

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

Financial Statements
December 31, 2008

(With Independent Auditor's Report Thereon)

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



2008 ANNUAL AUDIT REPORT
AND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2008

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Financial Statements
December 31, 2008

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
 FINANCIAL SECTION	
Independent Auditor's Report	8-9
Management's Discussion and Analysis	10-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Proprietary Fund Financial Statements:	
Statement of Net Assets	20-21
Statement of Revenues, Expenses and Changes in Fund Net Assets	22
Statement of Cash Flows	23
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets	24
Statement of Changes in Fiduciary Net Assets	25
Notes to Financial Statements	26-44

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Financial Statements
December 31, 2008

TABLE OF CONTENTS, (CONTINUED)

	<u>Page</u>
Required Supplementary Information:	
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	45
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Environmental Center Fund	46
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Business Accelerator Fund	47
Other Governmental Funds:	
Capital Projects Fund - Schedule of Project Revenues, Expenditures, Project Balances and Project Status Budgetary Basis	48
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	49
Other Supplemental Schedules:	
Schedule of Net Assets by Component	50
Schedule of Changes in Net Assets	51
NJMC Property Acquisition Total Acreage by Municipality	52
NJMC Landfill Tonnage	53
Schedule of Expenditures of Federal Awards	54
Schedule of Expenditures of State Awards	55
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	56-57
Other Comments and Recommendations	58



New Jersey Meadowlands Commission

Administration Building: One DeKorte Park Plaza ☎ Phone: 201-460-1700 ☎ Fax: 210-460-1722
Meadowlands Environment Center: Two DeKorte Park Plaza ☎ Phone: 201-460-8300 ☎ Fax 201-842-0630
Lyndhurst, NJ ☎ 07071 Website: www.njmeadowlands.gov

April 22, 2009

The Board of Commissioners
New Jersey Meadowlands Commission

RE: Letter of Transmittal

The Comprehensive Annual Financial Report of the New Jersey Meadowlands Commission ("NJMC" or "Commission") for the year ended December 31, 2008 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the NJMC. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the NJMC's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles. In accordance with the accounting principles, the NJMC is a component unit of the State of New Jersey, and as such, is included in the State of New Jersey's Annual Report. The accompanying Management Discussion and Analysis provides detailed narrative information on the financial statements provided in the Comprehensive Annual Financial Report.



Independent Audit

The certified public accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva was retained by the Commission to perform an audit of the 2008 fiscal year in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. In June 1999, the GASB adopted their Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for state and local governments. The Commission adopted GASB Statement No. 34 in fiscal year 2001, including the Management Discussion and Analysis (MD&A). The MD&A is considered to be required supplemental data and precedes the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The audit firm of Ferraioli, Wielkottz, Cerullo & Cuva reports directly to the audit committee of the Board of Commissioners. An initial meeting prior to the start of the audit and a subsequent exit conference was held to discuss the results of the audit.

Profile of the New Jersey Meadowlands Commission

The NJMC, formerly known as the Hackensack Meadowlands Development Commission, was established within the Department of Community Affairs through an Act of Legislation in 1968. The name was officially changed to the New Jersey Meadowlands Commission under Chapter 232, Laws of 2001. The Commission operates with a seven-member Board of Commissioners and is given mandates on environmental protection, solid waste management and economic development over a 20-square mile region in Northern New Jersey known as the Hackensack Meadowlands District (HMD). The District is comprised of 10 towns in Bergen and 4 towns in Hudson counties. The NJMC's executive director heads a staff of professional, technical and operating personnel totaling 127 employees.

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

Accounting System and Budgetary Controls

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

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

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

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

The internal control areas include:

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

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

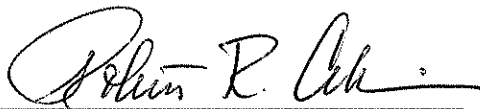
The Commission has also set up standards for procurement, which have been codified in a Purchasing Procedures Manual. The standards include a threshold, over which the Board of Commissioners must approve all transactions. The Commission is in compliance with Executive Order No. 37 (2006) with respect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

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

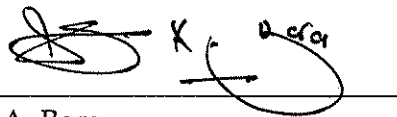
In calendar year 2008, the Commission continued to take steps to implement cost savings and reduce the overall cost of its operations:

- Installation of solar panels on its facilities to reduce the cost of electricity at its new science and education building;
- General reduction in costs of operations such as supplies, computer related services and buildings and grounds maintenance;
- Continued use of hybrid vehicles as replacements for obsolete automotive equipment;
- Reduction in funding for the Meadowlands Conservation Trust through assistance in structuring lease arrangements for the Trust to make it self sustaining;
- Further reduction in energy costs through retrofits of lighting systems including occupancy sensors.

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

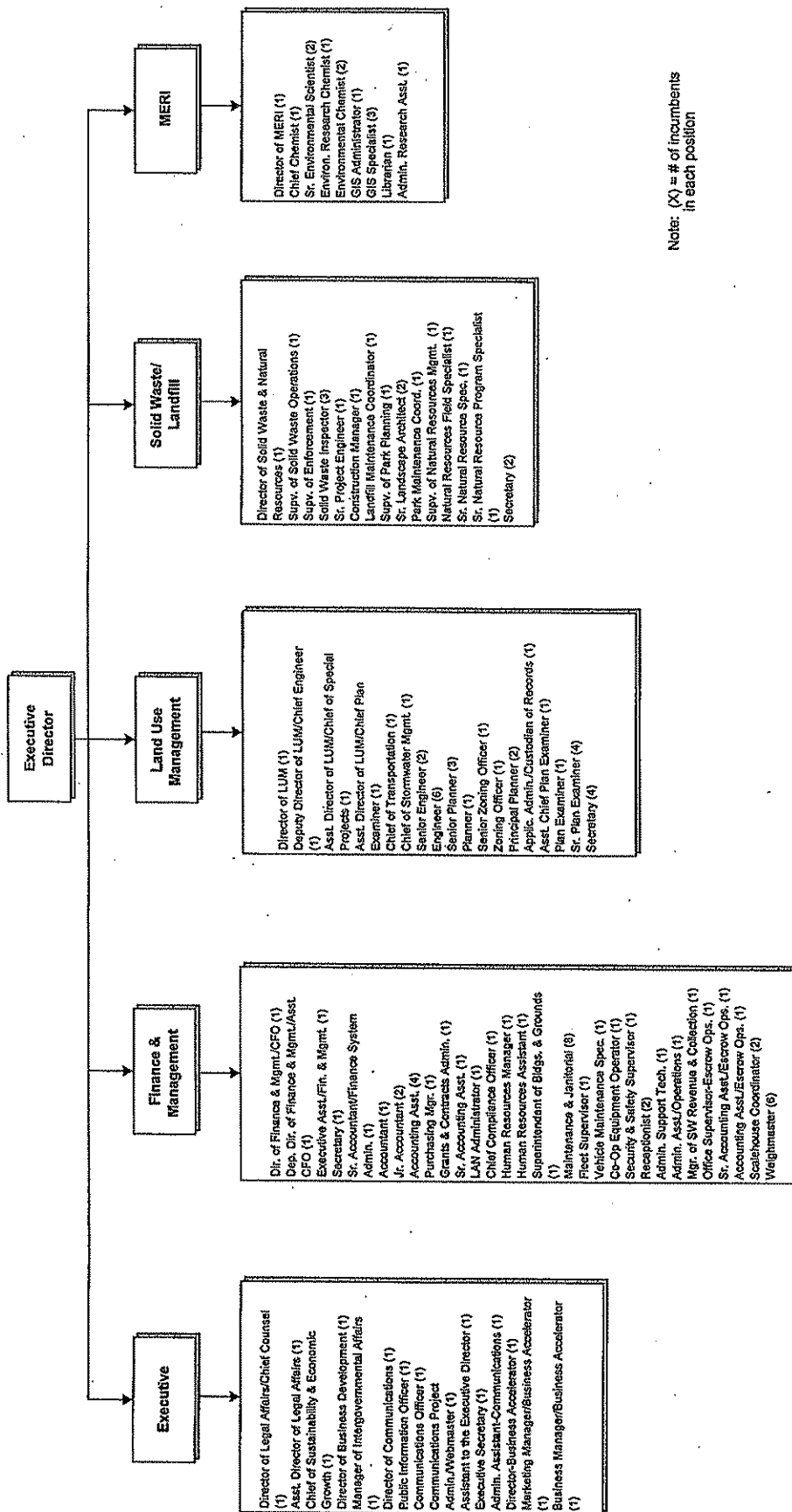


Robert R. Ceberio
Executive Director



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

Incumbent List by Division New Jersey Meadowlands Commission



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



Governor
Jon S. Corzine

**New Jersey Meadowlands Commission
Board of Commissioners**

Chairman

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

Commissioners

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

March 30, 2009

The Board of Commissioners
New Jersey Meadowlands Commission:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission (the Commission), (A Component Unit of the State of New Jersey), as of and for the year ended December 31, 2008, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The Board of Commissioners
New Jersey Meadowlands Commission
March 30, 2009
Page 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2009 on our consideration of the New Jersey Meadowlands Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

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

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



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



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



NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2008

This section of the New Jersey Meadowlands Commission's (NJMC) annual financial report represents our discussion and analysis of the NJMC's financial performance during the fiscal year that ended December 31, 2008. Please read it in conjunction with the NJMC's financial statements.

