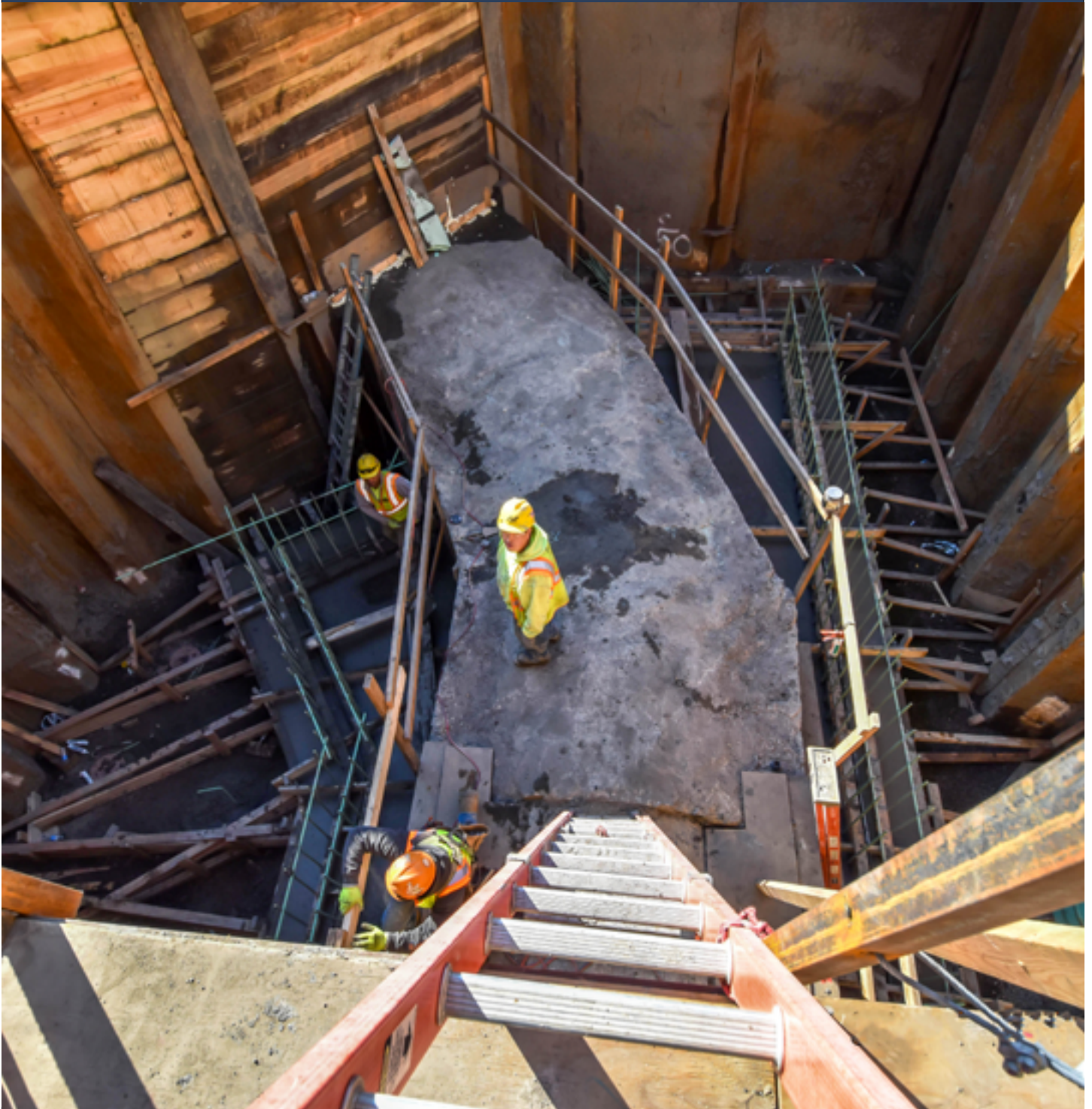




# New Jersey Infrastructure Bank

Financing New Jersey's Water Quality & Transportation Future

Annual Report SFY2021



Camden County Municipal Utilities Authority, WTP Improvements. **SFY2021 Loan: \$8,056,643**



Phil Murphy, Governor  
State of New Jersey

## NEW JERSEY INFRASTRUCTURE BANK Quick Facts: Program Year SFY2021

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

### WATER BANK PROGRAM (EST. 1986)

#### TOTAL LOANS

From its first loan in 1987 up through June 30, 2021, the Water Bank Program has issued more than **\$7.74 billion** in long-term loans and, as of June 30, 2021, the Water Bank Program had an additional **\$1.39 billion** in short-term construction loans outstanding.

#### TOTAL SAVINGS

The Water Bank Program has saved taxpayers and ratepayers more than **\$2.77 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 on long-term loans averaging **0.72%** for the Series 2021A-1 Green Bonds, issued in May of 2021.

### TRANSPORTATION BANK PROGRAM (EST. 2018)

#### TOTAL LOANS

From its inception in 2018 through June 30, 2021, the Transportation Bank Program has closed 13 short-term loans to finance 14 projects totaling more than **\$64.7 million** and allocated **\$41.3 million** to ten additional projects that are pending loan closing.

### I-BANK PROGRAMS

#### TOTAL LOANS

The I-Bank has issued approximately **1,420** long-term loans to fund clean water, drinking water, green infrastructure, land acquisitions, remediation, redevelopment, multi-modal, bridges, and road surface projects. As of SFY2021 year-end, **225** 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 **150,000** direct construction jobs.<sup>1</sup>

<sup>1</sup> 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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Wall Township, Route 138 Water Main Improvements. **SFY2021 Loan: \$3,008,598**

## 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.

# BOARD OF DIRECTORS AND EXECUTIVE STAFF

## PUBLIC MEMBERS



Robert Briant, Jr.  
Chairperson



Mark Longo  
Treasurer



Jack Kocsis, Jr.  
Secretary



James McManus, Jr.  
Director

## 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



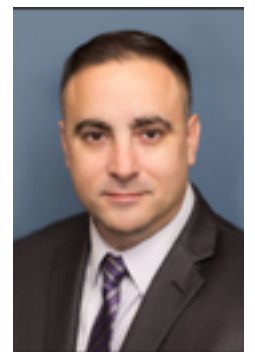
Judy Karp  
Assistant Director,  
Legal & Compliance  
Officer



Lauren Kaltman  
Chief Financial Officer



Leigh Peterson  
Chief Operating Officer  
Water Program



Robert Fernandez  
Chief Operating Officer  
Transportation  
Program

# MESSAGE FROM THE CHAIR AND EXECUTIVE DIRECTOR

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

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## OVERVIEW

SFY2021 was a year of uncertainty and volatility. The New Jersey Infrastructure Bank (I-Bank), and its two financing programs dealt with a full year of a home-based work force model and reduced revenue implications for many of its programs' local government and water system borrowers as a result of the COVID-19 pandemic. Despite these challenges, the NJ Water Bank, jointly administered with the NJ Department of Environmental Protection (DEP), and the NJ Transportation Bank, jointly administered with the NJ Department of Transportation (DOT), introduced a number of program innovations and improvements including new financing mechanisms, more efficient bonding structures, technology improvements and legislative amendments designed to lower costs for borrowers, to name just a few.

