



NEW JERSEY
ENVIRONMENTAL
INFRASTRUCTURE
TRUST

ANNUAL
REPORT
2006



Did You Know?

- 💧 The Financing Program has issued nearly \$4 billion in loans since 1987.
- 💧 More than 590 clean water, drinking water, land acquisition and landfill cleanup projects have been funded.
- 💧 Taxpayers and ratepayers have saved over \$1.2 billion in finance costs.
- 💧 Current finance program loan rates are as low as 1.05%.
- 💧 The Financing Program has issued more than \$74.5 million in loans to preserve 2,762 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 2006 Financing Program was the largest pooled financing program in Trust history. This year, 53 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 \$453 million in low-cost loans to infrastructure borrowers. Thirty-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. Twenty-one 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 its water quality. This role remains critical with current estimates showing a need of over \$15 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 20 years, the Financing Program has been funding projects to improve water quality and has issued loans of nearly \$4 billion for more than 590 projects. This has saved taxpayers and ratepayers over \$1.2 billion in finance costs.

On October 18, the Trust sold more than \$170 million in bonds in two separate bond sales. These bonds received a natural AAA rating from Fitch Ratings, Moody's Investor Service and Standard and Poors, attracting 8 bidders for the Series A sale. The sale was completed in two series:

Series 2006A - \$148,850,000: Interest Rate – 4.19%

Series 2006 - \$22,130,000: Interest Rate – 4.48%

This year marked the fourth 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 4.19% interest this year, traditional program borrowers paid 2.10% interest on their loans while the smart growth project borrowers paid only 1.05%.

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 is planning a refunding in 2007 for the following bond issues: 1996B, 1998A, 2001A, 2002A, 2003A and 2004A. This refunding will save New Jersey ratepayers and taxpayers more than \$11 million.

The Trust adopted a savings threshold to refund a prior bond issue. The net present value of the savings achieved must be at least 3 percent of the principal amount of the prior bonds. This is the same standard currently used by the Local Finance Board on local governments and authorities.

With the approval of the Joint Budget Oversight Committee, the Trust anticipates the sale of six series of refunding bonds having a total principal amount of approximately \$272,225,000. This will result in a total present savings of approximately \$11,881,000.

Direct Loan Program

The Trust issued one direct loan in 2006. These loans are particularly suited to small, private 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 Newark Borough was issued a direct loan for \$579,568 to repair a combined sewer overflow.

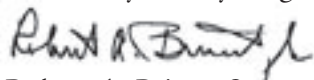
Interim Financing Program

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 2006 program, there were seven participants, the Atlantic County Utilities Authority (\$1.7 million) for the installation of solar panels at their treatment plant, Carteret Redevelopment Agency (\$38.5 million) for closure of three landfills, Stockton Borough (\$590,000) for stormwater improvements, Glen Ridge Borough (\$1.8 million) for water main replacement, Island Heights Borough (\$408,500) for a new water supply well, Township of Ocean Sewerage Authority (\$1 million) for wastewater treatment plant improvements and Stafford Township MUA (\$3.5 million) for water main installation.

Open Space Acquisition

Preserving New Jersey's dwindling open space continues to be very important. The Trust helped this mission by issuing a loan for the preservation of 292 acres in 2006. Since 2001, the Trust's loans of more than \$74.5 million have helped preserve 2,762 acres of open space land.

As the Trust enters its 20th 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

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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.

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.



Construction workers erect steel at the Mount Laurel Municipal Utility Authority's Elbow Lane Water Treatment Plant. The Authority received an \$11.5 million loan from the Environmental Infrastructure Financing Program.

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.

2006 PROJECT DESCRIPTIONS

DRINKING WATER

Atlantic City Municipal Utilities Authority **\$2,397,471**

Water treatment plant rehabilitation.

Berlin Borough - \$3,814,400 (3 projects)
Chestnut Avenue Tank (tower), meter improvements and generator improvements.

Elmwood Park Borough - \$4,732,756
(3 projects)
River Drive water main improvements, Martha Avenue main replacement, and upgrades to the Gilbert Avenue Pump Station.

Glen Ridge Borough - \$1,569,570
Water main construction.

Island Heights Borough - \$397,000
Construction of a drinking water well.

Long Beach Township - \$677,714
Water main construction.

Middlesex Water Company - \$3,500,000
Water distribution system improvements.

New Brunswick City - \$21,578,106
Water treatment plant improvements.

North Jersey District Water Supply Commission - \$3,455,273 (2 projects)
Solar photovoltaic system and rehabilitation of the Wanaque South pump station.

Saddle River Borough - \$2,069,710
Water main installation.

Sea Girt Borough - \$3,661,764 (3 projects)
Improvements to the water system including enhanced water supply wells, treatment/filtration process, storage and distribution, and pipeline work.

Stafford Township - \$6,053,482 (2 projects)
Construction of water mains to serve the Ocean Acres Section.

Trenton City - \$48,893,604
Improvements to the water filtration plant.



*Lakewood Township
Municipal Utilities
Authority - Water
Treatment Plant.*

*2002 Loan Amount:
\$6.5 million*

2006 PROJECT DESCRIPTIONS

CLEAN WATER PROJECTS

Asbury Park City - \$2,172,000

Equipment purchase and sewer rehabilitation.

Atlantic County Utilities Authority -

\$2,508,362 (2 projects)

Photovoltaic generation system at wastewater treatment plant and equipment purchase.

Bayonne Redevelopment Agency -

\$4,458,400

Stormwater management and sanitary sewer for Harbor Station North.

Bergen County Utilities Authority -

\$73,332,413 (2 projects)

Wastewater treatment plant upgrade and improvements to the Overpeck Valley trunk sewer.

Camden County Municipal Utilities

Authority - \$33,802,462 (3 projects)

Wastewater treatment plant upgrades and combined sewer overflow upgrades in Camden and Gloucester Cities.

Carteret Redevelopment Agency

\$36,585,666

Closure of three landfills in Carteret Borough (Carteret, Cranbrook and Middlesex Landfills).

Denville Township - \$5,844,082

Sanitary sewer construction.

Edison Township - \$883,562

Stormwater drainage improvements to Stephenville and Fishel Road.

Elizabeth City - \$2,881,379 (2 projects)

Combined sewer overflow correction, construction of Harding Road storm sewer and miscellaneous stormwater control measures.

Evesham Municipal Utilities Authority -

\$11,399,148

Improvements to the Kings Grant Wastewater Treatment Plant.

Joint Meeting of Essex & Union Counties **(1 project, 6 borrowers)**

Elizabeth City - \$3,364,447

Hillside Township - \$400,529

Irvington Township - \$1,201,588

Newark City - \$720,953

Union Township - \$1,425,066

West Orange Township - \$811,295

Upgrades to the Joint Meeting of Essex and Union Counties Wastewater Treatment Plant.



Barnegat Township - sewer system improvements.

2005 Loan Amount: \$1.99 million

CLEAN WATER PROJECTS

Linden City - \$1,083,600

Improvements to the stormwater drainage system and construction of storm sewers.

Middlesex County Utilities Authority - \$68,813,716

Upgrade of force mains and a pump station in Edison Township.

North Hudson Sewerage Authority - \$8,992,636 (4 projects)

Stormwater management, wastewater treatment plant improvements, combined sewer overflow correction.



Camden County Municipal Utilities Authority - sludge dewatering equipment.

2003 Loan Amount: \$5.2 million

Ocean County Utilities Authority \$14,696,910

Wastewater treatment plant and sanitary sewer interceptor rehabilitation.

Ocean Township Sewerage Authority - \$996,382

Wastewater treatment plant improvements, replacement of two pump stations and relining of trunk sewer lines.

Old Bridge Municipal Utilities Authority \$6,334,000

Sewer interceptor replacement.

Passaic Valley Sewerage Commissioners - \$37,479,322 (3 projects)

Wastewater treatment plant improvements and sewer interceptor rehabilitation.

Pequannock, Lincoln Park & Fairfield Sewerage Authority – \$9,008,726

Improvements to three sewage pump stations.

Princeton Sewer Operating Committee (1 project, 2 borrowers)

Princeton Borough - \$1,778,283

Princeton Township - \$1,778,283

Sanitary sewer rehabilitation.

Stockton Borough - \$565,950

Stormwater drainage improvements.

New Jersey Water Supply Authority - \$2,799,150

Raritan Basin Land Acquisition.