Financial Highlights

- The Commission's governmental net assets decreased by \$20.6 million or 26% due to amounts spent on remediation of Keegan Landfill. In CY2007, the Commission's net assets increased by \$1.1 million or 1.2% due primarily to increased revenues from solid waste operations.
- The total revenues for governmental funds decreased by 23.1% or \$4.2 million due to reduced investment earnings and dredge revenues now being accounted for in solid waste operations. In CY2007, the total revenues for governmental funds had decreased by \$0.5 million due to the absence of one-time revenue relating to sale of assets in CY2006.
- The total revenues for business type activities increased by \$4.2 million to \$33.4 million due to transfers from dedicated revenue reserves for Keegan and MERI operations. In CY2007, the total revenues for business type activities had increased by \$8.4 million to \$29.2 million due to an increase in solid waste fees from higher tonnage at the facility.

Overview of the Financial Statements

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

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

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

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2008

Financial Summary

The Commission's total net assets decreased \$20.2 million in 2008, from \$96.7 million to \$76.5 million. The Commission's net assets had increased \$1.3 million in 2007 from \$95.4 million to \$96.7 million. A comparative condensed summary of the Commission's statement of net assets at December 31 is shown in Figure 1.

Figure 1
Condensed Summary of Net Assets (Balance Sheets)

(In millions of dollars)

	2008	2007	Dollar change	Percent Change
Governmental Activities:				
Current and other assets	\$ 37.6	57.7	(20.1)	(34.8)%
Capital assets	28.7	26.3	2.4	9.1%
Total assets	<u>\$ 66.3</u>	<u>84.0</u>	<u>(17.7)</u>	<u>(21.1)%</u>
Other liabilities	8.1	5.3	2.8	52.8%
Total liabilities	<u>\$ 8.1</u>	<u>5.3</u>	<u>2.8</u>	<u>52.8%</u>
Invested in capital assets, net	28.7	26.3	2.4	9.1%
Restricted	26.4	46.7	(20.3)	(43.5)%
Unrestricted	3.1	5.8	(2.7)	(46.6)%
Total net assets	<u>\$ 58.2</u>	<u>78.8</u>	<u>(20.6)</u>	<u>(26.1)%</u>
Business type activities				
Current and other assets	\$ 32.1	35.1	(3.0)	(8.5)%
Capital assets	2.5	2.6	(0.1)	(3.8)%
Total assets	<u>\$ 34.6</u>	<u>37.7</u>	<u>(3.1)</u>	<u>(8.2)%</u>
Other liabilities	16.3	19.7	(3.4)	(17.3)%
Total liabilities	<u>\$ 16.3</u>	<u>19.7</u>	<u>(3.4)</u>	<u>(17.3)%</u>
Invested in capital assets, net	2.5	2.6	(0.1)	(3.8)%
Restricted	10.3	10.4	(0.1)	(1.0)%
Unrestricted	5.6	5.0	0.6	12.0%
Total net assets	<u>\$ 18.4</u>	<u>18.0</u>	<u>0.4</u>	<u>2.2%</u>

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2008

Revenue Highlights

While the Balance Sheet shows the change in the financial position of net assets, the Statements of Revenues, Expenses and Net assets indicates the nature and source of these changes. The NJMC solid waste facility averaged approximately 800 tons per day in CY2008 compared to 911 tons per day in CY2007.

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

	<u>2008</u>	<u>2007</u>	<u>Dollar change</u>	<u>Percent change</u>
Governmental activities				
Program revenue	\$ 8.9	8.1	0.8	9.9%
General revenues and transfers	5.0	10.3	(5.3)	(51.5)%
Total revenues	<u>\$ 13.9</u>	<u>18.4</u>	<u>(4.5)</u>	<u>(24.5)%</u>
Commission operations	\$ 13.4	13.6	(0.2)	(1.5)%
Environmental Center	2.6	0.8	1.8	225.0%
MAGNET funds	2.6	6.6	(4.0)	(60.6)%
Business Accelerator	0.4	0	0.4	-
Keegan Landfill Remediation	13.3	0	13.3	-
Miscellaneous	2.2	0.6	1.6	266.7%
Total expenses	<u>\$ 34.5</u>	<u>21.6</u>	<u>12.9</u>	<u>59.7%</u>
Change in net assets	\$ (20.6)	(3.2)	(17.4)	543.8%
Beginning net assets	78.8	82.0	(3.2)	(3.9)%
Ending net assets	<u>\$ 58.2</u>	<u>78.8</u>	<u>(20.6)</u>	<u>(26.1)%</u>
Business type activities				
Program revenue	\$ 17.9	18.0	(0.1)	(0.6)%
General revenues and transfers	15.5	11.2	4.3	38.4%
Total revenues	<u>\$ 33.4</u>	<u>29.2</u>	<u>4.2</u>	<u>14.4%</u>
Solid Waste	25.5	24.6	0.9	3.7%
Keegan Landfill Remediation	7.5	0.0	0.0	-
Total expenses	<u>\$ 33.0</u>	<u>24.6</u>	<u>8.4</u>	<u>34.1%</u>
Change in net assets	\$ 0.4	4.6	(4.2)	0.0%
Beginning net assets	18.0	13.4	4.6	34.3%
Ending net assets	<u>\$ 18.4</u>	<u>18.0</u>	<u>0.4</u>	<u>2.2%</u>

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2008

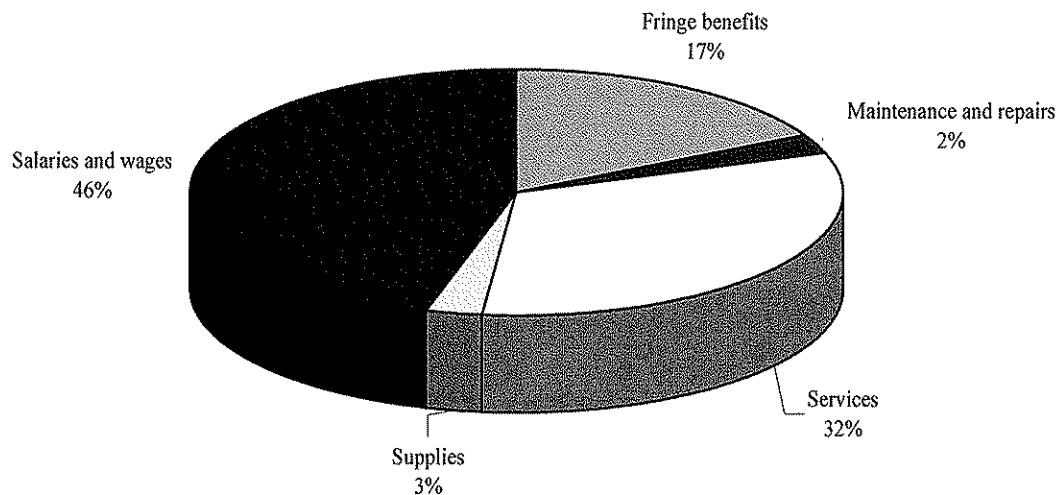
Budgetary Highlights

As required by its By Laws, the NJMC adopts an Operating and Capital Budget for its governmental operations prior to the start of its fiscal year. This budget remains in effect the entire year and can be revised by the NJMC Board of Commissioners during the fiscal year.

The NJMC solid waste operations are regulated as a utility by the Department of Environmental Protection and operate under a maximum permissible tariff inclusive of Host Community Payments and solid waste taxes. As of December 31, 2008, the NJMC approved tariff for its solid waste facility was \$61.35 per ton. On January 1, 2009 the disposal rate was reduced to \$50.00 per ton inclusive of taxes and host community fee.