## TRANSPORTATION

Further reducing upfront costs for Transportation Bank program borrowers, the State's Local Bond Law was amended in May 2021 to authorize an exemption to the five percent down payment requirement specifically for local government unit borrowers financing projects through the Transportation Bank, a benefit Water Bank borrowers have had since 2018.

In SFY2021, the I-Bank received approval from the US Federal Highway Administration (FHWA) for designation as a State Infrastructure Bank ("SIB") enabling the I-Bank to seek funding from the federal TIFIA loan program and offer favorable terms for rural projects. The I-Bank is working with staff from DOT and members of FHWA to develop a program to review rural projects and lend these discounted federal funds to project sponsors.

Operationally, the Transportation Bank allocated \$53.9 million of funds to 11 projects during the fiscal year bringing the total allocations to-date to \$115.8 million for 24 projects or 128% of the total amount of State TTF funds appropriated in the Program's first four years.

## WATER

The Water Bank Financing Program continued to grow with tremendous success over the year and made strides to address the financing supply / demand imbalance in the Drinking Water loan program. The I-Bank, working in concert with the DEP, took advantage of the market's current low interest rates during its bond sale in May 2021 to introduce a new funding methodology to maximize the State's limited Drinking Water funds. Specifically, in lieu of the DEP providing traditional interest free loans from funds of the Drinking Water SRF, DEP funds were used to subsidize interest on additional I-Bank Bonds issued, reducing the amount of funds needed by DEP and thereby freeing those funds to finance future projects.

This new methodology allowed the DEP to finance \$33 million of Drinking Water projects utilizing just \$9 million of funds to buy down the interest cost of bond proceeds lent to program borrowers. The \$24 million in funds not used will be leveraged with I-Bank bond funds to provide an additional \$48 million of funding for new drinking water projects in the coming year. These savings are critical to assisting new applicants in addressing their water projects with the program's low rates. The I-Bank and DEP were able to accomplish this by using a portion of the \$50 million of funds appropriated to the Drinking Water SRF Program by the Legislature and signed into law for SFY2021 by Governor Murphy.

In addition, the I-Bank executed a \$150 million short-term extendable commercial paper borrowing program with Morgan Stanley to expand the funds available through its construction loan program and facilitate the Water Bank's ability to reimburse program borrowers' for the engineering and construction costs.

## FINANCING

The I-Bank continued its financing initiative of selling long-term bonds as Environmental, Social and Governance municipal bonds (ESG) or Green Bonds. In May 2021, the I-Bank sold \$122.5 million of I-Bank Series 2021A-1 Green Bonds to partially finance 59 environmental infrastructure projects totaling \$386 million with the remaining project costs financed by the DEP at zero-percent interest. Together, the Program provided the 33 participating borrowers an average effective yield equal to 0.72% saving these borrowers more than \$103 million. To date, the I-Bank has issued 19 Green Bond Series totaling \$506 million.

## TECHNOLOGY

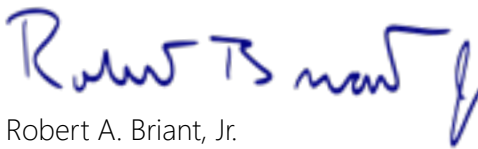
The I-Bank continued to invest in its technology hardware and improvements in its software development. Throughout the summer of 2020, the I-Bank invested in and upgraded its servers and switching gear and added application software to increase system resiliency and security and harden user interaction to address the increased dependency on web-based interactions. Staff continued to develop and improve the electronic requisition processing system to increase efficiency for borrower and staff alike. Both financing programs combined closed \$752.7 million in loans and processed \$469.2 million in requisitions in SFY2021 versus \$338.7 million in loans and \$436.7 million in requisition in SFY2020. The 222% increase in loan production and 7.4% increase in requisitions contributed to much needed economic activity for a critical industry sector during the year when many industries in the state were experiencing devastating slowdowns. Such activity would not have been possible without the Business Continuity/Disaster Recovery planning and continued investments in the I-Bank's technical platform and the dedication of the Water Bank and Transportation Bank staff.

## LOOKING FORWARD

The I-Bank will continue to seek out opportunities and creative solutions in SFY2022 including the possibility of tapping into federal loan programs for additional sources of funds to lever both the Water Bank and the Transportation Bank programs and provide a greater amount of funds to finance more projects for more borrowers, all while reducing program costs to borrowers.

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

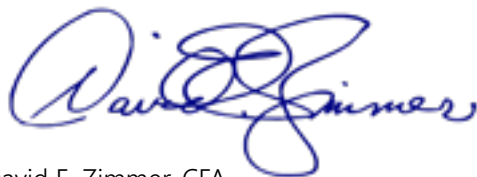
## EXECUTIVE DIRECTOR'S CERTIFICATION PURSUANT TO E.O. No. 37

In accordance with Executive Order No. 37 (Corzine), the New Jersey I-Bank's SFY2021 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 in the Appendix).

I, David E. Zimmer, certify that during SFY2021, 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 SFY2021.

A handwritten signature in blue ink that reads "David E. Zimmer". The signature is fluid and cursive, with the first name "David" and last name "Zimmer" clearly legible.

David E. Zimmer, CFA  
Executive Director

## CFO'S CERTIFICATION

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 SFY2021.

A handwritten signature in blue ink that reads "Lauren S. Kaltman". The signature is fluid and cursive, with the first name "Lauren" and last name "Kaltman" clearly legible.

Lauren S. Kaltman  
Chief Financial Officer

## COMPLIANCE - SFY2021

As a financing authority of the State, the I-Bank has policies and procedures in place 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 submitted 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 publicly issued I-Bank 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. The I-Bank's Credit Policy was amended in SFY2021 to apply the same creditworthiness standards to State Fund Loans under the Water Bank, enhance the definition of material event, and clarify the rating threshold for the requirement of additional collateral.

**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 report to the Treasurer.

## INTERNAL CONTROLS - SFY2021

In 2021, in conjunction with its outside Internal Controls Audit firm, CohnReznick, 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.

Phase V of the I-Bank's Internal Controls Audit was awarded to CohnReznick, LLP in January 2021 via a competitive procurement process. During this phase, the auditor is updating the risk assessment to incorporate the Transportation Bank as this Program was still in the development stage when the prior risk assessment was performed. A controls gap analysis will be conducted in relation to the Transportation Bank and all 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 guidance as needed.



Berkeley Township MUA, Installation of Well 4. **SFY2021 Loan: \$1,455,000**

# I-BANK History

Total Water and  
Transportation Loans  
issued: \$9.19B.

