

**New Jersey Sustainable Energy  
Joint Meeting**

Saddle Brook, New Jersey

Financial Statements

For the Period from Inception (June 10, 2009) to December 31, 2010



**NISIVOCCIA** LLP

Certified Public Accountants & Advisors

**New Jersey Sustainable Energy  
Joint Meeting**

Saddle Brook, New Jersey

Financial Statements

For the Period from Inception (June 10, 2009) to December 31, 2010



NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
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### Independent Auditors' Report

The Honorable Chairperson and Members  
 of the Executive Committee  
 New Jersey Sustainable Energy Joint Meeting  
 Saddle Brook, New Jersey

We have audited the accompanying financial statements of the New Jersey Sustainable Energy Joint Meeting (the "Joint Meeting") as of December 31, 2010 and the period from inception (June 10, 2009) to December 31, 2010, which comprises the Joint Meeting's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Joint Meeting's management. Our responsibility is to express an opinion on these financial statements based on our audit.

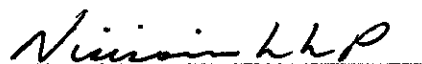
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Joint Meeting as of December 31, 2010 and the changes in financial position and cash flows for the initial period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2011 on our consideration of the Joint Meeting's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Joint Meeting's basic financial statements. The accompanying combining supplementary schedules and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Usage, Billed Energy for Members During the Contract Period was not subjected to our audit procedures and we express no opinion on it. The combining supplementary schedules and supplementary information listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mount Arlington, New Jersey  
 November 3, 2011

  
 NISIVOCCIA LLP

**BASIC FINANCIAL STATEMENTS**

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2010

ASSETS:

Current Assets:

Cash & Cash Equivalents	<u>\$ 67,859</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	<u>23,189</u>
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NET ASSETS:

Unrestricted	<u><u>\$ 44,670</u></u>
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THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE PERIOD FROM INCEPTION (JUNE 10, 2009) TO DECEMBER 31, 2010

Operating Revenue:	
Application Fees from Participating Members	\$ 38,400
Commissions Earned	102,962
	<hr/>
Total Operating Revenue	141,362
	<hr/>
Operating Expenses:	
Contractual Expenses:	
Energy Consultants	61,891
Commissions Ceded:	
Executive Director	13,690
Attorney	13,691
Financial Administration	8,000
Non-Contractual Expenses	20
	<hr/>
Total Operating Expenses	97,292
	<hr/>
Operating Income	44,070
Non-operating Revenue/(Expense):	
Investment Income	600
	<hr/>
Increase in Net Assets	44,670
	<hr/>
Net Assets December 31	\$ 44,670
	<hr/> <hr/>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM INCEPTION (JUNE 10, 2009) TO DECEMBER 31, 2010

Cash Flows from Operating Activities:	
Application Fees Collected	\$ 76,500
Application Fees Refunded	(38,100)
Commissions Collected	102,962
Contractual/NonContractual Expenses Paid	<u>(74,103)</u>
Net Cash Provided by Operating Activities	<u>67,259</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	<u>600</u>
Net Cash Provided by Investing Activities	<u>600</u>
Net Increase in Cash	<u>67,859</u>
Cash at End of Year	<u>\$ 67,859</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 44,070
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	<u>23,189</u>
Net Cash Provided by Operating Activities	<u>\$ 67,259</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010

NOTE 1: NATURE OF OPERATIONS

The New Jersey Sustainable Energy Joint Meeting (the "Joint Meeting") was created on March 3, 2009 in accordance with provisions of the New Jersey Department of Community Affairs. A Joint Meeting is defined as the governing bodies of any two or more local units that enter into a Joint Contract, which provides for the joint operation of public services, public improvements, works, facilities, or undertakings which the local units are empowered to operate.

The initial members established the Joint Meeting for the purpose of providing its members with a medium for load aggregation. Load aggregation is the formation of a group of consumers (in this case, municipalities, select school districts and authorities) into a single buying pool for the direct purchase of electricity or natural gas. The aggregation of entities pooling their loads to attract favorable rates is done with each participant entering into a service agreement directly with an energy supplier chosen by an aggregator.

The most competitive electricity prices are available through purchases on the wholesale market but because wholesale electricity is sold in large blocks, only buyers who are in the market with large load have the strongest bargaining leverage.

Generally to gain the benefits of procurement on the wholesale market, a customer should have peak demand of one megawatt ("1 MW") or more (demand is a measure of the generating capacity required to service electric demand at a particular point in time, peak demand is demand at its highest level during a particular point in time). If a local unit has peak demand of less than 1MW, its ability to participate in the wholesale market is severely restricted. One of the benefits of forming an aggregation group is that the individual local unit by virtue of its demand being aggregated with other local units, gains access to the wholesale market.

