

NEW JERSEY MEADOWLANDS COMMISSION
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
LANDFILL CLOSURE ESCROW FUND
KEEGAN LANDFILL FACILITY
FOR THE PERIOD
OCTOBER 1, 2011 TO SEPTEMBER 30, 2012

NEW JERSEY MEADOWLANDS COMMISSION
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
LANDFILL CLOSURE ESCROW FUND
KEEGAN LANDFILL FACILITY

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, 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

The Board of Commissioners
New Jersey Meadowlands Commission

We have audited the Statement of Assets, Liabilities and Fund Balances and the Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis of the New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility for the fiscal year ended September 30, 2012. These Financial Statements are the responsibility of the management of the New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility. Our responsibility is to express an opinion on the 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 Audit Requirements of the Sanitary Landfill Closure and Contingency Fund Act of 1981 (amended 1987). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether these Financial Statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in these Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of these Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

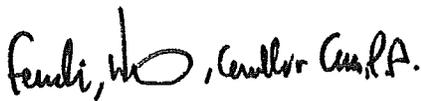
As described in Note 2, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of the New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility at September 30, 2012 and the results of operations of such fund for the fiscal year ended, on the basis of accounting as described in Note 2 and the Requirements of the Sanitary Landfill Closure and Contingency Act of 1981 (Amended 1987).



Steven D. Wielkötz, C.P.A.
Registered Municipal Accountant
No. CRO0413



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

Pompton Lakes, New Jersey

October 18, 2012

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
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Pompton Lakes, New Jersey 07442
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Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

The Board of Commissioners
New Jersey Meadowlands Commission

Gentlemen:

We have audited the Statement of Assets, Liabilities and Fund Balance and the Statement of Revenues and Expenditures and Changes in Fund Balance - Cash Basis of the New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility as of and for the year ended September 30, 2012, and have issued our report thereon dated October 18, 2012.

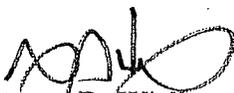
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the audit requirements of the Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 (amended 1987). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility is the responsibility of the New Jersey Meadowlands Commission management. As part of obtaining reasonable assurance about whether these financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests of compliance indicate that, with respect to the items tested, the New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility complied in all material respects, with the provisions referred to in the third paragraph of this report; and with respect to the items not tested, nothing came to our attention that caused us to believe that the Commission had not complied, in all material respects with those provisions.



The report is intended solely for the information of the Board of Commissioners, Management and the Department of Environmental Protection State of New Jersey, Bureau of Keegan Landfill Regulation. This restriction is not intended to limit distribution of this report, which is a matter of public record.



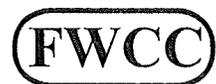
Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



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

Pompton Lakes, New Jersey

October 18, 2012



NEW JERSEY MEADOWLANDS COMMISSION
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
LANDFILL CLOSURE ESCROW FUND
KEEGAN LANDFILL FUND

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE
SEPTEMBER 30, 2012

ASSETS

| | |
|------------------------------|-----------------------|
| Cash and Cash Equivalents | \$477,432.10 |
| Investments, at Market Value | 522,542.45 |
| | <hr/> |
| | 999,974.55 |
| Accounts Receivable | 26,550.00 |
| | <hr/> |
| | <u>\$1,026,524.55</u> |

FUND BALANCE

| | |
|--------------|-----------------------|
| Fund Balance | 1,026,524.55 |
| | <hr/> |
| | <u>\$1,026,524.55</u> |

See accompanying notes to the financial statements.

NEW JERSEY MEADOWLANDS COMMISSION
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
LANDFILL CLOSURE ESCROW FUND
KEEGAN LANDFILL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012

