RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER
TO ENTER INTO A CONTRACT FOR MONITORING
AND ENVIRONMENTAL SERVICES

WHEREAS, the Meadowlands Conservation Trust ("Trust") received a proposal from Hansen & Smith Environmental Consulting ("Hansen & Smith") to provide monitoring and environmental services for 2016; and

WHEREAS, these services include monthly monitoring of eight properties named by the Trust located in Bergen County during the period from March through November 2016 and continuation of goose control at Skeetkill Creek Marsh from March through mid-July 2016; and

WHEREAS, additional services would include tasks such as conducting oversight for specific tasks at sites named by the Trust.

NOW, THEREFORE, BE IT RESOLVED by the Meadowlands Conservation Trust that the Chief Executive Officer is hereby authorized to enter into a contract with Hansen & Smith Environmental Consulting at a cost not to exceed $5,985.

The foregoing resolution was adopted by a vote of the MCT Board of Trustees.

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of February 10, 2016.

Christine A. Sanz, Secretary

Resolution No. 16-01
RESOLUTION ACCEPTING
THE MEADOWLANDS CONSERVATION TRUST
2014 ANNUAL AUDIT AND FINANCIAL REPORT

BE IT RESOLVED that the Meadowlands Conservation Trust Annual Audit prepared by O'Connor Davies, LLP Certified Public Accountants, for the year ending December 31, 2014 is hereby accepted.

The foregoing Resolution was adopted by a vote of the MCT Board of Trustees.

[Signature]
William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the resolution adopted by the Meadowlands Conservation Trust at their meeting of February 10, 2016.

[Signature]
Christine A. Sanz, Chief Executive Officer

Resolution No. 16-02
Meadowlands Conservation Trust
(A Component Unit of the State of New Jersey)

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2014 Annual Audit Report
And
Comprehensive Annual Financial Report

Year Ended December 31, 2014
November 20, 2015

The Board of Trustees
Meadowlands Conservation Trust


Letter of Transmittal – Chairman

The Comprehensive Annual Financial Report of the Meadowlands Conservation Trust (MCT) for the year ended December 31, 2014 is submitted herein. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Trust. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the MCT’s financial position, results of operations, and cash flows in accordance with generally accepted accounting principles. In accordance with the accounting principles, Meadowlands Conservation Trust is a component unit of the State of New Jersey, and as such, is included in the State of New Jersey’s Annual Report. The accompanying Management Discussion and Analysis provides detailed narrative information on the financial statements provided in the Comprehensive Annual Financial Report.

Profile of the Trust

The Meadowlands Conservation Trust was established within the former New Jersey Meadowlands Commission, now the New Jersey Sports and Exposition Authority, through an Act of Legislation in 1999 to acquire land through either fee simple acquisition or conservation easements with the purpose of permanently preserving wetlands, waterways and open space in the Hackensack River Watershed. The Trust operates with a seven-member board of trustees and is given mandates on environmental protection in the Hackensack River Watershed and for municipalities in Bergen and Hudson counties. The MCT’s Chief Executive Officer heads a small support staff of New Jersey Sports & Exposition Authority (NJSEA) employees and in addition receives operational assistance from non-assigned NJSEA staff.

Accounting System and Budgetary Controls

The MCT’s financial statements are prepared by NJSEA’s CFO and financial staff in accordance with generally accepted accounting principles. The MCT financial statements are prepared using the principles of Financial Funds as prescribed by Government Accounting Standards Board Statement #34.

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

Under the direction of NJSEA’s CFO and the financial department, the Trust’s internal control areas include:

- Authorization levels for expenditures of Trust’s funds;
- Specific procedures to follow when initiating purchase requisitions, purchase orders, receiving goods and payments for services;
- Separation of accounts payable and receivable functions;
- Bank reconciliation review;
- Controls over deposits; and
- Production of system-generated and manual checks.

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

The MCT follows the standards for procurement established by the NJSEA and contained in the NJSEA’s Purchasing Procedures Manual. The standards include a threshold, over which the Board of Trustees must approve all transactions. The Trust is in compliance with Executive Order No. 37 with respect to procurement and has amended its procedures to ensure 100% compliance.

