NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

(A Component Unit of the State of New Jersey)

Report of Audit

For the Fiscal Years Ended June 30, 2015 and 2014

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the New Jersey Environmental Infrastructure Trust, a component unit of the State of New Jersey (the "Trust"), as of and for the fiscal years ended June 30, 2015 and 2014 and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the New Jersey Environmental Infrastructure Trust, a component unit of the State of New Jersey as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Restatement
As discussed in Note 9 to the financial statements, during the fiscal year ended June 30, 2015, the Trust recognized a change in accounting policy as a result of its decision to remove conduit debt from its financial statements. GASB Interpretation 2 requires disclosure of certain information about a governmental entity's conduit debt, but does not require the recognition of a liability. As a result of this change, the Trust removed the applicable assets, liabilities and net position accounts related to the bonds payable and the loans receivable from the borrowers that is a direct result of the issuance of the conduit debt. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2015 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Trust's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 12, 2015

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the New Jersey Environmental Infrastructure Trust, a component unit of the State of New Jersey (the "Trust"), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated November 12, 2015.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 12, 2015

REQUIRED SUPPLEMENTARY INFORMATION

This section of the annual financial report of New Jersey Environmental Infrastructure Trust (the "Trust") presents management's discussion and analysis of the Trust's financial performance during the fiscal years ended June 30, 2015 and 2014 relative to each other. Please read this section in conjunction with the Trust's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

- Assets decreased by $56,468,686, or -17.57%
- Liabilities increased by $826,302, or 68.36%
- Net Position decreased by $57,294,988, or -17.89%
- Operating Revenues decreased by $508,422, or -6.06%
- Non-operating Revenues (Expenses) decreased by $169,740,653, or -154.31%
- Expenses increased by $465,901, or 9.38%

During fiscal year 2015, the Trust funded various types of environmental infrastructure projects through the Direct Loan Program, the SAIL Program, and the Construction Loan Program.

The Direct Loan Program provides funds for small projects or for borrowers that are fiscally constrained or lack the administrative capability to participate in the Trust's bond financing transaction. The Trust portion of each total loan is structured at a rate equivalent to the Thomson Reuters TM3 AAA Index on the date of loan closing plus (or minus) the spread from the Trust's most recent issue.

The State-wide Assistance Infrastructure Loan (SAIL) Program provides timely and cost effective interim funding for borrowers to repair disaster-damaged infrastructure and improve the resiliency of CW and DW systems. The SAIL Program also provides advance funding to water systems working through FEMA, CDBG or other federal grant programs, pending receipt of federal reimbursements to mitigate the financial stress on disaster impacted communities during the rebuild process. The Trust provides SAIL loans to borrowers with a portion of the funds lent at a rate equivalent to the Thomson Reuters short-term TM3 AAA Index and the remainder of the loan funds lent at 0% with the support of the DEP.

For SFY2015 the short-term Construction Loan Program provided funding to borrowers for the construction of a project prior to securing long term financing. The Trust provides Construction loans to borrowers with a portion of the funds lent at a rate equivalent to the Thomson Reuters short-term TM3 AAA Index and the remainder of the loan funds lent at 0% with the support of the DEP.

FINANCIAL ANALYSIS

The mission of the Trust is to provide and administer low interest rate loans to qualified municipalities, counties, regional authorities, and water purveyors for the purpose of financing infrastructure projects with a water quality objective. The Trust acts as a conduit lender selling bonds in order to provide a portion of the necessary funding for most of the projects, and also acts as a direct lender for the remainder of the applicable projects. Therefore, when reviewing the Trust's financial statements, its performance should be measured based upon the Trust's ability to fund the applicable projects.

- Assets decreased by $56,468,686, or -17.57%
  - Cash and investments decreased by $60,755,752, or -19.61%
  - Total Loans increased by $9,243,602, or 72.01%
- Liabilities increased by $826,302, or 68.36%
- Net Position decreased by $57,294,988, or -17.89%

During fiscal year 2015, the Trust funded new loans consisting of 3 long-term direct loans, 4 short-term construction loans and 1 short-term, disaster related SAIL loan. The cash and investment balance, which includes available construction funds, decreased primarily due to the return to the State of funds in the Interim Financing Program and CW Match accounts. Accounts Payable increased due to the rise in expenses for bond counsel fees, auditing services and salaries.

The following table summarizes the net position changes between June 30, 2015 and June 30, 2014:

	2015	2014 (Restated)	Percent increase (Decrease)
Current loans receivable	$3,938,213	$3,387,403	16.26%
Noncurrent loans receivable	9,100,825	5,145,736	76.86%
Undisbursed project funds	9,041,882	4,304,179	110.07%
Total Loans	22,080,920	12,837,318	72.01%
Current cash and cash equivalents, as reduced by undisbursed loan project funds	119,228,011	152,851,567	(22.00%)
Current investments	40,566,135	48,258,656	(15.94%)
Non-current investments	80,239,632	104,417,010	(23.15%)
Administrative fee receivable	2,329,935	2,311,864	0.78%
Other assets	560,091	796,995	(29.72%)
Total Assets	265,004,724	321,473,410	(17.57%)
Other liabilities	2,035,070	1,208,768	68.36%
Total Liabilities	2,035,070	1,208,768	68.36%
Restricted	224,354,858	282,524,444	(20.59%)
Unrestricted	38,614,796	37,740,198	2.32%
Total Net Position	$ 262,969,654	$ 320,264,642	(17.89%)

FINANCIAL ANALYSIS (CONTINUED)

- Operating Revenues decreased by $508,422, or -6.06%
- Non-operating Revenues (Expenses) decreased by $169,740,653, or -154.31%
- Expenses increased by $465,901, or 9.38%
- Net Position decreased by $57,294,988, or -17.89%

The Trust's administrative fees increased by 7.02% due to the increase of the Cost-of-Issuance for the bonds sold during the fiscal year. The Trust Non-operating revenues decreased substantially due to the return of funds from the Interim Financing Program and CW Match accounts to the State through the DEP in the amount of $59,740,653. The investment income decreased primarily due to a low interest rate environment and the loss of interest income on the funds returned to the State, as well as a change in the accounting method used to amortize the premium/discount on investments.

