benefits upon 25 years or more of service in the Public Employees Retirement System (PERS) or those approved for disability retirement.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Commission obtained an actuarially determined calculation for this obligation.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

The Commission's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Commission, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Commission's annual OPEB cost for the year ended December 31, 2007, and the related information for the plan, are as follows:

January 1, 2007 - Net OPEB Obligation (Initial) (NOO)	\$0
Annual OPEB Costs (AOC)	1,370,800
Contribution from Commission	<u>170,908</u>
December 31, 2007 - Net OPEB Obligation (NOO)	<u><u>\$1,199,892</u></u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2007 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u> (Dollars in Thousands)	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2007	\$1,370.8	13%	\$1,199.9

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial accrued Liability - Projected Unit Credit</u> (Dollars in Thousands)	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll</u>
01/01/07	\$-0-	\$14,972.7	\$14,972.7	0%	\$7,489.8	200%

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

The **Present Value of all Projected Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at January 1, 2007) is \$26,851,100 assuming no prefunding of obligations, or \$12,013,800 assuming prefunding of obligations. The majority of this liability is for current active employees (future retirees).

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at January 1, 2007) is \$14,972,700 assuming no prefunding of obligations, or \$8,026,500 assuming prefunding of obligations. The majority of this obligation is for active employees.

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2007 Fiscal Year Normal Cost is \$812,200 assuming no prefunding of obligations, or \$333,900 assuming prefunding of obligations. In pension accounting, this is also known as "**service cost**."

Future Normal Costs represent the present value of the remaining balance of all projected benefits to be earned in future years.

Assumptions

The results were calculated based upon plan provisions, as provided by the New Jersey Meadowlands Commission and the State of New Jersey, along with certain demographic and economic assumptions as recommended by Aon, in conjunction with the New Jersey Meadowlands Commission with guidance from the GASB statement.

Demographic Assumptions

Data was provided by the New Jersey Meadowlands Commission as of January 1, 2007. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007
(continued)

NOTE 16: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

Economic Assumptions

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the “investments that are expected to be used to finance the payments of benefits”. Since the New Jersey Meadowlands Commission does not currently pre-fund the retiree healthcare liabilities, the discount rate for the “no prefunding” scenario should be based on the portfolio of the New Jersey Meadowlands Commission’s “general assets” used to pay these benefits. The discount rate assumption selected by the Commission is 4.50%.

For the “with prefunding” scenario, we recommend using the same rate as used for valuing the State of New Jersey’s PERS pension liabilities, which is 8.25%.

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is “publicly available, objective and unbiased”.

Aon developed the trend assumption utilizing the short-term rates expected on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For medical benefits, this amount initially is at 10.0% or 11.0% (depending on the medical plan) and decreases to a 5.0% long-term trend rate for all medical benefits after twelve years. For prescription drug benefits, the initial trend rate is 12.0%, decreasing to a 5.0% long-term trend rate after fourteen years. For Medicare Part B reimbursement, the trend rate is 6.5% for three years, with a long-term trend rate of 5.0% thereafter.

REQUIRED SUPPLEMENTAL INFORMATION

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
(Budgetary Basis)
General Fund
Year Ended December 31, 2007