| Month | Number of Tons Accepted | Date of Deposit | Dollars Deposited | Income on Invested Funds | Total |
|---|-------------------------------|-----------------------|----------------------|--------------------------------|-----------------------|
| October, 2011 | 34,030 | 10/17/11 | \$34,030.00 | \$206.77 | \$34,236.77 |
| November, 2011 | 29,533 | 12/14/11 | 29,533.00 | 0.72 | 29,533.72 |
| December, 2011 | 25,189 | 1/19/12 | 25,189.00 | 2,209.65 | 27,398.65 |
| January, 2012 | 19,520 | 2/14/12 | 19,520.00 | 1.11 | 19,521.11 |
| February, 2012 | 20,069 | 3/16/12 | 20,069.00 | 219.99 | 20,288.99 |
| March, 2012 | 23,395 | 4/18/12 | 23,395.00 | 1.28 | 23,396.28 |
| April, 2012 | 22,024 | 5/15/12 | 22,024.00 | 207.71 | 22,231.71 |
| May, 2012 | 24,328 | 6/15/12 | 24,328.00 | 1.51 | 24,329.51 |
| June, 2012 | 29,297 | 7/13/12 | 29,297.00 | 2,210.45 | 31,507.45 |
| July, 2012 | 27,558 | 8/15/12 | 27,558.00 | 1.75 | 27,559.75 |
| August, 2012 | 28,064 | 9/12/12 | 28,064.00 | 220.72 | 28,284.72 |
| September, 2012 | 26,550 | 10/18/12 | 26,550.00 | 2.19 | 26,552.19 |
| | <u>309,557</u> | | <u>\$309,557.00</u> | <u>\$5,283.85</u> | 314,840.85 |
| Realized Gain/(Loss) on Sale of Investments | | | | | (210.94) |
| Unrealized Gain/(Loss) on Ending Market Value of Investments | | | | | <u>(2,679.51)</u> |
| Less: Trustee Fees Withdrawals | | | | | 0.00 |
| | | | | | <u>0.00</u> |
| Net Increase/(Decrease) in Fund Balance | | | | | 311,950.40 |
| Fund Balance, Beginning of Period | | | | | <u>714,574.15</u> |
| Fund Balance, End of Period | | | | | <u>\$1,026,524.55</u> |

Financial Institution(s):
TD Wealth Management
#6164501

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

**NEW JERSEY MEADOWLANDS COMMISSION
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
LANDFILL CLOSURE ESCROW FUND
KEEGAN LANDFILL FACILITY
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The New Jersey Meadowlands Commission Landfill Closure Escrow Fund Keegan Landfill Facility was established by the New Jersey Meadowlands Commission in January 2009, in compliance with New Jersey Public Law 1981, C. 306, the Sanitary Landfill Closure and Contingency Fund Act. A portion of the funds received for solid and liquid wastes accepted for disposal during the year are deposited to the fund in order to have funds available for the cost of future closure of the landfill. No withdrawals therefore may be made without written approval by the New Jersey State Department of Environmental Protection.

NOTE 2: BASIS OF ACCOUNTING

The financial statements of the New Jersey Meadowlands Commission Landfill Closure Escrow Account have been prepared on the cash basis of accounting; consequently certain revenues recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

The Fund is considered part of the Commission and does not include all of the operations of the Commission. Accordingly, the accompanying financial statements report only that portion of the Commission that deals with the Fund.

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Commission's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes that are treated as cash equivalents. As of September 30, 2012, \$0 of the Commission's bank balance of \$477,432.10 was exposed to custodial credit risk.

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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

As of September 30, 2012, the Commission had the following investments and maturities:

| Investment Type | Market Value | <u>Investment Maturities (in Years)</u> | | |
|---------------------|---------------------|---|---------------------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 |
| U.S. Treasury Notes | <u>\$522,542.45</u> | <u>\$231,378.90</u> | <u>\$291,163.55</u> | <u>\$ _____</u> |
| Total | <u>\$522,542.45</u> | <u>\$231,378.90</u> | <u>\$291,163.55</u> | <u>\$ _____</u> |

Investment Rate Risk

The purchases of U.S. Treasury and Agency Investments carry investment rate risk where a possible rise in interest rates could lead to a fair value loss in the current value of such securities. The Meadowlands Commission follows the guidance provided by the Governmental Accounting Standards Board for accounting for either increases or decreases in fair value of securities.

Credit Risk

New Jersey Statutes limits investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America; obligations of federal agencies; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Commission places no limit on the amount the Commission may invest in any one issuer.

NOTE 4: DEPOSITS TO ESCROW FUND

Deposits to the escrow fund are required to be made on or before the 20th day of the month following their receipt.