A Request for Bids is completed and posted in the newspaper and on the World Energy's website. The Auctioneer (World Energy) is used in accordance with the Statue and paid directly by the suppliers from the strike price. The Joint Meeting is required to follow the requirements of the Local Public Contracts Law; therefore the auction does not occur prior to 10 days following the postings. The Joint Meeting notifies World Energy which Suppliers are qualified bidders and World Energy issues them an access code for participation in the auction. The Executive Committee of the Joint Meeting adopts a strike price and the bidder with the lowest bid is considered for a supplier contract with the Joint Meeting if said bid is equal to or less than the adopted and approved strike price. Occasionally, all of the bids from the participating Suppliers are above the Joint Meeting strike price, in which case, all of the bids are rejected.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the Joint Meeting's accounting policies are described below.

Reporting Entity

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government.

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Reporting Entity (Cont'd)

The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the Joint Meeting over which the Joint Meeting exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current year. Furthermore, the Joint Meeting is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Joint Meeting utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses are reflected as the liability is incurred. The Joint Meeting utilizes total economic resources as their measurement focus. Operating revenue, such as application fees, result from exchange transactions associated with the principal activity of the Joint Meeting. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenue, such as subsidies and investment earnings, results from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Joint Meeting gives or receives value without directly receiving or giving equal value in exchange, generally do not occur, with the exception of investment earnings. The Joint Meeting applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Income Taxes

The Joint Meeting, as an instrumentality of the State of New Jersey and therefore a governmental entity, has determined itself to be a tax-exempt organization and not subject to either federal or state income taxes.

Application Fees

The application fee is a flat fee that each member of the Joint Meeting is charged. Application fees are established by the Executive Committee and are certified by a majority vote of the Joint Meeting Commissioners. Application fees are reviewed for adjustment on a regular basis to reflect changes in the costs associated with operating the administrative functions of the Joint Meeting.

Cash and Cash Equivalents

Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
(Continued)

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Joint Meeting in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the Joint Meeting ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The Joint Meeting limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Joint Meeting to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
 (Continued)

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; and
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Debt obligations of federal agencies or government corporations with maturities not to exceed 10 years from the date of purchase, excluding mortgage backed or derivative obligations, provided that the investments are purchased through the State Division of Investment and are invested consistent with the rules and regulations of the State Investment Council;

As of December 31, cash and cash equivalents of the Joint Meeting consisted of the following:

Checking and Savings Accounts	<u>\$ 67,859</u>
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The carrying amount of the Joint Meeting's cash and cash equivalents at cost at December 31, 2010 was \$67,859 and the bank balance was \$82,875.

The Joint Meeting considers as cash and cash equivalents, those investments with an original maturity date of three months or less from the date of purchase.

**COMBINING SUPPLEMENTARY SCHEDULES**

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
COMBINING SCHEDULE OF NET ASSETS  
DECEMBER 31, 2010

<u>ASSETS:</u>	<u>Electric</u>	<u>Gas</u>	<u>Administration</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 32,339	\$ 569	\$ 34,951	\$ 67,859
 <u>LIABILITIES:</u>				
Accounts Payable - Vendors	19,189		4,000	23,189
 <u>NET ASSETS:</u>				
Unrestricted	\$ 13,150	\$ 569	\$ 30,951	\$ 44,670

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE PERIOD FROM INCEPTION (JUNE 10, 2009) TO DECEMBER 31, 2010

