

New Jersey Infrastructure Bank

Financing New Jersey's Water Quality & Transportation Future



Essex County New Dutch Lane Bridge. SFY2022 Loan: \$1,864,849

NEW JERSEY INFRASTRUCTURE BANK

Quick Facts: Program Year SFY2022

The New Jersey Infrastructure Bank (I-Bank) jointly administers the NJ Water Bank with NJDEP and the NJ Transportation Bank with NJDOT.

I-BANK PROGRAMS

TOTAL LOANS

The I-Bank has issued **1,480** long-term loans to fund clean water, drinking water, green infrastructure, land acquisitions, remediation, redevelopment, multi-modal, bridges, and road surface projects. As of SFY2022 year-end, **207** short-term construction and SAIL loans were outstanding in both programs, which will be rolled into long-term loans upon each project's construction completion.

TOTAL JOBS CREATED

Since their inception, the Water Bank and Transportation Bank Programs combined have created an estimated **151,500** direct construction jobs.¹

WATER BANK PROGRAM

TOTAL LOANS

From its first loan in 1987 up through June 30, 2022, the Water Bank Program has issued more than **\$8.11 billion** in long-term loans and, as of June 30, 2022, the Water Bank Program had an additional **\$1.31 billion** in short-term loans outstanding.

TOTAL SAVINGS

The Water Bank Program has saved taxpayers and ratepayers more than **\$2.92 billion** on long-term financing costs through lower interest charges, refunding of outstanding bond deals, and principal forgiveness loans.

CURRENT LONG-TERM RATES

The Water Bank Program offered borrowers blended interest rates for base program long-term loans as low as **1.48%** for the Series 2021A-2 Green Bonds, issued in June of 2022.

TRANSPORTATION BANK PROGRAM

TOTAL LOANS

From its inception in 2018 through June 30, 2022, the Transportation Bank Program has closed 5 short-term loans to finance 6 projects totaling more than **\$18.1 million**, had an additional **\$47.4 million in short-term loans outstanding**, and allocated **\$45.8 million** to 10 additional projects that are pending loan closing.

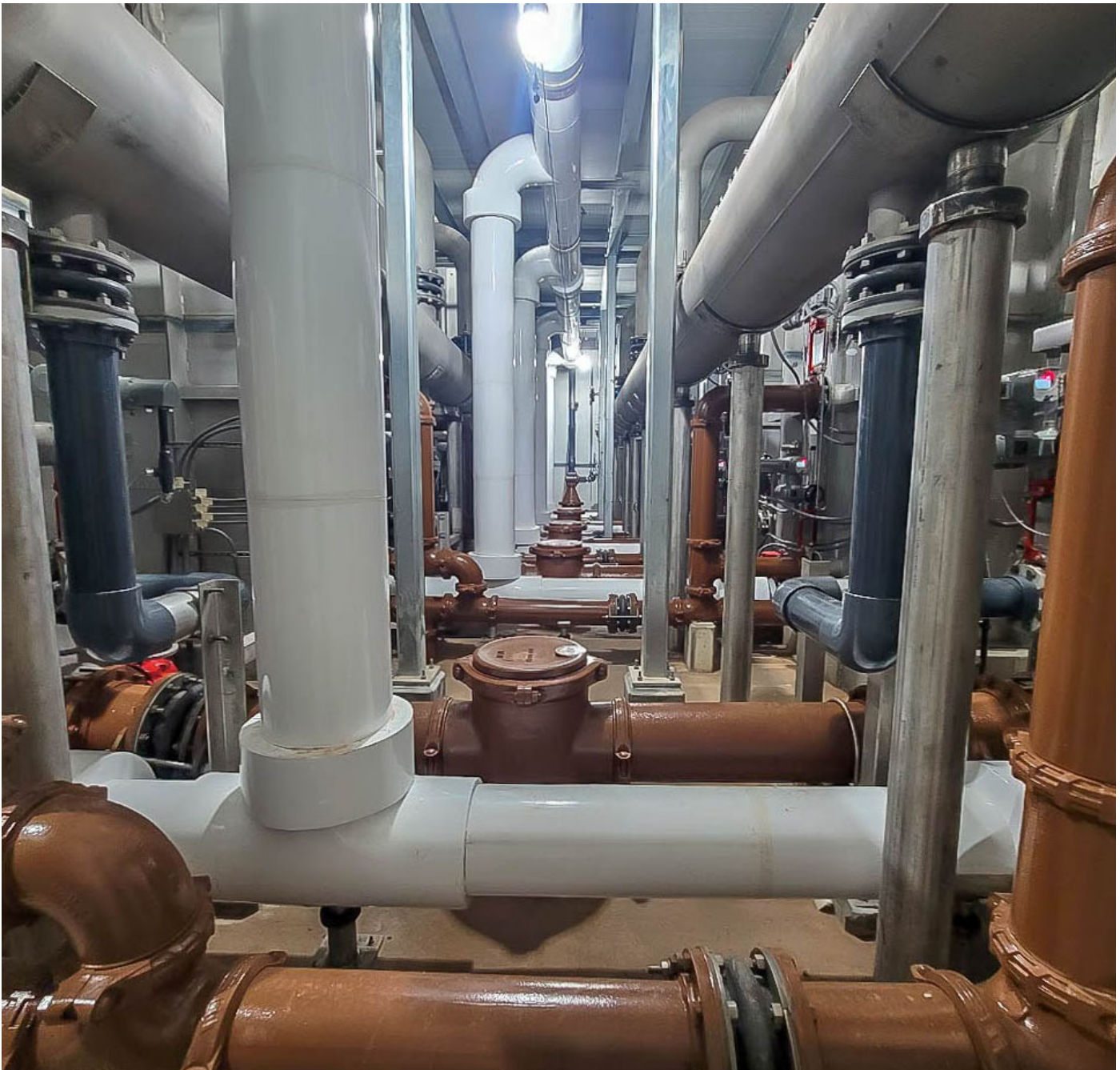
¹ According to the White House Council of Economic Advisors estimates: 20 direct construction job-years were created per \$1M spent up through 2011; and 12 direct construction job-years per \$1M spent from 2012 on.

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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 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, reduce roadway congestion, improve highway safety and contribute to New Jersey's role as a critical channel for commerce.



Somerset Raritan Valley SA Wastewater Treatment Plant Improvements. [SFY2022 Loan: \\$5,547,220](#)

BOARD OF DIRECTORS AND EXECUTIVE STAFF

PUBLIC MEMBERS



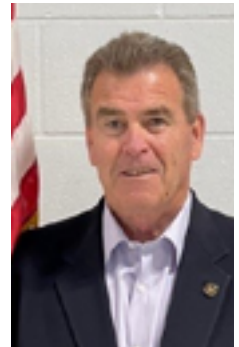
Robert Briant, Jr.
Chairperson



Mark Longo
Vice Chairperson



Jack Kocsis, Jr.
Treasurer



James McManus, Jr.
Secretary

EX-OFFICIO MEMBERS



Shawn LaTourette
Commissioner
New Jersey Department of
Environmental Protection



Diane Gutierrez-Scaccetti
Commissioner
New Jersey
Department of Transportation



Lt. Governor Sheila Oliver
Commissioner
New Jersey
Department of Community Affairs



Elizabeth Maher Muoio
State Treasurer
New Jersey
Department of Treasury

SENIOR STAFF



David E. Zimmer
Executive Director



Judy Karp
Assistant Director,
Legal & Compliance
Officer



Lauren Kaltman
Chief Financial Officer



Robert Fernandez
Chief Operating Officer
Transportation
Program

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

OVERVIEW

SFY2022 was the year it rained – cash, as the nation’s attention on infrastructure increased dramatically. Consequently, activity at the I-Bank also increased with both the New Jersey Water and Transportation Financing Programs seeing a ramp up in borrower interest as well as program development.

The American Rescue Plan Act (ARPA) and the Bipartisan Infrastructure Law (BIL) were enacted by Congress and signed into law by President Biden promising much needed funds for water quality infrastructure projects. In addition, State funds were again appropriated to the Water Bank program for project funding and, more importantly, federal program match. The Department of Environmental Protection (NJDEP), the I-Bank’s longtime partner in administering the NJ Water Bank Financing Program, spent the majority of the second half of the fiscal year developing and promoting guidance and assistance programs to ensure ARPA and BIL funds are prioritized and available to the neediest of the State’s water system communities. The I-Bank did its part by working with the NJDEP to increase the leverage on two of its three SFY2022 long-term financing bond series deals priced during the fiscal year. Specifically, the I-Bank utilized the interest subsidy model in the fall 2021 bond sale and drew down on the first tranche of the \$221 million loan issued through the United States Environmental Protection Agency (USEPA) Water Infrastructure Financing and Innovation Act (WIFIA) program that closed in April 2022. Together, these unique approaches to financing saved the NJDEP a projected combined total of \$58 million of State Revolving Funds (SRFs), allowing the Water Bank to finance approximately \$116 million additional water projects at no additional cost to the State or Program borrowers. In addition, the I-Bank was invited to and applied for a second WIFIA loan, a deal it expects to close in the first half of SFY2023.

SFY2022 marked a milestone year for the Transportation Bank as well, as it executed its first long-term loans and established the collateral structure for a revolving loan program through its development and implementation of a Master Indenture. This Trust Estate structure is the centerpiece for the I-Bank to leverage funds appropriated through NJDOT’s Transportation Trust Fund (TTF) for local transportation projects enabling the State to finance more projects and return non-bonded loan repayments to the Transportation Bank Fund to be lent out again to finance additional transportation projects.

WATER

Overall, SFY2022 marked another successful year for New Jersey’s premier infrastructure financing authority. The I-Bank long-term financed over \$375 million in water projects through three separate bond issuances (see discussion below) and offered short-term financing for engineering and construction phase projects totaling an additional \$299 million. In addition, the I-Bank disbursed more than \$482 million of Water Bank funds in its short-term loan program for existing project engineering and construction work, a record amount since the short-term loan program was introduced seven (7) years ago.

The I-Bank continued to issue long-term bonds as Environmental, Social and Governance municipal bonds or Green Bonds. In November 2021, the I-Bank sold \$28.495 million of Series 2021A-2 Green Bonds with a True Interest Cost (TIC) of 2.029% to partially finance 15 environmental infrastructure projects totaling \$72.7 million with the remaining project costs financed by the DEP at zero-percent interest which together saved the 13 borrowers more than \$15.3 million. In May as part of the WIFIA program, the I-Bank sold \$56.365 million of Series 2022C-W1 Green Bonds with a TIC of 3.03% and \$6.716 million of Series 2022 I-W1 Green Bonds with an average interest rate of 2.84% to partially finance 10 environmental infrastructure projects totaling \$146.2 million with the remaining project costs financed by the DEP at zero-percent interest. Together, these low-cost funds saved the 5 borrowers more than \$70.6 million. In June 2022, the I-Bank sold \$51.935 million of Series 2022A-1 Green Bonds with a TIC of 3.479% to partially finance 36 environmental infrastructure projects totaling \$155.6 million with the remaining project costs financed by the DEP at zero-percent interest which together saved the 29 borrowers more than \$63.1 million. To date, the I-Bank has issued twenty-two public and private Green Bond Series totaling \$586.6 million.

To take advantage of the WIFIA loan program’s longer 35-year available maturity structure, the Water Bank requested and received approval for 35-year extended term financing from the US Environmental Protection Authority (USEPA) for Drink-

ing Water projects included in an I-Bank WIFIA loan deal. For qualified projects with a useful life that meets or surpasses this term, the longer maturity option increases the affordability of a project by decreasing the annual debt service owed by the community. The NJDEP and I-Bank expect to make a similar request for clean water projects in the upcoming fiscal year.

TRANSPORTATION

The Transportation Bank matured in SFY2022 by executing a Master Trust Indenture for future bond deals and closing the Program's first long-term loans to finance six (6) projects that completed construction and were transitioned from the short-term loan program. These loans, in the amount of \$18.1 million, were pledged to the Master Trust Indenture and will eventually provide collateral for the Transportation Bank's first bond deal in the near future. As of June 30, 2022, the Transportation Bank had 17 projects outstanding that had either received short-term financing or allocations for short-term financing totaling \$75.0 million. Since inception, the Transportation Bank has allocated \$93.1 million of funds to-date to 23 projects or 92.2% of the total amount of State TTF funds appropriated in the Program's first five years.

TECHNOLOGY

The I-Bank secured a \$340,000 grant from the Federal Emergency Management Agency (FEMA) in SFY2022 to build a loan application portal for the NJ Office of Emergency Management (NJOEM). The portal, when implemented, will facilitate NJOEM's automation of applications for FEMA's Building Resilient Infrastructure Communities (BRIC) grant program across the State. The I-Bank's successful collaborations with the NJOEM and familiarity with FEMA's Stafford Act through the I-Bank's Statewide Assistance Infrastructure Loan (SAIL) Disaster Financing Program makes this partnership with NJOEM a natural fit. The BRIC portal, when fully integrated, will provide a fluid application process for applicants of BRIC grants to enter water project information into the BRIC portal and have that information transfer seamlessly into the Water Bank's H₂LOans loan application portal coordinating joint funding of projects with BRIC grants and Water Bank loan funds.

LOOKING FORWARD

The I-Bank will continue to seek out opportunities and creative solutions to enhance its infrastructure financing programs in SFY2023.

The I-Bank will look to broaden program offerings and remains committed to participating in federal loan programs as appropriate including closing a second \$500 million WIFIA loan from EPA, to increase funds available to finance additional projects for more borrowers at a low cost.

With your continued support, the I-Bank will maintain its ongoing commitment to innovate, create and serve New Jersey's water and transportation systems and its citizenry with the hallmark professionalism to produce the success to which you and New Jersey's constituents have become accustomed.

Respectfully,



Robert A. Briant, Jr.
Chairperson



David E. Zimmer, CFA
Executive Director

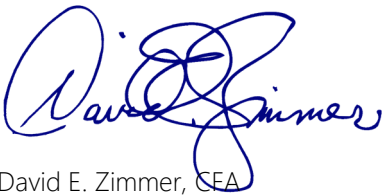
EXECUTIVE DIRECTOR'S CERTIFICATION PURSUANT TO E.O. NO. 37

In accordance with Executive Order No. 37 (Corzine), the New Jersey I-Bank's SFY2022 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 44).

I, David E. Zimmer, certify that during SFY2022, 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 SFY2022.



David E. Zimmer, CFA
Executive Director

CFO'S CERTIFICATION SFY2022

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 SFY2022.



Lauren S. Kaltman
Chief Financial Officer

COMPLIANCE SFY2022

The I-Bank has policies and procedures in place as a financing authority of the State that govern expenditures, financial reporting, and procurement. Recognizing the extensive responsibility as an issuer of bonds and steward of public monies, the I-Bank has developed these policies and procedures to ensure compliance with the requirements of both federal and State laws and regulations as well as its own enabling act and bond resolutions. The I-Bank has a Chief Legal & Compliance Officer whose responsibilities include oversight of legal and regulatory requirements with built in monthly schedules 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 compliance with federal and State laws.

Credit Worthiness Policy: As a lender of funds, the I-Bank maintains minimum credit worthiness standards for applicants to receive a Water Bank Loan. These credit worthiness standards help ensure that I-Bank publicly issued bonds maintain a AAA/Aaa/AAA/ credit rating from each of the three nationally recognized rating agencies to afford all future borrowers the lowest borrowing rates, and that each Borrower has demonstrated a sufficient ability to meet its loan repayment obligations to the I-Bank and the State.

Procurement Policy: The I-Bank Procurement Policy adheres to the requirements of New Jersey laws and regulations, committing the I-Bank to the principals of a fair and open bidding process.

Managing Contract Spending Caps: The I-Bank maintains vigilance with its outside contracts through its management of operating fund disbursements.

Trust Operating Bank Account Procedures: The I-Bank's "TOBA" policy strictly regulates signatory authority for checks with cap amounts and counter-signatory requirements involving the Board's Treasurer and include a semi-annual compliance report to the Treasurer.

INTERNAL CONTROLS SFY2022

In 2022, in conjunction with its outside Internal Controls Audit firm, Cohn Reznick, LLP, the I-Bank concluded Phase IV of the Audit Plan. The Audit included 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 evaluated.

During Phase V of the Internal Controls Audit, the auditor is updating the risk assessment to incorporate changes to the loan application and review portals ([H₂LOans](#) and [NJ-Moves](#)) as well as the Transportation Bank as this Program was still in the development stage when the prior risk assessment was performed. A controls gap analysis will also be conducted in relation to the Transportation Bank and relevant policies and narratives will be updated. Phase V also includes a gap analysis of the I-Bank's Business Continuity Plan, assessments of the design and operational effectiveness of existing internal controls and other relevant assistance as needed.

I-Bank History



1985

Established as Waste Water Treatment Trust (WWTT) by NJ Legislature



1986

Operations Commenced



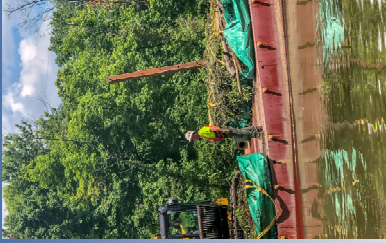
1987

Issued 1st program loan for wastewater treatment to CCMUA (\$182M)



1995

Introduced Master Program Trust Agreement (MPTA) bond collateral Structure



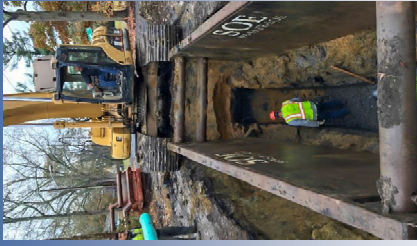
1997

Authorization to include Drinking Water Projects. (Changed name to NJ Environmental Infrastructure Trust (NJIEIT))



2004

Issued 1st short-term construction loan



2013

Introduced electronic loan application and review portal for Water Bank (H₂LOans)

2014

Issued 1st SAIL Disaster Relief Emergency Financing Program Loan



2015

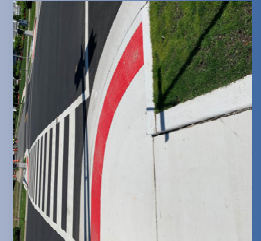
Issued 1st Green Bond Series
Issued 1st multi-year short-term construction loan



2018

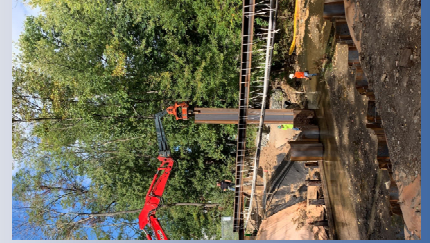
Authorization to finance Transportation Loans
Issued 1st Transportation Bank loan to Camden County (\$25.5M)

Changed name to NJ Infrastructure Bank (I-BANK)



2020

Launched loan application and review portal for the Transportation Bank (NJ-Moves)



2021

Closed 1st short-term borrowing facility (\$150M Extendable Commercial Paper)



2022

Closed 1st WIFIA loan (\$221M) with USEPA

Implemented 35-year extended term loans for DWSRF

Closed 1st long-term Transportation Bank loan

Established Master Program Trust Indenture for the Transportation Bank

I-BANK: FINANCING PROGRAMS BENEFITS \$AVINGS, CASH-FLOW, ADMINISTRATION

The New Jersey Infrastructure Bank (I-Bank) has partnered with the DEP for over 35 years providing low interest rate loans for environmental infrastructure projects, saving taxpayers more than \$2.92 billion through low interest rate loans, refunding savings, and principal forgiveness, and creating approximately 151,000 direct construction jobs, adding vital economic activity to the State.

In 2018, the I-Bank's mandate was expanded to finance Transportation projects across the State in partnership with the New Jersey Department of Transportation (NJDOT) through the creation of the NJ Transportation Bank. Since its inception, the Transportation Bank has closed approximately \$65.5

million in loans to 17 projects resulting in over 785 jobs created in the local economy.

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 debt market.

Minimized Financing Costs – Borrowers in the I-Bank's lending programs receive a blended interest rate based on the funding ratio of the I-Bank's market interest rate and 0% interest rate on funds appropriated by the State through the DEP or DOT outlined for each fiscal year. At long-term

closing borrowers pay a minimal cost of issuance (COI) fee fixed at 0.10% on their I-Bank loan amount. These two key features dramatically minimize each borrower's cost when compared to any borrower self-financing their own bond deal.

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



Carteret Borough Roosevelt & Bergen Street Pump Station Upgrades. [SFY2022 Loan: \\$5,398,616.](#)

I-BANK: FINANCING PROGRAMS BENEFITS (CONTINUED)

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

On Target funding – Design and construction funding is provided through the short-term construction loan program through project completion. Short-term loans are converted to long-term loans for exact project costs eliminating excess bond proceeds, thereby reducing debt service to its accurate level.

