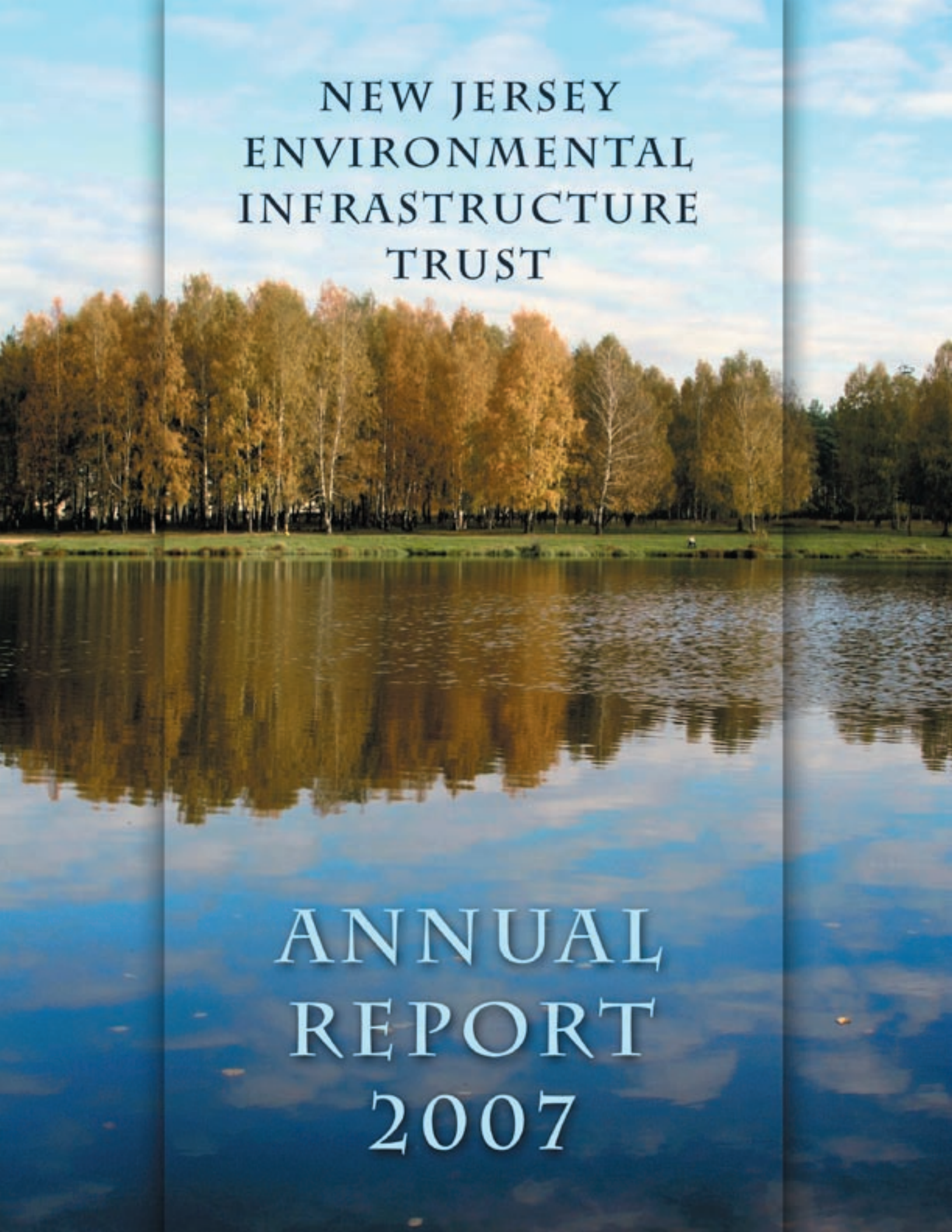

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

ANNUAL REPORT 2007

NJEIT Recognition

The NJEIT is proud to have received the following awards in 2007:

- On March 14, the Trust received an award from the **Association of Environmental Authorities** for its 20 years of service. The Trust was cited for financing many beneficial infrastructure projects across New Jersey.
- On April 18, the Trust received the **Water Resources Association Business and Industry Award** for 20 years of vision and leadership in providing loans for water resources projects that support businesses throughout New Jersey.
- On September 22, the Trust was presented a 20th anniversary award from the **Utility and Transportation Contractors Association** for its outstanding service to the citizens of New Jersey.
- On November 5, the Trust was presented the **Environmental Protection Agency's 2007 PISCES Award** (Performance and Innovation in the SRF Creating Environmental Success) for it national leadership in public-private lending.

Did You Know?

- The Financing Program has issued more than $4.3 billion in loans since 1987.
- More than 680 clean water, drinking water, land acquisition and landfill cleanup projects have been funded.
- Taxpayers and ratepayers have saved over $1.8 billion in finance costs.
- Over the past 21 years, the Trust has saved municipalities more than $91 million in refinanced loans by refunding 30 different bond issues.
- Current finance program loan rates are as low as 1.06%.
- The Financing Program has issued more than $83 million in loans to preserve 2,939 acres of open space.
- The annual debt service on a 20-year, half-market rate Trust loan is lower than a 30-year traditional market-rate loan.

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Governor
State of New Jersey

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Message from the Trust

To: The Honorable Jon Corzine
Governor of the State of New Jersey

The Honorable Members of the New Jersey Legislature

The 2007 Financing Program was the largest pooled financing program in Trust history. This year, 87 clean water, drinking water and open space acquisition projects were financed. The combination of the Trust's bond sales and capitalization funds from the Department of Environmental Protection (DEP) provided more than $518 million in low-cost loans to infrastructure borrowers. In addition, 23 new borrowers participated in this year's program—a clear indication that the Trust's increased marketing and advertising is producing results.

Fifty-one of the projects target wastewater, stormwater and non-point source pollution by improving sewage treatment facilities, maintaining wastewater collection and conveyance systems, and reducing pollution caused by stormwater runoff. Thirty-two projects will help municipalities and private water purveyors, meet the requirements of the Safe Drinking Water Act and one project will help preserve open space.

As the first program of its kind in the country, the Trust has played a major role in helping New Jersey protect and improve our water quality. This role remains critical with current estimates showing a need of over $18 billion in funding for clean water and drinking water projects across the state.

Working in partnership with the DEP, the Trust leverages state and repayments of federal funds with its own bond issue proceeds to make loans at the lowest possible cost. For 21 years, the Financing Program has been funding projects to improve water quality and has issued loans of more than $4.3 billion for over 680 projects. This has saved taxpayers and ratepayers over $1.8 billion in finance costs.

On October 17, the Trust sold more than $216 million in bonds. These bonds received a natural AAA rating from Fitch Ratings, Moody's Investor Service and Standard and Poors, attracting 9 bidders for the Series A sale. The sale was completed in one series:

Series 2007A - $216,105,000: Interest Rate – 4.23%

This year marked the fifth loan cycle in which the Financing Program offered a lower-interest rate program with a "75/25" split of the DEP/Trust shares for projects that promote smart growth. These projects received financing at a quarter of the prevailing market rate. Since Trust bonds sold at 4.23% interest this year, traditional program borrowers paid 2.11% interest on their loans while the smart growth project borrowers paid only 1.06%.

The Trust continues to focus on the following objectives:

- Provide an effective, efficient financing program for clean water and drinking water projects;
- Provide financing to borrowers at a cost that is much lower than they could achieve on their own; and
- Facilitate access to capital markets for all participants - especially those that may have low credit ratings or are unfamiliar with the debt financing process.

2007 Refunding

The Trust conducted four refundings in 2007 to refinance 154 projects under the following bond issues: 1996B, 2001A, 2002A and 2004A. This refunding will save New Jersey ratepayers and taxpayers more than $35 million. Over the past 20 years, the Trust has saved minicipalities more than $91 million in refinanced loans.

The sale was completed on September 12 in four series:
Series 2007A - $51.91 million: Interest Rate - 3.88%, Series 2007B - $37.44 million: Interest Rate - 3.91%
Series 2007C - $38.83 million: Interest Rate - 3.97%, Series 2007D - $2.865 million: Interest Rate - 4.10%

Direct Loan Program

The Trust issued one direct loan in 2007. Direct loans are particularly suited to small borrowers such as homeowners associations and trailer parks. Including them in a bond pool with larger private or public borrowers is often not practical. East Brookwood Estates, Stanhope, was issued a direct loan for $220,000 to replace water mains, a storage tank and a pump station.

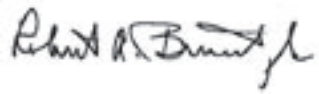
Interim Financing Program

The Trust's Interim Financing Program continues to be successful. This program allows borrowers that have been certified by both the DEP and the Trust, to secure short-term financing from December to the closing of a long-term loan in November. In the 2007 program, there were eight participants: Asbury Park City ($2.6 million) for sewerage treatment plant improvements, Berkeley Township ($1.8 million) for land acquisition, Cherry Hill Township ($4 million) for land acquisition, Kearny Town ($3.1 million) for combined sewer overflow improvements, Middlesex County Utilities Authority ($20 million) for construction of three landfill cells, North Bergen Municipal Utilities Authority ($15 million) for rehabilitation of pump stations and force mains, Saddle Brook Township ($2 million) for pump station improvements, and Stafford Township ($520,000) for a water main extension and water meters.

Open Space Acquisition

Preserving New Jersey's dwindling open space continues to be very important. The Trust helped this mission by issuing four loans for the preservation of 177 acres in 2007. Since 2001, the Trust's loans of more than $83 million have helped preserve 2,939 acres of open space land.

As the Trust enters its 22th year, its ongoing record of providing the lowest cost financing available for clean water and drinking water projects will continue to improve and enhance New Jersey's environment. The Trust looks forward to working closely with you to further its role of protecting our precious water resources. Thank you for your guidance and support.



Robert A. Briant, Sr.
Chairman

Dennis Hart
Executive Director

Board of Directors and Executive Director

Robert A. Briant, Sr.
Chairman

Warren H. Victor
Vice-Chairman

Gerald T. Keenan
Secretary

Michellene Davis
Acting State Treasurer, Department of Treasury

Lisa Jackson
Commissioner, NJ Department of Environmental Protection

Joseph V. Doria, Jr.
Commissioner, NJ Department of Community Affairs

Dennis Hart
Executive Director

Benefits of the Financing Program

Environmental Infrastructure Financing Program loans offer the lowest interest rates available. This low rate is a result of the program's financing structure. Under the program, participants finance project costs from a Trust interest-bearing loan and a DEP zero-percent interest loan. The Trust's interest bearing loans are financed from the sale of Revenue Bonds. The DEP's zero percent loans are financed with federal grants to the State's Clean Water and Drinking Water State Revolving Fund programs, a portion of the state match, proceeds from the sale of State General Obligation Bonds and loan repayments. This provides borrowers with a loan that is half the prevailing market rate. Projects that promote smart growth through land preservation or urban development are eligible for loans that are one quarter the market rate.

In addition to interest rates, there are other factors that increase overall loan costs at traditional lending institutions. Some of these include debt service, bond insurance and arbitrage management. These additional costs are not passed on to Financing Program borrowers. In fact, savings from prior loan repayments are used as additional coverage for bond debt service payments. This has earned the Trust AAA ratings for its bonds since 1995. This year's bonds received a natural AAA rating from Fitch Ratings, Moody's Investor Service and Standard and Poors. With this rating, the Trust's bonds sell at lower rates, which translates into lower costs for borrowers.

When the following additional cost-saving measures are considered, loan costs are actually lower than the Trust's posted interest rates:

Earnings credits – Earnings from all bond proceeds are distributed to borrowers as credits toward their debt service payments.

Capitalized interest – Loans may include all or part of construction period interest costs for up to three years. Additionally, borrowers may defer repayment on principal and interest until completion of the project.

No need for bond insurance – The security provided by the Trust's natural AAA financial structure saves borrowers the expense of purchasing costly bond insurance.

Defrayed financing costs – Pooling multiple loans into a larger bond issue provides economies of scale. This means each borrower only pays its share of the Trust's bond issuance costs.

Generous allowable costs – Project costs, including planning and design, engineering, local financing and curb-to-curb right-of-way restoration may be financed at half the market interest rate. In smart growth areas, reserve capacity costs such as excess project capacity may also be financed.

No front-loading requirement – Local government units issuing their own general obligation debt are required to "front load" their repayment schedule. This ensures that debt service payments are larger in the early years of the loan, and grow smaller over time. We provide a level debt service throughout the life of the loan.

No arbitrage worries – We assume responsibility for complying with federal arbitrage rebate requirements.

Flexible timing – Shorter term financing is available for borrowers who do not want a 20-year obligation.

Net funding – Each borrower submits a loan drawdown schedule. Funds are invested by the Trust and accrue earnings. These earnings are used to further lower a loan amount.

Refunding – The Trust continually monitors market conditions to assess when interest rates meet the Trust's savings threshold for refunding prior bonds. All savings realized from prior bond refundings are passed on to borrowers, further lowering loan costs.

No secondary disclosure requirements – Due to our size, no single borrower is a material obligated entity. This means our borrowers are not required to fulfill secondary disclosure requirements.

Interim financing – Interim financing allows borrowers to access interest-free capital prior to the Trust's regular November loan closing. This eliminates the need for short-term financing.

Debt Service Reserve Fund – Debt service reserve funds are either not needed or are provided by the Trust for government borrowers.

Timely decisions – The DEP prioritizes Financing Program projects reviews to ensure permits are reviewed in time for loan closing.

Projects Eligible for Financing

The New Jersey Environmental Infrastructure Financing Program's initial focus was the finance of various clean water projects such as wastewater treatment and conveyance systems and combined sewer overflows. After making significant gains in this area, the program has since been expanded to include many other water quality enhancing projects.

The following project categories reflect how the program can be used to protect and improve New Jersey's environment.

Wastewater

Almost any project associated with sewage collection, treatment or disposal is eligible for financing, including correction of inflow/infiltration problems, sludge management and combined sewer overflows.

Drinking Water

Eligibility applies to projects that address federal safe drinking water health standards. This includes replacement, source development and rehabilitation, treatment to comply with primary/secondary drinking water standards, storage to prevent contamination from entering the water system, and transmission lines/distribution systems to prevent contamination or to improve pressure to safe levels.