TOTAL 2006 Projects – \$453,217,369

PROJECTS FINANCED 1987 - 2006

YEAR	NAME	COUNTY	AMOUNT	YEAR	NAME	COUNTY	AMOUNT
1999	2117 Mt. Ephraim Inc.	Salem	\$397,969	2001	Burlington County BCF	Burlington	\$14,364,871
1994	Allamuchy Twp	Warren	\$4,410,300	2003	Burlington County BCF	Burlington	\$14,860,422
2001	Allamuchy Twp	Warren	\$2,226,500	1996	Burlington Twp	Burlington	\$8,713,690
2004	Allamuchy Twp	Warren	\$2,226,500	1996	Byram Twp	Sussex	\$1,802,284
2004	Aqua New Jersey, Inc.	Warren	\$2,435,000	1988	Caldwell Boro	Essex	\$16,293,825
2006	Asbury Park City	Monmouth	\$2,234,000	1989	Caldwell Boro	Essex	\$5,339,535
2005	Atlantic City MUA	Atlantic	\$5,543,215	1997	Camden City	Camden	\$852,640
2006	Atlantic City MUA	Atlantic	\$2,458,103	1999	Camden City	Camden	\$2,936,209
1995	Atlantic County UA	Atlantic	\$7,967,538	2000	Camden City	Camden	\$6,426,340
1997	Atlantic County UA	Atlantic	\$3,032,663	2000	Camden City	Camden	\$3,127,208
1997	Atlantic County UA	Atlantic	\$7,569,539	2000	Camden City	Camden	\$444,156
2001	Atlantic County UA	Atlantic	\$1,972,543	2000	Camden City	Camden	\$3,076,027
2004	Atlantic County UA	Atlantic	\$4,919,401	2000	Camden City	Camden	\$5,401,238
2006	Atlantic County UA	Atlantic	\$2,551,272	2000	Camden City	Camden	\$4,525,247
1996	Atlantic Highlands Boro	Monmouth	\$872,692	2001	Camden City	Camden	\$4,676,281
2001	Barnegat Twp	Ocean	\$780,000	2001	Camden City	Camden	\$4,506,664
2005	Barnegat Twp	Ocean	\$1,991,805	2001	Camden City	Camden	\$12,456,176
2003	Barrington Boro	Camden	\$1,019,712	2002	Camden City	Camden	\$9,982,491
2006	Bayonne City RA	Hudson	\$4,563,800	2003	Camden City	Camden	\$17,784,503
1999	Bayonne MUA	Hudson	\$4,985,000	2003	Camden City	Camden	\$10,258,751
2000	Bayonne MUA	Hudson	\$9,285,809	1987	Camden County MUA	Camden	\$9,934,592
2002	Bayonne MUA	Hudson	\$3,603,836	1987	Camden County MUA	Camden	\$182,238,529
1991	Bayshore RSA	Monmouth	\$8,605,000	1990	Camden County MUA	Camden	\$64,330,096
1991	Bayshore RSA	Monmouth	\$25,860,650	1991	Camden County MUA	Camden	\$12,025,078
1993	Bayshore RSA	Monmouth	\$13,917,307	1991	Camden County MUA	Camden	\$2,736,338
2001	Bayview Water Company	Cumberland	\$1,649,000	1992	Camden County MUA	Camden	\$9,002,625
2004	Beachwood Boro	Ocean	\$582,644	1995	Camden County MUA	Camden	\$4,455,335
1996	Bellmawr Boro	Camden	\$898,000	1996	Camden County MUA	Camden	\$6,905,535
1999	Bellmawr Boro	Camden	\$688,697	2000	Camden County MUA	Camden	\$6,983,943
2002	Bellmawr Boro	Camden	\$2,982,073	2000	Camden County MUA	Camden	\$7,206,500
2005	Bergen County IA Encap	Bergen	\$211,321,814	2003	Camden County MUA	Camden	\$5,220,879
2005	Bergen County UA	Bergen	\$15,166,578	2006	Camden County MUA	Camden	\$35,101,847
2006	Bergen County UA	Bergen	\$75,884,310	1998	Cape May City	Cape May	\$1,365,000
1997	Bergenfield Boro	Bergen	\$1,130,000	2001	Cape May City	Cape May	\$255,475
1987	Berkeley Heights Twp	Union	\$6,446,000	2001	Cape May City	Cape May	\$461,674
2001	Berkeley Heights Twp	Union	\$1,980,000	1987	Cape May County MUA	Cape May	\$23,760,340
2004	Berkeley Heights Twp	Union	\$584,120	1993	Cape May County MUA	Cape May	\$2,445,668
1992	Berkeley Twp SA	Ocean	\$2,656,077	2005	Cape May Point Boro	Cape May	\$161,766
1994	Berkeley Twp SA	Ocean	\$3,081,280	1987	Carneys Point Twp SA	Salem	\$4,950,000
2002	Berkeley Twp SA	Ocean	\$4,759,417	1988	Carneys Point Twp SA	Salem	\$1,560,000
2003	Berkeley Twp SA	Ocean	\$4,426,698	2006	Carteret RA Titan-PDC	Middlesex	\$38,472,833
2005	Berkeley Twp SA	Ocean	\$2,801,780	2004	Cedar Glen Homes, Inc.	Ocean	\$846,401
1999	Berlin Boro	Camden	\$1,006,432	2002	Cedar Glen West, Inc.	Ocean	\$432,666
2006	Berlin Boro	Camden	\$3,817,200	1988	Cedar Grove	Essex	\$5,537,727
1989	Bernardsville Boro	Somerset	\$5,034,368	1991	Cedar Grove	Essex	\$3,585,594
1990	Bernardsville Boro	Somerset	\$1,790,262	1988	Chatham Boro	Morris	\$4,812,369
2004	Bethlehem Twp	Hunterdon	\$987,100	1989	Chatham Boro	Morris	\$1,812,200
2001	Brick Twp	Ocean	\$2,573,862	1993	Chatham Boro	Morris	\$286,226
2001	Brick Twp MUA	Ocean	\$18,006,813	2000	Chatham Twp	Morris	\$544,347
2001	Brick Twp MUA	Ocean	\$2,646,019	2005	Chatham Twp	Morris	\$1,245,516
2002	Brick Twp MUA	Ocean	\$9,066,398	2005	Cherry Hill Twp	Camden	\$2,035,000
2003	Bridgeton City	Cumberland	\$2,007,737	1996	Chester Boro	Morris	\$1,394,451
2001	Bridgewater Twp	Somerset	\$1,056,486	2001	Chesterfield Twp	Burlington	\$4,464,872
1999	Brigantine City	Atlantic	\$937,960	2003	Chesterfield Twp	Burlington	\$1,157,638
2001	Brigantine City	Atlantic	\$143,697	2004	Cinnaminson SA	Burlington	\$1,986,467
2001	Brigantine City	Atlantic	\$1,325,360	2005	Clementon Boro	Camden	\$1,195,000
2004	Brigantine City	Atlantic	\$2,367,500	2000	Cliffside Park Boro	Bergen	\$1,105,000
2002	Brkwd Musconetcong	Sussex	\$1,039,200	1997	Clifton City	Passaic	\$3,595,000
1997	Buena Boro MUA	Atlantic	\$1,683,486	1992	Clinton	Hunterdon	\$4,517,572
1990	Burlington City	Burlington	\$11,212,289	1995	Clinton Twp	Hunterdon	\$264,000
1999	Burlington City	Burlington	\$1,360,000	2004	Clinton Twp SA	Hunterdon	\$533,974
2004	Burlington County	Burlington	\$3,746,000	2000	Collingswood Boro	Camden	\$1,050,000
1991	Burlington County BCF	Burlington	\$56,550,000	2001	Collingswood Boro	Camden	\$573,513

YEAR	NAME	COUNTY	AMOUNT
2000	Consumers NJWC	Mercer	\$939,000
2000	Consumers NJWC	Warren	\$2,534,961
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
2002	Dunellen Boro	Middlesex	\$1,845,475
2002	East Brookwood Estates	Sussex	\$1,137,000
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
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 (JMEUC)	Union	\$3,403,335
2006	Elmwood Park Boro	Bergen	\$4,766,378
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
2002	Fort Lee Boro	Bergen	\$6,952,250
2000	Franklin Boro	Sussex	\$550,000
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

