

**New Jersey Sustainable Energy
Joint Meeting**

Parsippany, New Jersey

Financial Statements
For the Years Ended December 31, 2020 and 2019

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
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DECEMBER 31, 2020

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BKR International

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the New Jersey Sustainable Energy Joint Meeting (the "Joint Meeting") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Joint Meeting'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 opinions 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, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 audits 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 opinions.

Opinions

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, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Honorable Chairperson and Members
of the Executive Committee
New Jersey Sustainable Energy Joint Meeting
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") 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 MD&A 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Joint Meeting's basic financial statements. The Other Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021 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, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Joint Meeting's 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 Joint Meeting's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
June 21, 2021

Nisivoccia LLP

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
Management Discussion and Analysis

This section of the annual financial report of the Joint Meeting presents a discussion and analysis of the financial performance of the Joint Meeting for the years ended December 31, 2020 and 2019. Please read it in conjunction with the basic financial statements, the notes, and supplementary schedules that follow this section.

Overview of Basic Financial Statements

The Joint Meeting's basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities. The primary purpose of the Joint Meeting is to provide 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 basic financial statements are presented on an accrual basis of accounting. The three basic financial statements presented are as follows:

Statement of Net Position – This statement presents information reflecting the Joint Meeting's assets, liabilities, deferred outflows and inflows of resources, and net position. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.

Statement of Revenue, Expenses, and Changes in Net Position – This statement reflects the Joint Meeting's operating revenues and expenses, as well as non-operating items during the reporting period. The change in net position for an enterprise fund is similar to net profit or loss for any other for profit company.

Statement of Cash Flows – The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Financial Highlights

The following tables summarize the financial position and results of operations for the Joint Meeting as of and for the years ended December 31, 2020, 2019 and 2018.

SUMMARY OF STATEMENT OF NET POSITION

	<u>2020</u>	<u>2019</u>	<u>2019/2020 Percent Change</u>	<u>2018</u>	<u>2018/2019 Percent Change</u>
ASSETS:					
Cash and Cash Equivalents	\$ 1,133,927	\$ 1,104,737	2.64%	\$ 979,862	12.74%
Commissions Receivable	53,052	73,681	-28.00%	63,270	16.45%
Total	<u>1,186,979</u>	<u>1,178,418</u>	0.73%	<u>1,043,132</u>	12.97%
LIABILITIES:					
Other Liabilities	226,564	204,621	10.72%	136,612	49.78%
Total	<u>226,564</u>	<u>204,621</u>	10.72%	<u>136,612</u>	49.78%
NET POSITION:					
Unrestricted	<u>\$ 960,415</u>	<u>\$ 973,797</u>	-1.37%	<u>\$ 906,520</u>	7.42%

SUMMARY OF STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	2020	2019	2019/2020 Percent Change	2018	2018/2019 Percent Change
Operating Revenue:					
Commissions Earned	\$ 392,244	\$ 453,748	-13.55%	\$ 444,010	2.19%
Total Operating Revenue	<u>392,244</u>	<u>453,748</u>	-13.55%	<u>444,010</u>	2.19%
Operating Expenses:					
Commissions Ceded	200,000	200,000	0.00%	158,336	26.31%
Energy Consultants	177,901	177,289	0.35%	176,568	0.41%
Administrative and Operating Expenses	<u>36,316</u>	<u>30,584</u>	18.74%	<u>40,302</u>	-24.11%
Total Operating Expenses	<u>414,217</u>	<u>407,873</u>	1.56%	<u>375,206</u>	8.71%
Operating Income/(Loss)	(21,973)	45,875	-147.90%	68,804	-33.33%
Non-Operating Revenue/(Expense):					
Investment Income	<u>8,591</u>	<u>21,402</u>	-59.86%	<u>15,067</u>	42.05%
Change in Net Position	<u>\$ (13,382)</u>	<u>\$ 67,277</u>	-119.89%	<u>\$ 83,871</u>	-19.79%

The Joint Meetings' total assets increased by 0.73% and liabilities increased by 10.72%, resulting in a 1.37% decrease in net position in 2020. In 2019 total assets increased by 12.97% and the liabilities increased by 49.78%, resulting in a 7.42% increase in net position.

In 2020 Commissions earned decreased 13.55% and commissions ceded remained the same. In 2019, Commissions earned increased 2.19% and commissions ceded increased 26.31%.

The Joint Meeting continues to closely monitor regulatory developments to assure that it can measure the impact upon its own liabilities and to allow it to refine the services and guidelines offered to its membership.