Refunding – The I-Bank continually monitors market conditions to assess when interest rates meet the I-Bank’s savings threshold for refunding outstanding long-term bond issues. All realized net savings (totaling approximately \$185 million to-date in the Water Bank program) 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 due to the Water Program’s Master Program Trust Account collateral structure. A similar collateral mechanism has been designed for the Transportation Bank.

CASH FLOW BENEFITS

Capitalized Interest – Short-term construction loans allow borrowers to defer repayments until after construction completion and avoid the need to capitalize interest in their long-term loans.

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

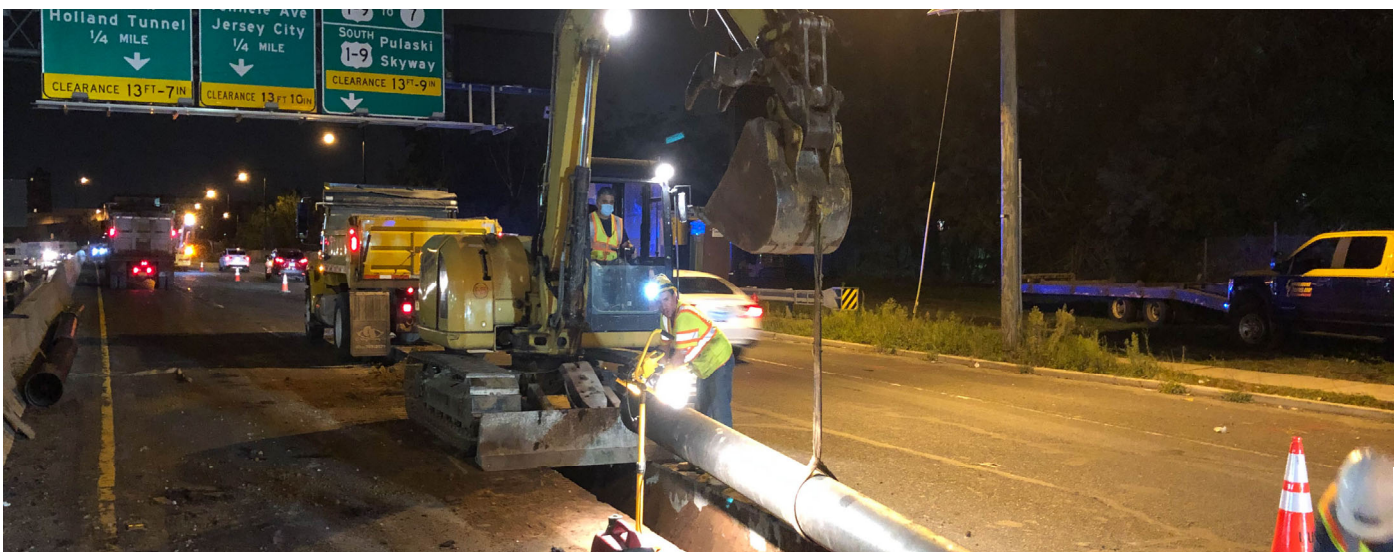
Flexible Term – Projects may be financed for the lesser of the asset’s certified useful life or 30 years (35 for

projects receiving Federal Funding) for Water or 31 years for Transportation 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 large portfolio of outstanding bonds, no single borrower is presently a “material obligated entity” and therefore not required to fulfill SEC secondary disclosure or reporting requirements for debt issued through the I-Bank.

Timely Decisions – The DEP prioritizes permit applications for projects seeking financing from the Water Bank. The DOT and I-Bank use the same review process for projects also receiving Local Aid grants to minimize duplicative work and approval timelines.



Jersey City MUA Water Main Replacement and Rehab. SFY2022 Loan: \$9,985,338

New Jersey Water Bank

Improving New Jersey's Water Quality One Project at a Time



Brielle Borough Drinking Water Storage Tank. SFY2022 Nano Loan: \$1,624,515

WATER BANK: FINANCIAL OFFERINGS IN SFY2022



Ocean County UA NWPCF Clarifier Rehab. SFY2022 Loan: \$1,976,722

New Jersey enjoys a national reputation as a leader in innovative and effective environmental protection and financing strategies. The I-Bank has been a critical facilitator of this success. Each SFY2022 program listed below provided low-interest loans through a combination of funds from the DEP, including Federal Clean Water (CW) or Drinking Water (DW) State Revolving Funds (SRF) and State appropriations funds, as well as funds from I-Bank bond proceeds from the public bond market or the USEPA's WIFIA loan program, and cash-on-hand.

[SHORT-TERM FINANCING OFFERINGS](#)

The Water Bank offers temporary financing opportunities through the short-term Construction Loan Program (CLP) and the SAIL Disaster Relief Loan Program. During SFY2022, the I-Bank issued 44 new loans and upsized 24 loans for a total net of decreases of \$299.4 million.

Short-Term Construction Loans

The interest rate on short-term loans in SFY2022 was 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 rates ranged from 0.07% to 0.348%. 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 stage of a project for costs associated with planning and engineering design (P&D) may extend the maturity term up to an additional two years. P&D loans are financed with the expectation that the plans will result in an eligible capital improvement project financed through the Water Bank Program. The I-Bank makes short-term loans to borrowers covering 100% of a typical project's construction period and converts the actual project costs incurred during both the design and construction phases into long-term

loans upon construction completion. Short-term loans for the development of long-term control plans for CSO communities were eligible for up to an additional 5-years. Long-term financing terms were 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. All borrowers benefit from the quick turnaround time from submission of reimbursement requests to cash disbursement. Short-term loans minimize the costs of financing and post-loan closing administrative and compliance requirements for the borrowers and for the Water Bank.

SAIL - Disaster Relief Program

The Statewide Assistance Infrastructure Loan (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

WATER BANK: FINANCIAL OFFERINGS (CONTINUED)

Superstorm Sandy and to-date, has successfully financed 11 projects totaling \$205.5 million, with additional projects under review, relieving those communities of the financial stress they would otherwise endure without short-term bridge financing from the SAIL Program. 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.

LONG-TERM FINANCING OFFERINGS

In SFY2022, the Water Bank closed and drew on USEPA WIFIA loan funds for a portion of the I-Bank share of long-term loans. The funds were available to the I-Bank at a lower interest rate than market rate bonds, thereby freeing up a portion of the DEP's share of funds normally allocated to projects. Consequently, long-term 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 consisting of a percentage of the I-Bank's AAA rated Market Interest Rate. For example, a long-term 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 the I-Bank's AAA rated Market Interest Rate" or a "25% Blended Rate."

Base Clean Water Program

The SFY2022 Base **Clean Water Program** offered combined financing

from the DEP and the I-Bank at a blended interest rate of 50% of the I-Bank's AAA rated market interest rate. Additionally, the program offered set-aside funds for certain projects that qualified for principal forgiveness (PF) detailed below under Special Initiatives.

Base Drinking Water Program

The SFY2022 Base **Drinking Water Program** offered combined financing from the DEP and the I-Bank at a blended interest rate of 50% of the I-Bank's AAA rated market interest rate for public water system borrowers. For Investor-owned borrowers, the program offered financing with a blended interest rate of 75% of the I-Bank's AAA rated market interest rate. Publicly owned systems serving communities defined as a "Disadvantaged Community" whose median household income is less than or equal to 65% of the New Jersey median household income were eligible for financing with a blended interest rate equal to 25% of the I-Bank AAA rated market interest rate for the first \$10 million in project costs. Additionally, the program offered set-aside funds for certain projects that qualified for PF as detailed below under Special Initiatives.

Use of WIFIA Funds in Base Clean & Drinking Water Programs

The New Jersey Water Bank was the second SRF financing program in the country to take advantage of a Federal WIFIA loan. The I-Bank closed on its WIFIA loan with the USEPA in SFY2022

and immediately utilized a portion of these funds to long-term finance projects in SFY2022. All borrowers in the pool of projects financed with WIFIA loan funds received a long-term loan package with a blended interest rate no greater than if the I-Bank only used its AAA rated market interest rate bonds for its portion of project financing as described in the applicable Intended Use Plan submitted to the USEPA (IUP). Blending the low cost WIFIA funds into a loan package results in fewer NJDEP SRF funds needed to achieve the equivalent financing cost for the borrowers. The Water Bank intends to use these saved SRF monies to fund additional projects that would otherwise be outside the fundable range of the Water Bank program.

SPECIAL INITIATIVES

Lead Service Line Replacement

In SFY2022, the Water Bank set aside the balance of SFY2021's \$100 million of funds for eligible lead service line replacement projects designed to remediate lead action level exceedances in communities serving customers whose median household incomes were less than the median household income of the state. Loans were offered consisting of 50% PF capped at \$2 million, \$10 million, or \$36 million in total project costs, depending on the number of lead service lines being replaced. For public water systems, project costs that exceeded the PF caps were financed at the Water Bank's base program blended interest rate of 50% of the I-Bank's AAA rated

WATER BANK: FINANCIAL OFFERINGS (CONTINUED)

market interest rate. For private water systems, project costs that exceeded the PF caps were financed with a blended interest rate of 75% of the I-Bank's AAA rated market interest rate. For applicants that met affordability criteria, up to \$10M of allowable project costs above the PF caps was financed at the "Affordability Rate" (blended interest rate of 25% of the I-Bank's AAA rated market interest rate).

Small System Lead Abatement

\$10 million was set aside to fund the installation of corrosion control treatment or lead service line replacement for water systems serving a population of up to 1,000 in priority ranked order. Loans were offered at 100% PF for up to \$1 million per water system per year.

Combined Sewer Overflow Abatement: Green/Gray Infrastructure

\$34 million in PF was set aside exclusively for projects utilizing green practices, such as green roofs, rain gardens, porous pavement, curb bump outs, and other activities that maintain and restore natural hydrology through

infiltration into the subsoil, treatment by vegetation or soil, or stored for re-use. The first \$4 million in project costs were eligible for 50% PF, and a blended interest rate of 50% of the I-Bank AAA rated market interest rate for the balance of costs. Project applicants were capped at \$2 million PF per year. Project costs between \$4 and \$10 million were financed with a blended interest rate of 25% of the I-Bank's AAA market interest rate. Project costs over \$10 million were financed through the base program at a blended interest rate of 50% of the I-Bank's AAA market interest rate.

NANO Loan Program

The Water Bank maintained its NANO Loan Program (NLP) which offers loans that include 50% PF to Small Drinking Water Systems (SDWS) serving populations of up to 10,000. The NLP encourages the participation of SDWS's in the Water Bank to complete critical repairs and invest in necessary upgrades by greatly reducing the costs of the projects as SDWS's often lack the resources of larger systems. In SFY2022,

the NLP provided \$4 million in subsidized loans to eligible systems by offering a loan package up to \$1 million per recipient that consists of a 50% principal forgiveness loan, with the remaining project costs receiving a combined financing from the DEP and I-Bank at 50% of the I-Bank's AAA market interest rate. Project costs in excess of the \$1 million cap were funded in accordance with the Base Drinking Water program. The NLP waives some Water Bank administrative and cost of issuance fees. Projects are selected and financed based on priority rank order. In addition, the program prioritizes projects that have secured federal/non-profit grants to be leveraged with SRF funding.

Small Water System Engineering Program

Small systems that serve up to 500 persons and need assistance to comply with State standards were eligible for 100% principal forgiveness loans for assistance through the Community Engineering Corps. There was a cap of \$750,000 per project.



North Hudson SA WWTP Improvements, Purac, Phase 3 Physical System Improvements. SFY2022 Loan: \$16,755,831

WATER BANK: ELIGIBLE ACTIVITIES IN SFY2022

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

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/ distribution systems to prevent contamination (i.e., Lead Service Line replacement projects) or to 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 including construction, expansion or replacement of stormwater management systems, construction or expansion of basins, replacement of storm drains, re-

habilitation 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 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, 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 stormwater 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 alternative replacement septic systems

Green Infrastructure

- Incorporation of green infrastructure 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

WATER BANK: ELIGIBLE ACTIVITIES IN SFY2022 (CONTINUED)

Security Monitoring

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



Kearny Town Recreational Complex Redevelopment. SFY2022 Loan: \$12,404,020

WATER BANK: SFY2022 CASE STUDY

NEWARK CITY LEAD SERVICE LINE REPLACEMENT

The Case for Lead Service Line Replacement (LSLR): Lead is a toxic metal that is harmful to human health even at low exposure levels and can lead to behavior and learning problems, lower IQ, hyperactivity, slowed growth, hearing problems and anemia in children. As such, the USEPA has declared that there is no safe level of lead exposure. Elimination of lead services lines has been extremely difficult due to the high cost of identifying, locating, removing, and preventing the many potential sources of lead in various water distributions systems.

In Newark, clean water from its reservoirs and water treatment plants traveled through corroded lead service lines and passed lead exposure onto consumers. Out of 36,000 residential service lines in Newark, over 15,000 were identified as lead service lines. The City of Newark has been working to eliminate lead exposure from drinking water plumbing by replacing residential lead service lines. The aggressive multi-year program removed all the lead service lines in the water system resulting in the achievement of the city's zero maximum contaminant level goal. Newark's swift action to replace its lead service lines has greatly improved the health and safety of its residents, most importantly the children who are impacted by lead exposure more severely than adults. In combination with the proactive goal of providing public health benefits, the

project also addressed and satisfied USEPA's Lead and Copper rule.

Costs, Affordability and Strategic Financing: Typically, the cost of replacing a lead service line ranges from between \$5,000 and \$10,000 per line, making replacement of Newark's over 15,000 lead lines an expensive proposition. Newark's lead lines were in communities serving populations earning less than half of the median annual household income for the county, qualifying Newark's lead line projects for PF under the Water Bank's Lead Service Line Replacement Program. To meet best practices and DEP requirements, full-service line replacement from the water main to the faucet, Newark's lead line project replaced all lines and fittings, even inside private property at no cost to the homeowners.

Given the scope of Newark's lead line project, the city segregated the project into three phases with three separate short-term loans. This structure allowed Newark to take advantage of PF funds in four separate financing program years to maximize the PF it received.

Financing Detail Phase 1:

The Phase 1 contracts for \$12.3 million received the long-term financing terms of the SFY2019 Financing Program, with 90% PF and 10% at a zero-percent interest rate for the first \$10

million of project costs. The balance was long-term funded at 75% DEP interest free, and 25% I-Bank market rate, financing.

If Newark had borrowed the total \$12.3 million of project costs on its own, the total debt service (principal and interest) would have equaled more than \$18.58 million. After the \$9 million in PF funds, Newark borrowed \$2.54 million at a zero-percent interest rate and the remaining \$771,000 at the I-Bank's AAA rated market interest rate, making the city's total debt service only \$3.72 million. Newark saved an estimated \$14.86 million or 21% more than the cost of the project itself.

Financing Detail Phase 2:

The project's Phase 2 contracts totaling \$12.84 million received the long-term financing terms of the SFY2020 financing program which offered \$9 million of PF and \$1 million at a zero-percent interest rate for the first \$10 million of project costs. The balance was long-term funded at 50% DEP interest free and 50% I-Bank market rate financing.

After the \$9 million in PF funds, Newark borrowed \$2.11 million at a zero-percent interest rate and the remaining \$1.76 million at the I-Bank's AAA rated market interest rate, making the city's total debt service only \$4.79 million. If Newark had borrowed the total \$12.84 million project costs on its own,

WATER BANK: SFY2022 CASE STUDY (CONTINUED)



Newark City Lead Service Line Replacement. SFY2022 Loan: \$89,203,472

the total debt service (principal and interest) would have equaled \$19.39 million saving Newark an estimated \$14.6 million.

Financing Detail Phase 3:

The Project's Phase 3 contracts totaled \$88.4 million. The financing program certified 11 contracts for Phase 3 over a two-year period, allowing the city to qualify for Water Bank Program benefits in both SFY2021 and SFY2022. Under the LSLR program in SFY2021, the

city received the Drinking Water Program's LSLR funding package for \$36.9 million, 50% of which was provided as PF and 50% funded at the I-Bank's AAA rated market interest rate.

In addition, a total of \$51.5 million in project costs were certified and funded in SFY2022. The Water Bank's SFY2022 LSLR program offered Newark 50% PF upto \$36 million in project cost. The SFY2022 PF for LSLR project was enhanced by funds made available

through the Water Infrastructure Transfer Act (WIFTA also known as "the Booker Bill"). Remaining PF available through the Booker Bill not allocated by June 1, 2022 was distributed to LSLR projects by raising PF in one percent increments to qualifying projects until all funds were exhausted. Newark's Phase 3 contracts benefitted from this end-of-year adjustment receiving an additional \$9.78 million for a total SFY2022 PF award of \$27.78 million. The city also met the SFY2022 affor-

WATER BANK: SFY2022 CASE STUDY (CONTINUED)

bility criteria, resulting in \$10 million of project costs financed with a blended 25% I-Bank AAA rated interest rate loan. The remaining \$5.5 million of project costs were financed with a 100% market rate loan from the I-Bank.

The project's Phase 3 costs are expected to be long-term financed in the SFY2023. It is projected that the city will save \$81.9 million through PF and interest savings versus independently financing Phase 3.

In total for the three phases, by financing its LSLR project through the State's Water Bank Financing Program, Newark is projected to save a total of \$111.4 million.

Have your lead service line replaced for no more than \$1,000. Pay over one year at 0% interest in four easy installments or you can pay right away.

Sign up today!

newarklead serviceline.com/register

Visit the website and submit the form with your information

Water Main (City-owned)

Corporation Stop

Gooseneck

Property Boundary

Sidewalk

Curb Stop

Water Service Line (Homeowner-owned)

Internal Plumbing

Shut-off Valve

Water Meter

CITY OF NEWARK, NEW JERSEY

Replacement Program

Newark City Lead Service Line Replacement. SFY2022 Loan: \$89,203,472

WATER BANK: LOAN PRODUCTION SUMMARY BY STATE FISCAL YEAR FOR LAST 5 YEARS

ST SFY	1st S-T Loan (Oper Seg)	Additional S-T Loans (Oper Segs)	LT Inc/Dec (Oper Seg)	SFY Total
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
2019	\$ 364,243,998	\$ 62,957,503	\$ 1,826,655	\$ 429,028,156
2018	\$ 394,473,787	\$ 29,423,248	\$ 14,695,599	\$ 438,592,634



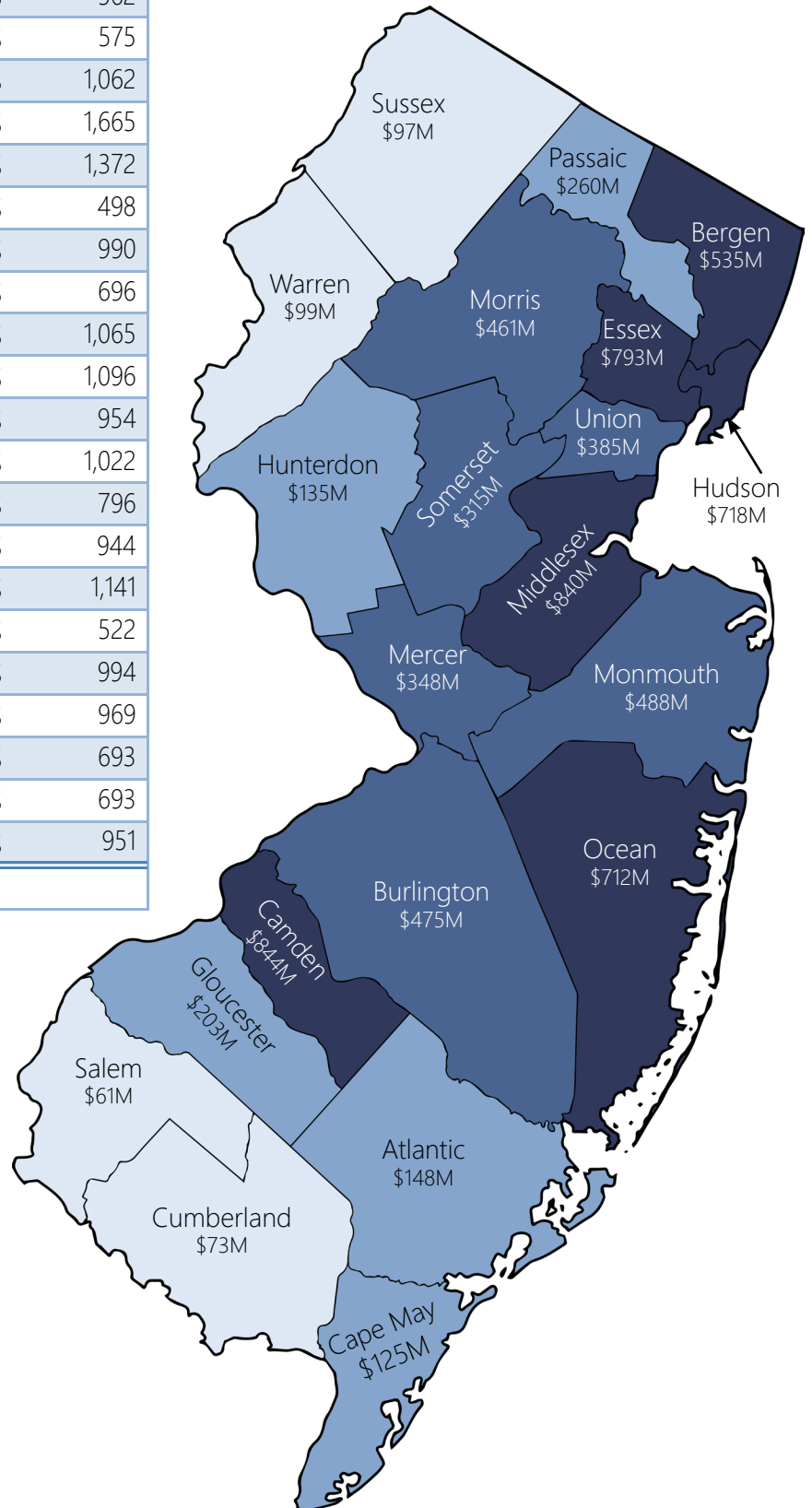
Somerset Raritan Valley SA WWP Rehab Improvements. **SFY2022 Loan \$5,547,220**