Estimated long-  
term borrower  
savings: \$2.77B

2021

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

2020

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

2018

Mission expanded to include Transportation Loans; first loan to Camden County (**\$25.5M**)  
Changed name to NJ Infrastructure Bank (**I-BANK**)

2017

Issued first Water Bank Asset Management Loan

2015

Issued first Green Bond Series  
Issued first multi-year short-term construction loan

2014

Issued first SAIL Disaster Relief Emergency Financing Program Loan

2013

Introduced electronic loan application and review portal for Water Bank (**H<sub>2</sub>LOans**)

2004

Issued first short-term construction loan

1997

Expanded mission to include Drinking Water Projects

Changed name to New Jersey Environmental Infrastructure Trust (**NJEIT**)

1995

Introduced Master Program Trust Agreement (MPTA) bond collateral structure

1987

Issued first loan for wastewater treatment (CCMUA **\$182M**)

1986

Operations commenced

1985

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

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

The New Jersey Infrastructure Bank (I-Bank) has partnered with the DEP for over 34 years providing low-cost financing for environmental infrastructure projects, saving taxpayers more than \$2.77 billion through low interest rate loans, refunding savings, and principal forgiveness, and creating approximately 149,000 direct construction jobs, providing vital economic activity to the State.

In 2018, the I-Bank's mandate was expanded to finance public Transportation projects across the State in partnership with the DOT through the creation of the NJ Transportation Bank. Since its inception, the Transportation Bank has closed approximately \$64.7 million in loans to 14 projects resulting in over 770 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 for each fiscal year. The programs offer below market rate financing with low fees. For example, 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** – Statutory changes effective at the end of SFY2021 eliminated the Local Bond Law requirement of a five percent down payment for projects financed through the Transportation Bank, a convenience that has been available to Water Bank borrowers since 2018. Applicants in both programs are permitted to have the I-Bank submit an approval request to the Director of DLGS at the Department of Community Affairs on their behalf which expedites approval times and minimizes processing costs.

**Earnings Credits** – Earnings on investments from funds held for the long-term Water bonds, including monies in Revenue Fund accounts, are distributed to borrowers as credits toward their debt service payments. Long-term bonds have not yet been issued for the Transportation Bank. It is anticipated that Transportation Bank borrowers will benefit similarly when long-term bonds are issued.

**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 cost.

**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 a portion of loan funds to debt service reserve funds due to the Program's Master Program Trust Account collateral structure. A similar collateral mechanism will be used for the Transportation Bank when long-term bonds are issued for that Program.

## **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.

**Generous Allowable Costs** – Both Financing Programs finance a broad array of eligible costs, including planning and design, engineering, and legal fees.

**Flexible Term** – Loans are issued for the

lesser of the asset's certified useful life or 30 years (Water) or 31 years (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 none are required to fulfill SEC secondary disclosure or reporting requirements. Additional reporting requirements, including those for EPA, and for single audits are handled or managed by the I-Bank, minimizing the need for and expense of additional administrative staff for borrowers.

**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.



Jackson Township MUA,  
Six Flags WTP Replacement.  
**SFY2021 Loan: \$15,501,761**

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# NEW JERSEY WATER BANK



Ocean County Utilities Authority, AW1611 Area Wide Clarifier Rehabilitation. **SFY2021 Loan: \$5,840,094**



Burlington City, Dual Media Filters. **SFY2021 Loan: \$919,021**

## WATER BANK: FINANCIAL OFFERINGS IN SFY2021

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 SFY2021 program listed below provided low-interest loans by combining funds from the DEP including, Federal Clean Water (CW) or Drinking Water (DW) State Revolving Funds (SRF) and State appropriated funds with funds from I-Bank bond proceeds and cash-on-hand.

### **SHORT-TERM FINANCING OFFERINGS**

The Water Bank offers temporary financing through the short-term Construction Loan Program (CLP), and the SAIL Disaster Relief Loan Program. In SFY2021, the I-Bank issued 105 short-term construction loans totaling \$771.4 million.

#### **Short-term Construction Loans**

In SFY2021, the I-Bank's CLP offered short-term financing at 0% interest for the planning, design and construction of projects in advance of long-term financing. The I-Bank issued short-term construction loans for a period not to exceed three full fiscal years following the closing of the short-term loan for construction. Short-term loans issued during the planning stage of a project, which include project planning, engineering design and construction activities, allowed for up to an additional two years. Planning and Design ("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 temporary loans to borrowers covering 100% of a typical project's construction period and converts the actual project costs incurred during the design and construction phases into long-term loans upon construction completion. Short-term loans for the development of long-term control plans for combined sewer overflow (CSO) communities were eligible for an additional 5-year term and funded by the I-Bank at an interest rate of 0% from funds provided by DEP.

All Borrowers benefit from the quick turnaround time from submission of reimbursement requests to cash disbursement. Construction 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 Superstorm Sandy and to-date, has successfully financed 11 projects totaling \$205.5 million, with additional projects under review, reliev-

ing 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 and compliance with federal requirements.

### **LONG-TERM FINANCING OFFERINGS**

#### **Base Clean Water Program**

The SFY2021 base Clean Water Program offered combined financing from the DEP and the I-Bank at an interest rate no greater than fifty percent 50% of the I-Bank's AAA/Aaa market rate. Additionally, the program offered set-aside funds for certain projects that qualified for principal forgiveness (PF) detailed under Special Initiatives section below.

#### **Base Drinking Water Program**

The SFY2021 Base Drinking Water Program offered combined financing from the DEP and the I-Bank at an interest rate equal to 50% of the I-Bank's AAA/Aaa market rate for public water system borrowers. For Investor-owned borrowers, the program offered financing with a blended interest rate equal to 75% of the I-Bank's AAA/Aaa market rate. Systems serving municipalities with a median household income less than or equal to 65% of the New Jersey median household income were eligible for combined

## WATER BANK: FINANCIAL OFFERINGS (CONTINUED)

financing with a blended interest rate equal to 25% of the I-Bank AAA/Aaa market rate. Additionally, the program offered set-aside funds for certain projects that qualified for principal forgiveness (PF) detailed under Special Initiatives below.

### **SPECIAL INITIATIVES**

#### ***Lead Service Line Replacement***

With the addition of the Water Infrastructure Funding Transfer Act (aka the "Booker Bill") as well as funds available from the previous fiscal year, the Water Bank set aside \$206 million in SFY2021 for eligible lead service line replacement projects designed to remediate lead in drinking water systems. Eligible borrowers were communities serving customers whose median household incomes less than the median household income of the State. Loans were offered consisting of 50% PF and 50% I-Bank AAA/Aaa market rate financing. These loans were capped at \$1, \$5 or \$20 million in PF per water system depending on the number of known lead service lines being replaced in communities with a medium household income level (MHI) below the State MHI. Project costs that exceeded the caps were financed at the I-Bank's AAA/Aaa market rate loan.