BASIC FINANCIAL STATEMENTS

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
STATEMENT OF NET POSITION

<u>ASSETS:</u>	December 31,	
	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 1,133,927	\$ 1,104,737
Commissions Receivable	<u>53,052</u>	<u>73,681</u>
Total Assets	<u>1,186,979</u>	<u>1,178,418</u>
 <u>LIABILITIES:</u>		
Accounts Payable - Vendors	4,334	88,923
Commissions Payable	<u>222,230</u>	<u>115,698</u>
Total Liabilities	<u>226,564</u>	<u>204,621</u>
 <u>NET POSITION:</u>		
Unrestricted	<u>\$ 960,415</u>	<u>\$ 973,797</u>

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

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	Year Ended December 31,	
	2020	2019
Operating Revenue:		
Commissions Earned	\$ 392,244	\$ 453,748
Total Operating Revenue	<u>392,244</u>	<u>453,748</u>
Operating Expenses:		
Commissions Ceded:		
Executive Director	100,000	100,000
Attorney	100,000	100,000
Contractual Expenses:		
Energy Consultants	177,901	177,289
Financial Administration	9,830	8,490
Non-Contractual Expenses	<u>26,486</u>	<u>22,094</u>
Total Operating Expenses	<u>414,217</u>	<u>407,873</u>
Operating Income/ (Loss)	(21,973)	45,875
Non-operating Revenue:		
Investment Income	<u>8,591</u>	<u>21,402</u>
Increase/(Decrease) in Net Position	(13,382)	67,277
Net Position - January 1	<u>973,797</u>	<u>906,520</u>
Net Position - December 31	<u>\$ 960,415</u>	<u>\$ 973,797</u>

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

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
STATEMENT OF CASH FLOWS

	Year Ended December 31,	
	2020	2019
Cash Flows from Operating Activities:		
Commissions Collected	\$ 412,873	\$ 443,337
Commissions Ceded	(93,468)	(125,966)
Contractual/NonContractual Expenses Paid	(298,806)	(213,898)
Net Cash Provided by Operating Activities	<u>20,599</u>	<u>103,473</u>
Cash Flows from Investing Activities:		
Interest and Dividends on Investments	<u>8,591</u>	<u>21,402</u>
Net Cash Provided by Investing Activities	<u>8,591</u>	<u>21,402</u>
Net Increase in Cash	29,190	124,875
Cash at Beginning of Year	<u>1,104,737</u>	<u>979,862</u>
Cash at End of Year	<u>\$ 1,133,927</u>	<u>\$ 1,104,737</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ (21,973)	\$ 45,875
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Commissions Receivable	20,629	(10,411)
Increase/(Decrease) in Accounts Payable - Vendors	(84,589)	(6,025)
Increase/(Decrease) in Commissions Payable	<u>106,532</u>	<u>74,034</u>
Net Cash Provided by Operating Activities	<u>\$ 20,599</u>	<u>\$ 103,473</u>

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

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 Statute 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. The auditor reviews and tests the Joint Meeting's compliance with the requirements of the Local Public Contracts Law annually.

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.

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

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

Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The combined financial statements include all funds of the Fund over which the Fund 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 fiscal year. Furthermore, the Fund 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.

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

During the August 26th 2016 New Jersey Sustainable Energy Joint Meeting the Executive Committee voted to return the membership fees of \$150 to the existing membership and waive the membership fee for any new members from that point forward. The fees were distributed back to the membership during the week of October 10, 2016.

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. In addition, certain short-term money market investments are reported at amortized cost.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions 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, 2020
 (Continued)

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB 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 below.

Custodial Credit Risk – The Joint Meeting's policy with respect to custodial credit risk requires that the Fund ensures that Fund's cash and cash equivalents are only deposited in financial institutions in which NJ insurance funds are permitted to invest their cash and cash equivalents.

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;

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

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

Investments: (Cont'd)

- (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, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (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 section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2020 cash and cash equivalents of the Joint Meeting consisted of the following:

Checking and Savings Accounts	<u>\$ 1,133,927</u>
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The carrying amount of the Joint Meeting's cash and cash equivalents at cost at December 31, 2020 was \$1,133,927 and the bank balance was \$1,138,877.

The carrying amount of the Joint Meeting's cash and cash equivalents at cost at December 31, 2019 was \$1,104,737 and the bank balance was \$1,104,737.