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Lease payments	3,228,388	-	3,228,388	3,706,783	478,395
Fees and charges	1,500,000	-	1,500,000	1,123,805	(376,195)
Baler overhead reimbursement	5,210,204	294,463	5,504,667	5,025,204	(479,463)
Amounts appropriated for current year	1,670,700	326,443	1,997,143	3,400,474	1,403,331
Composting Revenues	120,000	-	120,000	331,838	211,838
Other Income	-	-	-	126,764	126,764
Sale of Property - Transfer Station	-	-	-	-	-
Methane Royalties	250,000	-	250,000	154,656	(95,344)
Dredge revenues	-	-	-	1,453,564	1,453,564
Interest Income	890,000	-	890,000	1,636,679	746,679
Total Revenues	12,869,292	620,906	13,490,198	16,959,767	3,469,569
EXPENDITURES:					
Commission operations:					
Salaries and wages	4,729,149	-	4,729,149	4,452,169	276,980
Supplies	322,000	-	322,000	265,421	56,579
Services	4,183,187	294,463	4,477,650	3,182,102	1,295,548
Maintenance and repairs	300,000	-	300,000	328,538	(28,538)
Fringe benefits	1,654,256	-	1,654,256	1,740,387	(86,131)
New equipment	10,000	-	10,000	6,004	3,996
Total commission operations	11,198,592	294,463	11,493,055	9,974,621	1,518,434
Other Expenditures:					
Capital expenditures	987,740	21,663	1,009,403	580,740	428,663
Open space acquisition from reserve	-	-	-	-	-
Amounts expended against prior year revenue allocations	-	-	-	46,774	(46,774)
Other operations	682,960	304,780	987,740	504,133	483,607
Total other expenditures	1,670,700	326,443	1,997,143	1,131,647	865,496
Total Expenditures	12,869,292	620,906	13,490,198	11,106,268	2,383,930
Excess of revenues over expenditures	-	-	-	5,853,499	5,853,499
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	-	5,853,499	5,853,499
Fund balance, beginning of year				24,873,594	
Net change in fund balance				30,727,093	
Less amounts appropriated for current year				(3,400,474)	
Fund balance, end of year budgetary basis				27,326,619	
Noncurrent liability for compensated absences				4,816	
Fund balance, end of year governmental funds basis				27,331,435	

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
(Budgetary Basis)
Environmental Center Fund
Year Ended December 31, 2007

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Fees and charges	145,000	-	145,000	50,702	(94,298)
Baler overhead reimbursement	1,670,000	185,000	1,855,000	1,855,000	-
Other Income	160,000	-	160,000	224,804	64,804
Interest Income		-		60,261	60,261
Total Revenues	1,975,000	185,000	2,160,000	2,190,767	30,767
EXPENDITURES:					
Commission operations:					
Supplies	100,000	-	100,000	175,911	(75,911)
Services	425,000	-	425,000	393,743	31,257
Maintenance and repairs	65,000	-	65,000	104,882	(39,882)
Total commission operations	590,000	-	590,000	674,536	(84,536)
Other Expenditures:					
Capital expenditures	120,000	-	120,000	46,493	73,507
Ramapo College Partnership	1,225,000	185,000	1,410,000	1,328,738	81,262
Amounts expended against prior year revenue allocations	40,000	-	40,000	41,871	(1,871)
Other		-		56,417	(56,417)
Total other expenditures	1,385,000	185,000	1,570,000	1,473,519	96,481
Total Expenditures	1,975,000	185,000	2,160,000	2,148,055	11,945
Net change in fund balances	-	-	-	42,712	42,712
Fund balance, beginning of year - restated				1,375,719	
Net change in fund balance				1,418,431	
Less amounts appropriated for current year				(144,781)	
Fund balance, end of year governmental funds basis				1,273,650	

NEW JERSEY MEADOWLANDS COMMISSION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and
Project Status-Budgetary Basis
Environmental Education Center/Observatory
Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
Revenues and Other Financing Sources		
New Jersey Sports and Exposition Authority		1,500,000
Interest Income	<u>153,830</u>	<u>10,967</u>
	<u>153,830</u>	<u>1,510,967</u>
Expenditures and Other Financing Uses		
Other Financing Sources - General Fund		(2,777,683)
Other Financing Sources - Magnet		(2,700,000)
Observatory Project - Construction in Progress	<u>5,626,291</u>	<u>584,566</u>
	<u>5,626,291</u>	<u>(4,893,117)</u>
Excess (deficiency) of revenues over (under) expenditures	(5,472,461)	6,404,084
Fund Balance - Beginning	<u>6,564,112</u>	<u>160,028</u>
Fund Balance - Ending	<u><u>1,091,651</u></u>	<u><u>6,564,112</u></u>

**NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)**

**NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

YEAR ENDED DECEMBER 31, 2007

Budgetary Procedures and Budgetary Accounting

The Commission's General Fund budget is established by its Board of Commissioners. In addition, a budget has been approved for the Environmental Center Fund by the Board of Commissioners. The Commission prepares its budgets on a basis consistent with accounting principles generally accepted in the United States of America except for recognizing the appropriation of prior year fund balance as revenue and recognition of long-term liabilities for compensated absences and changes thereto. Appropriations unexpended at the close of the fiscal year may be carried forward to subsequent years. Expenditures cannot exceed appropriations at the total fund level for the General Fund and Environmental Center Fund, exclusive of amounts expended against prior year revenue allocations.