The Trust's Expenses increased due to the rise in costs associated with bond counsel fees, auditing services and salaries.

The following table summarizes the changes in net position between fiscal years June 30, 2015 and June 30, 2014:

	2015	2014 (Restated)	Percent increase (Decrease)
Investment Income	$ 1,451,606	$ 2,371,906	(38.80%)
Loan Interest Income	179,709	177,842	1.05%
Administrative Fees	6,247,559	5,837,548	7.02%
Transfer (to) from State	(59,740,653)	110,000,000	(154.31%)
Total Revenues	(51,861,779)	118,387,296	(143.81%)
Administrative Expenses	5,433,209	4,967,308	9.38%
Total Expenses	5,433,209	4,967,308	9.38%
Change in Net Position	(57,294,988)	113,419,988	(150.52%)
Net Position, Beginning of the year, before Cumulative Effects of Prior Period Adjustments	320,264,642	305,199,566	
Cumulative Effects of Prior Period Adjustments		(98,354,912)	
Net Position, Beginning of the Year, after Cumulative Effects of Prior Period Adjustments	320,264,642	206,844,654	
Net Position, End of Year	$ 262,969,654	$ 320,264,642	(17.89%)

OTHER FINANCIAL INFORMATION

Restatement of 2014 Financials and Conduit Debt

During fiscal year 2015, the Trust made a change in accounting to recognize its debt as conduit debt. As of June 30, 2015 there were 38 series of bonds outstanding in the principal amount of $1,306,917,217, which are treated strictly as conduit debt obligation under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB). Conduit debt obligations are limited-obligation revenue bonds, issued by a state or local governmental entity for the purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. The issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party of whose behalf they are issued. All financial activity with regard to conduit debt is maintained by the Trust and is reflected in the narrative and schedules of Note 7.

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Comparative Statements of Net Position
As of June 30, 2015 and 2014

	2015	2014 (Restated)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 13,188,287	$ 28,707,093
Investments	12,742,846	
Administrative Fee Receivable	2,329,935	2,311,864
Other Assets	31,683	103,760
Restricted Assets:		
Cash and Cash Equivalents	115,081,606	128,448,653
Investments	27,823,289	48,258,656
Interest Receivable	331,350	385,848
Loans Receivable	3,938,213	3,387,403
Total Current Assets	175,467,209	211,603,277
Noncurrent Assets:		
Capital Assets	197,058	307,387
Restricted Assets:		
Investments	80,239,632	104,417,010
Loans Receivable	9,100,825	5,145,736
Total Noncurrent Assets	89,537,515	109,870,133
Total Assets	$ 265,004,724	$ 321,473,410
LIABILITIES AND NET POSITION		
Current Liabilities :		
Accounts Payable	$ 2,035,070	$ 1,208,768
Total Current Liabilities	2,035,070	1,208,768
Net Position:		
Net Investment in Capital Assets	197,058	307,387
Restricted for:		
Debt Service	111,278,001	157,630,790
Interim Financing Trust Loan Program	113,076,857	124,893,654
Unrestricted	38,417,738	37,432,811
Total Net Position	262,969,654	320,264,642
Total Liabilities and Net Position	$ 265,004,724	$ 321,473,410

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014

	2015	2014 (Restated)
Operating Revenue:		
Investment Income:		
Interest Income	$ 1,149,431	$ 1,925,725
Net increase in the fair value of investments	302,175	446,181
Interest Income from Loans	179,709	177,842
Administrative Fees	6,247,559	5,837,548
Total Operating Revenues	7,878,874	8,387,296
Operating Expenses:		
Administrative Expenses	5,433,209	4,967,308
Total Operating Expenses	5,433,209	4,967,308
Operating Income	2,445,665	3,419,988
Non-operating Revenues (Expenses):		
Return of Prior Year Revenue	(14,403,114)	
Transfer (to) from State of New Jersey	(45,337,539)	110,000,000
Total Non-operating Revenues	(59,740,653)	110,000,000
Change in Net Position	(57,294,988)	113,419,988
Net Position, Beginning of Year, Before Cumulative Effects of Prior Period Adjustments	320,264,642	305,199,566
Cumulative Effects of Prior Period Adjustments (See Note 9)		(98,354,912)
Net Position, Beginning of Year, As Adjusted for Cumulative Effects of Prior Period Adjustments	320,264,642	206,844,654
Net Position, End of Year	$ 262,969,654	$ 320,264,642