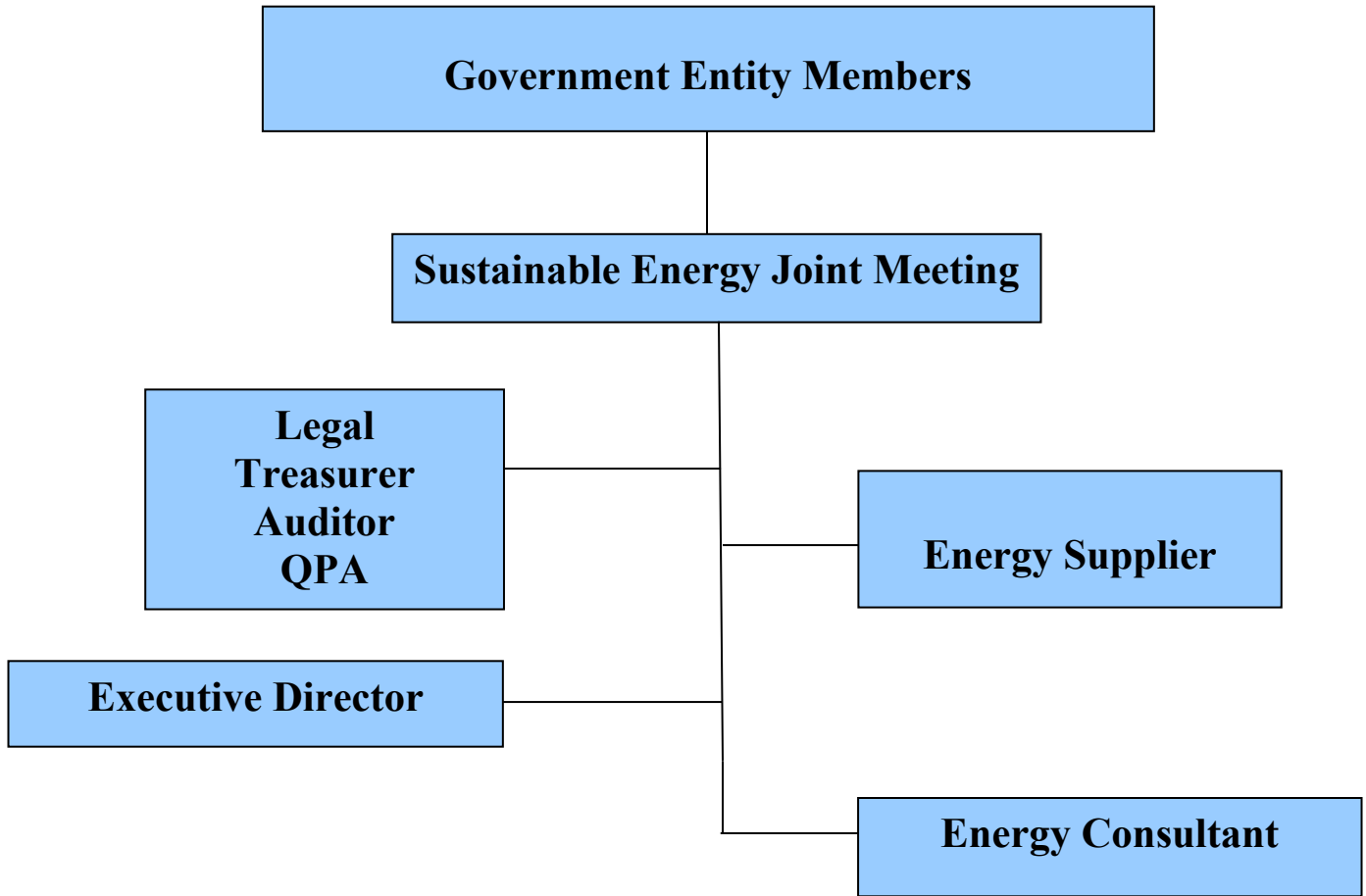
OTHER INFORMATION

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
ROSTER OF OFFICIALS AND CONSULTANTS
DECEMBER 31, 2020
(Unaudited)

William Close	Chairman - Executive Committee
Charles Cuccia	Secretary - Executive Committee
Joseph Catenaro	Executive Committee
Thomas Nolan	Executive Committee
Michael Theokas	Executive Committee
<i>Vacant</i>	Executive Committee
Diane Lapp	Executive Committee
Silvio Esposito	Executive Committee Alternate
Gregory Franz	Executive Committee Alternate
Tim Dacey	Executive Committee Alternate
Michael Gianforte	Executive Committee Alternate
<i>Vacant</i>	Executive Committee Alternate
David Taraschi	Executive Committee Alternate
Veronica Laureigh	Executive Committee Alternate
Perma Risk Management Services	Administrator
Gabel Associates	Energy Consultant
Stephen Sacco	Executive Director
Jon Rheinhardt	Treasurer
Maley Givens	Attorney
Nisivoccia LLP	Auditor
The Canning Group	Qualified Purchasing Agent

