

RESOLUTION NO. 15-10

RESOLUTION APPROVING THE APPLICATION OF INTERPRETATION NO. 2 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD FOR THE DISCLOSURE OF THE TRUST'S CONDUIT DEBT OBLIGATIONS

WHEREAS, the New Jersey Environmental Infrastructure Trust is required to produce audited financial statements in accordance with GAAP pursuant to N.J.S.A. 58:11B-24 and Executive Order No. 37 (Corzine); and

WHEREAS, the Government Accounting Standards Board (GASB) was created to establish generally accepted accounting principles (GAAP) for state and local government entities; and

WHEREAS, in August of 1995, GASB issued Interpretation No. 2 of the GASB relating to the Disclosure of Conduit Debt Obligations; and

WHEREAS, the Trust's Bonds clearly fall within the definition of Conduit debt as defined within Interpretation No. 2; and

WHEREAS, Interpretation No.2 states that conduit debt obligations should be disclosed in the notes to the financial statements of the issuing entity rather than recorded in the balance sheets. The disclosures should include (i) a general description of the conduit debt transactions (ii) the aggregate amount of all conduit debt obligations outstanding at the balance sheet date, and (iii) a clear indication that the issuer has no obligation for the debt beyond the resources provided by related leases and loans; and

WHEREAS, the adoption of the policy would allow the Trust's financial statements to more clearly reflect Trust operations while also underscoring the conduit nature of the Trust's bonds to the financial community;

NOW THEREFORE, BE IT RESOLVED, the Trust will implement Interpretation No. 2 of GASB reporting the Trust's bonds and related assets in the notes section of the financials.

Adopted Date: February 12, 2015

Motion Made By: Robert Briant Jr.

Motion Seconded By: Christine Campbell

Ayes: 5

Nays: 0

Abstentions: 0