In calendar year of 2014, the Trust continued efforts to realize cost savings:

- Engage joint ventures with corporations to assist with financial costs of property maintenance and upkeep;
- Send Board of Trustees communications electronically instead of paper;
- Post communications on website;
- Periodic reviews of repetitive purchases to ensure best price is attained;
- Thorough review of insurance needs in an effort to reduce premiums;
- All functions are supplied by NJSEA employees.

Independent Audit

The certified public accounting firm of O’Connor Davies, LLP was retained to perform an audit of the 2014 fiscal year in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government...
Auditing Standards issued by the Comptroller General of the United States. In June 1999, the GASB adopted their Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for state and local governments. The Meadowlands Conservation Trust adopted GASB Statement No. 34 in fiscal year 2004, including the Management Discussion and Analysis (MD&A). The MD&A is considered to be required supplemental data and precedes the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The audit firm of O'Connor Davies, LLP reports directly to the three-member audit committee of the Board of Trustees. An initial meeting prior to the start of the audit and a subsequent exit conference is held to discuss the results of the audit.

Regards,

Captain Bill Sheehan, Chairman

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O'CONNOR DAVIES

Independent Auditors' Report

Board of Trustees
Meadowlands Conservation Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the Meadowlands Conservation Trust (a component unit of the State of New Jersey), which comprises the statement of fiduciary net position as of December 31, 2014 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Meadowland Conservation Trust's 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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.

O'Connor Davies, LLP
263 Eisenhower Parkway, Livingston, NJ 07039 | Tel 973.535.3880 | Fax 973.535.3898 | www.odkfs.com

O'Connor Davies, LLP is a member firm of the PKF International Limited network of independent member firms and does not accept any responsibility or liability for the actions of any other member firm or firms.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the Meadowlands Conservation Trust, as of December 31, 2014, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Meadowland Conservation Trust’s financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.
The annual financial report contains three parts: management's discussion and analysis, the financial statements, and required supplementary information. The MCT counts the benefit of the citizens of the State of New Jersey.

Financial Summary
The MCT's comparative condensed summary of net position at December 31 is shown below in Figure 1.

Figure 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Assets</th>
<th>Total Liabilities</th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$5,252,706</td>
<td>$27,628,699</td>
<td>$5,252,706</td>
</tr>
<tr>
<td>2013</td>
<td>$4,979,000</td>
<td>$27,628,699</td>
<td>$4,979,000</td>
</tr>
</tbody>
</table>

Invested in capital assets
Unrestricted

Total net position
$32,572,407
$32,465,407
$32,313,711

The notes to financial statements provide information that is essential to understanding the MCT's basic financial statements. The notes contain critical accounting policies, which management has determined are the most significant to an understanding of the MCT's financial position and results of operations.

In CY2014, the MCT's net position decreased by $2,150,481 due to anticipated operations' expenses.

In CY2015, the MCT's net position increased by $2,150,481 due primarily to the sale of investment securities.

In CY2016, the MCT's net position increased by $5,524 due to other earnings.

In CY2017, the MCT's net position increased by $400,000 for implementation and maintenance of wellhead protection programs.

In CY2018, the MCT's net position increased by $5,860,339 due to a net tax credit on the federal and state income tax returns.

In CY2019, the MCT's net position decreased by $2,150,481 due to a decline in the market value of the investment portfolio.

In CY2020, the MCT's net position increased by $5,524 due to other earnings.

In CY2021, the MCT's net position increased by $400,000 for implementation and maintenance of wellhead protection programs.

In CY2022, the MCT's net position increased by $5,860,339 due to a net tax credit on the federal and state income tax returns.
Meadowlands Conservation Trust  
(A Component Unit of the State of New Jersey)

Management Discussion and Analysis  
December 31, 2014

Revenue Highlights
The MCT's comparative condensed summary of the Statement of Changes in Fiduciary Net Position for the year ended December 31, is shown in Figure 2.