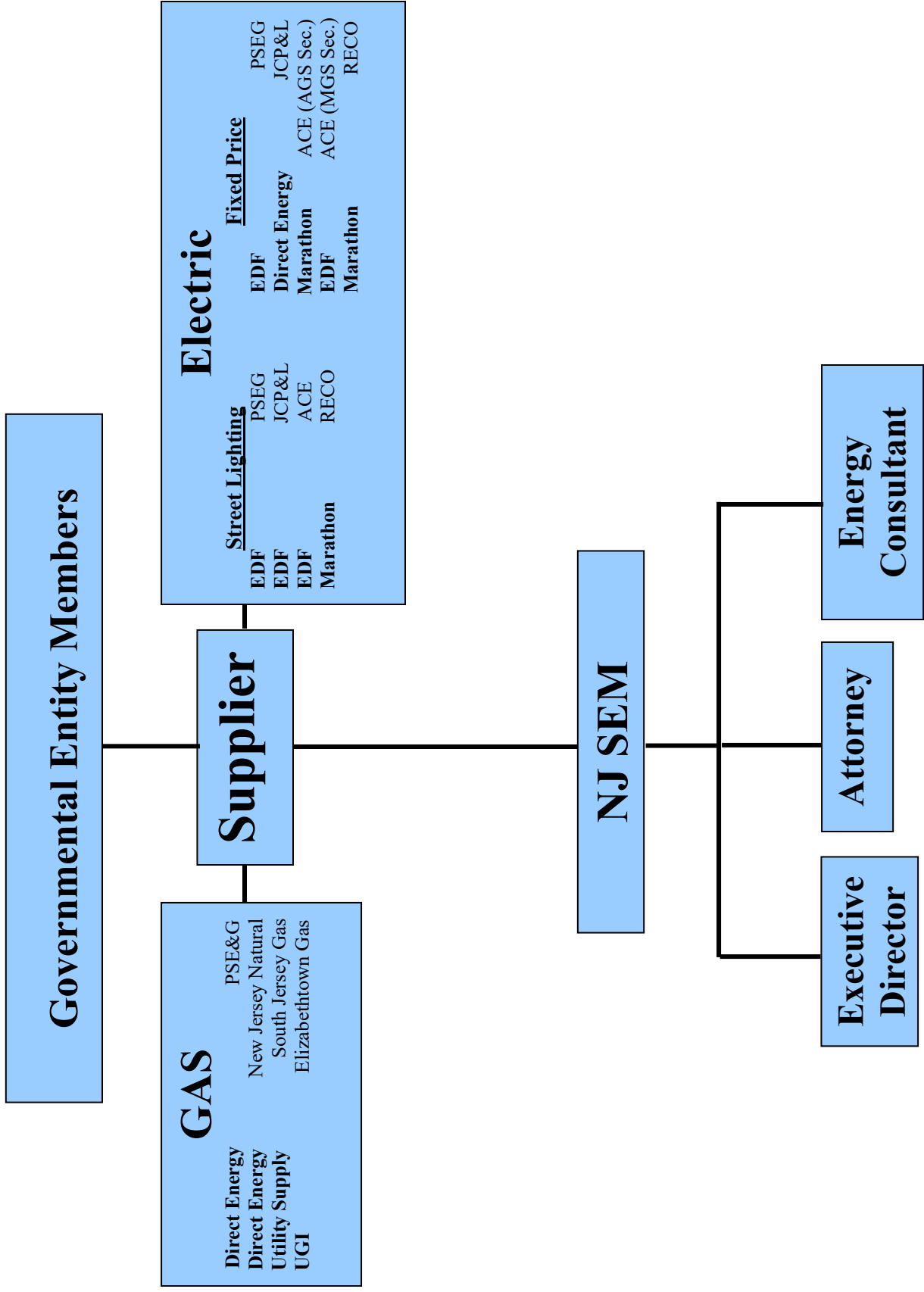
New Jersey Sustainable Energy Joint Meeting Organizational Chart

(Unaudited)



NJ SEM Payment Structure

(Unaudited)



NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
MEMBERSHIP LISTING - GAS AND ELECTRIC UTILITY
DECEMBER 31, 2020
(Unaudited)