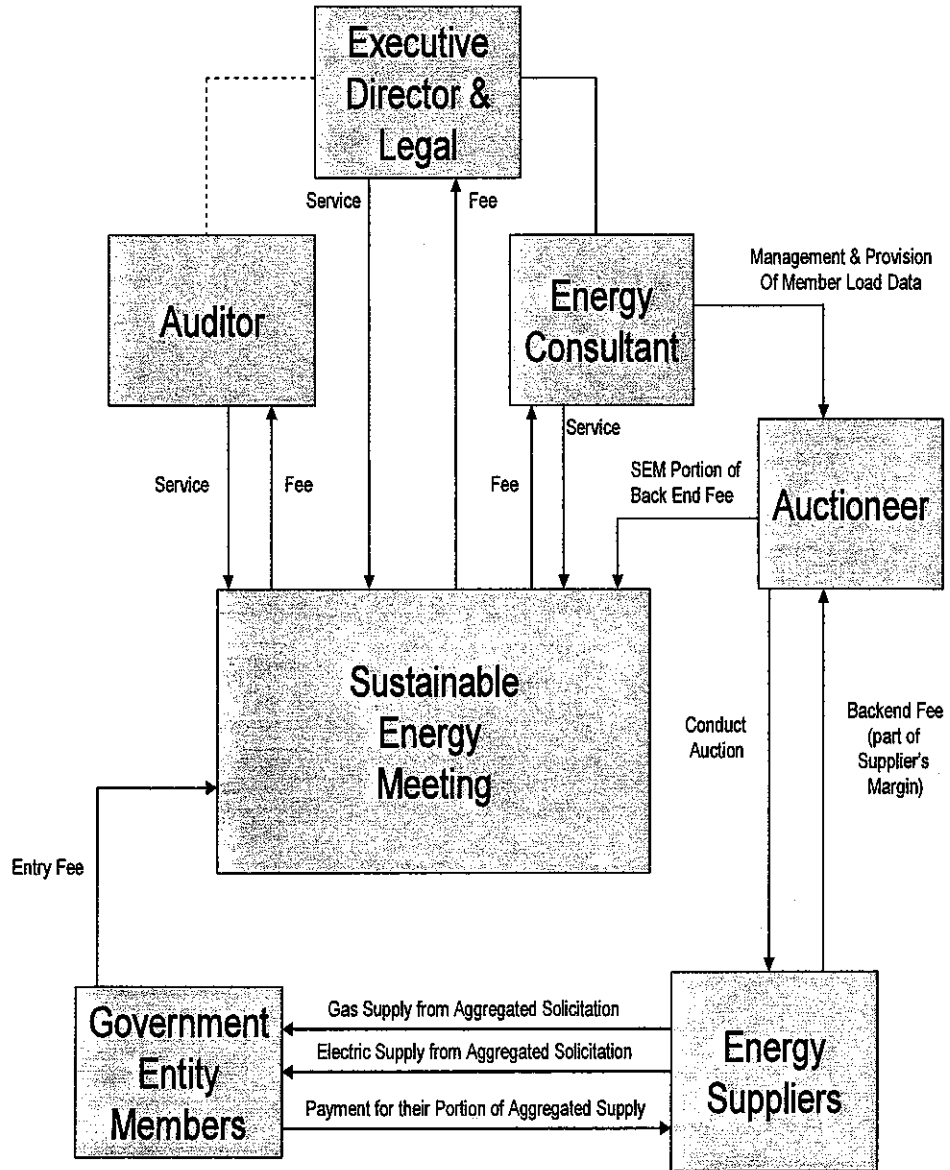
	<u>Electric</u>	<u>Gas</u>	<u>Administration</u>	<u>Total</u>
Operating Revenue:				
Application Fees from Participating Members			\$ 38,400	\$ 38,400
Commissions Earned	\$ 98,419	\$ 4,543		102,962
Total Operating Revenue	<u>98,419</u>	<u>4,543</u>	<u>38,400</u>	<u>141,362</u>
Operating Expenses:				
Contractual Expenses:				
Energy Consultants	59,051	2,840		61,891
Commissions Ceded:				
Executive Director	13,122	568		13,690
Attorney	13,123	568		13,691
Financial Administration			8,000	8,000
Non-Contractual Expenses			20	20
Total Operating Expenses	<u>85,296</u>	<u>3,976</u>	<u>8,020</u>	<u>97,292</u>
Operating Income/(Loss)	13,123	567	30,380	44,070
Non-operating Revenue/(Expense):				
Investment Income	27	2	571	600
Increase/(Decrease) in Net Assets	<u>13,150</u>	<u>569</u>	<u>30,951</u>	<u>44,670</u>
Net Assets December 31	<u>\$ 13,150</u>	<u>\$ 569</u>	<u>\$ 30,951</u>	<u>\$ 44,670</u>