Figure 2
Condensed Summary of Statement of Changes in Fiduciary Net Position

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of Mitigation Rights</td>
<td>3,024</td>
<td>2,330,564</td>
<td>1,578,156</td>
</tr>
<tr>
<td>NJDMV - Plate Sales</td>
<td>19,844</td>
<td>21,007</td>
<td>20,147</td>
</tr>
<tr>
<td>Other</td>
<td>9,366</td>
<td>6,621</td>
<td>43,084</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>33,315</td>
<td>2,358,223</td>
<td>1,441,387</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>289,015</td>
<td>207,760</td>
<td>73,031</td>
</tr>
<tr>
<td><strong>Total Operating Costs</strong></td>
<td>289,015</td>
<td>207,760</td>
<td>73,031</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>235,701</td>
<td>2,150,461</td>
<td>1,368,356</td>
</tr>
<tr>
<td>Beginning Net Position</td>
<td>33,464,158</td>
<td>31,313,717</td>
<td>29,645,361</td>
</tr>
<tr>
<td>Ending Net Position</td>
<td>33,229,457</td>
<td>33,464,158</td>
<td>31,313,717</td>
</tr>
</tbody>
</table>

2014 - 2013
For the year ended December 31, 2014 and 2013, total operating revenues approximated $33,000 and $2.3 million, a decrease of approximately $2.3 million or 99.9% and operating expenses approximated $290,000 and $208,000, an increase of approximately $82,000 or 40.5% compared to 2013. The increase in 2014 relate to legal fees and maintenance costs.

2013 - 2012
For the year ended December 31, 2013 and 2012, total operating revenues were $2.3 million and $1.4 million, a decrease of approximately $900,000 or 64.3% and operating expenses were $208,000 and $73,000, respectively, an increase of approximately $135,000 or 84.9% compared to 2012. The increase in 2013 relates to administrative expenses.

Contacting Financial Management
The financial management report is designed to provide citizens, people served by the MCT, vendors, and creditors with a general overview of the MCT's finances. If you have any questions about this report or need additional financial information, contact Christine Sanz, Chief Executive Officer, Meadowlands Conservation Trust at One DeKorte Park Plaza, Lyndhurst, New Jersey.

See Notes to Financial Statements
## Notes to Financial Statements
### December 31, 2014

### Note 1 - Summary of Significant Accounting Policies

#### A. Financial Reporting Entity

The Meadowlands Conservation Trust (the "MCT"), which is a component unit of the State of New Jersey, was established in 1989. The MCT operates with a board of trustees whose main objectives are to acquire and hold or convey to other governmental entities or qualified nonprofit organizations, environmentally important, valuable or sensitive lands located in the Hackensack meadows or within the Hackensack river watershed and to preserve and manage those lands in their natural state or in a largely natural or undeveloped state for the purposes of conserving and enhancing natural resources, protecting elements of natural diversity, providing open space, or providing public outdoor passive recreational opportunities.

There is established in the Meadowlands Conservation Trust, a trust fund, to be known as the "Meadowlands Conservation Trust Fund," and the moneys therein are to be held in those depositories as the State Treasurer may select. The State Treasurer shall deposit into the trust fund all moneys: (1) received as a grant or other form of aid by the trust or by the State and designated for the trust; (2) given, donated, bequeathed, or endowed to the trust from public or private sources; (3) received as rent or as a royalty by the trust or by the State on behalf of the trust; (4) received as non-revenue from the Division of Motor Vehicles in the Department of Transportation in connection with the issuance of Meadowlands conservation license plates as provided pursuant to sections 9 through 14 of P.L. 1999, c. 31 (C.39:3-27.100 C.39:3-27.105); and (5) appropriated or otherwise made available to the trust by the State. The moneys in the trust fund are specifically dedicated and shall be utilized only for the purposes of the trust set forth in this act. Such grants, contributions, donations, and reimbursements from federal aid programs as may be lawfully used for the purposes of the trust as set forth in this act shall also be held in the trust fund. Moneys in the trust fund shall not be expended except in accordance with appropriations from the trust fund made by law. Any act appropriating moneys from the trust fund to acquire land shall identify the particular project or projects to be funded by the moneys, and any expenditure for a land acquisition project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee or its successor. Pending their application to the purposes set forth in this act, the moneys in the trust fund shall be invested and reinvested as are trust funds in the custody of the State Treasurer, in the manner provided for by law. Net earnings received from the investment or deposit of moneys in the trust fund shall be deposited therein and become part of the trust fund to be used only for the purposes of the trust.