WATER BANK: LOAN HISTORY SFY1987-2022 BY COUNTY

County	Sum Of Total Original Loans	Per Capita*
Atlantic	\$ 147,591,420	\$ 562
Bergen	\$ 535,371,768	\$ 575
Burlington	\$ 475,037,477	\$ 1,062
Camden	\$ 843,785,114	\$ 1,665
Cape May	\$ 124,610,067	\$ 1,372
Cumberland	\$ 72,754,679	\$ 498
Essex	\$ 792,501,498	\$ 990
Gloucester	\$ 203,218,879	\$ 696
Hudson	\$ 717,590,514	\$ 1,065
Hunterdon	\$ 134,911,703	\$ 1,096
Mercer	\$ 348,480,897	\$ 954
Middlesex	\$ 839,666,205	\$ 1,022
Monmouth	\$ 488,310,506	\$ 796
Morris	\$ 460,911,770	\$ 944
Ocean	\$ 712,223,786	\$ 1,141
Passaic	\$ 259,631,091	\$ 522
Salem	\$ 60,940,149	\$ 994
Somerset	\$ 315,078,551	\$ 969
Sussex	\$ 96,722,419	\$ 693
Union	\$ 385,345,800	\$ 693
Warren	\$ 99,404,683	\$ 951
Total	\$ 8,114,088,975	

*WORLD POPULATION REVIEW (2022)

LEGEND:



WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2022 YEAR-END

Issue Year	Borrower	Program	Loan Amount
2016	Elizabeth City	BASE	\$ 3,350,000
2016	Plumsted Twp	BASE	\$ 6,318,698
2017	Hoboken City	BASE	\$ 33,135,932
2017	Newark City	BASE	\$ 2,502,566
2017	North Hudson SA	BASE	\$ 3,675,301
2017	Ocean Twp SA	BASE	\$ 828,828
2017	Passaic Valley SC	BASE	\$ 9,500,000
2018	Camden County MUA	BASE	\$ 4,171,373
2018	North Bergen MUA	BASE	\$ 3,734,750
2018	Rockaway Valley RSA	BASE	\$ 826,091
2019	Clinton Town	BASE	\$ 117,500
2019	East Greenwich Twp	BASE	\$ 310,000
2019	High Bridge Borough	BASE	\$ 100,000
2019	Hopatcong Borough	BASE	\$ 100,000
2019	Jersey City MUA	BASE	\$ 3,116,740
2019	Jersey City MUA	BASE	\$ 5,280,963
2019	Mt Arlington Borough	BASE	\$ 159,456
2019	Mt Arlington Borough	BASE	\$ 165,836
2019	National Park Borough	BASE	\$ 764,600
2019	Newark City	BASE	\$ 6,219,156
2019	NJ Water Supply Auth	BASE	\$ 75,000,000
2019	Northwest Bergen CUA	BASE	\$ 922,739
2019	Perth Amboy City	BASE	\$ 665,156
2019	Rutgers, The State University of NJ	BASE	\$ 35,982,085
2019	Vernon Twp	BASE	\$ 100,000
2020	Allentown Borough	BASE	\$ 4,600,000
2020	Bergen County UA	BASE	\$ 1,527,724
2020	Bergen County UA	BASE	\$ 2,409,319
2020	Bloomfield Twp	BASE	\$ 5,018,768
2020	Bloomfield Twp	BASE	\$ 284,747
2020	Brick Twp MUA	BASE	\$ 1,609,341
2020	Brick Twp MUA	BASE	\$ 17,094,937
2020	Clinton Town	BASE	\$ 1,448,187
2020	East Orange City	BASE	\$ 67,490
2020	East Orange City	BASE	\$ 17,050,702
2020	Elizabeth City	BASE	\$ 808,076
2020	Glen Ridge Borough	BASE	\$ 2,367,744
2020	Gloucester Twp	BASE	\$ 927,983
2020	Hackensack City	BASE	\$ 5,204,010
2020	Hamburg Borough	BASE	\$ 85,000
2020	Hillside Twp	BASE	\$ 103,437
2020	Hoboken City	BASE	\$ 359,344
2020	Hoboken City	BASE	\$ 6,196,314
2020	Hopatcong Borough	BASE	\$ 75,000
2020	Irvington Twp	BASE	\$ 274,214
2020	Jersey City MUA	BASE	\$ 10,525,544
2020	Jersey City MUA	BASE	\$ 108,000,000
2020	Jersey City MUA	BASE	\$ 2,770,000
2020	Jersey City MUA	BASE	\$ 1,458,905
2020	Jersey City MUA	BASE	\$ 25,000,000
2020	Long Branch SA	BASE	\$ 1,647,137
2020	Long Branch SA	BASE	\$ 2,652,177

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2022 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Loan Amount
2020	Mt Laurel Twp MUA	BASE	\$ 6,680,852
2020	Musconetcong SA	BASE	\$ 6,000,000
2020	Newark City	BASE	\$ 160,012
2020	North Hudson SA	BASE	\$ 547,350
2020	Passaic Valley SC	BASE	\$ 6,059,402
2020	Scotch Plains Twp	BASE	\$ 2,305,469
2020	Ship Bottom Borough	BASE	\$ 1,947,116
2020	South Orange Village Twp	BASE	\$ 71,140
2020	Spotswood Borough	BASE	\$ 1,987,954
2020	Spotswood Borough	BASE	\$ 730,010
2020	Summit City	BASE	\$ 138,902
2020	Trenton City	BASE	\$ 15,000,000
2020	Union Twp	BASE	\$ 298,279
2020	University Hospital	BASE	\$ 7,380,000
2020	West Orange Twp	BASE	\$ 189,353
2020	Wildwood City	BASE	\$ 1,404,421
2020	Woodbine Borough	BASE	\$ 4,794,630
2021	Allentown Borough	BASE	\$ 130,136
2021	Bayonne City	BASE	\$ 1,618,539
2021	Bergen County UA	BASE	\$ 6,927,530
2021	Bergen County UA	BASE	\$ 9,467,947
2021	Bloomfield Twp	BASE	\$ 437,154
2021	Brick Twp MUA	BASE	\$ 4,041,432
2021	Brick Twp MUA	BASE	\$ 5,380,603
2021	Brick Twp MUA	BASE	\$ 1,818,601
2021	Burlington City	BASE	\$ 1,990,596
2021	Camden City	BASE	\$ 5,177,115
2021	Camden County MUA	BASE	\$ 1,679,070
2021	Camden County MUA	BASE	\$ 23,711,831
2021	Camden County MUA	BASE	\$ 1,249,973
2021	Clinton Town	BASE	\$ 1,792,706
2021	Clinton Town	BASE	\$ 2,009,217
2021	Delran Twp	BASE	\$ 1,538,856
2021	East Orange City	BASE	\$ 106,649
2021	Elizabeth City	BASE	\$ 1,276,572
2021	Farmingdale Borough	BASE	\$ 522,893
2021	Gloucester County UA	BASE	\$ 5,848,024
2021	Gloucester Twp	BASE	\$ 701,564
2021	Hackensack City	BASE	\$ 14,630,000
2021	Haddon Heights Borough	BASE	\$ 100,000
2021	Hightstown Borough	BASE	\$ 30,906
2021	Hillside Twp	BASE	\$ 163,346
2021	Hopewell Twp	BASE	\$ 122,571
2021	Irvington Twp	BASE	\$ 433,058
2021	Jersey City MUA	BASE	\$ 5,587,978
2021	Jersey City MUA	BASE	\$ 9,361,874
2021	Kearny Town	BASE	\$ 12,123,577
2021	Logan Twp MUA	BASE	\$ 9,948,000
2021	Long Beach Twp	BASE	\$ 4,023,807
2021	Lower Twp MUA	BASE	\$ 17,100,000
2021	Lower Twp MUA	BASE	\$ 8,500,000
2021	Mantua Twp MUA	BASE	\$ 2,025,402

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2022 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Loan Amount
2021	Maplewood Twp	BASE	\$ 166,484
2021	Medford Lakes Borough	BASE	\$ 6,096,325
2021	Mendham Borough	BASE	\$ 1,993,300
2021	Mendham Borough	BASE	\$ 462,228
2021	Millburn Twp	BASE	\$ 147,124
2021	Newark City	BASE	\$ 252,735
2021	Newark City	BASE	\$ 89,203,472
2021	Newark City	BASE	\$ 22,840,021
2021	NJ American Water Company	BASE	\$ 8,974,000
2021	North Hudson SA	BASE	\$ 23,981,208
2021	North Hudson SA	BASE	\$ 800,000
2021	North Hudson SA	BASE	\$ 737,060
2021	North Jersey District WSC	BASE	\$ 23,761,252
2021	Old Bridge MUA	BASE	\$ 2,235,586
2021	Orange City	BASE	\$ 217,150
2021	Orange City	BASE	\$ 101,000
2021	Passaic Valley SC	BASE	\$ 120,269,892
2021	Paterson City	BASE	\$ 2,458,630
2021	Pennsville SA	BASE	\$ 798,254
2021	Perth Amboy City	BASE	\$ 1,247,995
2021	Point Pleasant Beach Borough	BASE	\$ 2,540,000
2021	Red Bank Borough	BASE	\$ 430,000
2021	Rockaway Valley RSA	BASE	\$ 13,034,996
2021	Roosevelt Borough	BASE	\$ 600,000
2021	Roselle Park Borough	BASE	\$ 71,970
2021	Seaside Park Borough	BASE	\$ 2,359,806
2021	Seaside Park Borough	BASE	\$ 70,490
2021	Ship Bottom Borough	BASE	\$ 9,500,000
2021	Ship Bottom Borough	BASE	\$ 3,865,000
2021	Somerville Borough	BASE	\$ 808,710
2021	South Orange Village Twp	BASE	\$ 112,522
2021	Stafford Twp	BASE	\$ 2,778,245
2021	Stony Brook RSA	BASE	\$ 19,261,427
2021	Summit City	BASE	\$ 219,410
2021	Sussex County MUA	BASE	\$ 8,654,779
2021	Sussex County MUA	BASE	\$ 27,181,599
2021	Toms River MUA	BASE	\$ 1,176,920
2021	Trenton City	BASE	\$ 25,000,000
2021	Tuckerton Borough	BASE	\$ 2,564,186
2021	Tuckerton Borough	BASE	\$ 1,209,890
2021	Two Rivers Water Reclamation Auth	BASE	\$ 4,000,000
2021	Union Twp	BASE	\$ 471,578
2021	Wenonah Borough	BASE	\$ 93,975
2021	West Orange Twp	BASE	\$ 298,988
2021	Wildwood City	BASE	\$ 1,395,000
2021	Willingboro MUA	BASE	\$ 6,923,130
2021	Willingboro MUA	BASE	\$ 3,535,000
2021	Willingboro MUA	BASE	\$ 7,950,000
2021	Winslow Twp	BASE	\$ 2,500,000
2022	Bergen County UA	BASE	\$ 3,279,776
2022	Bergen County UA	BASE	\$ 3,514,461
2022	Bergen County UA	BASE	\$ 201,572

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2022YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Loan Amount
2022	Berkeley Twp SA	BASE	\$ 2,911,031
2022	Bloomfield Twp	BASE	\$ 3,340,253
2022	Camden County MUA	BASE	\$ 9,997,247
2022	Cumberland County IA	BASE	\$ 5,635,189
2022	Delanco SA	BASE	\$ 139,178
2022	East Orange City	BASE	\$ 21,541
2022	Elizabeth City	BASE	\$ 257,838
2022	Franklin Twp SA	BASE	\$ 3,939,840
2022	Hackettstown MUA	BASE	\$ 722,542
2022	High Bridge Borough	BASE	\$ 1,477,872
2022	Hillside Twp	BASE	\$ 32,992
2022	Irvington Twp	BASE	\$ 87,468
2022	Jersey City MUA	BASE	\$ 3,249,004
2022	Jersey City MUA	BASE	\$ 3,191,847
2022	Linden Roselle SA	BASE	\$ 8,379,423
2022	Litle Egg Harbor Twp	BASE	\$ 1,879,325
2022	Long Beach Twp	BASE	\$ 4,622,081
2022	Maplewood Twp	BASE	\$ 33,626
2022	Middlesex Borough	BASE	\$ 1,080,989
2022	Middlesex County UA	BASE	\$ 2,061,223
2022	Millburn Twp	BASE	\$ 29,715
2022	Montville Twp	BASE	\$ 2,800,000
2022	National Park Borough	BASE	\$ 1,500,000
2022	Newark City	BASE	\$ 51,047
2022	NJ American Water Company	BASE	\$ 23,216,765
2022	North Hudson SA	BASE	\$ 499,946
2022	Oakland Borough	BASE	\$ 7,681,070
2022	Passaic Valley SC	BASE	\$ 64,825,879
2022	Passaic Valley SC	BASE	\$ 6,163,013
2022	Passaic Valley WC	BASE	\$ 37,605,981
2022	Pennsville SA	BASE	\$ 2,328,703
2022	Roselle Park Borough	BASE	\$ 14,536
2022	Ship Bottom Borough	BASE	\$ 4,250,000
2022	South Orange Village Twp	BASE	\$ 22,727
2022	Stafford Twp	BASE	\$ 2,700,000
2022	Summit City	BASE	\$ 44,316
2022	Union Twp	BASE	\$ 95,248
2022	Washington Twp MUA	BASE	\$ 1,372,281
2022	West Orange Twp	BASE	\$ 60,388
2022	Winslow Twp	BASE	\$ 1,250,027
	Total Construction Loans		\$ 1,305,805,584
2022	Passaic Valley SC	SAIL	\$ 1,384,563
	Total SAIL Loans		\$ 1,384,563
	Total Short-Term Water Bank Loans		\$ 1,307,190,147

WATER BANK: LONG-TERM LOANS CLOSED IN SFY2022

SERIES 2022 A-1, D-L, I-W1, C-W1, 2021 A-2

Borrower Names	Total Original Loan	Program Saving*
Brick Twp. MUA	\$ 7,077,319	\$ 3,105,042
Brielle Borough	\$ 5,028,127	\$ 1,533,995
Buena Borough MUA	\$ 1,277,574	\$ 392,486
Burlington Twp.	\$ 632,564	\$ 119,125
Camden County MUA	\$ 12,390,480	\$ 3,922,864
Carteret Borough	\$ 5,302,582	\$ 1,620,316
Chatham Borough	\$ 3,159,592	\$ 961,124
Clinton Town	\$ 4,307,824	\$ 709,799
Cranford Twp	\$ 2,624,042	\$ 650,921
Elizabeth City	\$ 5,283,770	\$ 2,327,023
Franklin Twp. SA	\$ 4,458,757	\$ 1,295,880
Hamburg Borough	\$ 582,690	\$ 499,380
Hampton Borough	\$ 1,115,109	\$ 1,110,551
Hightstown Borough	\$ 1,139,073	\$ 1,006,252
Hopatcong Borough	\$ 460,634	\$ 357,462
Howell Twp.	\$ 11,761,180	\$ 7,106,383
Jersey City MUA	\$ 17,320,458	\$ 4,269,110
Kearny Town	\$ 12,220,905	\$ 3,395,430
Lambertville MUA	\$ 1,738,606	\$ 351,365
Madison Borough	\$ 5,521,542	\$ 1,675,797
Marlboro Twp.	\$ 746,026	\$ 229,980
Middlesex Borough	\$ 1,269,095	\$ 582,609
Middlesex Water Co	\$ 52,200,735	\$ 24,361,522
Milltown Borough	\$ 1,412,021	\$ 394,269
Moorestown Twp	\$ 31,533,622	\$ 6,787,170
National Park Borough	\$ 722,800	\$ 688,502
Newark City	\$ 52,587,571	\$ 45,821,496
NJ American Water	\$ 44,131,065	\$ 7,799,197
North Hudson SA	\$ 16,592,449	\$ 7,556,529
Northwest Bergen County UA	\$ 12,576,598	\$ 3,052,956
Ocean County UA	\$ 6,740,772	\$ 1,266,416
Paulsboro Borough	\$ 2,650,164	\$ 508,394
Perth Amboy City	\$ 1,976,790	\$ 1,439,527
Raritan Twp. MUA	\$ 3,344,704	\$ 662,756
Rockaway Valley RSA	\$ 729,362	\$ 229,227
Somerset Raritan Valley SA	\$ 36,995,823	\$ 9,510,446
South Orange Twp	\$ 596,683	\$ 107,943
Toms River MUA	\$ 3,906,265	\$ 1,195,091
Warren Twp. SA	\$ 2,558,290	\$ 445,916
Total	\$ 376,673,663	\$ 149,050,251

* Principal Forgiveness and Interest

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER

Borrower Names	Total Original Loan	Program Saving*
2117 Mt. Ephraim, Inc., Nancy-Lee	\$ 397,969	\$ 132,719
Aberdeen Township	\$ 10,627,051	\$ 2,571,095
Allamuchy Township	\$ 7,494,437	\$ 2,273,022
Allentown Borough	\$ 417,223	\$ 44,317
Aqua New Jersey, Inc.	\$ 9,423,411	\$ 4,647,369
Asbury Park City	\$ 25,055,578	\$ 8,567,466
Atlantic City MUA	\$ 13,123,435	\$ 7,229,758
Atlantic County UA	\$ 58,249,793	\$ 23,684,958
Atlantic Highlands Borough	\$ 1,917,275	\$ 447,322
Atlantic Highlands-Highlands RSA	\$ 872,692	\$ 293,499
Avalon Borough	\$ 1,118,240	\$ 215,924
Barnegat Township	\$ 3,382,601	\$ 1,000,795
Barrington Borough	\$ 1,019,712	\$ 287,067
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	\$ -
Bergen County UA	\$ 133,837,295	\$ 59,443,680
Bergen County UA (Edgewater)	\$ 1,683,537	\$ 575,747
Bergenfield Borough	\$ 1,130,000	\$ 366,825
Berkeley Heights Township	\$ 15,036,610	\$ 5,978,627
Berkeley Township	\$ 3,140,003	\$ 986,350
Berkeley Township MUA	\$ 9,624,023	\$ 4,149,139
Berkeley Township SA	\$ 24,262,252	\$ 8,960,779
Berlin Borough	\$ 4,823,632	\$ 1,402,673
Bernardsville Borough	\$ 6,824,630	\$ 3,190,642
Bethlehem Township	\$ 987,100	\$ 362,530
Beverly SA	\$ 371,996	\$ 83,962
Bloomingtondale 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 Township	\$ 2,573,862	\$ 744,384
Brick Township MUA	\$ 40,932,437	\$ 13,235,179
Bridgeton City	\$ 10,158,187	\$ 5,691,868

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Bridgewater Township	\$ 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 Township	\$ 15,391,605	\$ 4,328,205
Byram Homeowners Assoc	\$ 569,085	\$ 109,784
Byram Township	\$ 1,802,284	\$ 626,706
Caldwell Borough	\$ 37,883,224	\$ 15,488,803
Califon Borough	\$ 1,343,949	\$ 234,254
Camden City	\$ 117,694,742	\$ 46,550,901
Camden County MUA	\$ 586,030,118	\$ 263,765,729
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 Township	\$ 502,733	\$ 149,279
Carneys Point Township 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
Cedar Glen West, Inc.	\$ 432,666	\$ 82,089
Cedar Grove Township	\$ 9,123,321	\$ 4,168,090
Chatham Borough	\$ 13,821,038	\$ 5,976,719
Chatham Township	\$ 7,257,264	\$ 1,761,232
Cherry Hill Township	\$ 6,142,348	\$ 2,444,110
Chester Borough	\$ 1,394,451	\$ 473,649
Chesterfield Township	\$ 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	\$ 19,761,048	\$ 5,511,165
Clinton Township	\$ 264,000	\$ 87,835
Clinton Township SA	\$ 2,085,074	\$ 679,844
Collingswood Borough	\$ 4,263,827	\$ 1,319,243
Consumers NJ Water Co	\$ 3,473,961	\$ 1,207,113
Continental Communities LLC	\$ 1,956,690	\$ 583,827
Continental Communities LLC (ColonialEstates)	\$ 999,999	\$ 219,549
Cranford Township	\$ 2,624,042	\$ 650,921
Cranford Township	\$ 8,351,638	\$ 2,605,478