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2015 and 2014

	2015	2014 (Restated)
Cash Flow from Operating Activities		
Cash received for administrative fees	$ 6,229,488	$ 5,818,542
Cash payments for goods and services	(2,386,371)	(3,621,379)
Cash payments for salaries	(2,232,922)	(2,004,943)
Disbursement of loan funds to borrowers	(7,310,573)	(3,008,705)
Principal received from loans to borrowers	2,804,674	1,608,217
Interest received from loans to borrowers	213,796	164,541
Interest paid on construction loans	(276)	
Interest on investments	1,219,847	633,755
Net cash provided by (used in) operating activities	(1,462,337)	(409,972)
Cash Flows from Non-Capital Financing Activities		
State appropriations received (paid)	(59,740,653)	110,000,000
Net cash provided by (used in) non-capital financing activities	(59,740,653)	110,000,000
Cash Flows from Capital and Related Financing Activities		
Disposal of capital assets		(167,715)
Acquisition of capital assets	168,250	
Net cash provided by (used in) capital and related financing activities	168,250	(167,715)
Cash Flows from Investing Activities		
Purchase of investments	(64,190,041)	(104,750,251)
Proceeds from sale and maturity of investments	96,338,928	111,247,013
Net cash provided by (used in) investing activities	32,148,887	6,496,762
Net increase (decrease) in cash and cash equivalents	(28,885,853)	115,919,075
Cash and cash equivalents, beginning of year	157,155,746	41,236,671
Cash and cash equivalents, end of year	$ 128,269,893	$ 157,155,746
Displayed as		
Cash and cash equivalents - unrestricted	$ 13,188,287	$ 28,707,093
Cash and cash equivalents - restricted	115,081,606	128,448,653
	$ 128,269,893	$ 157,155,746
Reconciliation of Operating Income to Net Cash Used In Operating Activities:		
Operating income	$ 2,445,665	$ 3,419,988
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation	(57,921)	(10,675)
Net unrealized gain (loss) on investments	(278,988)	(1,724,130)
Change in assets and liabilities		
(Increase) decrease in administrative fee receivable	(18,071)	(19,006)
(Increase) decrease in other assets	72,077	47,598
(Increase) decrease in interest receivable	54,498	(68,035)
(Increase) decrease in loans receivable	(4,505,899)	(1,400,488)
Increase (decrease) in accounts payable	826,302	(655,224)
Net cash provided by (used in) operating activities	$ (1,462,337)	$ (409,972)

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

Note 1: ORGANIZATION AND FUNCTION OF THE TRUST

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

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

Generally, either the Trust or the Department may finance up to 75% of the allowable project costs. The Trust lends its share of allowable costs to borrowers for various terms up to a maximum of 20 years at a rate equal to the interest rate on its revenue bonds. Such loan repayments are used to pay debt service on the Trust's revenue bonds. This debt is classified as conduit debt and as such is not reported in the audited financial statements of the Trust. The Department maintains internally designated Clean Water (the "CW") and Drinking Water (the "DW") State Revolving Funds to separately account for loans by the Department.

Component Unit

In evaluating how to define the Trust for financial reporting purposes, management has considered the possibility of potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The definitions in the Statements indicate that blended component units, although legally separate entities, are an in-substance part of the government's operations. Each discretely presented component unit would be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Trust has no component units and is a component unit of the State of New Jersey.

Note 1: ORGANIZATION AND FUNCTION OF THE TRUST (CONTINUED)

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Trust are discussed below.

Basis of Accounting

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Non-Operating Revenues and Expenses

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

Operating expenses include expenses associated with the general administration. Non-operating expenses principally consist of transfer of interest earned on and unspent funding back to the State of New Jersey.

Conduit Debt Obligations

Due to the fact that the bonds issued by the Trust are non-recourse debt obligations to the Trust, the Trust, in effect, has none of the risks or rewards of the related financing. Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. (GASB interpretation 2).

As of June 30, 2015 there were 38 series of bonds outstanding in the principal amount of $1,306,917,217, which are treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and are therefore not included in the financial statements (see Note 7).

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Purchased assets are stated at actual cost. The Trust has no infrastructure capital assets. Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Expenditures are capitalized when they meet the following requirements:

1) Cost of $1,000.00 or more
2) Useful life of more than one year
3) Asset is not affected by consumption

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Leasehold Improvements	7
Office Furniture	7
Computers and Office Equipment	5
Vehicles	5

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued and Adopted Accounting Pronouncements

During the fiscal year ended June 30, 2015, the Trust adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 68 and 71 are to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Adopted Accounting Pronouncements (Continued)

criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The employees of the Trust are considered State of New Jersey DEP employees; therefore, the adoption of GASBS 68 and 71 does not have any impact on the Trust's financial statements.

GASB Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The adoption of GASBS 69, however, does not have any impact on the Trust's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the Trust in fiscal year 2016. Management has not yet determined the impact of this Statement on the financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Statement will become effective for the Trust in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015. Management does not expect this Statement will have an impact on the financial statements.

Note 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of failure of the counterparty, the Trust will not be able to recover the value of its cash and investments that are in the possession of an outside party. Cash, cash equivalents and investments are restricted under the terms of the Trusts investment policy. Statutory limits also apply to the investments by the Trust. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Trust, and are held by either the counterparty or the counterparty's trust department or agent but not in the Trust's name. All of the Trust's $120,805,767 as of June 30, 2015 and $152,675,666 as of June 30, 2014 investments are held in an account outside the counterparty, not in the name of the Trust.

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

	2015	2014
Operating Checking (TD Bank)	$142,583	$102,630
Investments (TD Bank) (categorized as CE)	-	19,205,185
GS SQ Treasury Obligation (TD Bank MM)	106,200,936	115,938,314
Prime, Institutional Class (PFM Funds)	21,926,374	21,909,617
TOTAL	$128,269,893	$157,155,746

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. All other assets are invested pursuant to the Trust's separate investment policy. This policy limits the type and ratings of securities allowable as well as providing diversification requirements.