<u>Member</u>	<u>Fund Commissioner</u>	<u>Gas Utility</u>	<u>Electric Utility</u>
Aberdeen Township	Holly Reycraft	NJNG	JCP&L
Allenhurst	Donna Campagna	NJNG	JCP&L
Allentown Borough	Thomas Fritts	PSE&G	PSE&G
Alpine Borough	Paul Tomasko	PSE&G	RECO
Andover Township	Diana Francisco	Etown	JCP&L
Atlantic Highlands	Adam Hubeny	NJNG	JCP&L
Audubon Borough	Dave Taraschi	PSE&G	PSE&G
Barrington	Terry Shannon	PSE&G	PSE&G
Bay Head	Patricia Applegate	NJNG	JCP&L
Bayshore Regional Sewerage Authority	Pete Canal	NJNG	JCP&L
Beach Haven	Sherry Mason	NJNG	ACE
Bedminster Township	Judith A. Sullivan	PSE&G	JCP&L
Bellmawr	Maria Fasulo	PSE&G	PSE&G
Belmar	Patricia Zwirz	NJNG	JCP&L
Berkeley Township Sewerage Authority	Pete Cunningham	NJNG	JCP&L
Berkley Township Municipal Utilities Authority	Michelle Nugent	NJNG	JCP&L
Bernards Township	Sean McCarthy	PSE&G	JCP&L
Bernards Twp Sewrage Authority	Thomas Timko	PSE&G	JCP&L
Bernardsville Borough	Ralph Maresca	PSE&G	JCP&L
Bernardsville Public Library	Alexandria Arnold	PSE&G	JCP&L
Beverly City	Rich Wolbert	PSE&G	PSE&G
Boonton Town of	Neil Henry	NJNG	JCP&L
Boonton township	Douglas Cabana	NJNG	JCP&L
Bordentown Township	Michael Theokas	PSE&G	PSE&G
Branchburg Township	Denise Piszkowski	PSE&G	PSE&G
Brick Township Municipal Utilities Authority	John Clifford	NJNG	JCP&L
Brielle	Thomas Nolan	NJNG	JCP&L
Burlington Township	Stephen Fazekas	PSE&G	PSE&G
Cape May County MUA	Joshua Palombo	SJGC	ACE
Chatham Borough	Vincent DeNave	JCP&L	JCP&L
Chatham Township	Robert Hoffmann	PSE&G	JCP&L
Cherry Hill Township	Alvina Plodzyn	PSE&G	PSE&G
Chester Borough	Margaret Nordstrom	PSE&G	JCP&L
Chester Township	Derek Macchia	PSE&G	JCP&L
City of Orange	Christopher Hartwyk	PSE&G	JCP&L
Clinton Township	Jesse Landon	PSE&G	JCP&L
Collingswood	Cassandra Duffey	PSE&G	PSE&G
Deal Borough	Stephen Carasia	NJNG	JCP&L
Delanco Township	Richard Schwab	PSE&G	PSE&G
Delran Township	Jeffrey S Hatcher	PSE&G	PSE&G
Denville Township	Michael J. Guarino	NJNG	JCP&L
Dover Township	Carlos Sanchez	NJNG	JCP&L
East Orange Housing Authority	Wilbert O. Gill	PSE&G	PSE&G
Eastampton Township	Kim-Marie White	PSE&G	PSE&G
Eatontown	William Lucia	NJNG	PSE&G
Eatontown Sewerage Authority	Theodore Lewis	NJNG	JCP&L
Edgewater Borough	Greg Franz	PSE&G	PSE&G
Edgewater Park Township	Tom Pullion	PSE&G	PSE&G
Elizabeth	Jill McDonough	NJNG	PSE&G
Elizabeth Parking Authority	Carlos Alma	Etown	PSE&G
Elmwood Park	Erin Delaney	PSE&G	PSE&G
Englewood City	Jesse Coward	PSE&G	PSE&G
Englewood Cliffs Borough	Lisette Duffy	PSE&G	PSE&G

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
MEMBERSHIP LISTING - GAS AND ELECTRIC UTILITY
DECEMBER 31, 2020
(Unaudited)