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Cumberland County IA	\$ 10,158,515	\$ 2,495,304
Cumberland County UA	\$ 7,899,790	\$ 1,998,759
Delanco Township SA	\$ 1,076,866	\$ 305,253
Delran SA	\$ 13,694,636	\$ 4,493,991
Delran Township	\$ 1,949,550	\$ 434,696
Denville Township	\$ 18,205,604	\$ 7,985,291
Deptford Township 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	\$ 19,720,209	\$ 9,948,251
East Orange City (JM)	\$ 421,219	\$ 176,536
East Rutherford Borough	\$ 896,793	\$ 123,271
East Windsor MUA	\$ 52,527,046	\$ 18,254,804
East Windsor Township	\$ 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 Township	\$ 3,299,256	\$ 935,748
Egg Harbor Township 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 Township	\$ 2,643,250	\$ 1,164,675
Ewing Lawrence SA	\$ 46,611,576	\$ 14,520,193
Ewing Township	\$ 4,236,765	\$ 1,507,606
Fanwood Borough	\$ 1,362,256	\$ 305,540
Flemington Borough	\$ 4,774,751	\$ 1,488,905
Florence Township	\$ 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 Township	\$ 3,495,733	\$ 1,042,802
Franklin Township 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 Township	\$ 2,384,284	\$ 685,281
Garfield City	\$ 6,122,693	\$ 1,652,201
Gibbsboro Borough	\$ 2,097,711	\$ 744,500

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Glen Ridge Borough	\$ 9,140,960	\$ 2,683,148
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 Township	\$ 5,487,649	\$ 1,190,883
Gloucester Township MUA	\$ 13,756,528	\$ 4,078,573
Great Gorge Terrace Condo Assoc, Inc.	\$ 846,930	\$ 796,468
Hackensack City	\$ 10,085,245	\$ 4,469,455
Hackettstown MUA	\$ 12,154,566	\$ 4,796,442
Haddon Township	\$ 6,387,500	\$ 2,226,244
Hainesport Township	\$ 13,711,900	\$ 3,896,590
Haledon Borough	\$ 1,538,000	\$ 594,614
Hamburg Borough	\$ 1,868,690	\$ 987,165
Hamilton Township	\$ 5,945,429	\$ 2,320,914
Hamilton Township MUA	\$ 6,543,167	\$ 1,777,497
Hammonton Town	\$ 28,868,026	\$ 9,272,302
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 Township	\$ 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	\$ 10,666,450	\$ 4,567,751
Hillsborough Township	\$ 7,082,919	\$ 2,147,767
Hillside Township (JM)	\$ 1,989,311	\$ 963,907
Hoboken City	\$ 60,285,438	\$ 24,732,102
Holmdel Township	\$ 5,902,119	\$ 2,018,779
Hopatcong Borough	\$ 28,639,882	\$ 7,261,052
Howell Township	\$ 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 Township (JM)	\$ 5,576,177	\$ 2,774,027
Island Heights Borough	\$ 5,129,500	\$ 1,855,216
Jackson Township	\$ 1,166,859	\$ 983,650
Jackson Township MUA	\$ 45,819,156	\$ 11,112,253
Jefferson Township	\$ 1,387,350	\$ 414,472
Jefferson Township- Mountain Shores POA	\$ 647,816	\$ 763,165
Jersey City MUA	\$ 193,017,773	\$ 66,536,394
Keansburg Borough	\$ 5,790,422	\$ 3,147,805
Kearny MUA	\$ 12,802,824	\$ 4,485,446

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Kearny Town	\$ 26,609,403	\$ 8,401,457
Lake Tamarack Water Co	\$ 151,020	\$ 45,919
Lakewood Township 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 Township	\$ 1,175,095	\$ 336,574
Lebanon Township	\$ 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 Township (BB)	\$ 3,885,916	\$ 2,705,413
Livingston Township	\$ 17,209,276	\$ 8,669,488
Lodi Borough	\$ 140,650	\$ 20,213
Logan Township MUA	\$ 2,975,000	\$ 993,242
Long Beach Township	\$ 48,593,767	\$ 18,173,404
Long Branch SA	\$ 42,793,640	\$ 20,172,264
Long Hill Township	\$ 16,726,597	\$ 6,310,889
Longport Borough	\$ 3,883,629	\$ 1,340,206
Lopatcong Township	\$ 200,000	\$ 14,171
Lower Township MUA	\$ 8,033,482	\$ 3,310,235
Lumberton Township	\$ 2,072,303	\$ 600,715
Lyndhurst Township	\$ 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 Township	\$ 3,361,318	\$ 532,625
Manchester Township	\$ 3,507,498	\$ 1,263,026
Manchester UA	\$ 9,556,772	\$ 5,140,594
Mantua Township MUA	\$ 6,681,352	\$ 2,216,606
Manville Borough	\$ 6,731,831	\$ 2,891,297
Maple Shade Township	\$ 37,072,255	\$ 12,973,043
Maplewood Township	\$ 394,262	\$ 138,034
Margate City	\$ 937,449	\$ 273,180
Marlboro Township	\$ 19,595,719	\$ 6,197,271
Matawan Borough	\$ 8,930,224	\$ 2,308,519
Maywood Borough	\$ 845,977	\$ 391,179
Medford Township	\$ 24,214,127	\$ 9,746,992
Mendham Township	\$ 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

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Merchantville-Pennsauken WC	\$ 9,589,558	\$ 2,621,928
Middle Township	\$ 347,597	\$ 101,488
Middlesex Borough	\$ 2,963,923	\$ 1,060,496
Middlesex County UA	\$ 402,022,992	\$ 109,208,947
Middlesex Water Co	\$ 131,124,689	\$ 52,631,611
Middletown Township SA	\$ 21,293,423	\$ 7,241,286
Midland Park Borough	\$ 518,020	\$ 181,137
Millburn Township	\$ 2,076,373	\$ 601,380
Milltown Borough	\$ 20,825,592	\$ 7,307,187
Millville City	\$ 32,759,189	\$ 11,651,520
Mine Hill Township	\$ 1,804,557	\$ 591,563
Monmouth County Bayshore Outfall Authority	\$ 1,818,952	\$ 520,567
Monmouth County IA	\$ 1,350,828	\$ 150,421
Monroe Township	\$ 2,835,280	\$ 1,119,317
Montclair State University	\$ 2,628,290	\$ 670,937
Montclair Township	\$ 10,175,941	\$ 3,128,242
Montgomery Township	\$ 32,216,019	\$ 14,738,781
Montville Township	\$ 4,201,069	\$ 1,314,377
Montville Township MUA	\$ 6,647,108	\$ 2,870,083
Moonachie Borough PA	\$ 407,701	\$ 58,686
Moorestown Township	\$ 31,533,622	\$ 6,787,170
Morris Township	\$ 40,763,641	\$ 17,375,407
Morristown Town	\$ 56,186,196	\$ 27,386,830
Mt Arlington Borough	\$ 9,938,480	\$ 2,982,587
Mt Holly MUA	\$ 26,287,025	\$ 7,933,862
Mt Laurel Township MUA	\$ 55,857,723	\$ 19,187,738
Mt Olive Township	\$ 29,640,514	\$ 8,962,747
Musconetcong SA	\$ 26,649,160	\$ 7,967,567
National Park Borough	\$ 1,622,330	\$ 888,830
Neptune Township	\$ 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	\$ 285,142,790	\$ 150,895,075
Newfield Borough	\$ 1,102,010	\$ 739,673
Newton Town	\$ 12,722,306	\$ 6,075,201
NJ American Water	\$ 230,090,196	\$ 77,775,019
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 Authority	\$ 744,201	\$ 161,691

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
NJ Water Supply Authority	\$ 56,572,893	\$ 13,213,026
North Arlington Borough	\$ 507,322	\$ 181,979
North Bergen MUA	\$ 80,472,196	\$ 37,534,581
North Brunswick Township	\$ 25,001,136	\$ 6,700,728
North Hudson SA	\$ 204,600,725	\$ 88,732,356
North Jersey District Water SC	\$ 39,662,072	\$ 11,816,541
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 Township	\$ 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 Township	\$ 17,697,545	\$ 6,959,570
Ocean Township SA	\$ 33,061,440	\$ 9,617,147
Oceanport Borough	\$ 23,149,779	\$ 7,668,982
Old Bridge MUA	\$ 68,766,064	\$ 19,995,996
Old Bridge Township	\$ 9,148,278	\$ 3,056,727
Old Tappan Borough	\$ 12,773,936	\$ 4,337,233
Oradell Borough	\$ 4,146,949	\$ 1,033,526
Orange Township City	\$ 11,595,473	\$ 3,600,511
Palmyra Borough	\$ 3,526,750	\$ 791,108
Paramus Borough	\$ 1,661,330	\$ 623,550
Parsippany-Troy Hills Township	\$ 25,862,149	\$ 12,700,828
Passaic Valley SC	\$ 265,408,137	\$ 97,294,324
Passaic Valley WC	\$ 115,781,544	\$ 43,576,563
Paterson City	\$ 25,375,227	\$ 11,191,565
Paulsboro Borough	\$ 2,650,164	\$ 508,394
Pemberton Township	\$ 1,872,559	\$ 971,967
Pennington Borough	\$ 1,446,190	\$ 1,376,656
Pennsauken SA	\$ 929,000	\$ 269,204
Pennsville Township	\$ 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	\$ 20,836,311	\$ 7,514,943
Phillipsburg Town	\$ 39,027,801	\$ 18,562,624
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 Township	\$ 22,082,853	\$ 2,799,923

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Point Pleasant Beach Borough	\$ 4,833,915	\$ 1,900,159
Point Pleasant Borough	\$ 1,638,485	\$ 1,187,949
Pompton Lakes Borough MUA	\$ 16,605,641	\$ 8,087,172
Princeton (Borough & Township)	\$ 31,212,157	\$ 12,582,229
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 Township	\$ 13,533,063	\$ 5,910,293
Raritan Township MUA	\$ 20,861,756	\$ 8,097,403
Readington Township	\$ 2,415,097	\$ 745,149
Red Bank Borough	\$ 4,444,587	\$ 2,773,376
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 Authority	\$ 1,589,040	\$ 440,387
Robbinsville Township (Washington Township)	\$ 1,360,000	\$ 393,950
Rockaway Valley RSA	\$ 31,509,736	\$ 12,249,504
Roosevelt Borough	\$ 1,339,588	\$ 310,402
Roselle Borough	\$ 1,943,011	\$ 798,706
Rosemont Water Co	\$ 120,782	\$ 31,238
Roxbury Township	\$ 39,917,151	\$ 19,082,071
Runnemede Borough	\$ 2,047,000	\$ 712,532
Runnemede Borough SA	\$ 1,572,106	\$ 506,856
Saddle Brook Township	\$ 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
Sea Girt Borough	\$ 5,941,102	\$ 1,950,481
Seaside Park Borough	\$ 12,426,409	\$ 4,355,212
Secaucus MUA	\$ 3,049,345	\$ 2,251,038
Secaucus Town	\$ 3,325,000	\$ 1,242,021
Ship Bottom Borough	\$ 9,086,484	\$ 2,812,748
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 Township	\$ 1,441,280	\$ 486,103
South Monmouth RSA	\$ 8,743,971	\$ 2,731,100
South Orange Township	\$ 596,683	\$ 107,943
South Orange Township (JM)	\$ 879,905	\$ 532,888
South River Borough	\$ 6,112,500	\$ 2,076,830

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
Southeast Monmouth MUA	\$ 16,121,774	\$ 5,325,356
Stafford MUA	\$ 4,368,651	\$ 1,482,364
Stafford Township	\$ 40,443,840	\$ 12,734,358
Stanhope Borough	\$ 2,197,250	\$ 991,182
Stillwater Township 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	\$ 20,026,056	\$ 3,652,733
Swedesboro Boro	\$ 95,589	\$ 13,070
Tewksbury Township	\$ 413,961	\$ 134,579
Toms River MUA	\$ 18,891,094	\$ 7,437,568
Toms River Township	\$ 730,146	\$ 730,146
Toms River Township (Dover Township)	\$ 754,766	\$ 210,272
Trenton City	\$ 151,151,919	\$ 55,764,740
Tuckerton Borough	\$ 8,000,501	\$ 3,451,760
Two Rivers Water Reclamation Authority (NE Monmouth)	\$ 49,357,977	\$ 16,034,007
Union Beach Borough	\$ 600,000	\$ 203,177
Union Township	\$ 184,330	\$ 21,813
Union Township (JM)	\$ 3,159,054	\$ 1,304,138
Valley View Healthcare & Rehab Center	\$ 24,252	\$ 5,124
Ventnor City	\$ 6,819,407	\$ 2,608,306
Verona Township	\$ 22,863,811	\$ 10,727,360
Village of Lake Glenwood, Inc	\$ 811,765	\$ 987,158
Vineland City	\$ 10,178,998	\$ 5,443,548
Voorhees Township	\$ 6,349,596	\$ 2,372,128
Waldwick Borough	\$ 2,951,564	\$ 845,103
Wall Township	\$ 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 Township SA	\$ 12,692,421	\$ 4,193,270
Washington Borough	\$ 17,233,521	\$ 5,490,872
Washington Township MUA	\$ 21,630,787	\$ 6,562,603
Watchung Borough	\$ 3,458,390	\$ 1,011,107
Waterford Township MUA	\$ 5,454,244	\$ 1,502,817
Wayne Township	\$ 14,759,658	\$ 6,146,290
Weehawken Township	\$ 8,734,336	\$ 2,102,017
West Deptford Township	\$ 18,199,718	\$ 5,128,249
West Milford MUA	\$ 11,327,665	\$ 6,076,600
West Orange Township	\$ 2,447,091	\$ 848,289
West Orange Township (JM)	\$ 3,987,399	\$ 1,975,821
West Windsor Township	\$ 3,269,984	\$ 945,484

WATER BANK: LONG-TERM LOAN HISTORY SFY1987-2022

BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Saving*
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	\$ 3,741,500	\$ 987,447
Wildwood Crest Borough	\$ 16,930,111	\$ 6,806,471
Willingboro MUA	\$ 26,921,531	\$ 13,515,691
Willingboro Township	\$ 1,187,400	\$ 496,236
Winslow Township	\$ 13,550,864	\$ 4,546,946
Wonder Lakes Properties, Inc.	\$ 141,202	\$ 16,997
Woodbridge Township	\$ 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	\$ 2,145,721
Total	\$ 8,114,088,975	\$ 2,922,200,897

*Principal Forgiveness and Interest



Newark City 350 Miles of Small Sewer Rehabs (CSO). **SFY2022 Loan: \$19,452,964**

New Jersey Infrastructure Bank

Financing New Jersey's Water Quality & Transportation Future



Before



After

Camden County Westfield Avenue Reconstruction. SFY2022 Loan: \$1,786,364

TRANSPORTATION BANK: OVERVIEW

INTRODUCTION

The I-Bank, working in partnership with the NJ Department of Transportation (DOT), administers the NJ Transportation Bank Infrastructure Financing Program (Transportation Bank) with a mission to make low-cost loans to qualified counties, municipalities, and regional transportation authorities, to finance transportation infrastructure projects. These projects enhance safety, improve quality of life, and help meet travel and commerce demands.

SURFACE TRANSPORTATION PROGRAM

The Surface Transportation Program receives an annual appropriation of \$22.6 million from the State Transportation Trust Fund (TTF) that can be levered with borrowed funds into approximately \$40 million of project financing. Separate and apart from funds available through State grant programs, such as the DOT's Local Aid Program, these low-cost funds allow local governments to move forward with their transportation projects and may also be used to supplement State grant funds if they are insufficient to cover the entire cost of a project.

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 con-

necting to passenger stations, grade crossings, and other necessary roadside improvements.

ELIGIBLE BORROWERS

An eligible borrower for the I-Bank's surface transportation program is a local government unit 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 include soft costs such as fees related to environmental planning, permitting, engineering, financial advisor, and legal counsel as well as construction expenses, rights of way acquisition, and project management costs.

OVERVIEW OF THE PROGRAM

To be eligible for program financing, Borrowers must have their project identified on the Transportation Bank Project Priority List (PPL). Upon application submission, projects are placed by I-Bank Staff on the ensuing year's PPL pursuant to the ranking methodology set forth by the DOT Commissioner in the Program's annual January Report submitted to the Legislature by January 15th preceding the start of each fiscal year. Applicants must also demonstrate an ability to satisfy loan repayment obligations by meeting the requirements of the I-Bank's credit-

worthiness standards and guidelines, which include the prerequisite for an investment grade rated municipal or county general obligation pledge.

The Surface Transportation Program offers short-term loan funds during the 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 50% of the I-Bank's AAA rated cost of funds.

FINANCING PROCESS

To ensure the Surface Transportation Program's limited appropriations are utilized quickly and efficiently, projects are allocated funds only when the construction contract is expected to be awarded within a time frame that meets the construction readiness standards (within 12 months of concurrence of award from the DOT for most surface transportation projects and within 24 months for bridges and complicated projects). The I-Bank allocates funds to projects for the Surface Transportation Program at the beginning of each calendar quarter based on a project's relative rank and readiness. In allocating funds to a project, the I-Bank reserves an amount of funds equal to the project's estimated

TRANSPORTATION BANK: OVERVIEW (CONTINUED)

costs. A borrower receiving an allocation may close a short-term loan upon I-Bank certification of a contract. The three types of contracts eligible for certification are engineering design, construction management, and construction.

[SFY2022 ALLOCATION DETAIL](#)

During SFY2022, the I-Bank's Transportation Program allocated \$9 million to five projects, increasing the overall number of projects which have received an allocation in the Transportation Bank Program to 23 for an amount totaling \$93.1 million. These allocations over the four years of the Transportation Bank's operations, combined with the I-Bank's leveraging of borrowed funds, reflect a commitment of more than 92.2% of available appropriations.

[SFY2022 LOAN DETAIL](#)

During SFY2022, three borrowers closed on short-term loans for the Surface Transportation Program for a total amount of \$3,678,003. Bayonne city closed on a \$1,628,903 loan for

roadway improvements; Flemington Borough borrowed \$1,671,550 for road improvements; and Raritan Township borrowed \$377,550 for road reconstruction.

During SFY2022, the Surface Transportation Program converted five short-term loans totaling \$18,107,843 to long-term financing 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.

[SFY2022 PROJECT FINANCING](#)

In SFY2022, short-term loan interest rates were set at the beginning of each month based on the SIFMA (Securities Industry and Financial Markets Association) rate. Interest was only charged on funds drawn for the time such draws were outstanding. In SFY2022, the interest rate on the short-term loan program ranged from 0.25% during the first month of the fiscal year

and increased to 1.02% for the last month. Debt service repayments are generally not due during short-term borrowing and commence after conversion to a long-term loan.

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

The interest rate for the long-term direct loans was set at 50% of the interest rate that was established by the I-Bank's series 2022A-1 bonds adjusted by 50 bps to account for the newness of the Surface Transportation Program. These bonds were issued to finance projects in its Water Bank program on the same day that the Transportation Bank long-term direct loans were closed.

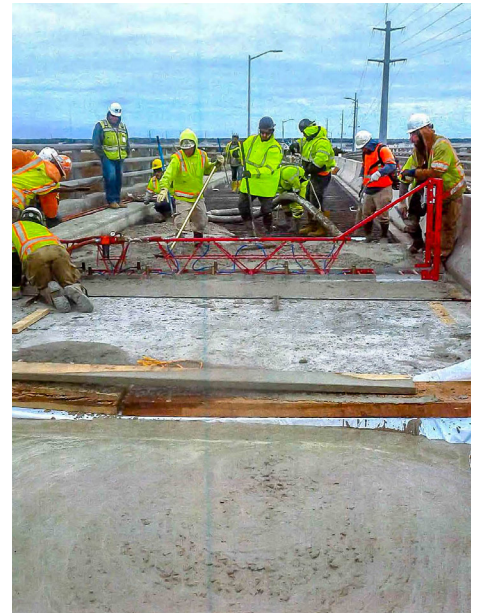


Camden County Westfield Avenue Reconstruction. [SFY2022 Loan: \\$1,786,364](#)

TRANSPORTATION BANK: SFY2022 TRANSPORTATION FINANCING PROGRAM - LEGISLATIVE REPORTS

Pursuant to the I-Bank’s Enabling Act, the DOT and the I-Bank are required to publish annual legislative reports in January and May respectively. These reports outline the Transportation Bank program requirements for the ensuing fiscal year and provide financing and administrative guidance to the public. The Transportation Infrastructure Bank Priority System and the Transportation Infrastructure Project Priority List (together, the “January Report”) include project and applicant eligibility requirements, the system and methodology for prioritizing projects for

funding and the initial list of projects eligible for funding in the upcoming fiscal year (“PPL”). The Financial Plan (“May Report”) identifies the process by which Transportation Bank projects will be funded in the upcoming fiscal year including, but not limited to, the loan terms and conditions, interest rates, fees, and loan closing prerequisites. As of the end of SFY2022, the PPL contained 30 projects, 23 of which have been allocated funds.