**SUPPLEMENTARY INFORMATION**

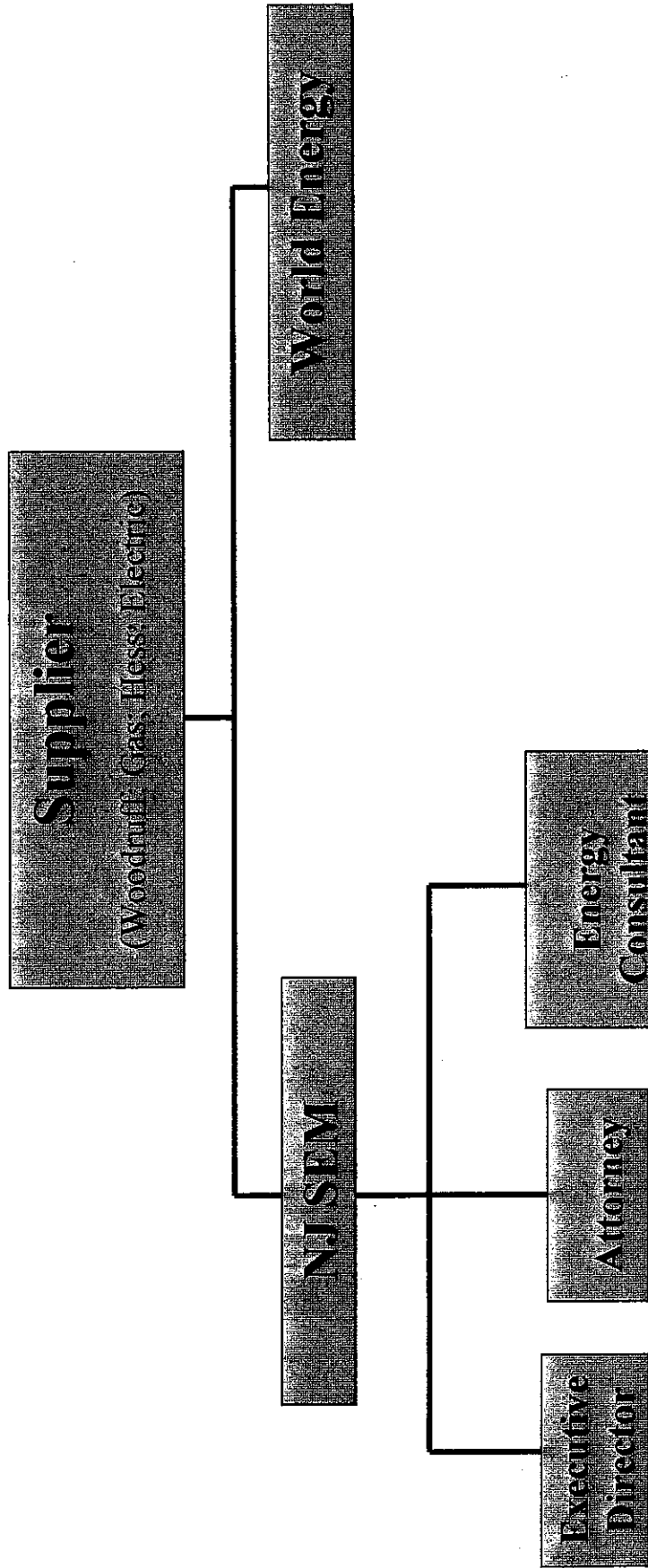
NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
ROSTER OF OFFICIALS AND CONSULTANTS  
DECEMBER 31, 2010

Richard Brook	Chairman - Executive Committee
William Close	Secretary - Executive Committee
Charles Cuccia	Executive Committee
Lyn Evers	Executive Committee
Thomas Nolan	Executive Committee
Joan Leanord	Executive Committee
Greg Franz	Executive Committee Alternate
Greg Poff	Executive Committee Alternate
Michael Gianforte	Executive Committee Alternate
Linda Dougherty	Executive Committee Alternate
Terry Shannon	Executive Committee Alternate
PERMA Risk Management Services	Administrator
Birdsall Service Group	Energy Consultant
James Kickham	Executive Director
William Garofalo	Treasurer
Maley & Associates, P.C.	Attorney
Nisivoccia LLP	Auditor

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
ORGANIZATIONAL CHART  
DECEMBER 31, 2010



# NJ SEM Payment Structure



NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
MEMBERSHIP LISTING - GAS UTILITY  
DECEMBER 31, 2010

Member	Fund Commissioner	Gas Utility
Andover Township	Vita Thompson	Etown
Fanwood Borough	Eleanor McGovern	Etown
Mount Olive Township	Frank Wilpert	Etown
Mountainside Borough	Ronald Romak	Etown
Scotch Plains Township	Chris Marion	Etown
Sparta Township	Michael J. Guarino	Etown
Washington Township	Deborah Burd	Etown
Westfield Town	James H. Gildea	Etown
Allenhurst	Lori Osborn	NJNG
Atlantic Highlands	Adam Hubeny	NJNG
Atlantic Highlands/Highlands Regional Sewerage Authority	David Palamara	NJNG
Bayshore Regional Sewerage Authority	Robert Fischer	NJNG
Boonton Town of	Terry McCue	NJNG
Boonton township	Barbara Shepard	NJNG
Brielle	Thomas Nolan	NJNG
Deal Borough	James Rogers	NJNG
Denville Township	Marie A. Goble	NJNG
Dover Township	William Close	NJNG
Elizabeth	Jill McDonough	NJNG
Farmingdale Borough	Donna Phelps	NJNG
Jackson Township	Sharon Pinkava	NJNG
Jackson Township MUA	James R. Diaz	NJNG
Kenilworth	Robert Ordway	NJNG
Lakewood Township MUA	Justin Flancbaum	NJNG
Lincoln Park Borough	Sean Canning	NJNG
Little Silver	Helen Gormley	NJNG
Manalapan Twp	Rose LaFergola	NJNG
Manasquan Borough	Joe Diorio	NJNG
Matawan Borough	John Applegate	NJNG
Middletown Township	Anthony Mercandante	NJNG
Montville Township	Frank Bastone	NJNG
Mountain Lakes Borough	Barry Lewis	NJNG
Netcong Borough	Ralph E. Blakeslee, III	NJNG
Ocean Township	Andrew Brannon	NJNG
Oceanport Borough	Kimberly Jungfer	NJNG
Parsippany-Troy Hill	Jasmine Lim	NJNG
Randolph Township	Mike Soccio	NJNG
Red Bank Borough	Gary Watson	NJNG
Rockaway Borough	John J. Doherty	NJNG
Rockaway Township	Gregory Poff	NJNG
Roxbury Township	Christopher Rath	NJNG
Rumson Borough	Thomas Rogers	NJNG
Sea Girt	Kevin Thompson	NJNG
Shrewsbury Towship	Addie Schmidt	NJNG
Township of Middletown Sewerage Authority	Patrick W. Parkinson	NJNG
Two Rivers Water Reclamation Authority	Michael A. Gianforte	NJNG
Union Township	Frank Bradley	NJNG
Wall Township	Robert Coman	NJNG
Wharton	Jon Rheinhardt	NJNG
Alpine Borough	Gail Tanno	PSEG

