

New Jersey Environmental Infrastructure Trust

Annual Report SFY2014



Raritan River at Red Mill, Clinton, NJ

“Financing New Jersey’s Water Quality Future”

NJEIT Quick Facts

Program Year SFY2014

TOTAL LOANS

The Program has issued more than \$6.1 billion in long-term loans since its inception in 1986. The Trust made its first Disaster (SAIL) loan in SFY2014 for \$2.95 million related to Superstorm Sandy.

TOTAL PROJECTS

Approximately 1,120 long-term loans have been issued to fund clean water, drinking water, green infrastructure, land acquisitions, remediation and redevelopment Projects.

TOTAL SAVINGS

The Program has saved taxpayers and ratepayers a minimum of \$2.2 billion through lower interest costs and principal forgiveness.

CURRENT RATES

Blended interest rate for the Series 2014A as low as **0.699%**.

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Chris Christie
Governor
State of New Jersey

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Delaware Raritan Canal
Photo Courtesy of the New Jersey Water Supply Authority

MISSION STATEMENT

The New Jersey Environmental Infrastructure Trust is an independent State Financing Authority responsible for providing and administering low interest rate loans to qualified municipalities, counties, regional authorities, and water purveyors in New Jersey for the purpose of financing water quality infrastructure projects that enhance ground and surface water resources, ensure the safety of drinking water supplies, protect the public health and make possible, responsible and sustainable economic development.

BOARD OF DIRECTORS AND EXECUTIVE STAFF

PUBLIC MEMBERS



Warren H. Victor
Chairman



Herbert Barrack
Vice-Chairman



Robert A. Briant, Jr.
Treasurer



Roger Ellis
Secretary

EX-OFFICIO MEMBERS



Bob Martin
Commissioner

New Jersey
Department of Environmental Protection



Andrew Sidamon-Eristoff
State Treasurer

New Jersey
Department of Treasury



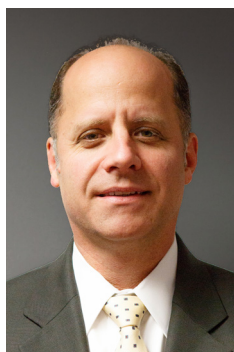
Richard E. Constable, III
Commissioner

New Jersey
Department of Community Affairs

EXECUTIVE STAFF



David E. Zimmer
Executive Director



Frank Scangarella
Assistant Director
Chief Operating Officer



Lauren S. Kaltman
Chief Financial Officer



John G. Hansbury
Chief Budget Officer

MESSAGE FROM THE CHAIRMAN AND EXECUTIVE DIRECTOR

To: The Honorable Chris Christie, Governor of the State of New Jersey
The Honorable Members of the New Jersey State Legislature

The New Jersey Environmental Infrastructure Trust (Trust) is the State's water infrastructure lending institution that provides low cost, low interest rate financing to qualified municipalities, counties, utility authorities and private water systems to facilitate the construction of drinking water, wastewater, and stormwater systems. Since its inception in 1986, the Trust has partnered with the New Jersey Department of Environmental Protection (DEP) through the NJ Environmental Infrastructure Financing Program (Program), to issue over \$6.1 billion in long-term loans at below market interest rates. These loans have provided interest cost savings to the State's taxpayers and ratepayers estimated at over \$2.2 billion. In addition, the activity undertaken with these funds has provided over 112,915 direct construction jobs facilitating the achievement of the State's public health, environmental and economic priorities and highlighting the Trust as a hallmark of cooperation between the public and private sectors.

2014 TRADITIONAL PROGRAM – Record Low Rates

Each year, both the Trust and the DEP provide separate funding for loans to Program participants. The Trust provides its portion of loan funds through the issuance of municipal bonds. The DEP provides its portion of loan funds from a combination of Federal State Revolving Fund (SRF) capital grants, State matching funds for such SRF grants, State appropriations and interest earned on such funds. Continuing the terms of last year's Program, DEP Commissioner Bob Martin directed the DEP to maintain its share of Program loan funds at 75%. This offers an incentive to communities with emergent water infrastructure needs to undertake such projects in the present Program year, and not postpone action due to the challenging economic environment. As a result, the SFY2014 Program offered a funding package to most borrowers consisting of 75% funding from the State through the DEP at a 0% interest rate and the remaining 25% funding from the Trust at the Trust's AAA market rate. The total savings from the Program's low interest rate loans can exceed 35% of the total loan value to pass along to local ratepayers. For projects which qualified for the Program's set-asides, the State provided a further reduction in borrowing costs by forgiving principal repayments on a portion of those borrowers' State loans.

The State was profoundly affected by Superstorm Sandy in SFY2014. The financial implications for many of the State's local communities was such that priorities and resources were focused on and directed towards cleanup and emergency restoration work. As a result, capital projects, such as those with pending loan applications in the Program, were postponed. Nonetheless, in May of 2014, the Program was still able to issue \$62.035 million in tax-exempt bonds to partially fund seventy-four (74) environmental infrastructure projects. Series SFY2014A & 2014B bonds received the highest possible ratings of AAA/Aaa/AAA from Fitch Ratings, Moody's Investor Service and Standard & Poors. Including SRF funds from the DEP and direct loans, the Program financed an aggregate value of projects totaling \$243 million. The effective, blended interest rate for the majority of program borrowers was a record low 0.699%. For a complete list of SFY2014 Program loans, please see pages 9-10.

SUPERSTORM SANDY

In response to the devastation to water infrastructure throughout the State caused by Superstorm Sandy (estimated at over \$2 billion), the Trust's enabling legislation was modified to create a disaster emergency relief bridge loan program to assist local communities with immediate, short term cash flow needs. The Statewide Assistance Infrastructure Loan Program (SAIL) provides immediate, emergency short term bridge loans at low interest costs to local communities for the purpose of financing rebuild and resiliency environmental infrastructure projects in advance of federal disaster relief dollars. Since this legislation was signed into law by Governor Christie in August 2013, Trust and DEP staff have worked to develop the SAIL Program focusing on implementing procedures that ensure compliance with a variety of requirements from several federal programs and to serve as a backstop for a number of communities that may lack such logistical expertise. The Program issued its first SAIL loan to the South Monmouth Regional Sewerage Authority in February 2014 for \$2.95 million to rebuild and relocate the Lake Como Pump Station.

Independent of the SAIL Program, the State of New Jersey received \$229 million in federal capital grants which were appropriated and signed into law in January 2013 specifically for resiliency projects related to Superstorm Sandy (Sandy SRF). The Program is offering a financing package to eligible resiliency projects that consists of approximately 19% of funds as principal forgiveness, 56% of funds as a State loan through the DEP at 0% interest rate and the remaining 25% of funds from the Trust as a loan at the Trust's AAA rated market rate. Both the Sandy SRF funds and the SAIL Loan Program have been designed to play a key role in restoring the State's impacted environmental infrastructure, ensuring continued public safety and, importantly, revitalizing New Jersey's economy towards normalcy as quickly as possible.

GOING FORWARD

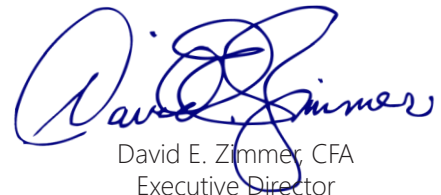
As the Trust embarks on its 29th year of service, we will continue to concentrate on the State's objectives that have made the Trust the benchmark of quality service for infrastructure lending in the State:

- Provide efficient financing for water quality related infrastructure projects in New Jersey;
- Provide financing to eligible borrowers at the lowest possible cost, resulting in significant cost savings to the State's taxpayers and ratepayers;
- Facilitate access to capital for all qualified participants, particularly those that have lower credit ratings or which are unfamiliar with the debt financing process;
- Continue to look for opportunities to provide additional value to the State's local communities and water purveyors by developing new, relevant loan products and programs that promote efficient investment in water infrastructure; and
- Promote and educate the public as to the benefits of replacing and upgrading water related infrastructure.

The Trust looks forward to working closely with each of you to further its role of providing infrastructure loans and services that protect New Jersey's precious water resources and the safety of the public at large, as well as promote the economic development of the State. Thank you for your continued guidance and support.



Warren H. Victor
Chairman



David E. Zimmer, CFA
Executive Director

PROJECTS: ELIGIBLE ACTIVITIES

The New Jersey Environmental Infrastructure Financing Program was originally established in 1986 to finance clean water projects, including wastewater treatment and conveyance systems and combined sewer overflows. In 1997, the Program expanded to include safe drinking water quality enhancement projects.

The following project categories describe the types of projects eligible for NJEIFP loans.

DRINKING WATER

Eligibility applies to projects that address federal safe drinking water health standards. This includes replacement, source development and rehabilitation, treatment to comply with primary/secondary drinking water standards, storage to prevent contamination from entering the water system and transmission lines/distribution systems to prevent contamination or to improve pressure to safe levels.

CLEAN WATER

Wastewater - Most projects associated with sewage collection, treatment or disposal are eligible for financing, including correction of inflow/infiltration problems, sludge management and combined sewer overflows.

Stormwater - Eligible projects include construction, expansion or replacement of stormwater management systems, construction or expansion of basins, replacement of storm drains and rehabilitation of tide gates and extension of outfall points.

Runoff Control - Projects such as manure/feedlot management, stream and lake bank stabilization, lake dredging and restoration and salt dome construction are eligible.

Equipment Purchases - Equipment such as street sweepers, sewer flushing and cleaning equipment, dump trucks, crawler loaders, skimmer boats, aquatic weed harvesters and outfall netting may be financed under the Program.

Landfill Construction and Closure (Publicly Owned) - Sealing an old landfill or constructing a new cell to prevent, reduce or control leachate, its storage and/or treatment are eligible for financing. Other Program eligible activities include capping systems, liners, leachate collection systems, treatment systems, sewer connections, barge shelters, containment booms, litter fences, gas collection and treatment systems, monitoring wells and reclamation or reduction activities.

Brownfield Remediation - The cleaning of abandoned and contaminated industrial sites is eligible for financing if a local or county government assumes the repayment obligation for the loan. The Program will finance the removal of contaminated soil, site-capping and the installation of stormwater controls.

Open Space Acquisition - Preserving open land that maintains or enhances the quality of surface or ground water may be financed under the Program. Eligible areas include stream headwaters and corridors, wetlands, and aquifer recharge areas. Financing for land is compatible with the Green Acres Program, the Garden State Preservation Trust, and Open Space programs financed by local and county Open Space taxes.

Septic Systems - Failing septic systems can contaminate ground water and surface water, creating a public health hazard. While many individual septic systems are privately owned, situations involving numerous system failures may be eligible for funding. In such cases, a governing body or utilities authority may establish a Septic Management District to apply for financing for planning and corrective measure costs. Eligible projects include the purchase and installation of traditional or alternative septic systems (to replace failing systems), rehabilitation of an existing system or construction of community systems.

GREEN PROJECTS

Green projects consist of clean water and drinking water projects that implement green infrastructure and water or energy efficiency improvements (those that reduce greenhouse gas emissions, for example). Green infrastructure includes such practices as replacing existing pavement with porous pavement, utilizing bioretention, constructing green roofs, creating rain gardens, and other practices that mimic natural hydrology and increase effective perviousness.

SECURITY MONITORING

Projects designed to improve security at Program eligible wastewater and drinking water facilities are also eligible for funding, including but not limited to fencing, lighting, motion detectors, cameras, secure doors, and alternative auxiliary power sources.

LOANS: H₂LOANS SUITE OF FINANCING OFFERINGS

The New Jersey Environmental Infrastructure Trust is an independent State Financing Authority responsible for providing and administering low interest rate loans to qualified municipalities, counties, regional authorities, and water purveyors in New Jersey for the purpose of financing water quality infrastructure projects.

New Jersey enjoys a national reputation as a leader in innovative and effective environmental protection strategies. The NJEIT, through its associated H₂LOans Suite of Financing Offerings, has been a critical facilitator of this success. Each H₂LOans program listed below provides low interest loans through a combination of Clean Water (CW) or Drinking Water (DW) State Revolving Funds (SRF), NJEIT Bond Proceeds, NJEIT available funds and/or available Lines of Credit.

SHORT-TERM FINANCING OFFERINGS

Interim Financing Program

NJEIT makes short-term funds available for qualified projects provided they have satisfied all NJEIFP requirements, including receipt of an "Authorization to Award" their final construction contract from the DEP. Construction loans were issued in SFY2014 for maturities of up to three fiscal years to match the duration of the construction period and have an interest rate of 25% of the Trust's short-term AAA/Aaa rate.

SAIL Disaster Relief Program

The Statewide Assistance Infrastructure Loan (SAIL) Program is available to assist borrowers with financing for projects to repair disaster-damaged infrastructure and improve the resiliency of Clean Water and Drinking Water Systems. The goal of SAIL is to provide timely and cost effective funds, in order to expedite and support the State's recovery and the rebuilding of environmental infrastructure in the event of a declared disaster. The SAIL Program provides advance funding for facilities working through FEMA, CDBG or other federal grant processes which are in need of interim funds pending a project's receipt of federal reimbursements. Loans

are issued at 25% of the Trust's short-term AAA/Aaa interest rate.

Interim Supplemental Financing Program

The NJEIT has a separate IFP Supplemental Loan Program for current borrowers who have project cost overages equal to or less than \$300,000. The NJEIT Board may approve temporary financing prior to a project's inclusion in the priority list or State Appropriations. Supplemental IFP loans are converted into long-term loans upon inclusion in the annual appropriations list and at the time of escrow close for the annual bond sale. Interest rates for these loans are set at 0% for Government entities and 2% for all others.

Planning and Design Loan Program

The Planning and Design Loan Program (PDLP) provides financing for early stage eligible engineering costs which are incurred in completing Environmental Planning, and Engineering Design (P&D) work. PDLP Loans may be secured for up to 50% of eligible P&D costs at any time, subject to compliance with Program requirements, for projects seeking an NJEIFP long-term Loan. Interest rates for these loans are set at 0% for Government entities and 2% for all others.

Emergency Financing Program

Emergency Financing Program (EFP) Loans are temporary in nature and are available for the emergency repair of environmental infrastructure for which an NJEIFP Loan application has been submitted. One condition of receiving an EFP Loan is the borrower's agreement to work with NJEIT to develop an asset management plan. By their nature there is no set application schedule for an EFP loan.

LONG-TERM FINANCING OFFERINGS

Base Program

The Base Program provides funds by combining a 0% interest loan from the DEP with a AAA/Aaa market interest rate loan from the Trust. In SFY2014 the Base Program offered 75% in a DEP Loan and 25% in a Trust Loan, producing a blended interest rate equal to 25% of the Trust's AAA/Aaa market rate. Additionally, several set-asides, the Barnegat Bay

Watershed, Combined Sewer Overflow Abatements, Green Projects and Redevelopment Projects, some of which offered up to 50% Principal Forgiveness.

Sandy SRF (SFY2014)

New for SFY2014, Sandy NJEIFP Loans were available for environmental infrastructure projects to improve resiliency of Sandy damaged systems in future natural disasters. Sandy Loans offered a financing package that consisted of 75% in a DEP loan, 56% of which is 0% interest, 19% of which is a non-repayment, Principal Forgiveness Loan (PFL) and the remaining 25% in a Trust Loan at the Trust's AAA market rate. The DEP and NJEIT recognize that the demand for such funds may exceed available funds and that recovery from Sandy requires the continued repair of Sandy damaged infrastructure and improved resiliency of environmental infrastructure in future disasters. Such projects were given funding priority in the Base SFY2014 NJEIFP, subject to the availability of funds at the time of project approval.