Cape May County Avalon Boulevard Bridge Deck. **SFY2022 Loan: \$9,627,220**

TRANSPORTATION BANK: OUTSTANDING SUBMISSIONS BY ASSET CATEGORY - SFY2022 YEAR-END

Asset Category	Number of Projects	Amount
Road Assets	18	\$ 66,894,594
Multimodal	4	\$ 11,615,000
Bridge	8	\$ 41,347,658
Total	30	\$ 119,857,252



Little Silver Borough Sidewalk Repair. **SFY2022 Loan: \$2,388,507**



TRANSPORTATION BANK: SFY2022 LONG-TERM FINANCING SUMMARY

The NJ Transportation Bank has grown dramatically since it received its initial appropriations in late SFY2018. The financing program was launched swiftly, closing its first short-term loan with Camden County for a \$1.8 million road improvement project within eight months of having established operations. The Transportation Bank continues to gain momentum, evidenced by the closing of the program's first long-term loans in SFY2022.

The I-Bank established the Transportation Bank Master Indenture, which is the vehicle by which the funds in the Transportation Bank will be lent long-term, levered, and "revolve" through debt service repayments. The Master Indenture captures the loan repayment funds from existing long-term loans and distributes the funds available for future transportation infrastructure projects and for collateralization of future bond issues.

Little Silver Borough, Burlington, Camden, Cape May, and Essex Counties, all closed long-term loans in SFY2022. The total amount of these loans was \$18.1 million with an estimated aggregate savings to the borrowers of \$2.82 million. These projects exemplify how project sponsors in the program have benefitted not only by a successful completion of their projects, but also by the substantial savings earned by financing through the program.

Camden County, the first borrower to take advantage of the Transportation Bank financing program funded the repair of Westfield Avenue in Camden City for \$1,787,267. The project included HMA milling, paving, reinforced concrete pavement repair, storm drainage pipe replacement, manholes, inlets, and handicap ramps. Decorative brick paver curb strips, pavement markings, loop detectors, optical cameras and signage improvement were also included in the project. The county saved an estimated \$164,365, or 9.2% by financing the project through the Transportation Bank's combination of zero percent and AAA rated funds.

Burlington County borrowed \$2,440,000 for the demolition of the Centerton Road Bridge over Rancocas Creek. The 112-year-old span was compromised due to severe deterioration and separation from its abutments. Because such structural deficiencies made the bridge dangerous, it was closed in 2015 and then demolished due to safety concerns over a two-year period from 2019 to 2020. The County entered a five-year loan with the Transportation Bank and saved an estimated \$72,044 versus borrowing through a standard bank loan.

Cape May County financed a \$9,627,220 project through the NJ Transportation Bank to rehabilitate the Avalon Boulevard bridge deck over

Ingrams Throughfare. The project consisted of the hydro demolition of the entire deck surface to remove deteriorated concrete. The deck was resurfaced with new concrete, ground to a smooth surface, and saw-cut for traction and skid resistance. Because of severe deterioration, some of the existing deck required full depth concrete repairs. Cape May County saved approximately \$1,446,715, or 15.0% by financing the project through the Transportation Bank's combination of zero percent and AAA rated funds.

Essex County borrowed \$1,864,849 from the NJ Transportation Bank to replace the New Dutch Lane Bridge over Deepavaal Brook, in Fairfield, NJ. The original two-span structure, built in 1940, consisted of reinforced concrete T-Beams and a bituminous concrete deck. The superstructure was supported by timber abutments and pier caps on timber piles. The original span total structure length was approximately 40 feet. The bridge had a curb-to-curb width of 40 feet and a total bridge width of approximately 43.5 feet including two travel lanes, one in each direction, with a narrow shoulder on each side of the bridge with no sidewalks.

The bridge inspection report found structural deficiency due to poor substructure condition, severe decay, up to one-inch-wide checks and splits on numerous piles at both abutments and

TRANSPORTATION BANK: SFY2022 LONG-TERM FINANCING SUMMARY (CONTINUED)

the pier. The bridge was replaced in kind with two travel lanes, and a shoulder on each side of the bridge. By financing through the program, Essex County saved approximately \$405,616 or 21.8%.

Little Silver Borough, in Monmouth County, financed two phases of a sidewalk repair project through the Transportation Bank totaling \$2,388,507. Phase I replaced broken sidewalks along the western side of Branch Avenue, a rarely traveled pedestrian thor-

oughfare to the Little Silver Train Station and the NJ Transit North Jersey Coast Line. Phase II of the project repaired sidewalks on eight connected roadways including Oceanport and Prospect Avenues, and Harding and Kings Road. Little Silver Borough saved approximately \$730,175, or 30.6% by financing the project through the Transportation Bank's combination of zero percent and AAA rated funds.

The total savings of \$2.8 million for these inaugural five long-term borrow-

ers in the Transportation Bank program illustrates the financial benefits the program offers local government units in the State. These loans were pledged to the Transportation Bank's aforementioned new Master Trust Indenture as collateral to provide coverage for future Transportation Bank bond series. Proceeds from these future bond series will be utilized to finance additional transportation projects and provide similar financial savings to local government units throughout the State.



Cape May County Avalon Boulevard Bridge Deck Rehabilitation. SFY2022 Loan: \$9,627,220.

TRANSPORTATION BANK: *NJ-MOVES* APPLICATION PROCESS

The Transportation Bank launched its first iteration of the web-based financing application platform, called "NJ-Moves", in late SFY2018. NJ-Moves offers a streamlined application process for the financing of transportation infrastructure projects, providing borrowers a quick and efficient process that eliminates duplication of efforts and minimizes input errors. Utilizing industry standard security practices, the information flow is encrypted and stored in a secure cloud-based environment, offering a centralized location to review and manage project information. The initial releases of NJ-Moves have included the following functionality:

- Creation and tracking of transportation projects
- Upload and storage of required documents (Contracts, Plans, Specs, Estimates, etc.)

- Ability to conveniently add/manage an Organization's Members and Consultants to help facilitate the application process
- Collaboration with NJDOT's and NJIB's Engineers and Project Managers
- Maintenance of all Engineering Design, Construction Management and Building Costs
- Upload functionality for project closeout files and documents
- Financial Addendum Forms (FAF) for both short-term and long-term loans
- Storage of a project's Base Rating determined by the NJ Department of Transportation

As the program grows and evolves, the Transportation Bank continues to improve the platform by making accommodations for 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 and technical reviews (Environmental, Engineering Design, DLGS Approval, Credit Checks)
- Track individual contract certification (Engineering Design, Construction Management, and Construction)
- View and approve Loan exhibits within the application
- Submit and upload electronic reimbursement requests with supporting invoices
- Update project information
- View a project's Combined Rating and Ranking (NJ Department of Transportation + NJ Infrastructure Bank)

TRANSPORTATION BANK: OUTSTANDING SHORT-TERM LOANS SFY2022 YEAR-END

Issue Year	Borrower	Loan Amount
2019	City of Orange Twp	\$ 9,910,000
2019	Somerdale Borough	\$ 2,053,550
2020	Hackensack City	\$ 3,921,780
2021	Atlantic County	\$ 11,615,000
2021	Bayonne City	\$ 2,921,230
2021	Raritan Twp	\$ 2,822,950
2021	Wildwood City	\$ 10,455,000
2022	Bayonne City	\$ 1,628,903
2022	Flemington Borough	\$ 1,671,550
2022	Raritan Twp	\$ 377,550
Total		\$ 47,377,513

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APPENDIX
INDEPENDENT AUDITOR'S REPORT

New Jersey Infrastructure Bank

(A Component Unit of the State of New Jersey)

Financial Report
June 30, 2022 and 2021

Contents

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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), as of and for the years ended June 30, 2022 and 2021, 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 business-type activities and each major of the New Jersey Infrastructure Bank, as of June 30, 2022 and 2021, 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.

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 29, 2022, 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 29, 2022

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

The New Jersey Infrastructure Bank (I-Bank) is structured organizationally as two distinct operating departments: (i) the Environmental Infrastructure Trust (EIT), 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), and (ii) the Transportation Infrastructure Bank (TIB), 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) (each a Financing Program).

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 years ended June 30, 2022 and 2021 relative to each other. 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 two parts, the Management's Discussion and Analysis (this section) and the basic financial statements, including notes. The I-Bank is a state financing entity. 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 statements 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. The primary purpose of these statements is 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 and answers such questions as sources of cash and uses of cash during the reporting period.

The following analysis is segregated into the I-Bank's two separate Financing Programs: the Water Bank and the Transportation Bank. Throughout this document the terms **Water Bank** and **Transportation Bank** 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, 2022 and 2021**

Water Bank

Financial highlights for the year ended June 30, 2022:

- Assets increased by \$56,520,386 or 6.12%
 - Cash and investments (excluding earmarked but, as of yet, undisbursed project funds) decreased by \$47,475,066 or (12.35%)
 - Total loans increased by \$103,334,075 or 19.28%
- Liabilities increased by \$34,598,648 or 1118.11%
- Net position increased by \$21,921,738 or 2.38%
- Operating revenues decreased by \$3,477,981 or (57.12%)
- Non-operating revenues decreased by \$70,880,346 or (72.88%)
- Operating expenses increased by \$1,055,296 or 17.58%

Financial highlights for the year ended June 30, 2021:

- Assets increased by \$98,406,668 or 11.92%
 - Cash and investments (excluding earmarked but, as of yet, undisbursed project funds) increased by \$51,100,733 or 15.33%
 - Total loans increased by \$47,293,797 or 9.68%
- Liabilities increased by \$1,071,310 or 52.95%
- Net position increased by \$97,335,358 or 11.82%
- Operating revenues decreased by \$7,676,033 or (55.77%)
- Non-operating revenues decreased by \$139,785,130 or (58.97%)
- Operating expenses increased by \$905,358 or 17.76%

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.

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Water Bank, (Continued)

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

The State-wide Assistance Infrastructure Loan (SAIL) Program provides timely and cost-effective interim funding for borrowers to repair disaster-damaged infrastructure and improve the resiliency of Clean Water and Drinking Water systems. The short-term SAIL Program provides advance funding to water systems working with FEMA, 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 through the I-Bank's traditional long-term Water Bank.

With few exceptions, Water Bank Short-Term Construction Program and SAIL Program loans outstanding during SFY2022 were charged an interest rate ranging from 0.07% to 0.348% reflecting a blended rate of funds from the I-Bank's Extended Commercial Paper (ECP) and the NJDEP.

Upon construction completion, the Water Bank converts the program's short-term and 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 zero percent interest and a Trust Loan provided by the I-Bank, a component of which may receive an interest subsidy provided by the NJDEP in lieu of the State providing a 0% loan. The I-Bank acts as a conduit lender, either procuring proceeds from bonds issued in the public municipal market or through private bonds sold through the Federal Water Infrastructure Finance and Innovation Act (WIFIA) and provides the proceeds to participating borrowers at the all-in cost of funds net of any interest subsidy. In cases of de-minimis loans or unique circumstances, the Water Bank will often act as a direct long-term lender by providing its portion of long-term financing from cash-on-hand rather than bond proceeds.

During SFY2022 and SFY2021, the Water Bank closed on 44 and 105 short-term loans, respectively. In SFY2022, the cash and investment balances, decreased as the Water Bank paid out more requisitions for the Short-Term Construction Loan Program than the cash it received through appropriations from the DEP.

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Water Bank, (Continued)

The following table summarizes the net position changes of the Water Bank between June 30, 2022, 2021 and 2020:

	2022	2021	Percent Increase (Decrease)	2020	Percent Increase (Decrease)
Current loans receivable	\$ 274,239,632	\$240,669,140	13.95 %	\$ 258,421,787	(6.87)%
Noncurrent loans receivable	365,041,756	295,278,173	23.63 %	230,231,729	28.25 %
Cash for borrowers - undisbursed reserve funds	80,000	80,000	0.00 %	80,000	0.00 %
Total loans	<u>639,361,388</u>	<u>536,027,313</u>	19.28 %	<u>488,733,516</u>	9.68 %
Current cash and cash equivalents, as reduced by undisbursed reserve funds	186,284,320	250,069,794	(25.51)%	201,321,623	24.21 %
Current investments	37,714,610	27,835,197	35.49 %	31,453,089	(11.50)%
Noncurrent investments	113,072,372	106,641,378	6.03 %	100,670,923	5.93 %
Administrative fee receivable	2,232,577	2,207,165	1.15 %	2,304,085	(4.21)%
Due from Transportation	-	540,207	(100.00)%	323,165	67.16 %
Other assets	1,763,536	587,363	200.25 %	695,348	(15.53)%
Total assets	<u>\$ 980,428,802</u>	<u>\$923,908,417</u>	6.12 %	<u>\$ 825,501,749</u>	11.92 %
Accounts payable	\$ 2,681,158	\$ 3,094,400	(13.35)%	\$ 2,023,090	52.95 %
Accr int payable	11,890	-	-	-	-
Bonds payable	35,000,000	-	-	-	-
Total liabilities	<u>\$ 37,693,048</u>	<u>\$ 3,094,400</u>	1118.11 %	<u>\$ 2,023,090</u>	52.95 %
Restricted	\$ 905,953,273	\$871,621,805	3.94 %	\$ 774,091,822	12.60 %
Unrestricted	36,782,482	49,192,212	(25.23)%	49,386,837	(0.39)%
Total net position	<u>\$ 942,735,755</u>	<u>\$920,814,017</u>	2.38 %	<u>\$ 823,478,659</u>	11.82 %

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Water Bank, (Continued)

For SFY2022, the Water Bank's investment income decreased as a result of the lower balance of investments coupled with rapidly rising market interest rates creating much higher FMV losses for investments held in the portfolio in the second half of the fiscal year, versus SFY2021. Interest Income from loans increased 1,127% in SFY2022 due interest accrued on short-term loans loan balances which had not been charged interest in SFY2021. For SFY2022, the Water Bank's administrative fees remained relatively flat compared to SFY2021 due to relatively level outstanding long-term loans throughout the year. 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 decreased substantially due to receiving \$21 million in net funding from the State through the NJDEP in SFY2022 to support the Short-Term Construction Loan Program compared to \$95 million in SFY2021. The Water Bank's expenses increased primarily due to costs incurred in SFY2022 associated with the completion of the long-term financing process involving the I-Bank's first WIFIA loan, the completion of both a Fall and a Spring bond deal, and interest costs related to the issuance of the I-Bank's extendable commercial paper (ECP) for liquidity in the Short-Term Construction Loan Program. Increasing expenses related to employee salary and benefits was also a contributing factor.

For SFY2021, the Water Bank's administrative fees decreased by (12.21%) as there were no refunding issuances during the year versus three refunding series issued in SFY2020 whereby borrowers reimbursed the Water Bank for costs of issuance. The maturity and associated fees of a large bond issue also caused a reduction in overall administrative fees. The Water Bank's non-operating revenues decreased substantially due to receiving net funding of \$95 million from the State through the NJDEP to support the Short-Term Construction Loan Program in SFY2021 compared to \$235 million in funds in SFY2020. The Water Bank's investment income decreased primarily due to low interest rates for short term securities such as money market funds in conjunction with decreased average holdings throughout the year, further negatively impacted by the FMV losses for SFY2021 versus SFY2020 due to increasing yields for the maturities of the portfolio's holding. Miscellaneous income relates to the return of funds that had been held in debt service reserve accounts for bonds that are no longer outstanding. The Water Bank's expenses increased primarily due to costs incurred in SFY2021 associated with the establishment of two new programs, i) long-term financing through of the federal WIFIA loan program and ii) short-term financing through the issuance of ECP. Increasing expenses related to employee benefits was also a contributing factor.

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Water Bank, (Continued)

The following table summarizes the changes in Water Bank net position between fiscal years June 30, 2022, 2021 and 2020:

	2022	2021	Percent Increase (Decrease)	2020	Percent Increase (Decrease)
Net position, beginning of year	\$ 920,814,017	\$ 823,478,659		\$577,776,780	
Investment income	(4,705,715)	330,773	(1522.64)%	7,216,872	(95.42)%
Loan interest income	1,666,743	135,815	1127.21 %	144,084	(5.74)%
Administrative fees	5,649,395	5,621,816	0.49 %	6,403,481	(12.21)%
Miscellaneous	5,528,068	1,856,632	197.75 %	2,036,084	(8.81)%
State appropriations - current year	20,842,541	95,394,323	(78.15)%	235,000,000	(59.41)%
Total revenues	<u>28,981,033</u>	<u>103,339,358</u>	(71.96)%	<u>250,800,521</u>	(58.80)%
Administrative expenses	6,927,168	6,004,000	15.38 %	5,098,642	17.76 %
Interest expenses	132,127	-	-	-	-
Total expenses	<u>7,059,296</u>	<u>6,004,000</u>	17.58 %	<u>5,098,642</u>	17.76 %
Change in net position	21,921,737	97,335,358	(77.48)%	245,701,878	(60.38)%
Net position, end of year	<u>\$ 942,735,755</u>	<u>\$ 920,814,017</u>	2.38 %	<u>\$823,478,659</u>	11.82 %

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Transportation Bank

Financial highlights for the year ended June 30, 2022:

- Assets increased by \$20,666,531 or 23.55%
 - Cash and investments increased by \$8,323,324 or 12.78%
 - Loans increased by \$12,168,540 or 54.35%
- Liabilities decreased by \$540,207 or (100.00%)
- Net position increased by \$21,206,738 or 24.32%
- Operating revenues increased by \$31,665 or 7.30%
- Administrative expenses decreased by \$157,197 or (7.80%)

Financial highlights for the year ended June 30, 2021:

- Assets increased by \$21,234,920 or 31.93%
 - Cash and investments increased by \$8,094,159 or 14.19%
 - Loans increased by \$13,151,772 or 142.36%
- Liabilities increased by \$217,042 or 67.16%
- Net position increased by \$21,017,876 or 31.75%
- Operating revenues decreased by \$571,546 or (56.84%)
- Administrative expenses decreased by \$67,431 or (3.24%)

Financial analysis:

The mission of the Transportation Bank is to provide and administer low interest rate loans to qualified municipalities, counties, 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 fifth annual \$22.6 million SFY2022 appropriation in September of 2021. The State has provided for up to \$2.6 million of the appropriation to be used for operations.

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Transportation Bank, (Continued)

During SFY2022, the investment balance increased primarily due to the receipt of State Appropriations for the Transportation Program offset by the payment of requisitions to borrowers during the state fiscal year which resulted in loans receivable increasing by 54.35%. SFY2022 is the first year the I-Bank has an Administrative Fee receivable due to the first six projects funded with short-term loans completing construction and subsequent conversion to long-term financing. Accounts Payable to the water program decreased as the transportation program had reimbursed the water program for all expenses prior to June 30, 2022.