#### ***Small System Lead Abatement***

Ten million dollars 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. Loans were offered at 90% PF with the balance of financing at the I-Bank cost of funds rate. Any remaining funds as of April 1, 2021, were made available as PF under the lead service line replacement category. Project applicants were capped at \$1 million in PF per water system per year.

#### ***Combined Sewer Overflow (CSO) Abatement: Green and Grey Infrastructure***

A total of \$25 million in principal forgiveness. A total of \$25 million in PF funds was available for CSO abatement projects with \$2.5 million reserved exclusively for projects with a focus on 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 reuse. The first \$4 million in project costs were eligible for 50% PF, a 25% DEP loan at zero percent interest and a 25% I-Bank AAA/Aaa market rate loan resulting in a \$2 million PF cap per borrower. Project costs between \$4 and \$10 million were financed with a 75% DEP loan at zero percent interest and a 25% I-Bank AAA/Aaa market rate loan. Project costs over \$10 million were financed through the base program with a 50% DEP loan at zero percent interest and a 50% I-Bank AAA/Aaa market rate loan.

#### ***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 SDWSs to participate in the Water Bank to complete critical repairs and invest in necessary upgrades by greatly reducing the costs of the projects as SDWSs often lack the resources of larger systems. In SFY2021, the NLP provided \$4 million in principal forgiveness financing to eligible systems by offering a loan package up to \$1 million per recipient that consists of a 50% PF loan, with the remaining project costs financing from the DEP and I-Bank at a rate no greater than 50% of the I-Bank market-rate. To further incentivize participation, the NLP waives many Water Bank administrative and underwriting fees.

#### ***Asset Management for Small Systems***

The Water Bank offered 100% PF loans, capped at \$100,000 per applicant, to small wastewater systems (serving populations of up to 10,000) to develop and implement asset management programs. To qualify for PF, the Asset Management Program Plan must result in the construction of a related capital improvement project costing at least \$250,000 and be funded by the Water Bank.

#### ***Small Water System Engineering Program***

Small drinking water systems that serve up to 1,000 persons and need design assistance for projects were eligible for 90%

PF loans for engineering costs through the Small Water System Engineering Contract Program. There was a cap of \$500,000 per project. In addition, the DEP offered small drinking water systems serving 500 persons or fewer, up to \$500,000 in PF loans through the federal Community Engineering Corp. Program for construction of projects that produced compliance with State standards.

#### ***Water Quality Restoration***

New in SFY2021 was a program dedicated to capital improvement projects and equipment purchases that were designed to eliminate, prevent, or reduce documented occurrences of shellfish bed downgrades, beach closings, and advisories due to the presence of harmful algal blooms (HABs). These loans were structured with the first \$4 million of project costs receiving PF of up to \$2 million per borrower and the balance financed with a 50% DEP loan at zero percent interest and a 50% I-Bank AAA/Aaa market rate loan. For project costs between \$4 million and \$10 million, projects were financed with a 75% DEP loan at zero percent interest and a 25% I-Bank AAA/Aaa market rate loan. Costs in excess of \$10 million were financed through the base rate a 50% DEP loan at zero percent interest and a 50% I-Bank AAA/Aaa market rate loan.



Camden County MUA,  
Wastewater Treatment Plant Improvements.  
**SFY2021 Loan: \$8,056,643**

# WATER BANK PROJECTS: ELIGIBLE ACTIVITIES IN SFY2021

The following is a list of environmental projects eligible for financing through the Water Bank (note, this list is not meant to be all-inclusive).

## DRINKING WATER

- Replacement, source development and rehabilitation activities that address federal safe drinking water health standards.
- Treatment to comply with primary and secondary drinking water standards.
- 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 man-

agement and combined sewer overflows.

- Emergency repair projects to replace, in kind, the failure of an essential portion of a wastewater system that will disrupt service for a minimum of 24 hours total and/or poses a substantial threat to public health, safety and welfare.

### Stormwater

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

### Runoff Control

- Stream-bank stabilization, Manure / feedlot management, 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, 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 installa-



North Bergen MUA Woodcliff Wastewater Treatment Facility Improvements. **SFY2021 Loan: \$19,725,440**

## WATER BANK PROJECTS: ELIGIBLE ACTIVITIES (CONTINUED)

tion 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, the 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, and to provide conduit loans to, residents for the rehabilitation of ex-

isting systems or the purchase and installation of traditional or alternative replacement septic systems.

### **Green Infrastructure**

- The implementation of clean water projects that incorporate 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.

### **Security Monitoring**

- Security improvements at eligible wastewater and drinking water facilities, including fencing, lighting,

motion detectors, cameras, secure doors, and alternative auxiliary power sources work.