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

GENERAL OPERATIONS



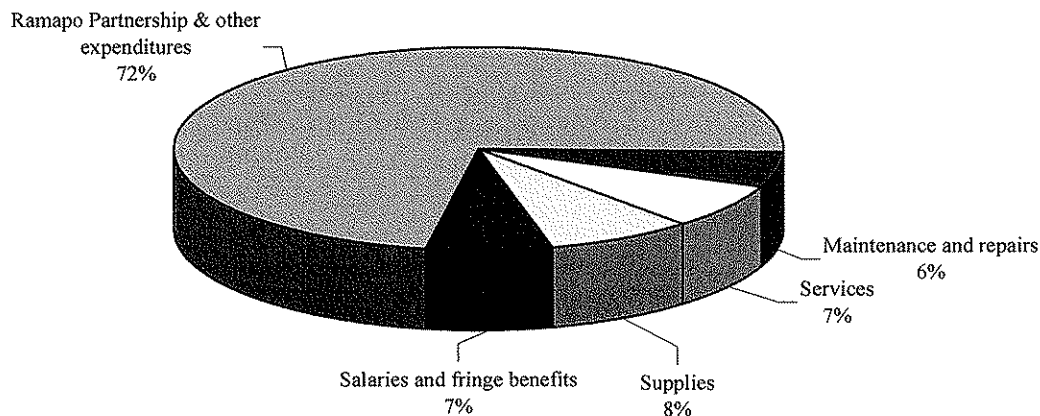
NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2008

ENVIRONMENT CENTER OPERATIONS



Remediation of Keegan Landfill

On June 14, 2005, the NJMC entered into a lease agreement with the Town of Kearny for the remediation of Keegan Landfill through future reopening of the facility for construction and demolition waste. It is expected that sufficient revenues will be generated through the tipping fees at Keegan Landfill to reimburse the Commission for all costs associated with this lease. At the completion of operations and closure of the Keegan Landfill, the NJMC will assist the Town of Kearny with the construction of recreational facilities at the site. In calendar years 2005 and 2006, the Commission made payments to the Town of Kearny totaling \$5,902,319. The NJMC has completed required environmental improvements to operate this facility, which commenced operations on January 2, 2009.

Meadowlands Area Grants for Natural and Economic Transformation (MAGNET)

In calendar year 2005, the NJMC launched the MAGNET Program. The intention of the MAGNET is to enhance the NJMC's existing Municipal Aid Program (MAP), by ensuring that monies set aside in the Fund are used for tax relief incentives for District municipalities. A detailed budget outlining the amounts appropriated for MAP, environmental, economic development and improvement initiatives is currently in place. As of December 31, 2008, the balance in the MAGNET fund was \$14.03 million. There were commitments of \$13.2 million outstanding as of the end of the year.

NEW JERSEY MEADOWLANDS COMMISSION

(A Component Unit of the State of New Jersey)

Management Discussion and Analysis

December 31, 2008

Capital Assets and Debt Administration

At the end of 2008, the Commission had invested \$58.5 million in a broad range of capital assets, including open space acquisition, land, solid waste facilities, its headquarters, and in equipment as shown in the following table:

Capital Assets				
(In millions of dollars)				
	2008	2007	Dollar change	Percent change
NJMC/Environment center				
Building	\$ 14.0	7.4	6.6	89.2%
Land	19.6	17.1	2.5	14.6%
Infrastructure	1.1	1.1	0.0	0.0%
Construction in Progress	0.0	6.4	(6.4)	(100)%
Equipment	3.0	2.8	0.2	7.1%
Total	<u>\$ 37.7</u>	<u>34.8</u>	<u>2.9</u>	<u>8.3%</u>
Solid waste facilities				
Building	\$ 11.4	11.4	0.0	0.0%
Land	4.9	4.9	0.0	0.0%
Equipment	4.5	4.6	(0.1)	(2.2)%
Total	<u>\$ 20.8</u>	<u>20.9</u>	<u>(0.1)</u>	<u>(0.5)%</u>

Long-Term Debt

As of December 31, 2008, the NJMC did not have any outstanding debt.

Economic Factors

For fiscal year 2009, the Commission does not expect a significant change in operating requirements, despite lower tonnage at its solid waste facility due to the continuing economic downturn.

Contacting Financial Management

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Net Assets
December 31, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	3,630,613	2,358,914	5,989,527
Cash management fund	25,178,103	25,205,271	50,383,374
Receivables, net:			
Accounts	3,520,253	253,951	3,774,204
Other	5,252,975	5,180	5,258,155
Prepaid costs	26,512	81,530	108,042
Capital Assets, net	28,653,372	2,519,958	31,173,330
Restricted assets:			
Cash management fund		2,931,181	2,931,181
Interest receivable		39,727	39,727
Investments		1,257,776	1,257,776
Total Assets	<u>66,261,828</u>	<u>34,653,488</u>	<u>100,915,316</u>
LIABILITIES			
Accounts payable	1,175,088	593,959	1,769,047
Accrued liabilities	3,920,701	1,947,398	5,868,099
Deferred revenue		1,212,606	1,212,606
Due to other funds		2,237,724	2,237,724
Noncurrent liabilities:			
Due within one year			-
Due in more than one year	2,999,389	10,286,928	13,286,317
Total liabilities	<u>8,095,178</u>	<u>16,278,615</u>	<u>24,373,793</u>
NET ASSETS			
Invested in capital assets	28,653,372	2,519,958	31,173,330
Restricted for:			
Closure and post-closure		6,893,398	6,893,398
Open space acquisition	1,776,177		1,776,177
Insurance	100,000	1,035,000	1,135,000
Environmental Improvement Fund	18,568		18,568
Keegan landfill remediation	3,144,579	2,030,524	5,175,103
Project commitments	15,209,151		15,209,151
Other	6,152,857	343,905	6,496,762
Unrestricted	3,111,946	5,552,088	8,664,034
Total net assets	<u>58,166,650</u>	<u>18,374,873</u>	<u>76,541,523</u>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Activities
Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Governmental Activities	Business-type Activities	Total
Governmental activities:					
Commission operations	13,456,121	6,637,829	(6,818,292)		(6,818,292)
Environmental center	2,655,924	2,280,609	(375,315)		(375,315)
MAGNET fund	2,540,320		(2,540,320)		(2,540,320)
Business accelerator fund	392,428		(392,428)		(392,428)
Keegen landfill remediation costs	13,276,537		(13,276,537)		(13,276,537)
Wetlands enhancement project	2,166,000		(2,166,000)		(2,166,000)
Total governmental activities	34,487,330	8,918,438	(25,568,892)	-	(25,568,892)
Business-type activities:					
Solid waste	25,478,206	17,912,772		(7,565,434)	(7,565,434)
Keegen landfill remediation costs	7,504,676			(7,504,676)	(7,504,676)
Total business-type activities	32,982,882	17,912,772	-	(15,070,110)	(15,070,110)
Total primary government	67,470,212	26,831,210	(25,568,892)	(15,070,110)	(40,639,002)
General revenues:					
Lease payments			2,695,712		2,695,712
Investment earnings			1,191,181	745,194	1,936,375
Dredge revenue				2,353,596	2,353,596
Grants			183,960		183,960
Baler Lease				764,433	764,433
Beneficial reuse material				2,507,003	2,507,003
Business accelerator			35,441		35,441
Methane Royalties			124,603		124,603
Rental of composting site			338,878		338,878
Orphan landfill, Keegan & MERI				9,094,552	9,094,552
Miscellaneous			425,080		425,080
Transfers					-
Total general revenues			4,994,855	15,464,778	20,459,633
Change in Net Assets			(20,574,037)	394,668	(20,179,369)
Net Assets—beginning, restated			78,740,687	17,980,205	96,720,892
Net Assets—ending			58,166,650	18,374,873	76,541,523

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Balance Sheet
Governmental Funds
December 31, 2008

	<u>General Fund</u>	<u>Environmental Center Fund</u>	<u>MAGNET Funds</u>	<u>Business Accelerator Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	1,127,815	204,796	438,059	129,604	1,730,339	3,630,613
Cash management fund	8,921,884	510,003	15,746,216			25,178,103
Receivables, net:						
Other	2,901,433	9,348	9,369		600,103	3,520,253
Due from other funds	6,029,962	1,290,007			99,797	7,419,766
Prepaid expenses	26,512					26,512
Total assets	<u>19,007,606</u>	<u>2,014,154</u>	<u>16,193,644</u>	<u>129,604</u>	<u>2,430,239</u>	<u>39,775,247</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	548,510		334,433		292,145	1,175,088
Accrued liabilities	1,995,055	564,215	1,290,441	27,918	43,072	3,920,701
Due to other funds		378,104	538,189		1,250,498	2,166,791
Total liabilities	<u>2,543,565</u>	<u>942,319</u>	<u>2,163,063</u>	<u>27,918</u>	<u>1,585,715</u>	<u>7,262,580</u>
Fund Balances:						
Reserved for:						
Maintenance	1,139,199	289,251				1,428,450
Additions and replacements	2,399,847	200,833				2,600,680
Student transportation		83,224				83,224
Open space acquisition	1,776,177					1,776,177
Environmental improvement fund					18,568	18,568
Project Commitments	1,952,900		13,256,252			15,209,152
Insurance	100,000					100,000
Flood Control	1,125,844					1,125,844
MAGNET Funds			774,329			774,329
Keegan Remediation	3,144,579					3,144,579
Other Reserves	140,329					140,329
Unreserved - undesignated	4,685,166	498,527		101,686	825,956	6,111,335
Total Fund balances	<u>16,464,041</u>	<u>1,071,835</u>	<u>14,030,581</u>	<u>101,686</u>	<u>844,524</u>	<u>32,512,667</u>
Total liabilities and fund balances	<u>19,007,606</u>	<u>2,014,154</u>	<u>16,193,644</u>	<u>129,604</u>	<u>2,430,239</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,731,930 and the accumulated depreciation is \$9,078,558.	28,653,372
Postemployment Healthcare Benefits Other than Pension Obligation	(2,402,081)
Accrued liability for compensated absences	(597,308)
Net assets of governmental activities	<u>58,166,650</u>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2008