The following table summarizes the net position changes of the Transportation Bank between June 30, 2022, 2021 and 2020:

	2022	2021	Percent Increase (Decrease)	2020	Percent Increase (Decrease)
Current loans receivable	\$ 6,788,561	\$ 569,070	1092.92 %	\$ 169,666	235.41 %
Noncurrent loans receivable	27,770,316	21,821,267	27.26 %	9,068,899	140.62 %
Total loans	<u>34,558,877</u>	<u>22,390,337</u>	<u>54.35 %</u>	<u>9,238,565</u>	<u>142.36 %</u>
Current cash and cash equivalents	\$ 12,312,178	\$ 36,546,291	(66.31)%	\$ 6,274,230	482.48 %
Current investments	61,129,731	28,572,294	113.95 %	42,756,251	(33.17)%
Noncurrent investments	-	-	-	7,993,945	(100.00)%
Administrative fee receivable	191,159	-	-	-	-
Other assets	224,042	240,535	(6.86)%	251,546	(4.38)%
Total assets	<u>\$ 108,415,987</u>	<u>\$ 87,749,456</u>	<u>23.55 %</u>	<u>\$ 66,514,537</u>	<u>31.93 %</u>
Due to Water for Expenses	\$ -	\$ 540,207	(100.00)%	\$ 323,165	67.16 %
Total liabilities	<u>\$ -</u>	<u>\$ 540,207</u>	<u>(100.00)%</u>	<u>\$ 323,165</u>	<u>67.16 %</u>
Restricted	\$ 101,253,755	\$ 81,301,009	24.54 %	\$ 65,546,040	24.04 %
Unrestricted	7,162,232	5,908,240	21.22 %	645,333	815.53 %
Total net position	<u>\$ 108,415,987</u>	<u>\$ 87,209,249</u>	<u>24.32 %</u>	<u>\$ 66,191,373</u>	<u>31.75 %</u>

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Transportation Bank, (Continued)

For SFY2022, the Transportation Bank's net investment income decreased as a result of the positive impact on interest earnings from (i) rapidly rising market interest rates, (ii) increased assets, and a (iii) a lengthening of portfolio duration (holding less funds in overnight cash), being substantially offset by the increase in FMV losses for investments due to rapidly rising interest rates versus SFY2021. Loan interest income increased in SFY2022 due to an increase in both the amount of short-term loans outstanding as well as short-term rates and the associated income earned on outstanding short-term loans. Administrative fees decreased due to the closing of fewer short-term loans in SFY2022 partially offset by fees earned on the closing of the Transportation Bank's first long-term loans in June of 2022. Administrative expenses decreased in SFY2022 compared to SFY2021, due to unfilled staff positions and lower information technology (I.T.) expenses being offset by higher employee benefit charges.

In SFY2021, investment income decreased due to holdings with shorter maturities compounded with historically low interest rates during the year for short term securities, such as money market funds, which more than offset the interest earned on the increased holdings due to the additional State Appropriation received in September of 2020. Administrative fees increased due to the closing of four loans during SFY2021 versus two loans in SFY2020. Administrative expenses decreased slightly in SFY2021 compared to SFY2020, due to open staff positions and lower I.T. expenses being offset by increased bond counsel fees due to new program activity and higher employee benefit charges.

The following table summarizes the changes in the Transportation Bank net position between fiscal years June 30, 2022, 2021 and 2020:

	2022	2021	Percent Increase (Decrease)	2020	Percent Increase (Decrease)
Net position, beginning of year	\$ 87,209,249	\$ 66,191,373		\$ 44,669,382	
Investment income	84,375	95,964	(12.08)%	878,027	(89.07)%
Loan interest income	156,134	70,163	122.53 %	42,707	64.29 %
Administrative fees	225,061	267,778	(15.95)%	84,717	216.09 %
State appropriations - current year	22,600,000	22,600,000	0.00 %	22,600,000	0.00 %
Total revenues	<u>23,065,570</u>	<u>23,033,905</u>	0.14 %	<u>23,605,451</u>	(2.42)%
Administrative expenses	1,858,832	2,016,029	(7.80)%	2,083,460	(3.24)%
Total expenses	<u>1,858,832</u>	<u>2,016,029</u>	(7.80)%	<u>2,083,460</u>	(3.24)%
Change in net position	21,206,738	21,017,876	0.90 %	21,521,991	(2.34)%
Net position, end of year	<u>\$ 108,415,987</u>	<u>\$ 87,209,249</u>	24.32 %	<u>\$ 66,191,373</u>	31.75 %

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

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
Year Ended June 30, 2022

	Water Bank	Transportation Bank	Total
Assets			
Current assets:			
Unrestricted assets:			
Cash and cash equivalents	\$ 8,317,564	\$ 6,780,959	\$ 15,098,524
Investments	12,537,328	-	12,537,328
Interest receivable	1,214,822	125,143	1,339,965
Loans receivable	581,846	-	581,846
Administrative fee receivable	2,232,577	191,159	2,423,736
Due from Water	-	3,007	3,007
Other assets	116,937	45,980	162,917
Restricted assets:			
Cash and cash equivalents	178,046,756	5,531,219	183,577,975
Investments	25,177,282	61,129,731	86,307,012
Interest receivable	404,925	33,928	438,854
Loans receivable	273,657,786	6,788,561	280,446,347
Total current assets	502,287,824	80,629,688	582,917,511
Noncurrent assets:			
Unrestricted assets:			
Capital assets	26,851	15,984	42,835
Investments	8,317,319	-	8,317,319
Loans receivable	6,118,395	-	6,118,395
Restricted assets:			
Investments	104,755,053	-	104,755,053
Loans receivable	358,923,361	27,770,316	386,693,677
Total noncurrent assets	478,140,979	27,786,300	505,927,279
Total assets	980,428,803	108,415,987	1,088,844,790
Liabilities and Net Position			
Current liabilities:			
Unrestricted liabilities:			
Accounts payable	2,678,151	-	2,678,151
Due to Transportation	3,007	-	3,007
Restricted liabilities:			
Accrued interest payable	11,890	-	11,890
Bonds Payable	35,000,000	-	35,000,000
Total current liabilities	37,693,048	-	37,693,048
Total liabilities	37,693,048	-	37,693,048
Net position:			
Net investment in capital assets	26,851	15,984	42,835
Restricted for debt service	132,082,066	-	132,082,066
Restricted for Interim Financing Loan Program	773,871,206	-	773,871,206
Restricted for Transportation Program	-	101,253,755	101,253,755
Unrestricted	36,755,631	7,146,249	43,901,880
Total net position	942,735,755	108,415,987	1,051,151,742
Total liabilities and net position	\$ 980,428,803	\$ 108,415,987	\$ 1,088,844,790

See notes to financial statements.

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

Statements of Net Position
Year Ended June 30, 2021

	Water Bank	Transportation Bank	Total
Assets			
Current assets:			
Unrestricted assets:			
Cash and cash equivalents	\$ 17,193,727	\$ 6,400,602	\$ 23,594,329
Investments	10,006,647	-	10,006,647
Interest receivable	76,833	138	76,971
Loans receivable	3,893,625	-	3,893,625
Administrative fee receivable	2,207,165	-	2,207,165
Due from Transportation	540,207	-	540,207
Other assets	96,052	25,915	121,967
Restricted assets:			
Cash and cash equivalents	232,956,067	30,145,689	263,101,756
Investments	17,828,550	28,572,294	46,400,844
Interest receivable	377,840	192,689	570,529
Loans receivable	236,775,515	569,070	237,344,585
Total current assets	521,952,228	65,906,397	587,858,625
Noncurrent assets:			
Unrestricted assets:			
Capital assets	36,638	21,792	58,430
Investments	3,699,172	-	3,699,172
Loans receivable	14,536,547	-	14,536,547
Restricted assets:			
Investments	102,942,206	-	102,942,206
Loans receivable	280,741,626	21,821,267	302,562,893
Total noncurrent assets	401,956,189	21,843,059	423,799,248
Total assets	923,908,417	87,749,456	1,011,657,873
Liabilities and Net Position			
Current liabilities:			
Unrestricted liabilities:			
Accounts payable	3,094,400	-	3,094,400
Due to Water	-	540,207	540,207
Total current liabilities	3,094,400	540,207	3,634,607
Total liabilities	3,094,400	540,207	3,634,607
Net position:			
Net investment in capital assets	36,638	21,792	58,431
Restricted for debt service	131,487,173	-	131,487,173
Restricted for Interim Financing Loan Program	740,134,632	-	740,134,632
Restricted for Transportation Program	-	81,301,009	81,301,009
Unrestricted	49,155,574	5,886,448	55,042,022
Total net position	920,814,017	87,209,249	1,008,023,267
Total liabilities and net position	\$ 923,908,417	\$ 87,749,456	\$ 1,011,657,873

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, 2022

	Water Bank	Transportation Bank	Total
Operating revenue:			
Investment income:			
Interest income	\$ 1,762,805	\$ 390,136	\$ 2,152,941
Net increase in the fair value of investments	(6,468,520)	(305,761)	(6,774,281)
Interest income from loans	1,666,743	156,134	1,822,878
Administrative fees	5,649,395	225,061	5,874,456
Total operating revenues	2,610,424	465,570	3,075,994
Operating expenses:			
Interest expenses	132,127	-	132,127
Administrative expenses	6,927,168	1,858,832	8,786,000
Total operating expenses	7,059,296	1,858,832	8,918,128
Operating income (loss)	(4,448,872)	(1,393,262)	(5,842,134)
Nonoperating revenues:			
Miscellaneous	5,528,068	-	5,528,068
State appropriations - current year	20,842,541	22,600,000	43,442,541
Total nonoperating revenue	26,370,609	22,600,000	48,970,609
Change in net position	21,921,737	21,206,738	43,128,476
Net position, beginning of year	920,814,017	87,209,249	1,008,023,267
Net position, end of year	\$ 942,735,755	\$ 108,415,988	\$ 1,051,151,742

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, 2021

	Water Bank	Transportation Bank	Total
Operating revenue:			
Investment income:			
Interest income	\$ 2,091,749	\$ 119,106	\$ 2,210,855
Net increase in the fair value of investments	(1,760,976)	(23,142)	(1,784,118)
Interest income from loans	135,815	70,163	205,978
Administrative fees	5,621,816	267,778	5,889,594
Total operating revenues	6,088,403	433,906	6,522,309
Operating expenses:			
Administrative expenses	6,004,000	2,016,029	8,020,029
Total operating expenses	6,004,000	2,016,029	8,020,029
Operating income (loss)	84,403	(1,582,124)	(1,497,721)
Nonoperating revenues:			
Miscellaneous	1,856,632	-	1,856,632
State appropriations - current year	95,394,323	22,600,000	117,994,323
Total nonoperating revenue	97,250,955	22,600,000	119,850,955
Change in net position	97,335,358	21,017,876	118,353,234
Net position, beginning of year	823,478,659	66,191,373	889,670,032
Net position, end of year	\$ 920,814,017	\$ 87,209,249	\$ 1,008,023,266

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, 2022

	Water Bank	Transportation Bank	Total
Cash flow from operating activities:			
Cash received for administrative fees	\$ 5,623,983	\$ 33,902	\$ 5,657,885
Cash payments for goods and services	(4,481,344)	(1,345,726)	(5,827,070)
Cash payments for salaries and benefits	(2,873,170)	(1,070,578)	(3,943,748)
Cash payments for interest on bonds	(120,237)	-	(120,237)
Disbursement of loan funds to borrowers	(484,352,621)	(13,091,438)	(497,444,059)
Principal received from loans to borrowers	154,320,134	922,898	155,243,032
Interest received from loans to borrowers	549,726	127,332	677,058
Net cash used in operating activities	(331,333,529)	(14,423,610)	(345,757,139)
Cash flows from non-capital financing activities:			
Proceeds from sale of Bonds	35,000,000	-	35,000,000
Miscellaneous	5,528,068	-	5,528,068
Current year State appropriations received	248,084,167	22,600,000	270,684,167
Net cash provided by non-capital financing activities	288,612,235	22,600,000	311,212,235
Cash flows from capital and related financing activities:			
Aquisition of fixed assets	-	-	-
Net cash used in capital and related financing activities	-	-	-
Cash flows from investing activities:			
Interest on investments	284,171	403,528	687,699
Purchase of investments	(65,710,693)	(67,864,031)	(133,574,724)
Proceeds from sale and maturity of investments	44,362,342	35,050,000	79,412,342
Net cash provided by (used in) investing activities	(21,064,180)	(32,410,503)	(53,474,683)
Net increase (decrease) in cash and cash equivalents	(63,785,474)	(24,234,113)	(88,019,587)
Cash and cash equivalents:			
Beginning of year	250,149,794	36,546,291	286,696,085
End of year	\$ 186,364,320	\$ 12,312,178	\$ 198,676,498
Displayed as:			
Cash and cash equivalents - unrestricted	\$ 8,317,564	\$ 6,780,959	\$ 15,098,523
Cash and cash equivalents - restricted	178,046,756	5,531,219	183,577,975
Cash and cash equivalents	\$ 186,364,320	\$ 12,312,178	\$ 198,676,498

(Continued)

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

Statements of Cash Flows (Continued)
Year Ended June 30, 2022

	Water Bank	Transportation Bank	Total
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income	\$ (4,448,872)	\$ (1,393,262)	\$ (5,842,134)
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	(284,171)	(403,528)	(687,699)
Net unrealized and realized gain on investments	6,468,520	305,761	6,774,281
Amortized interest	(1,430,576)	(49,167)	(1,479,743)
Effect of changes in operating assets and liabilities:			-
Decrease in administrative fee receivable	(25,412)	(191,159)	(216,571)
Decrease (increase) in other assets	(20,884)	(20,066)	(40,950)
Decrease (increase) in interest receivable	(1,165,075)	33,757	(1,131,318)
Increase in loans receivable	(330,575,700)	(12,168,540)	(342,744,240)
Increase due from Transportation	543,214	(543,214)	-
Increase due to Water	-	-	-
Increase in interest payable	11,890	-	11,890
Increase in accounts payable	(416,249)	-	(416,249)
Net cash used in operating activities	\$ (331,333,529)	\$ (14,423,610)	\$ (345,757,139)

Supplemental Schedule of Noncash Operating and non-Capital Financing Activities

(Increase) decrease in loans receivable due to assignment	227,241,626	-	227,241,626
Increase (decrease) in State Appropriation due to assignment	(227,241,626)	-	(227,241,626)

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

Statements of Cash Flows
Year Ended June 30, 2021

	Water Bank	Transportation Bank	Total
Cash flow from operating activities:			
Cash received for administrative fees	\$ 5,718,735	\$ 267,778	\$ 5,986,513
Cash payments for goods and services	(2,082,719)	(552,380)	(2,635,099)
Cash payments for salaries and benefits	(2,875,147)	(1,251,426)	(4,126,573)
Disbursement of loan funds to borrowers	(443,428,760)	(13,151,768)	(456,580,528)
Principal received from loans to borrowers	140,643,074	-	140,643,074
Interest received from loans to borrowers	137,922	-	137,922
Net cash used in operating activities	(301,886,895)	(14,687,796)	(316,574,691)
Cash flows from non-capital financing activities:			
Miscellaneous	1,856,632	-	1,856,632
Current year State appropriations received	350,669,171	22,600,000	373,269,171
Net cash provided by non-capital financing activities	352,525,803	22,600,000	375,125,803
Cash flows from capital and related financing activities:			
Aquisition of fixed assets	(11,922)	(7,307)	(19,229)
Net cash used in capital and related financing activities	(11,922)	(7,307)	(19,229)
Cash flows from investing activities:			
Interest on investments	2,945,970	845,284	3,791,254
Purchase of investments	(54,924,346)	(34,538,120)	(89,462,466)
Proceeds from sale and maturity of investments	50,099,561	56,060,000	106,159,561
Net cash provided by (used in) investing activities	(1,878,815)	22,367,164	20,488,349
Net increase (decrease) in cash and cash equivalents	48,748,171	30,272,061	79,020,232
Cash and cash equivalents:			
Beginning of year	201,401,623	6,274,230	207,675,853
End of year	\$ 250,149,794	\$ 36,546,291	\$ 286,696,085
Displayed as:			
Cash and cash equivalents - unrestricted	\$ 17,193,727	\$ 6,400,602	\$ 23,594,329
Cash and cash equivalents - restricted	232,956,067	30,145,689	263,101,756
Cash and cash equivalents	\$ 250,149,794	\$ 36,546,291	\$ 286,696,085

(Continued)

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

Statements of Cash Flows (Continued)
Year Ended June 30, 2021

	Water Bank	Transportation Bank	Total
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income	\$ 84,403	\$ (1,582,124)	\$ (1,497,721)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	10,774	5,078	15,852
Investment income included in operations	(2,945,970)	(845,284)	(3,791,254)
Net unrealized and realized gain on investments	1,760,976	23,142	1,784,118
Amortized interest	711,246	632,879	1,344,125
Effect of changes in operating assets and liabilities:			-
Decrease in administrative fee receivable	96,920	-	96,920
Decrease (increase) in other assets	(35,951)	(9,896)	(45,847)
Decrease (increase) in interest receivable	145,083	23,136	168,219
Increase in loans receivable	(302,568,645)	(13,151,768)	(315,720,413)
Increase due from Transportation	(217,041)	217,041	-
Increase due to Water	-	-	-
Increase in accounts payable	1,071,310	-	1,071,310
Net cash used in operating activities	\$ (301,886,895)	\$ (14,687,796)	\$ (316,574,691)

Supplemental Schedule of Noncash Operating and non-Captial Financing Activities

(Increase) decrease in loans receivable due to assignment	255,274,848	-	255,274,848
Increase (decrease) in State Appropriation due to assignment	(255,274,848)	-	(255,274,848)

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. Given this expansion of its statutory authority, the I-Bank currently is structured organizationally as two distinct operating departments: (i) one department, in conjunction with the 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 NJDOT, for the purpose of operating its transportation infrastructure financing programs, which programs are referred to as the New Jersey Transportation Bank (Transportation Bank). 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 are members ex officio: (i) the New Jersey State Treasurer; (ii) the Commissioner of the New Jersey Department of Community Affairs; (iii) the Commissioner of the New Jersey Department of Environmental Protection; and (iv) the Commissioner of the New Jersey Department of Transportation. 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 years 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.

In order to further ensure compliance with the legal requirement for the segregation of program funds, the monies of the Transportation Bank and Water Bank are held at separate custodial banks (Zions Bank and TD Bank, respectively). The I-Bank authorizes the respective 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. The Water Bank utilizes Trustees (U.S. Bank, Bank of New York Mellon and Zions Bank) and loan servicers (TD Bank and the I-Bank) for its long-term loan program. The Transportation Bank utilizes a Trustee (Zions Bank) and a loan servicer (I-Bank) for its long-term loan program. 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. The I-Bank authorizes the Trustee to disburse funds to the borrowers according to the loan agreements using the same process as for short-term loans. In the case of external loan servicing, the loan servicer receives all payments of principal and interest from the borrowers and forwards such funds to the individual bond series Trustee, the Master Program Trustee (U.S. Bank), the NJDEP and/or the I-Bank, as appropriate. As noted above, for Water Bank loans issued in 2004 and later and for the Transportation Bank Loans, the I-Bank's accounting staff acts as loan servicer, with repayments being received directly by the Trustee. As a public body under existing statute, the I-Bank is exempt from both federal and state taxes.

**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)

Short-Term Construction Loans have become a major component of the Water Bank and Transportation Bank, and in SFY2022, with few exceptions, projects utilized Construction Loans as the primary source of funding prior to securing long-term financing. These short-term loans are scheduled to be refinanced by long-term loans once construction is at or close to completion. In SFY2022, the I-Bank issued \$35 million of ECP in order to add liquidity to and fund a portion of the Water Bank's Short-Term Construction Loan Program.

Under the Water Bank's Long-Term Financing Program, the I-Bank and the NJDEP assist borrowers in obtaining financing for allowable project costs. Beginning in SFY2022, long term 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 equivalent to a percentage of the I-Bank's AAA Market Interest Rate. For example, a long-term 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 free up some of the NJDEP share normally allocated to projects while providing borrowers with the same debt service costs.

Under the Transportation Bank's Long-Term Financing Program, the I-Bank assists borrowers in obtaining financing for allowable project costs. The I-Bank closed its first long-term Transportation Bank Loans in SFY2022. The loans are made at a blended interest rate of approximately 50% of the Water Bank's AAA Market Rate plus 50 basis points. While no bonds were issued by the I-Bank, these loans were nonetheless pledged to the Transportation Bank's indenture held by the Trustee in advance of the I-Bank closing and pledging additional long-term loans to the indenture to create a diversified pool pursuant to rating agency standards. At such time, it is anticipated that the I-Bank will issue bonds under the indenture

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.

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. The I-Bank's portion of which is referred to throughout this document as the **Transportation Bank**.

**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)

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. Revenue from grants, 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 two programs.

Cash, cash equivalents and investments: Cash and cash equivalents include funds held at TD Bank as well as invested in the State of NJ – Cash Management Fund (Non-State), First American Funds – Government Obligation Class, the Goldman Sachs Financial Sq Government International Money Market Fund and the Goldman Sachs Treasury Obligation Money Market Fund, and investments with original maturities of three months or less from the date of purchase. 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.

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.

**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 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 loans, SAIL loans and investment income. Non-operating revenues principally consist of appropriations from the State of New Jersey for loan programs. 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

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:

**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 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 Interim Financing Loan Program" and "Restricted for Transportation Program". 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 can be used as a guarantee for bond offerings. Net Position Restricted for Interim Financing Loan Program is restricted for short-term financing of allowable costs of environmental infrastructure projects. Net Position Restricted for Transportation Program is restricted in accordance with the terms of the appropriation to make loans for transportation projects.

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.

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 for consistency with the current year presentation. These reclassifications had no effect on net position or changes therein.

**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 through the NJDEP, and funds appropriated to the I-Bank through NJDOT. The Policy may only be superseded by and shall be subject to the terms and provisions of (i) bond resolutions duly adopted by the I-Bank and specific to bonds or notes issued by the I-Bank and the Proceeds of such bonds or notes, and (ii) 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, or are the responsibility 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.