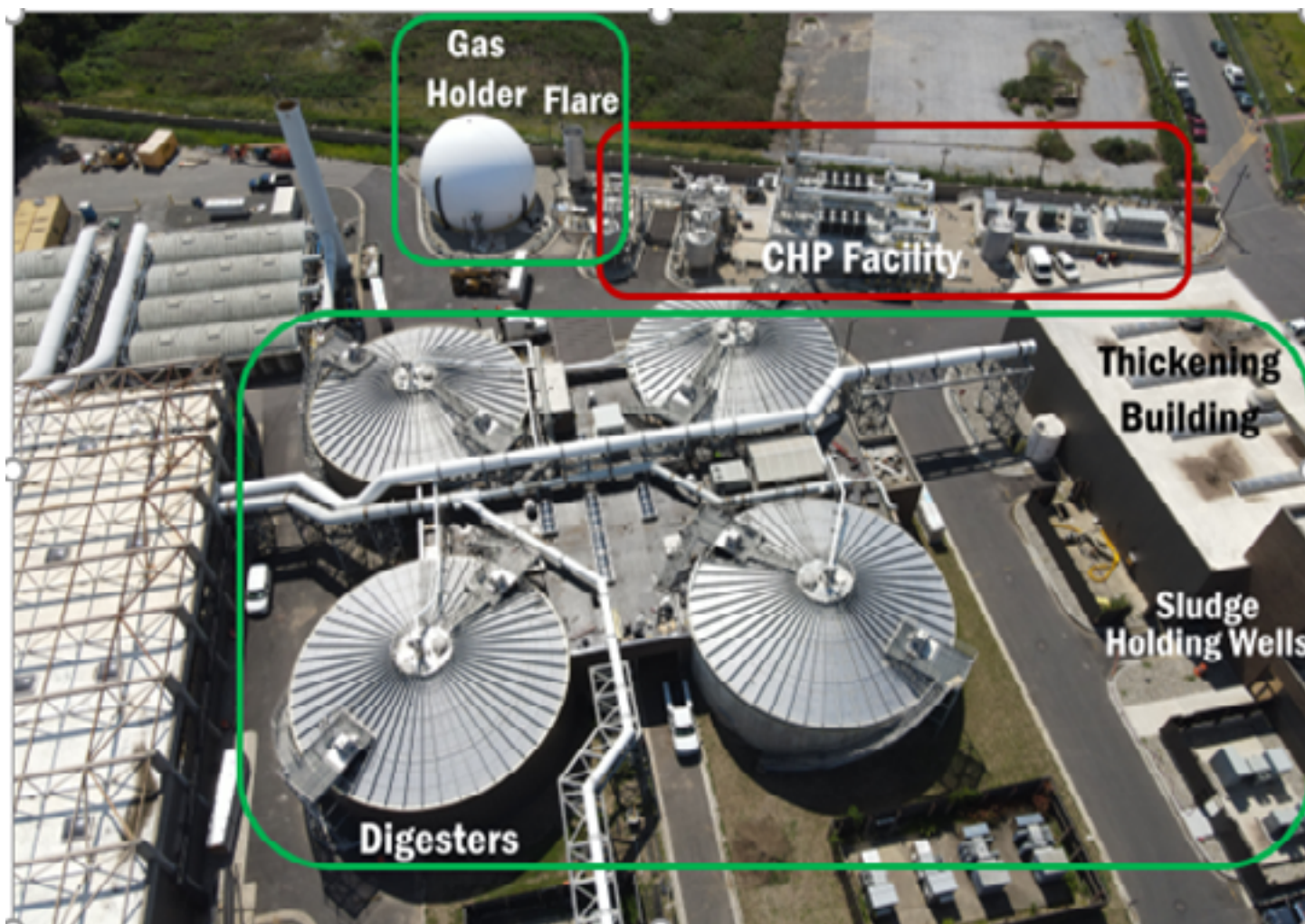
### **Asset Management Plans (AMPs)**

- The categorization and inventory of a system's assets, and the identification of capital replacement needs. The plan would also include a financial strategy that lays out the methods, scheduling and financing of the proposed maintenance and replacement of such assets. In SFY2021, the Water Bank offered principal forgiveness loans of up to \$100,000 for Small Systems (population not greater than 10,000) to develop an AMP that produces a project financed through the program.



Jersey City MUA, Phase 3 and 4 Sewer Improvements. **SFY2021 Loan: \$35,669,487**

## WATER BANK SFY2021 CASE STUDY: Camden County MUA Upgrades to the Anaerobic Digester and Combined Heat & Power Facility



Camden County MUA, Wastewater Treatment Plant ASD and CHP Improvements. **SFY2021 Loan: \$77,993,594**

The Camden County Municipal Utilities Authority (CCMUA) treats an average of 58-million gallons of sewage discharged every day conveyed through a system that includes 135 miles of pipe and 27 separate pump stations. The CCMUA began constructing the original facilities in 1987 in response to the Federal Clean Water Act administered by the USEPA. CCMUA has since launched seven green initiatives to address environmental impacts including water and energy conservation, and climate change. Its energy self-sufficiency initiative has the goal to produce as much energy through its operations as it consumes, resulting in zero net energy consumption.

CCMUA has a reputation for cutting-edge initiatives that maximize operating efficiencies by incorporating green and grey infrastructure improvements into its sys-

tem. By financing these improvements through the Water Bank, CCMUA has been able to use the savings from such low-cost financing to afford and construct more capital infrastructure projects. Through these projects, CCMUA has moved closer towards achieving its goal of becoming 100% energy self-sufficient. And, the authority continues to evaluate its net zero goal and how it might better meet that goal.

CCMUA initiated several projects focused on energy reduction. One such project upgraded the sedimentation tanks to reduce the amount of energy required to run its operations. By optimizing the primary stage of the treatment process through natural gravity, CCMUA has been able to remove a greater volume of solids, thereby reducing the reliance on the energy-intensive pure oxygen aeration

system. This project, funded with \$10 million in low-cost funds from the Water Bank, significantly reduced energy usage in the secondary treatment stage.

Another energy reduction project included significant upgrades to the aeration system. Enhanced efficiency in the secondary treatment process further reduced CCMUA's energy usage. This component of the project, funded with \$15 million in low-cost funds from the Water Bank, together with the sedimentation tank upgrades reduced the CCMUA's energy consumption needs by approximately 25%.

The second phase of CCMUA's goal of energy self-sufficiency focused on energy production. With a lower energy load, the CCMUA implemented critical alternative energy projects to lessen its de-

## WATER BANK SFY2021 CASE STUDY: Camden County MUA (CONTINUED)

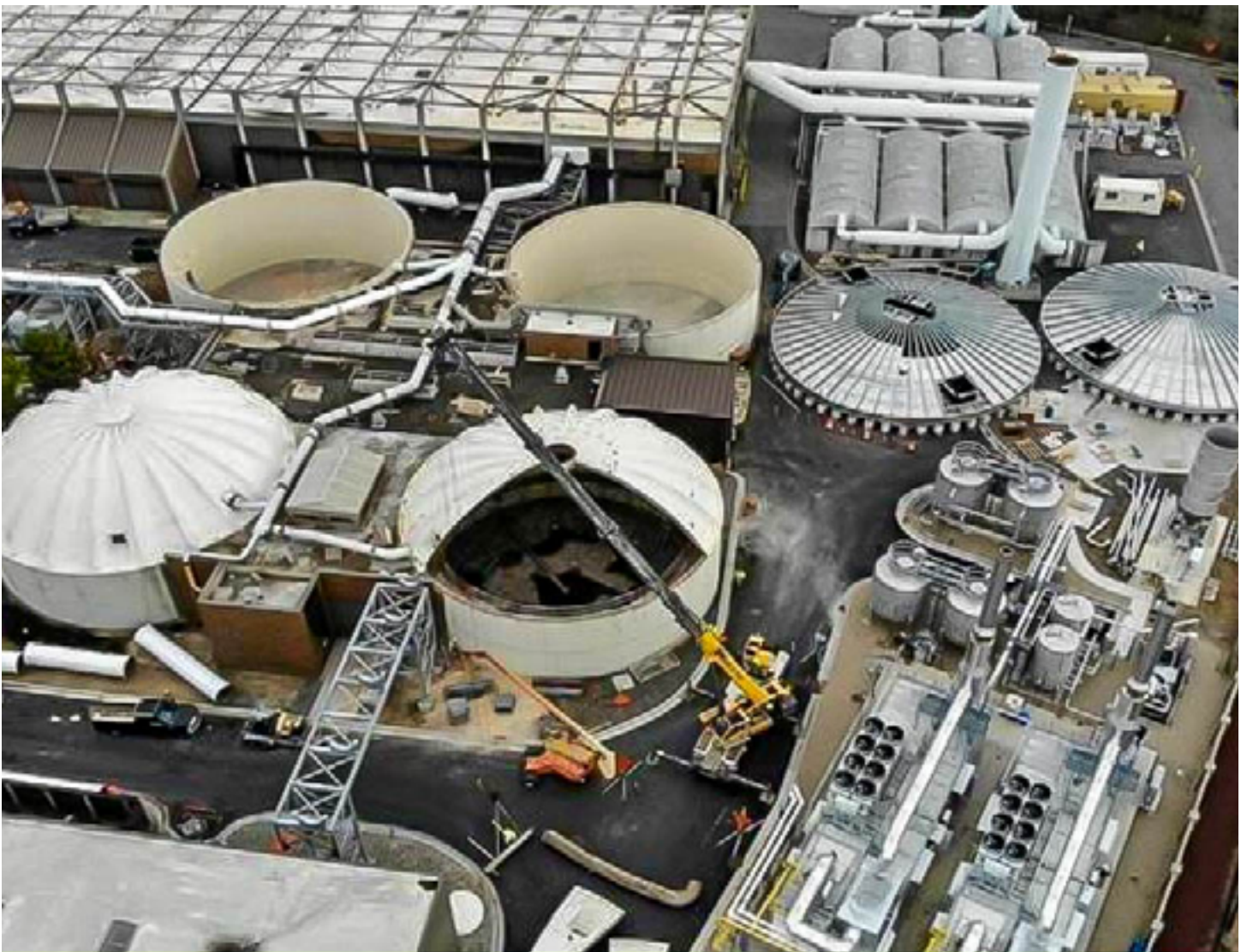
pendence on outside energy providers. CCMUA installed a 7,200-panel solar array capable of generating approximately 10% of the utility's energy needs, saving approximately \$300,000 in energy costs during the first year of the project and a projected \$7 million over the life of the 15-year power purchase agreement. As part of the agreement, CCMUA will not be responsible for capital costs or ongoing maintenance costs but will instead be paying a monthly solar power bill at rates well below prevailing utility rates. For perspective, the 1.8 MWs of clean, renewable energy produced by the solar array provides enough electricity to cover over 1,100 homes per year.