Money in the Meadowlands Conservation Trust Fund shall not be utilized for the development of any land for any purpose or for the acquisition of land that will not remain in a natural or largely natural or undeveloped state, except that up to 2% of the moneys annually received and deposited into the trust fund may be utilized to pay for development of sites to allow for public access and environmental education and interpretation and for the development of rail, and up to 2% of the moneys annually received and deposited into the trust fund may be utilized to pay for promotional and program awareness efforts.
Note 1 - Summary of Significant Accounting Policies (continued)

The accounting policies of the MCT conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant policies:

B. Basis of Presentation – Fund Accounting

Fiduciary fund

This fund accounts for the receipt of funds designated for the purpose of acquiring and holding environmentally sensitive property within the Hackensack Meadowlands or Hackensack River Watershed Area.

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

C. Measurement Focus/Basis of Accounting

The MCT has adopted the following three accounting pronouncements of the Governmental Accounting Standards Board, GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments, No. 37, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments-Cumulus and No. 38, Certain Financial Statement Note Disclosures.

On January 1, 2012, the MCT adopted the provisions of Government Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which amends the net asset reporting requirement of Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments, and other pronouncements by incorporating deferred outflows from resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Cash and Cash Equivalents

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

Custodial Credit Risk -Deposits (continued)

Custodial credit risk is the risk that in the event of a bank failure, the governments deposit may not be returned to it. The MCT's policy is based on New Jersey statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey
Note 1 - Summary of Significant Accounting Policies (continued)

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the dates of the financial statements. These estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

H. Subsequent Events

Management has evaluated subsequent events for disclosure and recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 20, 2016. In March 2015, the Meadowlands Conservation Trust reached an agreement with the Borough of Carlstadt with respect to real estate tax assessments. The settlement provided for a payment of $400,000 for tax assessments through December 31, 2014 and the exemption from tax assessments subsequent to December 31, 2014.

Note 2 - Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>January 1, 2014</th>
<th>Additions</th>
<th>Disposals</th>
<th>December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>$250,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$250,000</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(37,500)</td>
<td>(12,500)</td>
<td></td>
<td>(50,000)</td>
</tr>
<tr>
<td></td>
<td>212,500</td>
<td>(12,500)</td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td>Capital assets not depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>27,731,680</td>
<td>-</td>
<td>-</td>
<td>27,731,680</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$27,984,190</td>
<td>(12,500)</td>
<td>$ -</td>
<td>$27,931,680</td>
</tr>
</tbody>
</table>

Acquisition of the Richard P. Kane Natural Area

On March 26, 2006, the MCT took full title to the Empire Tract (the "Tract"), located within Carlstadt and South Hackensack, through a transfer of deed from Mills Corporation. The Tract was later renamed the Richard P. Kane Natural Area. This 587 acre tract of land was once slated to become a megamall before it was determined to be ecologically important and worthy of preservation. The developer Mills Corporation's original plans intended for the filing of the 206 acres of wetlands to be developed into a retail facility, office building, warehouse space, and hotel. The remaining 381 acres would then be turned into a storm water retention basin. The Tract's acreage is predominantly comprised of wetlands with approximately twenty-five acres of uplands on the property.

Meadowlands Conservation Trust
(a component unit of the State of New Jersey)

Notes to Financial Statements
December 31, 2014

Note 2 - Capital Assets (continued)

Mills was required to pay $100,000 per year, for a period of 75 years, to the MCT for costs related to implementation and maintenance of wetland preservation and enhancements associated with the perpetual preservation of the Tract. The Meadowlands Conservation Trust has contacted Mills Corporation and the new potential owners of the former Xanadu project to discuss a schedule for outstanding and remaining payments.

Future plans for the site include extensive studies to determine the best management and restoration methods. The ultimate goal is to enable the Kane Tract habitat to return to its native state. The Trust plans to add walking paths, canoe access and birding trails in the near future.