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
MEMBERSHIP LISTING - GAS UTILITY  
DECEMBER 31, 2010

Member	Fund Commissioner	Gas Utility
Audubon Township	Dave Taraschi	PSEG
Barrington	Terry Shannon	PSEG
Bedminster Township	Judith A. Sullivan	PSEG
Bellmawr	Lou DiAngelo	PSEG
Bernards Township	Bruce McArthur	PSEG
Bernardsville Borough	Edward McDowell	PSEG
Bordentown Township	Colleen M. Eckert	PSEG
Burlington Township	Kevin McLernon	PSEG
Chatham Township	Thomas Ciccarone	PSEG
Cherry Hill Township	Alvina Plodizyn	PSEG
Chester Borough	Valerie Egan	PSEG
City of Orange	Isaias Rivera	PSEG
Collingswood	Joan Leanord	PSEG
Delanco Township	Marlene Jass	PSEG
Eastampton Township	Scott Carew	PSEG
Edgewater Borough	Greg Franz	PSEG
Edgewater Park Township	Linda Dougherty	PSEG
Elmwood Park	Louis Vuoncino	PSEG
Englewood BOE	Michael Hunken	PSEG
Englewood City	Daniel Fitzpatrick	PSEG
Englewood Cliffs Borough	Joe Iannaconi	PSEG
Fair Lawn Borough	Tim Stafford	PSEG
Fairfield Township	Mr. Joseph Catenaro	PSEG
Florence Township	Richard A Brook	PSEG
Florham Park	Carl Ganger	PSEG
Fort Lee Borough	Peggy Thomas	PSEG
Franklin Lakes Borough	Mayor Maura R. DeNicola	PSEG
Franklin Township	Thomas Zilinek	PSEG
Garfield City	Thomas J. Duch	PSEG
Glen Rock Borough	Lenora Benjamin	PSEG
Hanover Township	Joseph A. Giorgio	PSEG
Little Ferry Borough	Barbara Maldonado	PSEG
Lodi Borough	Tony Luna	PSEG
Long Hill Township	Richard Sheola	PSEG
Lyndhurst Twp	Frank Bianchi	PSEG
Mahwah Township	Brian Campion	PSEG
Mansfield Township	Linda Semus	PSEG
Maple Shade	Gary LaVenita	PSEG
Maywood	Timothy Eustace	PSEG
Medford Township	Ryan Willitts	PSEG
Mendham Borough	Ellen Sandman	PSEG
Mendham Township	Stephen Mountain	PSEG
Merchantville-Pennsauken Water Commission	Richard Spafford	PSEG
Midland Park Borough	Patrick O'Hagan	PSEG
Millburn Township	Alexander McDonald	PSEG
MillStone Twp	Phil Del Turco	PSEG
Montvale Borough	Maureen Iarossi-Alwan	PSEG
Mount Ephraim Borough	Joseph Wolk	PSEG
New Brunswick	chris butler	PSEG
New Brunswick Parking Authority	Mitchell Karon	PSEG

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
MEMBERSHIP LISTING - GAS UTILITY  
DECEMBER 31, 2010