Stormwater

Eligible projects include construction, expansion or replacement of stormwater management systems, construction or expansion of basins, replacement of storm drains, and rehabilitation of tide gates and extension of outfall points.

The Carteret Redevelopment Agency received a $38.5 million loan from the Environmental Infrastructure Financing Program in 2006. The project involved the closure of 3 landfills on a 113-acre site that will host a 1.2 million square foot high-end distribution center (shown in center).

Runoff Control
Projects such as manure/feedlot management, stream and lake bank stabilization, lake dredging and restoration and salt dome construction are some of the eligible project types.

Equipment Purchases
Items such as street sweepers, sewer flushing and cleaning equipment, dump trucks, crawler loaders, skimmer boats, aquatic weed harvesters and outfall netting may be financed under the program.

Landfill Construction and Closure (publicly owned)
Aspects of sealing an old landfill or constructing a new cell in an active one relating to prevention, reduction or control of leachate, its storage and/or treatment are eligible for financing. Other eligible activities include capping systems, liners, leachate collection systems, treatment systems, sewer connections, barge shelters, containment booms, litter fences, gas collection and treatment systems, monitoring wells and reclamation or reduction activities.

Brownfield Remediation
The cleanup of abandoned and contaminated industrial sites is eligible for financing if a local or county government assumes the responsibility for the loan. The program will finance the removal of contaminated soil, capping and stormwater controls.

Open Space Acquisition
Preserving open land that will contribute to maintaining or enhancing the quality of surface or ground water may be financed under the program. Eligible areas include stream headwaters, stream corridors, wetlands and aquifer recharge areas. Financing for land is compatible with the Green Acres Program, the Garden State Preservation Trust and with open space programs financed by local and county open space taxes.

Septic Systems
Failing septic systems can contaminate ground water and surface water, creating a public health hazard. Although individual septic systems are usually privately owned, situations involving numerous system failures may be eligible for funding. In such cases, a governing body or utilities authority may establish a Septic Management District to apply for financing the planning and corrective measures. Eligible projects include the purchase and installation of traditional or alternative septic systems (to replace failing systems), rehabilitation of an existing system or construction of community systems.

Projects not listed above, that provide a water quality benefit, should be brought to the attention of the Trust and DEP who will determine financing eligibility.

2007 Project Descriptions

Drinking Water

Bayonne MUA - $1,774,690 (2 projects)
Construction of a 16-inch water main across Bayonne Bay to serve the Constable Hook section. Replacement and extension of a 12-inch water main along Water Street.

Berkeley Township MUA - $4,068,466
Construction of water mains in the Pinewald Section of the Township.

Bridgeton City - $2,245,340
Installation of a radium removal treatment plant.

Continental Communities L.L.C. (Monroe Twp.) - $1,933,380. Installation of a radium removal treatment system and chemical tanks.

Jackson Township MUA - $11,802,000 (2 projects) - Replacement of the existing Manhattan Street water treatment plant.

Jersey City/Jersey City MUA - $12,297,788
(3 Projects). Treatment plant improvements, replacement of 17 large valves and cleaning and lining of water mains.

Maple Shade Township - $11,100,000
Construction of a new water treatment plant, well house and pumping facilities.

Merchantville-Pennsauken Water Commission - $1,271,014 - Treatment plant upgrades.

Mount Laurel Township MUA - $5,151,454
Construction of a groundwater treatment plant, demolition of the Ramblewood Plant and partial demolition of the Elbo Lane Plant.

Middlesex Water Company - $3,500,000
Cleaning/lining of water mains, hydrants, service lines and valves in the City of South Amboy and Woodbridge Township.

Newark City - $8,050,000 (2 projects)
Rehabilitation of water mains and the Pequannock Aqueducts

North Brunswick Township - $17,878,996
Water treatment plant improvements.

Passaic Valley WC - $3,516,560 (2 projects)
Cleaning and lining of water mains in the City of Paterson.

Perth Amboy City - $2,230,000
Water system modifications and investigations of the Florida Grove Road Reservoir.

Ramsey Borough - $1,347,220 (4 Projects)
Treatment plant improvements.

Seaside Park Borough - $3,817,716
Replacement of water mains.

Stafford Township - $8,722,170 (4 Projects)
Installation and connection of water mains and water meters.

Stone Harbor Borough - $335,532
Replacement of water mains.

Trenton City - $12,881,160
Upgrades and improvements to the Trenton Water Works treatment plant.

West Deptford Township - $803,262
Installation/replacement of water mains.

2007 Project Descriptions

Clean Water Projects

Asbury Park City (Asbury Partners, LLC) - $8,185,700
Installation of an odor control system and electrical and ventilation system upgrades to a wastewater treatment plant located on 8th and Ocean Avenue.

Atlantic County Utility Authority - $2,977,535 (2 projects) - Various treatment plant upgrades including water system rehabilitation, pumping station improvements and replacement of on-site underground storage tanks.

Bayonne LRA - $17,059,000
Improvements to the stormwater system and construction of sanitary sewer lines.

Bergen County - $7,416,298
Landfill Closure.

Bergen County UA - $1,489,600
Rehabilitation, repair and replacement of barge docking facilities.

Berkeley Heights Township - $4,060,000
Modification and upgrades to a wastewater treatment plant.

Berkeley Township SA - $3,289,000
Sanitary sewer construction.

Caldwell Borough - $15,157,000
Wastewater treatment plant upgrade.

Camden County MUA - $10,150,000
Wastewater treatment plant upgrade.

Dumont Borough - $3,144,000 (2 projects)
Storm sewer drainage improvements and electrical and mechanical upgrades to five pump stations.

Edgewater Borough - $2,315,308
Separation of storm and sanitary sewers along River Road and Washington Lane.

Elmwood Park Borough - $4,096,776
Construction of a new wastewater pump station.

Franklin Township SA - $12,500,000
Sewer upgrades and construction of a new pump station and force main for the City of New Brunswick's Mile Run Interceptor.

Jefferson Township - $1,374,700
Upgrade of treatment facilities at the Arthur Stanlick School sewage treatment plant.

Jersey City MUA - $12,151,154
Restoration and sanitary sewer system upgrades at four sites.

Kearny Town - $4,831,000
Construction of net in-line chambers at overflow pipes located on Tappan/Duke Street, Ivy Street and Johnston Avenues.

Kearny MUA - $5,410,000
Drainage improvements and new outfall structures and appurtenances.

Leonia Borough - $446,214
Sewer system improvements and sewer line installation.

Linden City - $1,842,722
Construction of storm sewers and a landfill closure.

Magnolia Borough - $1,826,574 (2 projects)
Sanitary sewer, storm sewer repairs and sewer line installation at four locations.

Medford Township - $2,212,400
Improvements to a sewerage treatment plant.

Clean Water Projects

Middlesex County UA - $63,725,490
Construction of three new landfill cells located in East Brunswick Township.

Mount Holly MUA - $24,354,050
Upgrade and expansion of the Rancocas Road wastewater treatment plant.

Musconetcong SA - $1,813,580
Modification and repairs to sewerage facilities, a force main connection and the installation of security system controls.

Newark City - $32,050,707 (3 projects)
Stormwater and combined sewer overflow improvements.

North Bergen MUA - $37,703,440
Rehabilitation of North Bergen and Jersey City MUA's pumping stations and the installation of force main lines.

North Hudson SA - $6,059,553
Installation of a pump station and force main.

Ocean County UA - $27,502,780 (5 projects)
Replacement and rehabilitation of sewage treatment plants in the Northern and Central Service Areas, pump station improvements and interceptor rehabilitation.

Ocean SA, Township of - $5,921,000
Improvements to the main pump station and the Whale Pond and Interlake pump stations.

Passaic Valley Sewerage Commissioners - $24,189,156 (2 projects). Sewerage treatment plant improvements and construction of a skimmer vessel operations facility.

Pine Hill Borough MUA - $1,040,766
Equipment purchase and installation of sewer lines.

Point Pleasant Beach Borough - $588,784
Replacement of sewer mains.

Princeton Sewer Operating Committee - $3,392,886 (2 borrowers). Sanitary sewer rehabilitation and repairs in Princeton Borough and Princeton Township.

Rockaway Valley RSA - $12,988,630
Improvements to the sludge treatment process.

Saddle Brook Township - $1,966,308
Pump station improvements.

Seaside Park Borough - $3,906,212
Sewer replacement.

Somerset Raritan Valley SA - $12,714,500
Installation of a 72-inch treatment plant outfall.

Stone Harbor Borough - $1,467,934
Replacement of sewer mains.

Stony Brook RSA - $5,300,000
Upgrade of sludge management facilities and equipment.

West Deptford Township - $6,047,000
Sanitary and storm sewer rehabilitation in the Sherwood Green and Sherwood West areas.

Westville Borough - $614,048
Rehabilitation and/or replacement of sanitary sewer mains and manholes.

Berkeley Township - $1,300,000
Acquisition and Preservation of Land.

Cherry Hill Township - $4,043,130
Acquisition and Preservation of Land.

High Bridge Borough - $909,255
Acquisition and Preservation of Land.

New Jersey SA (Raritan Basin) - $2,320,750
Acquisition and Preservation of Land.

TOTAL 2007 Projects – $518,581,688

Projects Financed 1987 - 2007

YEAR	NAME	COUNTY	AMOUNT
1999	2117 Mt. Ephraim Inc.	Salem	$397,969
1994	Allamuchy Twp	Warren	$4,410,300
2001	Allamuchy Twp	Warren	$2,226,500
2004	Allamuchy Twp	Warren	$857,637
2004	Aqua New Jersey, Inc.	Warren	$2,435,000
2006	Asbury Park City	Monmouth	$2,234,000
2007	Asbury Park City (Asbury Partners, LLC)	Monmouth	$8,299,275
2005	Atlantic City MUA	Atlantic	$5,543,215
2006	Atlantic City MUA	Atlantic	$2,458,103
1995	Atlantic County UA	Atlantic	$7,967,538
1997	Atlantic County UA	Atlantic	$3,032,663
1997	Atlantic County UA	Atlantic	$7,569,539
2001	Atlantic County UA	Atlantic	$1,972,543
2004	Atlantic County UA	Atlantic	$4,919,401
2006	Atlantic County UA	Atlantic	$2,551,272
2007	Atlantic County UA	Atlantic	$3,008,152
1996	Atlantic Highlands Boro	Monmouth	$872,692
2001	Barnegat Twp	Ocean	$780,000
2005	Barnegat Twp	Ocean	$1,991,805
2003	Barrington Boro	Camden	$1,019,712
2006	Bayonne City RA	Hudson	$4,563,800
1999	Bayonne MUA	Hudson	$4,985,000
2000	Bayonne MUA	Hudson	$9,285,809
2002	Bayonne MUA	Hudson	$3,603,836
2007	Bayonne MUA	Hudson	$1,796,017
2007	Bayonne RDA	Hudson	$17,579,250
1991	Bayshore RSA	Monmouth	$8,605,000
1991	Bayshore RSA	Monmouth	$25,860,650
1993	Bayshore RSA	Monmouth	$13,917,307
2001	Bayview Water Co.	Cumberland	$1,649,000
2004	Beachwood Boro	Ocean	$582,644
1996	Bellmawr Boro	Camden	$898,000
1999	Bellmawr Boro	Camden	$688,697
2002	Bellmawr Boro	Camden	$2,982,073
2007	Bergen County	Bergen	$7,383,149
2005	Bergen County IA (ENCAP)	Bergen	$211,321,814
2005	Bergen County UA	Bergen	$15,166,578
2006	Bergen County UA	Bergen	$75,884,310

YEAR	NAME	COUNTY	AMOUNT
2007	Bergen County UA	Bergen	$1,532,200
1997	Bergenfield Boro	Bergen	$1,130,000
2007	Berkeley Heights Township	Union	$4,220,000
1987	Berkeley Heights Twp	Union	$6,446,000
2001	Berkeley Heights Twp	Union	$1,980,000
2004	Berkeley Heights Twp	Union	$584,120
2007	Berkeley Township	Ocean	$1,320,000
2007	Berkeley Twp. MUA	Ocean	$4,079,233
2007	Berkeley Township SA	Ocean	$3,384,500
1992	Berkeley Twp SA	Ocean	$2,656,077
1994	Berkeley Twp SA	Ocean	$3,081,280
2002	Berkeley Twp SA	Ocean	$4,759,417
2003	Berkeley Twp SA	Ocean	$4,426,698
2005	Berkeley Twp SA	Ocean	$2,801,780
1999	Berlin Boro	Camden	$1,006,432
2006	Berlin Boro	Camden	$3,817,200
1989	Bernardsville Boro	Somerset	$5,034,368
1990	Bernardsville Boro	Somerset	$1,790,262
2004	Bethlehem Twp	Hunterdon	$987,100
2001	Brick Twp	Ocean	$2,573,862
2001	Brick Twp MUA	Ocean	$18,006,813
2001	Brick Twp MUA	Ocean	$2,646,019
2002	Brick Twp MUA	Ocean	$9,066,398
2003	Bridgeton City	Cumberland	$2,007,737
2007	Bridgeton City	Cumberland	$2,302,670
2001	Bridgewater Twp	Somerset	$1,056,486
1999	Brigantine City	Atlantic	$937,960
2001	Brigantine City	Atlantic	$143,697
2001	Brigantine City	Atlantic	$1,325,360
2004	Brigantine City	Atlantic	$2,367,500
2002	Brookwood Musconetcong River POA	Sussex	$1,039,200
1997	Buena Boro MUA	Atlantic	$1,683,486
1990	Burlington City	Burlington	$11,212,289
1999	Burlington City	Burlington	$1,360,000
2004	Burlington County	Burlington	$3,746,000
1991	Burlington County BCF	Burlington	$56,550,000
2001	Burlington County BCF	Burlington	$14,364,871
2003	Burlington County BCF	Burlington	$14,860,422