Note 3 - Risk Management

Property and Liability insurance

The MCT maintains commercial insurance coverage for property, liability and surety bonds that covers the risks of loss related to theft; fire, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage.

Note 4 - Commitments and Contingent Liabilities

MCT v. Borough of Carlstadt (Tax Court)

This case involved a tax sale of property owned by MCT by the defendants, Borough of Carlstadt ("Borough") and Tax Collector for the Borough of Carlstadt. By notice dated March 2, 2012, the Borough served MCT with a tax sale notice for nonpayment of taxes on the Property. As of February 10, 2015, the defendants claimed that MCT owed $561,578.66 in back taxes. This matter was settled in 2016 for $400,000. The settlement was contingent on the Borough entering into a stipulation that settles all outstanding appeals and recognizes that MCT's property is statutorily exempt from taxation.

Williamstown Manor, LLC at al v. MCT, et al. (Superior Court, Law Division)

The claimants in this matter filed a notice of tort claim pursuant to Title 59 on January 24, 2013 and filed the complaint on October 21, 2013. The claimants are located at 165 Liberty Street, Little Ferry, New Jersey and have asserted claims for $1,200,000 in damages to its properties and in loss of rental income due to a flood event caused by the Superstorm Sandy storm event of October 29, 2012. Claimants assert the harm located on the Kane Tract, which property is owned by MCT, breached and proximately caused flood damage to the claimant's property. The court indicated the discovery end date as July 19, 2015. Counsel for MCT's insurer is handling this matter.
Note 4 - Commitments and Contingent Liabilities (continued)

Cheekstern Realty LLC v. MCT, et al. (Superior Court, Law Division)

The claimant in this matter filed a notice of Tort Claim pursuant to Title 59 on January 23, 2013 and filed the complaint on October 21, 2013. The claimant is located at 178 Commerce Road, Carlstadt, New Jersey and has asserted a claim of $200,000 for damages to its building due to a flood event caused by the Hurricane Sandy storm event of October 29, 2012. Claimant asserts that the berm located on the Kane Tract, which property is owned by MCT, breached and proximately caused flood damage to the claimant's property. The court extended the discovery end date out until 9/21/2016. Counsel for MCT's insurer is handling this matter.

Unasserted Claims and Assessments

Corporate Jet Support, Inc., CIS Properties LLC, CIS Maintenance, LLC v. MCT, et al. (Notice of Tort Claim)

The claimants in this matter filed a notice of Tort Claim pursuant to Title 59 on January 24, 2013. The claimants are located at One Graphic Place, Moonachie, New Jersey and have asserted claims for an unspecified amount of damages to its inventory and property due to a flood event caused by the Hurricane Sandy storm event of October 29, 2012. Claimants assert that the berm located on the Kane Tract, which property is owned by MCT, breached and proximately caused flood damage to the claimant's property. No suit has been filed to date.

Customized Distribution Services, Inc. v. MCT (Notice of Tort Claim)

The claimant in this matter filed a notice of Tort Claim pursuant to Title 59 on January 23, 2013. The claimant is located at 1 Liard Drive, Moonachie, New Jersey and has asserted a claim of $200,000 for damages to its warehouse and inventory due to a flood event caused by the Hurricane Sandy storm event of October 29, 2012. Claimant asserts that the berm located on the Kane Tract, which property is owned by MCT, breached and proximately caused flood damage to the claimant's property. No suit has been filed to date.

Note 5 - Net Position

The components of net position are detailed below.

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less accumulated depreciation, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Assigned - amounts that have been reserved for asset acquisition by the Board.

Unrestricted - the difference between the assets and liabilities that is not reported in the net investment in capital assets.

-----
The Board of Trustees
Meadowlands Conservation Trust
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MCT'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.

O'Connor Davies, LLP

November 20, 2015
RESOLUTION: CLOSED SESSION

WHEREAS, the Open Public Meetings Act, NJSA 10:4-12 (b), permits the holding of closed sessions by public bodies in certain circumstances; and

WHEREAS, the Meadowlands Conservation Trust (MCT) is of the opinion that those circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That a closed session of the MCT will be held to discuss the following:
   - Eastern/Western Brackish Marsh Property Transaction Negotiations-Status/Legal Advice
   - Kane Bank – Legal Advice

2. It is anticipated at this time that the above subject matter(s) will be made public upon completion of said matter(s).