As of June 30, 2015 and 2014, the Trust had the following investments and maturities:

June 30, 2015

Investment Type	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Notes	$ 74,108,344	$ 30,747,361	$ 43,360,983	$ -	$ -
US Gov't Other	24,539,778	6,988,998	17,550,780	-	-
Corporate Bonds/Notes/CP	22,157,645	2,829,776	19,327,869	-	-
	$ 120,805,767	$ 40,566,135	$ 80,239,632	$ -	$ -

June 30, 2014

Investment Type	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Notes	$ 89,487,237	$ 8,176,419	$ 81,310,818	$ -	$ -
US Gov't Other	30,585,242	19,491,304	11,093,938	-	-
Corporate Bonds/Notes/CP	32,603,187	20,590,933	12,012,254	-	-
	$ 152,675,666	$ 48,258,656	$ 104,417,010	$ -	$ -

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

As of June 30, 2015, the Trust had the following investments and maturities (continued):

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2015 Fair Value
JP Morgan Chase Bank NA	7/30/2015	A+	Aa3	$ 1,650,206
Walt Disney	12/1/2015	A	A2	1,179,569
Pepsico Inc	02/22/17	A	A1	1,489,882
Apple Inc	05/05/17	AA+	Aa1	2,005,984
Toyota Motor Credit	01/12/18	AA-	Aa3	600,577
John Deere Capital Corp	01/16/18	A	A2	1,881,004
IBM Corp	02/06/18	AA-	Aa3	2,335,078
Exxon Mobil Corp	03/06/18	AAA	Aaa	1,898,457
American Honda Finance Corp	03/13/18	A+	A1	1,415,142
Bank of New York Mellon	05/22/18	A+	A1	1,848,909
Cisco Systems Inc	06/15/18	AA-	A1	1,630,774
General Electric Cap	01/08/20	AA+	A1	1,825,128
Wells Fargo	01/30/20	A+	A2	1,857,101
Toyota Motor	03/12/20	AA-	Aa3	539,834
US Treasury Notes	Demand	AA+	Aaa	74,108,344
Other US Government	Demand	AA+	Aaa	24,539,778
				$ 120,805,767

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

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

Note 4: LOANS RECEIVABLE

The Trust provides loans to Borrowers to finance allowable costs of clean water and safe drinking water projects. These loans, most of which are secured by the full faith and credit of a local governmental unit, are repayable in most cases over a period of 20 years, with some loans maturing over a shorter period, and with interest rates of 0.17% to 5.33% per annum for long term loans, and interest rates of 0.045% to 0.16% for short term loans per annum.

The Trust's net loans receivable balance of $13,039,038 and $8,533,139 as of June 30, 2015 and 2014, consisted of outstanding loans issued of $22,080,920 and $12,837,318 net of undisbursed loan funds of $9,041,882 and $4,304,179 for 2015 and 2014, respectively.

Annual maturities for loans receivable are as follows:

Fiscal year ending June 30,	Principal
2016	$ 12,980,095
Less: Undisbursed loan funds	(9,041,882)
Current Loans	3,938,213
2017	580,207
2018	901,361
2019	577,806
2020	601,982
2021 through 2025	3,386,208
2026 through 2030	2,064,452
2031 through 2035	988,810
Non-Current Loans	9,100,826
Loans receivable - net	$ 13,039,038

Note 5: OTHER MATTER

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

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

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

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

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

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

Note 6: COMMITMENTS AND CONTINGENCIES

Litigation

The Trust is a defendant in several legal proceedings, unrelated to any of its outstanding bonds or loans that are in various stages of litigation. On September 30, 2015, the Trust settled a number of long standing legal claims. Given the likelihood of reaching a settlement, the Trust booked a liability as of June 30, 2015 for the projected settlement amount.

Note 7: CONDUIT DEBT

The Trust has issued Environmental Infrastructure Bonds to provide financing for allowable costs of acquiring, constructing, improving or installing wastewater treatment projects for wastewater treatment systems undertaken by local government units in the State of New Jersey and to provide financing for allowable costs of drinking water supply projects for drinking water supply systems undertaken by local government units, nonprofit entities and private entities. The bonds have been classified as conduit debt.

Not included in the accompanying financial statements are these various conduit debt obligations issued under the name of the New Jersey Environmental Infrastructure Trust. Although the conduit debt obligations bear the name of the Trust pursuant to the Trust Act and the Bond Resolutions, the Bonds are special obligations of the Trust and shall not in any way be a debt or liability of the State or of any political subdivision thereof, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof. The Trust has no taxing power, and the State of New Jersey is not liable for the bonds of the Trust. The revenue bonds are not secured by the Trust, only by revenues, including repayment of loans from the underlying borrowers and investments of amounts on deposits with the bond trustee. The principal and redemption premium, if any, of and the interest on the Bonds shall be payable from and secured by the pledge (i) of the Series Trust Estate and (ii) by the Master Program Trustee of the moneys and securities on deposit in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Borrowers' principal and interest payment obligations match the principal and interest payment obligations of the Trust pursuant to its bonds. The loan repayments of the Borrowers' are made to a trustee, who is appointed by the Trust to service and administer the arrangement.

The bond resolutions limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

On May 12, 2015, the Trust sold, by competitive bid, $46,580,000 Environmental Infrastructure Bonds Series 2015A-1 to capitalize the 2015 New Jersey Environmental Infrastructure Financing Program.

The Trust's Series 2015A-1 Bonds were sold to Bank of America Merrill Lynch, which was the low bidder with a true interest cost of 2.94%. The bond series is tax exempt and uninsured and rated AAA, Aaa, and AAA by Fitch Investor Services, Inc., Moody's Investors Service, and Standard & Poor's Corp., respectively. As a result of this issue, 54 projects received funding.

On February 4, 2015, the Trust issued, by competitive bid, $9,210,000 Environmental Infrastructure Refunding Bond Series 2015B-R to take advantage of the current low interest rate environment for Trust Program borrowers.