NANO Loan Program (SFY2014)

The NLP was developed to serve as the primary source of funding for Drinking Water Loans for improvements to water supply systems serving populations less than or equal to 10,000. The NLP was funded in an amount not to exceed \$4,000,000 and each NLP loan shall consist of a fifty percent (50%) NJDEP principal forgiveness loan, a twenty five percent (25%) NJDEP zero interest loan and a twenty five percent (25%) Trust loan. No single NLP loan exceeds \$1,000,000. Unique to the NLP is the establishment of a Loan Loss Reserve Fund (LLR Fund) in order to provide additional security.

Supplemental Financing Program

The Supplemental Loan Program (SLP) provided loans to current Program borrowers with projects in need of additional funds for completion. SLP applications are placed at the top of the project priority list to ensure funding for project completion. SLP financing is issued based on the funding proportions of the original loan.

PROGRAM BENEFITS: SAVINGS, CASH-FLOW, ADMINISTRATIVE

For over 28 years, NJEIFP's low interest rate loans have funded projects that have protected the environment, saved taxpayers \$2.2 billion through lower interest costs, and in the process created nearly 112,915 construction jobs, adding vital economic activity to the State¹.

DOLLAR SAVINGS BENEFITS

Interest Cost Savings - Program borrowers receive 75% of their long-term financing from the DEP at 0% and the remaining 25% of funds from the Trust at the Trust's AAA market rate, creating a "blended" loan rate of 25% of the AAA market rate. This lower cost of funds results in a savings of as much as 45% of the total loan amount when compared to the cost of borrowers financing the project on their own.

Minimized Financing Costs - Program underwriting costs are allocated to each borrower's pro-rated share of a bond series. This results in the cost of bond issuance being shared among borrowers proportionately based on each borrower's project loan amount, dramatically minimizing each borrower's cost when compared to self-financed bond deals.

Earnings Credits - Earnings on investments in all bond funds, including the Project fund, Revenue fund and, when applicable, the Debt Service Reserve funds, are distributed to borrowers as credits toward their debt service payments.

Refunding - The Trust continually monitors market conditions to assess when interest rates meet the Trust's savings threshold for refunding prior bonds. All savings realized from prior bond refundings, totaling over \$95 Million to date, are passed on to borrowers.

No Bond Insurance Required - The security provided by the Trust's financial structure saves borrowers the expense of purchasing costly bond insurance.

Deferred Repayment - To better align with a project's cash flow dynamics, borrowers are allowed to defer principal and capitalize interest repayments for a period of up to 6 months after construction completion.

CASH FLOW BENEFITS

No Front-loading Requirement - Local Government Units issuing their own general obligation debt are required to "front load" their repayment schedule resulting in larger debt service payments in the early years of the loan. NJEIFP financing provides for level debt service throughout the life of the loan, in effect, smoothing borrowers' cash flows.

Generous Allowable Costs - Associated project costs, including planning and design, engineering, local financing and curb-to-curb right-of-way restoration may be financed with the Program's low cost funds.

Flexible Term - Shorter term financing is available for borrowers who prefer not to have a 20-year obligation, or for assets with useful average lives of less than 20 years.

Debt Service Reserve Fund - Borrowers are generally relieved of their obligation to commit a portion of loan funds to a debt service reserve fund due to the Program's Master Program Trust structure.

ADMINISTRATIVE BENEFITS

Timely Decisions - The DEP prioritizes Financing Program project reviews.

No Secondary Disclosure Requirements - Due to the size of the Financing Program, no single borrower is a "material obligated person". As a result, no Financing Program borrower is required to fulfill SEC secondary disclosure or reporting requirements. The NJEIT manages this obligation.

No Arbitrage Reporting - The Trust manages federal IRS arbitrage rebate requirements, relieving borrowers of the administration and cost of this obligation.

Asset Management - The Trust assists in the development and maintenance of asset management plans for project participants.



Southeast Monmouth MUA | Manasquan Water Treatment Plant Clari-Thickeners, SFY2013 Loan: \$8,821,000

¹ White House Council of Economic Advisors estimates: 20 direct construction job years per \$1M through 2011 and 12 job-years per \$1M from 2012 on.

2014 CASE STUDY: GLOUCESTER CITY DIP WATER MAIN AND WATER METER SYSTEM REPLACEMENT



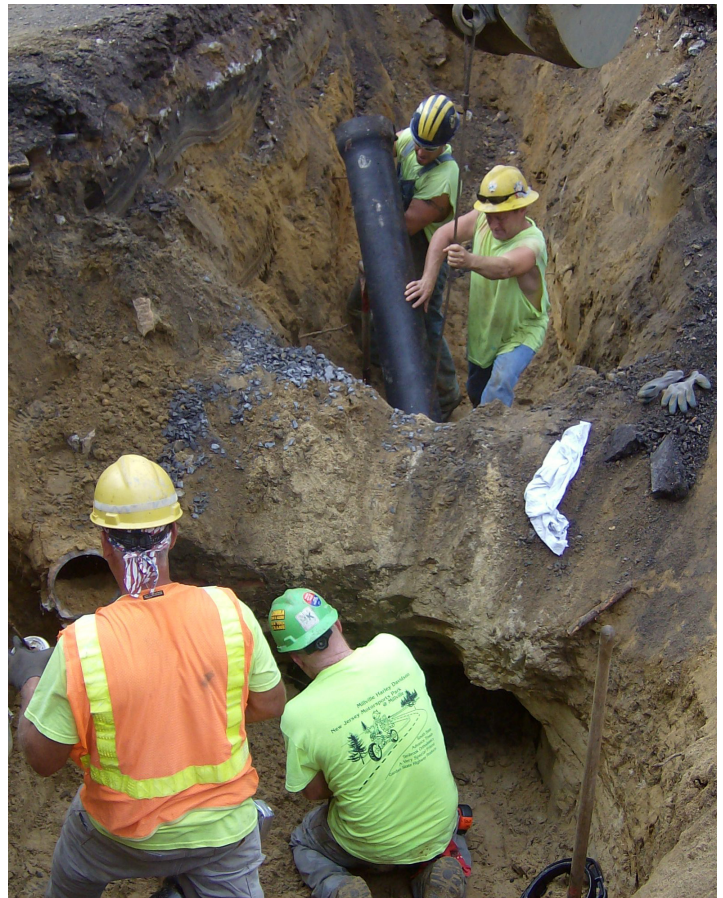
Gloucester City Hudson Street Water Main, [SFY2014 Loan: \\$1,214,174](#)

Gloucester City received \$1.2 million in NJEIFP loans: Estimated Savings to rate payers of \$270,000.

Gloucester City financed the replacement of the City's water meter reading system, and the removal and replacement of over 3,700 linear feet of water mains through the NJEIFP and created 14 construction jobs. The project was being funded with \$1.2 million in loans from the NJEIFP. Total savings for this project is estimated to be \$270,224 or 22% of the project cost over the 20-year life of the loan. According to the Gloucester City Administrator, Jack Lipsett, "working with the NJEIFP has been extremely cost-effective for us by borrowing at the lowest possible interest rates. This is a win-win situation for everyone involved..." Pipes will be repaired, jobs will be generated and rate payers will save money.

The replacement of Gloucester City's automatic water meter reading system includes transmitters, water meters,

Pictures courtesy of Remington & Vernick Engineers



antenna, readers and new software. The water main component of the project includes the removal and replacement of approximately 3,740 linear feet of eight-inch water mains on Monmouth, Hudson, Water Streets and Freedom Pier. Three significant cultural resources are present within the Freedom Pier project area, one of which is an unnamed prehistoric archaeological site. Archaeologists monitored the site during construction to prevent the possibility of disturbing these areas.

According to Anthony Donofrio, of Remington & Vernick Engineers, who designed the project, "Working with the NJEIT has been a godsend for us, we get along with their field people who are very competent, we understand the paperwork, and everything always goes smoothly for us." The project was built by T&T Commonwealth.

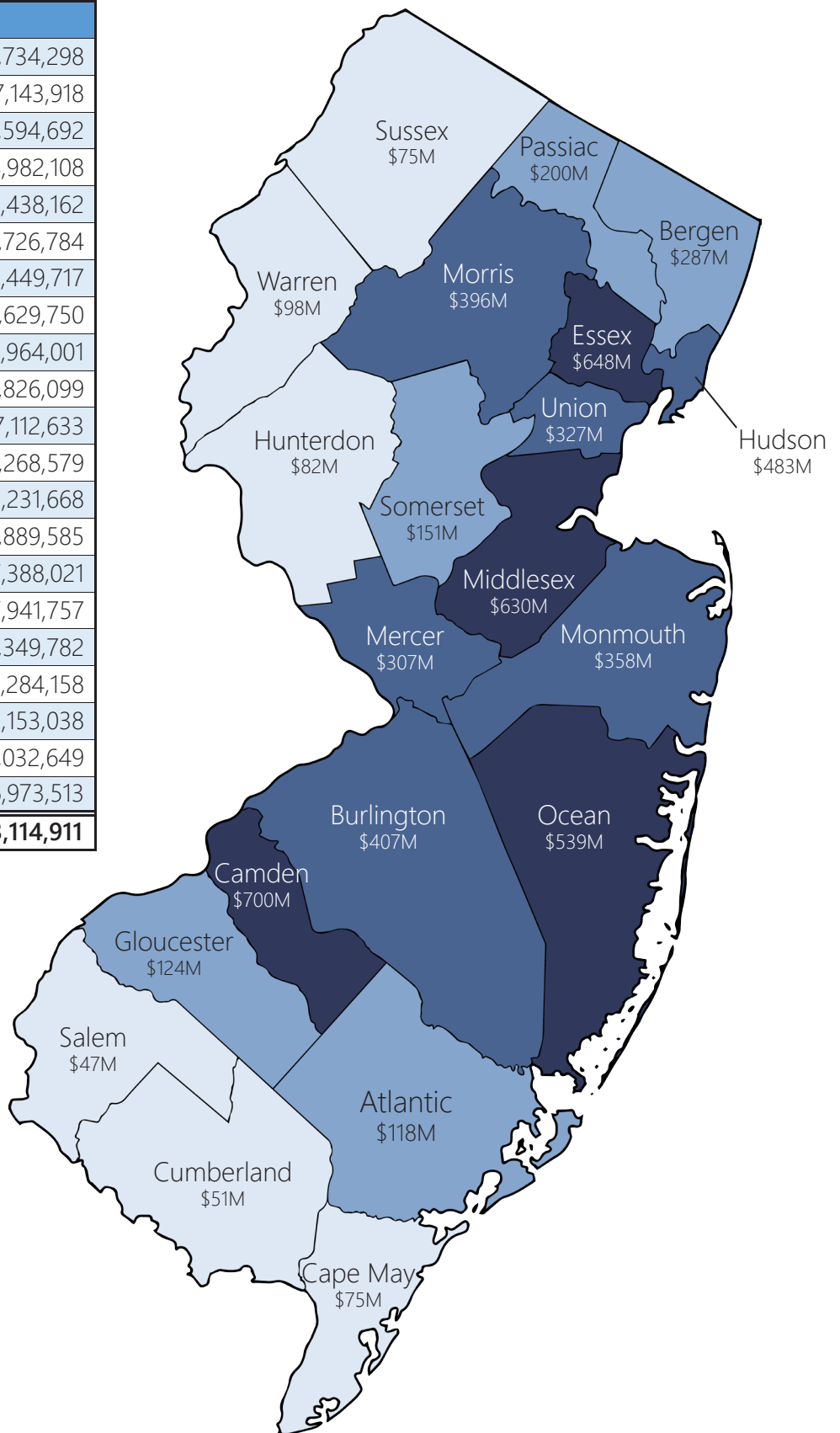
NJEIFP **LONG-TERM** LOANS FINANCED IN SFY2014 BY BORROWER

Borrower Name	Total Loan	Est. Savings
Atlantic Highlands Borough	\$ 1,479,875	\$ 326,391
Bellmawr Borough	\$ 646,092	\$ 146,622
Berkeley Twp. MUA	\$ 1,680,007	\$ 876,461
Boonton Town	\$ 767,479	\$ 165,411
Brielle Borough	\$ 3,506,750	\$ 781,200
Burlington County	\$ 2,966,327	\$ 662,874
Burlington Twp.	\$ 1,134,903	\$ 257,196
Chatham Twp.	\$ 5,467,401	\$ 1,212,602
Clayton Borough	\$ 2,785,750	\$ 982,916
Clinton Town	\$ 1,501,183	\$ 331,425
Delran Twp.	\$ 1,949,550	\$ 434,696
Evesham MUA	\$ 4,272,073	\$ 954,257
Ewing Lawrence SA	\$ 23,887,538	\$ 5,577,207
Fanwood Borough	\$ 1,362,256	\$ 305,540
Gloucester City	\$ 2,531,832	\$ 1,237,757
Gloucester Twp.	\$ 1,558,256	\$ 343,795
Hamilton Twp. MUA	\$ 3,637,000	\$ 802,570
Hammonton Town	\$ 7,193,039	\$ 1,946,173
Hanover SA	\$ 8,834,300	\$ 1,969,859
Highlands Borough	\$ 1,624,600	\$ 360,557
Independence MUA	\$ 262,000	\$ 209,394
Jersey City MUA	\$ 9,228,750	\$ 4,054,547
Long Beach Twp.	\$ 6,283,813	\$ 3,266,842
Long Hill Twp.	\$ 3,343,000	\$ 748,860
Manchester UA	\$ 2,046,527	\$ 448,034
Maple Shade Twp.	\$ 1,807,857	\$ 404,860
Matawan Borough	\$ 893,084	\$ 188,397
Merchantville Pennsauken WC	\$ 2,558,250	\$ 566,999
Middlesex County UA	\$ 5,588,527	\$ 1,248,449
Middlesex Water Co	\$ 3,750,255	\$ 1,005,417
Newark City	\$ 12,876,080	\$ 4,943,450
Newfield Borough	\$ 1,102,010	\$ 739,673
NJ American Water	\$ 11,543,500	\$ 4,057,767
North Bergen MUA	\$ 5,729,775	\$ 3,279,213
Northwest Bergen County UA	\$ 562,500	\$ 86,232
Ocean County	\$ 2,605,750	\$ 1,887,363

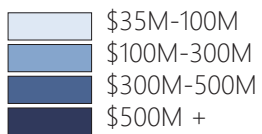
Borrower Name	Total Loan	Est. Savings
Ocean County UA	\$ 15,700,000	\$ 3,509,827
Ocean Gate Borough	\$ 234,419	\$ 62,382
Ocean Twp.	\$ 1,330,166	\$ 470,172
Old Bridge MUA	\$ 6,326,648	\$ 1,452,579
Palmyra Borough	\$ 3,526,750	\$ 791,108
Passaic Valley SC	\$ 27,669,177	\$ 6,756,207
Perth Amboy City	\$ 2,263,753	\$ 1,647,056
Phillipsburg Town	\$ 7,762,500	\$ 1,730,252
Pine Hill Borough MUA	\$ 1,001,049	\$ 225,525
Point Pleasant Borough	\$ 1,638,485	\$ 1,187,949
Stanhope Borough	\$ 2,197,250	\$ 991,182
Toms River MUA	\$ 4,307,242	\$ 3,119,047
Vineland City	\$ 2,795,000	\$ 618,625
Warren County (Pequest River) MUA	\$ 11,707,882	\$ 2,509,374
Watchung Borough	\$ 1,214,507	\$ 272,123
Willingboro MUA	\$ 4,297,486	\$ 963,892
Grand Total	\$ 242,940,203	\$ 73,118,305