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. 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's Cash Management Fund.

**New Jersey Infrastructure Bank
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Notes to Financial Statements

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

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
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.

**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)

The amounts of cash and cash equivalents as of June 30, 2022 is as follows:

	Water Bank	Transportation Bank	Total I-Bank
Operating checking (TD Bank)	\$ 429,117	\$ -	\$ 429,117
GS SQ Treasury Obligation (TD Bank MM)	75,905,168	-	75,905,168
GS Fin Sq Government Intl (Zions Bank)	-	11,309,878	11,309,878
First American Funds (US Bank Corp)	34	-	34
Cash Management Funds (State of NJ - Non-State)	110,030,001	1,002,300	111,032,300
	<u>\$ 186,364,320</u>	<u>\$ 12,312,178</u>	<u>\$ 198,676,498</u>

The amounts of cash and cash equivalents as of June 30, 2021 as follows:

	Water Bank	Transportation Bank	Total I-Bank
Operating checking (TD Bank)	\$ 221,023	\$ -	\$ 221,023
GS SQ Treasury Obligation (TD Bank MM)	182,844,548	-	182,844,548
GS Fin Sq Government Intl (Zions Bank)	-	35,546,291	35,546,291
Prime, institutional class (PFM Funds)	67,084,223	-	67,084,223
	<u>\$ 250,149,794</u>	<u>\$ 35,546,291</u>	<u>\$ 285,696,085</u>

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. Cash, cash equivalents and investments are restricted under the terms of the Policy. Statutory limits also apply to the investments of the I-Bank. The I-Bank's Enabling Act directs investments to be made in accordance with the rules and regulations of the State Investment Council or as may otherwise be 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. 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, 2022, the I-Bank's deposits at TD Bank were \$429,117 all of which were collateralized. As of June 30, 2021, the I-Bank deposits at TD Bank were \$221,023, all of which were collateralized. All of the I-Bank's investments totaling \$211,916,713 and \$163,048,869, and money market funds totaling \$198,247,382 and \$286,475,062, as of June 30, 2022, and 2021, 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. All assets are invested pursuant to the I-Bank's Policy. The Policy limits the type and ratings of securities allowable as well as providing diversification requirements. As of June 30, 2022, the I-Bank's investments carried ratings in compliance with the Policy.

**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)

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

- Limiting investments to the types of securities listed in Section VI of 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 Section VII.3 of 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 Section VII.3 of 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.

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. All of the I-Bank's investments are in either US Treasury obligations, Prime or Government money market funds, agency bonds, municipal bonds, or corporate bonds and notes.

**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)

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.

As of June 30, 2022 and 2021, the **Water Bank** had the following investments and maturities:

Investment Type	Fair Value	June 30, 2022			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 88,630,014	\$ 29,960,459	\$ 58,669,555	\$ -	\$ -
US Gov't Other Notes & Bonds	26,824,062	4,887,181	19,379,769	1,721,045	836,067
Municipal Bonds	6,867,007	-	5,513,463	1,353,544	-
Corporate Bonds/Notes/CP	28,465,899	2,866,971	25,598,928	-	-
	<u>\$ 150,786,982</u>	<u>\$ 37,714,611</u>	<u>\$ 109,161,715</u>	<u>\$ 3,074,589</u>	<u>\$ 836,067</u>

Investment Type	Fair Value	June 30, 2021			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 77,452,658	\$ 22,623,794	\$ 54,828,864	\$ -	\$ -
US Gov't Other Notes & Bonds	31,108,630	1,967,155	24,756,327	4,385,148	-
Corporate Bonds/Notes/CP	25,915,287	3,244,248	22,179,506	491,533	-
	<u>\$ 134,476,575</u>	<u>\$ 27,835,197</u>	<u>\$ 101,764,697</u>	<u>\$ 4,876,681</u>	<u>\$ -</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, 2022 and 2021, the **Transportation Bank** had the following investments and maturities:

Investment Type	Fair Value	June 30, 2022			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 42,641,359	\$ 42,641,359	\$ -	\$ -	\$ -
Corporate Bonds/Notes/CP	18,488,372	18,488,372	-	-	-
	<u>\$ 61,129,731</u>	<u>\$ 61,129,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investment Type	Fair Value	June 30, 2021			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 20,672,642	\$ 20,672,642	\$ -	\$ -	\$ -
US Gov't Other Notes & Bonds	5,044,608	5,044,608	-	-	-
Corporate Bonds/Notes/CP	2,895,044	2,895,044	-	-	-
	<u>\$ 28,612,294</u>	<u>\$ 28,612,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**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, 2022, the Water Bank had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2022 Fair Value
3M Company	2/14/2025	A+	A1	\$ 504,251
Abbott Laboratories Corporate Notes	9/15/2025	AA-	A1	257,589
Amazon.com Inc Corporate Notes	2/22/2023	AA	A1	438,644
Amazon.com Inc Corporate Notes	5/12/2024	AA	A1	323,226
Amazon.com Inc Corporate Notes	4/13/2025	AA	A1	54,522
Amazon.com Inc Corporate Notes	6/3/2025	AA	A1	55,806
American Honda Finance Corporate Notes	6/27/2024	A-	A3	586,775
American Honda Finance Corporate Notes	8/9/2024	A-	A3	9,404
Apple Inc Corporate Notes	5/13/2025	AA+	Aaa	999,709
Asian Development Bank Corporate Notes	6/11/2024	AAA	Aaa	2,004,521
Asian Development Bank Corporate Notes	8/27/2026	AAA	Aaa	520,691
Bank of America Corporate Notes	3/5/2024	A-	A2	987,832
Bank of America Corporate Notes	4/22/2025	A-	A2	28,208
Bank of America Corporate Notes	4/2/2026	A-	A2	222,946
Bank of America Corporate Notes	4/19/2026	A-	A2	404,143
Bank of America Corporate Notes	6/19/2026	A-	A2	45,387
Bank of NY Mellon Corporate Notes	4/26/2024	A	A1	213,624
Bank of NY Mellon Corporate Notes	10/24/2024	A	A1	155,034
Bank of NY Mellon Corporate Notes	10/25/2024	A	A1	494,179
Bank of NY Mellon Corporate Notes	4/25/2025	A	A1	578,387
BMW US Capital LLC Corporate Notes	8/12/2024	A	A2	429,181
Bristol-Myers Squibb Co Corporate Notes	11/13/2023	A+	A2	351,786
Burlington North Sante Fe Corporate Notes	9/1/2025	AA-	A3	50,393
Caterpillar Financial Service Corporate Notes	9/13/2024	A	A2	47,053
Caterpillar Financial Service Corporate Notes	11/8/2024	A	A2	1,009,085
Caterpillar Financial Service Corporate Notes	9/14/2026	A	A2	54,081
Charles Schwab Corporate Notes	3/18/2024	A	A2	115,107
Emerson Electric Co Corporate Notes	6/1/2025	A	A2	361,247
Home Depot Inc Corporate Notes	4/15/2025	A	A2	92,977
Honeywell Inc Corporate Notes	6/1/2025	A	A2	509,218
IBM Corp Corporate Notes	5/15/2026	A-	A3	531,852
IBM Corp Corporate Notes	5/15/2027	A-	A3	296,856
Inter-American Development Bank	9/23/2024	AAA	Aaa	1,158,088
International Bank of Reconstruction and Develop	4/20/2023	AAA	Aaa	748,868
International Bank of Reconstruction and Develop	11/24/2023	AAA	Aaa	1,482,968
John Deere Capital Corporate Notes	1/6/2023	A	A2	374,639
John Deere Capital Corporate Notes	6/7/2024	A	A2	272,091
John Deere Capital Corporate Notes	9/10/2024	A	A2	9,437
John Deere Capital Corporate Notes	3/7/2025	A	A2	9,665
John Deere Capital Corporate Notes	1/11/2027	A	A2	27,348
JP Morgan Chase & Co Corporate Notes	3/16/2024	A-	A2	288,238
JP Morgan Chase & Co Corporate Notes	9/16/2024	A-	A2	43,246
JP Morgan Chase & Co Corporate Notes	6/1/2025	A-	A2	556,564
JP Morgan Chase & Co Corporate Notes	4/26/2026	A-	A2	517,312
JP Morgan Chase & Co Corporate Notes	10/1/2026	A-	A2	124,046
Lockheed Martin Corporate Notes	1/15/2026	A-	A3	271,953
Merck & Co Inc Corporate Notes	3/7/2024	A+	A1	501,790
Merck & Co Inc Corporate Notes	2/10/2025	A+	A1	49,344
Microsoft Corp Corporate Notes	2/12/2025	AAA	Aaa	44,638
National Rural Utility Coop Corporate Notes	2/7/2025	A-	A2	167,488
Nestle Holdings Inc Corporate Notes	9/14/2024	AA-	Aa3	742,033

**New Jersey Infrastructure Bank
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Notes to Financial Statements

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

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2022 Fair Value
Nike Inc Corporate Notes	3/27/2027	AA-	A1	\$ 292,875
Northern Trust Corporate Notes	5/10/2027	A+	A2	356,866
Novartis Capital Corp Corporate Notes	2/14/2025	AA-	A1	544,820
Paccar Financial Corp Corporate Notes	11/8/2024	A+	A1	831,899
Pfizer Inc Corporate Notes	3/15/2024	A+	A2	562,877
PNC Bank NA Corporate Notes	1/23/2024	A-	A3	484,875
Roche Holdings Inc Corporate Notes	3/10/2025	AA	Aa3	887,968
State Street Corporate Notes	3/30/2026	A	A1	561,210
Target Corp Corporate Notes	4/15/2025	A	A2	57,938
Target Corp Corporate Notes	1/15/2027	A	A2	430,533
Toyota Motor Credit Corporate Notes	7/13/2022	A+	A1	855,022
Toyota Motor Credit Corporate Notes	9/8/2022	A+	A1	449,798
Toyota Motor Credit Corporate Notes	1/11/2024	A+	A1	52,656
Toyota Motor Credit Corporate Notes	1/13/2025	A+	A1	71,071
Toyota Motor Credit Corporate Notes	2/13/2025	A+	A1	500,466
Unilever Capital Corp Corporate Notes	3/7/2024	A+	A1	244,897
UnitedHealth Group Inc Corporate Notes	5/15/2024	A+	A3	257,241
UnitedHealth Group Inc Corporate Notes	5/15/2027	A+	A3	124,889
U.S. Bancorp Notes	7/30/2024	A+	A2	492,498
Walmart Inc Corporate Notes	7/8/2026	AA	Aa2	282,031
Other US Government Notes And Bonds		AA+	Aaa	26,824,062
Municipal Bonds		AAA	Aaa	6,867,007
US Treasury Notes And Bonds		AA+	Aaa	66,449,122
US Treasury Bills		A-1+	P-1	22,180,892
Total				\$ 150,786,982

**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, 2022, the **Transportation Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2022 Fair Value
Amazon.com Inc Comm Paper	7/8/2022	A-1+	P-1	\$ 2,199,197
Apple Inc Comm Paper	9/12/2022	A-1+	P-1	2,191,211
Citigroup Global Markets Comm Paper	12/1/2022	A-1	P-1	2,175,248
JP Morgan LLC Comm Paper	11/8/2022	A-1	P-1	2,179,641
Metlife Short Term Comm Paper	9/19/2022	A-1+	P-1	2,189,860
Mizuho Bank LTD/NY Comm Paper	9/2/2022	A-1	P-1	2,192,399
MUFG LTD/NY Comm Paper	11/18/2022	A-1	P-1	2,178,262
Pacific Life Comm Paper	8/29/2022	A-1+	P-1	996,515
Royal Bank of Canada Comm Paper	10/11/2022	A-1+	P-1	2,186,039
US Treasury Notes And Bonds		AA+	Aaa	42,641,359
Total				\$ 61,129,731

**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, 2021, the **Water Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2021 Fair Value
3M Company Corp Notes	2/14/2025	A+	A1	\$ 546,607
Abbott Laboratories Corp Notes	9/15/2025	A+	A2	284,427
Amazon.com Inc Corporate Notes	2/22/2023	AA	A1	1,032,976
Amazon.com Inc Corporate Notes	5/12/2024	AA	A1	339,260
Amazon.com Inc Corporate Notes	6/3/2025	AA	A1	60,063
American Honda Finance Corp Notes	6/27/2024	A-	A3	630,347
Apple Inc Corp Notes	5/13/2025	AA+	Aa1	1,090,652
Asian Development Bank Notes	6/11/2024	AAA	Aaa	2,102,444
Bank Of America Corp Note	3/5/2024	A-	A2	1,044,571
Bank Of America Corp Note	10/24/2024	A-	A2	50,151
Bank Of America Corp Note	4/22/2025	A-	A2	30,095
Bank Of New York Mellon Notes	10/24/2024	A	A1	167,651
Bank Of New York Mellon Notes	4/26/2024	A	A1	224,707
Blackrock Inc Corp Notes	6/1/2022	AA-	Aa3	493,986
Bristol-Myers Squibb Co Corp Notes	11/13/2023	A+	A2	365,157
Bristol-Myers Squibb Co Corp Notes	8/15/2025	A+	A2	146,930
Burlington North Santa Fe Corp Notes	9/1/2025	AA-	A3	55,150
Caterpillar Finl Service	11/8/2024	A	A2	1,090,788
Charles Schwab Corp Notes	3/18/2024	A	A2	120,632
Emerson Electric Co Corp Notes	6/1/2025	A	A2	394,943
Honeywell International Corp Notes	6/1/2025	A	A2	234,248
Ing (US) Funding LLC Comm Paper	8/16/2021	A-1	P-1	749,849
IntelCorp Notes	12/15/2022	A+	A1	227,617
Intl Bank Of Recon And Dev Global Notes	4/20/2023	AAA	Aaa	763,139
Intl Bank Of Recon And Dev Global Notes	11/24/2023	AAA	Aaa	1,535,577
John Deere Capital Corp Notes	1/6/2023	A	A2	906,199
John Deere Capital Corp Notes	6/7/2024	A	A2	283,449
Johnson & Johnson Notes	3/1/2023	AAA	Aaa	697,442
JP Morgan Securities LLC Comm Paper	10/15/2021	A-1	P-1	749,458
JPMorgan Chase & Co Bonds	4/1/2023	A-	A2	918,993
JPMorgan Chase & Co Bonds	3/16/2024	A-	A2	295,714
JPMorgan Chase & Co Bonds	9/16/2024	A-	A2	44,984
JPMorgan Chase & Co Bonds	6/1/2025	A-	A2	564,095
Lockheed Martin Corp Notes	3/1/2025	A-	A3	288,830
Merck & Co Inc Corp Notes	3/7/2024	A+	A1	536,124
Merck & Co Inc Corp Notes	2/10/2025	A+	A1	53,258
Microsoft Corp Notes	11/3/2022	AAA	Aaa	514,010
Microsoft Corp Notes	2/12/2025	AAA	Aaa	48,154
MUFG Bank LTD/NY Comm Paper	12/3/2021	A-1	P-1	749,687
Novartis Capital Corp	2/14/2025	AA-	A1	582,967
Pepsico, Inc Corp Notes	10/6/2021	A+	A1	501,268
Pfizer Inc Corp Notes	3/15/2024	A+	A2	600,947
PNC Bank NA Corp Notes	1/23/2024	A-	A3	520,127
Toyota Motor Credit Corp Notes	7/13/2022	A+	A1	877,395
Toyota Motor Credit Corp Notes	9/8/2022	A+	A1	460,097
Toyota Motor Credit Corp Notes	1/11/2024	A+	A1	54,788
Toyota Motor Credit Corp Notes	2/13/2025	A+	A1	542,056
Unilever Capital Corp Notes	3/7/2024	A+	A1	261,646
Unitedhealth Group Inc Corp Notes	5/15/2024	A+	A3	269,249
US Bancorp Notes	7/30/2024	A+	A2	531,171
Wal-Mart Stores Inc Corp Note	6/26/2025	AA	Aa2	281,212
Other US Government Notes And Bonds		AA+	Aaa	31,108,630
US Treasury Notes And Bonds		AA+	Aaa	77,452,658
Total				\$ 134,476,575

**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, 2021, the Transportation Bank had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2021 Fair Value
Apple Inc Corp Notes	2/9/2022	AA+	Aa1	\$ 399,699
Natixis NY Branch Comm Paper	9/3/2021	A-1	P-1	2,099,857
Wells Fargo & Co Corp Notes	7/26/2021	BBB+	A1	395,488
Other US Government Notes And Bonds		AA+	Aaa	5,004,608
US Treasury Notes And Bonds		AA+	Aaa	20,672,642
Total				\$ 28,572,294

**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, 2022, and 2021, the **Water Bank** had the following investments, all of which are reported at fair value measurement by level:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by fair value level:				
Debt securities:				
U.S. Treasury Notes & Bonds	\$ 88,630,014	\$ -	\$ 88,630,014	\$ -
Corporate Bonds/Notes/CP	28,465,899	-	28,465,899	-
Municipal Bonds	6,867,007	-	-	6,867,007
US Gov't Other Notes & Bonds	26,824,062	-	26,824,062	-
Total debt securities	150,786,982	-	143,919,975	6,867,007
Total investments by fair value level	\$ 150,786,982	\$ -	\$ 143,919,975	\$ 6,867,007

Investments as reported on the statement of net position:

Current:	
Unrestricted	\$ 12,537,328
Restricted	25,177,282
Noncurrent:	
Unrestricted	8,317,319
Restricted	104,755,053
Total investments	\$ 150,786,982

**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)

	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. Treasury Notes & Bonds	\$ 77,452,658	\$ -	\$ 77,452,658	\$ -
Corporate Bonds/Notes/CP	25,915,287	-	25,915,287	-
US Gov't Other Notes & Bonds	31,108,630	-	31,108,630	-
Total debt securities	<u>134,476,575</u>	-	<u>134,476,575</u>	-
Total investments by fair value level	<u>\$ 134,476,575</u>	\$ -	<u>\$ 134,476,575</u>	\$ -
Investments as reported on the statement of net position:				
Current:				
Unrestricted	\$ 10,006,647			
Restricted	17,828,550			
Noncurrent:				
Unrestricted	3,699,172			
Restricted	102,942,206			
Total investments	<u>\$ 134,476,575</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, 2022, and 2021, the **Transportation Bank** had the following investments, all of which are reported at fair value measurement by level:

	Fair Value Measurements Using			
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. Treasury Notes, Bills & Bonds	\$ 42,641,359	\$ -	\$ 42,641,359	\$ -
Corporate bonds/Notes/CP	18,488,372	-	18,488,372	-
Total debt securities	61,129,731	-	61,129,731	-
Total investments by fair value level	\$ 61,129,731	\$ -	\$ 61,129,731	\$ -

Investments as reported on the statement of net position:

Current:	
Restricted	61,129,731
Total investments	\$ 61,129,731

**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)

	Fair Value Measurements Using			
	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. Treasury Notes, Bills & Bonds	\$ 20,672,642	\$ -	\$ 20,672,642	\$ -
Corporate bonds/Notes/CP	2,895,044	-	2,895,044	-
US Gov't Other Notes & Bonds	5,004,608	-	5,004,608	-
Total debt securities	28,572,294	-	28,572,294	-
Total investments by fair value level	\$ 28,572,294	\$ -	\$ 28,572,294	\$ -

Investments as reported on the statement of net position:

Current:

Restricted	28,572,294
Total investments	\$ 28,572,294

**New Jersey Infrastructure Bank
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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. Approximately 86% of the loans in the Master Program Trust are secured by the full faith and credit of a local governmental unit.

The Water Bank's Direct Loan Program provides long-term loans for small projects, borrower's that are fiscally constrained or lack the administrative capability to participate in the I-Bank's Water Bank bond financing program, or under unique circumstances. The I-Bank funds these loans through cash on hand rather than through the issuance of bonds. For the Water Bank Program, the I-Bank portion of each total loan is structured at a rate equivalent to the Thomson Reuters TM3 AAA Index on the date of loan closing plus (or minus) the spread from the I-Bank Water Bank's most recent issue. Long-term direct loans are repayable, in most cases, over a period of 20 years, with some loans maturing over a shorter period, and with interest rates of 0.17% to 5.33% per annum. As of June 30, 2022 and 2021, the balance of direct loans was \$6,700,241 and \$4,786,458, respectively. Included in this balance are amounts owed from borrowers primarily for contributions made by the I-Bank on their behalf for defeasances of \$198,591 and \$232,218 as of June 30, 2022 and 2021, respectively.

Loans issued under the Water Bank Short-Term Construction Loan Program and SAIL Loan Program are issued, with few exceptions, for a maximum of five fiscal years. With limited exceptions, for SFY2022 these loans were charged an interest rate ranging from 0.070% to 0.348% reflecting a blended rate of funds from the I-Bank's Extended Commercial Paper (ECP) at a market rate and the NJDEP at zero percent. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program. As of June 30, 2022, and 2021, the balance for the loans described net of undisbursed reserve funds was \$632,581,147 and \$531,160,855 respectively. As of June 30, 2022, and 2021, the balance for the loans outstanding with a 0% interest rate was \$16,531,996 and \$528,059,249 respectively.