NEW JERSEY MEADOWLANDS COMMISSION
SCHEDULE OF NET ASSETS BY COMPONENT
CALENDAR YEAR 1998 THROUGH 2007

BALANCE SHEET**Assets:**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Current	92,882,517	93,453,885	86,848,612	95,992,488	93,993,537	131,512,727	162,101,818	165,278,609	144,757,004	136,900,805
Non-current	28,871,789	22,991,348	20,294,175	15,001,944	16,689,281	16,681,382	15,833,791	21,555,451	21,566,800	15,444,499
Total assets	121,754,306	116,445,233	107,142,787	110,994,432	110,682,818	148,194,109	177,935,609	186,834,060	166,323,804	152,345,304

Liabilities:

Current	7,890,723	7,157,696	5,494,656	12,974,118	10,742,314	11,645,791	13,190,626	29,958,634	24,910,276	11,692,164
Non-current	17,431,391	13,957,074	16,993,365	46,637,759	52,378,495	100,045,532	125,929,154	104,694,085	96,714,354	97,402,148
Total Liabilities	25,322,114	21,114,770	22,488,021	59,611,877	63,120,809	111,691,323	139,119,780	134,652,719	121,624,630	109,094,312

Net Assets:

Invested in capital assets
net of related debt

Restricted	28,871,789	22,991,348	20,294,175	15,001,944	16,689,281	16,681,382	15,833,791	16,889,979	16,720,014	12,338,265
Unrestricted	57,021,102	43,413,939	57,872,127	5,254,429	5,365,989	8,272,454	8,780,815	31,422,933	24,100,883	28,582,375
Total net assets	10,539,301	28,925,176	6,488,484	31,126,182	25,506,759	11,548,950	14,201,223	3,868,429	3,878,277	2,330,352
	96,432,192	95,330,463	84,654,766	51,382,555	47,562,009	36,502,786	38,815,829	52,181,341	44,699,174	43,250,992

NEW JERSEY MEADOWLANDS COMMISSION
SCHEDULE OF CHANGES IN NET ASSETS
CALENDAR YEAR 1998 THROUGH 2007

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
GOVERNMENTAL FUNDS										
Statement of Revenues and Expenditures										
Revenues	18,073,173	26,365,558	45,048,536	18,878,721	22,705,646	12,582,395	16,205,541	12,522,663	9,797,081	7,561,891
Expenditures	26,329,648	18,373,502	19,343,481	16,003,251	10,065,487	18,904,849	10,496,743	8,692,648	7,320,366	7,075,463
Excess of revenues over expend.	(8,256,475)	7,992,056	25,705,055	2,875,470	12,640,159	(6,322,454)	5,708,798	3,830,015	2,476,715	486,428
Fund balance - beginning of year	62,191,124	54,207,665	28,502,610	25,627,140	12,986,981	19,309,435	13,600,637	12,030,227	9,553,512	9,067,084
Fund balance - end of year	53,934,649	62,199,721	54,207,665	28,502,610	25,627,140	12,986,981	19,309,435	15,860,242	12,030,227	9,553,512
SOLID WASTE OPERATIONS										
Operating Revenues	27,644,989	19,612,317	21,971,092	23,719,295	25,633,217	23,475,856	21,693,581	22,481,798	13,270,980	9,163,068
Operating Expense	24,577,979	20,714,558	24,619,968	23,826,551	26,730,187	20,538,624	17,126,513	20,852,766	17,297,092	14,366,735
Income from Operations	3,067,010	(1,102,241)	(2,648,876)	(107,256)	(1,096,970)	2,937,232	4,567,068	1,629,032	(4,026,112)	(5,203,667)
Non-operating revenue	1,544,917	4,756,789	10,044,051	347,428	685,522	(947,879)	4,608,322	6,959,155	1,359,830	11,972,217
Non-operating expense	0	3,646,683	2,997,177	0	2,562,980	2,700,000	5,063,754	5,100,000	2,750,000	1,975,704
Change in net assets	4,611,927	7,865	4,397,998	240,172	(2,974,428)	(710,647)	4,111,636	3,488,187	(5,416,282)	4,792,846
Net Assets - beginning of year	13,368,278	13,360,413	8,962,415	8,722,243	11,696,671	12,407,318	8,295,682	13,130,867	18,547,149	13,754,503
Net Assets - end of year	17,980,205	13,368,278	13,360,413	8,962,415	8,722,243	11,696,671	12,407,318	16,619,054	13,130,867	18,547,349