	<u>General Fund</u>	<u>Environmental Center Fund</u>	<u>MAGNET Fund</u>	<u>Business Accelerator Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Negotiated contracts	2,695,712					2,695,712
Fees and charges	1,509,081	68,489				1,577,570
Baler overhead reimbursements	5,128,748	2,212,120				7,340,868
Composting revenues	338,878					338,878
Grant revenues				30,000	183,960	213,960
Other income	386,693	38,386		1,648		426,727
Methane royalties	124,603					124,603
Interest income	657,609	19,492	469,466	3,794	44,615	1,194,976
Total revenues	<u>10,841,324</u>	<u>2,338,487</u>	<u>469,466</u>	<u>35,442</u>	<u>228,575</u>	<u>13,913,294</u>
EXPENDITURES						
Environmental center		658,876				658,876
Commission operations	10,340,367					10,340,367
Capital expenditures	3,509,870	63,946	13,907		41,939	3,629,662
Business accelerator operations				482,469		482,469
Construction in progress					292,186	292,186
Wetlands enhancement project					2,166,000	2,166,000
Keegan landfill remediation	7,455,421				5,821,117	13,276,538
Ramapo College Partnership	1,000	1,750,858				1,751,858
Other expenditures	142,047	66,622	2,540,320		277,031	3,026,020
Total expenditures	<u>21,448,705</u>	<u>2,540,302</u>	<u>2,554,227</u>	<u>482,469</u>	<u>8,598,273</u>	<u>35,623,976</u>
Excess of revenues over expenditures	(10,607,381)	(201,815)	(2,084,761)	(447,027)	(8,369,698)	(21,710,682)
Other Financing Sources (Uses):						
Transfers Out	(548,713)					(548,713)
Transfers In				548,713		548,713
Total other financing sources (uses)	<u>(548,713)</u>	<u>-</u>	<u>-</u>	<u>548,713</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(11,156,094)	(201,815)	(2,084,761)	101,686	(8,369,698)	(21,710,682)
Fund balance, beginning of year - restated	<u>27,620,135</u>	<u>1,273,650</u>	<u>16,115,342</u>		<u>9,214,222</u>	<u>54,223,349</u>
Fund balance, end of year	<u>16,464,041</u>	<u>1,071,835</u>	<u>14,030,581</u>	<u>101,686</u>	<u>844,524</u>	<u>32,512,667</u>
Net change in fund balance - total governmental funds						(21,710,682)
Amounts reported for governmental activities in the statement of activities are different because:						
Capital outlays, net of depreciation expense						2,373,888
Expenses in the statement of activities that do not require current financial resources and therefore are not reported as expenditures in the governmental funds						(35,054)
Postemployment Healthcare Benefits Other than Pension Obligation						(1,202,189)
Change in net assets of governmental activities						<u>(20,574,037)</u>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Net Assets
Proprietary Funds
December 31, 2008

	Solid Waste Enterprise Fund
	<hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	2,358,914
Cash management fund	21,150,697
Prepaid costs	81,530
Due from other funds	5,180
Receivables, net:	
Accounts	<hr/> 253,951
Total current assets	<hr/> 23,850,272
Noncurrent assets:	
Investments	4,054,574
Restricted assets:	
Cash management fund	2,931,181
Interest receivable	39,727
Investments	1,257,776
Capital assets	<hr/> 2,519,958
Total noncurrent assets	<hr/> 10,803,216
Total assets	<hr/> <hr/> 34,653,488

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Net Assets
Proprietary Funds
December 31, 2008

	Solid Waste Enterprise Fund
	<hr/>
LIABILITIES	
Current liabilities:	
Accounts payable	593,959
Accrued liabilities	1,947,398
Deferred revenue	1,212,606
Due to other funds	<u>2,237,724</u>
Total current liabilities	<u>5,991,687</u>
Noncurrent liabilities:	
Compensated absences	435,010
Accrued liability for closure and post-closure costs	<u>9,851,918</u>
Total noncurrent liabilities	<u>10,286,928</u>
NET ASSETS	
Invested in capital assets	2,519,958
Restricted	10,302,827
Unrestricted	<u>5,552,088</u>
Total net assets	<u>18,374,873</u>
Total liabilities and net assets	<u><u>34,653,488</u></u>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2008

	Solid Waste Enterprise Fund
Operating revenues:	
Fees for services	17,912,772
Beneficial reuse materials	2,507,003
Dredge revenues	2,353,596
Baler reuse materials	764,433
	<hr/>
Total operating revenues	23,537,804
	<hr/>
Operating expenses:	
Balefill	4,021,953
Hudson/Union County Authorities	3,686,059
General operating	14,875,488
Equipment maintenance and garage	72,445
Parks and Open Space/Laboratory	2,638,946
Depreciation	103,225
Closure expenses	80,090
	<hr/>
Total Operating Expenses	25,478,206
	<hr/>
Operating income (loss)	(1,940,402)
	<hr/>
Nonoperating revenues (losses):	
Keegan Landfill remediation costs	(7,504,676)
Contribution from Orphan Landfill Fund	625,902
Net change in fair value of investments	38,355
Investment income	706,839
	<hr/>
Total nonoperating revenues (losses), net	(6,133,580)
	<hr/>
Income before other financing sources	(8,073,982)
	<hr/>
Other financing sources:	
Transfers in	8,468,650
	<hr/>
Change in net assets	394,668
	<hr/>
Total net assets, beginning of year	17,980,205
	<hr/>
Total net assets, end of year	18,374,873
	<hr/>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2008

	Solid Waste Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	16,221,455
Payments to employees	(11,238,396)
Payments to suppliers	(9,159,775)
Beneficial reuse materials	2,507,003
Dredge receipts	2,353,596
Miscellaneous	482,563
	<u>1,166,446</u>
Net cash provided by (used for) operating activities	<u>1,166,446</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Keegan landfill remediation	(7,468,391)
Contribution from Orphan landfill fund	625,902
	<u>(6,842,489)</u>
Net cash provided by (used for) noncapital financing activities	<u>(6,842,489)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(72,445)
	<u>(72,445)</u>
Net cash provided by (used for) capital financing activities	<u>(72,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	716,288
Purchase of investments	(4,793,452)
Proceeds from sales of investments	38,356
	<u>(4,038,808)</u>
Net cash provided by (used for) investing activities	<u>(4,038,808)</u>
Net increase (decrease) in cash and cash equivalents	(9,787,296)
Cash and cash equivalents, beginning of year	12,146,210
Cash and cash equivalents, end of year	<u>2,358,914</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(1,940,402)
Depreciation expense	103,225
Change in assets and liabilities:	
Receivables, net	565,564
Prepaid costs	152,000
Due from other funds	(1,891)
Accounts payable	333,270
Accrued liabilities	894,486
Deferred revenue	(272,736)
Due to other funds	1,332,930
	<u>1,332,930</u>
Net cash provided by (used for) operating activities	<u>1,166,446</u>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

ASSETS

Cash and cash equivalents	7,817,046
Cash management fund	<u>4,461,731</u>
Total assets	<u>12,278,777</u>

LIABILITIES

Accounts payable and accrued liabilities	77,492
Accrued Liability for Sick and Vacation Pay	
Other liabilities	4,007,424
Construction deposit	1,157,819
Due to other funds	<u>3,020,430</u>
Total liabilities	<u>8,263,165</u>

NET ASSETS

Net assets held in trust	<u>4,015,612</u>
	<u><u>4,015,612</u></u>

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended December 31, 2008

ADDITIONS

Grant Revenues	155,514
Transportation Planning District Fees	266,632
Wetland Enhancement Project	1,877,300
Other	179,013
Interest	<u>59,372</u>

Total additions	<u>2,537,831</u>
-----------------	------------------

DEDUCTIONS

Mitigation payments	<u>3,684,529</u>
---------------------	------------------

Change in net assets	(1,146,698)
----------------------	-------------

Net assets, beginning of the year, restated	<u>5,162,310</u>
---	------------------

Net assets, end of the year	<u><u>4,015,612</u></u>
-----------------------------	-------------------------

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

You Are Viewing an Archived Report from the New Jersey State Library
NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

Government-wide Statements

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

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

Fund Financial Statements

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

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

The Commission reports the following major governmental funds:

- General fund. This is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.
- New Jersey Meadowlands Commission Environmental Center fund. This fund accounts for the proceeds of revenues generated by the Commission's Environmental Center.
- The New Jersey Meadowlands Commission Business Accelerator Fund includes the revenues and expenditures associated with the operation of this facility.