In SFY2021, CCMUA used the Water Bank to finance upgrades to its Anaerobic Sludge Digester (ASD) and construct a

Combined Heat & Power facility (CHP). The most significant component of the project is the construction of the ASD which reduces sludge output by approximately 45%, minimizes odor potential and creates both heat and biogas. The remaining sludge goes through a drying facility and the CHP converts the biogas into electricity. The entire process generates enough biogas and subsequent electricity to produce between 50-60% of the energy needed to run the plant. The project is being funded with approximately \$72 million in loans from the Water Bank and qualified for \$13.5 million in principal forgiveness as it improved resiliency. Including interest savings, CCMUA saved approximately \$29.4 million over the 30-year term of the loan or 41% of the total project cost. In addition, this project created an estimated 864 direct construc-

tion jobs.

CCMUA recognizes wastewater utilities have an important mission to protect the public health and waterways from pollution particularly in the face of increasingly severe storms. The CCMUA has reduced its vulnerability to the corresponding risk of power outages by implementing green energy initiatives focused on energy self-sufficiency. By reducing its energy usage and sludge output, CCMUA has reduced its carbon footprint and minimized the adverse impacts from the plant's effluent on the Delaware River. CCMUA, through the implementation of its goals, deserves recognition as a leader of innovative energy efficiency policies that can guide and inspire other waste treatment utility authorities towards similar goals.



Camden County MUA, Wastewater Treatment Plant ASD and CHP Improvements. **SFY2021 Loan: \$77,993,594**

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

SFY	1st S-T Loan (Oper Seg)	Additional S-T Loans (Oper Segs)	L-T Loans Inc/(Dec)	SFY Total
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
2017	\$ 419,244,321	\$ 32,194,904	\$ 47,147,545	\$ 498,586,770



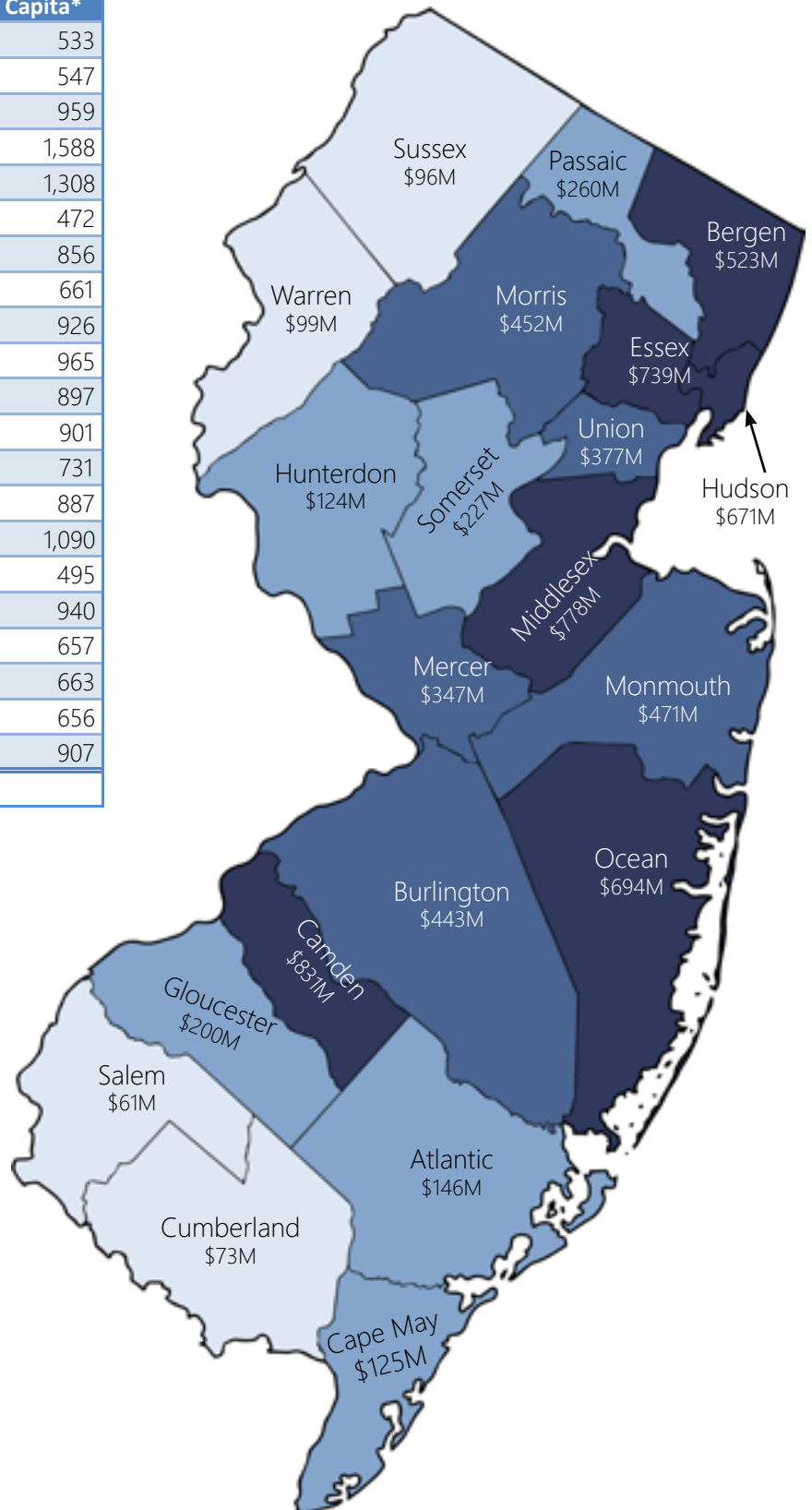
Salem County Improvement Authority, Landfill Expansion. **SFY2021 Loan: \$6,624,625**