<u>Member</u>	<u>Fund Commissioner</u>	<u>Gas Utility</u>	<u>Electric Utility</u>
Fair Haven	Theresa Casagrande	NJNG	JCP&L
Fair Lawn Borough	James VanKruiningen	PSE&G	PSE&G
Fairfield Township	Joseph Catenaro	PSE&G	PSE&G
Fanwood Borough	Eleanor McGovern	Etown	PSE&G
Farmingdale Borough	Elizabeth Griffin	NJNG	JCP&L
Florence Township	Steve Fazekas	PSE&G	PSE&G
Florham Park	Carl Ganger	PSE&G	JCP&L
Fort Lee Borough	Al Restaino	PSE&G	PSE&G
Fort Lee Parking Authority	Al Restaino	PSE&G	PSE&G
Frankford Township	Patricia Bussow	Etown	JCP&L
Franklin Lakes Borough	Mayor Frank Bivona	PSE&G	RECO
Franklin Township	Judd Moore	SJGC	ACE
Franklin Township	Cindy Belanger	PSE&G	PSE&G
Freehold Borough	Stephen Gallo	NJNG	JCP&L
Freehold Township	Peter Valesi	NJNG	JCP&L
Garfield City	Thomas J. Duch	PSE&G	PSE&G
Garfield Housing Authority	Martin Geisler	PSE&G	PSE&G
Gibbsboro Borough	Anita Mancini	SJGC	ACE
Glen Rock Borough	Lenora Benjamin	PSE&G	PSE&G
Haddon Heights	Zachary Houck	PSE&G	PSE&G
Hamilton Township Fire district No 9	Aaron Heller	PSE&G	PSE&G
Hanover Township	Silvio Esposito	PSE&G	JCP&L
Harrington Park	Paul Hoelscher	PSE&G	RECO
Haworth Borough	Anne Fay	PSE&G	PSE&G
Hazlet Township	Dennis Pino	NJNG	JCP&L
High Bridge Borough	Bonnie Fleming	N/A	JCP&L
Jackson Township	Sharon Pinkava	NJNG	JCP&L
Jackson Township MUA	James Diaz	NJNG	JCP&L
Kenilworth	Joseph DeIorio	Etown	PSE&G
Keyport Borough	Jay Delaney	NJNG	JCP&L
Lacey Municipal Utilities Authority	Deborah Kramer	NJNG	JCP&L
Lacey Township	Veronica Laureigh	NJNG	JCP&L
Lafayette Township	Gail Magura	Etown	JCP&L
Lakewood Township MUA	Justin Flancbaum	NJNG	JCP&L
Library of the Chathams	Karen Brodsky	PSE&G	JCP&L
Lincoln Park Borough	Perry Mayers	NJNG	JCP&L
Little Ferry Borough	Barbara Maldonado	PSE&G	PSE&G
Little Silver	Sharon Kavendek	NJNG	JCP&L
Loch Arbour	Marilyn Simons	NJNG	JCP&L
Lodi Borough	Vincent Carurso	PSE&G	PSE&G
Long Beach Township	Lynda Wells	NJNG	ACE
Long Hill Township	Nancy Malool	PSE&G	JCP&L
Lower Township Municipal Utilities Authority	Michael Chapman	SJGC	ACE
Lyndhurst Twp	Don Spagnuolo	PSE&G	PSE&G
Manalapan Twp	Rose LaFergola	NJNG	JCP&L
Manasquan Borough	Amy Spera	NJNG	JCP&L
Manasquan River Regional Sewarage Authority	Brian Brach	NJNG	JCP&L
Manchester Twp.	Diane Lapp	NJNG	JCP&L
Mansfield Township	Linda Semus	PSE&G	PSE&G
Mantua Township	Jennica Bileci	SJGC	ACE
Maple Shade	Susan Danson	PSE&G	PSE&G
Matawan Borough	John Applegate	NJNG	JCP&L
Maywood	Charles Cuccia	PSE&G	PSE&G

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
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DECEMBER 31, 2020
(Unaudited)