The Commission reports the following major enterprise fund:

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

Fiduciary Fund

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

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

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

C. Basis of Accounting

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

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

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

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

D. Investments

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

E. Accumulated Unpaid Vacation and Sick Pay

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

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

F. Deferred Revenues

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

G. Capital Assets

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

H. Accrued Liability for Closure and Post-closure Costs

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

I. Payable from Restricted Assets - Landfill Closure

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

J. Cash and Cash Equivalents

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

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

K. Use of Estimates

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

NOTE 2: CASH AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The year-end amount on deposit with banks was \$73,760,935. The Commission's deposits at year-end were partially insured by Federal Depository insurance in the amount of \$355,568. The Commission's primary depository has provided to a third-party trustee collateral in the name of the Commission to cover the remaining interest bearing account balance of the Commission.

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 2: CASH AND INVESTMENTS, (continued)

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

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

The following is a summary of investments at December 31, 2008:

	<u>Fair Value</u>	<u>Category</u>
Categorized:		
United States Agency Notes	\$4,333,733	1
United States Treasury Notes	327,839	1
Money Market Funds:		
United States Government	<u>1,220,344</u>	1
	5,881,916	
Noncategorized:		
State of New Jersey Cash Management Fund - pooled investments	<u>54,560,129</u>	
	<u>\$60,442,045</u>	

You Are Viewing an Archived Report from the New Jersey State Library
NEW JERSEY MEADOWLANDS COMMISSION
 (A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
 (continued)

NOTE 3: RETROACTIVE RESTATEMENT DUE TO REALLOCATION OF RECEIVABLES

During calendar year 2008, the Commission identified an accrued liability for wetland enhancements reallocated from the General Fund. This resulted in the following restatement of fund balance and net assets as of December 31, 2007.

	Governmental Activities
Restatement of Fund Balance:	
Fund Balance, December 31, 2007	\$53,934,649
Restatement of Other Receivables	<u>288,700</u>
Fund Balance, December 31, 2007, as Restated	<u>\$54,223,349</u>
Restatement of Net Assets:	
Net Assets, December 31, 2007	78,451,987
Restatement of Other Receivables	<u>288,700</u>
Net Assets, December 31, 2007, as Restated	<u>\$78,740,687</u>

NOTE 4: CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2008:

	Balance Dec. 31, 2007	Additions	Deletions	Balance Dec. 31, 2008
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$17,056,889	\$2,506,839	\$	\$19,563,728
Infrastructure	1,090,300			1,090,300
Construction in progress	<u>6,354,020</u>	<u>292,186</u>	<u>(6,646,206)</u>	<u>0</u>
Total capital assets not being depreciated	<u>24,501,209</u>	<u>2,799,025</u>	<u>(6,646,206)</u>	<u>20,654,028</u>
Capital assets that are eligible for depreciation:				
Building and building improvements	7,391,262	6,646,206		14,037,468
Machinery and equipment	<u>2,833,766</u>	<u>269,363</u>	<u>(62,694)</u>	<u>3,040,435</u>
Totals at historical cost	<u>10,225,028</u>	<u>6,915,569</u>	<u>(62,694)</u>	<u>17,077,903</u>
Less accumulated depreciation for:				
Building, improvements and equipment	(6,084,677)	(432,362)		(6,517,039)
Machinery and equipment	<u>(2,362,076)</u>	<u>(262,138)</u>	<u>62,694</u>	<u>(2,561,520)</u>
Total accumulated depreciation	<u>(8,446,753)</u>	<u>(694,500)</u>	<u>62,694</u>	<u>(9,078,559)</u>
Total capital assets that are eligible for depreciation, net of accumulation	<u>1,778,275</u>	<u>6,221,069</u>	<u>0</u>	<u>7,999,344</u>
Government activities capital assets, net	<u>\$26,279,484</u>	<u>\$9,020,094</u>	<u>(\$6,646,206)</u>	<u>\$28,653,372</u>

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 4: CAPITAL ASSETS, (continued)

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Business-type activities:				
Capital assets including items eligible for amortization:				
Land and landfills	<u>\$4,894,786</u>	\$ <u> </u>	\$ <u> </u>	<u>\$4,894,786</u>
Total historical cost	<u>4,894,786</u>	<u>0</u>	<u>0</u>	<u>4,894,786</u>
Less accumulated amortization for:				
Landfills	<u>(2,499,467)</u>	<u> </u>	<u> </u>	<u>(2,499,467)</u>
Total accumulated depreciation	<u>(2,499,467)</u>	<u>0</u>	<u>0</u>	<u>(2,499,467)</u>
Total capital assets including items eligible for amortization, net of accumulation	<u>2,395,319</u>	<u>0</u>	<u>0</u>	<u>2,395,319</u>
Capital assets that are eligible for depreciation:				
Building and building improvements	11,375,083			11,375,083
Machinery and equipment	<u>4,555,995</u>	<u>30,878</u>	<u>(33,711)</u>	<u>4,553,162</u>
Total historical cost	<u>15,931,078</u>	<u>30,878</u>	<u>(33,711)</u>	<u>15,928,245</u>
Less accumulated depreciation for:				
Building, improvements and equipment	<u>(11,375,083)</u>			<u>(11,375,083)</u>
Machinery and equipment	<u>(4,359,009)</u>	<u>(103,225)</u>	<u>33,711</u>	<u>(4,428,523)</u>
Total accumulated depreciation	<u>(15,734,092)</u>	<u>(103,225)</u>	<u>33,711</u>	<u>(15,803,606)</u>
Total capital assets that are eligible for depreciation, net of accumulation	<u>196,986</u>	<u>(72,347)</u>	<u>0</u>	<u>124,639</u>
Business-type activities capital assets, net	<u>\$2,592,305</u>	<u>(\$72,347)</u>	<u>\$0</u>	<u>\$2,519,958</u>

Depreciation for buildings and furniture, fixtures and equipment for the year was \$694,500 allocated as follows: Commission operations - \$527,820 and Environmental Center - \$166,680.

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 5: OPERATING LEASES

The Commission has commitments to lease certain buildings and office equipment under operating leases that expire in 2031. Total operating lease payments made during the year ended December 31, 2008 were \$311,656. Future minimum lease payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2009	\$541,997
2010	539,382
2011	537,198
2012	526,773
2013	420,955
2014-2018	913,307
2019-2023	913,307
2024-2028	913,307
2029-2033	<u>547,984</u>
	<u>\$5,854,210</u>

NOTE 6: RETIREMENT SYSTEMS

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

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 6: RETIREMENT SYSTEMS, (continued)

at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 6: RETIREMENT SYSTEMS, (continued)

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

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2008	\$531,475
2007	326,386
2006	212,149

NOTE 7: CLOSURE AND POST-CLOSURE REQUIREMENTS

The Commission has set aside funds for closure and post-closure for its landfills. In the event the monies in the statutory accounts are not sufficient, the State of New Jersey will address any future liabilities for closure and post-closure for its landfills. The assumption of this liability by the State occurred in CY2003, when the Commission transferred \$50 million from its closure and post-closure accounts to the State's General Fund to meet its statutory obligations under the New Jersey State 2003-2004 budget.

NOTE 8: REMEDIATION OF KEEGAN LANDFILL

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 9. MEADOWLANDS AREA GRANTS FOR NATURAL AND ECONOMIC TRANSFORMATION (MAGNET)

In calendar year 2005, the NJMC launched the MAGNET Program. The intention of the MAGNET is to enhance the NJMC's existing Municipal Aid Program (MAP), by ensuring that monies are set aside for tax relief incentives for District municipalities. A detailed budget outlining the amounts appropriated for MAP, environmental, economic development and capital improvements initiatives is currently in place. As of December 31, 2008, the balance in the MAGNET fund was \$14,030,581. There were commitments of \$13,256,252 outstanding as of the end of the year.

NOTE 10: DEFERRED COMPENSATION PLANS

The Commission participates in two deferred compensation plans as follows:

- (a) New Jersey State Employees Deferred Compensation Plan - This Plan is an IRC Section 457 deferred compensation plan administered by the State of New Jersey and, accordingly, is included in the financial statements of the State. The Plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Plan is funded solely from voluntary employee contributions. Employee contributions and investment earnings thereon are a part of the State Plan. Employees may defer a maximum 50% of their salary or \$15,000, whichever is less. Investments are on an individual participant basis and the total investment for all the Commission employees is unknown.
- (b) AIG Retirement - This 457(b) plan, which commenced operations on December 31, 1985, is funded solely from voluntary employee contributions. The Plan is administered by AIG Retirement. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participating employees, and are not included the accompanying financial statements. Employee contributions in 2008 were \$109,818.