NJEIFP LOAN HISTORY: SFY1987-2014 BY COUNTY

County	Total Loans
Camden	\$ 700,734,298
Essex	\$ 647,143,918
Middlesex	\$ 629,594,692
Ocean	\$ 538,982,108
Hudson	\$ 483,438,162
Burlington	\$ 406,726,784
Morris	\$ 396,449,717
Monmouth	\$ 357,629,750
Union	\$ 326,964,001
Mercer	\$ 306,826,099
Bergen	\$ 287,112,633
Passaic	\$ 200,268,579
Somerset	\$ 151,231,668
Gloucester	\$ 123,889,585
Atlantic	\$ 117,388,021
Warren	\$ 97,941,757
Hunterdon	\$ 82,349,782
Sussex	\$ 75,284,158
Cape May	\$ 75,153,038
Cumberland	\$ 51,032,649
Salem	\$ 46,973,513
Grand Total	\$ 6,103,114,911



LEGEND:



NJEIFP LOAN HISTORY: SFY1987-2014 BY BORROWER

County	Total Loans	Est. Savings
Aberdeen Twp	\$ 1,242,527	\$ 282,746
Allamuchy Twp.	\$ 7,494,437	\$ 2,273,016
Aqua New Jersey, Inc.	\$ 9,423,411	\$ 4,135,127
Asbury Park City	\$ 25,055,578	\$ 8,192,572
Atlantic City MUA	\$ 13,123,435	\$ 7,219,074
Atlantic County UA	\$ 42,739,172	\$ 17,495,647
Atlantic Highlands Borough	\$ 1,917,275	\$ 447,322
Atlantic Highlands-Highlands RSA	\$ 872,692	\$ 293,471
Avalon Borough	\$ 1,118,240	\$ 184,099
Barnegat Twp.	\$ 2,771,805	\$ 615,744
Barrington Borough	\$ 1,019,712	\$ 281,964
Bayonne LRA	\$ 35,772,049	\$ 14,221,634
Bayonne LRA (MUA)	\$ 1,796,017	\$ 672,387
Bayonne MUA	\$ 28,844,005	\$ 13,830,109
Bayshore RSA	\$ 56,107,957	\$ 22,665,560
Bayview Water Co.	\$ 1,600,000	\$ 485,388
Beach Haven Borough	\$ 8,407,695	\$ 4,369,386
Beachwood Borough (BB)	\$ 3,786,344	\$ 1,055,915
Bellmawr Borough	\$ 13,108,740	\$ 3,813,338
Belmar Borough	\$ 982,903	\$ 264,831
Bergen County	\$ 7,383,149	\$ 1,407,794
Bergen County UA	\$ 126,653,014	\$ 55,058,350
Bergen County UA (Edgewater)	\$ 1,683,537	\$ 472,726
Bergenfield Borough	\$ 1,130,000	\$ 366,774
Berkeley Heights Twp.	\$ 15,036,610	\$ 5,549,998
Berkeley Twp.	\$ 3,140,003	\$ 929,265
Berkeley Twp. MUA	\$ 5,759,240	\$ 1,907,319
Berkeley Twp. SA	\$ 21,109,752	\$ 6,419,033
Berlin Borough	\$ 4,823,632	\$ 1,398,701
Bernardsville Borough	\$ 6,824,630	\$ 3,317,604
Bethlehem Twp.	\$ 987,100	\$ 362,530
Beverly SA	\$ 371,996	\$ 83,962
Boonton Town	\$ 3,492,315	\$ 797,630
Bordentown City	\$ 495,000	\$ 115,889
Bordentown SA	\$ 5,155,639	\$ 2,470,292
Bound Brook Borough	\$ 148,161	\$ 18,294
Brick Twp.	\$ 2,573,862	\$ 744,384
Brick Twp. MUA	\$ 31,807,430	\$ 9,266,433
Bridgeton City	\$ 10,158,187	\$ 5,484,635
Bridgewater Twp.	\$ 1,770,319	\$ 506,813
Brielle Borough	\$ 3,506,750	\$ 781,200

County	Total Loans	Est. Savings
Brigantine City	\$ 10,878,667	\$ 2,625,577
Brookwood Musconetcong River POA	\$ 1,039,200	\$ 291,174
Buena Borough MUA	\$ 1,683,486	\$ 543,331
Burlington City	\$ 20,080,143	\$ 8,538,651
Burlington County	\$ 2,966,327	\$ 662,874
Burlington County/BCF	\$ 89,521,293	\$ 27,036,190
Burlington Twp.	\$ 12,435,052	\$ 3,726,494
Byram Homeowners Assoc	\$ 569,085	\$ 109,784
Byram Twp.	\$ 1,802,284	\$ 626,706
Caldwell Borough	\$ 36,746,860	\$ 14,595,383
Camden City	\$ 102,697,059	\$ 40,515,313
Camden County MUA	\$ 468,252,139	\$ 220,147,159
Cape May City	\$ 2,082,149	\$ 594,249
Cape May County MUA	\$ 42,727,808	\$ 18,200,640
Cape May Point Borough	\$ 161,766	\$ 18,145
Carneys Point Twp.	\$ 502,733	\$ 149,279
Carneys Point Twp. SA	\$ 6,510,000	\$ 3,797,980
Carteret Borough	\$ 4,007,500	\$ 1,141,714
Carteret Redevelopment Agency	\$ 38,472,833	\$ 9,701,475
Cedar Glen Homes, Inc.	\$ 846,401	\$ 225,054
Cedar Glen West, Inc.	\$ 432,666	\$ 82,089
Cedar Grove Twp.	\$ 9,123,321	\$ 4,151,559
Chatham Borough	\$ 8,569,545	\$ 3,848,682
Chatham Borough (JM)	\$ 1,045,901	\$ 822,187
Chatham Twp.	\$ 7,257,264	\$ 1,761,228
Cherry Hill Twp.	\$ 6,142,348	\$ 2,340,755
Chester Borough	\$ 1,394,451	\$ 473,604
Chesterfield Twp.	\$ 5,622,510	\$ 1,575,109
Cinnaminson SA	\$ 8,425,042	\$ 2,091,307
Clayton Borough	\$ 2,785,750	\$ 982,916
Clementon Borough	\$ 1,195,000	\$ 482,568
Cliffside Park Borough	\$ 1,105,000	\$ 192,618
Clifton City	\$ 4,576,000	\$ 1,395,075
Clinton Town	\$ 13,048,932	\$ 3,836,192
Clinton Twp.	\$ 264,000	\$ 87,631
Clinton Twp. SA	\$ 2,085,074	\$ 584,404
Collingswood Borough	\$ 4,263,827	\$ 1,306,913
Consumers NJ Water Co	\$ 3,473,961	\$ 1,207,113
Continental Communities LLC	\$ 1,956,690	\$ 488,853
Continental Communities LLC (Colonial Estates)	\$ 999,999	\$ 219,549
Cranford Twp.	\$ 8,351,638	\$ 2,605,472

County	Total Loans	Est. Savings
Cumberland County UA	\$ 5,760,035	\$ 1,391,662
Delanco Twp. SA	\$ 1,076,866	\$ 305,253
Delran SA	\$ 13,694,636	\$ 4,436,390
Delran Twp.	\$ 1,949,550	\$ 434,696
Denville Twp.	\$ 18,205,604	\$ 7,964,589
Deptford Twp. MUA	\$ 5,726,491	\$ 1,631,308
Dover Town	\$ 822,669	\$ 217,948
Dumont Borough	\$ 7,062,000	\$ 1,870,298
Dunellen Borough	\$ 1,845,475	\$ 528,290
East Brookwood Estates POA	\$ 1,357,000	\$ 375,231
East Newark Borough	\$ 579,562	\$ 213,166
East Orange City	\$ 10,087,375	\$ 4,389,459
East Rutherford Borough	\$ 896,793	\$ 123,271
East Windsor MUA	\$ 52,527,046	\$ 17,774,089
East Windsor Twp.	\$ 868,172	\$ 335,793
Eatontown SA	\$ 4,400,336	\$ 1,255,500
Edgewater Borough	\$ 3,803,741	\$ 1,274,916
Edgewater MUA	\$ 1,771,496	\$ 599,021
Edgewater Park SA	\$ 3,242,377	\$ 767,039
Edison Twp.	\$ 3,299,256	\$ 933,293
Egg Harbor Twp. MUA	\$ 980,000	\$ 103,834
Elizabeth City	\$ 46,537,976	\$ 21,342,379
Elizabeth City (JM)	\$ 11,293,137	\$ 5,669,916
Elmwood Park Borough	\$ 8,874,766	\$ 2,344,846
Essex County UA	\$ 2,135,414	\$ 666,943
Evesham MUA	\$ 19,399,575	\$ 5,711,847
Evesham Twp.	\$ 2,643,250	\$ 1,162,792
Ewing Lawrence SA	\$ 37,095,605	\$ 11,039,416
Ewing Twp.	\$ 4,236,765	\$ 1,507,523
Fanwood Borough	\$ 1,362,256	\$ 305,540
Flemington Borough	\$ 4,774,751	\$ 1,331,560
Florence Twp.	\$ 20,837,659	\$ 5,598,946
Florham Park SA	\$ 3,554,134	\$ 947,441
Fort Lee Borough	\$ 6,952,250	\$ 1,972,327
Franklin Borough	\$ 550,000	\$ 181,572
Franklin Twp.	\$ 3,495,733	\$ 952,739
Franklin Twp. SA	\$ 23,818,660	\$ 6,807,421
Free Acres Assoc, Inc.	\$ 1,097,428	\$ 254,681
Frenchtown Borough	\$ 8,724,110	\$ 3,394,106
Galloway Twp.	\$ 2,384,284	\$ 594,284
Garfield City	\$ 6,122,693	\$ 1,652,201

County	Total Loans	Est. Savings
Gibbsboro Borough	\$ 2,097,711	\$ 598,104
Glen Ridge Borough	\$ 7,246,895	\$ 2,083,959
Gloucester City	\$ 17,320,149	\$ 5,645,467
Gloucester County IA	\$ 8,230,895	\$ 1,890,691
Gloucester County UA	\$ 41,762,859	\$ 11,809,081
Gloucester Twp.	\$ 3,575,442	\$ 776,852
Gloucester Twp. MUA	\$ 12,461,528	\$ 3,492,978
Great Gorge Terrace Condo Assoc, Inc.	\$ 846,930	\$ 727,439
Hackensack City	\$ 6,865,595	\$ 2,463,853
Hackettstown MUA	\$ 12,154,566	\$ 4,635,659
Haddon Twp.	\$ 6,387,500	\$ 1,843,335
Hainesport Twp.	\$ 13,711,900	\$ 3,896,590
Haledon Borough	\$ 1,538,000	\$ 431,780
Hamburg Borough	\$ 1,286,000	\$ 307,168
Hamilton Twp.	\$ 5,945,429	\$ 2,320,911
Hamilton Twp. MUA	\$ 5,832,136	\$ 1,568,845
Hammonton Town	\$ 25,467,772	\$ 8,371,391
Hanover SA	\$ 29,751,758	\$ 10,785,939
Harrington Park Borough	\$ 348,576	\$ 19,652
Harrison Town	\$ 5,622,704	\$ 1,772,786
Harrison Twp.	\$ 6,810,754	\$ 1,856,534
Harvey Cedars Borough	\$ 1,676,634	\$ 494,971
Hawthorne Borough	\$ 9,272,567	\$ 2,928,226
High Bridge Borough	\$ 926,941	\$ 343,503
Highlands Borough	\$ 2,098,450	\$ 491,566
Hightstown Borough	\$ 7,893,775	\$ 3,049,993
Hillsborough Twp.	\$ 5,951,936	\$ 1,739,219
Hillside Twp. (JM)	\$ 1,307,873	\$ 654,587
Holmdel Twp.	\$ 5,902,119	\$ 1,978,793
Hopatcong Borough	\$ 17,124,545	\$ 5,019,332
Howell Twp.	\$ 577,334	\$ 577,334
Hudson County IA (Bayonne Crossing)	\$ 18,726,295	\$ 8,154,854
Hudson County IA (Harrison Advance)	\$ 16,816,913	\$ 5,076,479
Independence MUA	\$ 262,000	\$ 209,394
Irvington Twp. (JM)	\$ 3,885,832	\$ 2,007,162
Island Heights Borough	\$ 5,129,500	\$ 1,239,237
Jackson Twp.	\$ 577,334	\$ 577,334
Jackson Twp. MUA	\$ 19,783,109	\$ 5,020,116
Jefferson Twp.	\$ 1,387,350	\$ 347,394
Jersey City MUA	\$ 98,171,131	\$ 34,797,204
Keansburg Borough	\$ 5,790,422	\$ 3,113,876

County	Total Loans	Est. Savings
Kearny MUA	\$ 11,346,953	\$ 4,042,962
Kearny Town	\$ 14,388,498	\$ 4,798,081
Lake Tamarack Water Co	\$ 151,020	\$ 45,919
Lakewood Twp. MUA	\$ 28,032,021	\$ 7,040,127
Lambertville MUA	\$ 7,422,000	\$ 5,669,469
Lambertville SA	\$ 3,182,679	\$ 896,231
Lavalette Borough	\$ 1,616,960	\$ 542,314
Lawrence Twp.	\$ 1,175,095	\$ 336,574
Lebanon Twp.	\$ 1,106,401	\$ 424,955
Leonia Borough	\$ 770,607	\$ 202,010
Linden City	\$ 17,530,919	\$ 4,260,681
Linden Roselle SA	\$ 23,804,320	\$ 7,701,296
Linwood City	\$ 1,990,931	\$ 350,586
Little Egg Harbor MUA	\$ 734,362	\$ 169,267
Livingston Twp.	\$ 17,209,276	\$ 8,669,443
Lodi Borough	\$ 140,650	\$ 20,213
Logan Twp. MUA	\$ 2,975,000	\$ 991,125
Long Beach Twp.	\$ 27,839,615	\$ 9,891,114
Long Branch SA	\$ 42,793,640	\$ 19,503,677
Long Hill Twp.	\$ 16,726,597	\$ 6,460,568
Longport Borough	\$ 3,883,629	\$ 1,340,093
Lopatcong Twp.	\$ 200,000	\$ 14,171
Lower Twp. MUA	\$ 5,134,300	\$ 2,433,854
Lumberton Twp.	\$ 2,072,303	\$ 600,715
Lyndhurst Twp.	\$ 13,267,776	\$ 3,151,026
Madison Borough	\$ 11,274,267	\$ 5,608,891
Madison Borough (JM)	\$ 1,803,216	\$ 1,321,454
Magnolia Borough	\$ 1,828,287	\$ 462,758
Manasquan Borough	\$ 9,370,217	\$ 3,007,619
Manchester Twp.	\$ 3,507,498	\$ 1,263,019
Manchester UA	\$ 7,922,084	\$ 4,724,440
Mantua Twp. MUA	\$ 3,997,023	\$ 1,208,654
Manville Borough	\$ 6,731,831	\$ 3,108,778
Maple Shade Twp.	\$ 32,992,156	\$ 11,242,430
Maplewood Twp.	\$ 394,262	\$ 138,026
Margate City	\$ 937,449	\$ 273,180
Marlboro Twp.	\$ 6,754,693	\$ 1,352,618
Matawan Borough	\$ 8,930,224	\$ 2,222,917
Maywood Borough	\$ 845,977	\$ 334,029
Medford Twp.	\$ 24,214,127	\$ 8,759,684
Mercer County	\$ 991,599	\$ 285,869