STATEMENT OF ACTIVITIES (GOV'T)

Revenues	18,073,173	18,515,557	41,048,536	17,816,575	22,705,646	11,527,617	14,993,693
Expenses	21,574,773	16,886,683	12,174,323	14,236,201	8,671,995	13,130,013	8,076,741
Change in net assets	(3,501,600)	1,628,874	28,874,213	3,580,374	14,033,651	(1,602,396)	6,916,952
Net assets - beginning of year	81,953,587	80,333,311	42,420,140	38,839,766	24,806,115	26,408,511	19,491,559
Net assets - end of year	78,451,987	81,962,185	71,294,353	42,420,140	38,839,766	24,806,115	26,408,511

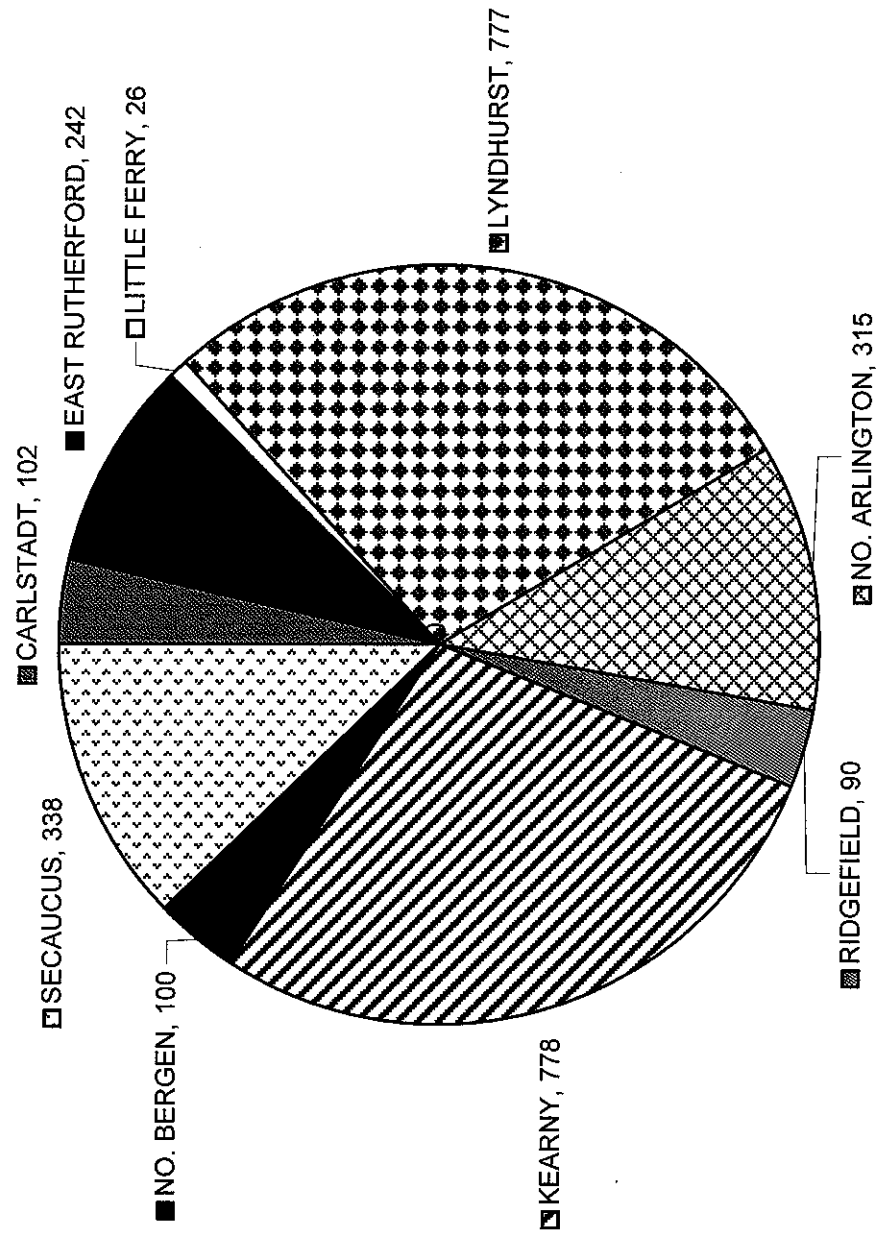
ALL OPERATIONS

Revenues	47,263,079	39,237,980	70,066,502	41,883,298	46,461,405	31,355,594	36,231,842
Expenses	46,152,753	37,601,241	36,794,291	38,062,752	35,402,182	33,668,637	25,203,254
Change in net assets	1,110,326	1,636,739	33,272,211	3,820,546	11,059,223	(2,313,043)	11,028,588
Net assets - beginning of year	95,321,866	93,693,724	51,382,555	47,562,009	36,502,786	38,815,829	27,787,241
Net assets - end of year	96,432,192	95,330,463	84,654,766	51,382,555	47,562,009	36,502,786	38,815,829