The Water Bank's net loans receivable balance of \$639,281,388 and \$535,947,314 as of June 30, 2022 and 2021, respectively, consisted of outstanding direct loans, short-term loans and SAIL loans issued of \$639,361,388 and \$536,027,314 net of undisbursed reserve funds of \$80,000 in both 2022 and 2021. 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 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 partially converted by the I-Bank to long-term financing and repaid with proceeds of bonds 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, 2022, there were two Water Bank borrowers that represent a significant portion of outstanding short-term and direct long-term loans, each greater than 10% of the total. In aggregate these two borrowers accounted for 26.1% of the Water Bank short-term and direct long-term loans receivable. For the year ended June 30, 2021, there were no borrowers with loans of more than 10% of the total loans receivable.

The Water Bank is also committed to fund short-term loans to borrowers of approximately \$670 million of remaining project engineering and construction costs that had not yet been requisitioned as of June 30, 2022.

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 4. Loans Receivable and Commitment (Continued)

Transportation Bank

The Transportation Bank provides loans to Borrowers to finance allowable costs of transportation projects. As of June 30, 2022 the balance of short-term Transportation Bank loans was \$16,451,034. As of June 30, 2021 the balance of short-term Transportation Bank loans was \$22,390,337.

Loans issued under the Transportation Bank Short-Term Construction Loan Program are made, with few exceptions, for up to two years, if planning and design costs are financed, plus up to an additional three fiscal years for construction. In SFY2022, these loans were charged a monthly interest rate that varied between 0.25% to 1.02% per year. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program.

For the year ended June 30, 2022, there were three Transportation Bank borrowers that represent a significant portion of outstanding short-term and long-term direct loans, each greater than 10% of the total. In aggregate these three borrowers accounted for 54.9% of Transportation Bank short-term and long-term direct loans receivable. For the year ended June 30, 2021, there were three borrowers with loans of more than 10% of the total Transportation Bank loans receivable.

On June 6, 2022 the I-Bank closed \$18,107,842 of Transportation short-term loans to long-term loans Series DL2022 to capitalize 6 projects. There were no long-term loans as of June 30, 2021.

Total Transportation Bank short-term and long-term loans outstanding as of June 30, 2022, was \$34,558,877 and as of June 30 2021 was \$22,390,337.

Annual maturities for I-Bank loans receivable are as follows:

	Water		Transportation		Total
	SAIL and Short-Term	Direct Loans	Short-Term	Direct Loans	
Year ending June 30:					
2023	\$ 273,737,786	\$ 581,846	\$ 6,679,732	\$ 108,829	\$ 281,108,193
Less undispersed reserve funds	(80,000)	-			(80,000)
Current loans	273,657,786	581,846	6,679,732	108,829	281,028,193
2024	316,252,488	471,219	8,798,215	1,437,274	326,959,196
2025	37,856,514	475,483	973,087	1,524,641	40,829,725
2026	4,814,359	480,490		1,538,040	6,832,889
2027	-	479,714		1,553,352	2,033,066
2028 through 2032	-	2,127,250		4,848,253	6,975,503
2033 through 2037	-	647,030		4,697,516	5,344,546
2038 through 2042	-	448,220		1,802,236	2,250,456
2043 through 2047	-	448,909		597,702	1,046,611
2048 through 2052	-	540,080		-	540,080
Noncurrent loans	358,923,361	6,118,395	9,771,302	17,999,014	392,812,071
Loans receivable, net	\$ 632,581,147	\$ 6,700,241	\$ 16,451,034	\$ 18,107,843	\$ 673,840,264

**New Jersey Infrastructure Bank
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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, 2021		Additions	Disposals	Balance at June 30, 2022			
Capital assets being depreciated:								
Leasehold improvements	\$	80,750	\$	-	\$	-	\$	80,750
Office furniture		59,379		-		-		59,379
Computers and office equipment		150,202		-		(7,616)		142,586
Vehicles		30,830		-		-		30,830
		<u>321,161</u>		<u>-</u>		<u>(7,616)</u>		<u>313,545</u>
Less accumulated depreciation:								
Leasehold improvements		70,020		2,384		-		72,404
Office furniture		59,381		-		-		59,381
Computers and office equipment		124,291		7,403		(7,616)		124,078
Vehicles		30,830		-		-		30,830
		<u>284,523</u>		<u>9,787</u>		<u>(7,616)</u>		<u>286,693</u>
Capital assets (net)	\$	<u>36,638</u>	\$	<u>(9,787)</u>	\$	<u>-</u>	\$	<u>26,851</u>

	Balance at June 30, 2020		Additions	Disposals	Balance at June 30, 2021			
Capital assets being depreciated:								
Leasehold improvements	\$	68,828	\$	11,922	\$	-	\$	80,750
Office furniture		59,379		-		-		59,379
Computers and office equipment		150,202		-		-		150,202
Vehicles		51,686		-		(20,856)		30,830
		<u>330,095</u>		<u>11,922</u>		<u>(20,856)</u>		<u>321,161</u>
Leasehold improvements		68,828		1,192		-		70,020
Office furniture		57,332		2,049		-		59,381
Computers and office equipment		116,759		7,532		-		124,291
Vehicles		51,686		-		(20,856)		30,830
		<u>294,605</u>		<u>10,774</u>		<u>(20,856)</u>		<u>284,523</u>
Capital assets (net)	\$	<u>35,490</u>	\$	<u>1,148</u>	\$	<u>-</u>	\$	<u>36,638</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, 2021	Additions	Disposals	Balance at June 30, 2022
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	730	1,461	-	2,191
Computers and office equipment	6,522	4,347	-	10,869
	<u>7,252</u>	<u>5,808</u>	<u>-</u>	<u>13,060</u>
Capital assets (net)	<u>21,792</u>	<u>(5,808)</u>	<u>-</u>	<u>15,984</u>

	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021
Capital assets being depreciated:				
Leasehold improvements	\$ -	\$ 7,307	\$ -	\$ 7,307
Computers and office equipment	21,738	-	-	21,738
	<u>21,738</u>	<u>7,307</u>	<u>-</u>	<u>29,045</u>
Less accumulated depreciation:				
Leasehold improvements	-	730	-	730
Computers and office equipment	2,174	4,348	-	6,522
	<u>2,174</u>	<u>5,078</u>	<u>-</u>	<u>7,252</u>
Capital assets (net)	<u>\$ 19,564</u>	<u>\$ 2,228</u>	<u>\$ -</u>	<u>\$ 21,792</u>

**New Jersey Infrastructure Bank
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Notes to Financial Statements

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, 2022, the I-Bank had aggregate outstanding principal of ECP of \$35,000,000 with an interest rate of 1.55% and a maturity of September 8, 2022.

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 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 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.

Loans to borrowers in the 2022 program combine proceeds of the bond sale, lent at market rate, with interest free loans from the State of New Jersey Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Thus, most public borrowers will pay a blended interest rate on their loans of between 0.75% to 2.36%.

On **November 23, 2021**, the I-Bank issued \$28,495,000 of Environmental Infrastructure Bonds, Series 2021A-2 (Green Bonds) to capitalize 15 projects.

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

On **May 16, 2022**, the I-Bank issued \$56,365,400 of Environmental Infrastructure Bonds, Series 2022C-W1 (Green Bonds) and \$6,716,300 of Environmental Infrastructure Bonds, Series 2022 I-W1 to capitalize 10 projects.

On June 23, 2022, the I-Bank issued \$51,935,000 of Environmental Infrastructure Bonds, Series 2022A-1 (Green Bonds) to capitalize 36 projects.

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

At June 30, 2022 and 2021, the aggregate principal amount of conduit debt obligations outstanding totaled \$1,039,715,046 and \$988,878,346, respectively, as detailed in the following schedules.

Changes in conduit debt obligations of the Water Bank for the year ended June 30, 2022 were as follows:

	Balance at June 30, 2021	Issued	Retired	Balance at June 30, 2022	Amount Due Within One Year
2007 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.25%	8,435,000	-	8,435,000	-	-
Series B Bonds, uninsured, maturing serially through 2022, at interest rates of 5.25%	9,900,000	-	4,825,000	5,075,000	5,075,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	14,125,000	-	6,955,000	7,170,000	7,170,000
2011 Refunding Series:					
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 4.00%	685,000	-	685,000	-	-
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	2,195,000	-	1,075,000	1,120,000	1,120,000
2012 Series:					
Series A Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	3,415,000	-	3,415,000	-	-
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 4.00%	985,000	-	985,000	-	-
Series C Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	245,000	-	245,000	-	-
2012 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2026, at interest rate of 4.00%	98,995,000	-	15,995,000	83,000,000	16,215,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	105,000	-	105,000	-	-
Series C Bonds, uninsured, maturing serially through 2023, at interest rate of 3.00%	2,745,000	-	890,000	1,855,000	915,000
2013 Series:					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	21,225,000	-	1,465,000	19,760,000	1,525,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	705,000	-	50,000	655,000	50,000
2014 Series:					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	42,775,000	-	2,620,000	40,155,000	2,730,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	3,865,000	-	245,000	3,620,000	260,000
2015 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	37,620,000	-	2,045,000	35,575,000	2,170,000
2015 B Refunding Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates from 4.00% to 5.00%	4,605,000	-	1,380,000	3,225,000	1,225,000
2015 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2035, at interest rates from 3.00% to 5.00%	8,025,000	-	420,000	7,605,000	450,000
2015 A-R1 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2027, at interest rate of 5.00%	64,815,000	-	8,945,000	55,870,000	9,120,000

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

	Balance at June 30, 2021	Issued	Retired	Balance at June 30, 2022	Amount Due Within One Year
2015B-R2 Refunding Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2026, at interest rate of 5.00%	\$ 8,060,000	\$ -	\$ 1,185,000	\$ 6,875,000	\$ 1,245,000
2016 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2045, at interest rates from 2.00% to 5.00%	20,465,000	-	980,000	19,485,000	1,030,000
2016 A-R1 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 4.50% to 5.00%	43,315,000	-	5,955,000	37,360,000	6,080,000
2016 A-R2 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2030, at interest rates from 4.50% to 5.00%	58,105,000	-	5,345,000	52,760,000	5,610,000
2016 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 4.00% to 5.00%	6,440,000	-	285,000	6,155,000	290,000
2017 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 3.00% to 5.00%	28,985,000	-	960,000	28,025,000	1,015,000
2017 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2047, at interest rates from 2.13% to 5.00%	17,270,000	-	705,000	16,565,000	735,000
2017 A-R1 Series:					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	27,050,000	-	3,340,000	23,710,000	3,370,000
2017 A-R2 Series:					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	60,515,000	-	6,255,000	54,260,000	6,595,000
2017 B-1 Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	3,710,000	-	80,000	3,630,000	85,000
2018 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2047 at interest rate from 3.00% to 5.00%	19,660,000	-	780,000	18,880,000	815,000
2018 B-1 Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	14,530,000	-	300,000	14,230,000	315,000
2018 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 4.00% to 5.00%	16,280,000	-	375,000	15,905,000	390,000

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

	Balance at June 30, 2021	Issued	Retired	Balance at June 30, 2022	Amount Due Within One Year
2019 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 2.00% to 5.00%	12,805,000	-	430,000	12,375,000	450,000
2019 B-R1 Refunding Series:					
Series B Green Bonds, uninsured, maturing serially through 2030, at interest rate of 4.00%	4,170,000	-	375,000	3,795,000	390,000
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%	3,390,000	-	310,000	3,080,000	325,000
2020 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2049, at interest rates from 2.13% to 5.00%	34,300,000	-	1,020,000	33,280,000	1,075,000
2020 A-R1 Refunding Series:					
Series A Green Bonds, uninsured, maturing serially through 2024, at interest rate of 3.00%	17,390,000	-	3,215,000	14,175,000	2,985,000
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%	40,795,000	-	-	40,795,000	3,535,000
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%	15,265,000	-	-	15,265,000	1,265,000
2021 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2050, at interest rates from 2.00% to 5.00%	122,500,000	-	-	122,500,000	3,785,000
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	-	28,495,000	-
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	-	51,935,000	-
2022 I W-1 Series:					
Series I W-1 Green Bonds, taxable, maturing serially through 2027, at interest rates from 2.70% to 2.98%	-	6,716,300	-	6,716,300	-
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	-
Total of bonds payable covered by Master Program Trust Account	900,465,000	143,511,700	92,675,000	951,301,700	89,410,000
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	<u>\$ 988,878,346</u>	<u>\$ 143,511,700</u>	<u>\$ 92,675,000</u>	<u>\$ 1,039,715,046</u>	<u>\$ 89,410,000</u>

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

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

	Principal	Interest	Total
Years ending June 30:			
2023	89,410,000	33,588,399	122,998,399
2024	88,234,920	30,420,509	118,655,429
2025	84,976,320	26,604,885	111,581,205
2026	167,732,566	23,001,502	190,734,068
2027	73,051,720	19,664,174	92,715,894
2028 through 2032	233,007,120	64,680,015	297,687,135
2033 through 2037	114,820,200	36,027,452	150,847,652
2038 through 2042	75,978,900	21,898,556	97,877,456
2043 through 2047	61,077,500	12,260,251	73,337,751
2048 through 2052	47,897,300	3,702,378	51,599,678
2053 through 2057	3,528,500	273,589	3,802,089
	<u>1,039,715,046</u>	<u>272,121,710</u>	<u>1,311,836,756</u>

**New Jersey Infrastructure Bank
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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 current refunding sales of the bonds were used to redeem the applicable outstanding bonds and for advance refunding sale were deposited in an irrevocable escrow fund held by an escrow agent, 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 as of June 30, 2022 due to refundings.

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, 2022, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2022
Individual borrower defeasances:	
2002 Series A	450,000
2005 Series A	105,000
2007 Series A	1,785,000
2010 Series A	185,000
2010 Series B	380,000
2013 Series A	355,000
2014 Series A	1,065,000
2014 Series B	335,000
2015 Series A-1	305,000
2017 Series A-2	240,000
	\$ 5,205,000

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

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. 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, 2022, it was determined there was no rebate due as a result of these calculations. 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 unit, are repayable in most cases over a period of 20 years, with some loans maturing over a shorter or longer period, and with coupon rates of 2.0% to 5.25% 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. All principal and interest savings from the refunding of I-Bank Bonds are passed along to each applicable borrower in the form of a credit against the original debt service of the borrower. 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.

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

Debt service reserve requirement: Pursuant to the various bond resolutions and supplemental bond resolutions for bonds 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, 2021 calculation date, the cumulative debt service reserve requirement, as adjusted for refunding and defeasance was \$36,956,178. As of this same date, the aggregate market value of the securities held in the each of the individual Debt Service Reserve Funds was \$46,315,046. In addition, as of June 30, 2022, each Series Debt Service Reserve Account 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, 2022 and 2021 in all of the debt service reserve fund accounts was \$45,034,805 and \$69,215,445, 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, 2022 and 2021, the total cash and investments market value for conduit debt was \$64,184,511 and \$81,380,008, 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, 2022 and 2021, the total revenues, administrative fees and state administrative fees collected for conduit debt was \$274,091,204 and \$275,128,254, 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, 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

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 8. Other Matter - Water Bank (Continued)

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, 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.

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Notes to Financial Statements

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

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. The State of New Jersey makes contributions to cover those employees eligible under P.L. 1997, C. 300.

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.

Note 10. Subsequent Event

Management has evaluated subsequent events and transactions that occurred after the balance sheet date, but before September XX, 2022, 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 30, 2022, the State of New Jersey signed into law an appropriation Bill (P.L. 2022 c. 49), which appropriated \$22.6 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. The I-Bank received the funds on September 9, 2022.

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

Notes to Financial Statements

Note 10. Subsequent Event (Continued)

On September 8, 2022, the I-Bank issued \$35,000,000 of ECP with an interest rate of 2.30% and a maturity of December 7, 2022. The proceeds of the ECP was used to repay the \$35,000,000 of ECP which matured on September 8, 2022.

Subsequent to year-end, the I-Bank has closed a total of 9 new Short Term Water Bank loans and increased allowable funding under 2 existing Water Bank loans with a combined total of \$36,913,170 and closed a total of 1 new Short Term Transportation Bank loan totaling \$2,633,070.

**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, 2022 and June 30, 2021 was \$36,273,656 and \$34,427,880. 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.

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

Master Program Trust Agreement Schedule (Unaudited)

	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 ^{2,3}	Total Funds Available to Secure and Provide Coverage for all Coverage Receiving Financing Program Debt Service ^{1,3}	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:						
2023	\$ 89,410,000	\$ 33,588,400	\$ 151,489,925	\$ 274,488,327	\$ 122,998,403	2.23
2024	88,234,920	30,420,508	144,684,521	263,339,949	118,655,428	2.22
2025	84,976,320	26,604,885	137,115,465	248,696,670	111,581,205	2.23
2026	79,319,220	23,001,502	127,361,250	229,681,972	102,320,722	2.24
2027	73,051,720	19,664,174	115,029,473	207,745,367	92,715,894	2.24
2028	61,604,120	16,796,183	100,711,871	179,112,173	78,400,303	2.28
2029	52,732,800	14,497,534	89,125,745	156,356,079	67,230,334	2.33
2030	47,582,700	12,579,530	77,602,017	137,764,246	60,162,230	2.29
2031	37,561,500	11,013,083	67,961,717	116,536,300	48,574,583	2.4
2032	33,526,000	9,793,686	61,338,867	104,658,553	43,319,686	2.42
2033	27,960,600	8,785,423	53,195,196	89,941,219	36,746,023	2.45
2034	26,160,200	7,892,339	47,620,042	81,672,581	34,052,539	2.40
2035	22,705,400	7,093,159	40,951,532	70,750,091	29,798,559	2.37
2036	20,055,700	6,414,476	34,968,996	61,439,172	26,470,176	2.32
2037	17,938,300	5,842,055	30,806,020	54,586,375	23,780,355	2.3
2038	16,808,600	5,319,561	28,534,171	50,662,332	22,128,161	2.29
2039	15,893,400	4,805,522	27,281,236	47,980,157	20,698,922	2.32
2040	15,478,100	4,337,042	25,756,590	45,571,732	19,815,142	2.3
2041	14,888,400	3,914,712	23,398,225	42,201,337	18,803,112	2.24
2042	12,910,400	3,521,718	20,125,733	36,557,851	16,432,118	2.22
2043	11,614,460	3,163,733	18,690,002	33,468,194	14,778,193	2.26
2044	11,941,260	2,818,770	18,631,941	33,391,971	14,760,030	2.26
2045	12,308,860	2,463,803	18,497,693	33,270,356	14,772,663	2.25
2046	12,592,960	2,095,697	18,220,753	32,909,409	14,688,657	2.24
2047	12,619,960	1,718,249	17,076,615	31,414,824	14,338,209	2.19
2048	11,997,060	1,346,619	14,876,489	28,220,167	13,343,679	2.11
2049	10,630,110	1,007,849	12,934,016	24,571,975	11,637,959	2.11
2050	9,928,710	709,284	11,675,620	22,313,614	10,637,994	2.1
2051	9,285,810	434,346	8,284,600	18,004,756	9,720,156	1.85
2052	6,055,610	204,280	3,819,637	10,079,527	6,259,890	1.61
2053	667,200	96,805	1,037,617	1,801,623	764,005	2.36
2054	679,300	76,406	1,037,617	1,793,323	755,706	2.37
2055	706,600	55,410	1,037,617	1,799,627	762,010	2.36
2056	729,000	33,660	1,037,617	1,800,278	762,660	2.36
2057	746,400	11,308	691,745	1,449,453	757,708	1.91
Total	\$ 951,301,700	\$ 272,121,711	\$ 1,552,608,168	\$ 2,776,031,582	\$ 1,223,423,413	

¹ Includes Series 2021A-2 and Series 2022A-1 financing programs.

² Trust Bond debt service net of savings credits derived from the prior refunding of certain series of Trust Bonds.

³ Excludes debt service paid on or prior to June 30, 2022.

⁴ 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 Trust

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 business type activities and each major enterprise 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, 2022, 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 29, 2022.

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 may exist that have not been identified.

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 I-Bank's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering I-Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2022

Calendar 2023 I-Bank Board Meeting Dates

January 12, 2023

February 9, 2023

March 9, 2023

April 13, 2023

May 11, 2023

June 8, 2023

July 13, 2023

August 10, 2023

September 14, 2023

October 12, 2023

November 9, 2023

December 14, 2023

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



Hightstown Borough Water Main Improvements. SFY2022 Loan: \$1,149,627

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www.njib.gov | www.linkedin.com/company/nj-infrastructure-bank
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