The Trust Series 2015B-R (AMT) Refunding Bonds were issued to refund all the outstanding 2004B and the 2005B Bond Series. The Bonds were sold to PNC Capital Markets, which was the low bidder with a true interest cost of 1.68%. The proceeds of this Series of Refunding Bonds refunded $11,750,000 of outstanding Trust Bonds which resulted in the Trust passing a reduction of interest and principal payments owed by the participating borrowers that totalled $3,089,198.

Loans to borrowers in the 2015 program combine proceeds of the bond sale, lent at market rate, with interest-free loans from the State of New Jersey, Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Thus, most public borrowers will pay a composite interest rate on their loans of less than 1.25%.

On April 16, 2015, the Trust approved authorization to issue bonds, notes or other obligations that shall mature and be paid not later than 30 years from the effective date thereof.

At June 30, 2015 and 2014, the aggregate principal amount of conduit debt obligations outstanding totaled $1,306,917,217 and $1,369,499,479, respectively as detailed in the following schedules.

Note 7: CONDUIT DEBT (CONTINUED)

Changes in bonds payable for the year ended June 30, 2015 were as follows:

	Balance at June 30, 2014	Issued	Retired	Balance at June 30, 2015	Amount Due Within One Year
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rate of 5.00%	$ 4,285,000	$ -	$ 2,090,000	$ 2,195,000	$ 2,195,000
2004 Series					
Series B Bonds, uninsured AMT, maturing serially through 2024, at interest rates from 3.6% to 5.50%	10,510,000	-	10,510,000	-	-
2005 Series					
Series A Bonds, uninsured, maturing serially through 2014, at interest rate of 5.00%	5,970,000	-	5,970,000	-	-
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates from 4.00% to 4.70%	2,280,000	-	2,280,000	-	-
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, with weekly interest rate calculations	88,413,346	-	-	88,413,346	-
2006 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	34,950,000	-	4,485,000	30,465,000	4,660,000
Series B Bonds, uninsured, maturing serially through 2019, at interest rate of 5.00%	19,801,133	-	2,992,262	16,808,871	3,081,989
Series C Bonds, uninsured, maturing serially through 2017, at interest rates from 4.00% to 5.00%	8,560,000	-	2,170,000	6,390,000	2,025,000
Series D Bonds, uninsured, maturing serially through 2016, at interest rates from 4.00% to 5.00%	8,265,000	-	2,710,000	5,555,000	2,845,000
2006 Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates of 5.00%	14,400,000	-	7,020,000	7,380,000	7,380,000
Series B Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	16,920,000	-	990,000	15,930,000	1,030,000
2007 Series					
Series A Bonds, uninsured, maturing serially through 2027, at interest rates from 3.50% to 5.00%	161,860,000	-	13,370,000	148,490,000	10,970,000
2007 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.00% to 5.25%	51,940,000	-	-	51,940,000	6,370,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.25%	36,380,000	-	-	36,380,000	3,855,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	38,830,000	-	-	38,830,000	-
Series D Bonds, uninsured AMT, maturing serially through 2016, at interest rate of 5.00%	1,070,000	-	340,000	730,000	355,000

Note 7: CONDUIT DEBT (CONTINUED)

	Balance at June 30, 2014	Issued	Retired	Balance at June 30, 2015	Amount Due Within One Year
2008 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 4% to 4.50%	$ 13,630,000	$ -	$ 2,585,000	$ 11,045,000	$ 2,630,000
2008 Series					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 5.00% to 5.50%	104,280,000	-	14,550,000	89,730,000	5,770,000
2009 Series					
Series A Bonds, uninsured, maturing serially through 2029, at interest rates from 3.50% to 5.00%	53,510,000	-	2,940,000	50,570,000	2,800,000
Series C Bonds, uninsured, maturing serially through 2029, at interest rates from 3% to 5.50%	5,250,000	-	230,000	5,020,000	240,000
2010A Series					
Series A Bonds, uninsured, maturing serially through 2029, at interest rates from 3.00% to 5.00%	108,390,000	-	5,755,000	102,635,000	5,145,000
2010 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.00%	51,530,000	-	11,120,000	40,410,000	4,040,001
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 3.00% to 4.00%	1,490,000	-	250,000	1,240,000	255,000
2010B&C Series					
Series B Bonds, uninsured, maturing serially through 2030, at interest rate of 5.00%	106,565,000	-	9,100,000	97,465,000	4,490,000
Series C Bonds, uninsured, maturing serially through 2030, at interest rates from 3.00% to 4.375%	7,435,000	-	660,000	6,775,000	335,000
2011 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 3.00%	2,280,000	-	430,000	1,850,000	445,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	11,060,000	-	1,390,000	9,670,000	1,460,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.00%	8,690,000	-	850,000	7,840,000	870,000
2012 Series					
Series A Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 5.00%	66,290,000	-	1,795,000	64,495,000	2,575,000
Series B Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 5.00%	19,760,000	-	750,000	19,010,000	780,000
Series C Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 4.00%	4,775,000	-	210,000	4,565,000	215,000

Note 7: CONDUIT DEBT (CONTINUED)