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 11: PROPRIETARY FUND - RESTRICTED ASSETS

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

NOTE 12: INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2008 consist of the following:

<u>Dollar Amount</u>	<u>Description</u>
\$2,976,486	Due to the General Fund from the Mitigation Trust Fund.
901,713	Due to the General Fund from the Solid Waste Fund.
1,111,164	Due to the General Fund from the Study Fund.
536,761	Due to the General Fund from the MAGNET Fund.
364,504	Due to the General Fund from the Environment Center.
139,334	Due to the General Fund from the Capital Fund.
5,180	Due to the Solid Waste Fund from the Mitigation Trust.
1,288,943	Due to the Environmental Center from the Solid Waste Fund.
1,064	Due to the Environmental Center from the Mitigation Trust.
13,600	Due to the Capital Fund from the Environment Center.
47,068	Due to the Study Fund from the Solid Waste Fund.
37,700	Due to the Study Fund from the Mitigation Trust.
<u>1,429</u>	Due to the Study Fund from the MAGNET Fund.
<u>\$7,424,946</u>	

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 13: GOVERNMENT-WIDE NET ASSETS

Net assets are reserved in the General Fund as follows at December 31, 2008:

Maintenance	\$1,139,199
Additions and replacements	2,399,847
Open space acquisition	1,776,177
Project commitments	1,952,900
Insurance	100,000
Flood Control	1,125,844
Keegan Remediation	3,144,579
Other Funds	<u>140,329</u>
	<u><u>\$11,778,875</u></u>

NOTE 14: LITIGATION

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

NOTE 15: POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or disability retirement. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State made Post Retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2007.

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 15: POST-RETIREMENT BENEFITS, (continued)

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2007, the State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members.

NOTE 16: RISK MANAGEMENT

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

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

NOTE 17: POSTEMPLOYMENT HEALTHCARE PLAN

Postemployment Benefits Other Than Pensions

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 17: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

The Commission's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Commission, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Commission's annual OPEB cost for the year ended December 31, 2008, and the related information for the plan, are as follows:

January 1, 2008 - Net OPEB Obligation (Initial) (NOO)	\$1,199,892
Annual OPEB Costs (AOC)	1,370,800
Contribution from Commission	<u>(168,611)</u>
December 31, 2008 - Net OPEB Obligation (NOO)	<u>\$2,402,081</u>

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2008 were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u> (Dollars in Thousands)	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>			
2008	\$1,370.8	12%	\$2,402,081			
<u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>OPEB</u> <u>Cost</u>	<u>Actuarial</u> <u>accrued</u> <u>Liability -</u> <u>Projected</u> <u>Unit Credit</u> (Dollars in Thousands)	<u>Unfunded</u> <u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>Unfunded</u> <u>Actuarial</u> <u>Liability</u> <u>as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
01/01/07	\$-0-	\$14,972.7	\$14,972.7	0 %	\$7,489.8	200%

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 17: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

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

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

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2008 Fiscal Year Normal Cost is \$812,200 assuming no prefunding of obligations, or \$333,900 assuming prefunding of obligations. In pension accounting, this is also known as "**service cost**."

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

Assumptions

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

Demographic Assumptions

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

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

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(continued)

NOTE 17: POSTEMPLOYMENT HEALTHCARE PLAN, (continued)

Economic Assumptions

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

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

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

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

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
(Budgetary Basis)
General Fund
Year Ended December 31, 2008

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Negotiated Contracts	3,016,238	-	3,016,238	2,695,712	(320,526)
Fees and charges	1,250,000	-	1,250,000	1,509,081	259,081
Baler overhead reimbursement	5,851,962	-	5,851,962	5,128,748	(723,214)
Amounts appropriated for current year	688,090	-	688,090	11,215,550	10,527,460
Amounts appropriated for reserves	-	-	-	585,438	585,438
Composting Revenues	331,836	-	331,836	338,878	7,042
Other Income	-	-	-	386,693	386,693
Methane Royalties	120,000	-	120,000	124,603	4,603
Interest Income	1,250,000	-	1,250,000	657,609	(592,391)
Total Revenues	12,508,126	-	12,508,126	22,642,312	10,134,186
EXPENDITURES:					
Commission operations:					
Salaries and wages	4,584,267	-	4,584,267	4,731,830	(147,563)
Supplies	389,000	-	389,000	279,728	109,272
Services	4,083,273	-	4,083,273	3,300,757	782,516
Maintenance and repairs	310,000	-	310,000	256,769	53,231
Fringe benefits	1,650,336	-	1,650,336	1,791,453	(141,117)
New equipment	10,000	-	10,000	5,815	4,185
Total commission operations	11,026,876	-	11,026,876	10,366,352	660,524
Other Expenditures:					
Capital expenditures	496,250	-	496,250	2,602,728	(2,106,478)
Capital expenditures from prior years	-	-	-	907,142	(907,142)
Keegan landfill remediation cost	-	-	-	7,455,421	(7,455,421)
Other	-	-	-	1,000	(1,000)
Amounts expended against prior year revenue allocations	-	-	-	-	-
Other operations	985,000	-	985,000	142,047	842,953
Total other expenditures	1,481,250	-	1,481,250	11,108,338	(9,627,088)
Total Expenditures	12,508,126	-	12,508,126	21,474,690	(8,966,564)
Excess of revenues over expenditures	-	-	-	1,167,622	1,167,622
Other Financing Sources:					
Operating transfer to Business Accelerator Fund	-	-	-	(548,713)	(548,713)
Total other financing sources	-	-	-	(548,713)	(548,713)
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	-	618,909	618,909
Fund balance, beginning of year				27,620,135	
Net change in fund balance				28,239,044	
Less amounts appropriated for current year				(11,800,988)	
Fund balance, end of year budgetary basis				16,438,056	
Noncurrent liability for compensated absences				25,985	
Fund balance, end of year governmental funds basis				16,464,041	

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
(Budgetary Basis)
Environmental Center Fund
Year Ended December 31, 2008

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Fees and charges	145,000	-	145,000	68,489	(76,511)
Baler overhead reimbursement	2,212,120	-	2,212,120	2,212,120	-
Other Income		-		246,453	246,453
Interest Income		-		19,492	19,492
Total Revenues	<u>2,357,120</u>	<u>-</u>	<u>2,357,120</u>	<u>2,546,554</u>	<u>189,434</u>
EXPENDITURES:					
Commission operations:					
Salaries and wages	32,000	100,000	132,000	122,661	9,339
Supplies	105,000	65,000	170,000	188,682	(18,682)
Services	340,170	(165,000)	175,170	168,929	6,241
Maintenance and repairs	55,000	-	55,000	138,331	(83,331)
Fringe benefits	11,350	-	11,350	39,465	(28,115)
New equipment		-		808	(808)
Total commission operations	<u>543,520</u>	<u>-</u>	<u>543,520</u>	<u>658,876</u>	<u>(115,356)</u>
Other Expenditures:					
Capital expenditures	60,000	-	60,000	63,946	(3,946)
Ramapo College Partnership	1,753,600	-	1,753,600	1,750,858	2,742
Amounts expended against prior year revenue allocations		-		66,622	(66,622)
Other		-			-
Total other expenditures	<u>1,813,600</u>	<u>-</u>	<u>1,813,600</u>	<u>1,881,426</u>	<u>(67,826)</u>
Total Expenditures	<u>2,357,120</u>	<u>-</u>	<u>2,357,120</u>	<u>2,540,302</u>	<u>(183,182)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,252</u>	<u>6,252</u>
Fund balance, beginning of year				<u>1,273,650</u>	
Net change in fund balance				1,279,902	
Less amounts appropriated for current year				<u>(208,067)</u>	
Fund balance, end of year governmental funds basis				<u>1,071,835</u>	

NEW JERSEY MEADOWLANDS COMMISSION
(A Component Unit of the State of New Jersey)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
(Budgetary Basis)
Business Accelerator Fund
Year Ended December 31, 2008