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
1996	Burlington Twp	Burlington	$8,713,690
1996	Byram Twp	Sussex	$1,802,284
1988	Caldwell Boro	Essex	$16,293,825
1989	Caldwell Boro	Essex	$5,339,535
2007	Caldwell Borough	Essex	$15,113,500
1997	Camden City	Camden	$852,640
1999	Camden City	Camden	$2,936,209
2000	Camden City	Camden	$6,426,340
2000	Camden City	Camden	$3,127,208
2000	Camden City	Camden	$444,156
2000	Camden City	Camden	$3,076,027
2000	Camden City	Camden	$5,401,238
2000	Camden City	Camden	$4,525,247
2001	Camden City	Camden	$4,676,281
2001	Camden City	Camden	$4,506,664
2001	Camden City	Camden	$12,456,176
2002	Camden City	Camden	$9,982,491
2003	Camden City	Camden	$17,784,503
2003	Camden City	Camden	$10,258,751
1987	Camden County MUA	Camden	$9,934,592
1987	Camden County MUA	Camden	$182,238,529
1990	Camden County MUA	Camden	$64,330,096
1991	Camden County MUA	Camden	$12,025,078
1991	Camden County MUA	Camden	$2,736,338
1992	Camden County MUA	Camden	$9,002,625
1995	Camden County MUA	Camden	$4,455,335
1996	Camden County MUA	Camden	$6,905,535
2000	Camden County MUA	Camden	$6,983,943
2000	Camden County MUA	Camden	$7,206,500
2003	Camden County MUA	Camden	$5,220,879
2006	Camden County MUA	Camden	$35,101,847
2007	Camden County MUA	Camden	$10,552,500
1998	Cape May City	Cape May	$1,365,000
2001	Cape May City	Cape May	$255,475
2001	Cape May City	Cape May	$461,674
1987	Cape May County MUA	Cape May	$23,760,340
1993	Cape May County MUA	Cape May	$2,445,668
2005	Cape May Point Boro	Cape May	$161,766
1987	Carneys Point Twp SA	Salem	$4,950,000

YEAR	NAME	COUNTY	AMOUNT
1988	Carneys Point Twp SA	Salem	$1,560,000
2006	Carteret RA (Titan-PDC Carteret, LLC)	Middlesex	$38,472,833
2004	Cedar Glen Homes, Inc.	Ocean	$846,401
2002	Cedar Glen West, Inc.	Ocean	$432,666
1988	Cedar Grove	Essex	$5,537,727
1991	Cedar Grove	Essex	$3,585,594
1988	Chatham Boro	Morris	$4,812,369
1989	Chatham Boro	Morris	$1,812,200
1993	Chatham Boro	Morris	$286,226
2000	Chatham Twp	Morris	$544,347
2005	Chatham Twp	Morris	$1,245,516
2007	Cherry Hill Township	Camden	$4,107,348
2005	Cherry Hill Twp	Camden	$2,035,000
1996	Chester Boro	Morris	$1,394,451
2001	Chesterfield Twp	Burlington	$4,464,872
2003	Chesterfield Twp	Burlington	$1,157,638
2004	Cinnaminson SA	Burlington	$1,986,467
2005	Clementon Boro	Camden	$1,195,000
2000	Cliffside Park Boro	Bergen	$1,105,000
1997	Clifton City	Passaic	$3,595,000
1992	Clinton	Hunterdon	$4,517,572
1995	Clinton Twp	Hunterdon	$264,000
2004	Clinton Twp SA	Hunterdon	$533,974
2000	Collingswood Boro	Camden	$1,050,000
2001	Collingswood Boro	Camden	$573,513
2000	Consumers NJWC	Mercer	$939,000
2000	Consumers NJWC	Warren	$2,534,961
2007	Continental Communities L.L.C.	Gloucester	$1,956,690
2004	Cranford Twp	Union	$2,031,676
2005	Cranford Twp	Union	$5,319,052
2001	Cumberland County UA	Cumberland	$1,950,000
1998	Delanco SA	Burlington	$1,076,866
1992	Delran SA	Burlington	$10,799,735
1993	Delran SA	Burlington	$2,894,901
1988	Denville	Morris	$12,153,563
2006	Denville Twp	Morris	$6,052,041
2002	Dover Twp	Morris	$754,766

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
2007	Dumont Borough	Bergen	$3,247,000
2002	Dunellen Boro	Middlesex	$1,845,475
2002	East Brookwood Estates POA	Sussex	$1,137,000
2007	East Brookwood Estates POA	Sussex	$220,000
2005	East Newark Boro	Hudson	$724,452
2005	East Rutherford Boro	Bergen	$896,793
1988	East Windsor MUA	Mercer	$19,778,387
1990	East Windsor MUA	Mercer	$1,314,779
2005	East Windsor Twp	Mercer	$868,171
2001	Edgewater Boro	Bergen	$256,010
2007	Edgewater Borough	Bergen	$2,351,481
2000	Edgewater MUA	Bergen	$1,771,496
2004	Edgewater Park SA	Burlington	$311,957
2002	Edison Twp	Middlesex	$2,407,475
2006	Edison Twp	Middlesex	$891,781
1996	Egg Harbor Twp MUA	Atlantic	$980,000
1987	Elizabeth City	Union	$9,010,000
1989	Elizabeth City	Union	$2,915,430
1996	Elizabeth City	Union	$3,210,000
2000	Elizabeth City	Union	$5,183,815
2001	Elizabeth City	Union	$6,214,896
2002	Elizabeth City	Union	$3,720,000
2006	Elizabeth City	Atlantic	$2,916,034
2006	Elizabeth City (Union County) (JMEUC)	Union	$3,403,335
2006	Elmwood Park Boro	Bergen	$4,766,378
2007	Elmwood Park Borough	Bergen	$4,108,388
2000	Essex County UA	Essex	$2,135,414
2006	Evesham MUA	Burlington	$11,394,574
2001	Evesham Twp	Burlington	$2,643,250
1999	Ewing Twp	Mercer	$4,236,765
2004	Ewing-Lawrence SA	Mercer	$2,779,060
1996	Flemington Boro	Hunterdon	$1,064,996
1996	Florence Twp	Burlington	$1,877,853
1998	Florence Twp	Burlington	$3,500,000
1998	Florence Twp	Burlington	$15,459,806
1997	Florham Park SA	Morris	$820,934
2005	Florham Park SA	Morris	$2,733,200

YEAR	NAME	COUNTY	AMOUNT
2002	Fort Lee Boro	Bergen	$6,952,250
2000	Franklin Boro	Sussex	$550,000
2007	Franklin Township SA	Somerset	$12,725,000
2000	Franklin Twp SA	Somerset	$1,713,733
2000	Franklin Twp SA	Somerset	$8,191,160
2001	Franklin Twp SA	Somerset	$2,902,500
2002	Franklin Twp SA	Somerset	$1,782,000
2004	Garfield City	Bergen	$6,122,693
2002	Gibbsboro Boro	Camden	$1,048,001
2000	Glen Ridge Boro	Essex	$1,655,392
2003	Glen Ridge Boro	Essex	$1,192,053
2005	Glen Ridge Boro	Essex	$255,000
2006	Glen Ridge Boro	Essex	$1,614,785
1994	Gloucester City	Camden	$1,037,597
1997	Gloucester City	Camden	$2,550,282
2001	Gloucester City	Camden	$1,323,128
2002	Gloucester City	Camden	$549,572
2005	Gloucester County IA	Gloucester	$8,230,895
1995	Gloucester County UA	Gloucester	$22,257,320
1998	Gloucester County UA	Gloucester	$3,815,000
1999	Gloucester County UA	Gloucester	$683,411
2001	Gloucester County UA	Gloucester	$4,444,383
2001	Gloucester Twp MUA	Camden	$2,190,500
2004	Gloucester Twp MUA	Camden	$4,179,790
1997	Hackensack City	Bergen	$2,832,492
2000	Hackensack City	Bergen	$984,053
2002	Hackensack City	Bergen	$1,014,050
1991	Hackettstown MUA	Warren	$12,154,566
2001	Hainesport Twp	Burlington	$13,711,900
2005	Hamilton Twp	Mercer	$5,463,778
1992	Hammonton	Atlantic	$13,170,000
1989	Hanover SA	Morris	$16,114,729
1999	Harrison Town	Hudson	$1,312,582
1997	Harrison Twp	Gloucester	$459,250
2002	Harrison Twp	Gloucester	$3,943,481
2003	Harrison Twp	Gloucester	$2,408,023
2005	Harvey Cedars Boro	Ocean	$1,676,634
1992	Hawthorne Boro	Passaic	$3,124,254
1994	Hawthorne Boro	Passaic	$884,854

YEAR	NAME	COUNTY	AMOUNT
2003	Hawthorne Boro	Passaic	$2,724,259
2004	Hawthorne Boro	Passaic	$1,850,450
2007	High Bridge Borough	Hunterdon	$926,941
1990	Hightstown Boro	Mercer	$3,926,688
2002	Hillside Twp	Union	$408,697
2006	Hillside Twp (JMEUC)	Union	$405,397
1991	Holmdel	Monmouth	$3,141,856
2001	Holmdel Twp	Monmouth	$2,760,263
2000	Hopatcong Boro	Sussex	$664,545
2001	Hopatcong Boro	Sussex	$5,490,000
2002	Hopatcong Boro	Sussex	$10,970,000
2002	Irvington Twp	Essex	$1,131,028
2006	Irvington Twp JMEUC	Essex	$1,216,191
2006	Island Heights Boro	Atlantic	$403,500
2007	Jackson Township MUA	Ocean	$12,051,000
1996	Jackson Twp MUA	Ocean	$6,392,109
2007	Jefferson Township	Ocean	$1,387,350
1999	Jersey City MUA	Hudson	$3,873,593
2001	Jersey City MUA	Hudson	$16,150,000
2007	Jersey City MUA	Hudson	$12,518,341
2007	Jersey City MUA	Hudson	$12,463,366
2000	Keansburg Boro	Monmouth	$2,910,000
2001	Keansburg Boro	Monmouth	$276,422
2004	Kearny	Hudson	$4,072,070
2005	Kearny MUA	Hudson	$3,974,500
2007	Kearny MUA	Hudson	$5,517,500
1998	Kearny Town	Hudson	$3,082,371
2007	Kearny Town	Hudson	$4,878,250
2002	Lakewood Twp MUA	Ocean	$6,461,230
2002	Lambertville SA	Hunterdon	$1,864,179
2003	Lambertville SA	Hunterdon	$1,318,500
1996	Lavalette Boro	Ocean	$1,616,960
1998	Lawrence Twp	Mercer	$1,175,095
2003	Lebanon Twp	Hunterdon	$645,135
2004	Lebanon Twp	Hunterdon	$461,266
2007	Leonia Borough	Bergen	$453,107
2004	Linden City	Union	$9,240,000
2005	Linden City	Union	$3,735,898
2007	Linden City	Union	$1,866,361

YEAR	NAME	COUNTY	AMOUNT
2006	Linden City	Union	$1,096,800
2003	Linden Roselle SA	Union	$13,897,579
1988	Livingston	Essex	$14,306,017
1989	Livingston	Essex	$2,903,259
2002	Lodi Boro	Bergen	$140,650
1995	Logan Twp MUA	Gloucester	$2,975,000
2003	Long Beach Twp	Ocean	$2,370,067
2005	Long Beach Twp	Ocean	$654,234
2005	Long Beach Twp	Ocean	$949,475
2006	Long Beach Twp	Ocean	$673,857
2002	Long Beach Twp	Ocean	$3,095,664
1990	Long Branch SA	Monmouth	$11,886,146
2000	Long Branch SA	Monmouth	$12,510,563
1989	Long Hill (Passaic Twp)	Morris	$5,432,194
1990	Long Hill Passaic Twp	Morris	$3,238,870
1993	Long Hill Passaic Twp	Morris	$3,205,533
1997	Longport Boro	Atlantic	$1,417,300
1999	Longport Boro	Atlantic	$2,466,329
1998	Lopatcong Boro	Warren	$200,000
1989	Lower Twp MUA	Cape May	$5,134,300
2001	Lumberton Twp	Burlington	$2,072,303
1988	Madison Boro	Morris	$8,190,000
1989	Madison Boro	Morris	$3,084,257
2007	Magnolia Borough	Camden	$1,828,287
2005	Manasquan Boro	Monmouth	$3,095,967
1994	Manchester Twp	Ocean	$3,507,498
1995	Mantua Twp MUA	Gloucester	$1,642,392
1989	Manville Boro	Somerset	$2,127,597
1990	Manville Boro	Somerset	$3,303,542
1993	Manville Boro	Somerset	$1,300,692
2007	Maple Shade Township	Burlington	$11,410,000
1989	Maple Shade Twp	Burlington	$12,411,625
1990	Maple Shade Twp	Burlington	$1,835,286
2004	Maple Shade Twp	Burlington	$3,337,996
1999	Maplewood Twp	Essex	$394,262
2001	Margate City	Atlantic	$324,949
2001	Margate City	Atlantic	$612,500
2001	Matawan Boro	Monmouth	$2,725,000
2007	Medford Township	Burlington	$2,206,200

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
2002	Medford Twp	Burlington	$1,715,709
2001	Mercer County	Mercer	$420,349
2002	Mercer County	Mercer	$571,250
1998	Mercer County IA	Mercer	$1,112,980
2002	Mercer County IA	Mercer	$802,019
2004	Mercer County IA	Mercer	$242,253
1997	Merchantville Boro	Camden	$889,140
2003	Merchantville-Pennsauken	Camden	$731,801
2001	Merchantville-Pennsauken Water Com	Camden	$3,875,000
2007	Merchantville-Pennsauken Water Com	Camden	$1,285,507
2002	Middle Twp	Cape May	$347,597
2004	Middlesex Boro	Middlesex	$1,694,828
1990	Middlesex County UA	Middlesex	$30,120,871
1992	Middlesex County UA	Middlesex	$18,065,150
1993	Middlesex County UA	Middlesex	$12,550,263
2001	Middlesex County UA	Middlesex	$33,577,532
2005	Middlesex County UA	Middlesex	$14,000,000
2006	Middlesex County UA	Middlesex	$73,791,858
2007	Middlesex County UA	Middlesex	$64,962,245
1998	Middlesex Water Co.	Middlesex	$2,185,000
1999	Middlesex Water Co.	Middlesex	$4,500,000
2001	Middlesex Water Co.	Middlesex	$4,790,000
2004	Middlesex Water Co.	Middlesex	$16,635,909
2006	Middlesex Water Co.	Middlesex	$3,700,000
2007	Middlesex Water Co.	Middlesex	$3,500,000
1998	Millburn Twp	Essex	$2,076,373
1992	Millville City	Cumberland	$6,470,313
1996	Millville City	Cumberland	$2,395,100
1999	Millville City	Cumberland	$2,419,936
2003	Millville City	Cumberland	$1,451,680
2003	Millville City	Cumberland	$2,850,000
1997	Mine Hill Twp	Morris	$1,804,557
2002	Monmouth County Bayshore OA	Monmouth	$970,000
2003	Monmouth County Bayshore OA	Monmouth	$241,297
2005	Monmouth County BOA	Monmouth	$607,655