* Restated for inclusion of infrastructure assets

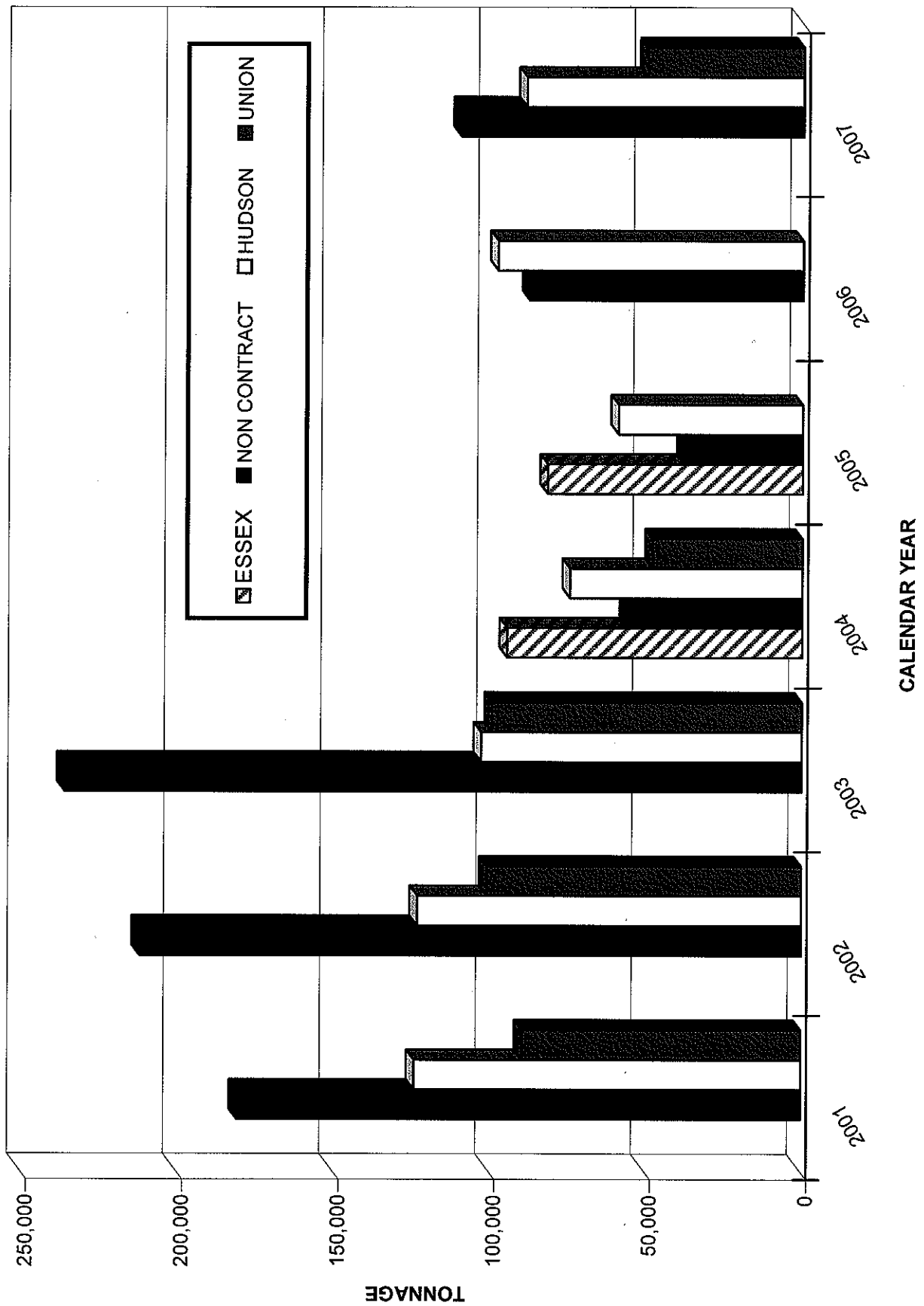
** GASB34 Restatement

**NJMC PROPERTY ACQUISITION
TOTAL ACREAGE BY MUNICIPALITY**



Total Land Acreage: 2,769 acres

NJMC LANDFILL TONNAGE CY2001 - CY2007



NEW JERSEY MEADOWLANDS COMMISSION

Schedule of Expenditures of Federal Awards

Year ended December 31, 2007

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Internal Grant Number	Balance at Dec. 31, 2006	Cash Received	Budgetary Expenditures	Canceled	(Accounts Receivable) at Dec. 31, 2007	Deferred Revenue at Dec. 31, 2007	MEMO Cumulative Total Expenditures
National Oceanic and Atmospheric Administration Study Fund: Coastal Zone Management Administration Awards	11.419	10/1/02-09/30/05	\$ 4,178,800		(82,570)				(82,570)		* 2,211,996
Total National Oceanic and Atmospheric Administration					(82,570)				(82,570)		* 2,211,996
US Environmental Protection Agency Study Fund: Brownfield Pilots Cooperative Agreements Wetlands Protection State Development Urban Tidal Wetlands Restoration	66.811 66.461 66.461	10/1/04-09/30/05 10/1/02-9/30/03 10/1/03-9/30/04	200,000 93,000 124,000		2,287 5,900 (50,407)	1,130	1,814	(5,900) 50,407		1,603	* 4,101 * 93,000 * 50,407
Kearny Marsh Surveys/Studies/Investigations & Special Purpose Grant	66.606	9/1/04-3/31/08	385,700		(208,258)	99,029	6,292		(115,521)		* 385,700
Wetland Monitoring and Assessment Monitoring of Air Toxic Particulate Pollutants Secaucus High School Site		10/1/05-9/30/06 10/1/05-9/30/06 1/1/06-9/30/07	77,500 241,034 288,700		(9,909) (36,857)	5,750 92,133	38,671 138,808 288,700		(42,830) (83,532) (288,700)		* 48,580 * 175,665 * 288,700