	Balance at June 30, 2014	Issued	Retired	Balance at June 30, 2015	Amount Due Within One Year
2012 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2026, at interest rates from 3.00% to 4.25%	$ 197,645,000	$ -	$ 8,985,000	$ 188,660,000	$ 11,534,999
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	1,080,000	-	255,000	825,000	270,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	8,340,000	-	705,000	7,635,000	740,000
2013 Series					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	30,015,000	-	845,000	29,170,000	1,150,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	1,015,000	-	40,000	975,000	40,000
2014 Series					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	56,545,000	-	-	56,545,000	1,500,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 3.25%	5,490,000	-	-	5,490,000	195,000
2015A-1 Series					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	-	46,580,000	-	46,580,000	-
2015 B- Refunding Series (AMT)					
Series B Bonds, uninsured AMT, maturing serially through 2024, at interest rates from 4.0% to 5.00%	-	7,550,000	-	7,550,000	45,000
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates from 4.00% to 5.00%	-	1,660,000	-	1,660,000	-
Total	$ 1,369,499,479	$ 55,790,000	$ 118,372,262	$ 1,306,917,217	$ 92,291,989

Note 7: CONDUIT DEBT (CONTINUED)

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

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

Note 7: CONDUIT DEBT (CONTINUED)

	Balance at June 30, 2013	Issued	Retired	Balance at June 30, 2014	Amount Due Within One Year
2006 Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates of 5.00%	$ 21,095,000	$ -	$ 6,695,000	$ 14,400,000	$ 7,020,000
Series B Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	17,875,000	-	955,000	16,920,000	990,000
2007 Series					
Series A Bonds, uninsured, maturing serially through 2027, at interest rates from 3.50% to 5.00%	172,140,000	-	10,280,000	161,860,000	10,630,000
2007 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.00% to 5.25%	51,940,000	-	-	51,940,000	-
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.25%	34,600,747	1,779,253 *	-	36,380,000	-
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	38,830,000	-	-	38,830,000	-
Series D Bonds, uninsured AMT, maturing serially through 2016, at interest rate of 5.00%	1,405,000	-	335,000	1,070,000	340,000
2008 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 4% to 4.50%	16,105,000	-	2,475,000	13,630,000	2,585,000
2008 Series					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 5.00% to 5.50%	111,835,000	-	7,555,000	104,280,000	5,505,000
2009 Series					
Series A Bonds, uninsured, maturing serially through 2029, at interest rates from 3.50% to 5.00%	56,060,000	-	2,550,000	53,510,000	2,670,000
Series C Bonds, uninsured, maturing serially through 2029, at interest rates from 3% to 5.50%	5,475,000	-	225,000	5,250,000	230,000
2010A Series					
Series A Bonds, uninsured, maturing serially through 2029, at interest rates from 3.00% to 5.00%	115,325,000	-	6,935,000	108,390,000	4,940,000
2010 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.00%	58,513,347	-	6,983,347	51,530,000	11,120,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 3.00% to 4.00%	1,923,812	-	433,812	1,490,000	250,000

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

Note 7: CONDUIT DEBT (CONTINUED)

	Balance at June 30, 2013	Issued	Retired	Balance at June 30, 2014	Amount Due Within One Year
2010B&C Series					
Series B Bonds, uninsured, maturing serially through 2030, at interest rate of 5.00%	$ 112,635,000	$ -	$ 6,070,000	$ 106,565,000	$ 4,290,000
Series C Bonds, uninsured, maturing serially through 2030, at interest rates from 3.00% to 4.375%	7,745,000	-	310,000	7,435,000	320,000
2011 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 3.00%	2,695,000	-	415,000	2,280,000	430,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	11,060,000	-	-	11,060,000	1,390,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.00%	9,510,000	-	820,000	8,690,000	850,000
2012 Series					
Series A Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 5.00%	67,765,000	-	1,475,000	66,290,000	1,795,000
Series B Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 5.00%	20,490,000	-	730,000	19,760,000	750,000
Series C Bonds, uninsured, maturing serially through 2031, at interest rates from 2.00% to 4.00%	4,775,000	-	-	4,775,000	210,000
2012 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2026, at interest rates from 3.00% to 4.25%	200,900,000	-	3,255,000	197,645,000	8,985,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	1,255,000	-	175,000	1,080,000	255,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	9,010,000	-	670,000	8,340,000	705,000
2013 Series					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	30,015,000	-	-	30,015,000	845,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	1,015,000	-	-	1,015,000	40,000
2014 Series					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	-	56,545,000	-	56,545,000	-
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 3.25%	-	5,490,000	-	5,490,000	-
Total	$ 1,402,299,525	$63,814,253	$ 96,614,299	$ 1,369,499,479	$88,417,262

Note 7: CONDUIT DEBT (CONTINUED)

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

Fiscal year ending June 30,	Principal	Interest	Total
2016	$ 92,291,989	$ 51,586,923	$ 143,878,912
2017	95,017,446	47,840,998	142,858,444
2018	95,267,757	43,502,847	138,770,604
2019	98,002,962	38,909,953	136,912,915
2020	98,498,717	34,301,811	132,800,528
2021 through 2025	423,285,000	109,461,171	532,746,171
2026 through 2030	345,333,346	33,354,753	378,688,099
2031 through 2035	59,220,000	3,652,188	62,872,188
Bonds Payable	$ 1,306,917,217	$ 362,610,644	$ 1,669,527,861

Advance Refunding

When conditions have warranted, the Trust has sold various series of bonds to provide for the refunding of previously issued obligations. The proceeds received from the respective sales of the bonds were used to redeem the applicable outstanding bonds or to deposit, in an irrevocable escrow fund held by an escrow agent, an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date.