County	Total Loans	Est. Savings
Mercer County IA	\$ 1,044,272	\$ 341,213
Mercer County IA (Twin Rivers)	\$ 1,112,980	\$ 319,562
Merchantville Borough	\$ 2,688,640	\$ 832,476
Merchantville-Pennsauken WC	\$ 9,589,558	\$ 2,488,427
Middle Twp.	\$ 347,597	\$ 101,488
Middlesex Borough	\$ 1,694,828	\$ 477,886
Middlesex County UA	\$ 335,062,347	\$ 95,903,195
Middlesex Water Co	\$ 54,364,164	\$ 14,767,439
Middletown Twp. SA	\$ 15,222,686	\$ 4,415,068
Midland Park Borough	\$ 518,020	\$ 181,137
Millburn Twp.	\$ 2,076,373	\$ 601,380
Milltown Borough	\$ 3,480,499	\$ 1,097,421
Millville City	\$ 23,335,429	\$ 9,189,636
Mine Hill Twp.	\$ 1,804,557	\$ 591,471
Monmouth County Bayshore Outfall Auth	\$ 1,818,952	\$ 519,935
Monmouth County IA	\$ 1,350,828	\$ 150,421
Monroe Twp.	\$ 2,835,280	\$ 1,066,275
Montclair State University	\$ 2,628,290	\$ 670,937
Montclair Twp.	\$ 8,358,318	\$ 2,519,022
Montgomery Twp.	\$ 32,216,019	\$ 14,155,910
Montville Twp.	\$ 4,201,069	\$ 1,282,924
Montville Twp. MUA	\$ 6,647,108	\$ 2,825,481
Moonachie Borough PA	\$ 407,701	\$ 58,686
Morris Twp.	\$ 40,763,641	\$ 18,511,116
Morristown Town	\$ 56,186,196	\$ 27,385,312
Mt Arlington Borough	\$ 9,938,480	\$ 2,765,285
Mt Holly MUA	\$ 26,287,025	\$ 6,735,138
Mt Holly Water Co	\$ 13,189,909	\$ 3,751,916
Mt Laurel Twp. MUA	\$ 54,094,525	\$ 17,996,360
Mt Olive Twp.	\$ 29,640,514	\$ 8,491,629
Musconetcong SA	\$ 26,649,160	\$ 7,479,052
Nancy Lee, Inc./Harding Woods	\$ 397,969	\$ 132,711
National Park Borough	\$ 899,530	\$ 200,328
Neptune Twp.	\$ 1,281,375	\$ 372,999
New Brunswick City	\$ 37,676,776	\$ 13,750,743
New Milford Borough	\$ 1,191,250	\$ 284,168
New Providence Borough	\$ 6,280,000	\$ 2,601,600
Newark City	\$ 193,230,367	\$ 82,605,245
Newark City (JM)	\$ 2,388,733	\$ 1,223,287
Newfield Borough	\$ 1,102,010	\$ 739,673
Newton Town	\$ 12,722,306	\$ 6,074,977

County	Total Loans	Est. Savings
NJ American Water	\$ 135,110,420	\$ 41,694,669
NJ City University	\$ 16,535,929	\$ 3,990,877
NJ Sports & Expo Auth	\$ 744,201	\$ 156,211
NJ Water Supply Auth	\$ 20,888,455	\$ 6,952,102
North Arlington Borough	\$ 507,322	\$ 181,978
North Bergen MUA	\$ 60,746,756	\$ 26,536,555
North Brunswick Twp.	\$ 19,791,186	\$ 4,989,105
North Hudson SA	\$ 158,982,669	\$ 62,008,456
North Jersey District Water SC	\$ 20,708,745	\$ 6,887,634
North Plainfield Borough	\$ 2,154,442	\$ 726,496
North Wildwood City	\$ 5,755,952	\$ 1,742,527
Northwest Bergen County UA	\$ 32,591,341	\$ 10,075,433
Norwood Borough	\$ 1,036,850	\$ 249,569
Nutley Twp.	\$ 5,542,148	\$ 1,618,135
Oaklyn Borough	\$ 1,298,868	\$ 406,492
Ocean County	\$ 8,471,339	\$ 6,825,492
Ocean County UA	\$ 251,861,192	\$ 77,271,351
Ocean Gate Borough	\$ 1,088,511	\$ 489,184
Ocean Twp.	\$ 7,136,242	\$ 2,149,719
Ocean Twp. SA	\$ 23,654,504	\$ 7,199,108
Oceanport Borough	\$ 23,149,779	\$ 7,311,685
Old Bridge MUA	\$ 54,048,061	\$ 15,906,217
Old Bridge Twp.	\$ 9,148,278	\$ 3,056,727
Old Tappan Borough	\$ 12,773,936	\$ 4,290,912
Oradell Borough	\$ 1,583,875	\$ 363,322
Orange Twp. City	\$ 11,595,473	\$ 3,141,637
Palmyra Borough	\$ 3,526,750	\$ 791,108
Paramus Borough	\$ 1,661,330	\$ 623,550
Parsippany-Troy Hills Twp.	\$ 25,862,149	\$ 12,370,784
Passaic Valley SC	\$ 228,447,364	\$ 82,906,799
Passaic Valley WC	\$ 84,100,953	\$ 25,742,111
Paterson City	\$ 25,375,227	\$ 11,050,505
Pemberton Twp	\$ 992,559	\$ 267,925
Pennsauken SA	\$ 929,000	\$ 257,067
Pennsgrove Water Supply Co	\$ 2,219,940	\$ 636,063
Pennsville Twp	\$ 6,456,745	\$ 1,892,962
Pequannock River Basin RSA	\$ 12,913,542	\$ 6,420,400
Pequannock, Lincoln Park & Fairfield SA	\$ 24,860,513	\$ 11,262,057
Perth Amboy City	\$ 11,462,671	\$ 4,175,653
Phillipsburg Town	\$ 37,564,875	\$ 18,176,148
Pine Hill Borough	\$ 606,289	\$ 175,125

County	Total Loans	Est. Savings
Pine Hill Borough MUA	\$ 3,493,932	\$ 1,005,878
Plainfield Area RSA	\$ 8,009,080	\$ 2,797,063
Pleasantville City	\$ 1,121,841	\$ 438,794
Point Pleasant Beach Borough	\$ 2,522,812	\$ 878,746
Point Pleasant Borough	\$ 1,638,485	\$ 1,187,949
Pompton Lakes Borough MUA	\$ 15,546,328	\$ 7,787,161
Princeton (formerly Princeton Borough)	\$ 15,334,007	\$ 5,375,520
Princeton (formerly Princeton Twp.)	\$ 15,878,150	\$ 5,546,049
Rahway City	\$ 2,355,475	\$ 638,415
Rahway Valley SA	\$ 189,532,656	\$ 54,417,723
Ramsey Borough	\$ 1,999,175	\$ 482,530
Randolph Twp.	\$ 13,533,063	\$ 6,227,001
Raritan Twp. MUA	\$ 14,894,053	\$ 6,769,697
Readington Twp.	\$ 2,415,097	\$ 744,471
Red Bank Borough	\$ 2,720,227	\$ 2,180,608
Ridgefield Borough	\$ 990,000	\$ 338,196
Ridgefield Park Village	\$ 2,133,780	\$ 760,004
Ridgewood Village	\$ 18,932,172	\$ 5,769,461
River Edge Borough	\$ 566,627	\$ 204,876
Riverside SA	\$ 6,692,743	\$ 1,918,086
Riverside Water Reclamation Auth	\$ 1,589,040	\$ 440,387
Robbinsville Twp. (Washington Twp.)	\$ 1,360,000	\$ 393,950
Rockaway Valley RSA	\$ 20,257,784	\$ 5,738,497
Roosevelt Borough	\$ 540,000	\$ 157,921
Roselle Borough	\$ 1,943,011	\$ 751,180
Rosemont Water Co	\$ 120,782	\$ 31,238
Roxbury Twp.	\$ 34,388,746	\$ 17,254,855
Runnemede Borough	\$ 2,047,000	\$ 590,064
Runnemede Borough SA	\$ 1,572,106	\$ 503,452
Saddle Brook Twp.	\$ 2,023,154	\$ 498,992
Saddle River Borough	\$ 2,094,855	\$ 571,220
Salem City	\$ 12,963,001	\$ 9,361,334
Sayreville Borough	\$ 34,555,000	\$ 10,347,576
Sea Girt Borough	\$ 4,495,140	\$ 1,205,063
Seaside Park Borough	\$ 12,426,409	\$ 3,859,123
Secaucus MUA	\$ 3,049,345	\$ 2,215,442
Secaucus Town	\$ 3,325,000	\$ 1,242,021
Ship Bottom Borough	\$ 3,834,455	\$ 1,226,033
Shorelands Water Co	\$ 5,630,000	\$ 1,432,575
Somerdale Borough	\$ 830,528	\$ 252,911
Somers Point City	\$ 2,875,000	\$ 676,561

County	Total Loans	Est. Savings
Somerset Raritan Valley SA	\$ 58,136,795	\$ 19,378,981
South Hackensack Twp.	\$ 1,441,280	\$ 486,097
South Jersey Water Supply Co	\$ 371,098	\$ 91,050
South Monmouth RSA	\$ 5,996,270	\$ 1,570,931
South Orange Twp. (JM)	\$ 408,405	\$ 321,651
South River Borough	\$ 6,112,500	\$ 2,076,804
Southeast Monmouth MUA	\$ 16,121,774	\$ 5,268,998
Stafford MUA	\$ 4,368,651	\$ 1,482,345
Stafford Twp.	\$ 36,969,014	\$ 11,263,300
Stanhope Borough	\$ 2,197,250	\$ 991,182
Stillwater Twp. Water District #1	\$ 475,833	\$ 378,475
Stockton Borough	\$ 1,566,599	\$ 490,437
Stone Harbor Borough	\$ 11,967,049	\$ 3,571,126
Stony Brook RSA	\$ 21,742,873	\$ 9,634,568
Sussex Borough	\$ 1,707,400	\$ 398,970
Sussex County MUA	\$ 11,497,587	\$ 2,097,550
Swedesboro Boro	\$ 95,589	\$ 13,070
Tewksbury Twp.	\$ 413,961	\$ 134,285
Toms River MUA	\$ 14,412,242	\$ 5,987,619
Toms River Twp.	\$ 730,146	\$ 730,146
Toms River Twp. (Dover Twp.)	\$ 754,766	\$ 210,272
Trenton City	\$ 131,315,560	\$ 49,160,679
Tuckerton Borough	\$ 1,811,164	\$ 527,166
Two Rivers Water Reclamation Auth (NE Monmouth)	\$ 49,357,977	\$ 16,033,765
Union Beach Borough	\$ 600,000	\$ 203,174
Union Twp.	\$ 184,330	\$ 21,813
Union Twp. (JM)	\$ 1,443,800	\$ 544,677
Valley View Healthcare & Rehab Center	\$ 24,252	\$ 5,124
Verona Twp.	\$ 22,863,811	\$ 10,727,200
Vineland City	\$ 10,178,998	\$ 5,379,587
Voorhees Twp.	\$ 6,349,596	\$ 2,372,128
Waldwick Borough	\$ 2,951,564	\$ 779,921
Wall Twp.	\$ 6,966,095	\$ 1,904,860
Wanaque Valley RSA	\$ 3,432,500	\$ 2,704,060
Warren County (Pequest River) MUA	\$ 11,707,882	\$ 2,509,374
Warren County MUA	\$ 6,354,515	\$ 1,796,585
Warren Twp. SA	\$ 6,524,752	\$ 3,112,632
Washington Borough	\$ 17,233,521	\$ 5,490,118
Washington Twp. MUA	\$ 15,789,784	\$ 4,971,437
Watchung Borough	\$ 3,458,390	\$ 1,003,477
Waterford Twp. MUA	\$ 5,454,244	\$ 1,502,817

County	Total Loans	Est. Savings
Wayne Twp.	\$ 14,759,658	\$ 5,972,794
Weehawken Twp.	\$ 8,734,336	\$ 1,970,689
West Deptford Twp.	\$ 16,999,696	\$ 4,460,728
West Milford MUA	\$ 11,327,665	\$ 6,049,094
West Orange Twp.	\$ 2,447,091	\$ 848,286
West Orange Twp. (JM)	\$ 2,774,915	\$ 1,420,832
West Windsor Twp.	\$ 3,269,984	\$ 945,484
Western Monmouth UA	\$ 9,149,978	\$ 3,053,083
Westville Borough	\$ 2,353,160	\$ 609,290
Westwood Borough	\$ 6,030,781	\$ 1,476,979
Wharton Borough	\$ 465,596	\$ 133,835
Wildwood City	\$ 1,246,500	\$ 369,601
Wildwood Crest Borough	\$ 4,611,677	\$ 1,316,100
Willingboro MUA	\$ 18,259,432	\$ 9,674,704
Willingboro Twp.	\$ 1,187,400	\$ 467,151
Winslow Twp.	\$ 12,819,449	\$ 4,289,899
Wonder Lakes Properties, Inc.	\$ 141,202	\$ 16,997
Woodbridge Twp.	\$ 884,595	\$ 206,658
Woodbury City	\$ 9,154,723	\$ 2,842,084
Woodbury Heights Borough	\$ 941,910	\$ 323,244
Woodland Park Borough (West Paterson Borough)	\$ 5,183,430	\$ 1,929,352
Woodstown SA	\$ 6,379,625	\$ 2,126,292
Grand Total	\$ 6,103,114,911	\$ 2,205,074,925

COMPLIANCE AND INTERNAL CONTROLS (SFY2014)

The Trust has policies and procedures in place that govern expenditures, financial reporting and procurement. Recognizing the extensive responsibility as an issuer of bonds and steward of public monies, the Trust has developed these policies and procedures to ensure compliance with the requirements of both federal and state laws and regulations as well as its own enabling act and bond resolutions.

Financial controls in place include, but are not limited to, the following policies:

- **Investment Policy:** a comprehensive policy setting forth the investment and operational policies for the management of the investment activities of the Trust to ensure that they are consistent with the overall financial needs, prudent management and compliance with state and federal laws.
- **Credit Policy:** As a lender of funds, the Trust maintains minimum credit worthiness standards which applicants must meet to receive a Trust Loan. These credit worthiness standards help to ensure that publicly issued Trust bonds maintain a AAA/AAA/Aaa Credit Rating from each of the three Nationally Recognized Rating Agencies. The Credit Policy of the Trust was amended in 2014 to recognize the addition of the Very Small Systems (NANO-Light) Financing Program borrowers.
- **Procurement Policy:** The Trust Procurement Policy adheres to the requirements of the New Jersey Local Public Contracts Law committing the Trust to the principals of a fair and open bidding process.
- **Managing Contract Spending Caps:** The Trust maintains vigilance with its outside contracts through its management of operating fund disbursements.
- **Operating Account Procedures:** A policy is in place which strictly regulates signatory authority for checks and counter signing requirements.