YEAR	NAME	COUNTY	AMOUNT
2002	Monmouth County IA	Hunterdon	$1,350,828
2002	Montclair State Unv.	Essex	$1,136,102
2004	Montclair State Unv.	Essex	$1,492,188
1999	Montclair Twp	Essex	$2,540,000
2001	Montclair Twp	Essex	$1,366,820
2002	Montclair Twp	Essex	$1,877,135
2004	Montclair Twp	Essex	$878,438
2001	Montville Twp	Morris	$232,993
2002	Montville Twp	Morris	$1,284,238
2003	Montville Twp	Morris	$770,088
1988	Montville Twp MUA	Morris	$2,594,077
1989	Montville Twp MUA	Morris	$365,000
1991	Montville Twp MUA	Morris	$3,688,031
1995	Moonachie Boro	Bergen	$407,701
1989	Morris Twp	Morris	$14,441,755
1990	Morris Twp	Morris	$15,899,560
1994	Morris Twp	Morris	$1,569,056
1996	Morris Twp	Morris	$492,787
1996	Morris Twp	Morris	$2,658,968
1988	Morristown	Morris	$26,179,000
1989	Morristown	Morris	$30,007,196
2007	Mount Holly MUA	Burlington	$24,337,025
2007	Mount Laurel Township MUA	Burlington	$3,500,000
2005	Mount Laurel Twp MUA	Burlington	$1,547,246
2005	Mount Laurel Twp MUA	Burlington	$22,225,000
1994	Mt Laurel Twp MUA	Burlington	$14,846,185
1996	Mt Laurel Twp MUA	Burlington	$4,391,294
1995	Mt Olive Twp	Morris	$7,001,920
1996	Mt Olive Twp	Morris	$1,231,851
1993	Mt. Arlington Boro	Morris	$9,938,480
1998	Mt. Holly Water Co.	Burlington	$13,189,909
2000	Mt. Laurel Twp MUA	Burlington	$1,839,000
1993	Mt. Olive Twp	Morris	$21,024,543
1993	Musconetcong SA	Sussex	$14,215,617
1995	Musconetcong SA	Morris	$2,235,037
2002	Musconetcong SA	Sussex	$6,306,851
2007	Musconetcong SA	Morris	$1,796,790

YEAR	NAME	COUNTY	AMOUNT
1997	New Brunswick City	Middlesex	$5,289,052
1997	New Brunswick City	Middlesex	$2,797,860
1997	New Brunswick City	Middlesex	$1,749,328
1998	New Brunswick City	Middlesex	$1,307,206
2003	New Brunswick City	Middlesex	$4,749,750
2006	New Brunswick City	Middlesex	$21,783,580
2005	New Jersey City Univ.	Hudson	$2,969,880
2005	New Jersey WSA	Hunterdon	$3,990,974
1994	New Providence Boro	Union	$6,280,000
1994	Newark City	Essex	$15,632,514
1995	Newark City	Essex	$17,395,908
2000	Newark City	Essex	$1,385,664
2002	Newark City	Essex	$711,081
2005	Newark City	Essex	$25,579,544
2007	Newark City	Essex	$8,292,500
2007	Newark City	Essex	$33,308,030
2006	Newark City (Essex County) (JMEUC)	Essex	$745,715
1988	Newton	Sussex	$1,201,739
1988	Newton	Sussex	$6,840,372
1989	Newton	Sussex	$4,680,195
2001	NJ American Water Co.	Monmouth	$29,903,787
2002	NJ American Water Co.	Morris	$2,820,230
2002	NJ American Water Co.	Ocean	$6,556,603
2007	NJ Water SA (Raritan)	Hunterdon	$794,563
2003	NJ Water Supply Auth.	Hunterdon	$862,019
2004	NJ Water Supply Auth.	Hunterdon	$1,380,000
2006	NJ Water Supply Auth.	Middlesex	$2,844,363
2004	NJ-American Water Co.	Hunterdon	$998,130
1994	North Arlington	Bergen	$507,322
1998	North Bergen MUA	Hudson	$3,713,756
1999	North Bergen MUA	Hudson	$373,467
2007	North Bergen MUA	Hudson	$38,742,580
2007	North Brunswick Twp.	Middlesex	$18,639,498
2004	North Brunswick Twp	Middlesex	$1,151,688
2002	North Hudson SA	Hudson	$33,821,400
2004	North Hudson SA	Hudson	$15,935,148
2005	North Hudson SA	Hudson	$8,398,809
2006	North Hudson SA	Hudson	$9,259,477

YEAR	NAME	COUNTY	AMOUNT
2007	North Hudson SA	Hudson	$6,189,665
2003	North Jersey Dist. WSC	Passaic	$3,145,974
2003	North Jersey Dist. WSC	Passaic	$10,634,026
1999	North Jersey Dist. WSC	Passaic	$2,191,092
2000	North Jersey Dist. WSC	Passaic	$1,246,278
2006	North Jersey Dist. WSC	Passaic	$3,491,375
2000	North Plainfield Boro	Somerset	$2,154,442
1997	North Wildwood City	Cape May	$2,167,217
2002	North Wildwood City	Cape May	$3,588,735
2000	Northeast Monmouth County RSA	Monmouth	$49,357,977
1993	NW Bergen Co. UA	Bergen	$13,965,026
1997	NW Bergen Co. UA	Bergen	$6,422,382
1997	NW Bergen Co. UA	Bergen	$3,294,800
1997	Nutley Twp	Essex	$3,590,000
1999	Oaklyn Boro	Camden	$700,000
2001	Oaklyn Boro	Camden	$138,083
2002	Oaklyn Boro	Camden	$460,785
1994	Ocean County UA	Ocean	$11,183,308
1998	Ocean County UA	Ocean	$5,239,180
2000	Ocean County UA	Ocean	$4,346,874
2001	Ocean County UA	Ocean	$10,360,730
2002	Ocean County UA	Ocean	$34,299,000
2004	Ocean County UA	Ocean	$9,903,957
2005	Ocean County UA	Ocean	$61,769,032
2006	Ocean County UA	Ocean	$14,623,455
2007	Ocean County UA	Ocean	$27,431,390
2007	Ocean Township SA	Monmouth	$6,030,500
2001	Ocean Twp SA	Monmouth	$7,840,900
2004	Ocean Twp SA	Ocean	$3,350,000
2006	Ocean Twp SA	Monmouth	$982,442
1993	Old Bridge MUA	Middlesex	$2,103,865
1997	Old Bridge MUA	Middlesex	$2,704,860
1999	Old Bridge MUA	Middlesex	$1,062,031
1999	Old Bridge MUA	Middlesex	$2,110,013
2003	Old Bridge MUA	Middlesex	$5,907,329
2003	Old Bridge MUA	Middlesex	$1,890,327
2005	Old Bridge MUA	Middlesex	$3,155,940
2006	Old Bridge MUA	Middlesex	$6,517,000

YEAR	NAME	COUNTY	AMOUNT
2002	Old Bridge Twp	Middlesex	$4,095,000
2004	Old Bridge Twp	Middlesex	$5,053,278
1993	Old Tappan Boro	Bergen	$2,376,351
1999	Old Tappan Boro	Bergen	$6,608,990
2000	Old Tappan Boro	Bergen	$3,788,595
1998	Orange Twp City	Essex	$2,648,068
1999	Orange Twp City	Essex	$1,447,686
1991	Paramus	Bergen	$1,661,330
2001	Parsippany - Troy Hills Twp	Morris	$499,039
1996	Passaic Valley SC	Essex	$31,880,000
1998	Passaic Valley SC	Essex	$8,865,000
1999	Passaic Valley SC	Essex	$24,525,000
2006	Passaic Valley SC	Essex	$38,894,492
2007	Passaic Valley SC	Essex	$24,926,867
2001	Passaic Valley SC	Passaic	$58,367,600
2001	Passaic Valley SC	Passaic	$7,445,660
2002	Passaic Valley SC	Passaic	$8,227,632
2002	Passaic Valley SC	Passaic	$1,054,281
2007	Passaic Valley WC	Essex	$3,615,780
2003	Paterson City	Passaic	$7,714,479
2004	Paterson City	Passaic	$3,146,943
2005	Paterson City	Passaic	$3,592,600
2001	Pemberton Twp	Burlington	$714,000
2000	Pennsgrove Water SC	Salem	$350,000
2001	Pennsgrove Water SC	Salem	$616,895
2005	Pennsgrove Water SC	Salem	$1,253,045
1998	Pennsville Twp	Salem	$2,112,438
2001	Pennsville Twp	Salem	$1,754,500
2005	Pennsville Twp	Salem	$2,589,807
1987	Pequannock River Basin RSA	Morris	$8,765,115
1994	Pequannock River Basin RSA	Morris	$2,935,384
1995	Pequannock River Basin RSA	Morris	$1,213,043
2006	Pequannock, Lincoln Park & Fairfield SA	Morris	$9,319,363
1991	Pequannock, Lincoln Pk, Fairfield	Morris	$6,579,900
2003	Perth Amboy City	Middlesex	$2,786,142

YEAR	NAME	COUNTY	AMOUNT
2007	Perth Amboy City	Middlesex	$2,285,000
1988	Phillipsburg	Warren	$15,916,948
1990	Phillipsburg	Warren	$4,285,226
1990	Phillipsburg	Warren	$1,056,303
1991	Phillipsburg	Warren	$1,062,668
1991	Phillipsburg	Warren	$1,063,463
1992	Phillipsburg	Warren	$483,324
1993	Phillipsburg	Warren	$262,297
1993	Phillipsburg	Warren	$44,486
1998	Pine Hill Boro	Camden	$606,289
1999	Pine Hill Boro	Camden	$1,442,500
2007	Pine Hill Boro MUA	Camden	$1,050,383
1999	Plainfield Area RSA	Middlesex	$3,099,192
2000	Plainfield Area RSA	Middlesex	$4,909,888
2007	Point Pleasant Beach	Ocean	$594,392
1989	Pompton Lakes MUA	Passaic	$10,058,598
1988	Princeton Boro	Mercer	$5,637,120
2006	Princeton Boro	Mercer	$1,794,142
2007	Princeton Boro	Mercer	$1,718,221
2007	Princeton Twp	Mercer	$1,718,221
1988	Princeton Twp	Mercer	$5,637,120
2006	Princeton Twp	Mercer	$1,794,142
2002	Rahway City	Union	$2,006,505
2002	Rahway Valley SA	Union	$5,492,500
2003	Rahway Valley SA	Union	$25,103,416
2004	Rahway Valley SA	Union	$117,764,224
2005	Rahway Valley SA	Union	$41,172,516
2007	Ramsey Borough	Bergen	$1,363,610
1988	Randolph Twp	Morris	$3,496,530
1990	Randolph Twp	Morris	$325,146
1990	Randolph Twp	Morris	$3,835,000
1994	Randolph Twp	Morris	$3,838,706
1999	Randolph Twp	Morris	$2,037,681
1988	Raritan Twp MUA	Hunterdon	$9,347,500
1989	Raritan Twp MUA	Hunterdon	$3,012,899
2001	Readington Twp	Hunterdon	$1,271,572
2002	Readington Twp	Hunterdon	$185,000
2004	Readington Twp	Hunterdon	$672,696
2003	Readington Twp.	Hunterdon	$285,829

YEAR	NAME	COUNTY	AMOUNT
2000	Ridgefield Boro	Bergen	$990,000
1999	Ridgefield Park	Bergen	$2,133,780
2001	Ridgewood Village	Bergen	$16,267,000
2004	Ridgewood Village	Bergen	$2,665,171
1999	River Edge Boro	Bergen	$566,627
1993	Riverside SA	Burlington	$6,387,013
1995	Riverside SA	Burlington	$305,730
2002	Riverside Water RA	Burlington	$1,589,040
2007	Rockaway Valley RSA	Morris	$13,459,315
1987	Roxbury Twp	Morris	$8,281,888
1989	Roxbury Twp	Morris	$9,196,741
2001	Roxbury Twp	Morris	$747,645
2004	Roxbury Twp	Morris	$1,913,000
1988	Roxbury Twp Ajax	Morris	$6,239,555
1988	Roxbury Twp-Lamington	Morris	$8,009,917
1999	Runnemede SA	Camden	$888,403
2003	Runnemede SA	Camden	$683,703
2007	Saddle Brook Township	Bergen	$2,023,154
2006	Saddle River Boro	Bergen	$2,094,855
1999	Sayreville Boro	Middlesex	$18,890,000
2006	Sea Girt Boro	Bergen	$3,675,882
2007	Seaside Park Borough	Ocean	$3,933,858
2007	Seaside Park Borough	Ocean	$4,023,106
2004	Secaucus	Hudson	$3,325,000
1999	Ship Bottom Boro	Ocean	$2,181,421
2004	Shorelands Water Co.	Monmouth	$5,630,000
1996	Somerdale Boro	Camden	$257,211
1998	Somerdale Boro	Camden	$573,317
1990	Somerset Raritan VSA	Somerset	$8,715,321
1990	Somerset Raritan VSA	Somerset	$6,538,374
1998	Somerset Raritan VSA	Somerset	$19,910,963
2004	Somerset Raritan VSA	Somerset	$5,190,000
2007	Somerset Raritan VSA	Somerset	$12,757,250
2000	South Hackensack Twp	Bergen	$1,441,280
2004	South Jersey Water Supply Company	Gloucester	$371,098
2004	South Monmouth RSA	Monmouth	$5,996,270
2000	South River Boro	Middlesex	$5,257,500