Member	Fund Commissioner	Gas Utility
North Bergen Municipal Utilities Authority	Frank Pestana	PSEG
North Brunswick	Robert Lombard	PSEG
North Caldwell	Mel Levine	PSEG
Nutley	Mauro Tucci	PSEG
Oakland Borough	Richard Kunze	PSEG
Oradell	Laura Graham	PSEG
Passaic Valley Water Commission	Linda Beckering,	PSEG
Piscataway Township	Lyn Evers	PSEG
Pompton Lakes MUA	George Decker	PSEG
Ramsey Borough	Ed Sandve	PSEG
Ridgewood Village	Ken Gabbert	PSEG
River Edge	Alan Negreann	PSEG
Riverside Township	Meghan Jack	PSEG
Saddle River	Charles Cuccia	PSEG
South Hackensack Township	Linda LoPiccolo	PSEG
Springfield Township	Paul Keller	PSEG
Summit City	Beth Kinney	PSEG
Upper Saddle River	Ted Preusch	PSEG
Waldwick Borough	Jordan Battisti	PSEG
Wanaque Valley Regional Sewerage Authority	Gregory White	PSEG
Watchung Borough	Hans Juette	PSEG
West Milford	Catherine Shanahan	PSEG
West Milford MUA	Kelly Love	PSEG
Westampton Township	Donna Ryan	PSEG
Westwood Borough	Robert Hoffmann	PSEG
Willingboro MUA	Joseph S. Bateman	PSEG
Willingboro Township	Joanne Diggs	PSEG
Wood-Ridge	Tom Gonnella	PSEG
Wyckoff Township	Robert Shannon	PSEG
Cape May County MUA	Joshua Palombo	SJ Gas
Franklin Township	Michael DiGiorgio	SJ Gas
Gibbsboro Borough	Anita Mancini	SJ Gas
Stone Harbor	James Nicola	SJ Gas
Winslow Township	Joseph Gallagher	SJ Gas
Aberdeen Township	Holly Reyecraft	Participated in 2011
Freehold Township	Thomas Antus	Participated in 2011
Lower Township Municipal Utilities Authority	Matthew V. Ecker	Participated in 2011
Manasquan River Regional Sewaterage Authority	Jerome Cevetello	Participated in 2011
Mantua MUA	Bill Krebs	Participated in 2011
Monmouth County Bayshore Outfall Authority	Michael Sachs	Participated in 2011
Morris Plains Borough	June Uhrin	Participated in 2011
Musconetcong Sewerage Authority	David Biasi	Participated in 2011
Tabernacle Township	Douglas Cramer	Participated in 2011
Washington Township MUA	Christine Kattermann	Participated in 2011

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
MEMBERSHIP LISTING - ELECTRIC UTILITY  
DECEMBER 31, 2010

Member	Fund Commissioner	Electric Utility
Cape May County MUA	Joshua Palombo	ACE
Franklin Township	Michael DiGiorgio	ACE
Gibbsboro Borough	Anita Mancini	ACE
Lower Township Municipal Utilities Authority	Matthew V. Ecker	ACE
Mantua MUA	Bill Krebs	ACE
Stone Harbor	James Nicola	ACE
Tabernacle Township	Douglas Cramer	ACE
Winslow Township	Joseph Gallagher	ACE
Aberdeen Township	Holly Reycraft	JCPL
Allenhurst	Lori Osborn	JCPL
Andover Township	Vita Thompson	JCPL
Atlantic Highlands	Adam Hubeny	JCPL
Atlantic Highlands/Highlands Regional Sewerage Authority	David Palamara	JCPL
Bayshore Regional Sewerage Authority	Robert Fischer	JCPL
Bedminster Township	Judith A. Sullivan	JCPL
Bernards Township	Bruce McArthur	JCPL
Bernardsville Borough	Edward McDowell	JCPL
Boonton Town of	Terry McCue	JCPL
Boonton township	Barbara Shepard	JCPL
Brielle	Thomas Nolan	JCPL
Chatham Borough	Vincent DeNave	JCPL
Chatham Township	Thomas Ciccarone	JCPL
Chester Borough	Valerie Egan	JCPL
Deal Borough	James Rogers	JCPL
Denville Township	Marie A. Goble	JCPL
Dover Township	William Close	JCPL
Farmingdale Borough	Donna Phelps	JCPL
Florham Park	Carl Ganger	JCPL
Hanover Township	Joseph A. Giorgio	JCPL
Jackson Township	Sharon Pinkava	JCPL
Jackson Township MUA	James R. Diaz	JCPL
Keyport Borough	Lorene Wright	JCPL
Lakewood Township MUA	Justin Flancbaum	JCPL
Lincoln Park Borough	Sean Canning	JCPL
Little Silver	Helen Gormley	JCPL
Long Hill Township	Richard Sheola	JCPL
Manalapan Twp	Rose LaFergola	JCPL
Manasquan Borough	Joe Diorio	JCPL
Manasquan River Regional Sewerage Authority	Jerome Cevetello	JCPL
Matawan Borough	John Applegate	JCPL
Mendham Borough	Ellen Sandman	JCPL
Mendham Township	Stephen Mountain	JCPL
Middletown Township	Anthony Mercandante	JCPL
Millburn Township	Alexander McDonald	JCPL
MillStone Twp	Phil Del Turco	JCPL
Monmouth County Bayshore Outfall Authority	Michael Sachs	JCPL
Montville Township	Frank Bastone	JCPL
Mount Olive Township	Frank Wilpert	JCPL
Mountain Lakes Borough	Barry Lewis	JCPL
Musconetcong Sewerage Authority	David Biasi	JCPL
Netcong Borough	Ralph E. Blakeslee, III	JCPL
Ocean Township	Andrew Brannon	JCPL
Oceanport Borough	Kimberly Jungfer	JCPL