The Trust enlisted the services of an outside Internal Controls Auditor to identify and improve key internal controls related to the Trust's general management functions and processes. In 2014, a firm was retained to complete Phase II of III of the audit. In Phase I of the internal controls audit, a high-level risk assessment of the Trust's primary business processes and operational functions was conducted and completed in SFY2014. One hundred and eight business processes/ audit areas were identified in thirteen categories. Each business process/risk was evaluated relative to its significance to the Trust's business operations and processes and related risks were prioritized based on ratings by the firm and the Trust. In Phase II, the risk categories were further reviewed and revised, a business process detail was developed for each risk category and existing internal controls were identified that mitigate the risks.



Ewing-Lawrence SA GAO Site - SFY2013 Loan: \$2,885,775

EXECUTIVE DIRECTOR'S CERTIFICATION (PURSUANT TO E.O. 37)

In accordance with Executive Order No. 37, the New Jersey Environmental Infrastructure Trust's SFY2014 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the fiscal year, including the degree of success the NJEIT has had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Bowman and Company, is included in the Annual Report and completes the Trust's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, David Zimmer, certify that during SFY2014, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the fiscal year in question.



David E. Zimmer
Executive Director



Millville City | Geissing Well No. 18 Concrete Clearwell Pit Foundation - SFY2013 Loan: \$3,660,000

**NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST**
(A Component Unit of the State of New Jersey)

Report of Audit

For the Fiscal Years Ended June 30, 2014 and 2013



NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Jersey Environmental Infrastructure Trust
(A Component Unit of the State of New Jersey)

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the New Jersey Environmental Infrastructure Trust, a component unit of the State of New Jersey (the "Trust"), as of and for the fiscal years ending June 30, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Bureau of Trust Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the New Jersey Environmental Infrastructure Trust, a component unit of the State of New Jersey as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

New Accounting Standard

As discussed in Note 12 to the financial statements, during the fiscal year ended June 30, 2014, the Trust adopted the following new accounting standard issued by the Governmental Accounting Standards Board (GASB): *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, management determined that principal savings from refundings should be fully recorded as a credit to loans receivable at the time of the refunding. This method of accounting more accurately reflects the conduit nature of the debt issued by the Trust. In addition, management determined that the amortization of original issue discounts and premium should be calculated to reflect the specific serial maturities within each bond series. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements.

The accompanying supplementary schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2014 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Trust's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 5, 2014

**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**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Jersey Environmental Infrastructure Trust
(A Component Unit of the State of New Jersey)

We have audited, in accordance with the 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, the financial statements of the business-type activities of the New Jersey Environmental Infrastructure Trust, a component unit of the State of New Jersey (the "Trust"), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated December 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of Trust's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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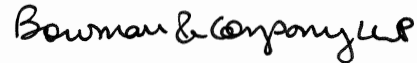
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
December 5, 2014

REQUIRED SUPPLEMENTARY INFORMATION

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2014 and 2013

This section of the annual financial report of New Jersey Environmental Infrastructure Trust (the "Trust") presents management's discussion and analysis of the Trust's financial performance during the fiscal years ended June 30, 2014 and 2013 relative to the respective previous years. Please read this section in conjunction with the Trust's financial statements and accompany notes.

FINANCIAL HIGHLIGHTS

- Assets increased by \$70,122,817, or 3.89%
 - Cash and investments increased by \$101,424,784, or 21.68%
 - Total Loans decreased by \$38,096,259, or 2.56%
- Liabilities decreased by \$43,308,451, or 2.89%
 - Bonds Payable decreased by \$41,714,782, or 2.83%
- Net Position increased by \$113,431,286, or 37.17%
- Total Loans and total bonds payable remain matched in 2014, with total loans exceeding total bonds by \$12,837,319 due to direct loans.

During fiscal year 2014, the Trust issued two series of new bonds and several direct loans, creating 67 new loans. The loan receivable balance was restated as a result of the adoption of new accounting principles and change in the method of amortization of OID resulting in a loans receivable decrease of 2.56%. The cash and investment balance, which includes construction funds, increased by 21.68% due to DEP Interim Financing Program and SAIL contributions.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report of audit consists of two parts, the Management's Discussion and Analysis (this section) and the basic financial statements, including notes. The Trust is an independent State financing entity. The accounting policies of the Trust conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds.

The Trust's financial statements report information about the Trust using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the Trust's activities. The balance sheet includes all of the Trust's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to bondholders (liabilities). All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Trust's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and non-capital financing activities and provides answers to such questions as where cash came from, what cash was used for, and what the change in the cash balance was during the reporting period.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2014 and 2013

FINANCIAL ANALYSIS OF THE TRUST

The mission of the Trust is to provide and administer low interest rate loans to qualified municipalities, counties, regional authorities, and water purveyors for the purpose of financing water quality infrastructure projects. The Trust acts as a conduit lender selling bonds in order to provide the necessary funding for these projects. Therefore, when reviewing the Trust's financial statements, its performance should be measured based upon the conduit's ability to make bond payment and the net growth of the program as measured by the number of new projects financed.

Assets

During fiscal year 2014, the Trust issued two series of bonds with an aggregate principal amount of \$62,035,000. These funds, along with funds available for direct loans, were used to make 67 new loans to Borrowers.

Cash and Investments: The Trust's cash and investments increased by \$101,424,784 substantially due to the receipt of Interim Financing Funds and SAIL loan funds from the DEP totaling \$110,000,000 offset by loan disbursements to borrowers.

Loans: Total Loans Receivable decreased by \$38,096,259 due to a net reduction in loan principal outstanding and the amortization of original issue premiums offset by an increase in direct loans.

Liabilities

Bonds Payable: Bonds Payable decreased \$41,714,782 due to a net reduction in bond principal outstanding and the amortization of original issue premiums and discounts.

Net Position

The overall effect on the Trust's net position was an increase of \$113,431,268, or 37.17%.

The following table summarizes the balance sheet changes between June 30, 2014 and June 30, 2013:

	2014	2013 (Restated)	Percent increase (Decrease)
Current Loans Receivable	\$ 90,305,713	\$ 98,820,358	(8.62%)
Noncurrent Loans Receivable	1,187,009,265	1,208,985,462	(1.82%)
Undisbursed Project Funds	165,279,063	173,747,271	(4.87%)
Prepaid Loans	4,188,516	3,342,892	25.30%
Coverage	466,283	449,117	(3.82%)
Total Loans	1,447,248,841	1,485,345,100	(2.56%)
Other Assets (Includes Project Accounts)	425,373,128	317,154,052	34.12%
Total Assets	1,872,621,969	1,802,499,152	3.89%
Current Bonds Payable	88,417,261	94,595,420	(6.53%)
Non-current Bonds Payable	1,345,994,261	1,381,530,884	(2.57%)
Total Bonds	1,434,411,522	1,476,126,304	(2.83%)
Other Liabilities	19,579,613	21,173,282	(7.53%)
Total Liabilities	1,453,991,135	1,497,299,586	(2.89%)
Restricted	380,890,636	265,767,183	43.32%
Unrestricted	37,740,198	39,432,383	(4.29%)
Total Net Position	\$ 418,630,834	\$ 305,199,566	37.17%

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2014 and 2013

FINANCIAL ANALYSIS OF THE TRUST (CONTINUED)

**Highlights-Fiscal year ended June 30, 2014 versus June 30, 2013
(Revenues, Expenses and Change in Net Position Statement)**

- Revenues increased by \$107,893,713, or 207.50%
- Expenses decreased by \$257,941, or 0.55%
- Net Position increased by \$113,431,268, or 37.17%

The Trust Revenues increased substantially due to the contribution by the DEP of \$110,000,000 for the IFP and SAIL programs as well as increased investment income. The Trust's administrative fees earned remained essentially constant with the prior year. Loan interest Income declined due to refundings and changes in accounting methods.

The Trust's Expenses remained relatively flat with an increase in Administrative costs of \$680,701 versus the prior year related to increased expenses associated with a larger bond issuance, investments in technology and a one-time relocation charge related to the Trust's offices. Interest expense declined due to refundings.

The following table summarizes the changes in net position between fiscal years June 30, 2014 and June 30, 2013:

	2014	2013 (Restated)	Percent increase (Decrease)
Investment Income	\$ 2,546,729	\$ (721,269)	453.09%
Loan Interest Income	41,507,126	46,833,175	(11.37%)
Administrative Fees	5,837,548	5,885,784	(0.82%)
Net Interim Financing and SAIL	110,000,000	-	
Total Revenues	159,891,403	51,997,690	207.50%
Interest Expense	40,786,011	41,182,255	(0.96%)
Cost of Issuance	706,816	1,249,214	(43.42%)
Administrative Expenses	4,967,308	4,286,607	15.88%
Total Expenses	46,460,135	46,718,076	(0.55%)
Change in Net Position	113,431,268	5,279,614	2,048.48%
Net Position, Beginning of the year, before Cumulative Effects of Change in Accounting Principles and Adjustments	305,199,566	306,022,160	
Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments		(6,102,208)	
Net Position, Beginning of the Year, after Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments	305,199,156	299,919,952	
Net Position, End of Year	\$ 418,630,834	\$ 305,199,566	37.17%

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2014 and 2013

FINANCIAL ANALYSIS OF THE TRUST (CONTINUED)

Restatement of 2013 Financials

Prior Period adjustments to the June 30, 2013 financials reflect changes in accounting practices related to GASB 65 as well as the recognition of principal savings credits at the time of refundings and revised amortization methodology for premiums and discounts to more accurately reflect the serial nature of the bonds. The cumulative effect of the changes resulted in assets decreasing by \$56,229,790 while liabilities decreased by \$54,444,019, resulting in a decrease in net position of \$1,785,771.

OTHER FINANCIAL INFORMATION

On May 7, 2014, the Trust sold, by competitive bid, its Environmental Infrastructure Bonds Series 2014A&B to capitalize the 2014 New Jersey Environmental Infrastructure Financing Program. Under the Trust Direct Loan Program, 7 loans were issued this fiscal year.

The Trust's Series 2014A Bonds were sold to Citigroup Global Markets Inc., which was the low bidder with a true interest cost of 2.80%. The bond series is tax exempt and uninsured and rated AAA, Aaa, and AAA by Fitch Investor Services, Inc., Moody's Investors Service, and Standard & Poor's Corp., respectively. As a result of this issue, 73 projects received funding.

The Trust's Series 2014B Bond were also sold to Citigroup Global Markets Inc., which was the low bidder with a true interest cost of 3.34%. The bond series is Tax Exempt, but subject to the Alternative Minimum Tax ("AMT") and uninsured and rated AAA, Aaa, and AAA by Fitch Ratings, Moody's Investors Service, and Standard & Poor's Corp., respectively. As a result of this issue, 2 projects received funding.

Loans to borrowers in the 2014 program combine proceeds of the bond sale, lent at market rate, with interest-free loans from the State of New Jersey, Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Thus, most public borrowers will pay a composite interest rate on their loans of less than 1.25%.

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, borrowers, investors and creditors with a general overview of the Trust's finances and to demonstrate the Trust's accountability for the State appropriations and bond proceeds it receives. If you have any questions about this report or need additional financial information, contact the Trust's Chief Financial Officer at 3131 Princeton Pike, Building 4, Lawrenceville, New Jersey 08648.

BASIC FINANCIAL STATEMENTS

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Comparative Balance Sheets
As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u> (Restated)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 28,707,093	\$ 33,602,054
Other Assets	2,415,624	2,444,216
Restricted Assets:		
Cash and Cash Equivalents	346,758,031	234,296,390
Investments	89,685,555	101,660,055
Interest Receivable	23,337,393	24,298,316
Loans Receivable	90,305,713	98,820,358
Total Current Assets	<u>581,209,409</u>	<u>495,121,389</u>
Noncurrent Assets:		
Fixed Assets	307,387	128,997
Restricted Assets:		
Investments	104,095,908	98,263,304
Loans Receivable	1,187,009,265	1,208,985,462
Total Noncurrent Assets	<u>1,291,412,560</u>	<u>1,307,377,763</u>
Total Assets	<u>\$ 1,872,621,969</u>	<u>\$ 1,802,499,152</u>
LIABILITIES AND NET POSITION		
Current Liabilities :		
Accounts Payable	\$ 1,208,768	\$ 1,863,992
Accrued Interest Payable	18,370,845	19,309,290
Current Portion of Bonds Payable	88,417,261	94,595,420
Total Current Liabilities	<u>107,996,874</u>	<u>115,768,702</u>
Noncurrent Liabilities:		
Bonds Payable	1,345,994,261	1,381,530,884
Total Noncurrent Liabilities	<u>1,345,994,261</u>	<u>1,381,530,884</u>
Total Liabilities	<u>1,453,991,135</u>	<u>1,497,299,586</u>
Net Position:		
Net Investment in Capital Assets	307,387	128,997
Restricted for:		
Debt Service	255,996,982	253,946,202
Interim Financing Trust Loan Program	124,893,654	11,820,981
Unrestricted	37,432,811	39,303,386
Total Net Position	<u>418,630,834</u>	<u>305,199,566</u>
Total Liabilities and Net Position	<u>\$ 1,872,621,969</u>	<u>\$ 1,802,499,152</u>

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u> (Restated)
Operating Revenue:		
Investment Income (Loss):		
Interest Income	\$ 2,289,525	\$ 1,505,311
Net increase (decrease) in the fair value of investments	257,204	(2,226,580)
Interest Income from Loans	41,507,126	46,833,175
Administrative Fees	5,837,548	5,885,784
Total Operating Revenues	49,891,403	51,997,690
Operating Expenses:		
Interest Expense	40,786,011	41,182,255
Cost of Issuance	706,816	1,249,214
Administrative Expenses	4,967,308	4,286,607
Total Operating Expenses	46,460,135	46,718,076
Operating Income (Loss)	3,431,268	5,279,614
Non-operating Revenues:		
Transfer from State of New Jersey	110,000,000	
Total Non-operating Revenues	110,000,000	
Change in Net Position	113,431,268	5,279,614
Net Position, Beginning of Year, Before Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments	305,199,566	306,022,160
Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments (See Note 12)		(6,102,208)
Net Position, Beginning of Year, As Adjusted for Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments	305,199,566	299,919,952
Net Position, End of Year	\$ 418,630,834	\$ 305,199,566

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u> (Restated)
Cash Flow from Operating Activities		
Cash received for administrative fees	\$ 5,818,542	\$ 5,968,562
Cash payments for goods and services	(3,621,379)	(1,667,126)
Cash payments for salaries	(2,004,943)	(1,717,514)
Disbursement of loan funds to borrowers	(76,060,469)	(148,757,141)
Principal received from loans to borrowers	92,079,315	113,144,925
Interest received from loans to borrowers	56,349,354	54,373,071
Interest paid on bond maturities	(55,489,635)	(56,567,730)
Interest on investments	1,525,652	732,749
Net cash provided by (used in) operating activities	<u>18,596,437</u>	<u>(34,490,204)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from sale of bonds	66,885,443	32,321,884
Principal paid on bond maturities	(94,835,046)	(109,078,164)
Issuance and servicing costs paid	-	974,287
State appropriations received	110,000,000	-
Net cash provided by (used in) provided by non-capital financing activities	<u>82,050,397</u>	<u>(75,781,993)</u>
Cash Flows from Capital and Related Financing Activities		
Disposal of fixed assets		91,832
Acquisition of fixed assets	(167,715)	(74,157)
Net cash provided by (used in) capital and related financing activities	<u>(167,715)</u>	<u>17,675</u>
Cash Flows from Investing Activities		
Purchase of investments	(111,550,292)	(140,040,472)
Proceeds from sale and maturity of investments	118,637,853	250,440,191
Net cash provided by investing activities	<u>7,087,561</u>	<u>110,399,719</u>
Net increase in cash and cash equivalents	107,566,680	145,197
Cash and cash equivalents, beginning of year	267,898,444	267,753,247
Cash and cash equivalents, end of year	<u>\$ 375,465,124</u>	<u>\$ 267,898,444</u>
Displayed as		
Cash and cash equivalents - unrestricted	\$ 28,707,093	\$ 33,602,054
Cash and cash equivalents - restricted	346,758,031	234,296,390
	<u>\$ 375,465,124</u>	<u>\$ 267,898,444</u>
Reconciliation of Operating Income to Net Cash Used In Operating Activities:		
Operating income	\$ 3,431,268	\$ 5,279,614
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation	(10,675)	(58,931)
Net unrealized gain on investments	(945,665)	1,056,563
Amortization of bond discounts and premiums	(13,765,179)	(14,014,058)
Change in assets and liabilities		
(Increase) decrease in other assets	28,592	83,449
(Increase) decrease in interest receivable	960,923	(6,065,564)
(Increase) decrease in loans receivable	30,490,842	(20,348,944)
Increase (decrease) in accounts payable	(655,224)	949,084
Increase (decrease) in accrued interest payable	(938,445)	(1,371,417)
Net cash used in operating activities	<u>\$ 18,596,437</u>	<u>\$ (34,490,204)</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

(A Component Unit of the State of New Jersey)

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2014 and 2013

Note 1: ORGANIZATION AND FUNCTION OF THE TRUST

The New Jersey Wastewater Treatment Trust was created by the Legislature of the State of New Jersey (the "State") in November 1985 as an independent State financing authority. On June 23, 1997, the State Legislature passed amendments to rename the entity the New Jersey Environmental Infrastructure Trust (the "Trust"). The Trust leverages federal and state dollars to finance environmental infrastructure projects. It issues revenue bonds in order to make loans to local government units and private water companies for the construction and rehabilitation of eligible projects. The Trust passes the coupon rates payable on its revenue bonds directly to those borrowers.