<u>Member</u>	<u>Fund Commissioner</u>	<u>Gas Utility</u>	<u>Electric Utility</u>
Medford Township	Kathy Burger	PSE&G	PSE&G
Mendham Borough	Jeanne Pugsley	PSE&G	JCP&L
Mendham Township	Karen Fornaro	PSE&G	JCP&L
Merchantville-Pennsauken Water Commission	Richard Spafford	PSE&G	PSE&G
Metuchen Borough	Jay Muldoon	PSE&G	PSE&G
Middletown Sewerage Authority, Township of	Brian Rischman	NJNG	JCP&L
Middletown Township	Anthony Mercantante	NJNG	JCP&L
Midland Park Borough	Marc Seemon	PSE&G	PSE&G
Millburn Township	Alexander McDonald	PSE&G	JCP&L
MillStone Twp	Amanda Salerno	PSE&G	JCP&L
Monmouth County Bayshore Outfall Authority	Michael Sachs	NJNG	JCP&L
Monroe Township	Alan Weinberg	PSE&G	PSE&G
Montgomery Township	Donato Nieman	PSE&G	PSE&G
Montvale Borough	Maureen Iarossi	PSE&G	RECO
Montville Township	June Hercek	NJNG	JCP&L
Morris Plains Borough	June Uhrin	NJNG	JCP&L
Mount Ephraim Borough	Joseph Wolk	PSE&G	PSE&G
Mount Olive Township	Andrew Tatarenko	Etown	JCP&L
Mountain Lakes Borough	Mitchell Stern	NJNG	JCP&L
Mountainside Borough	Tom Atkins	Etown	JCP&L
Mountainside Public Library	Ian Sloat	Etown	PSE&G
Netcong Borough	Ralph E. Blakeslee, III	NJNG	JCP&L
New Brunswick	Patty Murray	PSE&G	PSE&G
New Brunswick Parking Authority	Mitchell Karon	PSE&G	PSE&G
New Milford	Kathy Michkowski	PSE&G	PSE&G
North Bergen Municipal Utilities Authority	Frank Pestana	PSE&G	PSE&G
North Brunswick	Kathy Monzo	PSE&G	PSE&G
North Caldwell	Kevin O'Sullivan	PSE&G	PSE&G
Nutley	Mauro Tucci	PSE&G	PSE&G
Nutley BOE	Karen A. Yeamans	PSE&G	PSE&G
Oakland Borough	Richard Kunze	PSE&G	RECO
Ocean Township	Mike Muscillo	NJNG	JCP&L
Ocean Township Sewerage Authority	William Schmeling	NJNG	JCP&L
Oceanport Borough	Donna Phelps	NJNG	JCP&L
Oradell	Laura Graham	PSE&G	PSE&G
Parsippany-Troy Hill	Keith Kazmark	NJNG	JCP&L
Passaic Valley Water Commission	Gregg Lucianin	PSE&G	PSE&G
Piscataway Township	Tim Dacey	PSE&G	PSE&G
Pohatcong Township	Lorraine Rossetti	Etown	JCP&L
Pompton Lakes MUA	Mary Read	PSE&G	JCP&L
Ramsey Borough	Bruce Vozeh	PSE&G	RECO
Randolph Township	Darren Maloney	NJNG	JCP&L
Readington-Lebanon Sewerage Authority	Jill Plesnarski	Etown	JCP&L
Red Bank Borough	Ziad Shehady	NJNG	JCP&L
Ridgefield Free Public Library	Jane Forte	PSE&G	PSE&G
Ridgewood Village	Heather Mailander	PSE&G	PSE&G
River Edge	Ray Poerio	PSE&G	PSE&G
Riverside Township	Meghan Jack	PSE&G	PSE&G
Rockaway Borough	Patricia Reiche	NJNG	JCP&L
Rockaway Township	Lisa Palmieri	NJNG	JCP&L
Roxbury Township	John Shepherd	NJNG	JCP&L
Rumson Borough	Thomas Rogers	NJNG	JCP&L
Saddle River	Jerry Giaimis	PSE&G	RECO

NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING
MEMBERSHIP LISTING - GAS AND ELECTRIC UTILITY
DECEMBER 31, 2020
(Unaudited)

<u>Member</u>	<u>Fund Commissioner</u>	<u>Gas Utility</u>	<u>Electric Utility</u>
Scotch Plains Township	Alexander Mirabella	Etown	PSE&G
Sea Girt	Lorraine Carafa	NJNG	JCP&L
Secaucus Housing Authority	Jacob Naszimento	PSE&G	PSE&G
Shrewsbury Township	Tom Seaman	NJNG	JCP&L
South Hackensack Township	Donna Gambutti	PSE&G	PSE&G
Sparta Township	William Close	Etown	JCP&L
Springfield Township	Paul Keller	PSE&G	JCP&L
Stafford Township	Gregory Myhre	NJNG	ACE
Stanhope	Dana Mooney	Etown	JCP&L
Stillwater Township	Lynda Knott	N/A	JCP&L
Stone Harbor	Jim Craft	SJGC	ACE
Summit City	Jin Blades	PSE&G	JCP&L
Surf City	Michael Gross	NJNG	ACE
Tabernacle Township	Douglas Cramer	NJNG	ACE
Toms River	Gail Catania	SJGC	JCP&L
Township of Union	Grace Brennan	NJNG	JCP&L
Trenton Parking Authority	Walter Drew Smith	Etown	PSE&G
Two Rivers Water Reclamation Authority	Michael A. Gianforte	NJNG	JCP&L
Union Beach	Anne Marie Friscia	NJNG	JCP&L
Union Township	Tammie Kopin	NJNG	PSE&G
Upper Freehold Township	Dianne Kelly	PSE&G	PSE&G
Upper Saddle River	Gene Leporiere	PSE&G	RECO
Vernon Township	Charles Voelker	Etown	JCP&L
Wall Township	Robert Coman	NJNG	JCP&L
Wallington Borough	Hector Olmo	PSE&G	PSE&G
Wanaque Valley Regional Sewerage Authority	Gregory White	PSE&G	JCP&L
Washington Borough	Matthew Hall	JCP&L	JCP&L
Washington Township	Andrew Coppola	Etown	JCP&L
Washington Township	Peter deBoer	NJNG	JCP&L
Washington Township MUA	Christine Kattermann	Etown	JCP&L
Watchung Borough	Hans Juette	Etown	PSE&G
West Milford	Catherine Shanahan	PSE&G	RECO
West Windsor Township	Marlena Schmid	PSE&G	JCP&L
Westampton Township	Jim Brady	PSE&G	PSE&G
Westfield Town	James H. Gildea	Etown	PSE&G
Westwood Borough	Ben Kezmarsky	PSE&G	PSE&G
Wharton	Scott Hutchins	NJNG	JCP&L
Willingboro MUA	Andrew Webber	PSE&G	PSE&G
Willingboro Township	Richard Brevogel	PSE&G	PSE&G
Winslow Township	Jennifer Conway	SJGC	ACE
Winslow Township Fire District #1	Lorraine Azzarano	SJGC	ACE