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Grant Revenue	550,335	-	550,335	30,000	(520,335)
Other Income		-		1,648	1,648
Interest Income		-		3,794	3,794
Total Revenues	<u>550,335</u>	<u>-</u>	<u>550,335</u>	<u>35,442</u>	<u>(514,893)</u>
EXPENDITURES:					
Commission operations:					
Salaries and wages	120,000	-	120,000	107,324	12,676
Supplies	10,000	-	10,000	5,406	4,594
Services	160,000	-	160,000	146,945	13,055
Maintenance and repairs	5,000	-	5,000	144	4,856
Fringe benefits	42,000	-	42,000	32,233	9,767
Other	13,335	-	13,335	7,870	5,465
New equipment	200,000	-	200,000	182,547	17,453
Total commission operations	<u>550,335</u>	<u>-</u>	<u>550,335</u>	<u>482,469</u>	<u>67,866</u>
Total Expenditures	<u>550,335</u>	<u>-</u>	<u>550,335</u>	<u>482,469</u>	<u>67,866</u>
Excess of revenues over (under) expenditures	-	-	-	(447,027)	(582,759)
Other financing sources (uses):					
Operating transfer from General Fund		-		548,713	548,713
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>548,713</u>	<u>548,713</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,686</u>	<u>(34,046)</u>
Net change in fund balance				<u>101,686</u>	
Fund balance, end of year governmental fund basis				<u>101,686</u>	

NEW JERSEY MEADOWLANDS COMMISSION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and
Project Status-Budgetary Basis
Environmental Education Center/Observatory
Year Ended December 31, 2008

	<u>2008</u>	<u>2007</u>
Revenues and Other Financing Sources		
New Jersey Sports and Exposition Authority		
Interest Income	9,679	153,830
	<u>9,679</u>	<u>153,830</u>
Expenditures and Other Financing Uses		
Other Financing Sources - General Fund		
Other Expenditures	119,438	
Observatory Project - Construction in Progress	292,186	5,626,291
	<u>411,624</u>	<u>5,626,291</u>
Excess (deficiency) of revenues over (under) expenditures	(401,945)	(5,472,461)
Fund Balance - Beginning, restated	<u>1,093,132</u>	<u>6,564,112</u>
Fund Balance - Ending	<u><u>691,187</u></u>	<u><u>1,091,651</u></u>

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

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

YEAR ENDED DECEMBER 31, 2008

Budgetary Procedures and Budgetary Accounting

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

NEW JERSEY MEADOWLANDS COMMISSION
SCHEDULE OF NET ASSETS BY COMPONENT
CALENDAR YEAR 1999 THROUGH 2008

BALANCE SHEET

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Assets:										
Current	69,741,986	92,882,517	93,453,885	86,848,612	95,992,488	93,993,537	131,512,727	162,101,818	165,278,609	144,757,004
Non-current	31,173,330	28,871,789	22,991,348	20,294,175	15,001,944	16,689,281	16,681,382	15,833,791	21,555,451	21,566,800
Total assets	100,915,316	121,754,306	116,445,233	107,142,787	110,994,432	110,682,818	148,194,109	177,935,609	186,834,060	166,323,804
Liabilities:										
Current	11,087,476	7,602,023	7,157,696	5,494,656	12,974,118	10,742,314	11,645,791	13,190,626	29,958,634	24,910,276
Non-current	13,286,317	17,431,391	13,957,074	16,993,365	46,637,759	52,378,495	100,045,532	125,929,154	104,694,085	96,714,354
Total Liabilities	24,373,793	25,033,414	21,114,770	22,488,021	59,611,877	63,120,809	111,691,323	139,119,780	134,652,719	121,624,630
Net Assets:										
Invested in capital assets	31,173,330	28,871,789	22,991,348	20,294,175	15,001,944	16,689,281	16,681,382	15,833,791	16,889,979	16,720,014
net of related debt	36,704,159	57,021,102	43,413,939	57,872,127	5,254,429	5,365,969	8,272,454	8,780,815	31,422,933	24,100,883
Restricted	8,664,034	10,828,001	28,925,176	6,488,464	31,126,182	25,506,759	11,548,950	14,201,223	3,868,429	3,878,277
Unrestricted	76,541,523	96,720,892	95,330,463	84,654,766	51,382,555	47,562,009	36,502,786	38,815,829	52,181,341	44,699,174
Total net assets										

**NEW JERSEY MEADOWLANDS COMMISSION
SCHEDULE OF CHANGES IN NET ASSETS
CALENDAR YEAR 1999 THROUGH 2008**

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
GOVERNMENTAL FUNDS										
Statement of Revenues and Expenditures										
Revenues	13,913,294	18,073,173	26,365,558	45,048,536	18,878,721	22,705,646	12,582,395	16,205,541	12,522,663	9,797,081
Expenditures	35,623,976	26,329,648	18,373,502	19,343,481	16,003,251	10,065,487	18,904,849	10,496,743	8,692,648	7,320,366
Excess of revenues over expend.	(21,710,682)	(8,256,475)	7,992,056	25,705,055	2,875,470	12,640,159	(6,322,454)	5,708,798	3,830,015	2,476,715
Fund balance - beginning of year	54,223,349 *	62,191,124	54,207,665	28,502,610	25,627,140	12,986,981	19,309,435	13,600,637	12,030,227 **	9,553,512
Fund balance - end of year	32,512,667	53,934,649	62,199,721	54,207,665	28,502,610	25,627,140	12,986,981	19,309,435	15,860,242	12,030,227

SOLID WASTE OPERATIONS

Operating Revenues	23,537,804	27,644,989	19,612,317	21,971,092	23,719,295	25,633,217	23,475,856	21,693,581	22,481,798	13,270,980
Operating Expense	25,478,206	24,577,979	20,714,558	24,619,968	23,826,551	26,730,187	20,538,624	17,126,513	20,852,766	17,297,092
Income from Operations	(1,940,402)	3,067,010	(1,102,241)	(2,648,876)	(107,256)	(1,096,970)	2,937,232	4,567,068	1,629,032	(4,026,112)
Non-operating revenue	1,371,096	1,544,917	4,756,789	10,044,051	347,428	685,522	(947,879)	4,608,322	6,959,155	1,359,830
Non-operating expense	(963,974)	0	3,646,683	2,997,177	0	2,562,980	2,700,000	5,063,754	5,100,000	2,750,000
Change in net assets	394,668	4,611,927	7,865	4,397,998	240,172	(2,974,428)	(710,647)	4,111,636	3,488,187	(5,416,282)
Net Assets - beginning of year	17,980,205	13,368,278	13,360,413	8,962,415	8,722,243	11,696,671	12,407,318	8,295,682	13,130,867	18,547,149
Net Assets - end of year	18,374,873	17,980,205	13,368,278	13,360,413	8,962,415	8,722,243	11,696,671	12,407,318	16,619,054	13,130,867

STATEMENT OF ACTIVITIES (GOVT)

Revenues	13,913,293	18,361,873	18,515,557	41,048,536	17,816,575	22,705,646	11,527,617	14,993,693		
Expenses	34,487,330	21,574,773	16,886,683	12,174,323	14,236,201	8,671,995	13,130,013	8,076,741		
Change in net assets	(20,574,037)	(3,212,900)	1,628,874	28,874,213	3,580,374	14,033,651	(1,602,396)	6,916,952		
Net assets - beginning of year	78,740,687 *	81,953,587	80,333,311 *	42,420,140	38,839,766	24,806,115	26,408,511	19,491,559		
Net assets - end of year	58,166,650	78,740,687	81,962,185	71,294,353	42,420,140	38,839,766	24,806,115	26,408,511		

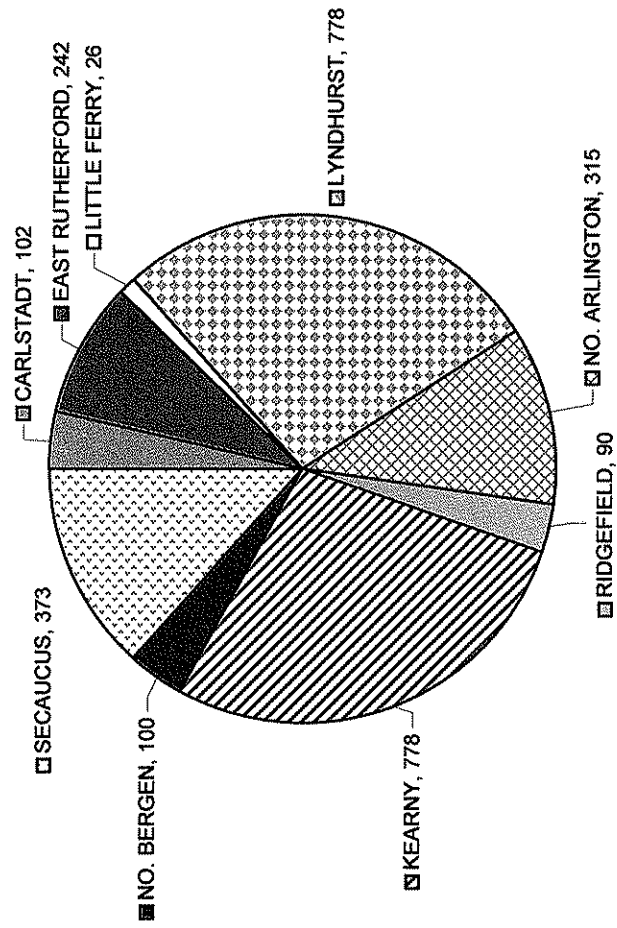
ALL OPERATIONS

Revenues	47,290,843	47,263,079	39,237,980	70,066,502	41,883,298	46,461,405	31,355,594	36,231,842		
Expenses	67,470,212	45,864,053	37,601,241	36,794,291	38,062,752	35,402,182	33,688,637	25,203,254		
Change in net assets	(20,179,369)	1,399,026	1,636,739	33,272,211	3,820,546	11,059,223	(2,313,043)	11,028,588		
Net assets - beginning of year	96,720,892 *	95,321,866	93,693,724 *	51,382,555	47,562,009	36,502,786	38,815,829	27,787,241		
Net assets - end of year	76,541,523	96,720,892	95,330,463	84,654,766	51,382,555	47,562,009	36,502,786	38,815,829		

* Restated for inclusion of infrastructure assets and prior period restatements.