In addition to an interest-bearing loan from the Trust, the borrowers receive an interest-free loan from the New Jersey Department of Environmental Protection (the "Department"). The sources for the Department loans are State general obligation bond issuances approved to capitalize the various loan funds and the Federal Capitalization Grants under the Clean Water Act and the Safe Drinking Water Act, respectively (the "Department Funds"). The accompanying financial statements do not include any assets, liabilities or fund balances of the Department Funds. Under the terms of the Enabling Act, the assets of the Trust cannot be used to satisfy the obligations of the Department.

Generally, either the Trust or the Department may finance up to 75% of the allowable project costs. The Trust lends its share of allowable costs to borrowers for various terms up to a maximum of 20 years at a rate equal to the interest rate on its revenue bonds. Such loan repayments are used to pay debt service on the Trust's revenue bonds. The Department maintains internally designated Clean Water (the "CW") and Drinking Water (the "DW") State Revolving Funds to separately account for loans by the Department.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented, whether discretely presented, blended, or included in the fiduciary fund financial statements.

The Trust is a component unit of the State of New Jersey, as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, also as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and accordingly, the financial statements of the Trust are included in the financial statements of the State of New Jersey.

As of June 30, 2014 and 2013, it has been determined by the Trust that no component units exist.

The Trust is administered by an executive director and staff, under the guidance of the board of directors that appoint trustees (currently both U.S. Bank and Bank of New York Mellon) and loan servicers (currently U.S. Bank, TD Bank and the Trust). The initial proceeds from a bond issuance are held by the trustee. The Trust authorizes the trustee to disburse funds to the borrowers based on a review and approval process in conjunction with the Department. Undisbursed funds are invested and held by the Trustee for disbursement according to the drawdown limits outlined in the loan agreements. The loan servicer receives all repayments of principal and interest from the borrowers and forwards such funds to the trustee and the Master Program Trustee (U.S. Bank) or the Department, as appropriate. As noted above, for the 2004 and later loans, the Trust's accounting staff also acts as loan servicer. As a public body under existing statute, the Trust is exempt from both federal and state taxes.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

The Trust's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Trust are discussed below.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The accrual basis of accounting is followed by the Trust.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place.

Non-exchange transactions, in which the Trust receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Trust must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Trust on a reimbursement basis.

Expenses / Expenditures – Expenses are recognized at the time they are incurred.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include funds invested in the Federated Prime Obligation and the Goldman Sachs Treasury Obligation Money Market Fund. Such is the definition of cash and cash equivalents used in the statement of cash flows.

Investments are purchased with the intent to hold to maturity. Investments, which consist primarily of U.S. Government Obligations, are stated at fair value and mature in periods ranging from one to five years. The Trust accounts for its investments at fair value in accordance with GASB Statement No. 31 – *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

Bond Issuance Costs, Bond Discounts and Bond Premiums

Bond discounts and bond premiums arising from the issuance of long-term debt are amortized or accreted over the life of the bonds, utilizing the straight line method allowable under GAAP. Bond discounts and bond premiums are presented as an adjustment to the par amount of the bonds, whereas bond issuance costs are expensed in the year incurred.

Operating and Non-Operating Revenues and Expenses

Operating revenues include all revenues derived from administration fees, interest income on loans and investment income. Non-operating revenues principally consist of transfers from the State of New Jersey for additional loan programs.

Operating expenses include expenses associated with the general administration, issuance and interest payments of conduit debt obligations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Conduit Debt Obligations**

The Trust issues its bonds in order to provide low cost loans to local government units and private water companies (collectively, the Borrowers) so as to finance the construction and rehabilitation of eligible projects for qualifying Borrowers within the State. This type of debt is commonly referred to as conduit debt. The loan agreement between each Borrower and the Trust establishes the loan repayment obligations of the Borrowers, and a bond issued by each Borrower to the Trust serves to evidence and secure the repayment obligations of such Borrower to the Trust pursuant to its loan agreement. The Borrowers' principal and interest payment obligations match the principal and interest payment obligations of the Trust pursuant to its bonds. The loan repayments of the Borrowers are made directly to a trustee, who is appointed by the Trust to service and administer the arrangement. The Trust is not obligated to pay principal of or interest on its bonds from any source other than the loan repayments of the Borrowers and certain other funds that are specifically and directly pledged to the payment of the Trust bonds (i.e. Debt Service Reserve Funds, etc.)

The conduit debt is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB), which allows issuers to report conduit debt obligations and related assets in the financial statements.

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Trust has classified its Net Position into three components – Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of Net Position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of Net Position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same Net Position component as the unspent amount.

Restricted - This component of Net Position consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of Net Position.

The Trust further separates restricted Net Position into "Restricted for Debt Service" and "Restricted for Interim Financing Trust Loan Program". Net Position Restricted for Debt Service includes amounts that have been restricted in accordance with the terms of an award or agreement or by State law. Net Position Restricted for Interim Financing Trust Loan Program is restricted for short-term financing of allowable costs of environmental infrastructure projects.

Unrestricted - This component of Net Position consists of Net Position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes Net Position that may be allocated for specific purposes by the Board.

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Recently Issued and Adopted Accounting Pronouncements**

During the fiscal year ended June 30, 2014, the Trust adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

Issued in March 2012, *Statement No. 65, Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66, however, does not have a material impact on the Trust's financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. The adoption of GASBS 70, however, does not have any impact on the Trust's financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The Trust does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the Trust's financial statements.

Recently Issued Accounting Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the Trust's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the Trust's financial statements although no impact is expected.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Recently Issued Accounting Pronouncements (Cont'd)**

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the Trust's financial statements and expects the impact to be material when considered in conjunction with the adoption of Statement No. 68.

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk – Cash, cash equivalents and investments are substantially restricted under the terms of the Trust's bond resolutions for the payment of bond principal and interest expense and the extension of project loans. The bond resolutions limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution. Statutory limitations also apply to investments by the Trust.

Pursuant to the bond resolutions for bonds issued from 1994 to 2006, the Trust is required to maintain certain invested reserves with the trustees to fund potential deficiencies in principal and interest required to be paid in succeeding years. These funds known as the debt service reserve requirement, aggregated to \$94,932,302 and \$94,981,023 at June 30, 2014 and 2013, respectively, and are included in net position. The Trust has a separate investment policy for its assets.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. All assets related to bond proceeds are invested by the Trust following the investment policies and restrictions as disclosed above under the custodial credit risk section. All other assets are invested pursuant to the Trust's separate investment policy. This policy limits the type and ratings of securities allowable as well as providing diversification requirements.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trust seeks to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet a projected liability schedule, thereby avoiding the need to sell securities prior to maturity and the possibility of a realized loss.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Both the State and Trust's investment policy provides diversification requirements and limits the amount the Trust may invest in any one issuer. All of the Trust's investments are either in treasury obligations, money market funds, GNMA's, direct Treasury Securities or corporate bonds and notes.

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The amounts of cash and cash equivalents in the accounts are as follows:

	2014	2013
Operating Checking (TD Bank)	\$102,630	\$83,598
Investments (TD Bank) (categorized as CE)	19,205,185	29,230,081
Uninvested Cash (US Bank)	6,414,773	-
Uninvested Cash (BONY)	11,249,814	-
GS SQ Treasury Obligation (TD Bank MM)	137,847,931	11,922,990
Federated Prime Oblig Fund (US Bank MM)	187,566,792	195,206,951
Goldman Sachs FS Treas Oblig (BONY MM)	13,078,000	31,454,824
TOTAL	<u>\$375,465,125</u>	<u>\$267,898,444</u>

As of June 30, 2014 and 2013, the Trust had the following investments and maturities:

Investment Type	June 30, 2014				
	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Bonds	\$ 19,417,753	\$ -	\$ 19,417,753	\$ -	\$ -
US Treasury Notes	70,069,484	8,406,734	61,662,750	-	-
US Treasury SLUGs	952,291	952,291	-	-	-
US Govt Other	66,918,826	55,909,743	11,009,083	-	-
Corporate Bonds/Notes/CP	36,423,109	24,416,787	12,006,322	-	-
	<u>\$ 193,781,463</u>	<u>\$ 89,685,555</u>	<u>\$ 104,095,908</u>	<u>\$ -</u>	<u>\$ -</u>

Investment Type	June 30, 2013				
	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Bonds	\$ 843,812	\$ -	\$ 843,812	\$ -	\$ -
US Treasury Notes	88,980,462	37,217,233	51,763,229	-	-
US Treasury SLUGs	5,378,924	3,496,677	1,882,247	-	-
US Govt Other	70,543,156	33,514,019	37,029,137	-	-
Corporate Bonds/Notes/CP	33,605,005	26,860,126	6,744,879	-	-
Uninvested Cash	572,000	572,000	-	-	-
	<u>\$ 199,923,359</u>	<u>\$ 101,660,055</u>	<u>\$ 98,263,304</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4: BONDS PAYABLE

Changes in bonds payable for the year ended June 30, 2014 were as follows:

	Balance at June 30, 2013	Issued	Retired	Balance at June 30, 2014	Amount Due Within One Year
2001 Series					
Series A Bonds, uninsured, maturing serially through 2013, at interest rate of 5.50%	\$ 7,490,000	\$ -	\$ 7,490,000	\$ -	\$ -
Series B Bonds, uninsured AMT, maturing serially through 2013, at interest rate of 5.00%	1,560,000	-	1,560,000	-	-
Series C Bonds, uninsured Federally Taxable, maturing serially through 2013, at interest rates of 5.8%	70,000	-	70,000	-	-
2002 Series					
Series A Bonds, uninsured, maturing serially through 2014, at interest rate of 5.25%	2,094,529	-	2,094,529	-	-
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rate of 5.00%	6,275,000	-	1,990,000	4,285,000	2,090,000
2004 Series					
Series A Bonds, uninsured, maturing serially through 2013, at interest rate of 5.00%	5,750,000	-	5,750,000	-	-
Series B Bonds, uninsured AMT, maturing serially through 2024, at interest rates from 3.6% to 5.50%	11,365,000	-	855,000	10,510,000	890,000
2005 Series					
Series A Bonds, uninsured, maturing serially through 2014, at interest rate of 5.00%	11,665,000	-	5,695,000	5,970,000	5,970,000
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates from 4.00% to 4.70%	2,420,000	-	140,000	2,280,000	150,000
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, with weekly interest rate calculations	88,413,346	-	-	88,413,346	-
2006 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	39,210,000	-	4,260,000	34,950,000	4,485,000
Series B Bonds, uninsured, maturing serially through 2019, at interest rate of 5.00%	22,678,744	-	2,877,611	19,801,133	2,992,262
Series C Bonds, uninsured, maturing serially through 2017, at interest rates from 4.00% to 5.00%	10,470,000	-	1,910,000	8,560,000	1,985,000
Series D Bonds, uninsured, maturing serially through 2016, at interest rates from 4.00% to 5.00%	10,845,000	-	2,580,000	8,265,000	2,710,000
2006 Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates of 5.00%	21,095,000	-	6,695,000	14,400,000	7,020,000
Series B Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	17,875,000	-	955,000	16,920,000	990,000

Note 4: BONDS PAYABLE (CONTINUED)

	Balance at June 30, 2013	Issued	Retired	Balance at June 30, 2014	Amount Due Within One Year
2007 Series					
Series A Bonds, uninsured, maturing serially through 2027, at interest rates from 3.50% to 5.00%	\$ 172,140,000	\$ -	\$ 10,280,000	\$ 161,860,000	\$ 10,630,000
2007 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.00% to 5.25%	51,940,000	-	-	51,940,000	-
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.25%	34,600,747	1,779,253 *	-	36,380,000	-
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	38,830,000	-	-	38,830,000	-
Series D Bonds, uninsured AMT, maturing serially through 2016, at interest rate of 5.00%	1,405,000	-	335,000	1,070,000	340,000
2008 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 4% to 4.50%	16,105,000	-	2,475,000	13,630,000	2,585,000
2008 Series					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 5.00% to 5.50%	111,835,000	-	7,555,000	104,280,000	5,505,000
2009 Series					
Series A Bonds, uninsured, maturing serially through 2029, at interest rates from 3.50% to 5.00%	56,060,000	-	2,550,000	53,510,000	2,670,000
Series C Bonds, uninsured, maturing serially through 2029, at interest rates from 3% to 5.50%	5,475,000	-	225,000	5,250,000	230,000
2010A Series					
Series A Bonds, uninsured, maturing serially through 2029, at interest rates from 3.00% to 5.00%	115,325,000	-	6,935,000	108,390,000	4,940,000
2010 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.00%	58,513,347	-	6,983,347	51,530,000	11,120,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 3.00% to 4.00%	1,923,812	-	433,812	1,490,000	250,000
2010B&C Series					
Series B Bonds, uninsured, maturing serially through 2030, at interest rate of 5.00%	112,635,000	-	6,070,000	106,565,000	4,290,000
Series C Bonds, uninsured, maturing serially through 2030, at interest rates from 3.00% to 4.375%	7,745,000	-	310,000	7,435,000	320,000
2011 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 3.00%	2,695,000	-	415,000	2,280,000	430,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	11,060,000	-	-	11,060,000	1,390,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.00%	9,510,000	-	820,000	8,690,000	850,000

* The \$1,779,253 referenced above represents an adjustment to the prior year balance.