**New Jersey Sustainable Energy Joint Meeting
Schedule of Usage, Billed Energy for Members During the Contract Period
Calendar Period 1/1/2020 to 12/31/2020 (Unaudited)**

Electric:

Supplier	Month/kWh												Total kWh
	January	February	March	April	May	June	July	August	September	October	November	December	
South Jersey Energy	11,552,910	13,952,871	12,496,609	11,118,157	11,522,969	10,163,612	7,111,310	2,061,617	899,833	1,128,606	314,233	287,941	82,610,668
Direct								20,240,958	5,393,515	5,234,744	7,217,563	7,065,819	45,152,599
Constellation	5,321,230	4,447,613	4,378,967	4,152,628	2,769,743	2,445,952	191,775	369,688	441,405	N/A	N/A	N/A	24,519,001
TriEagle Energy	4,711	4,547	4,555	4,225	4,183	4,088	4,087	4,097	4,186	7,679	2,370		48,728
EDF							9,109,043	10,506,934	10,503,119	19,638,628	11,143,916	11,216,694	72,118,334
Marathon							88,149	759,196	872,030	848,002	560,294	884,256	4,011,927
Total kWh	16,878,851	18,405,031	16,880,131	15,275,010	14,296,895	12,613,652	16,504,364	33,942,490	18,114,088	26,857,659	19,238,376	19,454,710	228,461,257
Commissions Earned													\$ 14,993,000
Energy Consultant Fee													\$ 2,187,000
Total													\$ 155,354

Month/therms	
January	February
626,768	657,332
25,775	32,257
42,276	18,915
694,820	708,504
Est. Costs*	742,398
Est. Savings**	4,530
	77,273
	4,384,390
	2,476,000
	(116,000)
	87,688
	43,405

Gas:

Supplier	Month/therms												Total therms
	January	February	March	April	May	June	July	August	September	October	November	December	
South Jersey Energy													
Direct													
UGI Energy	626,768	657,332	433,182	364,686	160,608	102,610	84,698	41,487	145,588	194,366	536,778	742,398	4,090,501
Constellation	25,775	32,257	8,371	25,775	32,257	8,371	7,552	3,448	42,063	3,857	22,361	4,530	216,617
	42,276	18,915	7,794					8,287					77,273
Total therms	694,820	708,504	441,553	390,461	200,659	110,981	92,250	53,222	187,651	198,223	559,139	746,928	4,384,390
Commissions Earned													\$ 2,476,000
Energy Consultant Fee													\$ (116,000)
													\$ 87,688
													\$ 43,405
													\$ 2,071,000

Summary: Electric and Gas Savings

Notes

* All gas and electric cost savings and actual costs have been estimated with a confidence level of anywhere between 80% and 90%.
 **NJSEEM natural gas supply contract provides for a fully-hedged price, as compared to the gas utility tariff price which floats monthly with the spot market prices. 2020 produced anomalous results due to the impacts of COVID-19, as natural gas spot prices crashed during much of 2020 due to the drastic loss of economic activity. Hedged NJSEEM natural gas contracts have produced savings in surrounding 'normal' calendar years as compared to the volatile utility tariff prices.
 2018: \$0.551 Million in estimated savings
 2019: \$0.456 Million in estimated savings
 2021 \$0.322 Million in estimated savings (based upon 7 months of actual data and 5 months projected tariff prices based upon current futures market prices)

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS



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Independent Member
BKR International

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 Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 New Jersey Sustainable Energy Joint Meeting (the "Joint Meeting") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Joint Meeting's basic financial statements, and have issued our report thereon dated June 21, 2021.

Internal Control Over Financial Reporting

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

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 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 financial statements. 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.

Mount Arlington, New Jersey
June 21, 2021

Nisivoccia LLP