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
MEMBERSHIP LISTING - ELECTRIC UTILITY  
DECEMBER 31, 2010

Member	Fund Commissioner	Electric Utility
Parsippany-Troy Hill	Jasmine Lim	JCPL
Pohatcong Township	Andrew Coppola	JCPL
Pompton Lakes MUA	George Decker	JCPL
Randolph Township	Mike Soccio	JCPL
Readington-Lebanon Sewerage Authority	Richard Cranmer	JCPL
Red Bank Borough	Gary Watson	JCPL
Rockaway Borough	John J. Doherty	JCPL
Rockaway Township	Gregory Poff	JCPL
Roxbury Township	christopher Raths	JCPL
Rumson Borough	Thomas Rogers	JCPL
Sea Girt	Kevin Thompson	JCPL
Shrewsbury Towship	Addie Schmidt	JCPL
Sparta Township	Michael J. Guarino	JCPL
Stanhope	Dana Mooney	JCPL
Summit City	Beth Kinney	JCPL
Township of Middletown Sewerage Authority	Patrick W. Parkinson	JCPL
Two Rivers Water Reclamation Authority	Michael A. Gianforte	JCPL
Wall Township	Robert Coman	JCPL
Wanaque Valley Regional Sewerage Authority	Gregory White	JCPL
Washington Township	Deborah Burd	JCPL
Washington Township MUA	Christine Kattermann	JCPL
Wharton	Jon Rheinhardt	JCPL
Mountainside Borough	Ronald Romak	JCPL/PSEG
Alpine Borough	Gail Tanno	ORU
Mahwah Township	Brian Campion	ORU
Montvale Borough	Maureen Iarossi-Alwan	ORU
Oakland Borough	Richard Kunze	ORU
Ramsey Borough	Ed Sandve	ORU
Saddle River	Charles Cuccia	ORU
Upper Saddle River	Ted Preusch	ORU
West Milford MUA	Kelly Love	ORU
Wyckoff Township	Robert Shannon	ORU
West Milford	Catherine Shanahan	ORU/JCPL
Franklin Township	Thomas Zilinek	ORU/PSEG
Audubon Township	Dave Taraschi	PSEG
Barrington	Terry Shannon	PSEG
Bellmawr	Lou DiAngelo	PSEG
Bordentown Township	Colleen M. Eckert	PSEG
Burlington Township	Kevin McLernon	PSEG
Cherry Hill Township	Alvina Plodizyn	PSEG
City of Orange	Isaias Rivera	PSEG
Collingswood	Joan Leanord	PSEG
Delanco Township	Marlene Jass	PSEG
Eastampton Township	Scott Carew	PSEG
Edgewater Borough	Greg Franz	PSEG
Edgewater Park Township	Linda Dougherty	PSEG
Elizabeth	Jill McDonough	PSEG

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
MEMBERSHIP LISTING - ELECTRIC UTILITY  
DECEMBER 31, 2010

Member	Fund Commissioner	Electric Utility
Elmwood Park	Louis Vuoncino	PSEG
Englewood BOE	Michael Hunken	PSEG
Englewood City	Daniel Fitzpatrick	PSEG
Englewood Cliffs Borough	Joe Iannaconi	PSEG
Fair Lawn Borough	Tim Stafford	PSEG
Fairfield Township	Mr. Joseph Catenaro	PSEG
Fanwood Borough	Eleanor McGovern	PSEG
Florence Township	Richard A Brook	PSEG
Fort Lee Borough	Peggy Thomas	PSEG
Franklin Lakes Borough	Mayor Maura R. DeNicola	PSEG
Garfield City	Thomas J. Duch	PSEG
Glen Rock Borough	Lenora Benjamin	PSEG
Kenilworth	Robert Ordway	PSEG
Little Ferry Borough	Barbara Maldonado	PSEG
Lodi Borough	Tony Luna	PSEG
Lyndhurst Twp	Frank Bianchi	PSEG
Mansfield Township	Linda Semus	PSEG
Maple Shade	Gary LaVenja	PSEG
Maywood	Timothy Eustace	PSEG
Medford Township	Ryan Willitts	PSEG
Merchantville-Pennsauken Water Commission	Richard Spafford	PSEG
Midland Park Borough	Patrick O'Hagan	PSEG
Montgomery Township	Donato Nieman	PSEG
Mount Ephraim Borough	Joseph Wolk	PSEG
New Brunswick	chris butler	PSEG
New Brunswick Parking Authority	Mitchell Karon	PSEG
North Bergen Municipal Utilities Authority	Frank Pestana	PSEG
North Brunswick	Robert Lombard	PSEG
North Caldwell	Mel Levine	PSEG
Nutley	Mauro Tucci	PSEG
Oradell	Laura Graham	PSEG
Piscataway Township	Lyn Evers	PSEG
Ridgewood Village	Ken Gabbert	PSEG
River Edge	Alan Negreann	PSEG
Riverside Township	Meghan Jack	PSEG
Scotch Plains Township	Chris Marion	PSEG
South Hackensack Township	Linda LoPiccolo	PSEG
Springfield Township	Paul Keller	PSEG
Union Township	Frank Bradley	PSEG
Waldwick Borough	Jordan Battisti	PSEG
Wallington Borough	Witold Baginski	PSEG
Watchung Borough	Hans Juette	PSEG
Westampton Township	Donna Ryan	PSEG
Westfield Town	James H. Gildea	PSEG
Westwood Borough	Robert Hoffmann	PSEG
Willingboro MUA	Joseph S. Bateman	PSEG
Willingboro Township	Joanne Diggs	PSEG
Wood-Ridge	Tom Gonnella	PSEG
Freehold Township	Thomas Antus	Participated in 2011
Morris Plains Borough	June Uhrin	Participated in 2011
Passaic Valley Water Commission	Linda Beckering,	Participated in 2011