Note 7: CONDUIT DEBT (CONTINUED)

Advance Refunding (Continued)

These transactions defeased the outstanding bond issuances with a resulting reduction in annual debt service during the remaining term of the issuances. The principal and interest savings are passed along to each applicable borrower in the form of a credit against the original debt service of the borrower. Defeased bonds outstanding at June 30, 2015, are comprised of the following:

2012 Refunding	
2006 Series A	$ 94,300,000
2010A Refunding	
2006 Series A	$ 10,765,000
Individual Borrower Defeasances	
1996 Series A	$ 275,000
1997 Series	185,000
1999 Series A	1,601,128
2000 Series A	370,000
2000 Series B	2,030,000
2002 Series A	1,060,000
2005 Series A	1,165,000
2006 Series A	1,425,000
2006 Series B	20,000
2007 Series A	10,315,000
2008 Series A	15,570,000
2009 Series A	1,720,000
2010 Series A	5,625,000
2010 Series B	8,535,000
2010 Series C	340,000
	$ 50,236,128

Reserve for Arbitrage Rebate

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

The Trust has various issues of bonds which are subject to rebate calculations, which are required to be made at least once every five years. The Trust prepares annual rebate calculations for purposes of determining any contingent liability for rebate. As of June 30, 2015, it was determined there was no rebate due as a result of these calculations. The amount of contingent liability for rebate may change as a result of future events.

Note 7: CONDUIT DEBT (CONTINUED)

Loans Receivable from Borrowers of Conduit Debt

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

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

Note 7: CONDUIT DEBT (CONTINUED)

Master Program Trust Agreement

The New Jersey Environmental Infrastructure Financing Program adopted the Master Program Trust Agreement in 1989. Under the agreement, repayments of Department loans are deposited with US Bank and held in the Master Program Trust Account to provide coverage for all outstanding Trust Loans. The funds are held for a period of up to one year, after which time the funds are transferred to the State. The balance in the Master Program Trust Account as of June 30, 2015 and 2014 was $31,859,863 and $32,127,207, respectively. This balance is not an asset of the Trust and therefore is not reflected in the Trust's financial statements; however, it is available to pay debt service on the Trust Bonds in the event of a default by any program Borrowers.

Aggregate Financing Program Repayments Available to Provide Coverage for Coverage Receiving Bonds

Year Ending June 30	Aggregate Coverage Receiving Trust Loan Principal[1,2,3]	Aggregate Coverage Receiving Trust Loan Interest[1,2,3]	Aggregate Coverage Providing Fund Loan Repayments[1,2,3]	Total Funds Available For Coverage Receiving Financing Program Debt Service[1,2,3]	Total Debt Service on Coverage Receiving Financing Programs[1,2,3]
2016	92,291,989	51,586,923	137,239,081	281,117,993	143,878,912
2017	95,017,446	47,840,998	138,917,590	281,776,034	142,858,444
2018	95,267,757	43,502,847	136,436,459	275,207,063	138,770,604
2019	98,002,962	38,909,953	134,333,253	271,246,168	136,912,915
2020	98,498,717	34,301,811	129,857,772	262,658,300	132,800,528
2021	94,210,000	29,826,150	123,576,858	247,613,008	124,036,150
2022	90,775,000	25,544,516	118,317,347	234,636,863	116,319,516
2023	83,665,000	21,565,849	109,739,309	214,970,158	105,230,849
2024	78,600,000	17,943,078	103,112,277	199,655,355	96,543,078
2025	76,035,000	14,581,579	97,445,980	188,062,559	90,616,579
2026	157,598,346	11,441,751	88,598,768	257,638,865	169,040,097
2027	62,650,000	8,597,582	78,522,823	149,770,405	71,247,582
2028	51,555,000	6,184,791	63,509,048	121,248,839	57,739,791
2029	39,715,000	4,304,651	49,912,069	93,931,720	44,019,651
2030	33,815,000	2,825,979	39,899,922	76,540,901	36,640,979
2031	22,410,000	1,725,775	29,806,757	53,942,532	24,135,775
2032	16,200,000	1,012,919	22,405,351	39,618,270	17,212,919
2033	9,590,000	574,263	15,755,081	25,919,344	10,164,263
2034	7,670,000	272,231	10,192,594	18,134,825	7,942,231
2035	3,350,000	67,000	3,678,961	7,095,961	3,417,000
Total[4]	**1,306,917,217**	**362,610,644**	**1,631,257,300**	**3,300,785,161**	**1,669,527,861**

[1] Includes Series 2015A-1 and 2015B-R financing programs.

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

[3] Excludes debt service paid on or prior to June 30, 2015.

[4] Totals may not add due to rounding.

Note 7: CONDUIT DEBT (CONTINUED)

Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions
The Trust is subject to the provisions and restrictions of the Bond Resolution or Supplemental Bond Resolution adopted for each conduit debt bond issue.

Management of the Trust is unaware of any material violations of finance related legal and contractual provisions and has no knowledge of any default in the fulfillment of any of the terms, covenants or provisions of the bond resolutions was obtained, unless otherwise described herein.

Debt Service Reserve Requirement
Pursuant to the various bond resolutions and supplemental bond resolutions for bonds issued and accounted for as conduit debt, certain invested reserves are required to be maintained with the Trustee in a designated Debt Service Reserve Fund. This requirement is intended to fund potential deficiencies in principal and interest required to be paid in succeeding years. As of the September 1, 2014 calculation date, the cumulative debt service reserve requirement, as adjusted for refundings and defeasances was $77,158,224 and the balance in the debt service reserve fund accounts was $90,696,890. This is in compliance with the debt service reserve requirements as of June 30, 2015 in accordance with the respective bond resolutions and supplemental bond resolutions.

Statement of Funds and Accounts Held by the Trustee
Pursuant to the various bond resolutions and supplemental bond resolutions for bonds issued and accounted for as conduit debt, a Trustee is appointed to maintain all funds and accounts. As of June 30, 2015 the total cash and investments balance for conduit debt was $381,942,188.