Note 4: BONDS PAYABLE (CONTINUED)

	Balance at June 30, 2013	Issued	Retired	Balance at June 30, 2014	Amount Due Within One Year
2012 Series					
Series A Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 5.00%	\$ 67,765,000	\$ -	\$ 1,475,000	\$ 66,290,000	\$ 1,795,000
Series B Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 5.00%	20,490,000	-	730,000	19,760,000	750,000
Series C Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 4.00%	4,775,000	-	-	4,775,000	210,000
2012 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2026, at interest rates from 3.00% to 4.25%	200,900,000	-	3,255,000	197,645,000	8,985,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	1,255,000	-	175,000	1,080,000	255,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	9,010,000	-	670,000	8,340,000	705,000
2013 Series					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	30,015,000	-	-	30,015,000	845,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	1,015,000	-	-	1,015,000	40,000
2014 Series					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	-	56,545,000	-	56,545,000	-
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 3.25%	-	5,490,000	-	5,490,000	-
Total	1,402,299,525	<u>\$ 63,814,253</u>	<u>\$ 96,614,299</u>	1,369,499,479	88,417,261
Less/(Plus)					
Unamortized net premiums	73,826,779			64,912,043	
Bonds payable - net	<u>\$1,476,126,304</u>			<u>\$1,434,411,522</u>	<u>\$ 88,417,261</u>

Note 4: BONDS PAYABLE (CONTINUED)

Changes in bonds payable for the year ended June 30, 2013 were as follows:

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within One Year
1995 Series					
Series B Bonds, uninsured, maturing serially through 2015, at coupon rate of 7.0%	\$ 725,000	\$ -	\$ 725,000	\$ -	\$ -
1998 Refunding Series					
Series F Bonds, insured, maturing serially through 2014, at coupon rate of 5.0%	2,620,000	-	2,620,000	-	-
Series G Bonds, insured, maturing serially through 2014, at coupon rate of 5.0%	4,115,000	-	4,115,000	-	-
2000 Series					
Series A Bonds, uninsured, maturing serially through 2012, at coupon rate of 5.00%	145,000	-	145,000	-	-
2001 Series					
Series A Bonds, uninsured, maturing serially through 2013, at coupon rate of 5.50%	14,595,000	-	7,105,000	7,490,000	7,490,000
Series B Bonds, uninsured AMT, maturing serially through 2013, at coupon rate of 5.00%	3,045,000	-	1,485,000	1,560,000	1,560,000
Series C Bonds, uninsured Federally Taxable, maturing serially through 2013, at coupon rates of 5.8%	870,000	-	800,000	70,000	70,000
2002 Series					
Series A Bonds, uninsured, maturing serially through 2014, at coupon rate of 5.25%	6,505,000	-	4,410,471	2,094,529	-
2003 Refunding Series					
Series A Bonds, insured, maturing serially through 2013, at coupon rate of 5.00%	4,320,000	-	4,320,000	-	-
2003 Series					
Series A Bonds, uninsured, maturing serially through 2012, at coupon rate of 5.00%	12,770,000	-	12,770,000	-	-
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at coupon rate of 5.00%	8,170,000	-	1,895,000	6,275,000	1,990,000
2004 Series					
Series A Bonds, uninsured, maturing serially through 2013, at coupon rate of 5.00%	45,840,000	-	40,090,000	5,750,000	5,750,000
Series B Bonds, uninsured AMT, maturing serially through 2024, at coupon rates from 3.6% to 5.50%	12,195,000	-	830,000	11,365,000	855,000
2005 Series					
Series A Bonds, uninsured, maturing serially through 2014, at coupon rate of 5.00%	98,355,000	-	86,690,000	11,665,000	5,695,000
Series B Bonds, uninsured AMT, maturing serially through 2025, at coupon rates from 4.00% to 4.70%	2,555,000	-	135,000	2,420,000	140,000

Note 4: BONDS PAYABLE (CONTINUED)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within One Year
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, w with weekly coupon rate calculations	\$ 88,413,346	\$ -	\$ -	\$ 88,413,346	\$ 6,801,027
2006 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2020, at coupon rate of 5.00%	39,210,000	-	-	39,210,000	4,260,000
Series B Bonds, uninsured, maturing serially through 2019, at coupon rate of 5.00%	27,259,343	-	4,580,599	22,678,744	2,862,361
Series C Bonds, uninsured, maturing serially through 2017, at coupon rates from 4.00% to 5.00%	12,310,000	-	1,840,000	10,470,000	1,910,000
Series D Bonds, uninsured, maturing serially through 2016, at coupon rates from 4.00% to 5.00%	13,300,000	-	2,455,000	10,845,000	2,580,000
2006 Series					
Series A Bonds, uninsured, maturing serially through 2015, at coupon rates of 5.00%	122,725,000	-	101,630,000	21,095,000	6,695,000
Series B Bonds, uninsured, maturing serially through 2026, at coupon rates from 4.00% to 5.00%	18,790,000	-	915,000	17,875,000	955,000
2007 Series					
Series A Bonds, uninsured, maturing serially through 2027, at coupon rates from 3.50% to 5.00%	188,450,000	-	16,310,000	172,140,000	10,280,000
2007 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2021, at coupon rates of 5.00% to 5.25%	51,940,000	-	-	51,940,000	-
Series B Bonds, uninsured, maturing serially through 2022, at coupon rates from 4.00% to 5.25%	35,640,000	-	1,039,253	34,600,747	-
Series C Bonds, uninsured, maturing serially through 2022, at coupon rate of 5.00%	38,830,000	-	-	38,830,000	-
Series D Bonds, uninsured AMT, maturing serially through 2016, at coupon rate of 5.00%	1,730,000	-	325,000	1,405,000	335,000
2008 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at coupon rates of 4% to 4.50%	18,500,000	-	2,395,000	16,105,000	2,475,000
2008 Series					
Series A Bonds, uninsured, maturing serially through 2028, at coupon rates from 5.00% to 5.50%	121,460,000	-	9,625,000	111,835,000	5,240,000
2009 Series					
Series A Bonds, uninsured, maturing serially through 2029, at coupon rates from 3.50% to 5.00%	59,780,000	-	3,720,000	56,060,000	2,550,000
Series C Bonds, uninsured, maturing serially through 2029, at coupon rates from 3% to 5.50%	5,695,000	-	220,000	5,475,000	225,000
2010A Series					
Series A Bonds, uninsured, maturing serially through 2029, at coupon rates from 3.00% to 5.00%	124,570,000	-	9,245,000	115,325,000	4,725,000

Note 4: BONDS PAYABLE (CONTINUED)

	Balance at June 30, 2012	Issued	Retired	Balance at June 30, 2013	Amount Due Within One Year
2010 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2024, at coupon rates from 3.00% to 5.00%	\$ 63,705,000	\$ -	\$ 5,191,653	\$ 58,513,347	\$ 6,977,032
Series B Bonds, uninsured, maturing serially through 2020, at coupon rates from 3.00% to 4.00%	4,800,000	-	2,876,188	1,923,812	240,000
2010B&C Series					
Series B Bonds, uninsured, maturing serially through 2030, at coupon rate of 5.00%	117,265,000	-	4,630,000	112,635,000	4,085,000
Series C Bonds, uninsured, maturing serially through 2030, at coupon rates from 3.00% to 4.375%	8,050,000	-	305,000	7,745,000	310,000
2011 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at coupon rates of 3.00%	3,095,000	-	400,000	2,695,000	415,000
Series B Bonds, uninsured, maturing serially through 2021, at coupon rates from 4.00% to 5.00%	11,060,000	-	-	11,060,000	-
Series C Bonds, uninsured, maturing serially through 2020, at coupon rates from 2.00% to 4.00%	10,310,000	-	800,000	9,510,000	820,000
2012 Series					
Series A Bonds, uninsured, maturing serially through 2031, at coupon rates from 2.00% to 5.00%	67,765,000	-	-	67,765,000	1,475,000
Series B Bonds, uninsured, maturing serially through 2031, at coupon rates from 2.00% to 5.00%	20,490,000	-	-	20,490,000	730,000
Series C Bonds, uninsured, maturing serially through 2031, at coupon rates from 2.00% to 4.00%	4,775,000	-	-	4,775,000	-
2012 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2026, at coupon rates from 3.00% to 4.25%	-	200,900,000	-	200,900,000	3,255,000
Series B Bonds, uninsured, maturing serially through 2021, at coupon rate of 3.00%	-	1,255,000	-	1,255,000	175,000
Series C Bonds, uninsured, maturing serially through 2021, at coupon rate of 3.00%	-	9,010,000	-	9,010,000	670,000
2013 Series					
Series A Bonds, uninsured, maturing serially through 2032, at coupon rates from 3.00% to 5.00%	-	30,015,000	-	30,015,000	-
Series B Bonds, uninsured, maturing serially through 2032, at coupon rates from 3.00% to 3.25%	-	1,015,000	-	1,015,000	-
Total	1,496,742,689	<u>\$ 242,195,000</u>	<u>\$ 336,638,164</u>	1,402,299,525	94,595,420
Less					
Unamortized net premiums	52,104,337			73,826,779	
Bonds payable - net	<u>\$1,548,847,026</u>			<u>\$1,476,126,304</u>	<u>\$ 94,595,420</u>

Note 4: BONDS PAYABLE (CONTINUED)

Annual debt service requirements to maturity for bonds outstanding are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	\$ 88,417,261	\$ 54,672,649	\$ 143,089,910
2016	93,376,990	51,063,063	144,440,053
2017	94,562,446	46,819,497	141,381,943
2018	94,272,757	42,519,615	136,792,372
2019	96,242,962	37,987,795	134,230,757
2020 through 2024	440,603,717	125,480,833	566,084,550
2025 through 2029	383,433,346	42,199,965	425,633,311
2030 through 2034	78,590,000	4,393,951	82,983,951
	1,369,499,479	\$ 405,137,368	\$ 1,774,636,847
Unamortized net premiums	64,912,043		
Bonds payable - net	\$1,434,411,522		

The Trust has no taxing power, and the State of New Jersey is not liable for the bonds of the Trust. The revenue bonds are not secured by the Trust, only by revenues, including repayment of loans from the underlying borrowers and investments of amounts on deposit with the bond trustee. Certain bonds originally issued in 1995 and 1994, which mature no later than September 1, 2014, are insured by the Financial Guaranty Insurance Company.

Note 5: ADVANCE REFUNDING

When conditions have warranted, the Trust has sold various series of bonds to provide for the refunding of previously issued obligations. The proceeds received from the respective sales of the bonds were used to redeem the applicable outstanding bonds or to deposit, in an irrevocable escrow fund held by an escrow agent, an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. Accordingly, the escrow fund assets and the liability for defeased bonds are not included in the Trust's financial statements.

These transactions defeased the outstanding bond issuances with a resulting reduction in annual debt service during the remaining term of the issuances.

Note 5: ADVANCE REFUNDING (CONTINUED)

Defeased bonds outstanding at June 30, 2014, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2014
2012 Refunding	
2005 Series A	\$ 81,275,000
2006 Series A	94,300,000
	<u>\$ 175,575,000</u>
2010A Refunding	
2006 Series A	<u>\$ 10,765,000</u>
Individual Borrower Defeasances	
1996 Series A	\$ 275,000
1999 Series A	1,783,867
2000 Series A	370,000
2000 Series B	2,315,000
2002 Series A	1,120,000
2005 Series A	1,165,000
2006 Series A	1,480,000
2006 Series B	20,000
2007 Series A	7,870,000
2008 Series A	6,680,000
2009 Series A	1,450,000
2010 Series A	4,885,000
2010 Series B	3,725,000
	<u>\$ 33,138,867</u>

Note 6: LOANS RECEIVABLE

The Trust provides loans to Borrowers to finance allowable costs of clean water and safe drinking water projects. The various Trust loans are grouped into pools and funded with the proceeds of Trust bonds or other obligations. Loan repayments are required at such times and in such amounts as will pay the debt service on the bonds as it becomes due. These loans, most of which are secured by the full faith and credit of a local governmental unit, are repayable in most cases over a period of 20 years, with some loans maturing over a shorter period, and with coupon rates of 2.0% to 5.5% per annum.

Each Borrower issues to the Trust a bond, note or other obligation in a principal amount equal to the principal amount of the loan in favor of the Trust which secures the Borrowers repayment obligation. The Trust then assigns these obligations to the trustee. These obligations bear interest at the same rates and are callable at the same times and prices, as the corresponding Trust bonds. All principal and interest savings from the refunding of Trust Bonds are passed along to each applicable borrower in the form of a credit against the original debt service of the borrower.

The Trust's net loans receivable balance of \$1,277,314,978 and \$1,307,805,820 as of June 30, 2014 and 2013, consisted of outstanding loans issued of \$1,378,148,281 and \$1,408,175,430, net of undisbursed loan funds of \$165,279,063, unamortized premiums of \$64,912,043, and coverage of \$466,284 for 2014 and undisbursed loan funds of \$173,747,271, unamortized premiums of \$73,826,779, and coverage of \$449,117 for 2013.

Annual maturities for loans receivable are as follows:

Fiscal year ending June 30,	Principal
2015	\$ 90,305,713
2016	93,962,321
2017	95,173,587
2018	95,053,817
2019	96,728,251
2020 through 2024	443,538,684
2025 through 2029	384,340,852
2030 through 2034	79,045,056
	<u>1,378,148,281</u>
Undisbursed loan funds	(165,279,063)
Unamortized net premiums	64,912,043
Coverage	(466,283)
Loans receivable - net	<u>\$ 1,277,314,978</u>

Note 7: MASTER PROGRAM TRUST AGREEMENT

The New Jersey Environmental Infrastructure Financing Program adopted the Master Program Trust Agreement in 1989. Under the agreement, repayments of Department loans are deposited with US Bank and held in the Master Program Trust Account to provide coverage for all outstanding Trust Loans. The funds are held for a period of up to one year, after which time the funds are transferred to the State. The balance in the Master Program Trust Account as of June 30, 2014 and 2013 was \$32,127,207 and \$34,233,118, respectively. This balance is not an asset of the Trust and therefore is not reflected in the Trust's financial Statements; however, it is available to pay debt service on the Trust Bonds in the event of a default by any program Borrowers.

Note 7: MASTER PROGRAM TRUST AGREEMENT (CONT'D)**Aggregate Financing Program Repayments Available to Provide Coverage for Coverage Receiving Bonds**

Year Ending June 30	Aggregate Coverage Receiving Trust Loan Principal ^{1,2,4}	Aggregate Coverage Receiving Trust Loan Interest ^{1,2,4}	Aggregate Coverage Providing Fund Loan Repayments ^{1,2}	Total Funds Available	
				For Coverage Receiving Financing Program Debt Service ^{1,2}	Total Debt Service on Coverage Receiving Financing Programs ^{1,2}
2015	88,417,261	54,672,649	131,757,347	274,847,257	143,089,910
2016	93,376,989	51,063,064	133,854,768	278,294,821	144,440,053
2017	94,562,446	46,819,497	133,642,531	275,024,474	141,381,943
2018	94,272,757	42,519,615	130,489,376	267,281,748	136,792,372
2019	96,242,962	37,987,795	128,385,256	262,616,013	134,230,757
2020	96,643,717	33,462,128	123,909,775	254,015,620	130,105,845
2021	92,350,000	29,067,954	117,628,861	239,046,815	121,417,954
2022	90,010,000	24,837,045	112,430,298	227,277,343	114,847,045
2023	83,260,000	20,869,888	104,165,412	208,295,300	104,129,888
2024	78,340,000	17,243,818	98,196,983	193,780,801	95,583,818
2025	74,800,000	13,907,382	92,761,516	181,468,898	88,707,382
2026	68,010,000	10,824,534	84,109,368	162,943,902	78,834,534
2027	61,615,000	8,039,375	74,350,325	144,004,700	69,654,375
2028	51,045,000	5,657,385	59,449,192	116,151,577	56,702,385
2029	39,550,000	3,771,288	46,397,471	89,718,759	43,321,288
2030	32,925,000	2,293,772	36,622,272	71,841,044	35,218,772
2031	21,525,000	1,210,966	24,844,979	47,580,945	22,735,966
2032	13,200,000	566,119	17,867,882	31,634,001	13,766,119
2033	6,495,000	249,363	10,617,110	17,361,473	6,744,363
2034	4,445,000	73,731	4,803,110	9,321,841	4,518,731
Total ³	1,281,086,132	405,137,368	1,666,283,832	3,352,507,332	1,686,223,500

¹ Trust Bond debt service net of savings credits derived from the prior refunding of certain series of Trust Bonds.