YEAR	NAME	COUNTY	AMOUNT
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
2003	Hawthorne Boro	Passaic	\$2,724,259
2004	Hawthorne Boro	Passaic	\$1,850,450
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
1996	Jackson Twp MUA	Ocean	\$6,392,109
1999	Jersey City MUA	Hudson	\$3,873,593
2001	Jersey City MUA	Hudson	\$16,150,000
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
1998	Kearny Town	Hudson	\$3,082,371
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
2004	Linden City	Union	\$9,240,000
2005	Linden City	Union	\$3,735,898
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 Brnt Bch	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

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
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
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
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
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
2001	Merchantville-Pennsauken	Camden	\$3,875,000
2003	Merchantville-Pennsauken	Camden	\$731,801
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
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
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 Cty BOA	Monmouth	\$970,000
2003	Monmouth Cty BOA	Monmouth	\$241,297
2005	Monmouth County BOA	Monmouth	\$607,655
2002	Monmouth County IA	Hunterdon	\$1,350,828
2002	Montclair State University	Essex	\$1,136,102
2004	Montclair State University	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

YEAR	NAME	COUNTY	AMOUNT
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
1994	Mt Laurel Twp MUA	Burlington	\$14,846,185
1996	Mt Laurel Twp MUA	Burlington	\$4,391,294
2000	Mt Laurel Twp MUA	Burlington	\$1,839,000
2005	Mt Laurel Twp MUA	Burlington	\$1,547,246
2005	Mt Laurel Twp MUA	Burlington	\$22,225,000
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
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
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 University	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
2006	Newark City (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
2004	NJ American Water Co.	Hunterdon	\$998,130
2003	New Jersey WSA	Hunterdon	\$862,019
2004	New Jersey WSA	Hunterdon	\$1,380,000
2006	New Jersey WSA	Middlesex	\$2,844,363
1994	North Arlington	Bergen	\$507,322
1998	North Bergen MUA	Hudson	\$3,713,756
1999	North Bergen MUA	Hudson	\$373,467
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
2003	North Jersey District WS	Passaic	\$10,634,026
2003	North Jersey District WS	Passaic	\$3,145,974
1999	North Jersey District WS	Passaic	\$2,191,092
2000	North Jersey District WS	Passaic	\$1,246,278
2006	North Jersey District WSC	Passaic	\$3,491,375

YEAR	NAME	COUNTY	AMOUNT	YEAR	NAME	COUNTY	AMOUNT
2000	North Plainfield Boro	Somerset	\$2,154,442	1988	Phillipsburg	Warren	\$15,916,948
1997	North Wildwood City	Cape May	\$2,167,217	1990	Phillipsburg	Warren	\$4,285,226
2002	North Wildwood City	Cape May	\$3,588,735	1990	Phillipsburg	Warren	\$1,056,303
2000	NE Monmouth Cty RSA	Monmouth	\$49,357,977	1991	Phillipsburg	Warren	\$1,062,668
1993	NW Bergen County UA	Bergen	\$13,965,026	1991	Phillipsburg	Warren	\$1,063,463
1997	NW Bergen County UA	Bergen	\$6,422,382	1992	Phillipsburg	Warren	\$483,324
1997	NW Bergen County UA	Bergen	\$3,294,800	1993	Phillipsburg	Warren	\$262,297
1997	Nutley Twp	Essex	\$3,590,000	1993	Phillipsburg	Warren	\$44,486
1999	Oaklyn Boro	Camden	\$700,000	1998	Pine Hill Boro	Camden	\$606,289
2001	Oaklyn Boro	Camden	\$138,083	1999	Pine Hill Boro	Camden	\$1,442,500
2002	Oaklyn Boro	Camden	\$460,785	1999	Plainfield Area RSA	Middlesex	\$3,099,192
1994	Ocean County UA	Ocean	\$11,183,308	2000	Plainfield Area RSA	Middlesex	\$4,909,888
1998	Ocean County UA	Ocean	\$5,239,180	1989	Pompton Lakes Bor MUA	Passaic	\$10,058,598
2000	Ocean County UA	Ocean	\$4,346,874	1988	Princeton Boro	Mercer	\$5,637,120
2001	Ocean County UA	Ocean	\$10,360,730	2006	Princeton Boro	Mercer	\$1,794,142
2002	Ocean County UA	Ocean	\$34,299,000	1988	Princeton Twp	Mercer	\$5,637,120
2004	Ocean County UA	Ocean	\$9,903,957	2006	Princeton Twp	Mercer	\$1,794,142
2005	Ocean County UA	Ocean	\$61,769,032	2002	Rahway City	Union	\$2,006,505
2006	Ocean County UA	Ocean	\$14,623,455	2002	Rahway Valley SA	Union	\$5,492,500
2001	Ocean Twp SA	Monmouth	\$7,840,900	2003	Rahway Valley SA	Union	\$25,103,416
2004	Ocean Twp SA	Ocean	\$3,350,000	2004	Rahway Valley SA	Union	\$117,764,224
2006	Ocean Twp SA	Monmouth	\$982,442	2005	Rahway Valley SA	Union	\$41,172,516
1993	Old Bridge MUA	Middlesex	\$2,103,865	1988	Randolph Twp	Morris	\$3,496,530
1997	Old Bridge MUA	Middlesex	\$2,704,860	1990	Randolph Twp	Morris	\$325,146
1999	Old Bridge MUA	Middlesex	\$1,062,031	1990	Randolph Twp	Morris	\$3,835,000
1999	Old Bridge MUA	Middlesex	\$2,110,013	1994	Randolph Twp	Morris	\$3,838,706
2003	Old Bridge MUA	Middlesex	\$5,907,329	1999	Randolph Twp	Morris	\$2,037,681
2003	Old Bridge MUA	Middlesex	\$1,890,327	1988	Raritan Twp MUA	Hunterdon	\$9,347,500
2005	Old Bridge MUA	Middlesex	\$3,155,940	1989	Raritan Twp MUA	Hunterdon	\$3,012,899
2006	Old Bridge MUA	Middlesex	\$6,517,000	2001	Readington Twp	Hunterdon	\$1,271,572
2002	Old Bridge Twp	Middlesex	\$4,095,000	2002	Readington Twp	Hunterdon	\$185,000
2004	Old Bridge Twp	Middlesex	\$5,053,278	2004	Readington Twp	Hunterdon	\$672,696
1993	Old Tappan Boro	Bergen	\$2,376,351	2003	Readington Twp.	Hunterdon	\$285,829
1999	Old Tappan Boro	Bergen	\$6,608,990	2000	Ridgefield Boro	Bergen	\$990,000
2000	Old Tappan Boro	Bergen	\$3,788,595	1999	Ridgefield Park	Bergen	\$2,133,780
1998	Orange Twp City	Essex	\$2,648,068	2001	Ridgewood Village	Bergen	\$16,267,000
1999	Orange Twp City	Essex	\$1,447,686	2004	Ridgewood Village	Bergen	\$2,665,171
1991	Paramus	Bergen	\$1,661,330	1999	River Edge Boro	Bergen	\$566,627
2001	Parsippany Troy Hills Twp	Morris	\$499,039	1993	Riverside SA	Burlington	\$6,387,013
1996	Passaic Valley SC	Essex	\$31,880,000	1995	Riverside SA	Burlington	\$305,730
1998	Passaic Valley SC	Essex	\$8,865,000	2002	Riverside Water Rec. Auth	Burlington	\$1,589,040
1999	Passaic Valley SC	Essex	\$24,525,000	1987	Roxbury Twp	Morris	\$8,281,888
2006	Passaic Valley SC	Essex	\$38,894,492	1989	Roxbury Twp	Morris	\$9,196,741
2001	Passaic Valley Water Com	Passaic	\$58,367,600	2001	Roxbury Twp	Morris	\$747,645
2001	Passaic Valley Water Com	Passaic	\$7,445,660	2004	Roxbury Twp	Morris	\$1,913,000
2002	Passaic Valley Water Com	Passaic	\$8,227,632	1988	Roxbury Twp Ajax	Morris	\$6,239,555
2002	Passaic Valley Water Com	Passaic	\$1,054,281	1988	Roxbury Twp-Lamington	Morris	\$8,009,917
2003	Paterson City	Passaic	\$7,714,479	1999	Runnemede SA	Camden	\$888,403
2004	Paterson City	Passaic	\$3,146,943	2003	Runnemede SA	Camden	\$683,703
2005	Paterson City	Passaic	\$3,592,600	2006	Saddle River Boro	Bergen	\$2,094,855
2001	Pemberton Twp	Burlington	\$714,000	1999	Sayreville Boro	Middlesex	\$18,890,000
2000	Pennsgrove Water SC	Salem	\$350,000	2006	Sea Girt Boro	Bergen	\$3,675,882
2001	Pennsgrove Water SC	Salem	\$616,895	2004	Secaucus	Hudson	\$3,325,000
2005	Pennsgrove Water SC	Salem	\$1,253,045	1999	Ship Bottom Boro	Ocean	\$2,181,421
1998	Pennsville Twp	Salem	\$2,112,438	2004	Shorelands Water Company	Monmouth	\$5,630,000
2001	Pennsville Twp	Salem	\$1,754,500	1996	Somerdale Boro	Camden	\$257,211
2005	Pennsville Twp	Salem	\$2,589,807	1998	Somerdale Boro	Camden	\$573,317
1987	Pequannock River RSA	Morris	\$8,765,115	1990	Somerset Raritan VSA	Somerset	\$6,538,374
1994	Pequannock River RSA	Morris	\$2,935,384	1990	Somerset Raritan VSA	Somerset	\$8,715,321
1995	Pequannock River RSA	Morris	\$1,213,043	1998	Somerset Raritan VSA	Somerset	\$19,910,963
2006	Pequannock, LPk, Fairfld	Morris	\$9,319,363	2004	Somerset Raritan VSA	Somerset	\$5,190,000
1991	Pequannock, LPk, Fairfld	Morris	\$6,579,900	2000	South Hackensack Twp	Bergen	\$1,441,280
2003	Perth Amboy City	Middlesex	\$2,786,142	2004	South Jersey WSC	Gloucester	\$371,098

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
2004	South Monmouth Reg SA	Monmouth	\$5,996,270
2000	South River Boro	Middlesex	\$5,257,500
2000	South River Boro	Middlesex	\$855,000
2000	Stafford MUA	Ocean	\$4,368,651
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
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
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 Cty Pequest River	Warren	\$4,300,000
2003	Warren Cty Pequest River	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
2002	Washington Boro, Warren	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

YEAR	NAME	COUNTY	AMOUNT
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
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
2005	West Orange Twp	Essex	\$2,447,091
2006	W. 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
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 Sicklerville	Camden	\$3,884,632
2001	Wonder Lakes Properties	Passaic	\$144,920
1997	Woodbridge Twp	Middlesex	\$884,595
2001	Woodbury City	Gloucester	\$2,937,888
1996	Woodbury Heights Boro	Gloucester	\$941,910
1992	Woodstown SA	Salem	\$5,437,513
1993	Woodstown SA	Salem	\$942,112
TOTAL LOAN AMOUNT:			\$3,789,649,395

The Brick Township Municipal Utilities Authority received a \$4.6 million loan from the Environmental Infrastructure Financing Program for sewer line rehabilitation.



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 the Trust, a component unit of the State of New Jersey, as of June 30, 2006 and 2005, 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 New Jersey Environmental Infrastructure Trust as of June 30, 2006 and 2005, 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 August 10, 2006 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 and the Balance Sheets and Statements of Revenues, Expenses and Changes in Net Assets for the Clean Water and Drinking Water and the Combining Balance Sheet and Statement of Revenues, Expenses and Changes in Net Assets by Bond Issue on pages 3 through 6 and 22 through 38 are not a required part of the basic financial statements but are 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.

August 10, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2006

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, 2006. Please read this section in conjunction with the Trust's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The Trust's net assets increased by \$44,482,457, or 14%
- Cash and investments increased by \$101,079,098, or 18%
- Bonds payable increased by \$161,755,513, or 16%

The State of New Jersey (the "State") transferred \$7,566,984 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 \$480,765 occurred to fund the Debt Service Fund in connection with the State-Funded Projects. The Trust transferred \$1,963,286 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, 2006 and 2005:

	2006	2005	Percent Increase (Decrease)
Current assets	\$ 632,058,497	\$ 561,230,682	13%
Non-current assets	905,291,679	770,831,692	17%
Total assets	1,537,350,176	1,332,062,374	15%
Bonds payable	1,164,292,038	1,002,536,525	16%
Other liabilities	16,163,702	17,113,870	(6%)
Total liabilities	1,180,455,740	1,019,650,395	16%
Restricted	335,993,326	291,625,539	14%
Unrestricted	20,901,110	17,786,440	18%
Total net assets	\$ 356,894,436	\$ 312,411,979	14%

The table above illustrates that the Trust's net assets have increased from \$312,411,979 to \$356,894,436. Net assets increased as a result of the size of the 2005 financing program. The total amount deposited to the Project Fund from bond proceeds was \$217,166,975 plus the Debt Service Reserve Deposit of \$10,011,035 supplied by the State and \$57,339 supplied by borrowers. The remaining amount is unrestricted funds. At June 30, 2006, bonds payable amounted to \$1,164,292,038. During the year, the Trust issued bonds in the amount of \$343,655,000 and retired \$198,408,062.

The following table summarizes the changes in net assets between fiscal years 2006 and 2005:

	2006	2005	Percent Increase
Operating revenues	\$ 56,518,446	\$ 53,987,857	5%
State appropriations	39,167,688	31,027,634	26%
Total revenues	95,686,134	85,015,491	13%
Interest expense	49,245,677	48,098,035	9%
Administrative expenses	1,958,000	1,916,681	2%
Total expenses	51,203,677	47,014,716	9%
Change in net assets	\$ 44,482,457	\$ 38,000,775	17%

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 total of the state contribution of the debt service reserve, authorized funds from the 2003 Bond Act, and repayments of short-term loans issued under the Interim Financing Program.

OTHER FINANCIAL INFORMATION

During fiscal year 2006, the Trust sold, by competitive bid, Series 2005A and B bonds to capitalize the 2005 NJ Environmental Infrastructure Financing Program. As a result of the issues, 41 projects received funding.

The Environmental Infrastructure Bonds Series 2005A were sold to Prager Sealy & Co., which was the low bidder with a true interest cost of 4.26%. Series 2005B was sold to UBS Financial Services, N.A., which was the low bidder with a true interest cost of 4.62%. 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 2005 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 2.13% from the A series and 2.31% from the B series.

The Trust sold 2005 NJEIT variable rate bonds for BCIA/Encap Golf Holdings, LLC.

The 2006A, B, C and D refunding issue refunded 2000A, 1999A, 1997 and 1996A bonds, respectively. The lowest bidder and true interest cost for each issue was:

2006A	JP Morgan Securities	4.08%
2006B	Bank of America Securities	4.00%
2006C	Bank of America Securities	3.92%
2006D	Bank of America Securities	3.87%

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.

BALANCE SHEETS

ASSETS	June 30,	
	2006	2005
Current Assets		
Cash and cash equivalents	\$ 17,647,049	\$ 14,772,069
Other assets	1,749,466	1,511,887
Restricted assets		
Cash and cash equivalents	488,031,032	433,869,419
Investments	56,936,965	18,274,524
Interest receivable	31,475,093	29,446,627
Loans receivable	76,218,892	69,356,122
Total Current Assets	<u>672,058,497</u>	<u>561,230,687</u>
Non-current Assets		
Fixed assets	16,505	36,985
Restricted assets		
Investments	116,583,611	81,202,925
Loans receivable	779,417,232	680,816,883
Deferred issuance costs	9,274,541	8,784,901
Total Non-current Assets	<u>905,291,679</u>	<u>770,831,692</u>
Total Assets	<u>\$ 1,527,350,176</u>	<u>\$ 1,332,062,379</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 719,228	\$ 635,401
Accrued interest payable	15,454,477	16,478,469
Current portion of bonds payable	77,639,582	70,618,062
Total Current Liabilities	<u>93,803,234</u>	<u>87,751,932</u>
Non-current Liabilities		
Bonds payable	1,086,652,456	931,898,463
Total Non-current Liabilities	<u>1,086,652,456</u>	<u>931,898,463</u>
Total Liabilities	<u>1,180,455,740</u>	<u>1,019,650,395</u>
Net Assets		
Restricted for debt service	230,552,126	221,779,388
Restricted for Interim Financing Trust Loan Program	105,441,200	72,846,151
Unrestricted	20,901,110	17,786,440
Total Net Assets	<u>356,894,436</u>	<u>312,411,979</u>
Total Liabilities and Net Assets	<u>\$ 1,527,350,176</u>	<u>\$ 1,332,062,374</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Year ended June 30,	
	2006	2005
Operating revenues		
Investment income	\$ 8,808,441	\$ 3,588,373
Interest income from loans	43,019,892	46,183,353
Administrative fees	4,690,113	4,216,131
Total operating revenues	<u>56,518,446</u>	<u>53,987,857</u>
Operating expenses		
Interest expense	49,245,677	45,098,035
Administrative expenses	1,958,000	1,916,681
Total operating expenses	<u>51,203,677</u>	<u>47,014,716</u>
Operating income	5,314,769	6,973,141
Non-operating revenues		
State appropriations	<u>39,167,688</u>	<u>31,027,634</u>
Change in net assets	44,482,457	38,000,775
Net assets, beginning of year	312,411,979	274,411,204
Net assets, end of year	<u>\$ 356,894,436</u>	<u>\$ 312,411,979</u>

STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2005	2004
Cash Flows from Operating Activities		
Cash received for administrative fees	\$ 4,482,413	\$ 4,367,864
Cash payments for goods and services	(1,585,766)	(1,571,137)
Cash payments for salaries	(1,272,695)	(1,165,574)
Disbursement of loan funds to borrowers	(177,259,787)	(8,497,317)
Principal received from loans to borrowers	68,601,068	62,115,469
Interest received from loans to borrowers	48,059,974	42,334,356
Net cash used in operating activities	<u>(57,551,075)</u>	<u>(59,782,352)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from sale of fixed assets and fund offerings	331,576,678	14,407,711
Principal paid on long-term debt	(71,600,000)	(67,325,000)
Insurance and servicing costs paid	(1,299,750)	(471,577)
Interest paid on bond indentures	(48,731,376)	(41,767,667)
State appropriations received	39,167,624	31,707,634
Net cash provided by non-capital financing activities	<u>139,103,484</u>	<u>64,801,211</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of fixed assets	<u>(1,175)</u>	<u>(6,102)</u>
Cash Flows from Investing Activities		
Purchase of investments	(54,390,152)	(20,009,769)
Proceeds from sale of maturity of investments	18,886,772	302,16,599
Interest on investments	5,969,331	11,07,903
Net cash (used in) provided by investing activities	<u>(63,751,168)</u>	<u>12,78,734</u>
Net increase (decrease) in cash equivalents	17,559,569	68,687,911
Cash and cash equivalents, beginning of year	448,611,513	378,923,602
Cash and cash equivalents, end of year	<u>\$ 466,171,082</u>	<u>\$ 447,611,513</u>
Reconciliation of Operating Income to Net Cash Used in Operating Activities		
Operating income	\$ 6,154,769	\$ 6,973,141
Adjustments to reconcile operating income to net cash used in operating activities		
Depreciation	11,859	3,979
Cash provided by other non-operating activities	36,406,776	34,337,627
Capital appreciation bond and loan accretion	8,235,418	4,922,642
Amortization of bond discounts and premiums	(2,233,511)	(2,260,266)
Amortization of federal debt bond refunding	1,067,197	1,009,585
Amortization of federal disaster costs	1,759,512	797,777
Change in assets and liabilities		
Increase in other assets	(137,579)	(170,170)
Decrease (increase) in interest receivable	1,971,544	(6,771,596)
Increase in loans receivable	(103,468,166)	(79,176,983)
Decrease (increase) in deferred insurance costs	(490,540)	326,228
Increase in accounts payable	85,821	45,825
Decrease (increase) in other liabilities payable	(1,033,863)	2,282,521
Net cash used in operating activities	<u>\$ (57,551,075)</u>	<u>\$ (59,782,352)</u>
Net Cash Investing Activities		
Decrease in fair value of investments	<u>\$ (2,741,970)</u>	<u>\$ (4,701,159)</u>

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. 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 will act 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 with accounting principles generally accepted in the United States of America as applicable to enterprise funds. The following is a summary of the more 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. Cash equivalents include funds invested in the New Jersey Cash Management Fund, First American Treasury, the Trust U.S. Treasury Obligation Money Market Fund, a Solomon Smith Barney Repurchase Agreement, 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 (“FDIC”) 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.

The Trust's bank balance at June 30, 2006 and 2005, was \$331,835 and \$39,249, respectively, all of which was covered by federal depository insurance.

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, 2006 and 2005, are as follows:

	2006	2005
Operating Checking (Wachovia)	\$ 331,835	\$ 39,249
Cash Management Fund	5,103,351	3,601,488
Investments (categorized as cash equiv)	800,882	584,012
First American Treasury (US Bank MM)	290,621,209	403,243,342
Trust US Treasury (BONY MM)	178,820,804	41,173,420
Other (Uninvested cash)	-	1
Total	<u>\$ 475,678,081</u>	<u>\$ 448,641,512</u>

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 \$227,772,591 and \$214,425,810 at June 30, 2006 and 2005, respectively, and are included in net assets restricted for debt service. As of June 30, 2006, the Trust had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (in Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Bills	\$ 1,960	\$ 1,960	\$ -	\$ -	\$ -
US Treasury Bonds	8,214,194	2,635,176	5,579,018	-	-
US Treasury Notes	107,583,362	26,746,516	80,837,066	-	-
US Treasury Securities	56,571,436	27,321,486	29,019,952	-	-
US Treasury Strips	1,146,975	-	1,146,975	-	-
Uninvested Cash	2,029	2,029	-	-	-
	<u>\$ 173,519,976</u>	<u>\$ 56,936,965</u>	<u>\$ 116,583,011</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2006, were as follows:

	Balance at June 30, 2005	Issued	Retired	Balance at June 30, 2006	Amount Due within One Year
1994 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 4.500% to 5.10%	\$ 3,810,000	\$ -	\$ 1,195,000	\$ 2,615,000	\$ 1,375,000
Series B Bonds, insured, maturing serially through 2007, at interest rates from 5.250% to 6.40%	1,290,000	-	430,000	860,000	440,000
Series C Capital Appreciation Bonds, insured, maturing serially through 2007, at interest rates from 3.500% to 4.200%	51,815,000	-	10,330,000	41,485,000	10,069,180
1995 Series					
Series A Bonds, insured, maturing serially through 2012, at interest rates from 4.600% to 5.250%	2,000,000	-	1,600,000	400,000	110,000
Series B Bonds, insured, maturing serially through 2009, at interest rates from 6.375% to 6.750%	-	-	-	-	-
\$1,075,000 term bond maturing in 2015 with mandatory redemption beginning in 2006 in annual amounts ranging from \$140,000 to \$200,000 at 7.000%	1,600,000	-	100,000	1,500,000	110,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2006	Issued	Retired	Balance at June 30, 2006	Amount Due Within One Year
1996 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 6.75% to 7.00%	2,185,000	-	1,000,000	2,185,000	1,000,000
Series B Bonds, insured, maturing serially through 2007, at interest rates from 6.50% to 6.60%	1,100,000	-	500,000	785,000	400,000
Series C Bonds, insured, maturing serially through 2008, at interest rates from 6.25% to 7.00%	19,050,000	-	3,950,000	15,075,000	6,540,000
Series D Bonds, insured, maturing serially through 2008, at interest rates from 6.50% to 6.625%	4,190,000	-	1,300,000	2,890,000	1,350,000
1996 Series					
Series A Bonds, unsecured, maturing serially through 2014, at interest rates from 5.00% to 5.25%; \$6,160,000 term bond maturing in 2010 with mandatory redemptions commencing in 2012 at \$5,323,000 and 2015 of \$3,325,900	31,000,000	-	26,765,000	4,415,000	2,170,000
Series B Bonds, unsecured, maturing serially through 2011, at interest rates from 4.00% to 5.40%; \$1,810,000 term bond maturing in 2010 with mandatory redemptions commencing in 2013 at \$78,760, 2015 of \$80,400, 2016 of \$78,780, 2017 of \$78,120, 2018 of \$79,000	6,000,000	-	235,000	5,435,000	240,000
1997 Refunding Series					
Series A Bonds, insured, maturing serially through 2005, at interest rates from 5.00% to 7.00%	11,500,000	-	3,545,000	8,755,000	3,775,000
Series B Bonds, unsecured, maturing serially through 2005, at interest rates from 5.00%	10,715,000	-	3,400,000	8,405,000	3,900,000
Series C Bonds, unsecured, maturing serially through 2010, at interest rates from 5.00% to 7.00%	29,550,000	-	5,200,000	24,350,000	5,520,000
Series D Bonds, insured, maturing serially through 2011, at interest rates from 5.00% to 7.00%	1,600,000	-	985,000	6,955,000	600,000
1997 Series					
Series B Bonds, unsecured, maturing serially through 2014, at interest rates from 4.00% to 5.00%; \$7,885,000 term bond maturing in 2012 with mandatory redemptions commencing in 2015 of \$2,900,200 in 2016 of \$2,980,250 and 2017 of \$2,839,750	28,465,000	-	22,980,000	5,485,000	1,735,000

D. BONDS PAYABLE (continued)

	Balance as of June 30, 2003	Issued	Retired	Balance as of June 30, 2009	Amount Discontinued Cash Flows
1995 Refunding Series					
Series A Bonds, insured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	125,000	-	70,000	155,000	70,000
Series B Bonds, insured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	1,475,000	-	450,000	975,000	475,000
Series C Bonds, insured, maturing serially through 2011, at interest rates from 4.10% to 5.00%	27,335,000	-	3,485,000	23,850,000	3,635,000
Series D Bonds, insured, maturing serially through 2012, at interest rates from 4.10% to 5.00%	4,730,000	-	585,000	4,115,000	615,000
Series E Bonds, insured, maturing serially through 2012, at interest rates from 4.10% to 5.00%	10,565,000	-	1,360,000	9,505,000	1,410,000
Series F Bonds, insured, maturing serially through 2014, at interest rates from 4.3% to 5.0%	10,055,000	-	925,000	9,130,000	960,000
Series G Bonds, insured, maturing serially through 2014, at an interest rate of 5.0%	15,730,000	-	1,425,000	14,305,000	1,490,000
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 \$2,595,000	39,335,000	-	2,155,000	37,180,000	2,235,000
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 \$670,000 and 2018 of \$610,000	5,825,000	-	365,000	6,470,000	375,000
1999 Series					
Series A Bonds, uninsured, maturing serially through 2019, at interest rates from 4.75% to 5.75%	45,975,000	-	36,410,000	5,565,000	2,225,000
Series B Bonds, uninsured AMT, maturing serially through 2019, at interest rates from 5.25% to 5.75%	2,085,000	-	95,000	1,990,000	100,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2005	Issued	Retired	Balance at June 30, 2006	Amount Due within One Year
2000 Series					
Series A Bonds, unsecured, maturing serially through 2020, at interest rates from 5.00% to 5.35%	81,770,000	-	51,155,000	30,615,000	3,695,000
Series B Bonds, unsecured, maturing serially through 2020, at interest rates from 5.00% to 5.30%	9,290,000	-	255,000	9,035,000	275,000
2001 Refunding Series					
Series A Bonds, insured, maturing serially through 2019, at interest rates from 4.60% to 5.35%	3,090,000	-	400,000	1,690,000	485,000
Series B Bonds, unsecured, maturing serially through 2019, at interest rates from 3.75% to 5.25%	2,845,000	-	500,000	2,345,000	535,000
2001 Series					
Series A Bonds, unsecured, maturing serially through 2021, at interest rates from 4.00% to 4.75%	129,370,000	-	5,025,000	124,345,000	3,695,000
Series B Bonds, unsecured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	57,045,000	-	1,375,000	55,670,000	1,115,000
Series C Bonds, unsecured, maturing serially through 2021, at interest rates from 5.5% to 5.6%	1,245,000	-	15,000	1,230,000	50,000
2002 Series					
Series A Bonds, unsecured, maturing serially through 2022, at interest rates from 4.00% to 5.35%	88,005,000	-	3,790,000	84,215,000	3,480,000
Series B Bonds, unsecured, maturing serially through 2022, at interest rates from 4.00% to 5.00%	22,635,000	-	865,000	21,770,000	910,000
2003 Refunding Series					
Series A Bonds, insured, maturing serially through 2020, at interest rates from 4.50% to 5.35%	57,875,000	-	3,500,000	54,375,000	3,675,000
2003 Series					
Series A Bonds, unsecured A/MT, maturing serially through 2021, at interest rates from 3.00% to 5.00%	56,420,000	-	1,760,000	54,660,000	2,610,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2019	Issued	Retired	Balance at June 30, 2020	Amount due within one year
2014 Refunding Series					
Series A Bonds, unsecured, maturing serially through 2025, at interest rates from 3.00% to 5.25%	17,773,000	-	-	17,773,000	475,000
2015 Series					
Series A Bonds, unsecured, maturing serially through 2024, at interest rates from 3.00% to 4.55%	15,270,000	-	-	15,270,000	945,000
Series B Bonds, unsecured, maturing serially through 2024, at interest rates from 3.00% to 4.25%	18,115,000	-	-	18,115,000	200,000
2016 Series					
Series A Bonds, unsecured, maturing serially through 2025, at interest rates from 3.00% to 5.00%	-	12,110,000	-	12,110,000	-
Series B Bonds, unsecured, maturing serially through 2025, at interest rates from 4.00% to 7.00%	-	7,045,000	-	7,045,000	-
2016 BOND LUMP SUM Holdings, LLC					
Variable rate bond series maturing through 2025, with floating interest rate calculations	-	105,035,000	-	105,035,000	-
2016 Refunding Series					
Series A Bonds, unsecured, maturing serially through 2026, at interest rates from 3.00%	-	29,290,000	-	29,290,000	-
Series B Bonds, unsecured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	-	33,090,000	-	33,090,000	-
Series C Bonds, unsecured, maturing serially through 2027, at interest rates from 4.00% to 5.00%	-	15,400,000	-	15,400,000	-
Series D Bonds, unsecured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	-	20,655,000	-	20,655,000	-
Total	667,610,000	2,243,625,000	\$ 196,405,002	1,112,830,000	75,124,000
Plus					
Capital Appreciation 149 th Refunding **	-	-	-	-	500,000
Less (2020)					
Unamortized premiums	50,528,118	-	-	48,361,055	-
Unamortized discounts, netting	(1,272,722)	-	-	(9,074,484)	-
Bonds payable net	\$ 1,106,815,390			\$ 1,106,815,390	\$ 75,624,000

** 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.

E. BONDS PAYABLE (continued)

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

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 77,639,582	\$ 54,600,708	\$ 132,240,290
2008	90,400,333	50,820,827	141,221,160
2009	72,952,368	46,808,754	119,761,122
2010	69,967,368	43,020,087	112,987,455
2011	64,932,368	39,391,171	104,323,539
2012 through 2016	305,006,840	146,695,629	451,702,469
2017 through 2021	280,431,843	66,604,361	347,036,204
2022 through 2026	151,326,845	12,430,905	163,757,750
	<u>\$ 1,112,657,547</u>	<u>\$ 460,372,442</u>	<u>\$ 1,573,029,989</u>

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. ADVANCE 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.

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.

F. ADVANCED REFUNDING (continued)

Refunded bonds outstanding at June 30, 2006, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2006
2006 Refunding	
2000 Series A	\$ 30,590,000
1999 Series A	31,000,000
1997 Series	17,410,000
1996 Series A	22,485,000
	<u>\$ 112,485,000</u>
2004 Refunding	
1995 Series A	\$ 7,775,000
	<u>\$ 7,775,000</u>
2003 Refunding	
1993 Series	\$ 39,325,000
	<u>\$ 39,325,000</u>
2001 Refunding	
1989 Series A - insured	\$ 1,500,000
1990 Series A - uninsured	2,345,000
	<u>\$ 3,845,000</u>
1998 Refunding	
1988 Series A	\$ 155,000
1988 Series B	875,000
1991 Series A	33,850,000
1992 Series A	4,115,000
1992 Series B	3,005,000
1994 Series A	3,150,000
1994 Series B	14,595,000
	<u>\$ 62,035,000</u>
1997 Refunding	
1989 Series A - uninsured	\$ 8,755,000
1989 Series B - uninsured	8,305,000
1990 Series - uninsured	24,340,000
1991 Series B - uninsured	6,755,000
	<u>\$ 48,155,000</u>
1996 Refunding	
1987 Series - uninsured	\$ 2,195,000
Carney Polar Township Sewerage Authority ("CPSA") Series	785,000
1988 Series A - insured	15,075,000
1988 Series B - uninsured	2,880,000
	<u>\$ 20,955,000</u>

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 \$855,636,114 and \$750,173,005 as of June 30, 2006 and 2005, consists of outstanding loans issued of \$1,131,440,559 and \$969,375,726, net of undisbursed loan funds of \$275,804,445 and \$219,202,721 as of June 30, 2006 and 2005, respectively.

Annual maturities for loans receivable are as follow:

Fiscal year ending June 30.	Principal
2007	\$ 76,218,892
2008	83,526,369
2009	76,079,344
2010	73,950,418
2011	68,525,264
2012 through 2016	310,777,187
2017 through 2021	287,301,855
2022 through 2026	150,061,210
	<u>\$ 1,131,440,559</u>

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 2006 fiscal year, the Trust received \$7,566,984 from the State for the debt service reserve fund to secure clean water loans. In this 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, 2006, is \$28,146,792. 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.

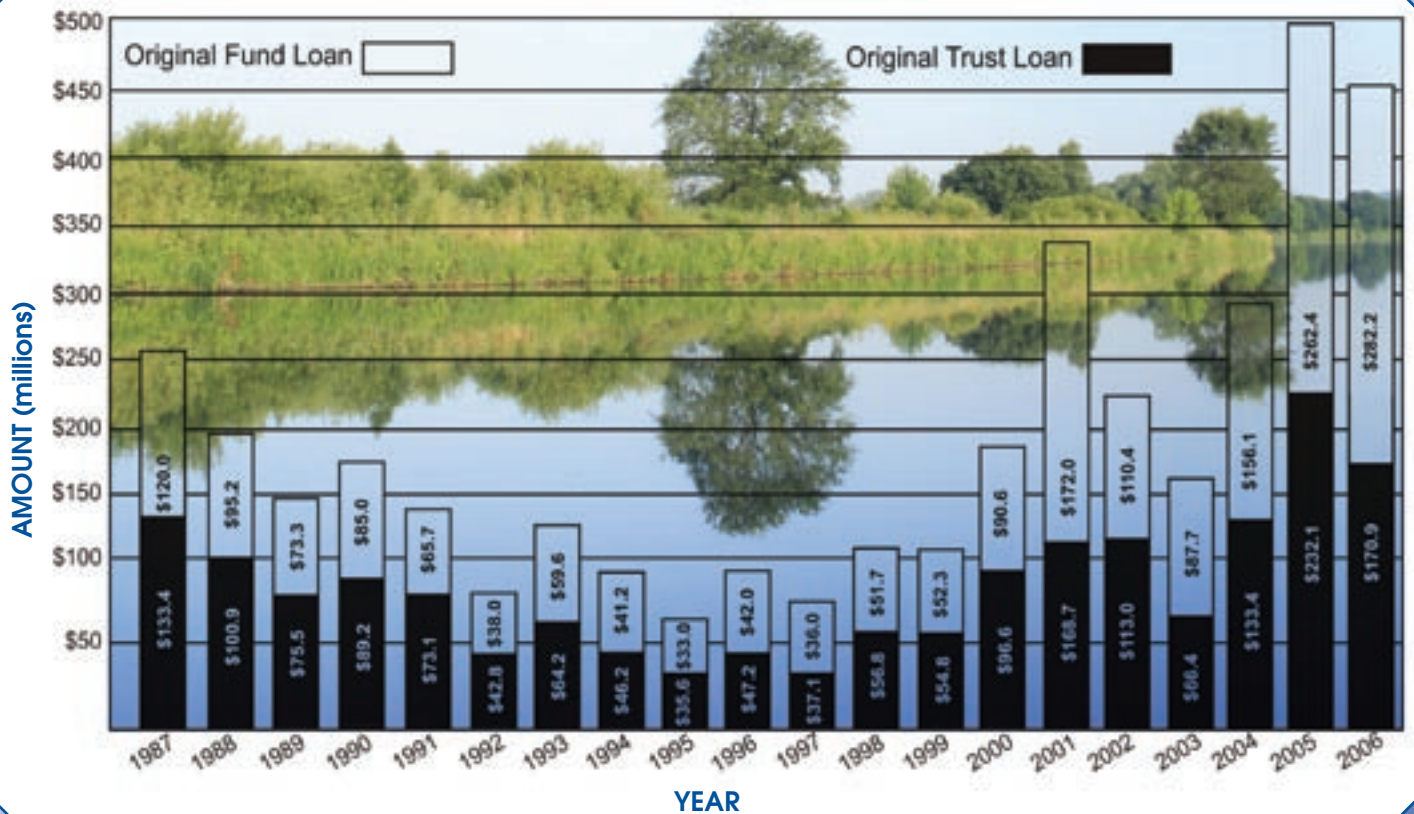
I. NET ASSETS

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 use 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.

NJEIT FINANCING PROGRAM 1987 - 2006

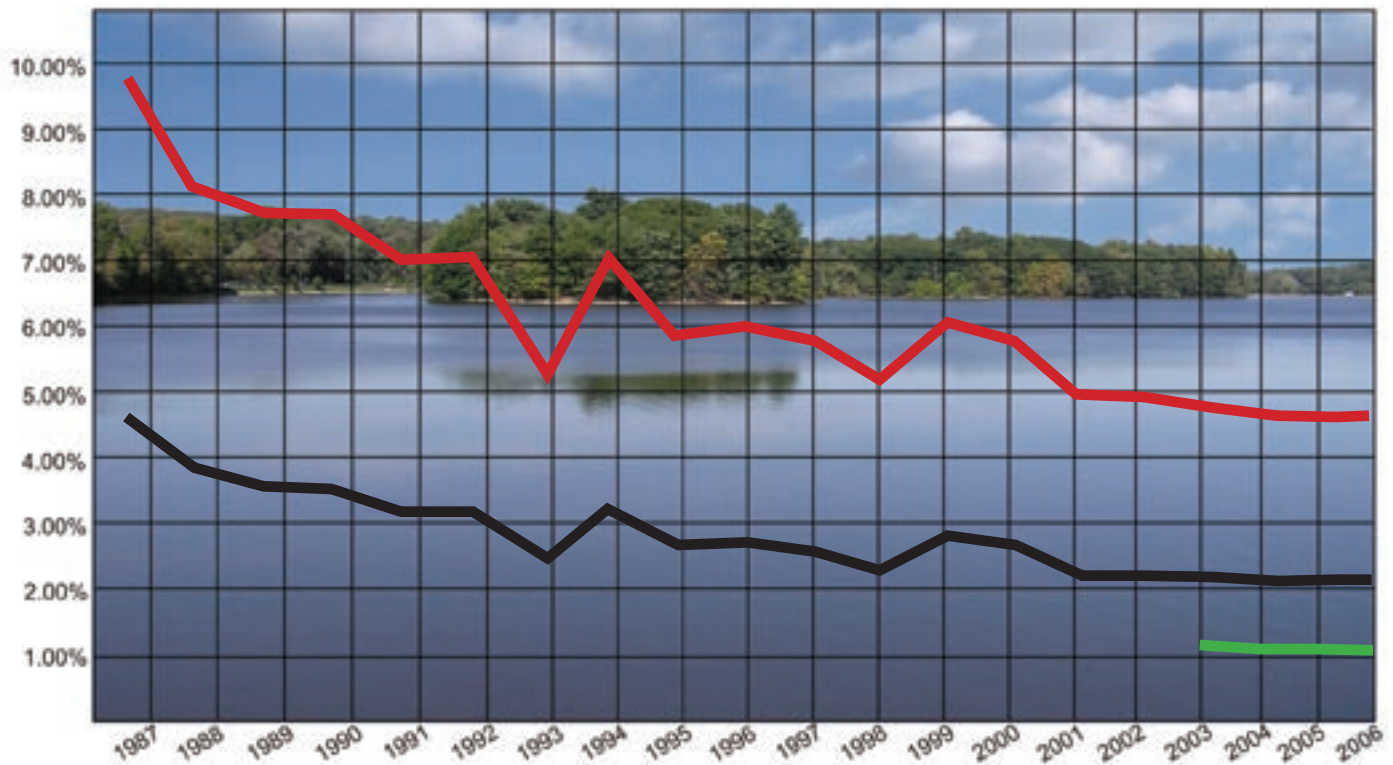


INTEREST RATE COMPARISON

NJEIFP (50/50) and
Smart Growth Rates (75/25)

vs.

Local Financing



— NJEIFP — Smart Growth — Local

Meeting Dates

January 11, 2007
February 8, 2007
March 8, 2007
May 10, 2007
June 14, 2007

July 12, 2007
August 9, 2007
September 6, 2007
October 18, 2007
December 13, 2007

2006 Advisors

Bond Counsel
Financing Advisor
General Counsel
Auditor
Trustee
Master Program Trustee

McCarter & English
Public Financial Management, Inc.
Attorney General of New Jersey
Mercadien, P.C.
Bank of New York or US Bank
US Bank



TRUST STAFF



Seated Left to Right: Trudie Edinger, John Laurita, Maryclaire D’Andrea, Dennis Hart and Karen Texany.