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
SCHEDULE OF USAGE . BILLED ENERGY FOR MEMBERS DURING THE CONTRACT PERIOD  
UNAUDITED

Electric:		CONECTIV/ACE	JCPL	ORU	PSEG	Total
Auction Date	6/3/2010					
Contract Beginning Date	7/1/2010					
Contract Ending Date	6/30/2011					
Supplier	Hess					
Rate Billed:						
ORU SL - \$0.07880/kWh						
ACE SL - \$0.09030/kWh						
ACE FP - \$0.09770/kWh						
PSEG SL - \$0.07100/kWh						
PSEG FP - \$0.10350/kWh						
JCPL SL - \$0.07660/kWh						
JCPL FP - \$0.10010/kWh						
Billed	kWh	7,540,892	27,391,840	923,549	29,753,034	65,609,315
Billed ( PSEG is estimated)	Dollars	\$ 621,554	\$ 2,148,235	\$ 70,699	\$ 2,595,952	\$ 5,436,440
Commissions: at \$.0015 per Kwh excluding Auctioneer						
Auctioneer - 25%						\$ 32,806
Energy Consultant - 45%						\$ 59,051
General Counsel - 10%						\$ 13,123
Executive Director - 10%						\$ 13,123
New Jersey Sustainable Energy Joint Meeting - 10%						\$ 13,123
Total						\$ 98,419
<b>Gas:</b>						
		Elizabethtown Gas	NJ Natural	PSEG	SJ Gas	Total
Auction Date	2/9/2010					
Contract Beginning Date	4/1/2010					
Contract Ending Date	3/31/2011					
Supplier	Woodruff					
Rate Billed	\$8.84/dth					
Billed	dth	7,931	72,498	143,894	2,849	219,241
Billed	Dollars	\$ 70,108	\$ 640,882	\$ 1,272,021	\$ 25,189	\$ 1,938,092
Commissions: at \$0.20 per Dth excluding Auctioneer						
Auctioneer - 20%						\$ 1,136
Energy Consultant - 50%						\$ 2,840
General Counsel - 10%						\$ 568
Executive Director - 10%						\$ 568
New Jersey Sustainable Energy Joint Meeting - 10%						\$ 568
Total						\$ 4,543
<b>Summary</b>						
Commissions Earned						\$ 4,543
Auctioneers paid directly by the utility						\$ 33,942

**REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS**



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' 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

The Honorable Chairperson and Members  
 of the Executive Committee  
 New Jersey Sustainable Energy Joint Meeting  
 Saddle Brook, New Jersey

We have audited the financial statements of the New Jersey Sustainable Energy Joint Meeting (the "Joint Meeting") as of, and for the period from inception (June 10, 2009) to December 31, 2010, which comprise the Joint Meeting's basic financial statements and have issued our report thereon dated November 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 Joint Meeting's financial statements will not be prevented, or detected and corrected on a timely basis.

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

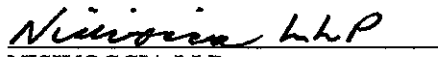
The Honorable Chairperson and Members  
of the Executive Committee  
New Jersey Sustainable Energy Joint Meeting  
Page 2

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Executive Committee, and to meet the requirements for filing with the Department of Community Affairs, State of New Jersey, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mount Arlington, New Jersey  
November 3, 2011

  
NISIVOCCIA LLP