Statement of Revenue, Administrative Fees and State Administrative Fees
Pursuant to the various bond resolutions and supplemental bond resolutions for bonds issued and accounted for as conduit debt, the Trust is required to report the revenues, administrative fees and state administrative fees collected from all borrowers. For the fiscal year ended June 30, 2015, the total revenues, administrative fees and state administrative fees collected for conduit debt was $285,600,517.

Note 8: SUBSEQUENT EVENT

Management has evaluated subsequent events and transactions that occurred after the balance sheet date, but before November 12, 2015, the date the financial statements were available to be issued. The following items were determined by management to require disclosure in the financial statements:

On August 20, 2015, the Trust authorized the issuance of the Series 2015A-R1 Refunding Bonds, which will advance refund all outstanding bonds of the 2007A Series, set to occur in November 2015. On August 20, 2015, the Trust authorized the issuance of the Series 2015B-R2 Refunding Bonds (AMT), which will current refund all outstanding bonds of the 2006B (AMT) Series., set to occur in November 2015.

On October 8, 2015, the Trust authorized the issuance of Series 2015A-2 Bonds in an amount not to exceed $46,580,000 set to occur in November 2015.

Note 9: PRIOR PERIOD ADJUSTMENT

CONDUIT DEBT

During fiscal year ending June 30, 2015, the Trust recognized a change in accounting principles as a result of its decision to remove conduit debt in its financial statements. GASB Interpretation 2 requires disclosure of certain information about a governmental entities conduit debt, but does not require the recognition of a liability. As a result of this change, the Trust removed the liability of the bonds and the loans receivable from the borrowers that is a direct result of the issuance of the conduit debt. The adjustment is detailed below.

Note 9: PRIOR PERIOD ADJUSTMENT (CONTINUED)

Statement of Net Position
as of June 30, 2014

	Previously Reported	Prior Period Adjustment	Restated
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 28,707,093		$ 28,707,093
Administrative Fee Receivable		$ 2,311,864	2,311,864
Other Assets	2,415,624	(2,311,864)	103,760
Restricted Assets:			
Cash and Cash Equivalents	346,758,031	(218,309,378)	128,448,653
Investments	89,685,555	(41,426,899)	48,258,656
Interest Receivable	23,337,393	(22,951,545)	385,848
Loans Receivable	90,305,713	(86,918,310)	3,387,403
Total Current Assets	581,209,409	(369,606,132)	211,603,277
Noncurrent Assets:			
Capital Assets	307,387		307,387
Restricted Assets:			
Investments	104,095,908	321,102	104,417,010
Loans Receivable	1,187,009,265	(1,181,863,529)	5,145,736
Total Noncurrent Assets	1,291,412,560	(1,181,542,427)	109,870,133
Total Assets	$ 1,872,621,969	$ (1,551,148,559)	$ 321,473,410
LIABILITIES AND NET POSITION			
Current Liabilities :			
Accounts Payable	$ 1,208,768		$ 1,208,768
Accrued Interest Payable	18,370,845	$ (18,370,845)	-
Current Portion of Bonds Payable	88,417,261	(88,417,261)	-
Total Current Liabilities	107,996,874	(106,788,106)	1,208,768
Noncurrent Liabilities:			
Bonds Payable	1,345,994,261	(1,345,994,261)	-
Total Noncurrent Liabilities	1,345,994,261	(1,345,994,261)	-
Total Liabilities	1,453,991,135	(1,452,782,367)	1,208,768
Net Position:			
Net Investment in Capital Assets	307,387		307,387
Restricted for:			
Debt Service	255,996,982	(98,366,192)	157,630,790
Interim Financing Trust Loan Program	124,893,654		124,893,654
Unrestricted	37,432,811		37,432,811
Total Net Position	418,630,834	(98,366,192)	320,264,642
Total Liabilities and Net Position	$ 1,872,621,969	$ (1,551,148,559)	$ 321,473,410

Note 9: PRIOR PERIOD ADJUSTMENT (CONTINUED)

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	Previously Reported	Prior Period Adjustment	Restated
Operating Revenue:			
Investment Income (Loss):			
Interest Income	$ 2,289,525	$ (363,800)	$ 1,925,725
Net increase (decrease) in the fair value of investments	257,204	188,977	446,181
Interest Income from Loans	41,507,126	(41,329,284)	177,842
Administrative Fees	5,837,548		5,837,548
Total Operating Revenues	49,891,403	(41,504,107)	8,387,296
Operating Expenses:			
Interest Expense	40,786,011	(40,786,011)	-
Cost of Issuance	706,816	(706,816)	-
Administrative Expenses	4,967,308		4,967,308
Total Operating Expenses	46,460,135	(41,492,827)	4,967,308
Operating Income (Loss)	3,431,268	(11,280)	3,419,988
Non-operating Revenues:			
Transfer from State of New Jersey	110,000,000		110,000,000
Total Non-operating Revenues	110,000,000	-	110,000,000
Change in Net Position	113,431,268	(11,280)	113,419,988
Net Position, Beginning of Year, Before Cumulative Effects of Prior Period Adjustments	305,199,566		305,199,566
Cumulative Effects of Prior Period Adjustments	-	(98,354,912)	(98,354,912)
Net Position, Beginning of Year, As Adjusted for Cumulative Effects of Prior Period Adjustments	305,199,566	(98,354,912)	206,844,654
Net Position, End of Year	$ 418,630,834	$ (98,366,192)	$ 320,264,642

FINDINGS & RECOMMENDATIONS

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
(A Component Unit of the State of New Jersey)
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2015

Schedule of Financial Statement Findings

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

None.

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

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

None.

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APPRECIATION

We express our appreciation for the assistance and courtesies rendered by the Trust officials during the course of the audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants