

New Jersey Infrastructure Bank

ANNUAL REPORT SFY2024



QUICK FACTS: PROGRAM YEAR SFY2024

The I-Bank jointly administers three distinct infrastructure financing programs, (i) the NJ Water Bank in partnership with DEP, (ii) the NJ Transportation Bank in partnership with DOT and (iii) NJ CHAMP in partnership with the NJOEM.

WATER BANK

TOTAL LOANS

From its first loan in 1987 through June 30, 2024, the Water Bank has issued **1,565** long-term loans totaling more than **\$8.92 billion** and, as of June 30, 2024, had an additional **\$2.03 billion** in short-term loans outstanding for projects in the planning and construction phases.

TOTAL SAVINGS

The Water Bank has saved taxpayers and ratepayers more than **\$3.26 billion**, or **37%** on long-term financing costs through lower interest charges, refinancing of outstanding bond deals at lower interest rates, and principal forgiveness loans.

CURRENT LONG-TERM RATES

In the Fall 2023 Financing Program, Borrower's receiving a standard funding package of 50% I-Bank / 50% DEP Fund Loan financed eligible projects for 20 years at an all-in-cost of capital of **2.170%**, and for 30 years at an all-in-cost of capital of **2.535%**.

In the Spring 2024 Financing Program, Borrower's receiving a standard funding package of 50% I-Bank / 50% DEP Fund Loan financed eligible projects for 20 years at an all-in-cost of capital of **2.407%**, and for 30 years at an all-in-cost of capital of **2.554%**.

TRANSPORTATION BANK

TOTAL LOANS

From its first financing program year in 2018 through June 30, 2024, the Transportation Bank has issued **12** long-term loans to construction complete projects totaling more than **\$54.8 million** and, as of June 30, 2024, had an additional **\$35.5 million** in short-term loans outstanding for projects in the planning and construction phases.

TOTAL SAVINGS

Through its low-cost loans, the Transportation Bank has saved taxpayers and ratepayers an estimated **\$10.2 million**, or **19%** on their long-term financing costs.

RESILIENCE BANK

TOTAL LOANS

As the NJ CHAMP Program received its first funds from the FEMA in May of 2024, no loans were closed in SFY2024. Rather, the I-Bank team spent SFY2024 developing the processes and documents necessary to be able to finance projects in SFY2025.

I-BANK PROGRAMS COMBINED

TOTAL JOBS CREATED

Since their inception, the Water Bank and Transportation Bank Programs combined have created an estimated **170,000** direct, one-year construction jobs.¹

¹ According to the White House Council of Economic Advisors estimates: 20 direct construction job-years were created per \$1M spent through 2011 and 12 direct construction job-years per \$1M spent from 2012 to present.

TABLE OF CONTENTS

I-BANK		NEW JERSEY RESILIENCE BANK (NJ CHAMP)	
Acronyms	3	Overview	43
Message from the Chairperson and Executive Director	5	Application Process	44
Executive Director’s Certification	7	Financing Program Legislative Reports	44
CFO Certification	7	Compliance	45
Board of Directors and Executive Staff	8	Internal Controls	45
Financing Program Benefits	9		
History	11	APPENDIX	
		Independent Auditor’s Report	48
NEW JERSEY WATER BANK			
Case Study	13	Board Meeting Information	102
Financial Offerings	14	Contact Us	102
Eligible Activities for Financing	17		
NEW JERSEY TRANSPORTATION BANK			
Overview	37		
NJ- <i>MOVES</i> Application Process	39		
Financing Program Legislative Reports	40		

MISSION STATEMENT

The New Jersey Infrastructure Bank is an independent State Financing Authority responsible for providing and administering low-interest rate loans to qualified municipalities, counties, regional authorities and water purveyors in New Jersey for the purpose of financing local transportation, resilience, and water quality related infrastructure projects. The I-Bank’s mission is to finance projects that enhance ground and surface water resources, ensure the safety of drinking water supplies, protect public health, promote resilience, reduce roadway congestion, improve highway safety and contribute to New Jersey’s economic well-being and its role as a critical channel for commerce.

Photographs:

Front Cover: **Transportation Bank**: Atlantic County: Pedestrian and Traffic Signal Improvements.

SFY2024 Transportation Bank Long-Term Loan: \$12,115,000

Back Cover: **Water Bank**: New Jersey Water Supply Authority: Round Valley Reservoir Refurbishment and Resource Preservation.

SFY2024 Water Bank Long-Term Loan: \$75,000,000

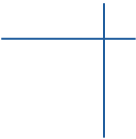


ACRONYMS

The following acronyms will be found in this report:

BIL	Bipartisan Infrastructure Law
CDC	Centers For Disease Control and Prevention
CLP	Construction Loan Program
CSO	Combined Sewer Overflow
CW	Clean Water
DEP	Department of Environmental Protection
DLGS	Division of Local Government Services
DOT	Department of Transportation
DW	Drinking Water
FAF	Financial Addendum Forms
FEMA	Federal Emergency Management Agency
GPR	Green Project Reserve
H2LOans	Online Platform for Water Bank Projects
HMA	Hazard Mitigation Assistance
HMP	Hazard Mitigation Plan
I-Bank	New Jersey Infrastructure Bank
NEPA	National Environmental Policy Act
NJ CHAMP	New Jersey Community Hazard Assistance Mitigation Program
NJEIT	New Jersey Environmental Infrastructure Trust
NJ-Moves	Online Platform for Transportation Bank Projects
NJOEM	New Jersey State Police, Office of Emergency Management
NJWSA	New Jersey Water Supply Authority
OSG	Sewer Overflow and Stormwater Reuse Grant Program
P&D	Planning and Design
PF	Principal Forgiveness
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
PPL	Project Priority List
SAIL	Statewide Assistance Infrastructure Loan Program
SEC	Securities and Exchange Commission
SRF	New Jersey State Revolving Fund
State HMP	New Jersey Hazard Mitigation Plan

ACRONYMS (continued)



Transportation Bank	NJ Transportation Infrastructure Financing Program
TTF	NJ State Transportation Trust Fund
USEPA	U.S. Environmental Protection Agency
WIFIA	Water Infrastructure Finance and Innovation Act



MESSAGE FROM THE CHAIRPERSON AND EXECUTIVE DIRECTOR

To: The Honorable Phil Murphy, Governor of the State of New Jersey
The Honorable Members of the New Jersey State Legislature

EXECUTIVE SUMMARY

The I-Bank is the State Authority that finances critical local infrastructure projects throughout New Jersey by co-administering the NJ Water Bank with the DEP, the NJ Transportation Bank with the DOT and the NJ Resilience Infrastructure Bank with the NJOEM. The I-Bank offers financing through each of these three financing programs at below market rates, making projects more affordable for ratepayers and taxpayers throughout the State.

The I-Bank achieved key milestones in SFY2024, providing significant support to large and small infrastructure projects and building the foundation for new programs; The Water Bank program closed \$730 million in new loans and upsized a net addition of \$313 million for existing loans for a total of \$1.04 billion of project costs. The Resilience Bank received its first federal STORM Act grant funding from FEMA and implemented the NJ CHAMP financing program; and the Transportation Bank saw continued growth as more municipalities recognize the benefits of the program and existing borrowers return to finance more projects. Together with its State agency partners, I-Bank financing has been instrumental in upgrading aging infrastructure, improving water quality, expanding services to underserved communities, and facilitating economic growth within the State.

The Water Bank met the challenge of efficiently deploying a surge in federal funds from the Bipartisan Infrastructure Law resulting in the unprecedented closing of over a billion dollars in loans during the year. The I-Bank continuously seeks financing and structuring opportunities to provide savings for its borrowers while simultaneously maximizing the availability of funds available to finance projects. To that end, the I-Bank completed the final draws from its \$221 million USEPA WIFIA loan. Through two separate bond series, the I-Bank used the remaining \$165 million of the USEPA loan in SFY2024 to leverage federal funds effectively and finance large-scale projects affordably. The WIFIA loan provided total savings of over \$62 million to the New Jersey SRF program, all without any additional cost to borrowers. This achievement allowed the program to optimize its financial resources and offer below-market, affordable financing for communities.

SFY2024 also marked the launch of a new innovative financing program, NJ CHAMP, which provides tailored financing for infrastructure projects focused on fortifying and enhancing resilience to climate change and natural disasters, including flooding, rising sea levels, and seismic activity. This new financing program demonstrates the State's commitment to forward-thinking, sustainable infrastructure solutions that prioritize long-term disaster preparedness.

In addition to offering traditional loans, the I-Bank continued the development of a web-based screening tool to support local municipalities applying for funds through the FEMA Building Resilient Infrastructure and Communities grant program. This new tool, when complete, will streamline the application process for federal hazard mitigation funds, making it easier for communities to access grants and low-cost loan resources needed for critical resilience projects.

Individual Financing Program SFY2024 highlights :

WATER BANK

- \$1.04 billion in loans (more than twice the Water Bank's five-year average production)
- Forgave over \$40 million in loan principal amounts, delivering direct savings to disadvantaged and overburdened communities within the State
- Launched the Water Bank Technical Assistance Program with 15 disadvantaged and overburdened communities initially identified to receive the first round of technical and public engagement assistance at no cost

MESSAGE FROM THE CHAIRPERSON AND EXECUTIVE DIRECTOR (CONTINUED)

- Kicked off the staff augmentation initiative that supplements NJDEP's staff review efforts
- Deployed funds appropriated to the I-Bank and initiated a study to explore optimization and efficiency opportunities for water systems through various governance structure mechanisms

TRANSPORTATION BANK

- Closed seven short-term loans totaling \$23.1M (\$3.1 million more than the program's annual appropriations for loans) to 7 unique borrowers – four of which have since submitted additional applications and will be repeat borrowers
- \$72.8 million of funds set aside for 14 additional projects that are in the planning and design phase, which have not yet closed a short-term loan


RESILIENCE BANK

- NJ CHAMP received \$6.46 million from FEMA in federal STORM Act grant funds, and \$0.646 million in State appropriations for match funds (providing more than \$7 million for loans)
- Created the NJ CHAMP loan application process, accepted the program's first loan applications from project sponsors, and published the first NJ CHAMP project priority list (first loan expected to be issued in SFY2025)

With the assistance of its State agency partners, the I-Bank and its financing programs remain a cornerstone of the State's efforts to modernize water and transportation systems, supporting vital infrastructure improvements while promoting fiscal responsibility and environmental stewardship. Through strategic use of State and federal funding, innovative financing models, and a focus on resilience, the I-Bank is ensuring that communities across the State are equipped to meet their ever-evolving infrastructure challenges.

Thank you for your continued support.

Respectfully,


Robert A. Briant, Jr.
Chairperson


David E. Zimmer, CFA
Executive Director

EXECUTIVE DIRECTOR'S CERTIFICATION PURSUANT TO E.O. NO. 37

In accordance with Executive Order No. 37 (Corzine), the New Jersey I-Bank's SFY2024 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant actions of the Authority for the fiscal year, including the degree of success the I-Bank has had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, CliftonLarsonAllen LLP, is included in the Annual Report and completes the I-Bank's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37 (see Independent Auditor's Report starting on page 46).

I, David E. Zimmer, certify that during SFY2024, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures, and internal controls, and produced no material findings.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for SFY2024.



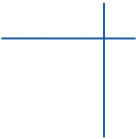
David E. Zimmer, CFA
Executive Director

CFO CERTIFICATION SFY2024

I, Lauren S. Kaltman, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the I-Bank for SFY2024.



Lauren S. Kaltman
Chief Financial Officer



BOARD OF DIRECTORS AND EXECUTIVE STAFF

PUBLIC MEMBERS



Robert Briant, Jr.
Chairperson



Mark Longo
Vice Chairperson



Jack Kocsis, Jr.
Treasurer



James McManus, Jr.
Secretary

EX-OFFICIO MEMBERS



Shawn LaTourette
Commissioner
NJ Department of
Environmental Protection



Francis K. O'Connor
Commissioner
NJ Department of
Transportation



Jacquelyn A. Suárez
Commissioner
NJ Department of
Community Affairs



Elizabeth Maher Muoio
State Treasurer
NJ Department of
Treasury

EXECUTIVE STAFF



David E. Zimmer
Executive Director



Judy Karp
Assistant Director,
Legal & Compliance Officer



Lauren Kaltman
Chief Financial
Officer



George Rolon
Chief Operating
Officer

I-BANK: FINANCING PROGRAMS BENEFITS

SAVINGS, CASH-FLOW, ADMINISTRATION

OVERVIEW

For 38 years, the I-Bank and DEP have partnered to co-administer the New Jersey Water Bank to provide low-cost financing for environmental infrastructure projects, saving taxpayers more than \$3.26 billion on closed long-term loans. Including short-term loans, the program has created approximately 169,200 direct, one-year construction jobs, adding vital economic activity to the State.

In 2018, the I-Bank's mandate was expanded to finance transportation projects in partnership with the DOT through the creation of the New Jersey Transportation Bank. Since its inception, the Transportation Bank, which receives \$22.6 million of State appropriated funds annually, has successfully lent or committed more than \$163 million to 40 projects, or slightly more than 103% of the total appropriated funds. The \$90.3 million of short- and long-term loans closed through June 30, 2024 have created approximately 1,084 direct, one-year construction jobs.

In 2023, the I-Bank's mandate was expanded further to finance resilience and hazard mitigation projects in partnership with OEM through NJ CHAMP as part of the New Jersey Resiliency Bank. In SFY2024, NJ CHAMP's inaugural full year, the program was awarded just over \$6.4 million in STORM Act funds from FEMA. Combined with the required State match, NJ CHAMP has more than \$7 million available for eligible projects, which will be financed at a flat 1% interest rate. NJ CHAMP had a number of initial applications this past year. However, no projects were far enough advanced in their application process to be financed in SFY2024.

DOLLAR SAVINGS BENEFITS

Pool Financing – By consolidating a group of borrowers into a pooled bond issue, small and lower-rated borrowers have better access to the high-quality municipal debt market.

Minimized Financing Costs – Borrowers in the I-Bank's Water Bank and Transportation Bank lending programs receive a blended interest rate based upon the I-Bank's AAA market interest rate bonds combined with funds appropriated through the DEP or DOT which are loaned at a 0% interest rate. At long-term closing, bor-

rowers pay a minimal cost of issuance fee fixed at 0.10% of the I-Bank funded portion of their loan. These two key features dramatically minimize each borrower's cost compared to any borrower's self-financing through its own bond deal.

5% Down Payment Waiver – Applicants subject to the five percent down payment requirement of the New Jersey Local Bond Law are afforded an exception in the Water Bank and Transportation Bank programs. Further, approval times are expedited, and processing costs are reduced by the I-Bank submitting approval requests on behalf of each Borrower directly to the Director of the DLGS at the Department of Community Affairs.

No Bond Insurance Required – The I-Bank's pooled financing structure saves borrowers the expense of purchasing costly bond insurance.

On Target Funding – Design and construction funding is provided as a component of the short-term construction loan program through project completion. The Water Bank and Transportation Bank short-term loan programs offer below market interest rates which accrue only on requisitioned funds. Starting in September 2024, borrowers that provide invoices and requisition funds on an expeditious and timely basis are offered an additional credit on short-term interest costs. Short-term loans are converted to long-term loans for exact project costs at construction completion eliminating excess bond proceeds and reducing debt service to a more accurate level.

Refunding – The I-Bank continually monitors market conditions to assess when interest rates meet the savings threshold for refunding outstanding long-term bond issues. All realized net savings (totaling approximately \$185 million to-date in the Water Bank) are passed on to borrowers.

Debt Service Reserve Fund – With few exceptions, borrowers are relieved of their obligation to commit funds to a debt service reserve fund.

CASH FLOW BENEFITS

Capitalized Interest – Short-term construction loans allow borrowers to defer repayments until construc-

I-BANK: FINANCING PROGRAMS BENEFITS

SAVINGS, CASH-FLOW, ADMINISTRATION (CONTINUED)

tion completion and conversion to long-term financing.

Generous Allowable Costs – The financing programs allow for a broad array of eligible costs, including legal fees, and planning and design and engineering costs.

Flexible Term – Water Bank and NJ CHAMP projects may be financed for the lesser of the asset’s certified useful life or 30 years (up to 35 years for projects receiving federal funding through WIFIA, and 45 years for CSO projects). Transportation Bank projects may be financed for the lesser of the asset’s certified useful life or up to 31 years (35 years for projects receiving funding through a federal credit program) to fit each community’s preferred budget policies.

ADMINISTRATIVE BENEFITS

Easy Reporting – The I-Bank manages federal IRS arbitrage rebate requirements on its publicly-issued tax-exempt bonds, relieving borrowers of the cost and administration of this obligation. Due to the I-Bank’s extensive portfolio of outstanding Water Bank bonds, only one Water Bank borrower has a large enough debt expense to the program to be designated as a “material obligated entity” and, therefore, all other borrowers

are not required to fulfill the SEC’S secondary disclosure or reporting requirements for debt issued through the I-Bank.

Timely Decisions – **Water Bank:** The DEP prioritizes permit applications for projects seeking financing.

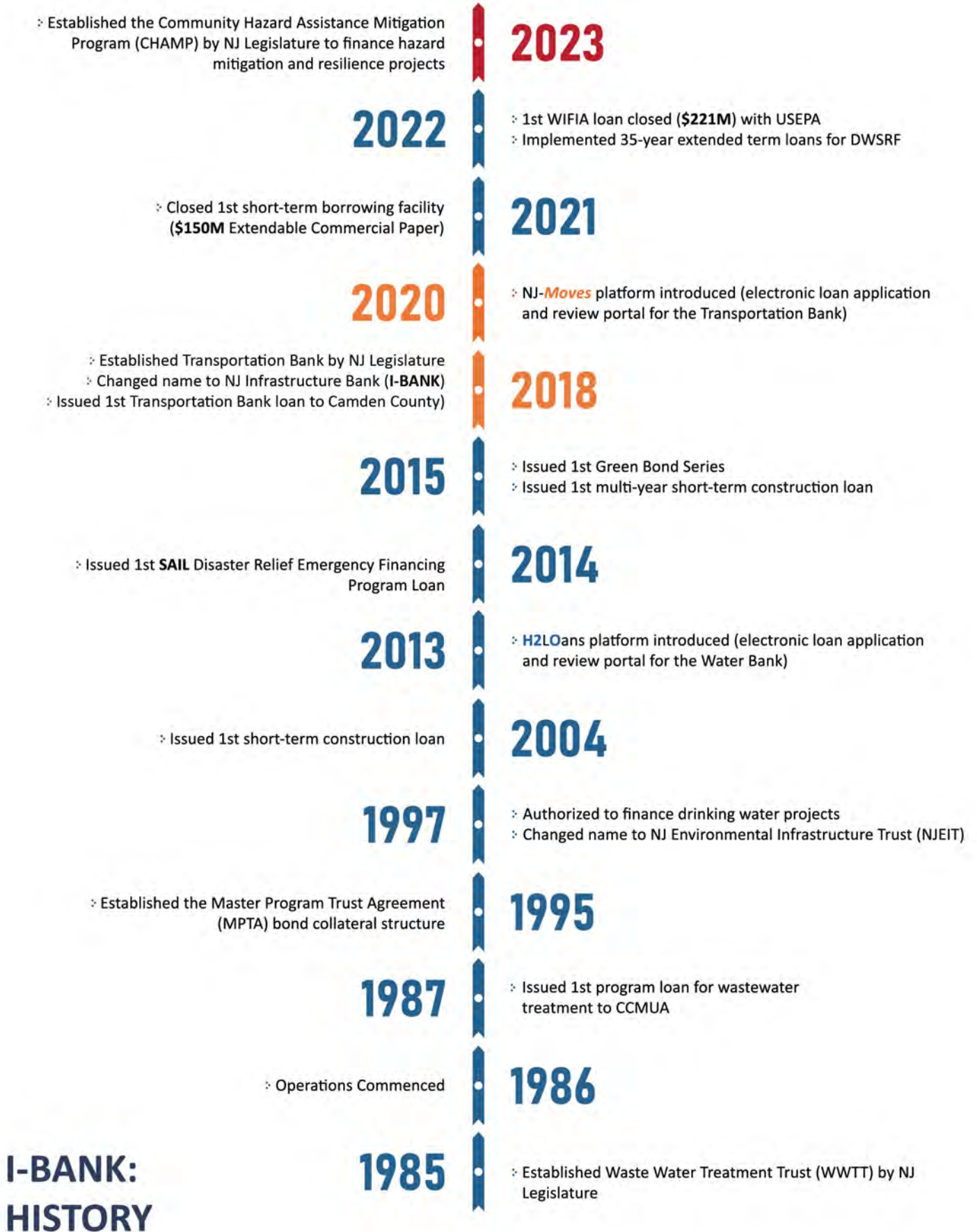
Transportation Bank: The DOT and I-Bank use the same review process for projects receiving Local Aid grants to eliminate duplicative work for engineers and minimize approval timelines.

SAIL - Disaster Relief Program

The SAIL Disaster Relief Program provides short-term funds to communities in advance of FEMA public assistance funds after a declared disaster. SAIL was developed and initiated after Superstorm Sandy to relieve communities of the financial strain they would otherwise endure in the wake of a disaster. Through SFY2024, the SAIL Program successfully financed 13 projects totaling \$240.1 million. The I-Bank and its partners work closely with NJ’s Office of Emergency Management at the NJ State Police to ensure timely disbursement of funds for project expenses.



Point Pleasant Beach Borough: Water Main Replacement.
SFY2024 Water Bank Long-Term Loan: \$2,704,264



An aerial photograph of a dam construction site. A large drilling rig is positioned on a dirt path along the dam. Several workers in high-visibility vests are visible around the rig. The dam structure is made of stone and runs along the right side of the image. To the left is a green field. In the background, there is a forested hill under a cloudy sky.

New Jersey Water Bank

New Jersey Water Supply Authority:
Round Valley Reservoir Refurbishment
and Resource Preservation.

**SFY2024 Water Bank Long-Term Loan:
\$75,000,000**

WATER BANK: CASE STUDY: ROUND VALLEY RESERVOIR

The Water Bank provided \$75 million in financing to the NJWSA in SFY2024 for a project to improve the Round Valley Reservoir structure and preserve its water resources. This significant project won a NJ Alliance for Action Leading Capital Construction Projects Award which honors innovative, pioneering and landmark construction initiatives that have a major impact on the State's economy and communities.

NJWSA maintains a dependable water supply to residents throughout central New Jersey and preserves and enhances source water quality through planning, assessment and rehabilitation of critical watershed parcels. The Authority operates and maintains both the Raritan Basin and the Manasquan Water Supply Systems. The Raritan Basin Water Supply system, comprised of the Spruce Run and Round Valley Reservoirs and the Delaware & Raritan Canal, supplies raw water for 1.5 million people and provides recreational benefits to an estimated 125,000 park users annually. The 2,350-acre Round Valley Reservoir is 180 feet deep, making it New Jersey's second-deepest lake and largest reservoir. At full capacity, it holds up to 55 billion gallons of water. Framed by the scenic Cushetunk Mountain, Round Valley offers park visitors hiking, boating, camping, fishing, picnicking, and lifeguarded swimming opportunities.

The Round Valley Reservoir project increased resiliency for multiple potable water and wastewater treatment facilities downstream of the reservoir within the floodway of the Raritan River. Using the most updated design standards, the project included grouting on the east and west abutments of the North and South Dams, which are part of a three-structure system that maintains the integrity of the Round Valley Reservoir. Abutments were grouted by drilling borings into earth and rock to depths 100 feet below ground level. Cementitious grout was then injected to fill subsurface rock fractures. Leaks were repaired in the South Dam Tower structure and the 10-inch connecting main was replaced. Additionally, NJWSA dredged along an 800-foot-long channel to remove sediment and restore the channel to its original lines and grades to regain full operational function of the intake. The downstream slopes of all three reservoir embankments were retrofitted with improved drainage and filters to prevent soil migration.

The reliability of the structures in the Round Valley Reservoir system is integral to preserving the Raritan River's ecological health by maintaining minimum passing flows at three locations and sustaining downstream aquatic environments. Passing flows from reservoirs help maintain environmental health, and support downstream water distribution systems. Passing flows are maintained by releases from the outlet structures at the reservoirs. Failure of these structures would result in the catastrophic inundation of many downstream land uses, including critical wastewater infrastructure. The strengthened integrity of the structures at Round Valley reduces the risk of negative impacts on the ecological health of the Raritan River, and fosters environmental benefits, clean drinking water, recreational enjoyment and overall quality of life for a large portion of New Jersey residents and visitors.

Total savings for this project are estimated to be \$17.9 million over the 30-year term of the loan or 30% of the project cost compared to if NJWSA had financed the project on its own. In addition, the project created an estimated 900 direct construction jobs.



New Jersey Water Supply Authority: Round Valley Reservoir Refurbishment and Resource Preservation.
SFY2024 Water Bank Long-Term Loan: \$75,000,000

WATER BANK: FINANCING OFFERINGS

New Jersey enjoys a national reputation as a leader in innovative and effective environmental protection and financing strategies. In SFY2024, the Water Bank provided low-interest loans through a combination of Federal CW or DW SRF monies, State appropriated funds, as well as proceeds from the issuance of bonds by the I-Bank in either the public market or under the federal Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) and I-Bank cash-on-hand. This past year, the Water Bank Program featured enhanced principal forgiveness and grant opportunities afforded by funds from the federal Infrastructure Investment and Jobs Act of 2021 (Bipartisan Infrastructure Law or (BIL)) and the federal American Rescue Plan Act of 2021 which were made available through the SRF program. By continuing its legacy of offering below-market loan rates, combined with increased principal forgiveness and grant opportunities, the Water Bank helps New Jersey communities address their critical water infrastructure needs while minimizing rate pressures on their constituents.

SHORT-TERM FINANCING OFFERINGS

The Water Bank offers interim financing opportunities during the planning, design and construction phases of a project through the short-term CLP and SAIL financing programs. In SFY2024, the Water Bank closed or upsized 148 loans for \$1.043 billion, a record for the program. Projects ranged in size from as small as \$143,000 to more than \$123 million and addressed or mitigated critical environmental issues such as lead line replacements, PFAS removal, combined sewer overflow abatement, new treatment facilities, and more.

Short-Term Construction Loans

Water Bank short-term loans cover actual project costs incurred during both the design and construction phases, and typically encompass 100% of a project's construction period. Interest rates on Water Bank short-term loans in SFY2024 ranged from 0.365% to 0.408%. The rates are set monthly to reflect costs associated with the I-Bank's borrowed funds blended with 0% interest funds appropriated by the State for the Water Bank's short-term financing program. The I-Bank issues short-term construction loans for a period of up to three full fiscal years. Short-term loans issued during the planning phase of a project for costs associated

with P&D may extend the maturity term up to an additional two calendar years. Loans issued for P&D expenses are financed with the expectation that the plans will result in an eligible capital improvement project financed through the Water Bank Program. Short-term construction loans are converted into long-term loans upon construction completion. Long-term financing terms are established consistent with the terms of the program year at the time of certification of each construction contract or the date of short-term loan closing, whichever occurs later. Borrowers benefit from the quick turnaround time from submission of reimbursement requests to cash disbursement, typically less than 2 weeks. Short-term loans minimize the costs of financing, post-loan closing administrative requirements, and compliance obligations for both the borrowers and the Water Bank .

LONG-TERM FINANCING OFFERINGS

In SFY2024, long-term funding packages continued to be offered as a blended interest rate equivalent to a percentage of the I-Bank's AAA rated Market Interest Rate (Blended Rate).

Base Clean Water Program

The SFY2024 Base **Clean Water Program** offered combined financing from the DEP and the I-Bank at a 50% Blended Rate. Project sponsors that meet the Department's Affordability Criteria were eligible for 100% principal forgiveness for the first \$2 million of allowable project costs, financing with a 50% Blended Rate for the next \$2 million of allowable project costs, financing with a 25% Blended Rate for the allowable project costs between \$4 million and \$10 million. Additionally, the program offered set-aside funds for certain projects that qualified for PF, detailed below under Special Initiatives.

Base Drinking Water Program

The SFY2024 Base **Drinking Water Program** offered combined financing from the DEP and the I-Bank at a 50% Blended Rate for public water system borrowers. For investor-owned borrowers, the program offered financing with a 75% Blended Rate. Publicly owned systems serving communities that satisfied the Department's Affordability Criteria were eligible for financing with a 25% Blended Rate for the first \$10 million in

WATER BANK: FINANCING OFFERINGS (CONTINUED)

project costs. Additionally, the program offered set-aside funds for certain projects that qualified for PF, detailed below under Special Initiatives.

Utilization of WIFIA, and BIL Funds

In SFY2024, the I-Bank drew down the balance of the first of its two USEPA WIFIA loans which was closed in April 2022 for \$221.32 million.

Special Initiatives

Summary of CW SRF Funding Package Details

Clean Water Funding Packages	PF Share	PF Cap per Applicant	Projected PF Available	DEP Share (Loan w/ PF)	I-Bank Share
CSO LTCP ARPA Projects ¹	80%	No Cap	\$215M	90%	10%
CSO Abatement	50%	\$5M	\$30M ⁶	75%	25%
CSO Abatement/ Affordability Criteria ²	100% ⁵	\$5M	\$30M ⁶	75% Min	25% Max
Water Quality Restoration	50%	\$2.5M	\$8M	75%	25%
Affordability Criteria ³	100% ⁵	\$2M	\$36M	75% Min	25% Max
Energy and Water Efficiency Projects	50%	\$2M	\$20M	75%	25%
Overflow and Stormwater Grant (OSG) CW SRF PF Loans ⁴	20%	\$0.2M	\$2M	20%	-
Emerging Contaminants	100% ⁵	\$2M	\$9 M	75% Min	25% Max
Base CWSRF	-	-	-	50%	50%
Brownfield Redevelopment (Conduit/PPP)	-	-	-	25%	75%

1. When CSO LTCP ARPA principal forgiveness funds are exhausted, applicants may access financing available under other applicable CWSRF principal forgiveness and funding categories.
2. CSO Abatement/Affordability project costs from \$10 million to \$20 million may be financed under the Affordability Criteria package. Costs over the caps may be financed under the Base CWSRF package.
3. CSO Abatement and CSO Abatement/Affordability cannot be stacked. CSO Abatement/Affordability and Affordability Criteria can be stacked, totaling the PF Cap at \$7M.
4. OSG CW SRF PF Loans will be awarded to CWSRF projects that receive an Overflow and Stormwater Grant. The OSG will cover 80% of the project costs (project costs capped at \$1 million) and the OSG CW SRF PF Loan will cover 20% of the project costs. DACs are eligible to receive OSG grant funding for up to 100% of eligible project costs. Costs in excess of \$1 million may be eligible for funding and PF under the CSO Abatement or CSO Abatement/Affordability Criteria categories.
5. The first \$5 million of CSO Abatement/Affordability projects, the first \$2 million of Affordability Criteria projects, and the first \$2 million of Emerging Contaminants project will receive 100% principal forgiveness to the extent principal forgiveness funds are available.
6. \$5M set aside for CSO Green Infrastructure Projects.

WATER BANK: FINANCING OFFERINGS (CONTINUED)

Summary of DW SRF Funding Package Details

Drinking Water Funding Packages	PF Share	PF Cap per Applicant	Projected PF Available ¹	DEP Share (Loan + PF)	I-Bank Share
Base DWSRF – Public	-	-	-	50%	50%
Base DWSRF – Investor Owned	-	-	-	25%	75%
Affordability Projects	-	-	-	75%	25%
High Rank Affordability	100%	\$2M	\$8M	75% Min	25% Max
Nano (serving 10,000 customers or less)	50%	\$500,000	\$4M	75%	25%
Very Small Water Systems (serving 1,000 or less)	1050%	-	\$5M	-	-
Lead Service Line Replacement	50%	\$5M	\$41M	75%	25%
General Supplemental RF (Lead Line Replacement)	50%	\$5M	\$10M	75%	25%
Emerging Contaminants (including PFAS)	100%	\$2M	\$13M	100%	-
Climate Change / Resilience or Projects to comply with Multiple MCLs (ARPA)	80%	\$20M	\$20M	90%	10%

1. Any principal forgiveness available under the BIL funds carried over from FY23 will be used in the same categories for FY24 and added to the totals noted in the chart above.

Utilization of WIFIA, and BIL Funds (continued)

In December 2023, the I-Bank combined \$51.62 million from the publicly issued Series 2023A-W1 Bonds and \$130.30 million from the Series 2023C-W1 Bonds privately placed with US EPA as sources of funds for its portion of borrower loans. In May 2024, the I-Bank combined \$75.84 million from the publicly issued Series 2024A-W1 Bonds and \$34.66 million from the privately placed Series 2024C-W1 Bonds, funded from the balance of the \$221 million WIFIA loan. DEP provided Borrowers with the remainder of project funds for each of these two long-term financings through a combination of zero-percent loans and principal forgiveness.

By using funds from its first WIFIA loan, which locked in a low-interest rate at closing in April of 2022, the I-Bank

was able to assist NJDEP with saving more than \$62 million in SRF funds at no additional cost to the State or program borrowers. These savings are available to fund additional projects that the Water Bank would not otherwise be able to finance.

The I-Bank's second USEPA WIFIA loan for \$500 million was closed in SFY2023 and will be utilized to fund a portion of long-term loans when conditions are financially advantageous compared to the public bond market with the objective of again, decreasing the share of, and saving the amount of DEP's SRF funds needed to finance projects.

WATER BANK: ELIGIBLE ACTIVITIES

DRINKING WATER

- Replacement, source development and rehabilitation that address federal safe drinking water health standards
- Treatment to comply with primary and secondary drinking water standards
- Well Sealing
- Storage to prevent contamination from entering the water system and transmission lines
- Replacement of distribution systems to prevent contamination (i.e., Lead Service Lines) or improve pressure to safe levels

CLEAN WATER

Wastewater

- Sewage collection, treatment, or disposal, including correction of inflow/infiltration problems, sludge management and combined sewer overflows
- Emergency repairs to replace, in-kind, the failure of an essential portion of a wastewater system that will disrupt service for a minimum of 24 hours and/or poses a substantial threat to the public's health, safety and welfare

Stormwater Management

- Stormwater/non-point source pollution management including construction, expansion or replacement of stormwater management systems, collection basins, and storm drains, rehabilitation of tidal gates and extension of outfall points

Runoff Control

- Manure/feedlot management, streambank stabilization, lake dredging and restoration, and salt dome construction

Equipment Purchases

- Equipment purchases including street sweepers, sewer flushing and cleaning equipment, dump trucks, crawler loaders, skimmer boats, aquatic weed harvesters, SCADA Equipment, and outfall netting

Landfill Construction and Closure (Publicly Owned)

- Sealing an old landfill or constructing a new cell to prevent, reduce or control leachate, its storage and/or treatment, capping systems, liners, leachate collection systems, treatment systems, sewer connections, barge shelters, containment booms, litter fences, gas collection and treatment systems,



National Park Borough: Addition of PFAS Treatment at Existing Water Plant.
SFY2024 Water Bank Long-Term Loan \$772,376

WATER BANK: ELIGIBLE ACTIVITIES (CONTINUED)



Gloucester Township: Redwood Street Culvert Replacement.
SFY2024 Water Bank Long-Term Loan \$1,523,477

monitoring wells and reclamation or reduction work.

Brownfield Remediation

- Remediation of abandoned and contaminated industrial sites including removal of contaminated soil, site-capping, and the installation of storm-water controls (note, a local or county government must be the borrower and loan obligor)

Open Space Land Acquisition

- Preserving open land that maintains or enhances the quality of surface or groundwater including stream headwaters and corridors, wetlands, and aquifer recharge areas

Septic Systems

- While the Water Bank cannot lend to individuals, a local government of a community with numerous system failures may establish a Septic Management District and apply for financing for the costs of planning and corrective measures, including the construction of a community system. A local government may also borrow funds from the Water Bank on behalf of residents and provide conduit loans for the rehabilitation of existing systems or the purchase and installation of traditional or alter-

native replacement septic systems.

Green Infrastructure

- The incorporation of green infrastructure if used to reduce the volume of runoff and treat it. Municipalities and utilities can incorporate green infrastructure through investments such as tree plantings, green streets, community gardens, rain gardens, parking lot retrofits, and bioretention systems. Green infrastructure also includes other practices that mimic natural hydrology and increase an area's ability to capture water and allow it to percolate into the ground.
- GPR Projects that utilize green infrastructure technologies, provide water or energy efficiency improvements, or other environmentally innovative activities as defined by USEPA GPR.

Security Monitoring

- Security improvements at eligible wastewater and drinking water facilities, including fencing, lighting, motion detectors, cameras, secure doors, and alternative auxiliary power sources.

(note, this list is not intended to be all-inclusive)

WATER BANK: LOAN PRODUCTION SUMMARY (LAST 5 YEARS)

S-T SFY	1st S-T Loan (Oper Seg) \$	Additional S-T Loans (Oper Segs) \$	L-T Inc/Dec (Oper Seg) \$	SFY Total \$
2024	730,602,324	348,481,710	(35,577,008)	1,043,507,026
2023	335,464,995	186,668,462	(12,212,050)	509,921,407
2022	217,952,523	93,395,985	(11,943,684)	299,404,824
2021	590,641,509	180,711,719	(45,679,559)	725,673,669
2020	289,223,107	66,763,777	(23,609,255)	332,377,629
Total	\$ 2,163,884,458	\$ 876,021,653	\$ (129,021,556)	\$ 2,910,884,555

Key: S-T=Short-Term Loan L-T=Long-Term Loan Oper Seg(s)=Operable Segment amount for certified Contract(s)

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2024 YEAR-END

Borrower	Projects	Loan Amount \$	Borrower	Projects	Loan Amount \$
Allentown Borough	2	1,699,634	Essex Fells Borough	2	10,947,461
Atlantic City MUA	2	8,241,243	Fieldsboro Borough	1	257,555
Bayshore RSA	1	31,000,000	Franklin Twp. SA	2	12,480,198
Belleville Twp	1	2,592,243	Glen Ridge Borough	1	1,251,036
Bergen County UA	3	96,700,000	Gloucester County UA	1	13,848,103
Berkeley Heights Twp.	2	6,960,437	Gloucester Twp.	4	3,779,763
Berkeley Twp MUA	1	1,516,263	Hackensack City	2	25,595,153
Bloomfield Twp	1	866,400	Hackettstown MUA	1	722,542
Boonton Town	1	2,343,296	Haddon Heights Borough	1	471,305
Bordentown City	1	2,667,570	Hamburg Borough	2	828,199
Brick Twp MUA	5	32,146,078	Hamilton Twp	1	2,563,974
Burlington City	1	1,990,596	Hawthorne Borough	1	6,830,226
Camden City	3	63,725,071	High Bridge Borough	2	1,802,872
Camden County MUA	4	53,535,341	Highlands Borough	1	8,329,712
Carneys Point SA	1	1,736,557	Hightstown Borough	1	470,908
Clinton Town	1	1,792,706	Hillside Twp	7	7,471,998
Clinton Twp SA	1	2,000,000	Ho Ho Kus Borough	1	3,700,000
Cumberland Cty (Downe Twp)	1	10,669,200	Hoboken City	2	18,082,811
Cumberland County UA	1	5,797,247	Hopewell Twp	1	1,111,858
Delanco SA	1	1,856,350	Irvington Twp	7	19,093,353
Deptford Twp MUA	4	4,637,655	Island Heights Borough	1	843,965
East Greenwich Twp	1	6,000,000	Jersey City MUA	2	34,219,787
East Orange City	9	17,433,376	Kearny Town	1	12,123,577
Elizabeth City	9	75,516,963	Lake Stockholm Systems	1	1,687,832

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2024 YEAR-END (CONTINUED)

Borrower	Projects	Loan Amount \$	Borrower	Projects	Loan Amount \$
Lakewood Twp MUA	1	12,060,428	Passaic Valley WC	1	37,605,981
Lavallette Borough	1	189,329	Pennsville SA	1	2,664,831
Linden Roselle SA	1	8,379,423	Pleasantville City	1	458,540
Livingston Twp	3	15,922,057	Pompton Lakes Borough MUA	2	432,452
Logan Twp MUA	1	9,948,000	Rahway Valley SA	1	5,267,857
Long Branch SA	2	6,289,427	Red Bank Borough	1	3,707,762
Lower Twp MUA	1	28,783,951	Ridgefield Park Village	1	752,966
Mantua Twp MUA	2	2,783,831	Ridgewood Village	2	26,028,209
Maplewood Twp	6	7,018,756	Robbinsville Twp	1	1,460,608
Medford Lakes Borough	1	6,096,325	Rockaway Valley RSA	3	29,791,182
Mendham Borough	1	3,836,491	Roselle Park Borough	6	3,327,079
Merchantville-Pennsauken WC	1	8,677,030	Runnemede Borough	1	7,250,500
Metuchen Borough	1	8,227,354	Seaside Heights Borough	2	2,072,843
Middlesex County UA	5	69,567,188	Ship Bottom Borough	1	1,947,116
Millburn Twp	6	6,264,619	Somerville Borough	1	808,710
Montgomery Twp	1	17,000,000	South Orange Village Twp	8	7,639,875
Mt Arlington Borough	1	818,657	Stafford Twp	2	7,912,001
Mt Laurel Twp MUA	1	3,162,340	Stone Harbor Borough	1	5,943,971
Musconetcong SA	1	2,411,067	Stony Brook RSA	2	39,765,851
National Park Borough	1	764,600	Summit City	7	9,864,692
New Brunswick City	1	20,171,316	Toms River MUA	1	6,602,419
Newark City	9	30,380,260	Trenton City	2	21,964,394
Newton Town	2	2,685,113	Two Rivers Water Reclamation Authority	1	123,272,021
NJ American Water Company	2	101,541,465	Union Twp	7	20,743,217
North Bergen MUA	1	21,500,000	Upper Deerfield Twp	1	3,611,991
North Bergen Twp	1	3,522,129	Vernon Twp	1	2,096,924
North Brunswick Twp	1	2,828,349	Verona Twp	1	2,330,613
North Haledon Borough	1	1,868,904	Waldwick Borough	1	5,901,105
North Hudson SA	5	95,867,299	Wanaque Valley RSA	1	1,166,535
Northwest Bergen CUA	1	1,459,986	Wenonah Borough	1	1,098,125
Oakland Borough	1	7,681,070	West Deptford Twp	1	4,130,156
Ocean County UA	2	49,243,057	West Orange Twp	7	13,280,610
Ocean Gate Borough	1	894,485	Willingboro MUA	2	10,162,961
Old Bridge MUA	1	2,700,000			
Orange City	1	633,753			
Passaic Valley SC	11	431,251,818			
			Total	254	\$2,025,432,388

WATER BANK: LONG-TERM LOANS CLOSED IN SFY2024

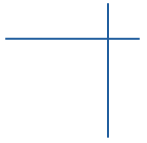
(SERIES 2023A-W1, SERIES 2023C-W1, SERIES 2024A-W1 and SERIES 2024C-W1)

Borrower Name	Loan Amount \$	Est. Program Savings \$
Bayonne City	2,068,740	1,765,252
Bergen County UA	12,062,628	2,494,483
Bloomfield Twp.	8,842,759	4,747,319
Brick Twp. MUA	5,215,060	900,916
Camden City	4,982,114	3,194,227
Camden County MUA	20,494,127	3,419,162
Clinton Town	3,508,769	651,596
Cumberland County IA	5,257,482	774,622
East Orange City	15,567,005	6,168,620
Farmingdale Borough	535,438	441,506
Gloucester Twp.	1,523,477	220,052
Hightstown Borough	555,693	385,605
Hoboken City	22,174,153	13,150,821
Jersey City MUA	167,028,360	47,790,437
Little Egg Harbor Twp.	1,804,704	289,880
Long Beach Twp.	4,656,825	697,111
Lower Twp. MUA	10,944,498	1,847,677
Mendham Borough	2,308,222	423,151
Middlesex Borough	981,975	179,263
Montville Twp.	2,426,837	445,699
Mount Arlington Borough	416,543	165,570
Mount Laurel Twp. MUA	6,561,478	953,470
Musconetcong SA	5,707,195	831,619
National Park Borough	772,376	590,269
Newark City	41,486,739	20,996,182
NJ Water Supply Auth	75,000,000	17,901,524
North Bergen MUA	2,912,499	1,282,439
North Hudson SA	18,288,302	7,154,279
North Jersey District Water SC	21,232,993	9,121,778

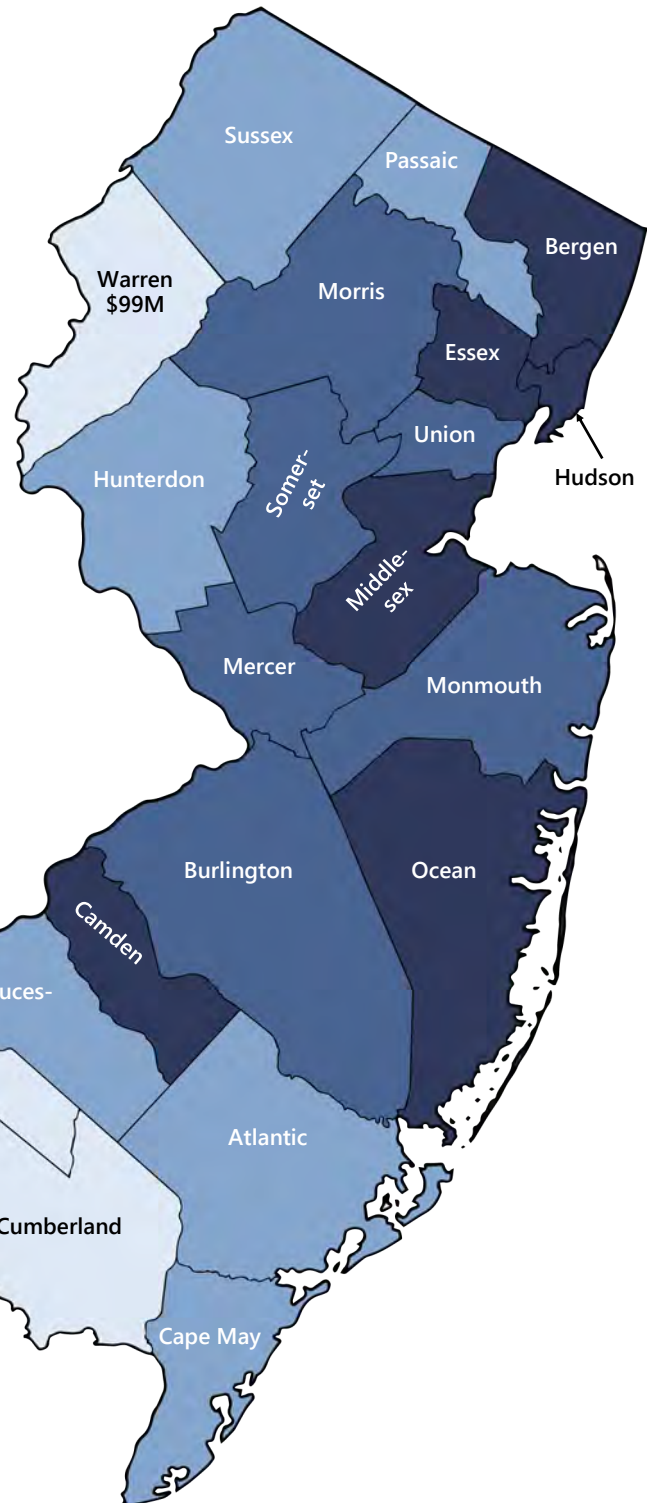
Borrower Name	Loan Amount \$	Est. Program Savings \$
Ocean Twp. SA	891,192	203,525
Parsippany-Troy Hills Twp.	7,507,568	4,626,306
Passaic Valley SC	13,427,292	2,712,413
Paterson City	1,579,303	285,702
Pennsville SA	709,266	149,337
Perth Amboy City	735,649	497,133
Plumsted Twp.	5,910,557	181,919
Point Pleasant Beach Borough	2,704,264	1,170,687
Princeton (Borough & Township)	1,489,099	113,315
Scotch Plains Twp.	2,104,299	381,151
Ship Bottom Borough	7,952,947	1,392,782
Shore Water Company	671,075	671,075
South Monmouth RSA	881,276	181,778
Stafford Twp.	2,687,584	2,333,512
Sussex County MUA	32,179,511	5,037,331
Toms River MUA	1,072,330	193,510
Trenton City	37,286,068	24,289,456
Tuckerton Borough	231,546	231,546
Washington Twp. MUA (Morris)	1,297,237	989,158
Wildwood City	2,617,566	407,076
Winslow Twp.	3,187,954	521,677
Total	\$ 592,440,574	\$ 195,554,915

WATER BANK: LOAN HISTORY SFY1987-2024

BY COUNTY

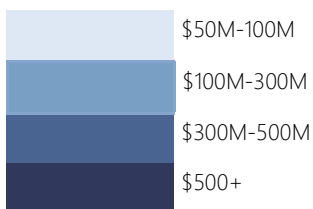


County	Total Loan Amount \$	Est. Program Savings \$	Per * Capita \$
Atlantic	157,128,572	61,153,026	572
Bergen	552,990,420	124,539,758	579
Burlington	496,522,934	158,956,299	1,075
Camden	878,528,320	366,505,413	1,678
Cape May	139,275,509	53,604,715	1,462
Cumberland	78,012,161	28,695,056	506
Essex	961,378,235	464,597,128	1,114
Gloucester	205,924,222	67,887,760	681
Hudson	942,325,548	363,625,364	1,300
Hunterdon	213,420,472	61,704,771	1,655
Mercer	387,811,757	154,613,635	1,001
Middlesex	879,647,777	274,537,387	1,019
Monmouth	498,682,420	169,510,875	775
Morris	481,768,518	202,260,935	946
Ocean	779,294,292	259,884,090	1,223
Passaic	282,443,387	115,608,966	538
Salem	61,649,415	25,754,040	951
Somerset	303,606,755	101,850,566	879
Sussex	137,133,998	37,934,169	951
Union	387,450,099	133,369,614	673
Warren	99,404,683	37,391,836	907
Total	\$ 8,924,399,493	\$ 3,263,985,403	



* U.S. Census Bureau (4/2020 - 7/2023)

LEGEND:



WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER

Borrower Names	Original Loan \$	Est. Program Saving \$
2117 Mt. Ephraim, Inc., Nancy-Lee	397,969	132,719
Aberdeen Twp.	10,627,051	2,571,095
Allamuchy Twp.	7,494,437	2,273,022
Allentown Borough	4,694,421	1,659,416
Aqua New Jersey, Inc.	1,956,000	682,142
Aqua New Jersey, Inc.	936,624	743,090
Aqua New Jersey, Inc.	4,095,787	2,371,776
Aqua New Jersey, Inc.	2,435,000	850,360
Asbury Park City	25,055,578	8,567,466
Atlantic City MUA	13,123,435	7,229,758
Atlantic County UA	67,786,945	29,600,992
Atlantic Highlands Borough	1,917,275	447,322
Atlantic Highlands-Highlands RSA	872,692	293,499
Avalon Borough	1,118,240	215,924
Barneget Twp.	3,382,601	1,000,795
Barrington Borough	1,019,712	287,067
Bayonne City	2,068,740	1,765,252
Bayonne LRA	35,772,049	14,221,634
Bayonne LRA (MUA)	1,796,017	672,387
Bayonne MUA	28,844,005	13,830,206
Bayshore RSA	71,015,301	26,877,642
Bayview Water Co.	1,600,000	485,388
Beach Haven Borough	8,987,445	5,014,124
Beachwood Borough (BB)	4,614,128	1,891,842
Bellmawr Borough	14,007,749	4,859,691
Belmar Borough	982,903	273,832
Bergen County	7,383,149	1,605,543
Bergen County IA - Encap	211,321,814	0
Bergen County UA	145,899,923	61,938,162
Bergen County UA (Edgewater)	1,683,537	575,747
Bergenfield Borough	1,130,000	366,825
Berkeley Heights Twp.	15,036,610	5,978,627
Berkeley Twp.	3,140,003	986,350
Berkeley Twp. MUA	9,624,023	4,149,139
Berkeley Twp. SA	27,133,992	10,047,581
Berlin Borough	4,823,632	1,402,673

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Bernardsville Borough	6,824,630	3,190,642
Bethlehem Twp.	987,100	362,530
Beverly SA	371,996	83,962
Bloomfield Twp.	8,842,759	4,747,319
Bloomington Borough	516,255	378,278
Boonton Town	3,492,315	891,657
Bordentown City	4,037,899	1,051,981
Bordentown SA	5,155,639	2,582,808
Bound Brook Borough	148,161	18,294
Bradley Beach Borough	2,299,383	478,462
Brick Twp.	2,573,862	744,384
Brick Twp. MUA	46,147,497	14,136,095
Bridgeton City	10,158,187	5,691,868
Bridgewater Twp.	1,770,319	515,861
Brielle Borough	10,007,175	2,577,046
Brigantine City	12,718,667	3,646,101
Brookwood Musconetcong River POA	1,039,200	291,174
Buena Borough MUA	2,961,060	935,893
Burlington City	22,067,914	9,206,064
Burlington County	4,646,774	1,145,668
Burlington County - BCF	89,521,293	27,710,715
Burlington Twp.	15,391,605	4,328,205
Byram Homeowners Assoc	569,085	109,784
Byram Twp.	1,802,284	626,706
Caldwell Borough	37,883,224	15,488,803
Califon Borough	1,343,949	234,254
Camden City	122,676,856	49,745,129
Camden County MUA	611,079,779	271,350,638
Cape May City	3,765,097	1,265,433
Cape May County MUA	51,280,891	20,795,668
Cape May Point Borough	161,766	18,145
Carneys Point Twp.	502,733	149,279
Carneys Point Twp. SA	6,510,000	3,798,909
Carteret Borough	22,442,062	10,593,497
Carteret Redevelopment Agency	38,472,833	11,370,104
Cedar Glen Homes, Inc.	846,401	225,054

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Cedar Glen West, Inc.	432,666	82,089
Cedar Grove Twp.	9,123,321	4,168,090
Chatham Borough	13,821,038	5,976,719
Chatham Twp.	7,257,264	1,761,232
Cherry Hill Twp.	6,142,348	2,444,110
Chester Borough	1,394,451	473,649
Chesterfield Twp.	5,622,510	1,581,112
Cinnaminson SA	16,652,802	4,107,713
Clayton Borough	2,785,750	982,916
Clementon Borough	1,195,000	482,568
Cliffside Park Borough	1,105,000	192,618
Clifton City	4,576,000	1,408,253
Clinton Town	23,269,817	6,285,208
Clinton Twp.	264,000	87,835
Clinton Twp. SA	2,085,074	679,844
Collingswood Borough	4,263,827	1,319,243
Consumers NJ Water Co	939,000	328,642
Consumers NJ Water Co	2,534,961	878,470
Continental Communities LLC	1,956,690	583,827
Continental Communities LLC (Colonial Estates)	999,999	219,549
Cranford Twp.	10,975,680	3,256,399
Cumberland County IA	15,415,997	3,269,926
Cumberland County UA	7,899,790	1,998,759
Delanco Twp. SA	1,076,866	305,253
Delran SA	13,694,636	4,778,897
Delran Twp.	3,162,329	703,262
Denville Twp.	18,205,604	7,985,291
Deptford Twp. MUA	5,726,491	1,683,975
Dover Town	822,669	226,577
Dumont Borough	7,062,000	2,081,660
Dunellen Borough	1,845,475	528,290
East Brookwood Estates POA	1,357,000	375,231
East Newark Borough	579,562	213,166
East Orange City	35,287,214	16,116,871
East Orange City (JM)	421,219	176,536
East Rutherford Borough	896,793	123,271

+

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024
BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
East Windsor MUA	52,527,046	18,254,804
East Windsor Twp.	868,172	335,794
Eatontown SA	4,400,336	1,313,246
Edgewater Borough	3,803,741	1,468,143
Edgewater MUA	1,771,496	599,028
Edgewater Park SA	3,242,377	835,877
Edison Twp.	3,299,256	935,748
Egg Harbor Twp. MUA	2,028,012	347,426
Elizabeth City	86,268,191	43,390,570
Elmer Borough	580,000	446,838
Elmwood Park Borough	8,874,766	2,558,218
Essex County UA	2,135,414	666,943
Evesham MUA	22,395,820	6,539,070
Evesham Twp.	2,643,250	1,164,675
Ewing Lawrence SA	46,611,576	14,520,193
Ewing Twp.	4,236,765	1,507,606
Fanwood Borough	1,362,256	305,540
Farmingdale Borough	535,438	441,506
Flemington Borough	4,774,751	1,488,905
Florence Twp.	20,837,659	5,599,006
Florham Park SA	3,554,134	947,445
Fort Lee Borough	6,952,250	1,972,327
Franklin Borough	550,000	181,574
Franklin Twp.	3,495,733	1,042,802
Franklin Twp. SA	46,138,892	15,563,023
Free Acres Assoc, Inc.	1,097,428	318,599
Frenchtown Borough	8,724,110	3,636,670
Galloway Twp.	2,384,284	685,281
Garfield City	6,122,693	1,652,201
Gibbsboro Borough	2,097,711	744,500
Glen Ridge Borough	11,313,317	4,184,941
Gloucester City	20,177,099	6,756,309
Gloucester County IA	26,733,446	3,951,685
Gloucester County UA	89,491,284	35,811,475
Gloucester Twp.	18,577,154	4,867,841
Gloucester Twp. MUA	2,190,500	621,667

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Great Gorge Terrace Condo Assoc, Inc.	846,930	796,468
Hackensack City	15,641,269	9,235,809
Hackettstown MUA	12,154,566	4,796,442
Haddon Twp.	6,387,500	2,226,244
Hainesport Twp.	13,711,900	3,896,590
Haledon Borough	1,538,000	594,614
Hamburg Borough	1,868,690	987,165
Hamilton Twp.	5,945,429	2,320,914
Hamilton Twp. MUA	6,543,167	1,777,497
Hammonton Town	28,868,026	9,622,196
Hampton Borough	1,115,109	1,110,551
Hanover SA	31,928,758	11,819,793
Harrington Park Borough	348,576	19,652
Harrison Town	5,622,704	1,829,290
Harrison Twp.	6,810,754	1,868,563
Harvey Cedars Borough	1,676,634	494,973
Hawthorne Borough	9,272,567	3,028,135
High Bridge Borough	926,941	367,233
Highlands Borough	2,098,450	491,566
Hightstown Borough	11,222,143	4,953,356
Hillsborough Twp.	7,082,919	2,147,767
Hillside Twp. (JM)	1,989,311	963,907
Hoboken City	88,582,512	40,323,548
Holmdel Twp.	5,902,119	2,018,779
Hopatcong Borough	28,714,402	7,335,572
Howell Twp.	12,338,514	7,683,717
Hudson County IA (Bayonne Crossing)	18,726,295	8,617,120
Hudson County IA (Harrison Advance)	16,816,913	5,298,390
Independence MUA	262,000	209,394
Irvington Twp. (JM)	5,576,177	2,774,027
Island Heights Borough	5,129,500	1,855,216
Jackson Twp.	1,166,859	983,650
Jackson Twp. MUA	45,819,156	11,112,253
Jefferson Twp.	1,387,350	414,472
Jefferson Twp. - Mountain Shores POA	647,816	763,165
Jersey City MUA	360,046,133	114,326,831

+

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024
BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Keansburg Borough	5,790,422	3,147,805
Kearny MUA	12,802,824	4,485,446
Kearny Town	26,609,403	8,401,457
Lake Tamarack Water Co	151,020	45,919
Lakeshore Company	457,179	457,179
Lakewood Twp. MUA	33,059,735	9,400,351
Lambertville MUA	9,160,606	6,141,453
Lambertville SA	3,182,679	903,367
Lavallette Borough	2,765,423	1,339,760
Lawrence Twp.	1,175,095	336,574
Lebanon Twp.	1,106,401	426,894
Leonia Borough	770,607	242,254
Linden City	17,530,919	4,275,175
Linden Roselle SA	25,154,343	8,159,367
Linwood City	1,990,931	372,742
Little Egg Harbor MUA	11,971,443	3,535,159
Little Egg Harbor Twp.	1,804,704	289,880
Little Egg Harbor Twp. (BB)	3,885,916	2,705,413
Livingston Twp.	17,209,276	8,669,488
Lodi Borough	140,650	20,213
Logan Twp. MUA	2,975,000	993,242
Long Beach Twp.	56,657,319	20,164,536
Long Branch SA	42,793,640	20,172,264
Long Hill Twp.	16,726,597	6,310,889
Longport Borough	3,883,629	1,340,206
Lopatcong Twp.	200,000	14,171
Lower Twp. MUA	18,977,980	5,157,911
Lumberton Twp.	2,072,303	600,715
Lyndhurst Twp.	13,267,776	3,782,429
Madison Borough	20,291,715	9,044,337
Magnolia Borough	1,828,287	558,008
Manasquan Borough	16,558,128	5,125,942
Manchester Twp.	6,868,816	1,795,651
Manchester UA	9,556,772	5,140,594
Mantua Twp. MUA	8,614,319	2,646,652
Manville Borough	6,731,831	2,891,297

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Maple Shade Twp.	37,072,255	12,973,043
Maplewood Twp.	394,262	138,034
Margate City	937,449	273,180
Marlboro Twp.	19,595,719	6,197,271
Matawan Borough	8,930,224	2,308,519
Maywood Borough	845,977	391,179
Medford Twp.	24,214,127	9,746,992
Mendham Borough	2,308,222	423,151
Mendham Twp.	3,715,324	1,500,964
Mercer County	991,599	285,869
Mercer County IA (Twin Rivers)	2,157,252	660,775
Merchantville Borough	3,195,523	949,133
Merchantville-Pennsauken WC	9,589,558	2,621,928
Middle Twp.	347,597	101,488
Middlesex Borough	3,945,898	1,239,759
Middlesex County UA	402,022,992	109,700,773
Middlesex Water Co	131,124,689	52,631,611
Middletown Twp. SA	21,293,423	7,241,286
Midland Park Borough	518,020	181,137
Millburn Twp.	2,076,373	601,380
Milltown Borough	20,825,592	7,307,187
Millville City	32,759,189	11,805,567
Mine Hill Twp.	1,804,557	591,563
Monmouth County Bayshore Outfall Auth	1,818,952	520,567
Monmouth County IA	1,350,828	150,421
Monroe Twp.	2,835,280	1,119,317
Montclair State University	2,628,290	670,937
Montclair Twp.	10,175,941	3,128,242
Montgomery Twp.	32,216,019	14,738,781
Montville Twp.	6,627,906	1,760,075
Montville Twp. MUA	6,647,108	2,870,083
Moonachie Borough PA	407,701	58,686
Moorestown Twp.	31,533,622	6,787,170
Morris Twp.	40,763,641	17,375,407
Morristown Town	56,186,196	27,386,830
Mount Arlington Borough	10,355,023	3,148,157

+

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024
BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Mount Laurel Twp. MUA	62,419,201	20,141,208
Mt Holly MUA	26,287,025	7,933,862
Mt Olive Twp.	29,640,514	8,962,747
Musconetcong SA	11,833,887	2,891,008
Musconetcong SA	20,522,468	5,908,178
National Park Borough	2,394,706	1,479,099
Neptune Twp.	1,281,375	390,090
Netcong Borough	1,628,465	1,152,645
New Brunswick City	37,676,776	13,803,353
New Milford Borough	1,191,250	452,422
New Providence Borough	6,280,000	2,601,612
Newark City	414,010,114	258,310,205
Newfield Borough	1,102,010	739,673
Newton Town	12,722,306	6,075,201
NJ American Water	3,086,719	1,515,593
NJ American Water	5,926,014	1,747,563
NJ American Water	74,275,437	24,086,434
NJ American Water	998,130	299,316
NJ American Water	29,903,787	9,281,449
NJ American Water	2,820,230	838,618
NJ American Water	6,556,603	1,987,533
NJ American Water	23,899,575	11,297,020
NJ American Water	11,543,500	4,057,767
NJ American Water	71,080,201	22,663,727
NJ American Water-Mt Holly Water Co	13,189,909	4,376,194
NJ American Water-Pennsgrove Water Supply Co	2,219,940	766,970
NJ American Water-Shorelands Water Co	5,630,000	1,999,673
NJ American Water-South Jersey Water Supply Co	371,098	127,581
NJ City University	16,535,929	3,990,879
NJ Sports & Expo Auth	744,201	161,691
NJ Water Supply Auth	128,728,530	30,025,309
NJ Water Supply Auth	2,844,363	1,089,241
North Arlington Borough	507,322	181,979
North Bergen MUA	83,384,695	38,817,020
North Brunswick Twp.	25,001,136	6,700,728
North Hudson SA	229,029,086	101,237,661

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
North Jersey District Water SC	60,895,065	20,938,319
North Plainfield Borough	2,154,442	726,505
North Wildwood City	22,158,427	11,432,725
Northwest Bergen County UA	55,264,137	16,467,500
Norwood Borough	1,036,850	425,139
Nutley Twp.	5,542,148	1,647,369
Oaklyn Borough	1,298,868	406,507
Ocean County	9,177,848	7,367,482
Ocean County (BB)	653,154	413,227
Ocean County UA	281,638,195	86,773,939
Ocean Gate Borough	1,837,217	1,195,295
Ocean Twp.	17,697,545	6,959,570
Ocean Twp. SA	33,952,632	9,820,672
Oceanport Borough	23,149,779	7,668,982
Old Bridge MUA	68,766,064	19,995,996
Old Bridge Twp.	9,148,278	3,056,727
Old Tappan Borough	12,773,936	4,337,233
Oradell Borough	4,146,949	1,033,526
Orange Twp. City	11,595,473	3,600,511
Palmyra Borough	3,526,750	791,108
Paramus Borough	1,661,330	623,550
Parsippany-Troy Hills Twp.	33,369,717	17,327,135
Passaic Valley SC	278,835,429	100,006,737
Passaic Valley WC	3,615,780	1,313,459
Passaic Valley WC	112,165,764	46,377,389
Paterson City	26,954,530	11,477,267
Paulsboro Borough	2,650,164	508,394
Pemberton Twp.	1,872,559	971,967
Pennington Borough	1,446,190	1,376,656
Pennsauken SA	929,000	269,204
Pennsville SA	709,266	149,337
Pennsville Twp.	6,456,745	1,892,966
Pequannock River Basin RSA	14,528,718	6,812,097
Pequannock, Lincoln Park & Fairfield SA	51,338,604	23,218,666
Perth Amboy City	22,754,864	8,274,933
Phillipsburg Town	39,027,801	18,562,624

+

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024
BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Pine Hill Borough	606,289	175,125
Pine Hill Borough MUA	5,169,653	1,439,529
Plainfield Area RSA	8,009,080	2,797,146
Pleasantville City	1,121,841	465,773
Plumsted Twp.	27,993,410	2,981,841
Point Pleasant Beach Borough	7,538,179	3,070,846
Point Pleasant Borough	1,638,485	1,187,949
Pompton Lakes Borough MUA	16,605,641	8,087,172
Princeton (Borough & Township)	32,701,256	12,695,544
Rahway City	17,581,401	5,209,852
Rahway Valley SA	197,880,694	56,722,758
Ramsey Borough	1,999,175	548,502
Randolph Twp.	13,533,063	5,910,293
Raritan Twp. MUA	20,861,756	8,097,403
Readington Twp.	2,415,097	745,149
Red Bank Borough	5,959,686	3,113,344
Ridgefield Borough	990,000	338,200
Ridgefield Park Village	2,133,780	760,046
Ridgewood Village	18,932,172	5,769,461
River Edge Borough	566,627	204,887
Riverside SA	6,692,743	2,046,614
Riverside Water Reclamation Auth	1,589,040	440,387
Robbinsville Twp. (Washington Twp.)	1,360,000	393,950
Rockaway Valley RSA	32,245,703	12,603,756
Roosevelt Borough	1,793,938	660,140
Roselle Borough	1,943,011	798,706
Rosemont Water Co	120,782	31,238
Roxbury Twp.	39,917,151	19,082,071
Runnemede Borough	2,047,000	712,532
Runnemede Borough SA	1,572,106	506,856
Rutgers, The State Uni of NJ	28,450,014	8,495,524
Saddle Brook Twp.	3,320,674	926,658
Saddle River Borough	2,094,855	579,146
Salem City	12,963,001	9,625,255
Salem County IA	13,784,605	2,566,378
Sayreville Borough	34,555,000	11,325,545

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024

BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Scotch Plains Twp.	2,104,299	381,151
Sea Girt Borough	5,941,102	1,950,481
Seaside Park Borough	14,505,337	5,141,178
Secaucus MUA	3,049,345	2,251,038
Secaucus Town	3,325,000	1,242,021
Ship Bottom Borough	25,846,945	7,541,764
Shore Water Company	671,075	671,075
Somerdale Borough	830,528	252,920
Somers Point City	2,875,000	732,084
Somerset Raritan Valley SA	106,428,283	32,641,514
Somerville Borough	3,384,514	505,976
South Hackensack Twp.	1,441,280	486,103
South Monmouth RSA	9,625,247	2,912,878
South Orange Twp.	596,683	107,943
South Orange Twp. (JM)	879,905	532,888
South River Borough	6,112,500	2,076,830
Southeast Monmouth MUA	16,121,774	5,325,356
Spotswood Borough	1,695,625	737,912
Stafford MUA	4,368,651	1,482,364
Stafford Twp.	45,912,901	16,119,338
Stanhope Borough	2,197,250	991,182
Stillwater Twp. Water District #1	475,833	378,475
Stockton Borough	1,566,599	491,489
Stone Harbor Borough	17,072,956	5,229,759
Stony Brook RSA	29,826,476	13,271,504
Sussex Borough	1,707,400	660,586
Sussex County MUA	60,363,115	11,773,700
Swedesboro Boro	95,589	13,070
Tewksbury Twp.	413,961	134,579
Toms River MUA	19,963,424	7,631,078
Toms River Twp.	730,146	730,146
Toms River Twp. (Dover Twp.)	754,766	210,272
Trenton City	188,437,987	80,054,195
Tuckerton Borough	10,977,479	5,378,153
Two Rivers Water Reclamation Auth	1,817,361	26,998
Two Rivers Water Reclamation Auth (NE Monmouth)	49,357,977	16,034,007

+

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024
BY BORROWER (CONTINUED)

Borrower Names	Original Loan \$	Est. Program Saving \$
Union Beach Borough	600,000	203,177
Union Twp.	184,330	21,813
Union Twp. (JM)	3,159,054	1,304,138
University Hospital	6,935,405	550,486
Valley View Healthcare & Rehab Center	24,252	5,124
Ventnor City	6,819,407	2,608,306
Verona Twp.	21,428,561	10,317,264
Verona Twp.	1,435,250	410,097
Village of Lake Glenwood, Inc	811,765	987,158
Vineland City	10,178,998	5,443,548
Voorhees Twp.	6,349,596	2,372,128
Waldwick Borough	2,951,564	845,103
Wall Twp.	10,545,475	2,748,080
Wanaque Valley RSA	8,950,838	4,004,859
Warren County (Pequest River) MUA	11,707,882	2,509,374
Warren County MUA	6,354,515	1,807,107
Warren Twp. SA	12,692,421	4,193,270
Washington Borough	17,233,521	5,490,872
Washington Twp. MUA	21,630,787	6,562,603
Washington Twp. MUA (Morris County)	1,297,237	989,158
Watchung Borough	3,458,390	1,011,107
Waterford Twp. MUA	5,454,244	1,502,817
Wayne Twp.	14,759,658	6,146,290
Weehawken Twp.	8,734,336	2,102,017
West Deptford Twp.	18,199,718	5,128,249
West Milford MUA	11,327,665	6,076,600
West Orange Twp.	2,447,091	848,289
West Orange Twp. (JM)	3,987,399	1,975,821
West Windsor Twp.	3,269,984	945,484
Western Monmouth UA	32,730,942	6,805,606
Westville Borough	2,353,160	640,189
Westwood Borough	6,030,781	1,495,200
Wharton Borough	465,596	133,836
Wildwood City	6,359,066	1,394,523
Wildwood Crest Borough	16,930,111	6,806,471
Willingboro MUA	40,632,731	16,029,945

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2024
 BY BORROWER (CONTINUED)

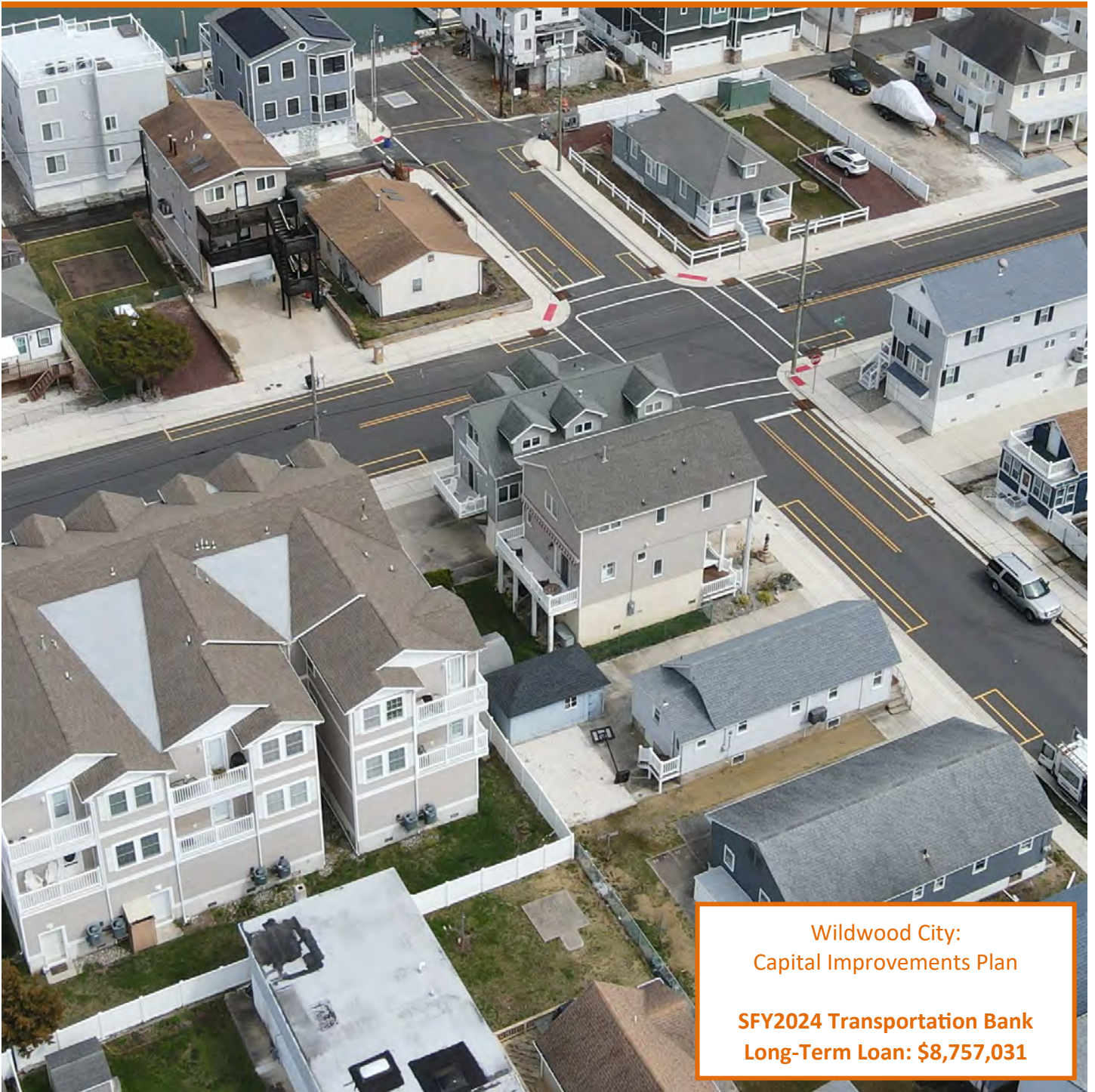
Borrower Names	Original Loan \$	Est. Program Saving \$
Willingboro Twp.	1,187,400	496,236
Winslow Twp.	16,738,818	5,068,622
Wonder Lakes Properties, Inc.	141,202	16,997
Woodbine Borough	1,103,378	1,186,666
Woodbridge Twp.	884,595	206,682
Woodbury City	9,154,723	2,880,653
Woodbury Heights Borough	941,910	323,273
Woodland Park Borough (West Paterson Borough)	5,183,430	1,934,199
Woodstown SA	6,379,625	2,300,341
Total	\$ 8,924,399,493	\$ 3,263,985,403



East Orange: Water System Improvement and Resiliency.
SFY2024 Water Bank Long-Term Loan: \$15,567,005.



New Jersey Transportation Bank



TRANSPORTATION BANK: OVERVIEW

INTRODUCTION

The I-Bank, working in partnership with the DOT, co-administers the Transportation Bank with a mission to increase the affordability of transportation infrastructure projects and corresponding construction activity by offering low-cost financing to qualified counties, municipalities, and regional transportation authorities. These projects enhance safety, improve quality of life, and help meet travel and commerce demands.

SURFACE TRANSPORTATION PROGRAM

The Transportation Bank's Surface Transportation Program received an annual appropriation of \$22.6 million from the TTF in SFY2024 that can be leveraged with borrowed funds into approximately \$40 million of project financing. These low-cost funds allow local governments to move forward with their transportation projects and may also be used to supplement State and Federal grant funds, such as those offered through the DOT's Local Aid and Economic Development Program.

ELIGIBLE PROJECTS

The Surface Transportation Program's low-interest rate loans are available for capital projects for public highways, approach roadways, ramps, bridges, signal systems, roadbeds, transit lanes or rights of way, pedestrian bikeways and walkways, pedestrian bridges connecting to passenger stations, grade crossings, and other necessary land-side improvements.

ELIGIBLE BORROWERS

Eligible borrowers for the Surface Transportation Program include local government units (defined as a county, municipality, regional transportation authority, or any other political subdivision of the State) authorized to construct, operate, and maintain public highways or transportation projects.

ELIGIBLE PROJECT COSTS

Eligible costs for financing through the Transportation Bank include construction expenses, rights of way acquisition, and project management costs as well as soft costs such as fees related to environmental planning, permitting, engineering, financial advisor, and legal counsel.

OVERVIEW OF THE PROGRAM

Upon a Borrower's application submission, the project



Atlantic County:
Pedestrian and Traffic Signal Improvements.
SFY2024 Transportation Bank Long-Term Loan:
\$12,115,000

is placed on the Transportation Bank PPL by the I-Bank, pursuant to the ranking methodology set forth by the DOT Commissioner in the program's annual Prioritization System which is submitted to the Legislature in January of each fiscal year. As a prerequisite to financing eligibility, an Applicant must have their project identified on the PPL. Applicants must also demonstrate an ability to satisfy loan repayment obligations by meeting the requirements of the I-Bank's creditworthiness standards, which include the prerequisite for an investment grade rated municipal or county general obligation pledge.

The Surface Transportation Program offers short-term

TRANSPORTATION BANK: OVERVIEW (CONTINUED)

loan funds during the planning and construction phase. Upon project completion, short-term loans are converted into long-term financing for a term that equals the lesser of the useful life of the project (as certified by the Project's Engineer), or 31 years. Transportation Bank loans are not subject to the maturity limitations in New Jersey Local Bond Law. Borrowers pay a blended interest rate equivalent to approximately 25%-50% of the I-Bank's AAA rated cost of funds.

SFY2024 GENERAL DETAIL

As of the end of SFY2024, the Transportation Bank had committed approximately \$163.1 million of funds to projects, consisting of 12 long-term loans for 15 projects totaling \$54.8 million, 11 outstanding short-term loans with a value of \$35.5 million and \$72.8 million of funds set aside for 14 additional projects that are in the planning and design phase, but which have not yet closed a short-term loan .

SFY2024 LOAN DETAIL

During SFY2024, seven borrowers closed on short-term loans in the Surface Transportation Program for a total amount of \$23.1 million. The borrowers included Hoboken City, Little Ferry Borough, Willingboro Township, Princeton, Mendham Township, Prospect Park Borough

and Robbinsville Township, and the loans ranged between \$600,000 (Prospect Park) and \$6.9 million (Princeton). All seven SFY2024 projects were road asset projects.

During SFY2024, the Surface Transportation Program converted two short-term loans to long-term financing totaling \$20.9 million through direct loans from the I-Bank. The repayment monies from the long-term loans financed with the State's TTF appropriations stay within the Surface Transportation Program and revolve to be available as loans for future transportation projects.

Disbursements of loan funds by the I-Bank are based on incurred costs. All vendor and/or contractor expense invoices submitted by a borrower for incurred eligible costs related to certified contracts are reviewed and approved by program staff prior to being disbursed (typically in less than 7 days). A project sponsor need not have paid such expenses prior to drawing on its loan funds.

The all-in interest rate cost for the long-term direct loans closed in SFY2024 ranged from 2.265% to 2.929% and were based on the rates of a simultaneously timed I-Bank bond issuance .



Atlantic County: Pedestrian and Traffic Signal Improvements.
SFY2024 Transportation Bank Long-Term Loan: \$12,115,000

TRANSPORTATION BANK: NJ-*MOVES* APPLICATION PROCESS

Applicants seeking financing for transportation infrastructure projects from the Transportation Bank utilize a streamlined web-based financing application platform, “*NJ-Moves*” a quick and efficient enterprise system that eliminates duplication of efforts and minimizes input errors for Applicants and staff alike. Utilizing industry standard security practices, the information flow is encrypted and stored in a secure, cloud-based environment, offering a centralized location for Applicants and staff to review and manage project information. *NJ-Moves* features the following functionality:

- Creation and tracking of transportation projects
- Ability to make updates to project information, costs, details and schedule
- Upload and storage of required documents (contracts, plans, specs, estimates, project close-out files, etc.)
- Ability to conveniently add/manage users to facilitate the application process
- Collaboration with DOT’s and NJIB’s engineers and project managers

- Maintenance of all engineering design, construction management and building costs
- FAF for both short-term and long-term loans
- Storage of a project’s rating points as determined by the DOT

The Transportation Bank continues to improve the platform by accommodating more complex projects with multiple contracts and non-linear timelines. Upcoming upgrades will include user-friendly releases that will allow borrowers to:

- Track loan progress, technical reviews, DLGS approval and credit checks
- Track individual contract certification
- View and approve loan exhibits within the application
- Submit and upload electronic reimbursement requests with supporting invoices
- View a project’s rating points and corresponding ranking on the Project Priority List



Wildwood City: Capital Improvements Plan.
SFY2024 Transportation Bank Long-Term Loan: \$8,757,031

TRANSPORTATION BANK: FINANCING PROGRAM LEGISLATIVE REPORTS

The DOT and the I-Bank are required to publish annual legislative reports in January and May. These reports outline the Transportation Bank program requirements for the upcoming fiscal year and provide financing and administrative guidance to the public.

The Transportation Bank Priority System and the Transportation Project Priority List (together, the “**January Report**”) include (i) project and applicant eligibility requirements, (ii) the system and methodology for priori-

tizing projects for funding, and (iii) the initial list of projects eligible for funding in the upcoming fiscal year (the PPL).

The Financial Plan (“**May Report**”) identifies the (i) process by which Transportation Bank projects will be funded in the upcoming fiscal year, (ii) loan terms and conditions, (iii) interest rate methodologies, (iv) fees, and (v) loan closing .

TRANSPORTATION BANK: LONG-TERM LOANS CLOSED IN SFY2024 BY BORROWER

Borrower	County	Original Loan \$	Est. Program Savings \$
Atlantic County	Atlantic	12,115,000 \$	1,716,027
Wildwood City	Cape May	8,757,031 \$	2,029,297
Total		20,872,031 \$	3,745,324

TRANSPORTATION BANK: ALLOCATED FUNDS BY BORROWER

Applicant	County	Allocation Amount \$
Atlantic City	Atlantic	3,211,230
Bayonne City	Hudson	1,699,701
Cape May County	Cape May	19,190,000
Hawthorne Borough	Passaic	6,374,514
Hoboken City	Hudson	6,272,201
Little Ferry Borough	Bergen	1,791,942
Marlboro Township	Monmouth	1,099,754
Mendham Township	Morris	2,206,000
Orange City	Essex	2,493,367
Orange City	Essex	8,484,000
Plumsted Township	Ocean	1,333,561
Raritan Township	Hunterdon	3,333,000
Robbinsville Township	Mercer	3,050,000
Seaside Park Borough	Ocean	12,218,273
Total		72,757,543

TRANSPORTATION BANK: OUTSTANDING SHORT-TERM LOANS

SFY2024 YEAR-END BY BORROWER

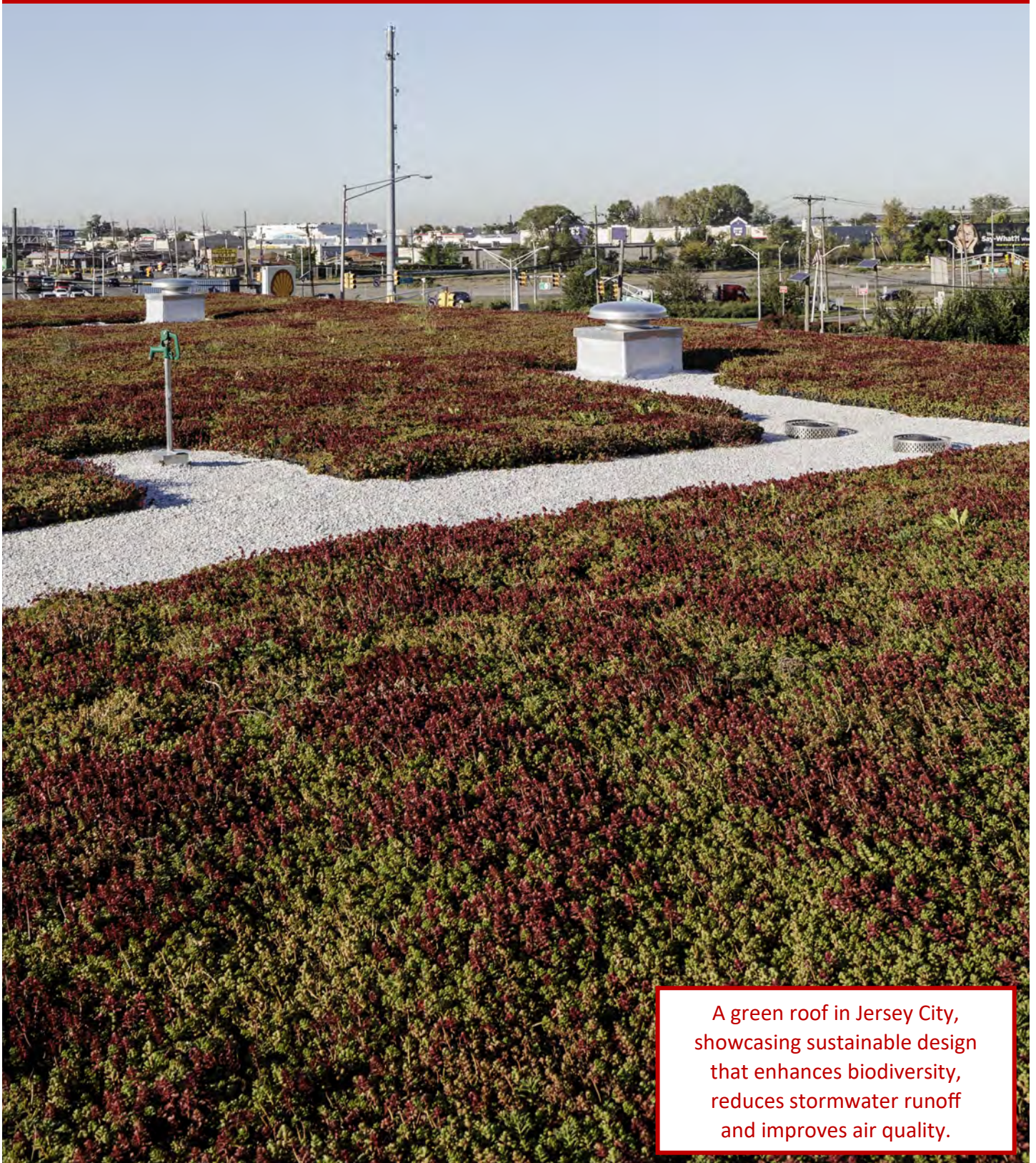
SFY	Borrower	County	Loan Amount \$
2021	Bayonne City	Hudson	2,921,230
2023	Essex County	Essex	5,172,537
2022	Flemington Borough	Hunterdon	1,671,550
2024	Hoboken City	Hudson	6,388,267
2024	Little Ferry Borough	Bergen	1,457,834
2024	Mendham Borough	Morris	2,100,000
2024	Princeton	Mercer	6,934,000
2024	Prospect Park	Passaic	600,505
2023	Rartian Twp	Hunterdon	2,633,070
2024	Robbinsville Twp	Mercer	2,000,000
2024	Willingboro Twp	Burlington	3,586,334
Total			\$ 35,465,327

TRANSPORTATION BANK: LONG-TERM LOAN HISTORY: SFY2018-2024

BY BORROWER

Borrower	County	Original Loan \$	Program Savings \$
Atlantic County	Atlantic	12,115,000	1,716,027
Bayonne City	Hudson	1,576,986	423,980
Burlington County	Burlington	2,440,000	72,044
Camden County	Camden	1,787,267	164,365
Cape May County	Cape May	9,627,220	1,446,715
Essex County	Essex	1,864,849	405,616
Hackensack City	Bergen	2,035,971	340,061
Little Silver Borough	Monmouth	2,388,507	730,175
Orange City	Essex	8,583,041	2,301,252
Raritan Twp.	Hunterdon	1,613,681	382,646
Somerdale Borough	Camden	2,053,550	164,852
Wildwood City	Cape May	8,757,031	2,029,297
Total		\$ 54,843,104	\$ 10,177,029

New Jersey Resilience Bank



A green roof in Jersey City, showcasing sustainable design that enhances biodiversity, reduces stormwater runoff and improves air quality.

NJ CHAMP: OVERVIEW

INTRODUCTION

The I-Bank, working in partnership with the NJOEM, co-administers the NJ CHAMP within its Resilience Infrastructure Bank to provide and administer low-interest rate loans to eligible municipalities, counties, as well as agencies, instrumentalities, authorities, or corporations of any county or municipality.

ELIGIBLE BORROWERS/ELIGIBLE PROJECTS

NJ CHAMP loans are available for hazard mitigation and resilience project with activities that are consistent with the priorities of a State or local HMP. NJ CHAMP financing is limited to eligible project costs incurred including construction, engineering, legal counsel, financial advisors, permitting, project management and other costs allowed pursuant to the STORM Act. NJ CHAMP financing excludes any costs for which other grants have been received. Applicants must demonstrate an ability to satisfy the loan repayment obligations by meeting the creditworthiness standards as set forth in the I-Bank's credit policy in effect at the time of loan closing.

PROJECT PRIORITY LIST ("PPL")/ RANKING METHODOLOGY

Identification of a project on the PPL is a prerequisite to receiving NJ CHAMP financing. Eligible projects are ranked by the NJOEM based on the prioritization methodology set forth in NJ CHAMP publications. Allowable project types include the following:

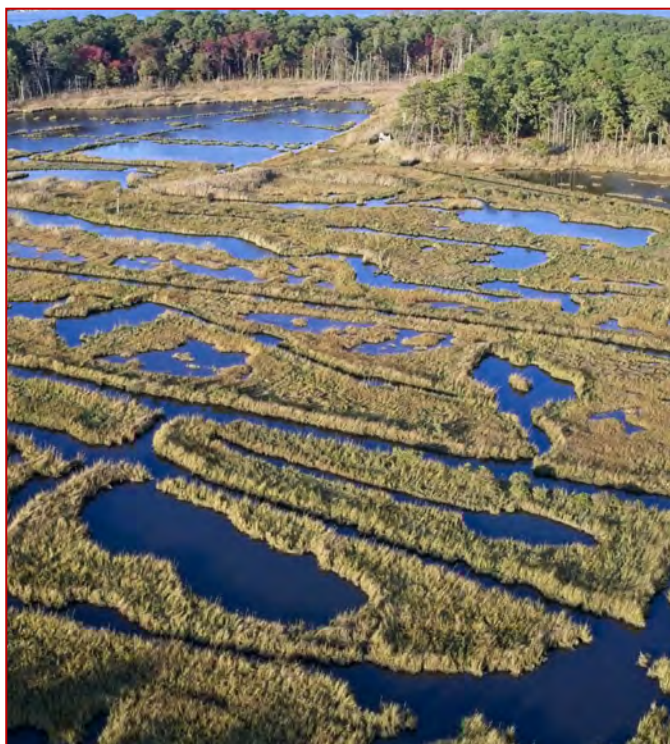
- **Mitigation Activities:** Eligible project types include activities that mitigate the impact of natural hazards, reduce risk and increase resilience, and align with the statutory objectives of the current State HMP
- **Non-Federal Cost-Share:** Loans may be used by local governments to satisfy a local government's non-federal cost-share requirement for other FEMA HMA grant programs, such as the Hazard Mitigation Grant Program, Hazard Mitigation Grant Program Post-Fire, Building Resilient Infrastructure and Communities and Flood Mitigation Assistance grant programs

In SFY2024, the ranking system prioritized projects with insufficient funds to complement existing FEMA funding. The next highest ranked projects were those locat-

ed in areas designated as "Disadvantaged Communities" as defined by the CDC Social Vulnerability Index, as well as projects located in low-income geographic areas as defined in 42 U.S.C. 5135 § (m)(6). Projects are certified/approved based on the project's rank, the amount of available funds, compliance with the program's requirements and deadlines for design and application submittal. The SFY2024 PPL consisted of 58 projects at a total estimated cost in excess of \$294 million.

FINANCING

Conditions precedent to loan closing are (i) the Applicant's receipt of a federal grant award, (ii) the Applications submission of the FAF, and the Applicant's satisfaction of the program's creditworthiness standards. Loan closing also requires that projects have received contract certification by NJOEM and I-Bank. No NJ CHAMP loans were closed in SFY2024 as the program did not receive federal funds until May 23, 2024. Rather, in SFY2024, the I-Bank established the processes and documents necessary to be able to finance those projects on the PPL which are expected to be ready for financing in SFY2025.



View of wetlands in New Jersey, which play a crucial role in enhancing community resilience and mitigating flood hazards.

NJ CHAMP: APPLICATION PROCESS

Applicants seeking financing for CHAMP hazard mitigation and resilience projects may submit loan applications at any time throughout the year. Projects are financed on a readiness basis, a central component of project prioritization. Applications are not accepted after construction advertisement without prior approval from NJOEM. Generally, the loan application process is as follows:

1. The Applicant's submission of:
 - Project Description form; with Environmental Letter of Interest / Historic Preservation Documentation (if applicable);
 - Loan application;
 - Engineering design and specifications;
 - Applicable permits;
 - An executed engineering or construction contract (or draft thereof); and
 - A completed Financial Addendum Form.
2. The I-Bank's issuance of:
 - Creditworthiness approval;
 - Authorization to Advertise construction;
 - Contract Award Authorization; and
 - Contract Certification.
3. The NJ Division of Local Government Services issuance of (if applicable):
 - Approval of the Applicant's note or bond issued to the I-Bank.
4. FEMA issuance of (if applicable):
 - Environmental NEPA determination; and
 - Historic Preservation determination.

5. Execution of a Loan Agreement

In the event that a project is compliant with the requirements of, and has received approval for assistance from, another FEMA Grant Program, the CHAMP program will rely on the previously obtained FEMA approvals, as applicable, in lieu of the review requirements listed in the section above.

Loans are available upon contract certification. The program's funding commitment is triggered at the time of loan closing.



A flooded roadway, underscoring the impact of heavy rainfall and the critical need for resilient stormwater management systems to mitigate such events.

NJ CHAMP: FINANCING PROGRAM LEGISLATIVE REPORTS

The NJOEM and the I-Bank are statutorily required to publish annual legislative reports in January and May. These reports outline the CHAMP eligibility requirements for the upcoming fiscal year and provide financing and administrative guidance to the public.

The CHAMP Project Prioritization System and the Project Priority List (together, the **January Report**) sets forth project and applicant eligibility requirements, the

methodology for prioritizing projects for funding, and the initial list of projects eligible for funding in the upcoming fiscal year.

The Financial Plan (**May Report**) identifies the (i) process by which CHAMP projects will be funded in the upcoming fiscal year, (ii) loan terms and conditions, (iii) interest rate, (iv) fees, and (v) loan closing prerequisites.



I-BANK COMPLIANCE SFY2024

As a financing authority of the State, the I-Bank has policies and procedures in place that govern expenditures, financial reporting, and procurement. Recognizing its extensive responsibility as an issuer of bonds and a steward of public monies, the I-Bank has developed these policies and procedures to ensure compliance with the requirements of federal and state laws and regulations, as well as its own enabling act and bond resolutions. The I-Bank's Chief Legal & Compliance Officer is responsible for the oversight of these legal and regulatory requirements with regular monitoring and quarterly reports, which are presented to the I-Bank Board's Audit & Governance Committee.

Financial controls in place include, but are not limited to, the following policies:

Investment Policy: A comprehensive policy establishing operational parameters for the investment activities of the I-Bank ensures that such investments are consistent with the I-Bank's overall financial needs, prudent management, and comply with federal and State laws.

Creditworthiness Policy: As a lender of funds, the I-Bank maintains minimum creditworthiness standards for applicants to receive financing through one or more of the I-Bank's financing programs. These creditworthiness standards help ensure that the publicly issued bonds of the I-Bank maintain a AAA/Aaa/AAA/ credit rating from the three nationally recognized rating agencies to afford all future borrowers the lowest borrowing rates, and that each borrower has demonstrated the ability to meet its loan repayment obligations to the I-Bank and the State.

Procurement Policy: The I-Bank adheres to the requirements of its Procurement Policy which is aligned with New Jersey laws and regulations, committing the I-Bank to the principles of a fair and open bidding process.

Managing Contract Spending Caps: The I-Bank maintains vigilance with its goods and services contracts by managing operating fund disbursements to those vendors with cap amounts.

Trust Operating Bank Account Procedures: The I-Bank's "TOBA" policy strictly regulates authorization of disbursements to the Executive Director with additional counter-signatory requirements involving the Board's Treasurer for disbursements at or above \$30,000 and requires a semi-annual compliance report to the Board's Treasurer.

I-BANK INTERNAL CONTROLS SFY2024

In 2024, in conjunction with its outside Internal Controls Audit firm, CohnReznick, LLP, the I-Bank performed Phase V, the final phase, of its Audit Plan which consisted of an extensive assessment of the I-Bank's internal control processes whereby existing policies were refined, process gaps, weaknesses and opportunities for improvement were identified, and all levels of the internal control structure were continually evaluated.

The I-Bank's internal control processes were tested for design and operating effectiveness. The auditor formulated findings and recommendations based on test results and worked with I-Bank's management to develop remediation responses where necessary. Updated processes are being tracked and incorporated into existing I-Bank documentation for the continuous monitoring of internal controls.

In SFY2024, the auditor produced an initial report having completed the internal control assessment for eight out of thirteen processes and a partial assessment of another two processes. The remaining three process areas of bond issuance, information technology and business continuity as well as the completion of the two partial assessments will be finalized in SFY2025. The auditor will continue to test and make findings and recommendations for all open process areas, complete the final cycle of internal controls testing and incorporate such findings into a final audit report to be presented to the I-Bank's Board.

APPENDIX

INDEPENDENT AUDITOR'S REPORT

(This page intentionally left blank)

New Jersey Infrastructure Bank

(A Component Unit of the State of New Jersey)

Financial Report
June 30, 2024 and 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

Contents

Independent auditors' report	1-3
Required supplementary information	
Management's discussion and analysis (unaudited)	4-15
Financial statements	
Statements of net position	16-17
Statements of revenues, expenses and changes in net position	18-19
Statements of cash flows	20-21
Notes to the financial statements	22-48
Master Program Trust Agreement Schedule (unaudited)	49
Independent auditors' 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	50-51



INDEPENDENT AUDITORS' REPORT

Board of Directors
New Jersey Infrastructure Bank
f/k/a New Jersey Environmental Infrastructure Trust
Lawrence Township, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the New Jersey Infrastructure Bank (the I-Bank), a component unit of the State of New Jersey, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the New Jersey Infrastructure Bank's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Jersey Infrastructure Bank, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New Jersey Infrastructure Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Jersey Infrastructure Bank's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Jersey Infrastructure Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Jersey Infrastructure Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Board of Directors
New Jersey Infrastructure Bank

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Master Program Trust Agreement Schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of the New Jersey Infrastructure Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Jersey Infrastructure Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Jersey Infrastructure Bank's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 25, 2024

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

The New Jersey Infrastructure Bank (I-Bank) is a state financing entity structured organizationally as three distinct operating departments: (i) the Environmental Infrastructure Trust (EIT), which functions in conjunction with the New Jersey Department of Environmental Protection (NJDEP), for the purpose of operating its environmental infrastructure Clean Water and Drinking Water financing programs for critical water infrastructure projects, which programs are referred to collectively as the New Jersey Water Bank (Water Bank), (ii) the Transportation Infrastructure Bank (TIB), which functions in conjunction with the New Jersey Department of Transportation (NJDOT), for the purpose of operating its transportation infrastructure financing program for surface transportation infrastructure projects, which program is referred to as the New Jersey Transportation Bank (Transportation Bank), and (iii) the Resilience Infrastructure Bank (RIB), which currently operates the Community Hazard Assistance Mitigation Program (CHAMP), in conjunction with the New Jersey State Police Office of Emergency Management (NJOEM), for the purpose of operating its hazard mitigation and resilience program for critical resiliency projects.

The I-Bank is not (i) a "bank" or "savings bank" within the meaning of the New Jersey Banking Act of 1948, or (ii) a "national banking association" or a "federal savings bank" within the meaning of the National Bank Act. Further, the I-Bank is not subject to the supervision of the New Jersey Department of Banking and Insurance or the Office of the Comptroller of the Currency (United States Treasury Department), the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation. The I-Bank does not accept "deposits" within the meaning of the New Jersey Banking Act of 1948 or the National Bank Act, and its obligations are not insured by the Federal Deposit Insurance Corporation.

This section of the annual financial report of the I-Bank presents management's discussion and analysis of the financial performance of each financing program within the I-Bank during the fiscal year ended June 30, 2024, relative to the fiscal year ended June 30, 2023. The CHAMP Program, within the newly formed RIB department, became operational in June of 2023 therefore the comparison reflects a one month period for SFY2023 versus a 12 month period for SFY2024. Please read this section in conjunction with the I-Bank's financial statements and accompanying notes.

Overview of the financial statements: This financial report consists of three parts, i) the Management's Discussion and Analysis (this section), ii) the basic financial statements, and iii) the notes to the financial statements. The accounting policies of the I-Bank conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds.

The I-Bank's financial statements report information about the I-Bank using accounting methods similar to those used by private sector companies. These statements offer both short and long-term financial information about the I-Bank's lending activities. The statement of net position includes all of the I-Bank's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the accounts payable (liabilities). The statement of revenues, expenses and changes in net position includes all of the current year's revenues and expenses. The statements of cash flows are the final required financial statement with a primary purpose to provide information about the I-Bank's cash receipts, cash payments and the net changes in cash positions resulting from operations, investing and non-capital financing activities. They are intended to answer such questions as sources of cash and uses of cash during the reporting period.

The following analysis is segregated into the I-Bank's three separate Financing Programs. Throughout this document the terms **Water Bank**, **Transportation Bank** and **CHAMP** are used to refer to the I-Bank's activity under each of the separate Financing Programs.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Water Bank

Financial analysis: The mission of the **Water Bank** is to provide and administer low interest rate loans to qualified municipalities, counties, regional authorities, and water purveyors for the purpose of financing the construction of environmental infrastructure projects with a water quality benefit. Therefore, when reviewing the Water Bank's component of the I-Bank's financial statements, its performance should be measured based upon the Water Bank's ability to fund both short-term construction loans and provide long-term permanent financing for projects upon completion.

The Water Bank issues short-term loans to pay pre-construction and construction expenses for various types of environmental infrastructure projects (Water Bank CFP) prior to providing long-term financing. The Water Bank CFP offers loans for eligible costs including construction, planning & design, associated legal fees, equipment, and emergencies. The Water Bank CFP is a reimbursement program wherein loan funds are disbursed only after the receipt and approval of eligible program cost invoices. Total loans outstanding increase with each additional disbursement.

Additionally, the I-Bank offers the State-wide Assistance Infrastructure Loan (SAIL) Program which provides timely and cost-effective interim funding through short-term loans for borrowers to repair damaged infrastructure and improve the resiliency of Clean Water and Drinking Water systems for declared disasters. The short-term SAIL Program provides advance funding to water systems working with FEMA, HUD-CDBG or other federal grant programs, pending receipt of federal reimbursements to mitigate the financial and cashflow stress on disaster impacted communities during the rebuild process. The SAIL Program also provides funding of the local share required by federal grant programs, that is then converted to long-term financing through the I-Bank's traditional Water Bank Program.

Upon construction completion, the Water Bank converts the program's short-term construction and short-term SAIL loans into long-term financing. Long-term financing generally consists of two loans to each borrower, a Fund Loan provided by the State through the NJDEP at 0% interest and a Trust Loan provided by the I-Bank. The I-Bank acts as a conduit lender, either procuring proceeds from bonds issued in the public municipal market or privately placed including bonds issued to USEPA through the Federal Water Infrastructure Finance and Innovation Act (WIFIA). The proceeds are provided to participating borrowers at the all-in cost of funds net of any interest subsidy, if applicable. In cases of de-minimis loans or unique circumstances, the Water Bank will at times act as a direct long-term lender by providing its portion of long-term financing from cash-on-hand rather than bond proceeds.

Financial highlights for the year ended June 30, 2024:

With few exceptions, Water Bank Short-Term Construction and SAIL loans outstanding during SFY2024 were charged a blended interest rate ranging from 0.365% to 0.408% reflecting a passthrough of the interest rate on funds from the I-Bank's Extended Commercial Paper (ECP) and funds of the NJDEP at 0%. During SFY2024 and SFY2023, the Water Bank closed on 95 and 78 short-term loans, respectively.

In SFY2024, the cash and investment balances increased 55.5% due to investment income and the Water Bank paying out less in requisitions for the Water Bank CFP than the cash it received through appropriations from the DEP and from bond proceeds at long-term conversion. Additionally, the I-Bank received \$2.0 million for the Water Sewer Optimization Fund and \$6.0 million for the Economic Development & Infrastructure Improvement Revolving Fund. Total Loans decreased 21.6% as the I-Bank completed a long-term conversion of short-term loans to long-term loans through the issuance of bonds in June 2024 but did not issue bonds in June of 2023. Liabilities increased 2,642.6% primarily due to the recognition of a payable to the State for funds used for the Construction Financing Program (see note 2).

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Water Bank (Continued)

For SFY2024, the Water Bank's operating revenue increased 63.4%. Investment income increased 148.9% as a result of sustained higher interest rates throughout the year with average rates for the first half of the year nearly double the rates for the same time period in SFY2023 and FMV adjustments. Interest income from loans increased 7.5% in SFY2024 due to an increase in average monthly loan balances compared to SFY2023. For SFY2024, the Water Bank's administrative fees increased 12.1% compared to SFY2023 due to higher annual administrative fees from new issues compared to maturing issues as well as transaction fees associated with the two WIFIA bond closings in SFY2024.

The Water Bank's Non-operating revenue and special item income decreased 2,652.7%. Miscellaneous income which primarily relates to the return of funds that had been held in debt service reserve accounts for bonds decreased 17.8% as the amount varies each year based on the size of the issue retired. The Water Bank's non-operating revenues decreased due to a special item and the recognition of a payable relating to the agreement between the I-Bank and the State as to the treatment of certain funds provided annually by the State and disbursed to the I-Bank for the purposes of funding the Water Bank's CFP (See Note 2).

The Water Bank's expenses increased 2.0%. Administrative fees increased 1.1% due mainly to increases in salary and related expenses and trustee fees driven by a change in service provider in late SFY2023. These increases were offset by the reduction of one-time WIFIA startup costs incurred in SFY2023 including lower bond counsel expenses, reduced rating agency fees and lower EPA fees. The increase of 8.0% in interest expense was driven by higher SFY2024 interest rates for the I-Bank's Extended Commercial Paper (ECP) partially offset by lower balances which were \$25 million throughout SFY24 compared to \$35 million for the majority of SFY2023.

- Assets decreased by \$39,479,068 or (3.92%)
 - Cash and investments (excluding earmarked but, as of yet, undisbursed project funds) increased by \$126,805,076 or 55.53%
 - Total loans decreased by \$166,573,533 or (21.55%)
- Liabilities increased by \$717,707,194 or 2,642.59%
- Net position decreased by \$757,186,262 or (77.22%)
- Operating revenues increased by \$9,022,713 or 63.40%
- Non-operating revenues decreased by \$803,920,479 or (2,652.68%)
- Operating expenses increased by \$133,947 or 2.00%

Financial highlights for the year ended June 30, 2023:

In SFY2023, the cash and investment balances decreased as the Water Bank paid out more requisitions for the Water Bank CFP than the cash it received through appropriations from the DEP. Total Loans increased as the I-Bank did not complete a long-term conversion of short-term loans to long-term loans through the issuance of bonds in June of 2023.

For SFY2023, the Water Bank's investment income increased as a result of sustained higher interest rates throughout the year and a lower Fair Market Value (FMV) loss than SFY2022. Interest Income from loans increased 71% in SFY2023 due to an increase in loan balances coupled with higher interest rates charged

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Water Bank (Continued)

on short-term loans compared to SFY2022. For SFY2023, the Water Bank's administrative fees increased 5.4% compared to SFY2022 primarily due to the receipt of excess earnings on bonds that are no longer outstanding. Miscellaneous income relates to the return of funds that had been held in debt service reserve accounts for bonds that are no longer outstanding.

This amount varies based on the size of the issue retired each year. The Water Bank's non-operating revenues increased due to receiving \$28 million in net funding from the State through the NJDEP in SFY2023 to support the Water Bank CFP compared to \$21 million in SFY2022. The Water Bank's expenses decreased primarily due to fewer bond sales, reduced expenses relating to borrowings under the USEPA's WIFIA program, lower general legal fees and a reduction in expenses related to salary and benefits for employees. These reductions were mostly offset by increases in interest costs related to the issuance of the I-Bank's extendable commercial paper (ECP) for liquidity in the Water Bank CFP.

- Assets increased by \$27,311,676 or 2.79%
 - Cash and investments (excluding earmarked but, as of yet, undisbursed project funds) decreased by \$108,737,003 or (32.26%)
 - Total loans increased by \$133,673,773 or 20.91%
- Liabilities decreased by \$10,533,776 or (27.95%)
- Net position increased by \$37,845,451 or 4.01%
- Operating revenues increased by \$11,621,825 or 445.21%
- Non-operating revenues increased by \$3,935,370 or 14.92%
- Operating expenses decreased by \$366,518 or (5.19%)

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Water Bank (Continued)

The following table summarizes the net position changes of the Water Bank between June 30, 2024, 2023 and 2022:

	2024	2023	Percent Increase (Decrease)	2022	Percent Increase (Decrease)
Current loans receivable	\$ 330,560,364	\$ 576,131,780	(42.62)%	\$ 274,239,632	110.08 %
Noncurrent loans receivable	275,821,263	196,823,380	40.14 %	365,041,756	(46.08)%
Cash for borrowers - undisbursed reserve funds	80,000	80,000	0.00 %	80,000	0.00 %
Total loans	<u>606,461,627</u>	<u>773,035,160</u>	(21.55)%	<u>639,361,388</u>	20.91 %
Current cash and cash equivalents, as reduced by undisbursed reserve funds	66,928,187	35,295,020	89.63 %	76,254,319	(53.71)%
Current investments	175,078,120	89,168,157	96.35 %	147,744,611	(39.65)%
Noncurrent investments	113,133,067	103,871,121	8.92 %	113,072,372	(8.14)%
Administrative fee receivable	2,524,950	2,246,446	12.40 %	2,232,577	0.62 %
Due from the Transportation Bank	358,616	130,053	175.75 %	-	100.00 %
Due from CHAMP	39,046	-	100.00 %	-	-
Other assets	3,737,797	3,994,520	(6.43)%	1,763,536	126.51 %
Total assets	<u>\$ 968,261,410</u>	<u>\$ 1,007,740,478</u>	(3.92)%	<u>\$ 980,428,802</u>	2.79 %
Accounts payable	\$ 3,217,168	\$ 2,069,266	55.47 %	\$ 2,681,158	(22.82)%
Due to CHAMP	-	992	(100.00)%	-	100.00 %
Accr int payable	222,848	89,014	150.35 %	11,890	648.62 %
Notes payable	25,000,000	25,000,000	0.00 %	35,000,000	(28.57)%
Other payable	716,426,449	-	100.00 %	-	-
Total liabilities	<u>\$ 744,866,466</u>	<u>\$ 27,159,272</u>	2642.59 %	<u>\$ 37,693,048</u>	(27.95)%
Restricted	\$ 185,489,900	\$ 943,398,068	(80.34)%	\$ 905,953,273	4.13 %
Unrestricted	37,905,044	37,183,138	1.94 %	36,782,482	1.09 %
Total net position	<u>\$ 223,394,944</u>	<u>\$ 980,581,206</u>	(77.22)%	<u>\$ 942,735,755</u>	4.01 %

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Water Bank (Continued)

The following table summarizes the changes in Water Bank net position between fiscal years June 30, 2024, 2023 and 2022:

	2024	2023	Percent Increase (Decrease)	2022	Percent Increase (Decrease)
Net position, beginning of year	\$ 980,581,206	\$ 942,735,755		\$ 920,814,017	
Investment income	11,133,387	6,817,863	63.30 %	1,762,805	286.76 %
Net increase/(decrease) in fair value of investments	2,383,695	(1,387,753)	271.77 %	(6,468,520)	78.55 %
Loan interest income	3,057,735	2,844,788	7.49 %	1,666,743	70.68 %
Administrative fees	6,680,145	5,957,350	12.13 %	5,649,395	5.45 %
Operating revenue	<u>23,254,962</u>	<u>14,232,249</u>	63.40 %	<u>2,610,424</u>	445.21 %
Miscellaneous	1,924,425	2,341,781	(17.82)%	5,528,068	(57.64)%
Employee Unemployment Contribution	2,594	3,591	(27.78)%	-	100.00 %
State appropriations - current year	7,992,404	27,960,607	(71.42)%	20,842,541	34.15 %
SRF Payable to DEP	(783,533,923)	-	(100.00)%	-	-
Nonoperating revenue and special item	<u>(773,614,500)</u>	<u>30,305,979</u>	(2652.68)%	<u>26,370,609</u>	14.92 %
Administrative expenses	5,873,737	5,810,107	1.10 %	6,927,168	(16.13)%
Interest expenses	952,986	882,670	7.97 %	132,127	568.04 %
Total expenses	<u>6,826,724</u>	<u>6,692,777</u>	2.00 %	<u>7,059,296</u>	(5.19)%
Change in net position	(757,186,262)	37,845,451	(2100.73)%	21,921,737	72.64 %
Net position, end of year	<u>\$ 223,394,944</u>	<u>\$ 980,581,206</u>	(77.22)%	<u>\$ 942,735,755</u>	4.01 %

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Transportation Bank

Financial analysis: The mission of the **Transportation Bank** is to provide and administer low-interest rate loans to qualified municipalities, counties, and regional authorities for the purpose of financing transportation infrastructure projects. Therefore, when reviewing the Transportation Bank's component of the I-Bank's financial statements, its performance should be measured based upon the Transportation Bank's ability to fund short-term construction loans and provide long-term permanent financing.

The Transportation Bank provides low-cost financing for capital projects for public highways, approach roadways, and other necessary land side improvements, ramps, signal systems, roadbeds, transit lanes or rights of way, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges and grade crossings. The Transportation Bank received the seventh annual \$22.6 million SFY2024 appropriation in October of 2023. The State has provided for up to \$2.6 million of this appropriation to be used for operations.

Financial highlights for the year ended June 30, 2024:

During SFY2024, the Transportation Bank's cash and investment balance increased 26.3% due to the receipt of State Appropriations for the Transportation Program and investment income partially offset by the payment of requisitions to borrowers. The net of requisition payments and loan repayments resulted in a loans receivable increase of 12.3% for SFY2024 versus SFY2023. Transportation Bank short-term loans outstanding during SFY2024 were charged a blended interest rate ranging from 2.25% to 2.75%.

For SFY2024, the Transportation Bank's operating revenue increased 61.8% mostly from investment income which increased 63.2% as a result of sustained higher interest rates throughout the year with average rates for the first half of the year nearly double the rates for the same time period in SFY2023 coupled with higher total asset values from the receipt of another \$22.6 million State Appropriation. In addition, loan interest income increased 40.3% in SFY2024 as aggregate outstanding loan balances increased along with interest rates and administrative fees more than doubled driven by increased long term and short-term loan closing in SFY2024 versus the prior year.

The Transportation Bank's non-operating revenue remained flat as the amount of the annual State Appropriation for the program did not change from SFY2023 to SFY2024.

Transportation Bank administrative expenses increased in SFY2024 mainly due to an increase in salary and related expenses partially offset by decreases in bond counsel and information technology expenses.

- Assets increased by \$27,815,827 or 20.80%
 - Cash and investments increased by \$21,317,012 or 26.23%
 - Loans increased by \$6,356,773 or 12.29%
- Liabilities increased by \$228,563 or 175.75%
- Net position increased by \$27,587,265 or 20.65%
- Operating revenues increased by \$2,562,076 or 61.83%
- Non-Operating revenues decreased by \$534 or 0%
- Administrative expenses increased by \$137,961 or 8.72%

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Transportation Bank (Continued)

Financial highlights for the year ended June 30, 2023:

During SFY2023, the cash and investment balance increased due to the receipt of State Appropriations for the Transportation Program partially offset by the payment of requisitions to borrowers. These requisitions resulted in loans receivable increasing substantially. For SFY2023, administrative fees receivable was lower due to fewer short-term loans converting to long-term financing in June of 2023 versus June of 2022. Accounts Payable due the Water Bank increased as a result of a greater amount of expenses having been incurred and not yet paid for operations due to the timing of services provided.

For SFY2023, the Transportation Bank's net investment income increased as a result of sustained higher market interest rates, an increase in investment assets, and adjustments to FMV. Loan interest income increased in SFY2023 due to an increase in total loans outstanding as well as higher interest rates charged on outstanding loans. Administrative fees were essentially unchanged, as a result of increases in annual admin fees charged on long-term loans being offset by adjustments to loan origination fees. Administrative expenses decreased in SFY2023 compared to SFY2022, due to lower costs related to the bond program and associated legal fees, and unfilled staff positions being partially offset by an increase in investment advisor fees based on the increase of investment assets.

- Assets increased by \$25,293,739 or 23.33%
 - Cash and investments increased by \$7,839,859 or 10.67%
 - Loans increased by \$17,184,235 or 49.72%
- Liabilities increased by \$130,053
- Net position increased by \$25,163,685 or 23.21%
- Operating revenues increased by \$3,678,304 or 790.06%
- Non-operating revenues increased by \$1,512 or .01%
- Administrative expenses decreased by \$277,131 or (14.91%)

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Transportation Bank (Continued)

The following table summarizes the net position changes of the Transportation Bank between June 30, 2024, 2023 and 2022:

	2024	2023	Percent Increase (Decrease)	2022	Percent Increase (Decrease)
Current loans receivable	\$ 4,495,080	\$ 18,831,969	(76.13)%	\$ 6,788,561	177.41 %
Noncurrent loans receivable	53,604,805	32,911,143	62.88 %	27,770,316	18.51 %
Total loans	<u>58,099,885</u>	<u>51,743,112</u>	12.29 %	<u>34,558,877</u>	49.72 %
Current cash and cash equivalents	\$ 11,210,310	\$ 8,578,210	30.68 %	\$ 11,309,878	(24.15)%
Current investments	81,599,408	72,703,558	12.24 %	62,132,031	17.01 %
Noncurrent investments	9,789,062	-	100.00 %	-	-
Administrative fee receivable	132,658	125,639	5.59 %	191,159	(34.28)%
Other assets	694,229	559,207	24.15 %	224,042	149.60 %
Total assets	<u>\$ 161,525,552</u>	<u>\$ 133,709,726</u>	20.80 %	<u>\$ 108,415,987</u>	23.33 %
Due to the Water Bank for expenses	358,616	130,053	175.75 %	-	100.00 %
Total liabilities	<u>\$ 358,616</u>	<u>\$ 130,053</u>	175.75 %	<u>\$ -</u>	100.00 %
Restricted	\$ 143,080,170	\$ 122,051,287	17.23 %	\$ 100,968,979	20.88 %
Unrestricted	18,086,767	11,528,385	56.89 %	7,447,008	54.81 %
Total net position	<u>\$ 161,166,937</u>	<u>\$ 133,579,672</u>	20.65 %	<u>\$ 108,415,987</u>	23.21 %

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

Transportation Bank, (Continued)

The following table summarizes the changes in the Transportation Bank net position between fiscal years June 30, 2024, 2023 and 2022:

	2024	2023	Percent Increase (Decrease)	2022	Percent Increase (Decrease)
Net position, beginning of year	<u>\$ 133,579,672</u>	<u>\$108,415,987</u>		<u>\$ 87,209,249</u>	
Investment income	5,187,673	2,839,024	82.73 %	390,136	627.70 %
Net increase/(decrease) in the fair value of investments	(85,681)	287,440	(129.81)%	(305,761)	194.01 %
Loan interest income	1,113,296	793,646	40.28 %	156,134	408.31 %
Administrative fees	490,662	223,764	119.28 %	225,061	(0.58)%
Operating revenues	<u>6,705,950</u>	<u>4,143,874</u>	61.83 %	<u>465,570</u>	790.06 %
Employee Unemployment Contribution	978	1,512	(35.33)%	-	100.00 %
State appropriations - current year	<u>22,600,000</u>	<u>22,600,000</u>	0.00 %	<u>22,600,000</u>	0.00 %
Nonoperating revenues	<u>22,600,978</u>	<u>22,601,512</u>	0.00 %	<u>22,600,000</u>	0.01 %
Administrative expenses	1,719,663	1,581,702	8.72 %	1,858,832	(14.91)%
Total expenses	<u>1,719,663</u>	<u>1,581,702</u>	8.72 %	<u>1,858,832</u>	(14.91)%
Change in net position	27,587,264	25,163,684	9.63 %	21,206,738	18.66 %
Net position, end of year	<u>\$ 161,166,937</u>	<u>\$133,579,672</u>	20.65 %	<u>\$ 108,415,987</u>	23.21 %

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

CHAMP

Financial analysis: The mission of CHAMP is to make low interest loans for hazard mitigation and resilience projects in conjunction with the New Jersey State Police Office of Emergency Management as a Program of the Resilience Infrastructure Bank.

Financial highlights for the year ended June 30, 2024:

During SFY2024, the assets increased due to the receipts of State Appropriations for CHAMP of \$646,296 and a FEMA Grant of \$6,462,962. Administrative fees for SFY2024 are attributable to employee salary and related expenses along with shared corporate expenses. SFY2024 represents the first full year of CHAMP operations.

- Assets increased by \$7,030,461
 - Cash and investments increased by \$7,016,697
- Liabilities increased by \$39,046
- Net position increased by \$6,991,415
- Operating revenues increased by \$ 72,152
- Non-operating revenues increased by \$6,609,389
- Administrative expenses increased by \$183,879

Financial highlights for the year ended June 30, 2023 (one-month):

During SFY2023, the cash and cash equivalent balance increased due to the receipt of State Appropriations for CHAMP of \$500,000 to be used for operations to establish the program. Funds were received in June of 2023, administrative fees for SFY2023 are related to employee salary and expenses and associated shared corporate expenses.

- Assets were \$493,753
 - Cash and investments were \$492,500
- Net position was \$493,753
- Operating revenues were \$258
- Administrative expenses were \$6,508

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2024 and 2023**

CHAMP (Continued)

The following table summarizes the net position changes of **CHAMP** fiscal years June 30, 2024 and 2023 (Program not in existence in 2022):

	2024	2023
Current cash and cash equivalents	\$ 364,204	\$ 492,500
Current investments	7,144,993	-
Due from the Water Bank	-	992
Other assets	15,017	261
Total assets	<u>\$ 7,524,214</u>	<u>\$ 493,753</u>
Due to the Water Bank for Expenses	\$ 39,046	\$ -
Total liabilities	<u>\$ 39,046</u>	<u>\$ -</u>
Restricted	\$ 7,160,319	\$ 3
Unrestricted	324,849	493,750
Total net position	<u>\$ 7,485,168</u>	<u>\$ 493,753</u>

	2024	2023
Net position, beginning of year	\$ 493,753	\$ -
Investment income	72,410	258
Total Operating revenues	<u>72,410</u>	<u>258</u>
Employee Unemployment Contribution	134	3
State appropriations - current year	7,109,258	500,000
Total Nonoperating revenues	<u>7,109,392</u>	<u>500,003</u>
Administrative expenses	190,387	6,508
Total expenses	<u>190,387</u>	<u>6,508</u>
Change in net position	6,991,415	493,753
Net position, end of year	<u>\$ 7,485,168</u>	<u>\$ 493,753</u>

Contacting the I-Bank's financial management: This financial report is designed to provide citizens, borrowers, investors and creditors with a general overview of the I-Bank's finances and to demonstrate the I-Bank'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 I-Bank's Chief Financial Officer at 3131 Princeton Pike, Building 4, Lawrenceville, New Jersey 08648.

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Statements of Net Position
June 30, 2024

	Water Bank	Transportation Bank	CHAMP	Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 12,196,208	\$ 5,120,102	\$ 357,673	\$ 17,673,982
Investments	9,825,949	12,730,036	-	22,555,985
Interest receivable	2,320,201	395,833	1,448	2,717,482
Loans receivable	511,677	-	-	511,677
Administrative fee receivable	2,524,950	132,658	-	2,657,609
Due from the Transportation Bank	358,616	-	-	358,616
Due from CHAMP	39,046	-	-	39,046
Other assets	112,371	42,355	2,771	157,496
Restricted assets:				
Cash and cash equivalents	54,811,979	6,090,209	6,531	60,908,719
Investments	165,252,171	68,869,371	7,144,993	241,266,535
Interest receivable	1,261,230	230,665	8,661	1,500,556
Loans receivable	330,048,687	4,495,080	-	334,543,767
Other assets	2,594	978	134	3,706
Total current assets	579,265,678	98,107,287	7,522,211	684,895,176
Noncurrent assets:				
Unrestricted assets:				
Capital assets	41,400	24,398	2,003	67,802
Investments	7,503,460	-	-	7,503,460
Loans receivable	5,688,333	-	-	5,688,333
Restricted assets:				
Investments	105,629,607	9,789,062	-	115,418,669
Loans receivable	270,132,930	53,604,805	-	323,737,735
Total noncurrent assets	388,995,731	63,418,265	2,003	452,416,000
Total assets	968,261,410	161,525,552	7,524,214	1,137,311,176
Liabilities and Net Position				
Current liabilities:				
Unrestricted liabilities:				
Accounts payable	3,217,168	-	-	3,217,168
Due to the Water Bank	-	358,616	39,046	397,662
Restricted liabilities:				
Accrued interest payable	222,848	-	-	222,848
Notes Payable	25,000,000	-	-	25,000,000
Other Payable	716,426,449	-	-	716,426,449
Total current liabilities	744,866,466	358,616	39,046	745,264,127
Total liabilities	744,866,466	358,616	39,046	745,264,127
Net position:				
Net investment in capital assets	41,400	24,398	2,003	67,802
Restricted for debt service	150,048,189	-	-	150,048,189
Restricted for Program	35,435,344	143,077,603	7,160,182	185,673,129
Restricted for Unemployment	6,368	2,567	137	9,072
Unrestricted	37,863,643	18,062,368	322,846	56,248,857
Total net position	223,394,944	161,166,937	7,485,168	392,047,049
Total liabilities and net position	\$ 968,261,410	\$ 161,525,552	\$ 7,524,214	\$ 1,137,311,176

See notes to financial statements.

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Statements of Net Position
June 30, 2023

	Water Bank	Transportation Bank	CHAMP	Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 9,522,087	\$ 2,881,226	\$ 492,497	\$ 12,895,810
Investments	12,577,822	8,506,376	-	21,084,198
Interest receivable	3,101,048	87,803	258	3,189,110
Loans receivable	486,313	-	-	486,313
Administrative fee receivable	2,246,446	125,639	-	2,372,085
Due from the Water Bank	-	-	992	992
Due from the Transportation Bank	130,053	-	-	130,053
Due from CHAMP	-	-	-	-
Other assets	100,571	47,220	3	147,794
Restricted assets:				
Cash and cash equivalents	25,852,933	5,696,984	3	31,549,921
Investments	76,590,335	64,197,182	-	140,787,517
Interest receivable	775,836	414,009	-	1,189,845
Loans receivable	575,645,467	18,831,969	-	594,477,436
Total current assets	707,028,913	100,788,408	493,753	808,311,074
Noncurrent assets:				
Unrestricted assets:				
Capital assets	17,065	10,175	-	27,239
Investments	5,354,889	-	-	5,354,889
Loans receivable	5,717,102	-	-	5,717,102
Restricted assets:				
Investments	98,516,232	-	-	98,516,232
Loans receivable	191,106,278	32,911,143	-	224,017,421
Total noncurrent assets	300,711,565	32,921,318	-	333,632,883
Total assets	1,007,740,478	133,709,726	493,753	1,141,943,957
Liabilities and Net Position				
Current liabilities:				
Unrestricted liabilities:				
Accounts payable	2,069,266	-	-	2,069,266
Due to the Water Bank	-	130,053	-	130,053
Due to CHAMP	992	-	-	992
Restricted liabilities:				
Accrued interest payable	89,014	-	-	89,014
Notes Payable	25,000,000	-	-	25,000,000
Total current liabilities	27,159,272	130,053	-	27,289,326
Total liabilities	27,159,272	130,053	-	27,289,326
Net position:				
Net investment in capital assets	17,065	10,175	-	27,239
Restricted for debt service	135,464,109	-	-	135,464,109
Restricted for Program	807,930,367	122,049,774	-	929,980,141
Restricted for Unemployment	3,592	1,513	3	5,108
Unrestricted	37,166,073	11,518,210	493,750	49,178,034
Total net position	980,581,206	133,579,672	493,753	1,114,654,631
Total liabilities and net position	\$ 1,007,740,478	\$ 133,709,725	\$ 493,753	\$ 1,141,943,957

See notes to financial statements.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Statements of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024**

	Water Bank	Transportation Bank	CHAMP	Total
Operating revenue:				
Investment income:				
Interest income	\$ 11,133,387	\$ 5,187,673	\$ 72,410	\$ 16,393,469
Net increase in the fair value of investments	2,383,695	(85,681)	-	2,298,015
Interest income from loans	3,057,735	1,113,296	-	4,171,031
Administrative fees	6,680,145	490,662	-	7,170,806
Total operating revenues	23,254,962	6,705,950	72,410	30,033,321
Operating expenses:				
Interest expenses	952,986	-	-	952,986
Administrative expenses	5,873,737	1,719,663	190,387	7,783,788
Total operating expenses	6,826,724	1,719,663	190,387	8,736,774
Operating income (loss)	16,428,238	4,986,286	(117,977)	21,296,547
Nonoperating revenues:				
Miscellaneous	1,924,425	-	-	1,924,425
Employee Contribution to Unemployment Fund	2,594	978	134	3,706
State appropriations - current year	7,992,404	22,600,000	7,109,258	37,701,662
Total nonoperating revenue	9,919,423	22,600,978	7,109,392	39,629,793
Special item:				
SRF Funds Due to State (DEP)	(783,533,923)	-	-	(783,533,923)
Change in net position	(757,186,262)	27,587,264	6,991,415	(722,607,582)
Net position, beginning of year	980,581,206	133,579,672	493,753	1,114,654,631
Net position, end of year	\$ 223,394,944	\$ 161,166,937	\$ 7,485,168	\$ 392,047,050

See notes to financial statements.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

**Statements of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023**

	Water Bank	Transportation Bank	CHAMP	Total
Operating revenue:				
Investment income:				
Interest income	\$ 6,817,863	\$ 2,839,024	\$ 258	\$ 9,657,145
Net increase in the fair value of investments	(1,387,753)	287,440	-	(1,100,313)
Interest income from loans	2,844,788	793,646	-	3,638,434
Administrative fees	5,957,350	223,764	-	6,181,114
Total operating revenues	14,232,249	4,143,874	258	18,376,381
Operating expenses:				
Interest expenses	882,670	-	-	882,670
Administrative expenses	5,810,107	1,581,702	6,508	7,398,317
Total operating expenses	6,692,777	1,581,702	6,508	8,280,986
Operating income (loss)	7,539,472	2,562,172	(6,250)	10,095,394
Nonoperating revenues:				
Miscellaneous	2,341,781	-	-	2,341,781
Employee Contribution to Unemployment Fund	3,591	1,512	3	5,107
State appropriations - current year	27,960,607	22,600,000	500,000	51,060,607
Total nonoperating revenue	30,305,979	22,601,512	500,003	53,407,494
Change in net position	37,845,451	25,163,684	493,753	63,502,889
Net position, beginning of year	942,735,755	108,415,987	-	1,051,151,742
Net position, end of year	\$ 980,581,206	\$ 133,579,672	\$ 493,753	\$ 1,114,654,631

See notes to financial statements.

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Statements of Cash Flows
Year Ended June 30, 2024

	Water Bank	Transportation Bank	CHAMP	Total
Cash flow from operating activities:				
Cash received for administrative fees	\$ 6,401,640	\$ 483,643	\$ -	\$ 6,885,283
Cash payments for goods and services	(1,647,021)	(234,502)	(10,608)	(1,892,131)
Cash payments for salaries and benefits	(3,069,078)	(1,239,599)	(141,876)	(4,450,553)
Cash payments for interest on notes	(819,151)	-	-	(819,151)
Disbursement of loan funds to borrowers	(461,500,117)	(8,310,505)	-	(469,810,622)
Principal received from loans to borrowers	335,697,574	1,953,733	-	337,651,307
Interest received from loans to borrowers	3,774,415	1,295,639	-	5,070,054
Net cash used in operating activities	(121,161,738)	(6,051,591)	(152,484)	(127,365,813)
Cash flows from non-capital financing activities:				
Current year funds received from DEP for SRF program	225,000,000	-	-	225,000,000
Proceeds from sale of notes	100,000,000	-	-	100,000,000
Principal paid on notes	(100,000,000)	-	-	(100,000,000)
Miscellaneous	1,924,425	-	-	1,924,425
Current year State appropriations received	7,992,404	22,600,000	7,109,258	37,701,662
Net cash provided by non-capital financing activities	234,916,829	22,600,000	7,109,258	264,626,087
Cash flows from capital and related financing activities:				
Acquisition of fixed assets	(45,871)	(26,360)	(2,636)	(74,867)
Net cash used in capital and related financing activities	(45,871)	(26,360)	(2,636)	(74,867)
Cash flows from investing activities:				
Interest on investments	7,898,826	6,204,039	62,559	14,165,424
Purchase of investments	(530,496,875)	(132,058,987)	(7,144,993)	(669,700,855)
Proceeds from sale and maturity of investments	440,521,996	111,965,000	-	552,486,996
Net cash provided by (used in) investing activities	(82,076,053)	(13,889,948)	(7,082,434)	(103,048,435)
Net increase (decrease) in cash and cash equivalents	31,633,167	2,632,101	(128,296)	34,136,972
Cash and cash equivalents:				
Beginning of year	35,375,020	8,578,210	492,500	44,445,730
End of year	\$ 67,008,187	\$ 11,210,311	\$ 364,204	\$ 78,582,702
Displayed as:				
Cash and cash equivalents - unrestricted	\$ 12,196,208	\$ 5,120,102	\$ 357,673	\$ 17,673,983
Cash and cash equivalents - restricted	54,811,979	6,090,209	6,531	60,908,719
Cash and cash equivalents	\$ 67,008,187	\$ 11,210,311	\$ 364,204	\$ 78,582,702
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income	\$ 16,428,238	\$ 4,986,286	\$ (117,977)	\$ 21,296,547
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	21,535	12,136	633	34,304
Investment income included in operations	(7,898,826)	(6,204,039)	(62,559)	(14,165,424)
Net unrealized and realized gain on investments	(2,383,695)	85,681	-	(2,298,014)
Amortized interest	(2,813,335)	1,323,396	-	(1,489,939)
Effect of changes in operating assets and liabilities:				
Decrease in administrative fee receivable	(278,504)	(7,019)	-	(285,523)
Decrease (increase) in other assets	(11,800)	4,865	(2,768)	(9,703)
Decrease (increase) in interest receivable	295,454	(124,686)	(9,851)	160,917
Increase in loans receivable	(125,533,942)	(6,356,773)	-	(131,890,715)
Increase due from the Transportation Bank	(228,562)	-	-	(228,562)
Increase due from the Champ Bank	(40,038)	-	-	(40,038)
Increase due to the Water Bank	-	228,562	40,038	268,600
Increase in interest payable	133,835	-	-	133,835
Increase in accounts payable	1,147,902	-	-	1,147,902
Net cash used in operating activities	\$ (121,161,738)	\$ (6,051,591)	\$ (152,484)	\$ (127,365,813)
Supplemental Schedule of Noncash Operating and non-Capital Financing Activities				
(Increase) decrease in loans receivable due to assignment	292,107,474	-	-	292,107,474
Increase (decrease) in State Appropriation due to assignment	(292,107,474)	-	-	(292,107,474)

See notes to financial statements.

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Statements of Cash Flows
Year Ended June 30, 2023

	Water Bank	Transportation Bank	CHAMP	Total
Cash flow from operating activities:				
Cash received for administrative fees	\$ 5,943,481	\$ 289,284	\$ -	\$ 6,232,765
Cash payments for goods and services	(3,762,400)	(328,408)	(2,015)	(4,092,823)
Cash payments for salaries and benefits	(2,630,438)	(1,115,664)	(5,488)	(3,751,590)
Cash payments for interest on notes	(805,546)	-	-	(805,546)
Disbursement of loan funds to borrowers	(363,994,941)	(17,368,397)	-	(381,363,338)
Principal received from loans to borrowers	107,986,160	184,163	-	108,170,323
Interest received from loans to borrowers	939,173	521,200	-	1,460,373
Net cash used in operating activities	(256,324,511)	(17,817,822)	(7,503)	(274,149,836)
Cash flows from non-capital financing activities:				
Proceeds from sale of notes	130,000,000	-	-	130,000,000
Principal paid on notes	(140,000,000)	-	-	(140,000,000)
Miscellaneous	2,345,373	1,512	3	2,346,888
Current year State appropriations received	150,163,547	22,600,000	500,000	173,263,547
Net cash provided by non-capital financing activities	142,508,920	22,601,512	500,003	165,610,435
Cash flows from investing activities:				
Interest on investments	8,417,344	914,034	-	9,331,378
Purchase of investments	(308,178,469)	(125,264,148)	-	(433,442,617)
Proceeds from sale and maturity of investments	372,617,416	116,834,756	-	489,452,172
Net cash provided by (used in) investing activities	72,856,291	(7,515,358)	-	65,340,933
Net Increase (decrease) in cash and cash equivalents	(40,959,300)	(2,731,668)	492,500	(43,198,468)
Cash and cash equivalents:				
Beginning of year	76,334,320	11,309,878	-	87,644,198
End of year	\$ 35,375,020	\$ 8,578,210	\$ 492,500	\$ 44,445,730
Displayed as:				
Cash and cash equivalents - unrestricted	\$ 9,522,087	\$ 2,881,226	\$ 492,497	\$ 12,895,810
Cash and cash equivalents - restricted	25,852,933	5,696,984	3	31,549,920
Cash and cash equivalents	\$ 35,375,020	\$ 8,578,210	\$ 492,500	\$ 44,445,730
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income	\$ 7,539,472	\$ 2,562,173	\$ (6,250)	\$ 10,095,395
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	9,787	5,809	-	15,596
Investment income included in operations	(8,417,344)	(914,034)	-	(9,331,378)
Net unrealized and realized gain on investments	1,387,753	(287,440)	-	1,100,313
Amortized interest	1,951,002	(1,854,694)	-	96,308
Effect of changes in operating assets and liabilities:				
Decrease in administrative fee receivable	(13,869)	65,520	-	51,651
Decrease (increase) in other assets	16,366	(1,240)	(3)	15,123
Decrease (increase) in interest receivable	(2,257,136)	(342,741)	(258)	(2,600,135)
Increase in loans receivable	(255,875,721)	(17,184,235)	-	(273,059,956)
Increase due from the Transportation Bank	(133,060)	-	-	(133,060)
Increase due to the Water Bank	-	133,060	(992)	132,068
Increase in interest payable	77,124	-	-	77,124
Increase in accounts payable	(608,885)	-	-	(608,885)
Net cash used in operating activities	\$ (256,324,511)	\$ (17,817,822)	\$ (7,503)	\$ (274,149,836)
Supplemental Schedule of Noncash Operating and non-Capital Financing Activities				
(Increase) decrease in loans receivable due to assignment	122,202,941	-	-	122,202,941
Increase (decrease) in State Appropriation due to assignment	(122,202,941)	-	-	(122,202,941)

See notes to financial statements.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 1. Organization and Function of the I-Bank

The New Jersey Wastewater Treatment Trust (Trust) was created by the Legislature of the State of New Jersey (the State) in November 1985 as a State financing authority. On June 23, 1997, the State Legislature passed amendments authorizing the Trust to issue loans for Drinking Water projects and to rename the entity the New Jersey Environmental Infrastructure Trust. On October 14, 2016, the Trust's statute was further amended pursuant to Public Law 2016, Chapter 56 (the Amending Statute). The Amending Statute, which became effective on January 16, 2018, pursuant to Public Law 2017, Chapter 327, changed the name to the New Jersey Infrastructure Bank (I-Bank) and expanded the statutory authority of the I-Bank to include a financing program for local transportation projects. The statute was amended in 2023 pursuant to Public Law 2023, Chapter 63 further expanding the statutory authority of the I-Bank by establishing the New Jersey Community Hazard Assistance Mitigation Program (CHAMP) to finance resilience projects through federal Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act funds. Given this expansion of its statutory authority, the I-Bank currently is structured organizationally as three distinct operating departments: (i) one department, in conjunction with the New Jersey Department of Environmental Protection (NJDEP), for the purpose of operating its environmental infrastructure financing programs, which programs are referred to collectively as the New Jersey Water Bank (Water Bank), and (ii) a second department, in conjunction with the New Jersey Department of Transportation (NJDOT), for the purpose of operating its transportation infrastructure financing programs, which programs are referred to as the New Jersey Transportation Bank (Transportation Bank), and (iii) a third department, for the purpose of operating its hazard mitigation and resilience programs, which currently operates CHAMP in conjunction with the New Jersey Office of Emergency Management (NJOEM), which programs are referred to as the New Jersey Resilience Infrastructure Bank (NJRIB). The I-Bank is a component unit of the State, "in but not of" the Department of Treasury. Organizations that are "in but not of" cabinet departments are not under the direct supervision of the respective cabinet officer.

The I-Bank's independent Board of Directors consists of ten members. Four members are ex officio: (i) the New Jersey State Treasurer; (ii) the Commissioner of the New Jersey Department of Community Affairs; (iii) the Commissioner of the NJDEP; and (iv) the Commissioner of the NJDOT. The six remaining directors are appointed. Two directors are appointed by the Governor of the State (the Governor) upon the recommendation of the President of the State Senate. Two directors are appointed by the Governor upon the recommendation of the Speaker of the State General Assembly. The four aforementioned appointees serve during the two-year legislative term in which they are appointed. The remaining two directors are appointed by the Governor with the advice and consent of the State Senate, each for a four-year term. Each appointed director serves until a successor is appointed and qualified and is eligible for reappointment. Any vacancy is filled in the same manner as the original appointment. The Governor designates one of the appointed directors to be the chair and the directors elect biannually a vice chairman, a treasurer, and a secretary from among the appointed directors. The I-Bank is administered by an Executive Director under the guidance of the Board of Directors.

Short-term construction loans have become a major component of the Water Bank and Transportation Bank, and in SFY2024, with few exceptions, projects utilized construction loans as the primary source of funding prior to securing long-term financing.

The Water Bank's CFP is funded by advances from the NJDEP and proceeds of the I-Bank's Extendable Commercial Paper (ECP). As of June 30, 2024 and June 30, 2023, the Water Bank CFP had net funding from the NJDEP of \$716,426,449 and \$783,553,923, respectively. As of June 30, 2024 and June 30, 2023, the Water Bank had \$25 million of ECP outstanding to add liquidity to the Water Bank CFP. Once a project is at or near construction completion, the short-term funding for each project is converted to long-term financing through Water Bank Program loans from the I-Bank and the State.

Beginning in SFY2022, long-term Water Bank funding packages were no longer represented in terms of a "DEP Interest Free Share" and an "I-Bank Market Rate Share" but instead as a blended interest rate

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 1. Organization and Function of the I-Bank (Continued)

equivalent to a percentage of the I-Bank's AAA Market Interest Rate. For example, a long-term Water Bank funding package that previously was described as consisting of a 75% DEP Interest-Free Share and a 25% I-Bank Market-Rate Share is now described as a "Blended Interest Rate of 25% of I-Bank's AAA Market Interest Rate" or a "25% Blended Rate." This allowed the Water Bank to use below market rate WIFIA funds to increase the I-Bank share of the long-term loans and decrease the NJDEP's share of funds normally allocated to projects while providing borrowers with the same debt service costs.

The Transportation Bank's short-term construction loan program (Transportation Bank CFP) and long-term financing program are both funded through appropriations from the State through the NJDOT. For SFY2024, long-term loans were made at a blended interest rate of approximately 50% of the Water Bank's AAA Market Rate plus or minus 50 basis points. While no bonds have been issued for the Transportation Bank, all long-term Transportation Bank Loans issued to date have been nonetheless pledged to the Transportation Bank's indenture held by the Trustee to build a diversified pool pursuant to rating agency standards. Once enough loans have been pledged to the indenture for it to qualify as a diversified pool under rating agency criteria, it is anticipated that the I-Bank will issue bonds under the indenture.

Under CHAMP, the I-Bank will make low interest loans to fund eligible hazard mitigation and resilience projects undertaken by local government units and nonprofit organizations under the Federal Emergency Management Agency's ("FEMA") Safeguarding Tomorrow Through Ongoing Risk Mitigation ("STORM") Act, Pub. L. 116-284 (42 U.S.C. s. 5135), as amended or supplemented. CHAMP does not have any loans outstanding.

All monies of the I-Bank are held at a custodial bank (currently TD Bank) or in the State of NJ Cash Management Fund. The I-Bank authorizes the custodian to disburse funds to the short-term borrowers for requisitions based on a review and approval process in conjunction with the NJDEP for the Water Bank or NJDOT for the Transportation Bank.

As of June 30, 2024, the Water Bank utilizes Zion's Bank as Trustee for its ECP and U.S. Bank and Bank of New York Mellon as Trustee for its Bonds. The initial proceeds from a bond issuance representing any remaining project funds not disbursed for project expenses prior to bond closing are held by the Trustee. Since the I-Bank, with few exceptions, requires borrowers to be construction complete prior to long-term financing, Trustees hold limited project funds. The I-Bank authorizes the Trustee to disburse such funds to the borrowers according to the loan agreements using the same process as for short-term loans. The I-Bank's accounting staff acts as loan servicer for both the Water Bank and Transportation Bank, with repayments being received directly by the Trustee or Custodian in the case of Water Bank Direct Loans.

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

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The I-Bank's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to a special purpose government engaged in only business-type activities. The focus of business-type activities is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the I-Bank are discussed below.

Basis of accounting: Basis of accounting determines when transactions are recorded in the financial records. The I-Bank uses the accrual basis of accounting.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The I-Bank reports the following major enterprise funds:

The Environmental Infrastructure Trust: This fund is used for operating its environmental infrastructure financing programs, in conjunction with NJDEP. The I-Bank's portion of which is referred to throughout this document as the **Water Bank**.

The Transportation Infrastructure Bank: This fund is used for operating its transportation infrastructure financing programs, in conjunction with NJDOT referred to throughout this document as the **Transportation Bank**.

CHAMP: This fund is used for operating the CHAMP financing program, in conjunction with NJOEM referred to throughout this document as **CHAMP**.

Revenues - exchange and non-exchange transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recognized when the exchange is settled.

Non-exchange transactions, in which the I-Bank receives value without directly giving equal value in return, include grants, State Appropriations, contributed capital, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the I-Bank must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the I-Bank on a reimbursement basis.

Expenses/expenditures: Expenses are recognized at the time they are incurred. Direct costs are expensed to each Program, while indirect expenses are allocated based on salary expenses between the three programs.

Cash, cash equivalents and investments: Cash and cash equivalents include funds held at US Bank, TD Bank as well as invested in money market funds (First American Funds – Government Obligation Class, and the Goldman Sachs Treasury Obligation Money Market Fund). Such is the definition of cash and cash equivalents used in the statements of cash flows.

Investments are purchased to meet the objectives set forth in the I-Bank's investment policy. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses and changes in net position.

Fair value: The I-Bank uses fair value measurements to record adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

The I-Bank's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

See Note 3 for additional information regarding fair value measurements.

Operating and nonoperating revenues and expenses: Operating revenues include all revenues derived from administration fees, interest income on long-term direct loans, short-term and SAIL loans and investment income. Non-operating revenues principally consist of appropriations from the State of New Jersey for programs and the return of I-Bank funds held in Debt Service reserve accounts. Operating expenses include expenses associated with the general administration of the I-Bank.

Conduit debt obligations: Bonds issued by the I-Bank are non-recourse debt obligations to the I-Bank, and the I-Bank, in effect, has none of the risks or rewards of the related financing, which is considered Conduit debt. Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Capital assets: Capital assets consist of leasehold improvements, office furniture, computers and office equipment and vehicles. Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are expensed.

Expenditures are capitalized when they meet the following requirements: (1) cost of \$5,000 or more, (2) useful life of more than one year, and (3) asset is not affected by consumption.

Depreciation: Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Leasehold improvements	Lesser of the lease term or useful life
Office furniture	7
Computers and office equipment	5
Vehicles	5

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Net position: In accordance with the provisions of GASB, the I-Bank has classified its Net Position into three components – Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

Net investment in capital assets: This component of Net Position consists of capital assets, net of accumulated depreciation. (It is I-Bank's policy to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available).

Restricted: This component of Net Position consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation, that restricts the use of Net Position.

The I-Bank further separates restricted Net Position into "Restricted for Debt Service", "Restricted for Programs", and "Restricted for Unemployment". Net Position Restricted for Debt Service includes amounts that have been restricted in accordance with the terms of an award or agreement or by State law and are generally limited to use as a guarantee for bond offerings or loan guarantee. Net Position Restricted for Programs is restricted for i) the Water Bank for short-term financing of allowable costs of environmental infrastructure projects in accordance with the terms of the appropriations and ECP Indenture, ii) the Transportation Bank to make long-term and short-term loans for transportation projects in accordance with the terms of the appropriation, and iii) CHAMP to make loans in accordance with the STORM Act. Net Position for Unemployment is restricted in accordance with the terms of the Department of Labor, Employer Accounts Guide 2019.

Unrestricted: This component of Net Position consists of Net Position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes Net Position that may be allocated for specific purposes by the Board including long-term Direct loans of the Water Bank.

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassification of Prior Year Presentation:

Certain prior year amounts have been reclassified as restricted versus unrestricted and between cash and investments for consistency with the current year presentation. These reclassifications had no effect on net position or changes therein.

Special item: On August 28, 2024, the I-Bank and the State agreed that, because the State's funding for the Water Bank CFP (i.e., pass-thru funding and not a disbursed grant) will eventually return to the NJDEP in the form of an NJDEP long-term loan with the borrower, the funds disbursed to the I-Bank by the NJDEP pursuant to the Water Bank CFP shall be recognized by the I-Bank as an "Other Payable" in the I-Bank's financial statements. The State and the I-Bank further agreed that assignments by the I-Bank to the NJDEP of loans that serve to convert the Water Bank CFP obligations on the part of borrowers to long-term Water Bank Program obligations to the NJDEP shall serve to reduce the Other Payables balances. The net change due to these transactions is reflected in the I-Bank's SFY2024 financial statements as a reduction in the I-Bank's Net Position and an increase in the I-Bank's Liabilities by an equal amount versus the prior State Fiscal Year.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments

Investment Guidelines and Management

The I-Bank's Investment Policy (the Policy) sets forth the investment and operational policies for the management of I-Bank investment activities. The Policy is designed to ensure that the activities are consistent with the I-Bank's overall financial needs and result in compliance with the Policy, the prudent management of invested funds, the timely availability of operating, administrative, and capital funds, all while generating a sound investment return.

The Policy governs the overall administration and investment management of all funds available for investment ("Investment Portfolio") by or on behalf of the I-Bank, including, without limitation, the Proceeds of bonds or notes issued by the I-Bank, funds utilized for Debt Service Reserve purposes, funds appropriated to the I-Bank from the State directly or through the NJDEP, the NJDOT or NJOEM. The Policy may only be superseded by and shall be subject to the terms and provisions of bond resolutions duly adopted by the I-Bank specific to bonds or notes issued by the I-Bank and the Proceeds of such bonds or notes, and the New Jersey State Investment Code for funds of the I-Bank. The Policy applies to Investment Portfolio funds from the time of receipt until such time that the funds are no longer held by, or on behalf of the I-Bank. The primary objective of the I-Bank's activities, in order of priority, are (i) safety of principal, (ii) liquidity, and (iii) yield / investment return.

Authorized Investments and Asset Classes

The I-Bank is permitted to invest in those investment securities and vehicles that are specifically listed below, provided, however, that, at the time any investment is made, (i) such investment shall be (a) permitted pursuant to the rules and regulations of the New Jersey State Investment Council or (b) approved by the Director of the Division of Investment in the Department of the Treasury upon a finding that such investments are consistent with the corporate purposes of the I-Bank, or (ii) if and to the extent the amounts being invested constitute proceeds of bonds or notes of the I-Bank, such investment shall be permitted pursuant to the terms and provisions of the duly adopted bond resolution of the I-Bank pursuant to which such bonds or notes were issued. Investments made without the advice of the Investment Advisor are limited to permissible money market funds and the State of New Jersey Cash Management Fund.

Credit criteria listed in this section refer to the credit of the issuing organization at the time the security is purchased with the credit monitored for continued compliance in accordance with the credit policy. Only credit ratings of Nationally Recognized Statistical Rating Organizations ("NRSRO") will be observed and considered, including Standard & Poor's, Moody's Investor Service, and Fitch Ratings Service. Ratings are provided by category, for example, the second highest rating category will include bonds rated AA+, AA and AA- for Standard & Poor's and Fitch Ratings and Aa1, Aa2 and Aa3 for Moody's Investors Service.

Investment Portfolio percentage restrictions at the individual fund level, as defined by the State's Investment Policy, and as measured by market value, are applicable only on the date of purchase. All Funds related to each specific program of the I-Bank shall be held in segregated accounts at one or more Custodial Banks or in the State of New Jersey Cash Management Fund.

The following investments are permissible, subject to the percentage limitations of the account, as defined in the Policy:

1. Government Investments

- Direct obligations of the United States of America
- Obligations that a Federal Agency of a Federal Instrumentality has issued in accordance with an act of Congress.
- Municipal obligations
- Supranational Obligations

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

2. Money Market and Money Market-like Investments

- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52: 18A-90.4)
- Money market Mutual Funds, as defined by the Policy
- Agreements for the purchase of fully collateralized securities, as defined by the Policy

3. Corporate Securities

- Bankers' Acceptances
- Commercial Paper
- Certificates of Deposit and Bank Deposit Notes
- Corporate Notes

Safekeeping and Custody

All investment securities purchased for the Investment Portfolio or held as collateral on deposits or investments shall be held by the I-Bank, the State Cash Management Fund or by a third-party Custodial Agent who may not otherwise be a counterparty to the investment transaction.

Custodial credit risk: Custodial credit risk is the risk that, in the event of failure of the counterparty, the I-Bank will not be able to recover the value of its cash and investments that are in the possession of an outside party.

Deposits and investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the I-Bank and are held by either the counterparty or the counterparty's trust department or agent. As of June 30, 2024 and June 30, 2023, the I-Bank's deposits at TD Bank of \$519,185 and \$562,066, respectively, were all collateralized. All of the I-Bank's investments totaling \$386,744,651 and \$265,742,836, and money market funds totaling \$78,063,515 and \$43,883,665, as of June 30, 2024, and 2023, respectively, were held in accounts outside the counterparty, not in the name of the I-Bank, and were therefore exposed to custodial credit risk.

Credit risk: Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The I-Bank's Credit Policy limits the type and ratings of securities allowable as well as providing diversification requirements. As of June 30, 2024, the I-Bank's investments at initial purchase carried ratings in compliance with the Credit Policy.

The Credit Policy includes the following provisions to minimize credit risk by:

- Limiting investments to the types of securities listed in the Policy;
- Pre-qualifying the Financial Institutions, Brokers/Dealers, intermediaries, and advisors with which the I-Bank will do business (as defined by specific criteria in the Policy);
- Diversifying the Investment Portfolio so that the impact of potential losses from any single asset class or Issuer will be minimized;
- Limiting Counterparty Risk by following the provisions in the Policy, maintaining an approved list of pre-approved counterparties, and having programs in place to monitor those pre-approved counterparties. The I-Bank may rely on outside Investment Advisory Firm(s) for maintaining the list of pre-qualified counterparties and having adequate Due Diligence programs in place; and
- Limiting the Trading Exposure or the amount of trades outstanding with any one counterparty at any given time. Except for activities associated with bond sale proceeds, neither the I-Bank nor any of its representatives shall execute and have outstanding investment trades with one counterparty at any given time, whereby the Principal amount represented by such trades exceeds 20% of all Investable Funds thereby minimizing the risk of loss or litigation to the Investment Portfolio should the counterparty be unable to fulfill its obligation for any reason.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Both the State's and the I-Bank's investment policy provides diversification requirements and limits the amount the I-Bank may invest in any one issuer

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The I-Bank seeks to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet a projected liability schedule, thereby avoiding the need to sell securities prior to maturity and the possibility of a realized loss.

The Investment Policy is available on the I-Bank's website at <https://www.niib.gov>.

The amounts of cash and cash equivalents as of June 30, 2024 is as follows:

	Water Bank	Transportation Bank	CHAMP	Total I-Bank
Operating checking (TD Bank)	\$ 519,185	\$ -	\$ -	\$ 519,185
GS SQ Treasury Obligation (TD Bank MM)	66,488,968	11,210,311	364,204	78,063,483
First American Funds (US Bank Corp)	34	-	-	34
	<u>\$ 67,008,187</u>	<u>\$ 11,210,311</u>	<u>\$ 364,204</u>	<u>\$ 78,582,702</u>

The amounts of cash and cash equivalents as of June 30, 2023 is as follows:

	Water Bank	Transportation Bank	CHAMP	Total I-Bank
Operating checking (TD Bank)	\$ 562,066	\$ -	\$ -	\$ 562,066
GS SQ Treasury Obligation (TD Bank MM)	34,812,920	8,578,210	492,500	43,883,630
First American Funds (US Bank Corp)	34	-	-	34
	<u>\$ 35,375,020</u>	<u>\$ 8,578,210</u>	<u>\$ 492,500</u>	<u>\$ 44,445,731</u>

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

As of June 30, 2024 and 2023, the **Water Bank** had the following investments by level and maturities:

Investment Type	Level	Fair Value	June 30, 2024			
			Investment Maturity (In Years)			
			Less Than 1	1-5	6-10	More Than 10
Investment by Fair Value Level:						
U.S. Treasury Notes, Bonds	1	\$ 82,954,578	\$ 15,992,278	\$ 66,962,302	\$ -	\$ -
U.S. Treasury Bills	1	1,941,200	1,941,200	-	-	-
Bank Note	2	1,145,464	-	1,145,464	-	-
Supra-National Agency Bonds/Notes	2	1,724,352	1,211,183	513,169	-	-
Federal Agency Bonds/Notes	2	11,247,162	8,982,727	2,264,435	-	-
Federal Agency Mortgage-Backed Security	2	1,986,830	-	389,601	1,146,517	450,711
Federal Agency Commercial Mortgage-Backed Security	2	7,331,008	1,217,764	6,113,245	-	-
Municipal Bonds	3	5,328,492	1,380,093	3,948,399	-	-
Corporate Note	2	39,405,065	9,205,842	30,199,223	-	-
Commercial Paper	2	984,456	984,456	-	-	-
Total Debt Securities		154,048,608	40,915,541	111,535,838	1,146,517	450,711
Investments Valued at Amortized Cost:						
NJ Cash Management Fund		134,162,579	134,162,579	-	-	-
Total Investments		\$ 288,211,187	\$ 175,078,120	\$ 111,535,838	\$ 1,146,517	\$ 450,711

Investment Type	Level	Fair Value	June 30, 2023			
			Investment Maturity (In Years)			
			Less Than 1	1-5	6-10	More Than 10
Investment by Fair Value Level:						
U.S. Treasury Notes, Bonds	1	\$ 73,723,651	\$ 27,217,111	\$ 46,506,540	\$ -	\$ -
U.S. Treasury Bills	1	4,917,846	4,917,846	-	-	-
Supra-National Agency Bonds/Notes	2	4,356,821	2,687,343	1,669,477	-	-
Federal Agency Bonds/Notes	2	16,101,506	5,248,815	10,852,691	-	-
Federal Agency Mortgage-Backed Security	2	2,506,381	-	479,811	2,026,569	-
Federal Agency Commercial Mortgage-Backed Security	2	7,075,791	412,668	5,577,477	1,085,646	-
Municipal Bonds	2	6,728,699	1,373,810	5,354,889	-	-
Corporate Note	2	31,982,038	1,664,018	30,318,020	-	-
Commercial Paper	2	972,219	972,219	-	-	-
Total Debt Securities		148,364,951	44,493,830	100,758,906	3,112,215	-
Investments Valued at Amortized Cost:						
NJ Cash Management Fund		44,674,327	44,674,327	-	-	-
Total Investments		\$ 193,039,278	\$ 89,168,157	\$ 100,758,906	\$ 3,112,215	\$ -

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

As of June 30, 2024 and 2023, the **Water Bank** had the following investments by credit ratings. Securities with a split rating are classified according to the lower of the two ratings:

Types of Investments, as of June 30, 2024	Fair Value/		S&P/ Moody's					Unrated
	Amortized Cost	Percentage	AAA Aaa	AA+/AA/AA- Aa1/Aa2/Aa3	A+/A/A- A1/A2/A3	BBB+ Baa1	A-1+/A-1 P1	
U.S. Treasury Bond / Notes	\$ 82,954,578	29%	\$ -	\$ 82,954,578	\$ -	\$ -	\$ -	\$ -
U.S. Treasury Bills	1,941,200	1%	-	-	-	-	1,941,200	-
Bank Note	1,145,464	0%	-	-	1,145,464	-	-	-
Supra-National Agency Bonds/Notes	1,724,352	1%	1,724,352	-	-	-	-	-
Federal Agency Bonds/Notes	11,247,162	4%	-	11,247,162	-	-	-	-
Federal Agency Mortgage-Backed Security	1,986,831	1%	-	1,986,831	-	-	-	-
Federal Agency Commercial Mortgage-Backed Security	7,331,008	3%	-	7,331,008	-	-	-	-
Municipal Bonds	5,328,492	2%	5,328,492	-	-	-	-	-
Corporate Note	39,405,065	14%	-	7,905,795	31,105,602	393,669	-	-
Commercial Paper	984,455	0%	-	-	-	-	984,455	-
State of NJ Cash Management Funds	134,162,579	47%	-	-	-	-	-	134,162,579
Total	\$ 288,211,187	100%	\$ 7,052,844	\$ 111,425,374	\$ 32,251,068	\$ 393,669	\$ 2,925,655	\$ 134,162,579

Types of Investments, as of June 30, 2023	Fair Value/		S&P/ Moody's				Unrated
	Amortized Cost	Percentage	AAA Aaa	AA+/AA/AA- Aa1/Aa2/Aa3	A+/A/A- A1/A2/A3	A-1+/A-1 P1	
U.S. Treasury Bond / Notes	\$ 73,723,651	38%	\$ -	\$ 73,723,651	\$ -	\$ -	\$ -
U.S. Treasury Bills	4,917,846	3%	-	-	-	4,917,846	-
Supra-National Agency Bonds/Notes	4,356,821	2%	4,356,821	-	-	-	-
Federal Agency Bonds/Notes	16,101,506	8%	-	16,101,506	-	-	-
Federal Agency Mortgage-Backed Security	2,506,381	1%	-	2,506,381	-	-	-
Federal Agency Commercial Mortgage-Backed Security	7,075,791	4%	-	7,075,791	-	-	-
Municipal Bonds	6,728,699	3%	6,728,699	-	-	-	-
Corporate Note	31,982,038	17%	-	5,351,348	26,630,690	-	-
Commercial Paper	972,219	1%	-	-	-	972,219	-
State of NJ Cash Management Funds	44,674,327	23%	-	-	-	-	44,674,327
Total	\$ 193,039,278	100%	\$ 11,085,520	\$ 104,758,677	\$ 26,630,690	\$ 5,890,065	\$ 44,674,327

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

As of June 30, 2024, the **Transportation Bank** had the following investments by level and maturities:

Investment Type	Level	Fair Value	June 30, 2024			
			Investment Maturity (In Years)			
			Less Than 1	1-5	6-10	More Than 10
Investment by Fair Value Level:						
U.S. Treasury Notes, Bonds	1	\$ 59,887,187	\$ 50,098,125	\$ 9,789,062	\$ -	\$ -
U.S. Treasury Bills	1	22,845,227	22,845,227	-	-	-
Corporate Note	2	5,086,202	5,086,202	-	-	-
Commercial Paper	2	2,474,505	2,474,505	-	-	-
Total Debt Securities		90,293,120	80,504,058	9,789,062	-	-
Investments Valued at Amortized Cost:						
NJ Cash Management Fund		1,095,349	1,095,349	-	-	-
Total Investments		\$ 91,388,470	\$ 81,599,408	\$ 9,789,062	\$ -	\$ -

Investment Type	Level	Fair Value	June 30, 2023			
			Investment Maturity (In Years)			
			Less Than 1	1-5	6-10	More Than 10
Investment by Fair Value Level:						
U.S. Treasury Bond / Notes	1	\$ 17,207,673	\$ 17,207,673	\$ -	\$ -	\$ -
U.S. Treasury Bills	1	26,007,108	26,007,108	-	-	-
Federal Agency Discount Note	2	14,977,487	14,977,487	-	-	-
Commercial Paper	2	13,472,367	13,472,367	-	-	-
		71,664,635	71,664,635	-	-	-
Investments Valued at Amortized Cost:						
NJ Cash Management Fund		1,038,923	1,038,923	-	-	-
Total Investments		\$ 72,703,558	\$ 72,703,558	\$ -	\$ -	\$ -

As of June 30, 2024 and 2023, the **Transportation Bank** had the following investments by credit ratings. Securities with a split rating are classified according to the lower of the two ratings:

Types of Investments, as of June 30, 2024	Fair Value/ Amortized Cost	Percentage	S&P/ Moody's			
			AA+/AA/AA- Aa1/Aa2/Aa3	A+/A/A- A1/A2/A3	A-1+/A-1 P1	Unrated
U.S. Treasury Bond / Notes	\$ 59,887,187	66%	\$ 59,887,187	\$ -	\$ -	\$ -
U.S. Treasury Bills	22,845,227	25%	-	-	22,845,227	-
Corporate Note	5,086,202	6%	-	5,086,202	-	-
Commercial Paper	2,474,505	3%	-	-	2,474,505	-
State of NJ Cash Management Funds	1,095,349	1%	-	-	-	1,095,349
Total	\$ 91,388,470	100%	\$ 59,887,187	\$ 5,086,202	\$ 25,319,732	\$ 1,095,349

Types of Investments, as of June 30, 2023	Fair Value/ Amortized Cost	Percentage	S&P/ Moody's		
			AA+/AA/AA- Aa1/Aa2/Aa3	A-1+/A-1 P1	Unrated
U.S. Treasury Bond / Notes	\$ 17,207,673	24%	\$ 17,207,673	\$ -	\$ -
U.S. Treasury Bills	26,007,108	36%	-	26,007,108	-
Federal Agency Discount Note	14,977,487	21%	-	14,977,487	-
Commercial Paper	13,472,367	19%	-	13,472,367	-
State of NJ Cash Management Funds	1,038,923	1%	-	-	1,038,923
Total	\$ 72,703,558	100%	\$ 17,207,673	\$ 54,456,962	\$ 1,038,923

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

As of June 30, 2024, **CHAMP** had the following investments by level and maturities. As of June 30, 2023, CHAMP did not hold any investments:

Investment Type	Level	Fair Value	June 30, 2024			
			Investment Maturity (In Years)			
			Less Than 1	1-5	6-10	More Than 10
Investments Valued at Amortized Cost:						
NJ Cash Management Fund		\$ 7,144,993	\$ 7,144,993	\$ -	\$ -	\$ -
Total Investments		\$ 7,144,993	\$ 7,144,993	\$ -	\$ -	\$ -

As of June 30, 2024, **CHAMP** had the following investments, maturities, and credit ratings. Securities with a split rating are classified according to the lower of the two ratings. As of June 30, 2023, CHAMP did not hold any investments:

Types of Investments, as of June 30, 2024	Fair Value/		S&P/ Moody's
	Amortized Cost	Percentage	Unrated
State of NJ Cash Management Funds	\$ 7,144,993	100%	\$ 7,144,993
Total	\$ 7,144,993	100%	\$ 7,144,993

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 4. Loans Receivable and Commitment

Water Bank

The Water Bank provides loans to Borrowers to finance allowable costs of clean water and safe drinking water projects. With few exceptions, short-term and direct loans are secured by either a direct or an indirect general obligation, full faith and credit pledge of a municipal or county government in the State.

The Water Bank's Direct Loan Program provides long-term loans for small projects, or to borrower's that are fiscally constrained or lack the administrative capability to participate in the I-Bank's Water Bank bond financing program, or other unique circumstances. The I-Bank funds these loans through cash on hand rather than through the issuance of bonds. Long-term direct loans are repayable, in most cases, over a period of 20 to 30 years, with some loans maturing over a shorter or longer period, and with interest rates of 1.91% to 5.3% per annum. As of June 30, 2024 and 2023, the balance of direct loans was \$6,200,011 and \$6,203,415, respectively. Included in this balance are amounts owed from borrowers primarily for contributions made by the I-Bank on their behalf for defeasances of \$78,588 and \$44,326 as of June 30, 2024 and 2023, respectively.

Loans issued under the Water Bank CFP and SAIL Loan Program are issued, with few exceptions, for a maximum of five fiscal years. With limited exceptions, for SFY2024 these loans were charged an interest rate ranging from 0.365% to 0.408% reflecting a blended rate based upon the I-Bank's Extended Commercial Paper (ECP) market rate and NJDEP funds at 0% interest. These loans will be converted into long-term loans to the I-Bank and the NJDEP through either the Bond Program or Direct Loan Program. As of June 30, 2024, and 2023, the balance for the loans described net of undisbursed reserve funds was \$600,181,617 and \$766,751,745 respectively. As of June 30, 2024, and 2023, the balance for the loans outstanding with a 0% interest rate was \$12,611,961 and \$13,267,536, respectively. Undisbursed reserve funds include funds deposited by a borrower and held by the I-Bank to secure future debt service payment obligations.

The Water Bank's outstanding direct, short-term and SAIL net loans receivable balance was \$606,381,627 and \$772,955,160 as of June 30, 2024 and 2023, respectively.

The Water Bank does not maintain an allowance for loan losses on its long-term direct loans, short-term loans and SAIL loans given the repayment history of the pool of direct loans borrowers. In addition, the short-term and SAIL loans are anticipated to be converted by the I-Bank to long-term financing through a combination of conduit debt issued by the I-Bank with the remaining balance assigned to NJDEP as a long-term loan. As a result, short-term loans are not subject to individual borrower repayment risk.

For the year ended June 30, 2024, one Water Bank borrower accounted for 25.0% of outstanding short-term and direct long-term loans representing a significant portion, defined as greater than 10% of the total loans receivable. For the year ended June 30, 2023, there were two borrowers with loans of more than 10% of the total loans' receivable.

The Water Bank is committed to fund short-term loans to borrowers of approximately \$1,396.5 million for remaining project engineering and construction costs that had not yet been requisitioned as of June 30, 2024.

Transportation Bank

The Transportation Bank provides loans to Borrowers to finance allowable costs of transportation projects. As of June 30, 2024 the balance of short-term Transportation Bank loans was \$5,210,588. As of June 30, 2023 the balance of short-term Transportation Bank loans was \$17,906,491.

Loans issued under the Transportation Bank CFP are made, with few exceptions, for up to three years for construction, plus up to an additional two fiscal years if planning and design costs are financed. In SFY2024, these loans were charged a monthly interest rate that varied between

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 4. Loans Receivable and Commitment (Continued)

2.25% to 2.75% per year. These loans will be converted into long-term loans through the Direct Loan Program or Bond Program when implemented.

For the year ended June 30, 2024, four Transportation Bank borrowers accounted for 66.0% of outstanding short-term and long-term direct loans, each representing a significant portion, defined as greater than 10%, of the total loans receivable. For the year ended June 30, 2023, there were also four borrowers with loans of more than 10% of the total Transportation Bank loans receivable.

In SFY2024, the I-Bank closed two Transportation long-term loans, one for \$8,757,031 on December 15, 2023 and one for \$12,115,000 on May 31, 2024.

Total Transportation Bank short-term and long-term loans outstanding as of June 30, 2024 was \$58,099,885 and as of June 30, 2023 was \$51,743,112.

The Transportation Bank is also committed to fund short-term loans to borrowers of approximately \$18.9 million for remaining project engineering and construction costs that had not yet been requisitioned as of June 30, 2024.

Water Bank and Transportation Bank Annual maturities for loans receivable are as follows:

	Water		Transportation		Total
	SAIL and Short-Term	Direct Loans	Short-Term	Direct Loans	
Year ending June 30:					
2025	\$ 330,128,687	\$ 511,677	\$ 1,654,225	\$ 2,840,855	\$ 335,135,444
Less undispersed reserve funds	(80,000)	-			(80,000)
Current loans	330,048,687	511,677	1,654,225	2,840,855	335,055,444
2026	193,346,463	497,050	787,925	3,336,581	197,968,018
2027	76,786,467	496,806	2,768,437	3,615,946	83,667,657
2028	-	483,425	-	3,037,893	3,521,318
2029	-	484,339	-	3,075,412	3,559,751
2030 through 2034	-	1,680,161	-	15,828,464	17,508,626
2035 through 2039	-	546,048	-	14,497,329	15,043,378
2040 through 2044	-	592,146	-	6,290,045	6,882,190
2045 through 2049	-	543,240	-	366,772	910,011
2050 through 2054	-	365,119	-	-	365,119
Noncurrent loans	270,132,930	5,688,333	3,556,363	50,048,442	329,426,068
Loans receivable, net	\$ 600,181,617	\$ 6,200,010	\$ 5,210,588	\$ 52,889,297	\$ 664,481,512

CHAMP

The **CHAMP** Program did not have any loans outstanding as of June 30, 2024 or June 30, 2023.

New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)

Notes to Financial Statements

Note 5. Capital Assets

The following is a summary of capital assets of the **Water Bank** at cost:

	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Capital assets being depreciated:				
Leasehold improvements	\$ 80,750	\$ 21,413	\$ -	\$ 102,163
Office furniture	56,773	-	-	56,773
Computers and office equipment	106,934	-	-	106,934
Vehicles	30,830	24,458	(30,830)	24,458
	<u>275,287</u>	<u>45,871</u>	<u>(30,830)</u>	<u>290,328</u>
Less accumulated depreciation:				
Leasehold improvements	74,788	9,648	-	84,436
Office furniture	56,775	-	-	56,775
Computers and office equipment	95,829	7,403	-	103,232
Vehicles	30,830	4,484	(30,830)	4,484
	<u>258,222</u>	<u>21,535</u>	<u>(30,830)</u>	<u>248,927</u>
Capital assets (net)	<u>\$ 17,065</u>	<u>\$ 24,336</u>	<u>\$ -</u>	<u>\$ 41,400</u>

	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Capital assets being depreciated:				
Leasehold improvements	\$ 80,750	\$ -	\$ -	\$ 80,750
Office furniture	59,379	-	(2,606)	56,773
Computers and office equipment	142,586	-	(35,652)	106,934
Vehicles	30,830	-	-	30,830
	<u>313,545</u>	<u>-</u>	<u>(38,258)</u>	<u>275,287</u>
Leasehold improvements	72,404	2,384	-	74,788
Office furniture	59,381	-	(2,606)	56,775
Computers and office equipment	124,078	7,403	(35,652)	95,829
Vehicles	30,830	-	-	30,830
	<u>286,693</u>	<u>9,787</u>	<u>(38,258)</u>	<u>258,222</u>
Capital assets (net)	<u>\$ 26,852</u>	<u>\$ (9,787)</u>	<u>\$ -</u>	<u>\$ 17,065</u>

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 5. Capital Assets (Continued)

The following is a summary of capital assets of the **Transportation Bank** at cost:

	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Capital assets being depreciated:				
Leasehold improvements	\$ 7,307	\$ 9,588	\$ -	\$ 16,895
Computers and office equipment	21,738	-	-	21,738
Vehicles	-	16,772	-	16,772
	<u>29,045</u>	<u>26,360</u>	<u>-</u>	<u>55,405</u>
Less accumulated depreciation:				
Leasehold improvements	3,653	4,714	-	8,367
Computers and office equipment	15,217	4,347	-	19,564
Vehicles	-	3,075	-	3,075
	<u>18,870</u>	<u>12,136</u>	<u>-</u>	<u>31,006</u>
Capital assets (net)	<u>\$ 10,175</u>	<u>\$ 14,224</u>	<u>\$ -</u>	<u>\$ 24,398</u>

	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Capital assets being depreciated:				
Leasehold improvements	\$ 7,307	\$ -	\$ -	\$ 7,307
Computers and office equipment	21,738	-	-	21,738
	<u>29,045</u>	<u>-</u>	<u>-</u>	<u>29,045</u>
Less accumulated depreciation:				
Leasehold improvements	2,192	1,461	-	3,653
Computers and office equipment	10,869	4,348	-	15,217
	<u>13,061</u>	<u>5,809</u>	<u>-</u>	<u>18,870</u>
Capital assets (net)	<u>\$ 15,984</u>	<u>\$ (5,809)</u>	<u>\$ -</u>	<u>\$ 10,175</u>

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 5. Capital Assets (Continued)

The following is a summary of capital assets of **CHAMP** at cost:

	Balance at June 30, 2023		Additions	Disposals	Balance at June 30, 2024	
Capital assets being depreciated:						
Leasehold improvements	\$	-	\$ 959	\$	-	\$ 959
Computers and office equipment		-	-		-	-
Vehicles		-	1,677		-	1,677
		-	2,636		-	2,636
Less accumulated depreciation:						
Leasehold improvements		-	325		-	325
Computers and office equipment		-	-		-	-
Vehicles		-	307		-	307
		-	633		-	633
Capital assets (net)	\$	-	\$ 2,003	\$	-	\$ 2,003

CHAMP did not have any capital assets as of June 30, 2023.

Note 6. Notes Payable

On July 1, 2021, the I-Bank issued an Offering Memorandum for Environmental Infrastructure Extendable Commercial Paper Notes (Series 2021A-1N) (ECP) in the aggregate outstanding principal amount not to exceed \$150,000,000 pursuant to an Indenture of Trust with Zions Bank, as Trustee, to assist with funding the short-term loan programs.

As of June 30, 2023, the I-Bank had outstanding \$25,000,000 of 2021A-1N ECP with an interest rate of 3.42% and a maturity of August 2, 2023.

On August 2, 2023, the I-Bank issued \$25,000,000 of 2021A-1N ECP, with an interest rate of 3.83% and a maturity of October 31, 2023. The proceeds of the ECP were used to repay the \$25,000,000 which matured on August 2, 2023.

On October 31, 2023, the I-Bank issued \$25,000,000 of 2021A-1N ECP, with an interest rate of 4.10% and a maturity of December 19, 2023. The proceeds of the ECP were used to repay the \$25,000,000 which matured on October 31, 2023.

On December 19, 2023, the I-Bank issued \$25,000,000 of 2021A-1N ECP, with an interest rate of 3.85% and a maturity of April 4, 2024. The proceeds of the ECP were used to repay the \$25,000,000 which matured on December 19, 2023.

On April 4, 2024, the I-Bank issued \$25,000,000 of 2021A-1N ECP, with an interest rate of 3.75% and a maturity of July 17, 2024. The proceeds of the ECP were used to repay the \$25,000,000 which matured on April 4, 2024.

As of June 30, 2024, the I-Bank had \$25,000,000 of 2021A-1N ECP outstanding.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank

The I-Bank has issued Environmental Infrastructure Bonds to provide financing for allowable costs of acquiring, constructing, improving or installing wastewater treatment projects for wastewater treatment systems undertaken by local government units in the State of New Jersey and to provide financing for allowable costs of drinking water projects for drinking water systems undertaken by local government units, nonprofit entities and private entities in the State of New Jersey. The bonds have been classified as conduit debt.

These various conduit debt obligations issued under the name of the I-Bank (formerly known as the New Jersey Environmental Infrastructure Trust) are not included in the accompanying financial statements. Although the conduit debt obligations bear the name of the I-Bank pursuant to the I-Bank Act and the Bond Resolutions and Bond Indentures, the Bonds are special obligations of the I-Bank, are not secured by the I-Bank, and shall not in any way be a debt or liability of the State or of any political subdivision thereof, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof. The I-Bank has no taxing power, and the State of New Jersey is not liable for the bonds issued through the I-Bank. The principal and redemption premium, if any, and the interest on the Bonds shall be payable from and secured by the pledge of (i) in the case of the Series Financing Programs, the Series Trust Estate, including (A) the repayment of loans from the applicable underlying borrowers, and (B) the moneys and securities on deposit in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement, and (ii) in the case of the WIFIA Financing Program, the applicable WIFIA Program Trust Estate, including (A) the repayment of loans from the applicable underlying borrowers, (B) the moneys and securities on deposit in the WIFIA Master Program Trust Agreement and (C) the moneys and securities on deposit in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. For each series of Bonds, the applicable Borrowers' principal and interest payment obligations match the principal and interest payment obligations of the I-Bank pursuant to such series of Bonds. The loan repayments of the Borrowers are made to a trustee appointed by the I-Bank to service and administer the arrangement.

The bond resolutions generally 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.

Long-term Loans to borrowers in the SFY2024 program combine proceeds of the public bond sales, lent at market rate, proceeds of the WIFIA Bond lent at the WIFIA Loan rate and interest free funds from the State of New Jersey Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. For SFY2024, the all-in True Interest Cost for a typical borrower for a 30 year loan term was approximately 2.55%.

On April 29, 2022, the I-Bank entered into a loan agreement with the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act for \$221,323,600. As of June 30, 2024, all of the available funds have been drawn down.

On December 20, 2022, the I-Bank entered into a loan agreement with the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act for \$500,000,000. As of June 30, 2024, no funds have been drawn from the loan.

On December 15, 2023, the I-Bank issued \$51,620,000 of Environmental Infrastructure Bonds, Series 2023A-W1 (Green Bonds) and \$130,296,555 of Environmental Infrastructure Bonds Series 2023C-W1 (Taxable)(Green Bonds) to capitalize 54 projects.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

On June 3, 2024, the I-Bank issued \$75,840,000 of Environmental Infrastructure Bonds, Series 2024A-W1 (Green Bonds) and \$34,661,645 of Environmental Infrastructure Bonds, Series 2024C-W1 (Taxable)(Green Bonds) to capitalize 16 projects.

The Series 2023C-W1 Bonds and the Series 2024C-W1 bonds were funded through draws on the WIFIA Loan closed on April 29, 2022.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

At **June 30, 2024** and **2023**, the aggregate principal amount of conduit debt obligations outstanding totaled \$1,241,018,326 and \$1,036,835,046, respectively, as detailed in the following schedules:

Changes in conduit debt obligations of the Water Bank for the year ended June 30, 2024 were as follows:

	Balance at June 30, 2023	Issued	Retired	Balance at June 30, 2024	Amount Due Within One Year
2012 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2026, at interest rate of 4.00%	\$ 66,785,000	\$ -	\$ 23,965,000	\$ 42,820,000	\$ 14,565,000
Series C Bonds, uninsured, maturing serially through 2023, at interest rate of 3.00%	940,000	-	940,000	-	-
2013 Series:					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	18,235,000	-	1,565,000	16,670,000	1,655,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	605,000	-	55,000	550,000	55,000
2014 Series:					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	37,425,000	-	2,870,000	34,555,000	3,010,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	3,360,000	-	275,000	3,085,000	290,000
2015 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	33,405,000	-	2,270,000	31,135,000	2,375,000
2015 B Refunding Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates of 4.00%	2,000,000	-	880,000	1,120,000	880,000
2015 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2035, at interest rates from 3.00% to 5.00%	7,155,000	-	465,000	6,690,000	490,000
2015 A-R1 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2027, at interest rate of 5.00%	46,750,000	-	9,030,000	37,720,000	9,430,000
2015B-R2 Refunding Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2026, at interest rate of 5.00%	5,630,000	-	1,305,000	4,325,000	1,370,000
2016 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2045, at interest rates from 2.00% to 4.00%	18,455,000	-	1,080,000	17,375,000	1,135,000
2016 A-R1 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 4.50% to 5.00%	31,280,000	-	6,280,000	25,000,000	5,375,000
2016 A-R2 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2030, at interest rates from 4.50% to 5.00%	47,150,000	-	5,885,000	41,265,000	6,120,000
2016 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 4.00% to 5.00%	5,865,000	-	300,000	5,565,000	325,000
2017 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 3.00% to 5.00%	27,010,000	-	1,070,000	25,940,000	1,125,000
2017 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2047, at interest rates from 2.13% to 5.00%	15,830,000	-	790,000	15,040,000	815,000

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

	Balance at June 30, 2023	Issued	Retired	Balance at June 30, 2024	Amount Due Within One Year
2017 A-R1 Series:					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	20,340,000	-	3,485,000	16,855,000	3,590,000
2017 A-R2 Series:					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	47,665,000	-	6,725,000	40,940,000	6,940,000
2017 B-1 Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	3,545,000	-	90,000	3,455,000	95,000
2018 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2047 at interest rate from 3.00% to 5.00%	18,065,000	-	870,000	17,195,000	905,000
2018 B-1 Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	13,915,000	-	330,000	13,585,000	350,000
2018 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 4.00% to 5.00%	15,515,000	-	400,000	15,115,000	435,000
2019 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 2.00% to 5.00%	11,925,000	-	490,000	11,435,000	505,000
2019 B-R1 Refunding Series:					
Series B Green Bonds, uninsured, maturing serially through 2030, at interest rate of 4.00%	3,405,000	-	400,000	3,005,000	425,000
2019 C-R1 Refunding Series (Federally Taxable):					
Series C Green Bonds, uninsured, maturing serially through 2029, at interest rates from 2.65% to 5.00%	2,755,000	-	340,000	2,415,000	360,000
2020 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2049, at interest rates from 2.13% to 5.00%	32,205,000	-	1,120,000	31,085,000	1,175,000
2020 A-R1 Refunding Series:					
Series A Green Bonds, uninsured, maturing serially through 2024, at interest rate of 3.00%	11,190,000	-	2,720,000	8,470,000	8,470,000
2020 C-R1 Refunding Series (Federally Taxable):					
Series C Green Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	37,260,000	-	3,670,000	33,590,000	3,835,000
2020 C-R2 Refunding Series (Federally Taxable):					
Series C Green Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	14,000,000	-	1,340,000	12,660,000	1,400,000
2021 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2050, at interest rates from 2.00% to 5.00%	118,715,000	-	3,970,000	114,745,000	4,125,000
2021 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2051, at interest rates from 2.00% to 5.00%	28,495,000	-	670,000	27,825,000	700,000
2022 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2051, at interest rates from 3.25% to 5.00%	51,935,000	-	1,215,000	50,720,000	1,270,000

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

	Balance at June 30, 2023	Issued	Retired	Balance at June 30, 2024	Amount Due Within One Year
2022 I W-1 Series:					
Series I W-1 Green Bonds, taxable, maturing serially through 2027, at interest rates from 2.84% to 2.98%	6,716,300	-	1,374,920	5,341,380	1,381,320
2022 C W-1 Series:					
Series C W-1 WIFIA Green Bonds, taxable, maturing serially 2028 through 2056, at an interest rate of 3.03%	56,365,400	-	-	56,365,400	-
2022 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2057, at an interest rate of 5.00%	86,530,000	-	-	86,530,000	2,205,000
2023 A W-1 Series:					
Series A W-1 Green Bonds, taxable, maturing serially through 2035, at interest rates from 5.00%	-	51,620,000	-	51,620,000	-
2023 C W-1 Series:					
Series C W-1 WIFIA Green Bonds, taxable, maturing serially 2028 through 2056, at an interest rate of 3.03%	-	130,296,555	-	130,296,555	-
2024 A W-1 Series:					
Series A W-1 Green Bonds, taxable, maturing serially through 2049, at interest rates from 5.00%	-	75,840,000	-	75,840,000	-
2024 C W-1 Series:					
Series C W-1 WIFIA Green Bonds, taxable, maturing serially 2028 through 2056, at an interest rate of 3.03%	-	34,661,645	-	34,661,645	-
Total of bonds payable covered by Master Program Trust Account	948,421,700	292,418,200	88,234,920	1,152,604,980	87,181,320
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, with weekly interest rate calculations	88,413,346	-	-	88,413,346	-
Total bonds payable	\$ 1,036,835,046	\$ 292,418,200	\$ 88,234,920	\$ 1,241,018,326	\$ 87,181,320

Annual debt service requirements to maturity for Conduit debt obligations are as follows:

Years ending June 30:	Principal	Interest	Total
2025	\$ 87,181,321	\$ 42,391,050	\$ 129,572,371
2026	175,387,566	38,397,610	213,785,176
2027	81,086,720	34,668,033	115,754,753
2028	71,342,758	31,368,689	102,711,447
2029	62,685,591	28,604,117	91,289,708
2030 through 2034	229,679,714	112,882,361	342,562,075
2035 through 2039	157,148,503	78,222,447	235,370,950
2040 through 2044	137,972,820	53,027,468	191,000,288
2045 through 2049	126,869,097	29,823,866	156,692,963
2050 through 2054	95,394,464	9,282,200	104,676,664
2055 through 2059	16,269,771	776,588	17,046,359
	\$ 1,241,018,326	\$ 459,444,429	\$ 1,700,462,755

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

Current and Advance refunding: When conditions have warranted, the I-Bank has sold various series of bonds to provide for the refunding of previously issued obligations. The proceeds received from the sale of the refunding bonds for current refundings were used to redeem the applicable outstanding bonds and for advance refunding were deposited in an irrevocable escrow fund held by an escrow agent, in an amount that, when combined with interest earnings thereon, will equal no less than the sum of the outstanding principal amount of the bonds, the interest to accrue thereon and include the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. These transactions defeased the outstanding bond issuances with a resulting reduction in annual debt service during the remaining term of the issuances. The principal and interest savings are passed along to each applicable borrower in the form of a credit against the original debt service of the borrower. There are no defeased bonds due to refundings as of June 30, 2024.

Additionally, in certain circumstances when excess bond proceeds exist in project fund accounts or prepayments occur, bonds related to each specific borrower are defeased.

Defeased bonds outstanding at June 30, 2024, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2024
Individual borrower defeasances:	
2007 Series A	\$ 1,785,000
2010 Series A	145,000
2010 Series B	355,000
2014 Series A	985,000
2014 Series B	335,000
2015 Series A-1	305,000
2017 Series A-2	240,000
	<u>\$ 4,150,000</u>

Reserve for arbitrage rebate: The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings, which are above the arbitrage bond yield, are required to be rebated to the United States Treasury Department within sixty days of the end of every fifth bond year and at bond maturity. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year-end.

The I-Bank has various issues of bonds subject to rebate calculations required to be made at least once every five years. The I-Bank prepares annual rebate calculations for purposes of determining any contingent liability for rebate. As of June 30, 2024, it was determined there was no rebate due as a result of these calculations. However, as of June 30, 2024 a contingent liability exists for six series of bonds in the amount of \$234,842. The liability will be covered by excess earnings from the bond series. The amount of contingent liability for rebate may change as a result of future events.

Loans receivable from borrowers of conduit debt: The I-Bank provides loans to Borrowers to finance allowable costs of clean water and safe drinking water projects. The various I-Bank loans are grouped into pools and funded with the proceeds of I-Bank bonds or other obligations, which are considered conduit debt. 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, most of which are secured by the full faith and credit of a local governmental

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

unit, are repayable in most cases over a period of 20 or 30 years, with some loans maturing over a shorter or longer period, and with coupon rates of 2.0% to 5.00% per annum.

Each borrower issues to the I-Bank a bond, note or other obligation in a principal amount equal to the principal amount of the loan in favor of the I-Bank which secures the borrowers' repayment obligation. The I-Bank then assigns these obligations to the Trustee. These obligations bear interest at the same rates and are callable at the same times and prices, as the corresponding I-Bank bonds, net of refunding costs. As these loans relate to the conduit debt, they are not reported on the statement of net position for the Water Bank.

Bond Related Stewardship, compliance and accountability:

Compliance with finance related legal and contractual provisions: The I-Bank is subject to the provisions and restrictions of the Bond Resolution or Supplemental Bond Resolution adopted for each conduit debt bond issue.

Management reviews bond compliance issues continually, and reports to the Audit Committee of the Board quarterly to review its compliance-related performance during the period as well as to provide notice to the Committee of the upcoming compliance schedule. Management of the I-Bank is unaware of any material violations of finance related legal and contractual provisions and has no knowledge of any material default in the fulfillment of any of the terms, covenants or provisions of its bond resolutions or indentures, unless otherwise described herein.

Debt service reserve requirement: Pursuant to the various bond resolutions and supplemental bond resolutions issued and accounted for as conduit debt, certain invested reserves are required to be maintained with the Trustee in a designated Debt Service Reserve Fund. This requirement is intended to fund potential deficiencies in principal and interest required to be paid in succeeding years. As of the September 1, 2023 calculation date, the cumulative debt service reserve requirement, as adjusted for refunding and defeasance was \$26,716,787. As of this same date, the aggregate market value of the securities held in the each of the individual Debt Service Reserve Funds was \$32,338,826. In addition, as of June 30, 2024, each Series Debt Service Reserve Fund was in compliance with the debt service reserve requirements in accordance with the respective bond resolutions and supplemental bond resolutions. The balances are not recorded in these financial statements. The market value as of June 30, 2024 and 2023 in all of the debt service reserve fund accounts was \$33,563,732 and \$37,471,910, respectively.

Statement of Funds and Accounts Held by the Trustee: Pursuant to the various bond resolutions and supplemental bond resolutions for bonds issued and accounted for as conduit debt, a Trustee is appointed to maintain all funds and accounts. The balances, consisting of such items as debt service reserve funds, unspent project account funds, early principal and interest payment receipts, etc., are not recorded in these financial statements. As of June 30, 2024 and 2023, the total cash and investments market value for conduit debt was \$53,072,169 and \$56,329,728, respectively.

Statement of revenue, administrative fees and state administrative fees: Pursuant to the various bond resolutions and supplemental bond resolutions for bonds issued and accounted for as conduit debt, the I-Bank is required to track the revenues, administrative fees and state administrative fees collected from all borrowers. The revenues include principal and interest payments made by borrowers. The balances are not recorded in these financial statements. For the fiscal year ended June 30, 2024 and 2023, the total revenues, administrative fees and state administrative fees collected for conduit debt was \$274,674,453 and \$273,661,450, respectively.

Note 8. Other Matter - Water Bank

An Event of Default (EOD) currently exists separate and apart from the Master Program Trust Account under the terms of the I-Bank's Series 2005 Indenture (the Indenture) pursuant to which the I-Bank issued its Environmental Infrastructure Revenue Bonds (Bergen County Improvement Authority-EnCap Golf Holdings,

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 8. Other Matter - Water Bank (Continued)

LLC Project), Series 2005, specifically with regard to the Bergen County Improvement Authority (BCIA) - EnCap Golf Holdings, LLC (EnCap) project (hereinafter referred to as the NJEIT-BCIA Bonds). Such EOD created a corresponding EOD under the Loan Agreement among BCIA, the I-Bank and EnCap (NJEIT-BCIA Loan Agreement) pursuant to which the I-Bank loaned the proceeds of the NJEIT-BCIA Bonds to BCIA and thereupon BCIA loaned such proceeds to EnCap for EnCap's Meadowlands remediation project.

As a precondition of BCIA's loan application to the I-Bank for funding for the EnCap project and to protect bondholders from any repayment default risk by EnCap, the I-Bank required that EnCap procure a bank Letter of Credit (LOC Provider) in order to fully secure the debt service repayments of principal and interest owed on the NJEIT-BCIA Bonds.

Subsequent to the issuance of the NJEIT-BCIA Bonds, EnCap failed to satisfy various reimbursement obligations to the LOC Provider, which in turn triggered the above referenced EODs under the terms of the Indenture and the corresponding NJEIT-BCIA Loan Agreement. In response to the occurrence of the EOD under the Indenture, the LOC Provider exercised remedies to which it was entitled. On September 28, 2007, the LOC Provider directed a mandatory tender of the NJEIT-BCIA Bonds, which mandatory tender was funded by a draw on the LOC. As a result of the tender, all holders of the publicly issued NJEIT-BCIA Bonds (then outstanding in the principal amount of \$88,413,346) were paid in full; the LOC is no longer outstanding; and the LOC Provider became the 100% holder of the NJEIT-BCIA Bonds, which are without recourse to the I-Bank.

In the aftermath of the above referenced EOD's, EnCap filed bankruptcy pursuant to Chapter 11 under the United States Bankruptcy Code on May 8, 2008. On February 3, 2009, an order dismissing the bankruptcy case was entered by the Bankruptcy Court and a Final Decree indicating that the case had been fully administered was entered on March 30, 2009.

On August 13, 2010, in accordance with the Agreement of Removal, Appointment and Acceptance, by and among The Bank of New York-Mellon (the Prior Trustee), the LOC Provider and American Home Assurance Company (American Home), American Home replaced the Prior Trustee as Trustee with respect to the NJEIT-BCIA Bonds pursuant to the Indenture. In addition, in accordance with the Assigned Assets Sale and Assignment Agreement, by and among the LOC Provider and American Home, American Home acquired all of the NJEIT-BCIA Bonds from the LOC Provider. As of the date of this report, American Home continues to hold the NJEIT-BCIA Bonds.

The collateral that secures the NJEIT-BCIA Bonds held by American Home does not secure any of the annual financing programs of the I-Bank. Therefore, the events described above with respect to the NJEIT-BCIA Bonds and EnCap have no impact on any of the annual financing programs of the I-Bank including the principal and interest payments of any of the I-Bank's outstanding publicly issued bonds relating to such annual financing programs.

Note 9. Pension and Other Postemployment Benefits Plans

Public Employees' Retirement System

All full-time personnel of the I-Bank are covered by the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pension and Benefits (the Division). PERS has a board of trustees that is primarily responsible for its administration. According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

PERS was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. PERS is a cost-sharing, multiple employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality,

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 9. Pension and Other Postemployment Benefits Plans (Continued)

school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state local jurisdiction.

The vesting benefits are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Other Postemployment Benefits (OPEB) Plan

The Division administers the State Health Benefits Local Government Retired Employees plan. The plan was established in 1961 under Title 52 Article 14 – 17.25 et.seq. and offers medical and prescription coverage to qualified local government public retirees and their spouses. The OPEB plan is overseen by the State Health Benefits Commission (the Commission), which was established by NJSA 52:14-17.27.

The funding policy of the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. In SFY2024 the I-Bank paid \$20,003 for retired employee medical benefits.

Plan Financial Statements

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and OPEB plans. These reports may be accessed on the internet at: <https://www.state.nj.us/treasury/pensions/gasb-notices.shtml>, or by writing to:

State of New Jersey
Division of Pension and Benefits
P.O. Box 295,
Trenton, New Jersey 08625-0295

Pension Expense and Liabilities

The I-Bank's Statute established the I-Bank as a State Entity. As a result, I-Bank employees are able to participate in various state benefit plans, including PERS (which includes the pension and noncontributory life insurance programs), and the NJ State Health Benefit Program (SHBP). From July 1, 2021 – April 22, 2022, I-Bank personnel were employees of the DEP, State of New Jersey. During this period, the I-Bank submitted quarterly reimbursements to the State for salary and fringe benefits, including pension and health benefits.

Effective April 23, 2022, I-Bank personnel became direct employees of the I-Bank and the State of New Jersey, Division of Pensions and Benefits (NJDPB) recognized the I-Bank as a Local Employer. The I-Bank took on the direct payment of all fringe benefits, including employer SHBP submitted monthly, with the exception of continuing to reimburse the State for pension liabilities through June 30, 2022. The I-Bank did not make any direct payments to the Plans, therefore, no liabilities associated with pension or OPEB are recorded in the financial statements; these items are recorded at the Statewide level in the Annual Comprehensive Financial Report (ACFR) of the State of New Jersey.

There is a lag for the employer portion of pension and noncontributory life insurance billed by NJDPB. The I-Bank will receive its first PERS Annual Appropriation invoice for SFY2023 in SFY2025 and the I-Bank will be adding the full liability in SFY2025.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Notes to Financial Statements

Note 10. Subsequent Event

Management has evaluated subsequent events and transactions that occurred after the balance sheet date, but before September 25, 2024, the date the financial statements were available to be issued. The following items were determined by management to require disclosure in the financial statements:

On June 28, 2024, the State of New Jersey signed into law an appropriation Bill (P.L. 2024 c. 22), which appropriated \$20.5 million to the State Transportation Infrastructure Bank Fund for use by the I-Bank for financing transportation infrastructure projects via the Transportation Infrastructure Financing Program. Of this total, \$2.6 million is unrestricted, and may be utilized for Transportation Bank general administrative and operating expenses.

On July 17, 2024, the I-Bank issued \$25,000,000 of ECP with an interest rate of 3.70% and a maturity of October 15, 2024. The proceeds of the ECP was used to repay the \$25,000,000 of ECP which matured on July 17, 2024.

Subsequent to year-end, the I-Bank has closed a total of 8 new short-term Water Bank loans and increased allowable funding under 28 existing Water Bank loans with a combined total of \$76,102,281 and closed a total of 2 new short-term Transportation Bank loan totaling \$3,997,942.

**New Jersey Infrastructure Bank
(A Component Unit of the State of New Jersey)**

Master Program Trust Agreement Schedule (Unaudited)

Master Program Trust Agreement: The New Jersey Environmental Infrastructure Financing Program the Water Bank) adopted the Master Program Trust Agreement in 1995. Under the agreement, repayments of NJ DEP loans are deposited with US Bank and held in the Master Program Trust Account to provide coverage for all outstanding I-Bank Loans. The funds are held for a period of two semi-annual bond payments plus one day (i.e. 6 months and 1 day), after which time the funds are transferred to the SRF repayment fund at the State. The balance in the Master Program Trust Account as of June 30, 2024 and June 30, 2023 was \$37,045,188 and \$37,093,960. This balance is not an asset of the I-Bank and therefore is not reflected in the I-Bank's financial statements; however, it is available to pay debt service on the I-Bank Bonds in the event of a default by any program Borrowers.

	Aggregate of Coverage Receiving Trust Loan Repayments: Principal ¹	Aggregate of Coverage Receiving Trust Loan Repayments: Interest ¹	Aggregate of Coverage Providing Fund Loan Repayments	Total Funds Available to Secure and Provide Coverage for all Coverage Receiving Financing Program Debt Service	Total Debt Service for all Coverage Receiving Financing Programs ¹	Ratio of all Coverage Providing Funds to all Coverage Receiving Debt Service
Years ending June 30:						
2025	\$ 87,181,320	\$ 42,391,050	\$ 150,440,900	\$ 280,013,270	\$ 129,572,370	2.16
2026	86,974,220	38,397,610	141,515,054	266,886,884	125,371,830	2.13
2027	81,086,720	34,668,033	128,729,562	244,484,314	115,754,753	2.11
2028	71,342,758	31,368,689	113,509,208	216,220,655	102,711,447	2.11
2029	62,685,591	28,604,117	102,068,049	193,357,757	91,289,708	2.12
2030	58,019,329	26,203,557	90,437,466	174,660,352	84,222,887	2.07
2031	48,491,546	24,130,886	80,879,953	153,502,385	72,622,432	2.11
2032	44,979,226	22,380,651	74,168,607	141,528,485	67,359,878	2.10
2033	39,961,465	20,815,725	65,948,863	126,726,053	60,777,190	2.09
2034	38,228,147	19,351,542	60,092,850	117,672,539	57,579,690	2.04
2035	35,279,856	17,967,846	53,364,057	106,611,759	53,247,703	2.00
2036	33,181,075	16,679,072	47,254,005	97,114,152	49,860,147	1.95
2037	30,292,894	15,549,190	42,831,064	88,673,148	45,842,084	1.93
2038	29,632,759	14,525,413	40,436,841	84,595,013	44,158,172	1.92
2039	28,761,918	13,500,925	38,923,903	81,186,747	42,262,843	1.92
2040	28,802,632	12,512,595	37,310,825	78,626,052	41,315,227	1.90
2041	28,666,262	11,550,431	34,899,989	75,116,683	40,216,694	1.87
2042	27,229,943	10,596,029	31,596,367	69,422,339	37,825,972	1.84
2043	26,494,320	9,653,241	29,961,452	66,109,014	36,147,562	1.83
2044	26,779,662	8,715,172	28,938,943	64,433,778	35,494,834	1.82
2045	24,747,351	7,806,204	27,672,539	60,226,094	32,553,555	1.85
2046	25,571,224	6,907,894	27,395,598	59,874,717	32,479,118	1.84
2047	26,143,551	5,976,268	26,251,461	58,371,281	32,119,819	1.82
2048	26,085,495	5,025,909	23,849,983	54,961,387	31,111,404	1.77
2049	24,321,475	4,107,591	21,504,808	49,933,874	28,429,067	1.76
2050	24,205,045	3,259,334	19,748,653	47,213,032	27,464,380	1.72
2051	23,655,297	2,469,889	15,292,908	41,418,093	26,125,185	1.59
2052	20,559,692	1,739,052	10,441,346	32,740,090	22,298,744	1.47
2053	14,987,044	1,128,753	6,812,635	22,928,432	16,115,797	1.42
2054	11,987,386	685,172	5,091,561	17,764,119	12,672,558	1.4
2055	5,222,331	422,277	3,050,716	8,695,325	5,644,608	1.54
2056	5,378,325	259,412	3,050,716	8,688,453	5,637,737	1.54
2057	5,539,115	91,649	2,075,163	7,705,927	5,630,764	1.37
2058	130,000	3,250	82,704	215,954	133,250	1.62
Total ²	\$ 1,152,604,980	\$ 459,444,429	\$ 1,585,628,750	\$ 3,197,678,159	\$ 1,612,049,409	

¹ Trust Bond debt service net of savings credits derived from the prior refunding of certain series of Trust Bonds.

² Totals may not add due to rounding.



**INDEPENDENT AUDITORS' 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**

Board of Directors
New Jersey Infrastructure Bank
f/k/a New Jersey Environmental Infrastructure Bank
Township, New Jersey

We have audited, in accordance with the 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, the financial statements of the business-type activities and each major fund of the New Jersey Infrastructure Bank (the I-Bank), a component unit of the State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the I-Bank's basic financial statements, and have issued our report thereon dated September 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered I-Bank's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of I-Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of I-Bank's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
New Jersey Infrastructure Bank

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 25, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



2025 I-BANK BOARD MEETING DATES

In accordance with N.J.S.A 10:4-18 of the Open Public Meetings Law, public notice is hereby given that the New Jersey Infrastructure Bank (“I-Bank”) Board of Directors holds monthly public meetings on the second Thursday of the month. Meetings are held in-person at the I-Bank’s offices located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey or remotely via Microsoft Teams. Registration is required to attend remotely.

All meetings are open to the public and scheduled to occur at 10:00 am. Dates and times are subject to change.

CONTACT US

Water Bank:

609-219-8601

njib.gov/njeit

info@h2loans.com

www.facebook.com/njibank/

Resilience Bank:

609-219-6581

njib.gov/njrib

information@njib.gov

Transportation Bank:

609-219-6584

njib.gov/njtib

info@nj-moves.com

www.facebook.com/njtransportationbank/



New Jersey Infrastructure Bank

3131 Princeton Pike, Building 4, Suite 216

Lawrenceville, NJ 08648-2201

609-219-8600

njib.gov

[linkedin.com/company/nj-infrastructure-bank](https://www.linkedin.com/company/nj-infrastructure-bank)