This resolution shall become effective immediately. The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of February 10, 2016

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-03
RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A CONSERVATION EASEMENT WITH THE BERGEN COUNTY UTILITIES AUTHORITY AND ANY OTHER DOCUMENTS REQUIRED TO EFFECTUATE THE MEHRHOF POND WILDLIFE OBSERVATION BLIND

WHEREAS, the Meadowlands Conservation Trust ("MCT") is interested in gaining a conservation easement on property owned by the Bergen County Utilities Authority ("BCUA") located in close proximity to Mehrhof Pond for the purpose of improving public access for the viewing of wildlife in the area of Mehrhof Pond; and

WHEREAS, the MCT is seeking to make improvements that would include additional fencing and a wildlife observation blind that would provide access to birders and/or nature enthusiasts; and

WHEREAS, preliminary plans for the observation area are depicted on the attached document.

NOW THEREFORE BE IT RESOLVED that the CEO of the Meadowlands Conservation Trust is authorized to negotiate and execute a conservation easement with the BCUA for the purpose of providing a nature viewing area by Mehrhof Pond, as well as any other documents necessary to effectuate the improvements to the viewing area.

BE IT FURTHER RESOLVED that the CEO is authorized to obtain bids or price proposals in accordance with laws governing public procurement for the fence and bird blind, as well as any other minor improvements to enhance public access for nature viewing.

The foregoing resolution was adopted by Meadowlands Conservation Trust vote.

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust as their meeting of April 20, 2016.

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-04
RESOLUTION: CLOSED SESSION

WHEREAS, the Open Public Meetings Act, NJSA 10:4-12 (b), permits the holding of closed sessions by public bodies in certain circumstances; and

WHEREAS, the Meadowlands Conservation Trust (MCT) is of the opinion that those circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That a closed session of the MCT will be held to discuss the following:
   - Eastern and Western Brackish Marsh - Potential property acquisition
   - Application of Kane Mitigation Credits – NJ Transit/Long Slip Project Status/Update

2. It is anticipated at this time that the above subject matter(s) will be made public upon completion of said matter(s).

This resolution shall become effective immediately. The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of April 20, 2016.

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-05
RESOLUTION: CLOSED SESSION

WHEREAS, the Open Public Meetings Act, NJSA 10:4-12 (b), permits the holding of closed sessions by public bodies in certain circumstances; and

WHEREAS, the Meadowlands Conservation Trust (MCT) is of the opinion that those circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That a closed session of the MCT will be held to discuss the following:
   - Eastern/Western Brackish Marsh Property Transaction Negotiations-Status/Legal Advice
   - Request for Modification to the Kane Mitigation Banking Instrument - Potential Litigation and Legal Advice

2. It is anticipated at this time that the above subject matter(s) will be made public upon completion of said matter(s).

This resolution shall become effective immediately. The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

William Shechan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of July 21, 2016.

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-06
RESOLUTION: CLOSED SESSION

WHEREAS, the Open Public Meetings Act, NJSA 10:4-12 (b), permits the holding of closed sessions by public bodies in certain circumstances; and

WHEREAS, the Meadowlands Conservation Trust (MCT) is of the opinion that those circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That a closed session of the MCT will be held to discuss the following:
   • Request for Modification to the Kane Mitigation Banking Instrument

2. It is anticipated at this time that the above subject matter(s) will be made public upon completion of said matter(s).

This resolution shall become effective immediately. The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of August 26, 2016.