YEAR	NAME	COUNTY	AMOUNT
2000	South River Boro	Middlesex	$855,000
2000	Stafford MUA	Ocean	$4,368,651
2007	Stafford Township	Ocean	$8,786,085
2005	Stafford Twp	Ocean	$10,190,597
2006	Stafford Twp	Ocean	$6,101,741
2000	Stockton Boro	Hunterdon	$983,624
2006	Stockton Boro	Hunterdon	$582,975
2007	Stone Harbor Borough	Cape May	$342,766
2007	Stone Harbor Borough	Cape May	$1,478,967
2007	Stony Brook RSA	Mecer	$5,515,000
1993	Sussex County MUA	Sussex	$5,532,574
2001	Sussex County MUA	Sussex	$5,965,013
2000	Swedesboro Boro	Gloucester	$95,589
1995	Tewksbury Twp	Hunterdon	$413,961
1998	Trenton City	Mercer	$13,697,170
1999	Trenton City	Mercer	$1,668,636
2004	Trenton City	Mercer	$12,279,865
2006	Trenton City	Mercer	$49,035,203
2007	Trenton City	Mercer	$13,075,870
1994	Trenton Water Works	Mercer	$17,728,035
2002	Tuckerton Boro	Ocean	$632,164
2005	Tuckerton Boro	Ocean	$1,179,000
2000	Union Beach Boro	Monmouth	$600,000
2001	Union Twp	Union	$184,330
2006	Union Twp (JMEUC)	Union	$1,443,800
1988	Verona	Essex	$16,274,000
1989	Verona	Essex	$3,440,213
2002	Verona Twp	Sussex	$1,435,250
2004	Verona Twp	Essex	$1,714,348
2004	Vorhees Twp	Camden	$6,349,596
1998	Waldwick Boro	Bergen	$1,655,000
1993	Wall Twp	Monmouth	$6,966,095
2002	Warren County Pequest River MUA	Warren	$4,300,000
2003	Warren County Pequest River MUA	Warren	$2,054,515
1989	Warren Twp SA	Somerset	$6,524,752
1997	Washington Boro	Warren	$13,518,430
1997	Washington Boro	Warren	$2,089,350

YEAR	NAME	COUNTY	AMOUNT
2002	Washington Boro	Warren	$1,625,741
2001	Washington Twp	Mercer	$1,360,000
1996	Washington Twp MUA	Gloucester	$9,263,203
2002	Washington Twp MUA	Gloucester	$3,558,066
2002	Washington Twp MUA	Gloucester	$2,149,652
2004	Washington Twp MUA	Gloucester	$818,863
2000	Watchung Boro	Somerset	$1,787,646
2001	Watchung Boro	Somerset	$456,237
2001	Waterford Twp MUA	Camden	$2,885,000
2002	Waterford Twp MUA	Camden	$2,569,244
1988	Wayne Twp	Passaic	$6,178,000
1989	Wayne Twp	Passaic	$855,000
1990	Wayne Twp	Passaic	$613,764
1992	Wayne Twp	Passaic	$7,112,894
2007	West Deptford Twp.	Gloucester	$811,631
2007	West Deptford Twp.	Gloucester	$6,068,500
1993	West Deptford Twp	Gloucester	$3,496,219
2004	West Deptford Twp	Gloucester	$1,401,288
2004	West Deptford Twp	Gloucester	$5,222,058
1989	West Milford Twp MUA	Passaic	$1,775,000
2001	West Milford Twp MUA	Passaic	$1,065,614
2005	West Milford Twp MUA	Passaic	$2,734,151
2002	West Orange Twp	Essex	$852,038

YEAR	NAME	COUNTY	AMOUNT
2005	West Orange Twp	Essex	$2,447,091
2006	West Orange Twp (JMEUC)	Essex	$823,471
1989	West Paterson Boro	Passaic	$2,134,079
2003	West Paterson Boro	Passaic	$900,000
2004	West Paterson Boro	Passaic	$1,170,374
2004	West Paterson Boro	Passaic	$978,977
2001	West Windsor Twp	Mercer	$3,269,984
1999	Westville Boro	Gloucester	$472,136
2007	Westville Borough	Gloucester	$627,024
2000	Westwood Boro	Bergen	$4,965,000
2005	Wharton Boro	Morris	$465,596
2005	Wildwood City	Cape May	$1,246,500
2000	Winslow Twp	Camden	$5,517,500
2005	Winslow Twp	Camden	$432,700
2002	Winslow Twp Sickler-ville	Camden	$3,884,632
2001	Wonder Lakes Properties, Inc.	Passaic	$144,920
1997	Woodbridge Twp	Middlesex	$884,595
2001	Woodbury City	Gloucester	$2,937,888
1996	Woodbury Heights	Gloucester	$941,910
1992	Woodstown SA	Salem	$5,437,513
1993	Woodstown SA	Salem	$942,112

TOTAL LOAN AMOUNT: $4,315,427,744

A construction worker ties steel rebar for wall reinforcement at the Millville City drinking water treatment plant.

Loan Amount: $1,451,680

Loan Year: 2003

Independent Auditor's Report

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

We have audited the accompanying balance sheets of the New Jersey Environmental Infrastructure Trust (the "Trust"), a component unit of the State of New Jersey, as of June 30, 2007 and 2006, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2007 and 2006, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 2007 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 22 through 25 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

As discussed in Note J, an event of default on the part of one of the Trust's borrowers currently exists under the terms of the indenture pursuant to which the Trust issued its Environmental Infrastructure Revenue Bonds (Bergen County Improvement Authority–En Cap Golf Holdings, LLC Project), Series 2005 (the "NJEIT–En Cap Bonds"). However, the events with respect to the NJEIT-EN Cap Bonds will have no impact upon any of the annual financing programs of the Trust or the repayments of principal and interest with respect thereto.

October 17, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2007

This section of the annual financial report of the Trust presents our discussion and analysis of the Trust's financial performance during the fiscal year ended June 30, 2007. Please read this section in conjunction with the Trust's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The Trust's net assets increased by $22,118,841, or 6%
- Cash and investments increased by $65,978,973, or 10%
- Bonds payable increased by $94,111,096, or 8%

The State of New Jersey (the "State") transferred $11,273,852 to the Trust from the Clean Water State Revolving Fund to fund the Debt Service Reserve Fund for the bonds sold to fund the Trust's share of the project costs for the Clean Water Projects. A second transfer of $527,215 occurred to fund the Debt Service Fund in connection with the State-Funded Projects. The Trust transferred $2,157,466 to fund the Drinking Water Debt Service Reserve Fund from the Drinking Water Revolving Fund for the Drinking Water Project.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL ANALYSIS OF THE TRUST

Since the purpose of the Trust is to improve the environment by making loans to government entities and water purveyors throughout the State, the Trust must sell bonds in order to provide the necessary funding for these projects. Therefore, when reviewing the Trust's balance sheet, our performance can be measured by our liabilities, not our assets. The bonds payable reflects the amount of bonds outstanding. The current assets consist of committed funds that have not been requested by the borrowers. The due from borrowers is the amount of loans net of funds not yet requisitioned. As a result, analyzing the assets would not be the appropriate measurement of the Trust's success. In addition, the Trust does not hold any capital assets. All capital assets are held by the borrowers.

Net Assets-The following table summarizes the changes in net assets between June 30, 2007 and 2006:

	2007	2006	Percent Increase
Current assets	$720,972,931	$632,058,497	14%
Non-current assets	934,304,630	905,291,679	3%
Total assets	**1,655,277,561**	**1,537,350,176**	**8%**
Bonds payable	1,258,403,134	1,164,292,038	8%
Other liabilities	17,861,150	16,163,702	11%
Total liabilities	**1,276,264,284**	**1,180,455,740**	**8%**
Restricted	356,797,517	337,370,071	7%
Unrestricted	22,215,760	19,524,365	14%
Total net assets	**$379,013,277**	**$356,894,436**	**6%**

The table above illustrates that the Trust's net assets have increased from $356,894,436 to $379,013,277. Net assets increased as a result of the size of the 2006 financing program. The total amount deposited to the Project Fund from bond proceeds was $151,352,539 plus the Debt Service Reserve Deposit of $13,958,533 supplied by the State and $153,680 supplied by borrowers. The remaining amount is unrestricted funds. At June 30, 2007, bonds payable amounted to $1,258,403,134. During the year, the Trust issued bonds in the amount of $170,980,000 and retired $77,639,582.

The following table summarizes the changes in net assets between fiscal years 2007 and 2006:

	2007	2006	Percent Increase (Decrease)
Operating revenues	$66,455,790	$56,518,446	18%
State appropriations	8,056,080	39,167,688	(79%)
Total revenues	**74,511,870**	**95,686,134**	**(22%)**
Interest expense	50,995,349	49,245,677	4%
Administrative expenses	1,397,680	1,958,000	(29%)
Total expenses	**52,393,029**	**51,203,677**	**2%**
Change in net assets	**$22,118,841**	**$44,482,457**	**(50%)**

While the balance sheets show the change in financial position of net assets, the statements of revenues, expenses, and changes in net assets illustrate the investment income and interest repayments from the borrowers as compared to the interest expense payments made on the outstanding bonds. The difference represents investment income earned on the Project Fund investments and the Debt Service Fund. In both cases, these funds are credited to the borrowers through reduced interest payments; the Trust does not benefit from this income. The Trust collects an administrative fee from all borrowers for the duration of their loans. This covers the operating expenses of the Trust.

"State appropriations" represents the state contribution to the debt service reserve and the balance in the Interim Financing Program Account. The balance is the net of the redeemed interim loans from the 2006 Financing Program and the outstanding interim loans for the 2007 Financing Program as of June 30, 2007. The Interim Financing Account is included in the State appropriations, since the account was initially funded by a transfer from the State. The source of the transfer was repayments from prior loans made by the department under the Environmental Infrastructure Financing Program.

OTHER FINANCIAL INFORMATION

During fiscal year 2006, the Trust sold, by competitive bid, Series 2006A and B bonds to capitalize the 2006 NJ Environmental Infrastructure Financing Program. As a result of the issues, 41 projects received funding. Under the Trust Direct Loan Program, one project received funding during this fiscal year.

The Environmental Infrastructure Bonds Series 2006A were sold to Citigroup Global Markets, which was the low bidder with a true interest cost of 4.19%. Series 2006B was sold to UBS Securities, LLC, which was the low bidder with a true interest cost of 4.48%. Both bond series were tax-exempt and uninsured and were rated AAA, Aaa and AAA by Fitch Investors Services, Inc., Moody's Investors Service, and Standard & Poor's Corp., respectively.

Loans to borrowers in the 2006 program combine proceeds of the bond sale, lent at market rate, with interest-free loans from the State of New Jersey, Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Thus, most public borrowers will pay a composite interest rate on their loans of 2.10% from the A series and 2.24% from the B series.

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, borrowers, investors and creditors with a general overview of the Trust's finances and to demonstrate the Trust's accountability for the State appropriations and bond proceeds it receives. If you have any questions about this report or need additional financial information, contact the Environmental Infrastructure Trust's Assistant Director/Chief Financial Officer at P.O. Box 440, Trenton, New Jersey 08625.

A manhole "cone" section is set into place in the Gloucester Township sewer collection system.

Loan Amount: $2,069,790

Loan Year: 2004

BALANCE SHEETS

	June 30, 2007	June 30, 2006
ASSETS		
Current Assets		
Cash and cash equivalents	$21,091,190	$17,647,049
Other assets	1,841,907	1,749,466
Restricted assets		
Cash and cash equivalents	356,562,542	458,031,032
Investments	231,342,725	56,936,965
Interest receivable	21,631,126	21,475,093
Loans receivable	88,503,441	76,218,892
Total Current Assets	**720,972,931**	**632,058,497**
Non-Current Assets		
Fixed assets	34,958	16,505
Restricted assets		
Investments	106,180,573	116,583,011
Loans receivable	818,822,230	779,417,222
Deferred issuance costs	9,266,869	9,274,941
Total Non-Current Assets	934,304,630	905,291,679
Total Assets	**$1,655,277,561**	**$1,537,350,176**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$833,178	$719,228
Accrued interest payable	17,027,972	15,444,474
Current portion of bonds payable	90,400,333	77,639,582
Total Current Liabilities	**108,261,483**	**93,803,284**
Non-current Liabilities		
Bonds payable	1,168,002,801	1,086,652,456
Total Liabilities	**1,276,264,284**	**1,180,455,740**
Net Assets		
Restricted for debt service	250,328,711	231,928,871
Restricted for Interim Financing Trust Loan Program	106,468,806	105,441,200
Unrestricted	22,215,760	19,524,365
Total Net Assets	379,013,277	356,894,436
Total Liabilities and Net Assets	**$1,655,277,561**	**$1,537,350,176**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Year ended June 30, 2007	2006
Operating revenues		
Investment income	$20,091,001	$8,808,441
Interest income from loans	41,034,112	43,019,892
Administrative fees	5,330,677	4,690,113
Total operating revenues	**66,455,790**	**56,518,446**
Operating expenses		
Interest expense	50,995,349	49,245,677
Administrative expenses	1,397,680	1,958,000
Total operating expenses	**52,393,029**	**51,203,677**
Operating income	14,062,761	5,314,769
Non-operating revenues		
State appropriations	8,056,080	39,167,688
Total non-operating revenues	**8,056,080**	**39,167,688**
Change in net assets	22,118,841	44,482,457
Net assets, beginning of year	356,894,436	312,411,979
Net assets, end of year	**$379,013,277**	**$356,894,436**

STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2007	2006
Cash Flows from Operating Activities		
Cash receipts for administrative fees	$ 3,731,124	$ 4,453,410
Cash payments for goods and services	103,710	(385,668)
Cash payments for salaries	(1,377,367)	(1,373,995)
Disbursement of loan funds to borrowers	(132,236,923)	(177,258,787)
Principal received from loans to borrowers	81,715,395	68,801,346
Interest received from loans to borrowers	40,465,320	48,209,019
Interest paid on bond maturities	(50,419,848)	(48,731,226)
Interest on investments	19,374,300	9,640,251
Net cash used in operating activities	(37,144,289)	(96,345,658)
Cash Flows from Non-Capital Financing Activities		
Proceeds from sale of bonds	174,177,250	232,576,518
Principal paid on bond maturities	(78,195,000)	(71,803,000)
Issuance and servicing costs paid	(895,085)	(2,259,842)
State appropriations received	8,666,080	39,167,048
Net cash provided by non-capital financing activities	103,183,245	198,884,724
Cash Flows Used in Capital and Related Financing Activities		
Acquisition of fixed assets	(31,945)	(1,128)
Cash Flows from Investing Activities		
Purchase of investments	(221,996,756)	(94,390,491)
Proceeds from sale and maturity of investments	57,965,396	18,888,772
Net cash provided by investing activities	(164,031,360)	(75,501,719)
Net (decrease) increase in cash and cash equivalents	(98,024,249)	27,035,269
Cash and cash equivalents, beginning of year	475,678,081	448,641,812
Cash and cash equivalents, end of year	$ 377,653,732	$ 475,678,081
Reconciliation of Operating Income to Net Cash Used in Operating Activities		
Operating income	$ 14,062,976	$ 9,814,769
Adjustments to reconcile operating income to net cash used in operating activities		
Depreciation	6,323	11,656
Net unrealized gain on investments	(28,037)	(1,498,189)
Capital appreciation on real estate and loan acquisition	230,924	5,236,418
Amortization of bond discounts and premiums	(2,586,592)	(3,097,692)
Amortization of deferral on bond refunding	439,506	1,047,497
Amortization of deferred issuance costs	993,157	1,769,542
Change in assets and liabilities		
Increase in other assets	(92,441)	(237,579)
(Increase) decrease in interest receivable	(156,032)	197,344
Increase in loans receivable	(51,669,557)	(105,463,108)
Decrease (increase) in deferred issuance costs	8,072	(490,040)
Increase in accounts payable	112,950	82,827
Increase (decrease) in accrued interest payable	1,583,498	(1,032,995)
Net cash used in operating activities	$ (37,144,289)	$ (96,345,658)
Displayed as		
Cash and cash equivalents - unrestricted	$ 21,109,[illegible]	
Cash and cash equivalents - restricted	356,[illegible]	
	$ 377,653,732	
Non Cash Investing Activities		
Decrease in fair value of investments	$ (2,711,953)	$ (2,741,920)

NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND FUNCTION OF THE TRUST

The New Jersey Wastewater Treatment Trust was created by the Legislature of the State of New Jersey (the "State") in November 1985 as an independent State financing authority. The New Jersey Environmental Infrastructure Trust (the "Trust") leverages federal and state dollars to finance environmental infrastructure projects. It issues revenue bonds in order to make loans to local governments and private water companies for the construction and rehabilitation of eligible projects. The Trust is a component unit of the State of New Jersey, and accordingly, the financial statements of the Trust are included in the financial statements of the State of New Jersey.

In addition to the Trust loan, the borrowers receive a zero percent interest-free loan administered by the New Jersey Department of Environmental Protection (the "Department"). The sources for the loans are State general obligation bond issues that were approved to capitalize the various loan funds and the Federal Capitalization Grant under the Clean Water Act and the Drinking Water Act (the "Funds"). The accompanying financial statements do not include any assets, liabilities or fund balances of the Funds. However, the financial statements of the funds are included as additional information in the accompanying comprehensive annual financial report of the trust. Under the terms of the Trust agreement, the assets of the Trust cannot be used to satisfy the obligations of the Funds.

The Trust may finance up to 50% of the allowable project costs. The Fund may finance up to 75% of the allowable project costs. The Trust lends its share of allowable costs to borrowers for various terms to a maximum of 20 years at a rate equal to or less than the interest rate on its revenue bonds. Such loan repayments will be used to pay debt service on Trust revenue bonds. The Trust maintains an internally designated State Revolving Fund, which consists of Clean Water and Drinking Water projects, to separately account for the portion of these Trust loan financings that have been matched by federal sources from the Fund.

The Trust is administered by an Executive Director and staff, under the guidance of the Board of Directors, that appoint trustees (currently both U.S. Bank and the Bank of New York) and loan servicers (currently U.S. Bank, the Bank of New York and Commerce Bank). The initial proceeds from a bond issuance are invested and held by the trustee. The Trust authorizes the trustee to disburse funds to the borrowers based on a review and approval process to verify that the disbursed funds are within the drawdown limits outlined in the loan agreements. The loan servicer receives all repayments of principal and interest from the borrowers and forwards such funds to the trustee and the Master Program Trustee (U.S. Bank) or the department, as appropriate. The trustee invests the monies received in the applicable fund (see Note C). For the 2004 bond issues and for future issues, the Trust's accounting staff is acting as loan servicer.

As a public body under existing statute, the Trust is exempt from both federal and state taxes.

B. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Trust conform to accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting policies:

Basis of Accounting
The accrual basis of accounting is followed by the Trust.

In its accounting and financial reporting, the Trust follows the pronouncements of the Governmental Accounting Standards Board ("GASB"). In addition, the Trust follows the pronouncements of all applicable Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs") of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Trust has elected to follow GASB pronouncements issued after November 30, 1989.

Cash and Cash Equivalents and Investments
Investments are purchased with the intent to hold to maturity. Investments, which consist primarily of U.S. Government obligations, are stated at fair value and mature in periods ranging from one to ten years. Cash equivalents include funds invested in the New Jersey Cash Management Fund, First American Treasury, the Trust U.S. Treasury Obligation Money Market Fund, Citigroup Master Repurchase Agreements, and commercial paper.

Deferred Issuance Costs
Bond issuance costs, primarily underwriting discounts, are amortized over the life of the related issue using the effective interest method.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

(a) The market value of the collateral must equal 5% of the average daily balance of public funds; or
(b) 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.

Custodial Credit Risk
The Trust does not have a policy for custodial credit risk. However, the NJCMF is a pooled investment. GASB 40 states that pooled investments are excluded from custodial credit risk disclosure.

Cash and cash equivalents and investments are substantially restricted under the terms of the Trust's bond resolutions for the payment of bond principal and interest expense and the extension of project loans. The bond resolutions limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

The amounts deposited in these accounts at June 30, 2007 and 2006, are as follows:

	2007	2006
Operating Checking (Wachovia)	$72,961	$331,835
NJCMF	6,554,312	5,103,351
Investments - US Bank	12,994,010	800,882
First American Treasury (US Bank MM)	242,280,739	290,621,209
Trust US Treasury (BONY MM)	115,751,710	178,820,804
Total	**$377,653,732**	**$475,678,081**

Pursuant to the bond resolutions, the Trust is required to maintain certain invested reserves with the trustees to fund potential deficiencies in principal and interest required to be paid in succeeding fiscal years. The funds known as the debt service reserve requirement aggregated $246,048,650 and $227,772,591 at June 30, 2007 and 2006, respectively, and are included in net assets restricted for debt service.

Investment Maturity (in Years)					
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
US Treasury Bills	$2,957,080	$2,957,080	$-	$ -	$ -
US Treasury Bonds	5,579,018	-	5,579,018	-	-
US Treasury Notes	80,757,271	44,490,121	36,267,150	-	-
US Treasury SLUGs	140,251,197	75,916,792	64,334,405	-	-
US Treasury Strips	1,146,975	1,146,975	-	-	-
US Gov't Other	106,819,200	106,819,200	-	-	-
Uninvested Cash	12,557	12,557	-	-	-
	$337,523,298	$231,342,725	$106,180,573	$ -	$ -

Credit Risk

The Trust's restricted investment policies are disclosed above under the custodial credit risk section. Investments of the Trust are guaranteed by the U.S. government.

Interest Rate Risk

The Trust does not have a policy to limit interest rate risk. However, the Trust's investments are limited to U.S. obligations with fixed interest rates.

D. BONDS PAYABLE

Changes in bonds payable for the year ended June 30, 2007, were as follows:

	Balance at June 30, 2006	Issued	Retired	Balance at June 30, 2007	Amount Due within One Year
1994 Refunding Series					
Series Bonds, insured, maturing serially through 2007, at interest rates from 4.80% to 5.40%	$2,615,000	$ -	$1,275,000	$1,340,000	$1,340,000
Series Bonds, insured, maturing serially through 2007, at interest rates from 5.55% to 6.90%	860,000	-	440,000	420,000	420,000
Series Capital Appreciation Bonds, insured, maturing serially through 2007, at interest rates from 3.944% to 4.230%	21,577,547	-	10,784,582	10,792,965	10,792,965**
1995 Series					
Series A Bonds, insured, maturing serially through 2013, at interest rates from 4.60% to 5.25%	1,030,000	-	110,000	920,000	115,000
Series B Bonds, insured, maturing serially through 2009, at interest rates from 6.2% to 6.70%; $1,015,000 term bond maturing in 2015 with mandatory redemptions commencing in 2010 in annual amounts ranging from $140,000 to $200,000 at 7.00%	1,500,000	-	110,000	1,390,000	115,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2006	Issued	Retired	Balance at June 30, 2007	Amount Due within One Year
1996 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 6.25% to 7.00%	2,195,000	-	1,060,000	1,135,000	1,135,000
Series B Bonds, insured, maturing serially through 2007, at interest rates from 6.50% to 6.60%	785,000	-	380,000	405,000	405,000
Series C Bonds, insured, maturing serially through 2008, at interest rates from 6.25% to 7.00%	13,075,000	-	6,340,000	6,735,000	6,735,000
Series D Bonds, insured, maturing serially through 2008, at interest rates from 6.50% to 6.625%	2,880,000	-	1,390,000	1,490,000	1,490,000
1996 Series					
Series A Bonds, uninsured, maturing serially through 2014, at interest rates from 5.00% to 5.25%, $6,160,000 term bond maturing in 2016 with mandatory redemptions commencing in 2015 of $3,323,400 and 2016 of $3,325,900	4,440,000	-	2,170,000	2,270,000	2,270,000
Series B Bonds, uninsured, maturing serially through 2011, at interest rates from 4.00% to 5.40%; $1,810,000 term bond maturing in 2016 with mandatory redemptions commencing in 2012 of $78,760, 2013 of $80,400, 2014 of $76,760, 2015 of $78,120, 2016 of $79,000	3,435,000	-	240,000	3,195,000	250,000
1997 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 5.00% to 7.00%	8,755,000	-	2,725,000	6,030,000	2,910,000
Series B Bonds, uninsured, maturing serially through 2009, at interest rates from 5.00%	8,305,000	-	2,580,000	5,725,000	2,770,000
Series C Bonds, uninsured, maturing serially through 2010, at interest rates from 5.00% to 7.00%	24,340,000	-	5,520,000	18,820,000	5,905,000
Series D Bonds, insured, maturing serially through 2011, at interest rates from 5.00% to 7.00%	6,755,000	-	950,000	5,805,000	1,010,000
1997 Series					
Series B Bonds, uninsured, maturing serially through 2014, at interest rates from 4.00% to 5.00%; $7,985,000 term bond maturing in 2017 with mandatory redemptions commencing in 2015 of $2,979,250, in 2016 of $2,980,250 and 2017 of $2,829,750	5,485,000	-	1,735,000	3,750,000	1,820,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2006	Issued	Retired	Balance at June 30, 2007	Amount Due within One Year
1998 Refunding Series					
Series A Bonds, insured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	155,000	-	75,000	80,000	80,000
Series B Bonds, uninsured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	975,000	-	475,000	500,000	500,000
Series C Bonds, uninsured, maturing serially through 2011, at interest rates from 4.10% to 5.00%	23,850,000	-	3,635,000	20,215,000	3,795,000
Series D Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	4,115,000	-	615,000	3,500,000	635,000
Series E Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	9,505,000	-	1,410,000	8,095,000	1,475,000
Series F Bonds, insured, maturing serially through 2014, at interest rates from 4.3% to 5.0%	9,130,000	-	960,000	8,170,000	1,010,000
Series G Bonds, insured, maturing serially through 2014, at an interest rate of 5.0%	14,305,000	-	1,490,000	12,815,000	1,575,000
1998 Series					
Series A Bonds, uninsured, maturing serially through 2016, at interest rates from 4.00% to 4.5%; $7,025,000 term bond maturing in 2018 with mandatory redemptions commencing in 2017 of $3,734,400 and 2018 of $3,595,000	37,180,000	-	2,235,000	34,945,000	2,330,000
Series B Bonds, uninsured AMT, maturing serially through 2016, at interest rates from 4.25% to 4.50%; $1,250,000 term bond maturing in 2018 with mandatory redemptions commencing in 2017 of $610,000 and 2018 of $640,000	6,470,000	-	375,000	6,095,000	395,000
1999 Series					
Series A Bonds, uninsured, maturing serially through 2019, at interest rates from 4.75% to 5.70%	9,565,000	-	2,225,000	7,340,000	2,330,000
Series B Bonds, uninsured AMT, maturing serially through 2019, at interest rates from 5.25% to 5.75%	1,990,000	-	100,000	1,890,000	105,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2006	Issued	Retired	Balance at June 30, 2007	Amount Due within One Year
2000 Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.25%	30,015,000	-	3,695,000	26,320,000	3,875,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.50%	5,945,000	-	275,000	5,670,000	285,000
2001 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 4.60% to 5.25%	1,560,000	-	485,000	1,075,000	520,000
Series B Bonds, uninsured, maturing serially through 2010, at interest rates from 3.75% to 5.25%	2,345,000	-	535,000	1,810,000	570,000
2001 Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 4.75%	124,145,000	-	5,695,000	118,450,000	5,960,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	26,270,000	-	1,115,000	25,155,000	1,170,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rates from 5.5% to 6.6%	1,200,000	-	50,000	1,150,000	50,000
2002 Series					
Series A Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.25%	85,275,000	-	3,450,000	81,825,000	3,580,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.00%	21,770,000	-	910,000	20,860,000	950,000
2003 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 4.60% to 5.25%	29,325,000	-	3,675,000	25,650,000	3,860,000
2003 Series					
Series A Bonds, uninsured AMT, maturing serially through 2023, at interest rates from 3.00% to 5.00%	64,660,000	-	2,610,000	62,050,000	2,760,000
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates from 5.00% to 5.25%	17,775,000	-	1,405,000	16,370,000	1,480,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2006	Issued	Retired	Balance at June 30, 2007	Amount Due within One Year
2004 Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 4.375%	115,270,000	-	1,965,000	113,305,000	2,090,000
Series B Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.00%	18,[illegible]35,000	-	370,000	17,805,000	710,000
2005 Series					
Series A Bonds, uninsured, maturing serially through 2025, at interest rates from 4.00% to 5.00%	121,[illegible]10,000	-	-	121,110,000	3,195,000
Series B Bonds, uninsured, maturing serially through 2025, at interest rates from 4.00% to 4.30%	3,045,000	-	-	3,045,000	-
2005 BCTA/ENCAP Gulf Holdings, LLC					
Variable rate bond series maturing through 2025, with Weekly Interest Rate calculations	107,015,000	-	-	107,015,000	5,632,368
2006 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	39,580,000	-	-	39,580,000	-
Series B Bonds, uninsured, maturing serially through 2019, at interest rates from 4.00% to 5.00%	33,000,000	-		33,000,000	-
Series C Bonds, uninsured, maturing serially through 2017, at interest rates from 4.0% to 5.0%	17,410,000	-	-	17,410,000	-
Series D Bonds, uninsured, maturing serially through 2016, at interest rates from 4.0% to 5.0%	22,495,000	-	-	22,495,000	-
2006 Series					
Series A Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	-	148,850,000	-	148,850,000	-
Series B Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	-	22,130,000	-	22,130,000	-
Total	1,112,[illegible]57,947	$ 170,980,000	$ 2,335,982	1,280,905,965	90,400,333
Plus					
Capital Appreciation 1994 Refunding **	-			-	77,035
Unamortized net premiums	43,761,037			43,632,209	-
Unamortized deferral on refunding	8,273,454			8,772,960	-
Bonds payable - net	$ 1,164,292,038			$ 1,258,403,134	$ 90,477,368