² Excludes debt service paid on or prior to June 30, 2014.

³ Totals may not add due to rounding.

⁴ Differs from Loan Receivable (Note 6) due to the Encap Loan, direct loans and loan repayment dates.

Note 8: OTHER MATTER

An Event of Default ("EOD") currently exists under the terms of the Trust's Series 2005 Indenture (the "Indenture") pursuant to which the Trust issued its Environmental Infrastructure Revenue Bonds (Bergen County Improvement Authority-EnCap Golf Holdings, LLC Project), Series 2005, specially with regard to the Bergen County Improvement Authority ("BCIA") - EnCap Golf Holdings, LLC ("EnCap") project (hereinafter referred to as the "NJEIT-BCIA Bonds"). Such EOD created a corresponding EOD under the Loan Agreement among BCIA, the Trust and EnCap ("NJEIT-BCIA Loan Agreement") pursuant to which the Trust loaned the proceeds of the NJEIT-BCIA Bonds to BCIA and thereupon BCIA loaned such proceeds to EnCap for EnCap's Meadowlands remediation project.

As a precondition of BCIA's loan application to the Trust for funding for the EnCap project and to protect bondholders from any repayment default risk by EnCap, the Trust required that EnCap procure a bank Letter of Credit ("LOC Provider") in order to fully secure the debt service repayments of principal and interest owed on the NJEIT-BCIA Bonds.

Subsequent to the issuance of the NJEIT-BCIA Bonds, EnCap failed to satisfy various reimbursement obligations to the LOC Provider, which in turn triggered the above referenced EODs under the terms of the Indenture and the corresponding NJEIT-BCIA Loan Agreement. In response to the occurrence of the EOD under the Indenture, the LOC Provider exercised remedies to which it was entitled. On September 28, 2007, the LOC Provider directed a mandatory tender of the NJEIT-BCIA Bonds, which mandatory tender was funded by a draw on the LOC. As a result of the tender, all holders of the publicly issued NJEIT-BCIA Bonds (then outstanding in the principal amount of \$88,413,346) were paid in full; the LOC is no longer outstanding; and the LOC Provider became the 100% holder of the NJEIT-BCIA Bonds, which are without recourse to the Trust.

In the aftermath of the above referenced EOD's, EnCap filed bankruptcy pursuant to Chapter 11 under the United States Bankruptcy Code on May 8, 2008. On February 3, 2009, an order dismissing the bankruptcy case was entered by the Bankruptcy Court and a Final Decree indicating that the case had been fully administered was entered on March 30, 2009.

On August 13, 2010, in accordance with the Agreement of Removal, Appointment and Acceptance, by and among The Bank of New York-Mellon (the "Prior Trustee"), the LOC Provider and American Home Assurance Company ("American Home"), American Home replaced the Prior Trustee as trustee with respect to the NJEIT-BCIA Bonds pursuant to the Indenture. In addition, in accordance with the Assigned Assets Sale and Assignment Agreement, by and among the LOC Provider and American Home, American Home acquired all of the NJEIT-BCIA Bonds from the LOC Provider. As of the date of this report, American Home continues to hold the NJEIT-BCIA Bonds.

The collateral that secures the NJEIT-BCIA Bonds held by American Home does not secure any of the annual financing programs of the Trust. Therefore, the events described above with respect to the NJEIT-BCIA Bonds and EnCap have no impact on any of the annual financing programs of the Trust including the principal and interest payments of any of the Trust's outstanding publicly issued bonds relating to such annual financing programs.

Note 9: COMMITMENTS AND CONTINGENCIES**Litigation**

The Trust is a defendant in several legal proceedings, unrelated to any of its outstanding bonds or loans, that are in various stages of litigation. It is believed that the outcome, or exposure to the Trust, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 10: RESERVE FOR ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

The Trust has various issues of bonds which are subject to rebate calculations, which are required to be made at least once every five years. However, the Trust prepares annual rebate calculations for purposes of determining any contingent liability for rebate. As of June 30, 2014 it was determined there was no rebate due as a result of these calculations. The amount of contingent liability for rebate may change as a result of future events.

Note 11: SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions that occurred after the balance sheet date, but before December 5, 2014, the date the financial statements were available to be issued. The following items were determined by management to require disclosure in the financial statements:

On July 18, 2014, the Trust defeased a portion of the following outstanding NJEIT Bonds; \$2,740,000 of the Series 2007A Bonds; \$9,045,000 of the Series 2008A; \$270,000 of the Series 2009A Bonds; \$815,000 of the Series 2010A Bonds; \$4,810,000 of the Series 2010B Bonds; and \$340,000 of the Series 2010C Bonds.

On November 3, 2014, the Trust defeased \$185,000, a portion of the outstanding NJEIT Series 2006C (1997 Financing Program Bonds) dated June 22, 2006.

Note 12: PRIOR PERIOD ADJUSTMENT / CUMULATIVE EFFECTS OF CHANGE IN ACCOUNTING PRINCIPLE**GASB 65**

During fiscal year ending June 30, 2014 the Trust recognized a change in accounting principles as a result of GASB Statement 65 Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement 65 is retroactive to prior reporting periods. The Trust changed its method of accounting for principal savings credits to fully record the savings at the time of the bond refunding for both loans receivable and bonds payable. In addition, the Trust changed its method of accounting for the amortization of original issue discounts and premium to more accurately reflect the serial bonds. The adjustment is detailed below.

**Note 12: PRIOR PERIOD ADJUSTMENT / CUMULATIVE EFFECTS OF CHANGE IN ACCOUNTING PRINCIPLE
(CONTINUED)**Summary Statement of Net Position
as of June 30, 2013

	<u>Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>Restated</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 33,602,054		\$ 33,602,054
Other Assets	2,444,216		2,444,216
Restricted Assets:			
Cash and Cash Equivalents	234,296,390		234,296,390
Investments	101,660,055		101,660,055
Interest Receivable	22,096,051	\$ 2,202,265	24,298,316
Loans Receivable	98,820,358		98,820,358
Total Current Assets	<u>492,919,124</u>	<u>2,202,265</u>	<u>495,121,389</u>
Noncurrent Assets:			
Fixed Assets	128,997		128,997
Restricted Assets:			
Investments	98,263,304		98,263,304
Loans Receivable	1,258,425,797	(49,440,335)	1,208,985,462
Bond Issuance Costs	8,991,720	(8,991,720)	-
Total Noncurrent Assets	<u>1,365,809,818</u>	<u>(58,432,055)</u>	<u>1,307,377,763</u>
Total Assets	<u>\$ 1,858,728,942</u>	<u>\$ (56,229,790)</u>	<u>\$ 1,802,499,152</u>
LIABILITIES AND NET POSITION			
Current Liabilities :			
Accounts Payable	\$ 1,863,992		\$ 1,863,992
Accrued Interest Payable	19,309,290		19,309,290
Current Portion of Bonds Payable	94,595,420		94,595,420
Total Current Liabilities	<u>115,768,702</u>		<u>115,768,702</u>
Noncurrent Liabilities:			
Bonds Payable	1,435,974,903	\$ (54,444,019)	1,381,530,884
Total Noncurrent Liabilities	<u>1,435,974,903</u>	<u>(54,444,019)</u>	<u>1,381,530,884</u>
Total Liabilities	<u>1,551,743,605</u>	<u>(54,444,019)</u>	<u>1,497,299,586</u>
Net Position:			
Restricted for:			
Debt Service	255,731,973	(1,785,771)	253,946,202
Interim Financing Trust Loan Program	11,820,981		11,820,981
Unrestricted	39,432,383		39,432,383
Total Net Position	<u>306,985,337</u>	<u>(1,785,771)</u>	<u>305,199,566</u>
Total Liabilities and Net Position	<u>\$ 1,858,728,942</u>	<u>\$ (56,229,790)</u>	<u>\$ 1,802,499,152</u>

Note 12: PRIOR PERIOD ADJUSTMENT / CUMULATIVE EFFECTS OF CHANGE IN ACCOUNTING PRINCIPLE
(CONTINUED)Summary Statement of Revenues, Expenses and Changes in Net Position
for the fiscal year ended June 30, 2013

	<u>Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>Restated</u>
Operating Revenue:			
Investment Income (Loss):			
Interest Income	\$ 1,505,311		\$ 1,505,311
Net increase (decrease) in the fair value of investments	(2,226,580)		(2,226,580)
Interest Income from Loans	49,921,175	\$ (3,088,000)	46,833,175
Administrative Fees	5,885,784		5,885,784
Total Operating Revenues	<u>55,085,690</u>	<u>(3,088,000)</u>	<u>51,997,690</u>
Operating Expenses:			
Interest Expense	49,835,908	(8,653,653)	41,182,255
Cost of Issuance		1,249,214	1,249,214
Interest Expense			
Administrative Expenses	4,286,607		4,286,607
Total Operating Expenses	<u>54,122,515</u>	<u>(7,404,439)</u>	<u>46,718,076</u>
Change in Net Position	963,175	4,316,439	5,279,614
Net Position, Beginning of Year	<u>306,022,160</u>	<u>(6,102,208)</u>	<u>299,919,952</u>
Net Position, End of Year	<u>\$ 306,985,335</u>	<u>\$ (1,785,769)</u>	<u>\$ 305,199,566</u>

SUPPLEMENTARY INFORMATION

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Balance Sheet - State Revolving Fund - Clean Water
As of June 30, 2014

ASSETS

Current Assets:

Restricted Assets:

Cash and Cash Equivalents	\$ 245,846,699
Investments	70,099,351
Interest Receivable	16,244,633
Loans Receivable	64,859,679
Total Current Assets	<u>397,050,362</u>

Noncurrent Assets:

Restricted Assets:

Investments	50,407,419
Loans Receivable	851,824,764
Total Noncurrent Assets	<u>902,232,183</u>
Total Assets	<u>\$ 1,299,282,545</u>

LIABILITIES AND NET POSITION

Current Liabilities:

Accrued Interest Payable	\$ 12,793,991
Current Portion of Bonds Payable	64,127,667
Total Current Liabilities	<u>76,921,658</u>

Noncurrent Liabilities:

Bonds Payable	964,502,512
Total Noncurrent Liabilities	<u>964,502,512</u>
Total Liabilities	<u>1,041,424,170</u>

Net Position:

Restricted for:

Debt Service	162,978,305
Interim Financing Trust Loan Program	94,880,070
Total Net Position	<u>257,858,375</u>
Total Liabilities and Net Position	<u>\$ 1,299,282,545</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Statement of Revenues, Expenses and Changes in Net Position -
State Revolving Fund - Clean Water
For the Fiscal Year Ended June 30, 2014

Operating Revenue:	
Investment Income:	
Interest Income	\$ 1,213,758
Net increase in the fair value of investments	124,711
Interest Income from Loans	29,661,450
Total Operating Revenues	<u>30,999,919</u>
Operating Expenses:	
Interest Expense	28,808,846
Cost of Issuance	443,960
Total Operating Expenses	<u>29,252,806</u>
Operating Income	<u>1,747,113</u>
Non-operating Revenues:	
Net interim financing activity	80,000,000
Transfer from State of New Jersey	3,000,000
Total Non-operating Revenues	<u>83,000,000</u>
Change in Net Position	<u>84,747,113</u>
Net Position, Beginning of Year, Before Cumulative Effects of Changes in Accounting Principles and Prior Period Adjustments	175,646,427
Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments	<u>(2,535,165)</u>
Net Position, Beginning of Year, As Adjusted for Cumulative Effects of Changes in Accounting Principles and Prior Period Adjustments	173,111,262
Net Position, End of Year	<u><u>\$ 257,858,375</u></u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Balance Sheet - State Revolving Fund - Drinking Water
As of June 30, 2014

ASSETS

Current Assets:

Restricted Assets:

Cash and Cash Equivalents	\$ 68,021,306
Investments	14,663,851
Interest Receivable	4,568,114
Loans Receivable	17,124,513
Total Current Assets	<u>104,377,784</u>

Noncurrent Assets:

Restricted Assets:

Investments	32,851,227
Loans Receivable	215,051,796
Total Noncurrent Assets	<u>247,903,023</u>
Total Assets	<u>\$ 352,280,807</u>

LIABILITIES AND NET POSITION

Current Liabilities:

Accrued Interest Payable	\$ 3,544,486
Current Portion of Bonds Payable	15,736,443
Total Current Liabilities	<u>19,280,929</u>

Noncurrent Liabilities:

Bonds Payable	245,143,621
Total Noncurrent Liabilities	<u>245,143,621</u>
Total Liabilities	<u>264,424,550</u>

Net Position:

Restricted for:

Debt Service	57,842,673
Interim Financing Trust Loan Program	30,013,584
Total Net Position	<u>87,856,257</u>
Total Liabilities and Net Position	<u>\$ 352,280,807</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Statement of Revenues, Expenses and Changes in Net Position -
State Revolving Fund - Drinking Water
For the Fiscal Year Ended June 30, 2014

Operating Revenue:	
Investment Income:	
Interest Income	\$ 492,358
Net increase in the fair value of investments	221,706
Interest Income from Loans	<u>8,352,635</u>
Total Operating Revenues	<u>9,066,699</u>
Operating Expenses:	
Interest Expense	7,237,583
Cost of Issuance	<u>158,356</u>
Total Operating Expenses	<u>7,395,939</u>
Operating Income	1,670,760
Non-operating Revenues:	
Net interim financing activity	30,000,000
Transfer from State of New Jersey	<u>-</u>
Total Non-operating Revenues	<u>30,000,000</u>
Change in Net Position	31,670,760
Net Position, Beginning of Year, Before Cumulative Effects of Changes in Accounting Principles and Prior Period Adjustments	57,024,640
Cumulative Effects of Change in Accounting Principles and Prior Period Adjustments	<u>(839,143)</u>
Net Position, Beginning of Year, As Adjusted for Cumulative Effects of Changes in Accounting Principles and Prior Period Adjustments	56,185,497
Net Position, End of Year	<u><u>\$ 87,856,257</u></u>

FINDINGS & RECOMMENDATIONS

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2014

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None.

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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

None.

2015 TRUST MEETING DATES

JANUARY 15, 2015

FEBRUARY 12, 2015

MARCH 12, 2015

APRIL 9, 2015

MAY 7, 2015

JUNE 11, 2015

AUGUST 20, 2015

SEPTEMBER 10, 2015

OCTOBER 8, 2015

NOVEMBER 12, 2015

DECEMBER 10, 2015

All meetings are open to the public and scheduled to occur at 10:00 am at the Trust's offices in Lawrenceville, NJ.
Dates are subject to change.



Back Cover: Round Valley Reservoir
Photos Courtesy of the New Jersey Water Supply Authority