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-07
RESOLUTION AUTHORIZING REIMBURSEMENT TO THE
NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

WHEREAS, pursuant to the Meadowlands Conservation Trust Act (the “Act”), N.J.S.A. 13:17-91(h), the Meadowlands Conservation Trust (“MCT”) may call to its assistance and avail itself of the services of such employees of any governmental entity as it may require and as may be available to it for the purpose of exercising its powers and performing its duties; and

WHEREAS, also pursuant to the Act, N.J.S.A. 13:17-91(r), MCT may establish a special working relationship with the New Jersey Meadowlands Commission, now the New Jersey Sports and Exposition Authority (“NJSEA”) in furthering the purposes of the MCT; and

WHEREAS, NJSEA provided assistance to MCT by providing NJSEA staff to assist MCT in exercising its powers and performing its duties as set forth in the Act; and

WHEREAS, MCT is authorized by N.J.S.A. 13:17-91(k) to make, enter into, and perform all contracts and agreements necessary or incidental to the exercise of its powers and the performance of its duties;

WHEREAS, MCT seeks to provide partial reimbursement to the NJSEA for costs associated with the employment of individuals and operating expenses assisting MCT in exercising its powers and performing its duties as set forth in the Act in the amount of $150,000.00 for 2015;

NOW, THEREFORE, BE IT RESOLVED that MCT hereby approves reimbursement to the NJSEA for costs associated with the employment of individuals and operating expenses assisting MCT in exercising its powers and performing its duties as set forth in the Act in the amount of $150,000.00 for 2015.

The foregoing Resolution was adopted by Meadowlands Conservation Trust vote.

________________________________________
William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of October 18, 2016.

________________________________________
Christine A. Sanz, Chief Executive Officer

Resolution No. 16-08
MEADOWLANDS CONSERVATION TRUST

RESOLUTION AUTHORIZING THE APPROPRIATION OF $20,000.00 FOR THE MEHRHOF POND PUBLIC ACCESS AND OBSERVATION AREA PROJECT

WHEREAS, the Meadowlands Conservation Trust ("MCT") is seeking to enhance public access in the area located in close proximity to the BCUA Mehrhof Pond for the purpose of improving access for the viewing of wildlife; and

WHEREAS, the area possesses significant natural, scenic and wildlife habitat and is composed of natural resources, to which, enhanced access will yield a significant public benefit;

WHEREAS, the improvements would include additional cyclone fencing to match already existing fencing, an informational board regarding history and nature in the area, and a wildlife observation blind that would provide access to birders and/or nature enthusiasts; and

WHEREAS, the MCT presented a conceptual plan for the observation area, hereto attached as Exhibit A to the BCUA; and

WHEREAS, the BCUA has expressed preliminary interest in making this a joint effort; and

WHEREAS, as authorized by Resolution 16-04, the MCT staff obtained price proposals in accordance with laws governing public procurement for the fence and bird blind, as well as any other minor improvements to enhance public access for nature viewing; and

NOW THEREFORE BE IT RESOLVED that the Meadowlands Conservation Trust’s Board of Trustees hereby authorizes the appropriation of an amount not to exceed $20,000.00 towards the furtherance of the Mehrhof Pond Public Access and Observation Area Project.

The foregoing resolution was adopted by Meadowlands Conservation Trust vote.

______________
William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust as their meeting of October 18, 2016.

______________
Christine A. Sanz, Chief Executive Officer

Resolution No. 16-09
RESOLUTION: CLOSED SESSION

WHEREAS, the Open Public Meetings Act, NJSA 10:4-12 (b), permits the holding of closed sessions by public bodies in certain circumstances; and

WHEREAS, the Meadowlands Conservation Trust (MCT) is of the opinion that those circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That a closed session of the MCT will be held to discuss the following:
   - Eastern and Western Brackish Marsh Property Transactions Status/Legal Advice

2. It is anticipated at this time that the above subject matter(s) will be made public upon completion of said matter(s).

This resolution shall become effective immediately. The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

[Signature]
William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of October 18, 2016.

[Signature]
Christine A. Sanz, Chief Executive Officer

Resolution No. 16-10
MEADOWLANDS CONSERVATION TRUST

RESOLUTION TO ADOPT THE MEADOWLANDS CONSERVATION TRUST
2017 MEETING SCHEDULE

NOW THEREFORE BE IT RESOLVED that the attached MCT Annual Schedule of Meetings for 2017 is hereby adopted.