** Amount represents the accretion of capital appreciation bonds.

Each local government or private water company that borrows from the Trust posts a bond equal to the loan amount in favor of the Trust that is held by the Trust's trustee. These bonds are not callable or interest-bearing unless the borrower defaults upon its loan. The Trust has not guaranteed the debt of any borrower as of the date of these financial statements.

D. BONDS PAYABLE (continued)

The 2005 BCIA/ENCAP Golf Holdings, LLC is a variable rate interest bond that shall bear interest at a weekly interest rate to be determined by Banc of America Securities, LLC. The rates shall be determined on each Wednesday for the period beginning on the Thursday immediately following and ending on the next Wednesday.

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

Fiscal year ending June 30,	Principal	Interest	Total
2008	$90,400,333	$60,705,372	$151,105,705
2009	75,717,368	54,291,190	130,008,558
2010	73,237,368	50,381,824	123,619,192
2011	70,027,368	46,585,608	116,612,976
2012	74,812,368	42,964,270	117,776,638
2013 through 2017	337,301,840	159,093,134	496,394,974
2018 through 2022	319,326,844	71,073,926	390,400,770
2023 through 2027	165,174,476	14,354,452	179,528,928
	1,205,997,965	$499,449,776	$1,705,447,741
Unamortized net premiums	43,632,209		
Unamortized deferral on refunding	8,772,960		
Total bonds payable	**$1,258,403,134**		

The Trust has no taxing power, and the State of New Jersey is not liable for the Bonds of the Trust. The revenue bonds are not secured by the Trust, only by revenues and repayment of loans and investments. The insured bonds are insured by the Municipal Bond Investors Assurance Corporation, the Financial Guaranty Insurance Company or the AMBAC Indemnity Corporation.

E. REFUNDING

When conditions have warranted, the Trust has sold various issues of bonds to provide for the refunding of previously issued obligations.

The proceeds received from the sales of the bond issues were used to currently refund the outstanding bond issues or to deposit, in an irrevocable escrow fund held by the escrow agent, an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon to and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Trust's financial statements.

E. REFUNDING (continued)

These transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues. The savings, together with any accounting gain or loss to be reported in the year of the refunding, accrue to the respective participants. Refunded bonds outstanding at June 30, 2007, are comprised of the following:

	Principal Amount Outstanding
Issue	June 30, 2007
2006 Refunding	
2000 Series A	$39,580,000
1999 Series A	33,000,000
1997 Series	17,410,000
1996 Series A	22,495,000
	$112,485,000
2004 Refunding	
1995 Series A	$16,370,000
2003 Refunding	
1993 Series	$25,650,000
2001 Refunding	
1989 Series A - insured	$1,075,000
1990 Series A - uninsured	1,810,000
	$2,885,000
1998 Refunding	
1988 Series A	$80,000
1988 Series B	500,000
1991 Series A	20,215,000
1992 Series A	3,500,000
1992 Series B	8,095,000
1994 Series A	8,170,000
1994 Series B	12,815,000
	$53,375,000
1997 Refunding	
1989 Series A - uninsured	$6,030,000
1989 Series B - uninsured	5,725,000
1990 Series - uninsured	18,820,000
1991 Series B - uninsured	5,805,000
	$36,380,000
1996 Refunding	
1987 Series - uninsured	$1,135,000
Carney Point Township SA	405,000
1988 Series A - insured	6,735,000
1988 Series B - uninsured	1,490,000
	$9,765,000

F. LOANS RECEIVABLE

The Trust provides loans to local governmental units and water purveyors to finance allowable costs of clean water and safe drinking water projects. The various Trust loans are grouped into a pool or pools and funded with the proceeds of Trust bonds or other obligations. Loan repayments are required at such times and in such amounts as will pay the debt service on the bonds as it becomes due. These loans, which are backed by the full faith and credit of each borrower, are repayable over 20 years and bear interest at rates from 3.0% to 7.5% per annum.

The Trust's loans receivable balance of $907,325,671 and $855,636,114 as of June 30, 2007 and 2006, consisted of outstanding loans issued of $1,226,275,855 and $1,131,440,559, net of undisbursed loan funds of $318,950,184 and $275,804,445 as of June 30, 2007 and 2006, respectively.

Annual maturities for loans receivable are as follows:

Fiscal year June 30,	Principal
2008	$88,503,441
2009	78,841,422
2010	77,212,140
2011	73,622,899
2012	72,142,417
2013 through 2017	347,665,191
2018 through 2022	324,183,531
2023 through 2027	164,104,814
	$1,226,275,855

G. NEW JERSEY STATE APPROPRIATION

In prior years, the Trust received State of New Jersey appropriations of money from repayments received from previously issued wastewater loans and bond proceeds. The original source of the loan funds was a set of federal grants to the State of New Jersey to capitalize the State Revolving Fund. During the 2007 and 2006 fiscal years, the Trust received $11,273,852 and $7,566,984, respectively, from the State for the debt service reserve fund to secure clean water loans. In the 2006 fiscal year, the Trust also received $5,000,000 in State appropriations, as authorized under the State of New Jersey Dam, Lake, Stream, Flood Control, Water Resources and Wastewater Treatment Project Bond Act of 2003. These funds are dedicated for the purpose of securing trust bonds as debt service reserve funds.

H. MASTER PROGRAM TRUSTEE

The New Jersey Wastewater Treatment Financing Program instituted the Master Program Trustee. Repayments on all loans made to borrowers by the Department of Environmental Protection since 1989 are now paid to United States Bank (the "Master Program Trustee"). These funds provide additional security for the 1995 Trust Bonds and for any new Trust Bonds issued thereafter. These funds are held by the Master Program Trustee for up to a period of one year, after which time the funds are transferred to the State of New Jersey. The balance in the Master Program Trustee Account as of June 30, 2007, is $29,052,340. This balance is not an asset of the Trust; however, it is available to pay obligations of the Trust in case of default by program participants. Therefore, this amount is not reflected in the Trust's financial statements.

I. NET ASSETS

The Trust's net assets are categorized as follows:

- Restricted for debt service
- Restricted for Interim Financing Trust Loan Program
- Unrestricted

Assets restricted for debt service include net assets that have been restricted in accordance with the terms of an award or agreement or by State law. Assets restricted for interim financing are restricted for short-term financing of allowable costs of environmental infrastructure projects. Unrestricted assets include all other net assets.

J. SUBSEQUENT EVENT

An Event of Default currently exists under the terms of the Indenture pursuant to which the NJEIT issued its Environmental Infrastructure Revenue Bonds (Bergen County Improvement Authority – EnCap Golf Holdings, LLC Project), Series 2005 (the "NJEIT-EnCap Bonds"). Such Event of Default has created a corresponding Event of Default under the Loan Agreement, pursuant to which the NJEIT loaned a portion of the proceeds of the NJEIT-EnCap Bonds to EnCap Golf Holdings, LLC ("EnCap") for its Meadowlands remediation project. Simultaneously with the issuance of the NJEIT-EnCap Bonds, a Letter of Credit was issued by a bank syndicate to fully secure the payment of the principal of and interest on the NJEIT-EnCap Bonds. The referenced Events of Default were triggered by the failure of EnCap to satisfy various reimbursement obligations to the Letter of Credit Provider. In response to the occurrence of the Event of Default under the Indenture, the Letter of Credit Provider has exercised remedies to which it is entitled thereunder. Specifically, on September 28, 2007, the Letter of Credit Provider directed a mandatory tender of the NJEIT-EnCap Bonds, which mandatory tender was funded by a draw on the Letter of Credit. As a result, the Letter of Credit is no longer outstanding and the Letter of Credit Provider is the holder of 100% of the outstanding NJEIT-EnCap Bonds. Such Bonds are without recourse to the general funds of the NJEIT. To the extent that EnCap will be unable to repay the Trust Loan and, therefore, the NJEIT-EnCap Bonds, the Letter of Credit Provider now bears such risk. The collateral securing the NJEIT-EnCap Bonds does not secure any of the annual financing programs of the NJEIT. Therefore, the events with respect to the NJEIT-EnCap Bonds will have no impact upon any of the annual financing programs of the NJEIT and the repayment of principal and interest with respect thereto.

Independent Auditor's 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

To the Board of Directors of
New Jersey Environmental Infrastructure Trust

We have audited the financial statements of New Jersey Environmental Infrastructure Trust (the "Trust"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2007, and have issued our report thereon dated October 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

(continued next page)

Compliance and Other Matters

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

This report is intended solely for the information and use of the State of New Jersey, the audit committee, management and others within the Trust and is not intended to be and should not be used by anyone other than these specified parties.

October 17, 2007

Concrete forms and rebar are installed at the Trenton City Water Works treatment facility as part of their upgrade project (below and right). The city received four loans from the Environmental Infrastructure Financing Program totaling $87.9 million.

Meeting Dates

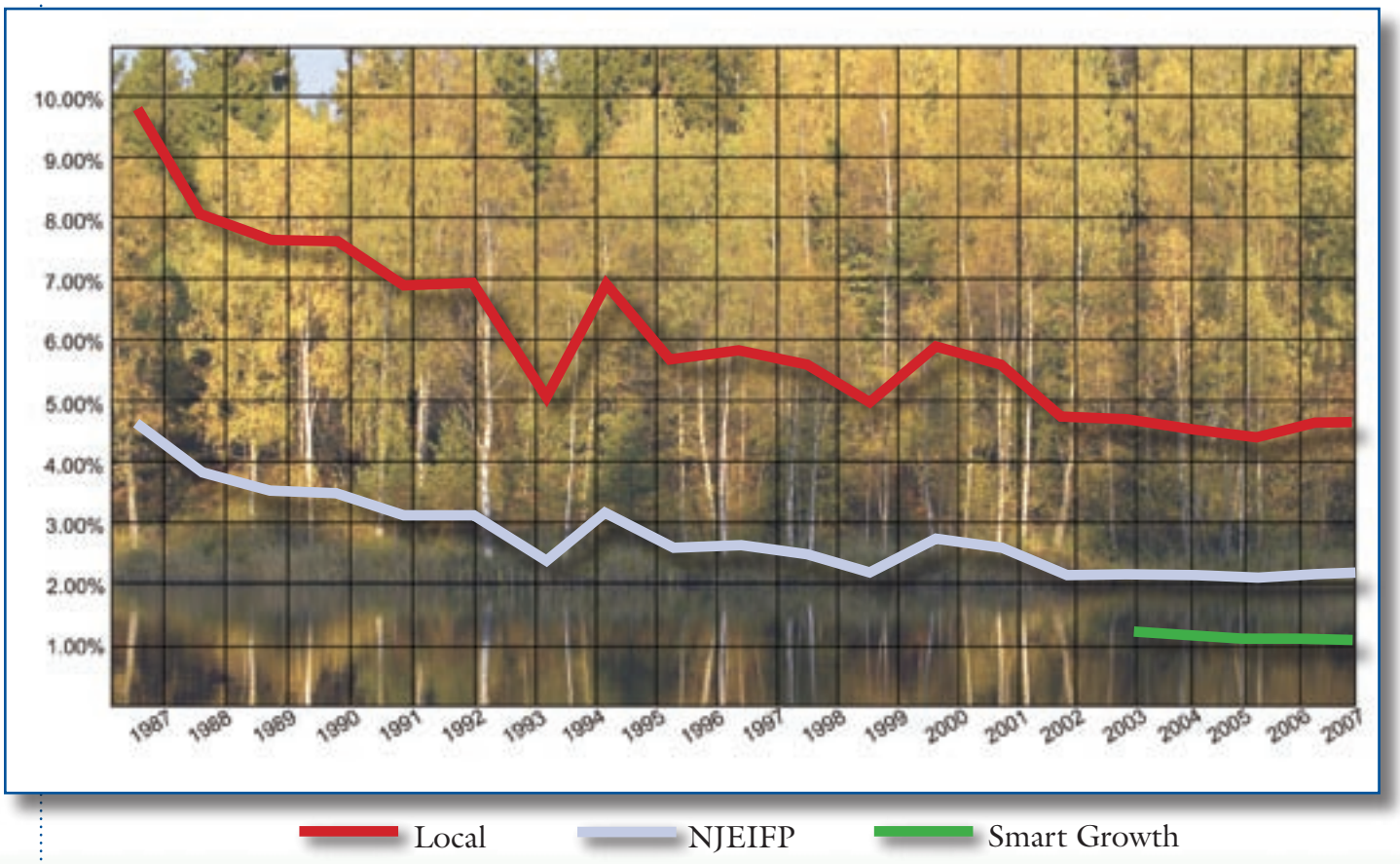
January 10, 2008	July 10, 2008
February 14, 2008	August 14, 2008
March 13, 2008	September 4, 2008
April 10, 2008	September 16, 2008
May 8, 2008	October 16, 2008
June 12, 2008	December 11, 2008