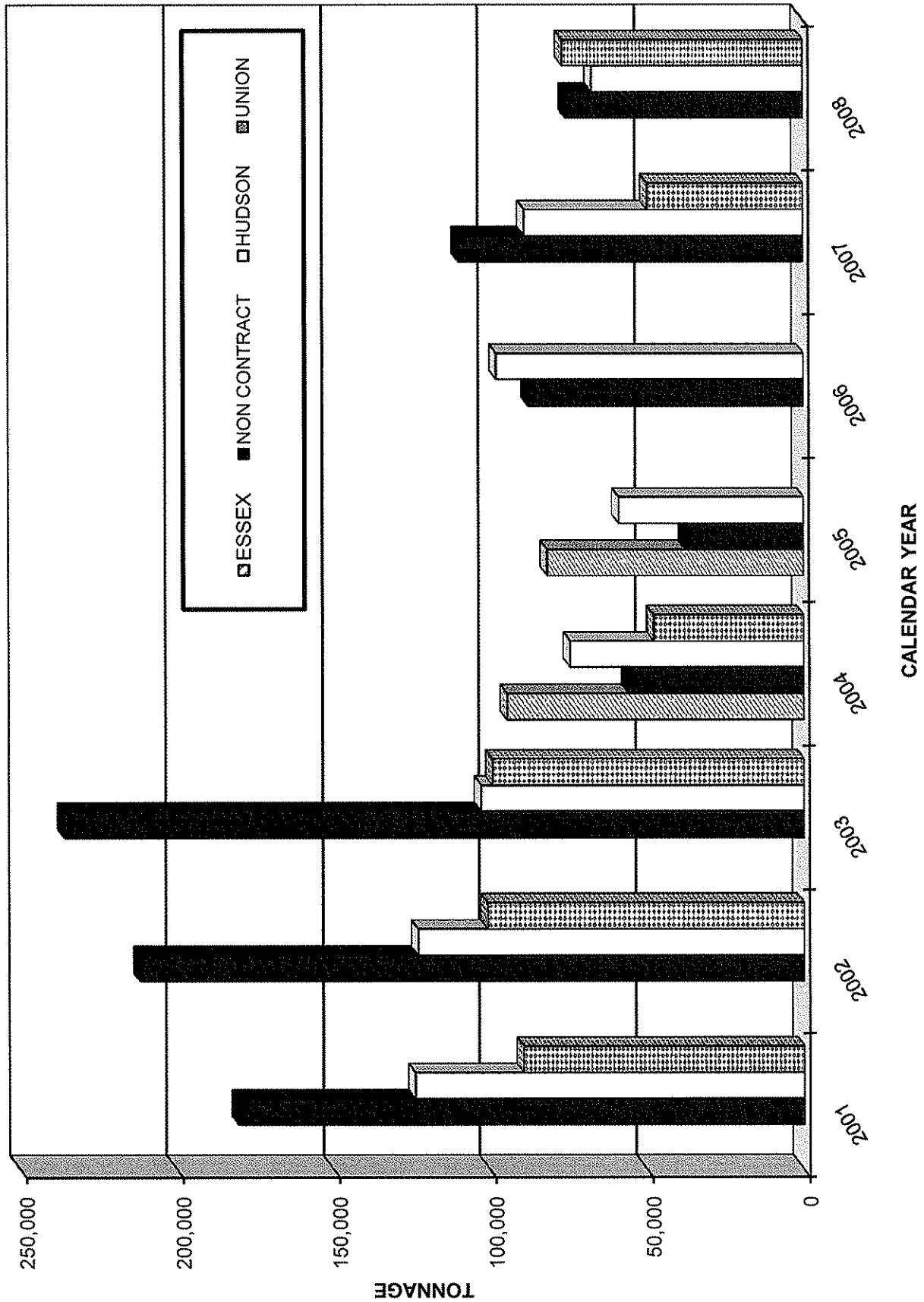
** GASB34 Restatement

NJMC PROPERTY ACQUISITION
TOTAL ACREAGE BY MUNICIPALITY



Total Land Acreage: 2,804 acres

NJMC LANDFILL TONNAGE CY2001 - CY2008



NEW JERSEY MEADOWLANDS COMMISSION

Schedule of Expenditures of Federal Awards

Year ended December 31, 2008

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Internal Grant Number	Balance at Dec. 31, 2007	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) at Dec. 31, 2008	Deferred Revenue at Dec. 31, 2008	MEMO Cumulative Total Expenditures
National Oceanic and Atmospheric Administration Study Fund: Coastal Zone Management Administration Awards	11.419	10/1/02-09/30/05	\$ 4,178,800		(82,570)				(82,570)	*	2,211,996
Total National Oceanic and Atmospheric Administration					(82,570)				(82,570)	*	2,211,996
US Environmental Protection Agency Study Fund: Brownfield Pilots Cooperative Agreements Wetlands Protection State Development Urban Tidal Wetlands Restoration	66.811 66.461 66.461	10/1/04-09/30/05 10/1/02-9/30/03 10/1/03-9/30/04	200,000 93,000 124,000		1,603	7,408	9,397		(386)	*	13,498
Kearny Marsh Surveys/Studies/Investigations & Special Purpose Grant	66.606	9/1/04-3/31/08	385,700		(115,521)		68,687	121,527	(62,681)	*	337,294
Wetland Monitoring and Assessment Monitoring of Air Toxic Particulate Pollutants Secaucus High School Site		10/1/05-9/30/06 10/1/05-9/30/06 1/1/06-9/30/07	77,500 375,934 700,000		(42,830) (83,532) (288,700)	71,750 71,271 288,700	30,342 87,864		(1,422) (100,125) (288,700)	*	78,922 263,529 577,400
Total US Environmental Protection Agency					(528,980)	439,129	196,290	(167,173)	(453,314)	*	1,414,050
Total Federal Financial Assistance				\$	(611,550)	439,129	196,290	(167,173)	(535,884)	*	3,626,046

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

NEW JERSEY MEADOWLANDS COMMISSION

Schedule of Expenditures of State Awards

Year ended December 31, 2008

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at Dec. 31, 2007	Cash Received	Budgetary Expenditures	Canceled	(Accounts Receivable) at Dec. 31, 2008	Deferred Revenue at Dec. 31, 2008	MEMO Cumulative Total Expenditures
New Jersey Department of Environmental Protection: Study Fund:										
Green Acres Grant / North Hudson Trail Project	042-4800 GMT0506	02/28/95	\$ 500,000	\$ 438,932					438,932	61,068
Recreation Trails Program - Recreation Trail	BP982083-01-0	2003	20,300		10,947				10,947	6,106
Secaucus Greenway Signage Program		06/28/05	31,250	(20,534)	22,584	3,242		(1,192)		23,776
New Jersey Commission of Science & Technology: Business Accelerator		06/30/05	30,000		30,000				30,000	
Total State Financial Assistance			\$	418,398	63,531	3,242		(1,192)	479,879	90,950

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

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

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

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

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

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

March 30, 2009

The Board of Commissioners
New Jersey Meadowlands Commission:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Jersey Meadowlands Commission (the Commission) (A Component Unit of the State of New Jersey) as of and for the year ended December 31, 2008, and have issued our report thereon dated March 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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



The Board of Commissioners
New Jersey Meadowlands Commission
March 30, 2009
Page 2.

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

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

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the New Jersey Meadowlands Commission in the accompanying comments and recommendations section of this report.

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



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



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



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

OTHER COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2008

OTHER COMMENTS

1. Bank reconciliations completed through the computerized accounting system were not always accurate.

RECOMMENDATIONS

1. More care be taken to manually examine reconciling items recorded in the computerized accounting system to ensure their accuracy. The Commission has now taken steps through additional controls to manually review reconciling items.

Acknowledgment

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

Respectfully submitted,



Steven D. Wielkottz
Registered Municipal Accountant
No. CR00413



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

March 30, 2009