Total US Environmental Protection Agency					(297,244)	198,042	474,285	44,507	(530,583)	1,603	* 1,046,153
Total Federal Financial Assistance				\$	(379,814)	198,042	474,285	44,507	(613,153)	1,603	* 3,258,149

See accompanying notes to schedules of expenditures of federal and state awards.

NEW JERSEY MEADOWLANDS COMMISSION

Schedule of Expenditures of State Awards

Year ended December 31, 2007

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at Dec. 31, 2006	Cash Received	Budgetary Expenditures	Canceled	(Accounts Receivable) at Dec. 31, 2007	Deferred Revenue at Dec. 31, 2007	MEMO Cumulative Total Expenditures
New Jersey Department of Environmental Protection:										
Study Fund:										
Green Acres Grant / North Hudson Trail Project	042-4800 GM70506	02/28/95	\$ 500,000	\$ 438,932						
Recreation Trails Program - Recreation Trail	BP982083-01-0	2003	20,300	(900)	6,106	6,106	900		438,932	61,068
Secaucus Greenway Signage Program		06/28/05	31,250			20,534		(20,534)		6,106
Total State Financial Assistance				\$ 438,032	6,106	26,640	900	(20,534)	438,932	87,708

See accompanying notes to schedules of expenditures of federal and state awards.

**NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)**

OTHER COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2007

OTHER COMMENTS

NONE

RECOMMENDATIONS

NONE

Acknowledgment

We received the complete cooperation of all of the officials of the Commission and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkötz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

April 10, 2008