2007 Advisors

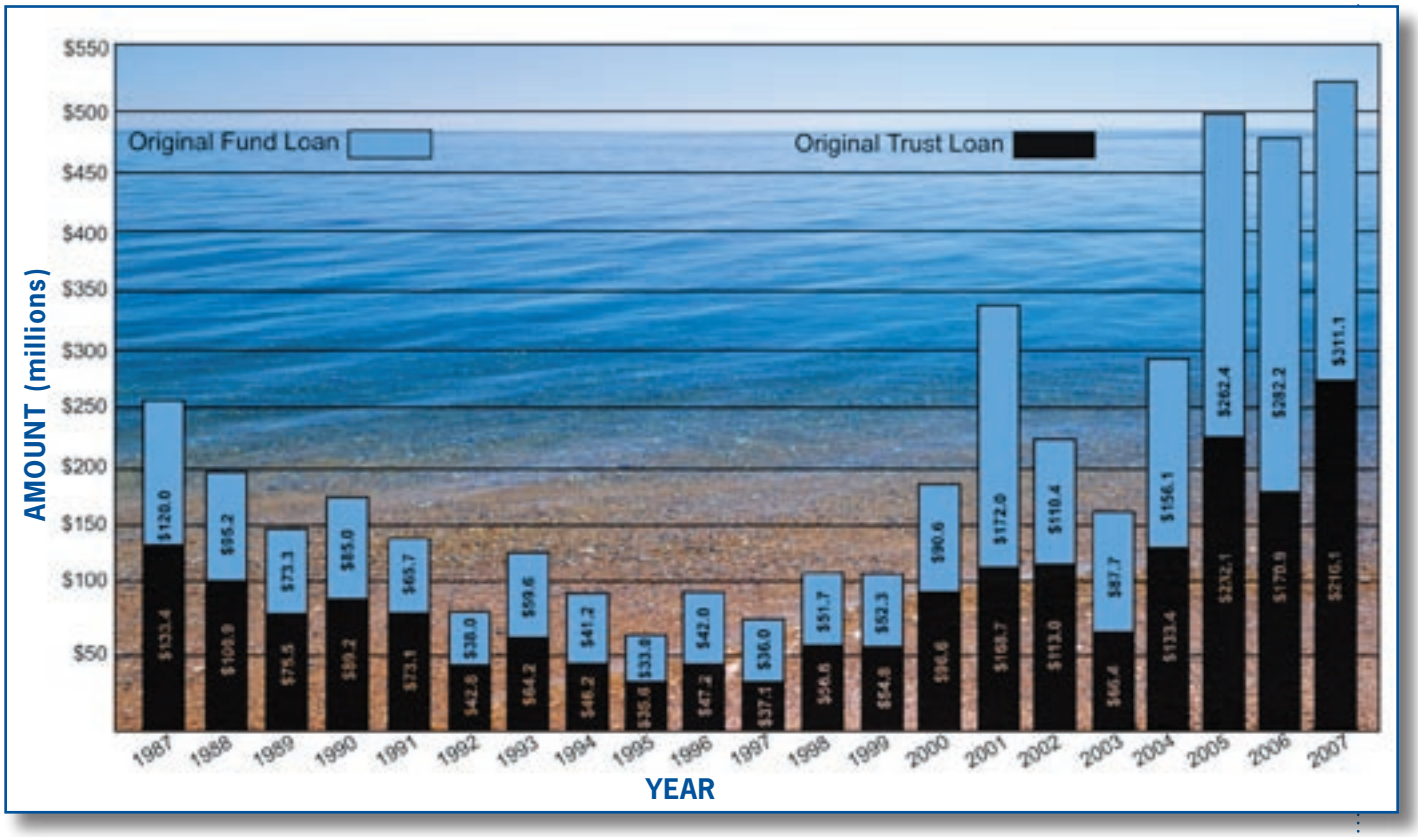
Bond Counsel	McCarter & English
Financing Advisor	Public Financial Management, Inc.
General Counsel	Attorney General of New Jersey
Auditor	Mercadien, P.C.
Trustee	Bank of New York or US Bank
Master Program Trustee	US Bank

Interest Rate Comparison

NJEIFP (50/50) and
Smart Growth Rates (75/25)
vs.
Local Financing



NJEIT
Financing Program
1987 - 2007



Trust Staff

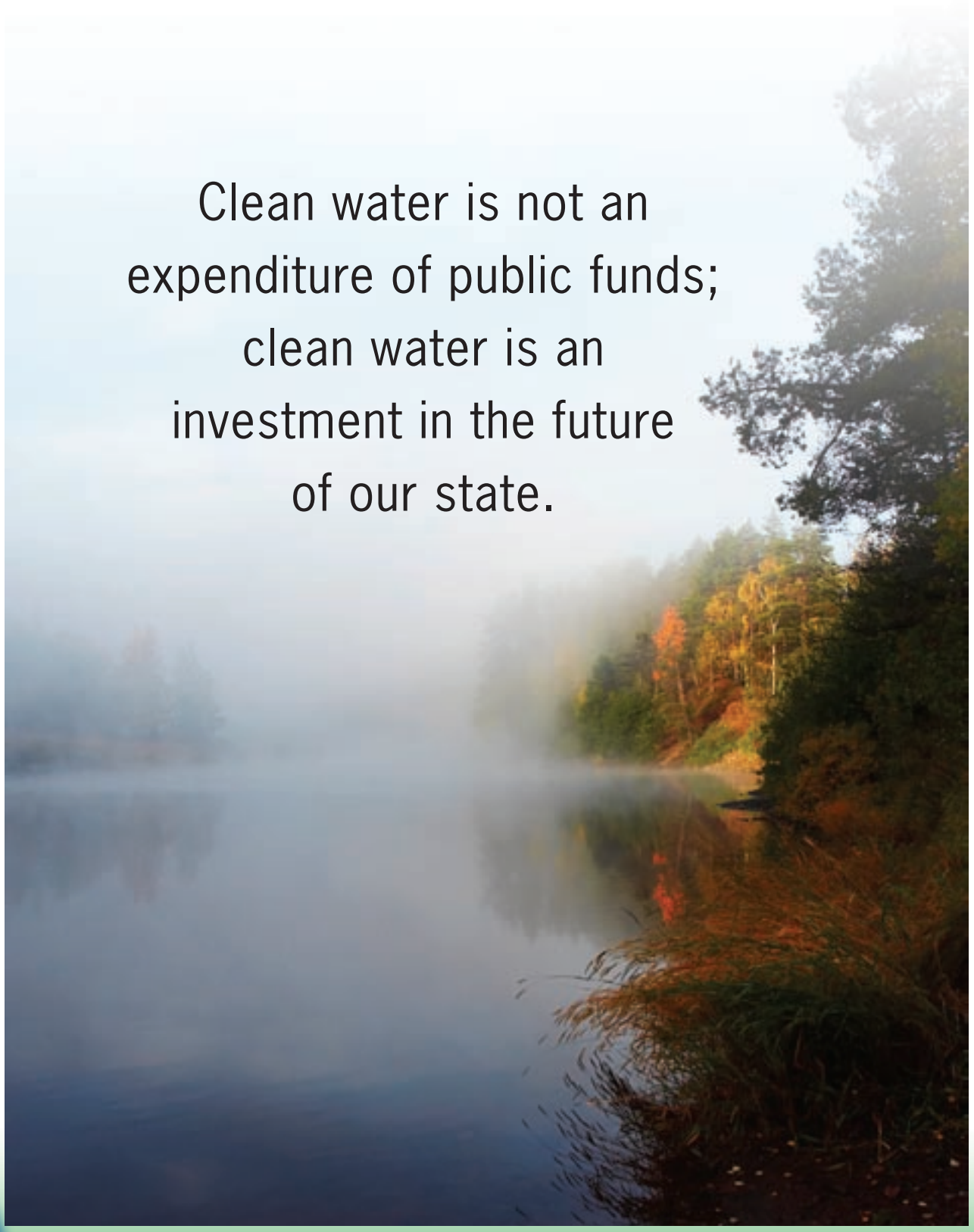
Staff

Executive Director	Dennis Hart
Assistant Director/Chief Financial Officer	Maryclaire D'Andrea
Chief Operating Officer	Frank Scangarella
Accountant	Maria Andujar
Administrative Liaison	Trudie Edinger
Chief Budget Officer	John Hansbury
Program Development Specialist	Maryann Kall
Program Management Specialist	John Laurita
Accountant	Adele Lotuaco
Secretary to the Executive Director	Josephine Manzo
Secretarial Assistant	Mary Pearsall
Accountant	Karen Texany
Administrative Assistant	Ugorji Ugorji

In 2007, the Trust received an Outstanding Service Award from the Utility and Transportation Contractors Association. From left to right, Frank Scangarella - Chief Operating Officer, Dennis Hart - Executive Director, Bob Briant, Sr. of the UTCA and Maryclaire D'Andrea - Assistant Director/Chief Financial Officer.

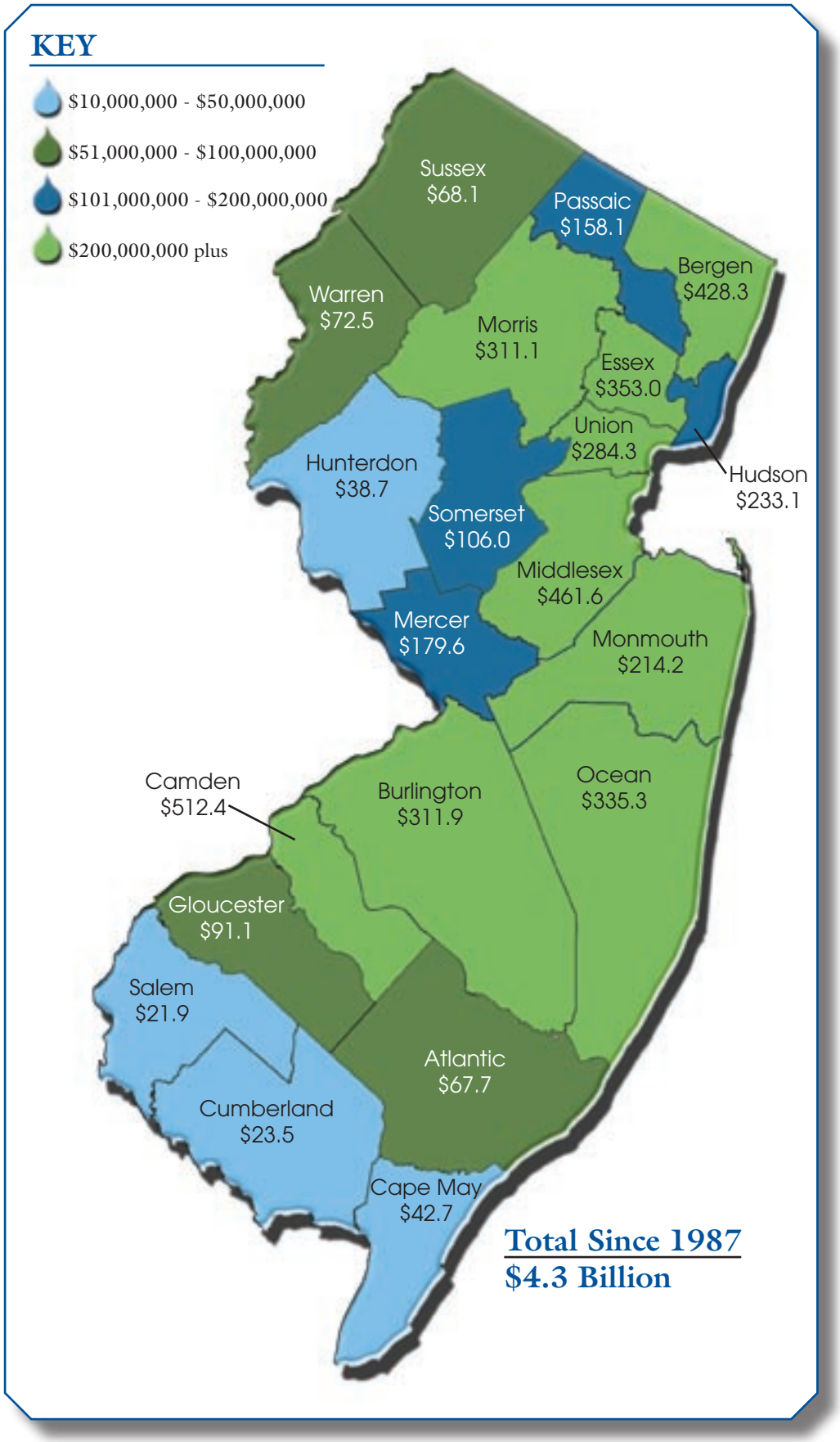
Mission Statement

The mission of the New Jersey Environmental Infrastructure Trust is to provide low-cost financing for the construction of environmental infrastructure projects that enhance and protect ground and surface water resources, ensure the safety of drinking water supplies and promote responsible and sustainable economic development.



Clean water is not an expenditure of public funds; clean water is an investment in the future of our state.

NJEIT Loan History by County



New Jersey
Environmental
Infrastructure Trust

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