BE IT FURTHER RESOLVED that a copy of the schedule shall be forwarded to all persons entitled to notice of the Annual Schedule of Meetings and posted on the NJSEA bulletin boards located in the lobbies of the Administration and Environment Center buildings at One and Two DeKorte Park Plaza, Lyndhurst, New Jersey.

The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

[Signature]
William Sheehan, Chairman

I hereby certify the foregoing to by a true copy of the Resolution adopted by the Meadowlands Conservation Trust at its meeting of December 14, 2016.

[Signature]
Christine A. Sanz, Chief Executive Officer

Resolution No. 16-11
2017 MEADOWLANDS CONSERVATION TRUST
ANNUAL SCHEDULE OF MEETINGS

February 8, 2017
April 12, 2017
June 14, 2017
August 9, 2017
October 11, 2017
December 13, 2017

Additional meetings may be added if deemed necessary.

All meetings begin at 10:00 a.m. in the
NJSEA Environment Center’s 2nd Floor Lecture Room
Two DeKorte Park Plaza, Lyndhurst, NJ
RESOLUTION ADOPTING THE MEADOWLANDS CONSERVATION TRUST
CALENDAR YEAR 2017 BUDGET

BE IT RESOLVED that the attached Meadowlands Conservation Trust Calendar Year 2017 Budget is hereby approved and adopted.

The foregoing Resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of December 14, 2016.

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-12
## Meadowlands Conservation Trust
## Comparative Budgetary Statement
## Calendar Year 2017

### Operations and Maintenance Budget

<table>
<thead>
<tr>
<th>Revenue Budget</th>
<th>Budget Calendar Year 2016</th>
<th>Projected Actual 2016</th>
<th>Proposed Budget 2017</th>
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<td>License Plate Income</td>
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<td>17,500</td>
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<tr>
<td>Kane Tract - Annual Receivable</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Sale of Mitigation Rights</td>
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<td>-</td>
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<tr>
<td>Interest Income</td>
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<td><strong>Total Revenues</strong></td>
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<td><strong>$ 270,730</strong></td>
<td><strong>$ 1,295,100</strong></td>
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<table>
<thead>
<tr>
<th>Expense Budget</th>
<th>Proposed Budget 2016</th>
<th>Projected Actual 2016</th>
<th>Proposed Budget 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Fringe Benefits</td>
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<td>$ 357</td>
<td>$ -</td>
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<td>Supplies</td>
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<td>Services</td>
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<td>Kane Tract Expense</td>
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<td>Repairs &amp; Maintenance</td>
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<td>NJSEA Administrative Services</td>
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<td>Improvement/Education Initiatives</td>
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<tr>
<td>Property acquisition</td>
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<td>1,000,000</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 226,300</strong></td>
<td><strong>$ 270,730</strong></td>
<td><strong>$ 1,295,100</strong></td>
</tr>
</tbody>
</table>
RESOLUTION ACCEPTING THE MEADOWLANDS CONSERVATION TRUST
2015 ANNUAL AUDIT AND FINANCIAL REPORT

BE IT RESOLVED that the Meadowlands Conservation Trust Annual Audit and Financial Report prepared by O'Connor Davies, LLP, Certified Public Accountants, for the year ending December 31, 2015 is hereby accepted.

The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

William Sheehan, Chairman

I certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at its meeting of December 14, 2016.

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-13
RESOLUTION: CLOSED SESSION

WHEREAS, the Open Public Meetings Act, NJSA 10:4-12 (b), permits the holding of closed sessions by public bodies in certain circumstances; and

WHEREAS, the Meadowlands Conservation Trust (MCT) is of the opinion that those circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That a closed session of the MCT will be held to discuss the following:
   
   - Eastern / Western Brackish Marsh Property Transactions – Status/Legal Advice

2. It is anticipated at this time that the above subject matter(s) will be made public upon completion of said matter(s).

This resolution shall become effective immediately. The foregoing resolution was adopted by Meadowlands Conservation Trust Board of Trustee vote.

[Signature]

William Sheehan, Chairman

I hereby certify the foregoing to be a true copy of the Resolution adopted by the Meadowlands Conservation Trust at their meeting of December 14, 2016.

[Signature]

Christine A. Sanz, Chief Executive Officer

Resolution No. 16-14