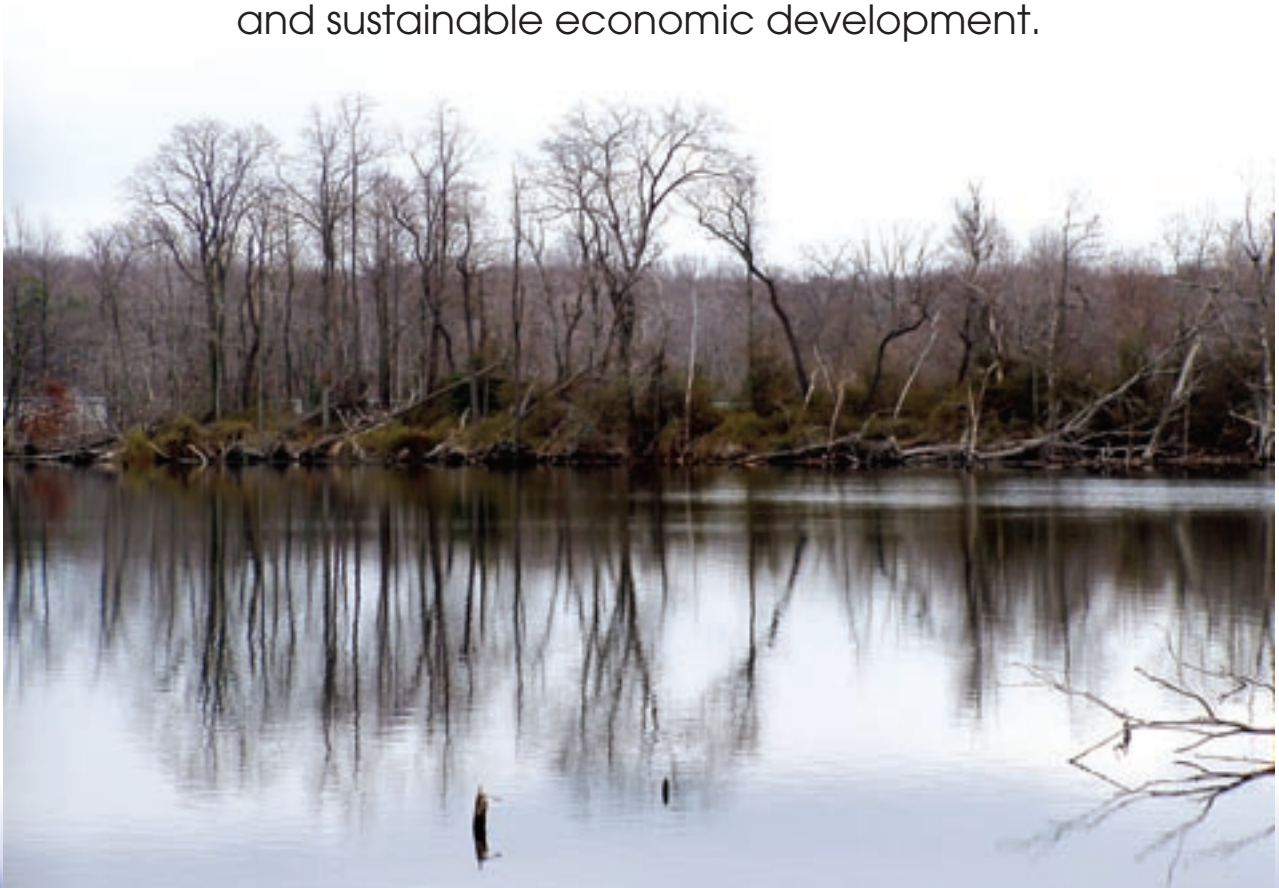
Standing Left to Right: Mary Pearsall, Maria Andujar, Josephine Manzo, Maryann Kall, Adele Lotuaco, Ugorji Ugorji, Robert Johnston and John Hansbury

Staff

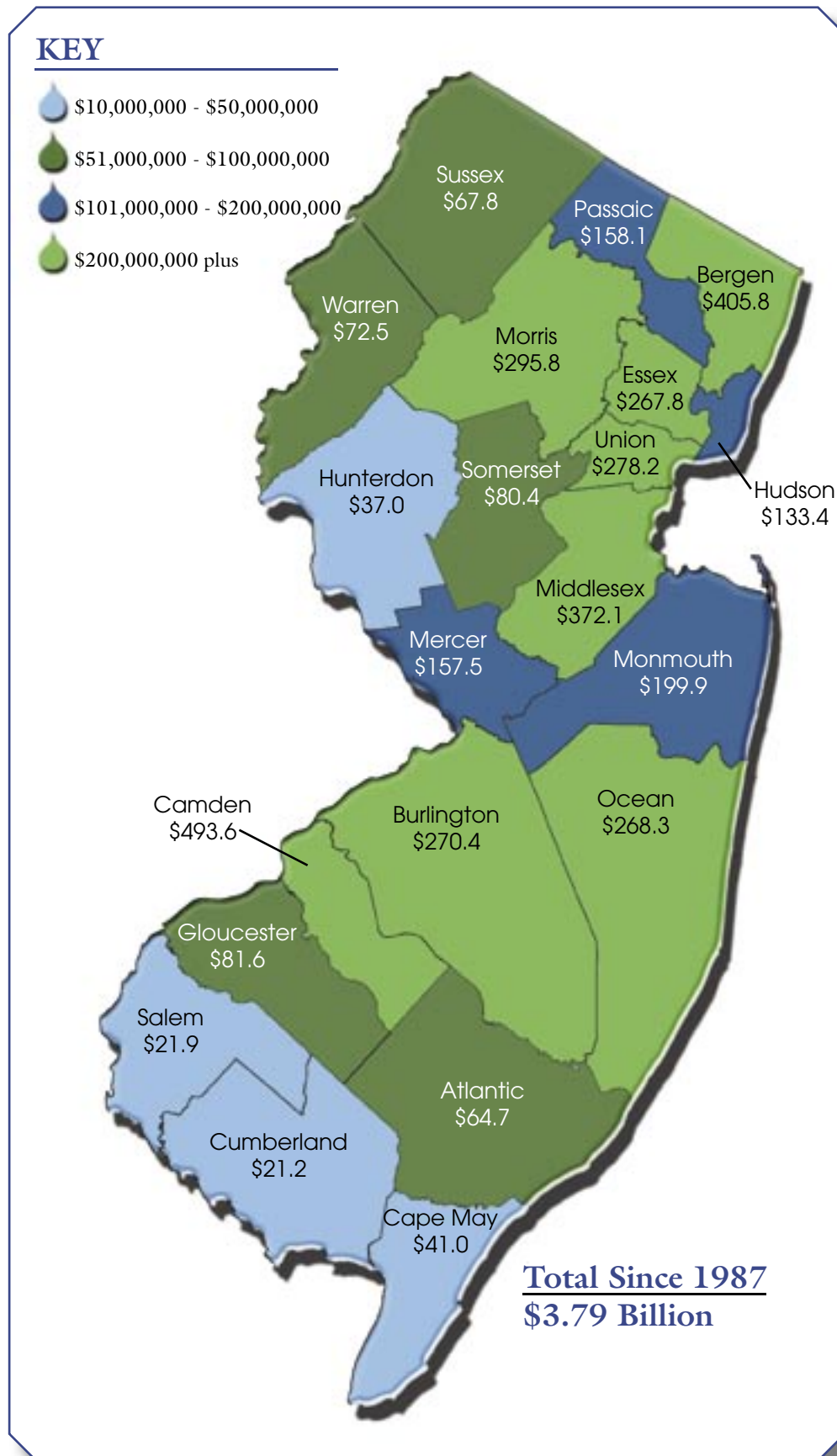
Executive Director.....	Dennis Hart
Assistant Director/Chief Financial Officer.....	Maryclaire D’Andrea
Accountant.....	Maria Andujar
Administrative Liaison.....	Trudie Edinger
Chief Budget Officer.....	John Hansbury
Communications Director.....	Robert Johnston
Program Development Specialist.....	Maryann 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

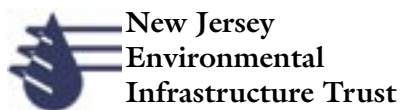
MISSION STATEMENT

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.



NJEIT LOAN HISTORY BY COUNTY





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Trenton, NJ 08625

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Lawrenceville, NJ 08648

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