# WATER BANK LOAN HISTORY: SFY1987-2021 BY COUNTY

County	Total Loans	Per Capita*
Atlantic	\$ 146,313,846	\$ 533
Bergen	\$ 522,795,170	\$ 547
Burlington	\$ 442,871,291	\$ 959
Camden	\$ 831,394,634	\$ 1,588
Cape May	\$ 124,610,067	\$ 1,308
Cumberland	\$ 72,754,679	\$ 472
Essex	\$ 739,317,244	\$ 856
Gloucester	\$ 199,845,915	\$ 661
Hudson	\$ 671,456,702	\$ 926
Hunterdon	\$ 124,405,460	\$ 965
Mercer	\$ 347,341,824	\$ 897
Middlesex	\$ 777,504,982	\$ 901
Monmouth	\$ 470,775,173	\$ 731
Morris	\$ 451,501,274	\$ 887
Ocean	\$ 694,499,430	\$ 1,090
Passaic	\$ 259,631,091	\$ 495
Salem	\$ 60,940,149	\$ 940
Somerset	\$ 226,934,616	\$ 657
Sussex	\$ 95,679,095	\$ 663
Union	\$ 377,437,988	\$ 656
Warren	\$ 99,404,683	\$ 907
<b>Total</b>	<b>\$ 7,737,415,312</b>	

\*2020 CENSUS DATA

LEGEND:



# WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2021 YEAR-END

Issue Year	Borrower	Program	Loan Amount
<b>2016</b>	Elizabeth City	BASE	\$ 3,350,000
<b>2017</b>	North Hudson SA	BASE	\$ 3,675,301
2017	Passaic Valley SC	BASE	\$ 8,000,000
<b>2018</b>	NJ American Water Company	BASE	\$ 7,413,000
2018	NJ American Water Company	BASE	\$ 13,948,660
<b>2019</b>	Brick Twp MUA	BASE	\$ 5,278,297
2019	Brick Twp MUA	BASE	\$ 3,000,000
2019	Camden County MUA	BASE	\$ 10,226,713
2019	Chatham Borough (JM)	BASE	\$ 2,730,000
2019	Clinton Town	BASE	\$ 719,969
2019	Cranford Twp	BASE	\$ 2,578,383
2019	East Greenwich Twp	BASE	\$ 310,000
2019	Elizabeth City	BASE	\$ 5,320,111
2019	Hamburg Borough	BASE	\$ 85,000
2019	Hampton Borough	BASE	\$ 930,445
2019	Hardyston MUA	BASE	\$ 84,840
2019	High Bridge Borough	BASE	\$ 100,000
2019	Hopatcong Borough	BASE	\$ 100,000
2019	Howell Twp	BASE	\$ 12,076,776
2019	Jersey City MUA	BASE	\$ 3,116,740
2019	Jersey City MUA	BASE	\$ 5,280,963
2019	Kearny Town	BASE	\$ 14,090,909
2019	Madison Borough (JM)	BASE	\$ 4,770,000
2019	Middlesex Borough	BASE	\$ 1,381,868
2019	Middlesex Water Company	BASE	\$ 43,474,714
2019	Middlesex Water Company	BASE	\$ 8,656,747
2019	Milltown Borough	BASE	\$ 1,450,000
2019	Monmouth County BOA	BASE	\$ 1,641,447
2019	Mt Arlington Borough	BASE	\$ 159,456
2019	Mt Arlington Borough	BASE	\$ 165,836
2019	National Park Borough	BASE	\$ 1,495,000
2019	Newark City	BASE	\$ 20,000,000
2019	Newark City	BASE	\$ 4,698,840
2019	Newark City	BASE	\$ 12,296,528
2019	NJ Water Supply Auth	BASE	\$ 75,000,000
2019	North Hudson SA	BASE	\$ 17,500,000
2019	Northwest Bergen CUA	BASE	\$ 6,516,744
2019	Northwest Bergen CUA	BASE	\$ 3,900,000
2019	Northwest Bergen CUA	BASE	\$ 1,200,000
2019	Northwest Bergen CUA	BASE	\$ 922,739
2019	Paulsboro Borough	BASE	\$ 2,209,814
2019	Paulsboro Borough	BASE	\$ 635,400
2019	Perth Amboy City	BASE	\$ 665,156

# WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2021 YEAR-END (**CONTINUED**)

Issue Year	Borrower	Program	Loan Amount
<b>2019</b>	Raritan Twp MUA	BASE	\$ 3,904,852
2019	Rockaway Valley RSA	BASE	\$ 738,042
2019	Rutgers, The State University of NJ	BASE	\$ 35,982,085
2019	Somerset Raritan Valley SA	BASE	\$ 33,000,000
2019	Vernon Twp	BASE	\$ 100,000
2019	Warren Twp SA	BASE	\$ 2,764,557
<b>2020</b>	Allentown Borough	BASE	\$ 4,600,000
2020	Bergen County UA	BASE	\$ 79,985
2020	Bergen County UA	BASE	\$ 201,311
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	Buena Borough MUA	BASE	\$ 1,250,000
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	\$ 248,421
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	\$ 33,135,932
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	Lambertville MUA	BASE	\$ 1,429,852
2020	Lambertville MUA	BASE	\$ 550,000
2020	Long Branch SA	BASE	\$ 106,555
2020	Long Branch SA	BASE	\$ 2,652,177
2020	Moorestown Twp	BASE	\$ 20,880,000
2020	Mt Laurel Twp MUA	BASE	\$ 4,739,227
2020	Musconetcong SA	BASE	\$ 6,000,000
2020	Newark City	BASE	\$ 160,012
2020	Newark City	BASE	\$ 4,700,474

# WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2021 YEAR-END (**CONTINUED**)

Issue Year	Borrower	Program	Loan Amount
<b>2020</b>	Newark City	BASE	\$ 2,502,566
2020	Newark City	BASE	\$ 12,579,421
2020	NJ American Water Company	BASE	\$ 24,103,961
2020	North Hudson SA	BASE	\$ 75,296
2020	Ocean Twp SA	BASE	\$ 828,828
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	Somerset Raritan Valley SA	BASE	\$ 5,144,453
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	Toms River MUA	BASE	\$ 3,100,000
2020	Trenton City	BASE	\$ 15,000,000
2020	Two Rivers Water Reclamation Auth	BASE	\$ 3,252,159
2020	Union City	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
<b>2021</b>	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	Brielle Borough	BASE	\$ 3,532,900
2021	Brielle Borough	BASE	\$ 1,677,600
2021	Burlington City	BASE	\$ 1,990,596
2021	Camden City	BASE	\$ 5,177,115
2021	Camden County MUA	BASE	\$ 4,171,373
2021	Camden County MUA	BASE	\$ 1,679,070
2021	Camden County MUA	BASE	\$ 23,711,831
2021	Camden County MUA	BASE	\$ 2,933,555
2021	Camden County MUA	BASE	\$ 1,249,973
2021	Carteret Borough	BASE	\$ 4,800,000
2021	Clinton Town	BASE	\$ 3,889,400
2021	Clinton Town	BASE	\$ 1,792,706
2021	Clinton Town	BASE	\$ 2,009,217
2021	Delran Twp	BASE	\$ 1,538,856

# WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2021 YEAR-END (**CONTINUED**)

Issue Year	Borrower	Program	Loan Amount
2021	East Orange City	BASE	\$ 106,649
2021	Elizabeth City	BASE	\$ 1,276,572
2021	Farmingdale Borough	BASE	\$ 522,893
2021	Franklin Twp SA	BASE	\$ 4,044,510
2021	Gloucester County UA	BASE	\$ 5,489,218
2021	Gloucester Twp	BASE	\$ 701,564
2021	Hackensack City	BASE	\$ 7,078,312
2021	Haddon Heights Borough	BASE	\$ 100,000
2021	Hamburg Borough	BASE	\$ 561,016
2021	Hightstown Borough	BASE	\$ 30,906
2021	Hightstown Borough	BASE	\$ 1,433,796
2021	Hillside Twp	BASE	\$ 163,346
2021	Hopatcong Borough	BASE	\$ 514,073
2021	Hopewell Twp	BASE	\$ 122,571
2021	Irvington Twp	BASE	\$ 433,058
2021	Jersey City MUA	BASE	\$ 9,000,000
2021	Jersey City MUA	BASE	\$ 10,000,000
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	\$ 345,925
2021	Mantua Twp MUA	BASE	\$ 2,025,402
2021	Mapleshade Twp	BASE	\$ 166,484
2021	Marlboro Twp	BASE	\$ 907,853
2021	Medford Lakes Borough	BASE	\$ 6,096,325
2021	Mendham Borough	BASE	\$ 462,101
2021	Mendham Borough	BASE	\$ 261,893
2021	Millburn Twp	BASE	\$ 147,124
2021	Moorestown Twp	BASE	\$ 12,561,168
2021	Newark City	BASE	\$ 252,735
2021	Newark City	BASE	\$ 40,000,000
2021	Newark City	BASE	\$ 22,840,021
2021	NJ American Water Company	BASE	\$ 8,974,000
2021	North Bergen MUA	BASE	\$ 3,734,750
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	Ocean County UA	BASE	\$ 3,562,913
2021	Ocean County UA	BASE	\$ 2,184,069

# WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2021 YEAR-END (**CONTINUED**)

Issue Year	Borrower	Program	Loan Amount
2021	Old Bridge MUA	BASE	\$ 172,397
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	\$ 2,172,015
2021	Perth Amboy City	BASE	\$ 46,418
2021	Plumsted Twp	BASE	\$ 6,318,698
2021	Point Pleasant Beach Borough	BASE	\$ 319,000
2021	Red Bank Borough	BASE	\$ 430,000
2021	Rockaway Valley RSA	BASE	\$ 826,091
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	South Orange Village Twp	BASE	\$ 640,000
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	\$ 7,479,947
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	\$ 199,980
<b>Total Construction Loans</b>			<b>\$ 1,389,437,432</b>



Jersey City MUA, Sewer Main Rehab. SFY2021 Loan: \$1,048,438

# WATER BANK LONG-TERM LOANS: CLOSED IN SFY2021

## SERIES SFY2021A-1 (BY BORROWER)

Borrower Names	Total Original Loan	Program Savings (Est.)
Allentown Borough	\$ 417,223	\$ 44,317
Berkeley Twp. MUA	\$ 1,536,343	\$ 383,998
Bradley Beach Borough	\$ 1,924,597	\$ 416,258
Burlington City	\$ 919,021	\$ 634,083
Camden County MUA	\$ 91,154,233	\$ 34,115,402
Clinton Town	\$ 670,392	\$ 112,075
Evesham MUA	\$ 2,996,245	\$ 614,721
Glen Ridge Borough	\$ 1,894,065	\$ 504,342
Gloucester County IA	\$ 7,943,171	\$ 447,939
Hoboken City	\$ 11,704,188	\$ 3,872,888
Jackson Twp. MUA	\$ 19,159,245	\$ 3,407,914
Jersey City MUA	\$ 47,382,909	\$ 17,057,408
Lakewood Twp. MUA	\$ 5,027,714	\$ 858,212
Linden Roselle SA	\$ 1,350,023	\$ 152,849
Little Egg Harbor MUA	\$ 6,508,956	\$ 1,430,847
Manchester Twp	\$ 3,361,318	\$ 532,625
Middlesex County UA	\$ 9,169,738	\$ 1,508,269
NJ Water Supply Auth	\$ 35,684,438	\$ 5,879,184
North Bergen MUA	\$ 19,725,440	\$ 9,941,995
North Brunswick Twp.	\$ 5,209,950	\$ 743,113
Ocean County UA	\$ 6,209,794	\$ 1,024,896
Ocean Twp. SA	\$ 3,581,928	\$ 777,086
Old Bridge MUA	\$ 3,094,642	\$ 510,741
Passaic Valley SC	\$ 24,737,205	\$ 7,406,585
Perth Amboy City	\$ 339,901	\$ 47,517
Plumsted Twp	\$ 22,082,853	\$ 2,799,923
Point Pleasant Beach Borough	\$ 2,311,103	\$ 969,978
Rahway Valley SA	\$ 6,254,171	\$ 1,367,718
Rockaway Valley RSA	\$ 6,553,991	\$ 1,422,579
Salem County IA	\$ 6,219,517	\$ 703,729
Wall Twp.	\$ 3,579,380	\$ 698,276
West Deptford Twp.	\$ 1,200,022	\$ 268,814
Western Monmouth UA	\$ 18,296,964	\$ 2,613,000
<b>Total</b>	<b>\$ 378,200,680</b>	<b>\$ 103,269,282</b>

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER

Borrower Names	Total Original Loan	Program Savings (Est.)
2117 Mt. Ephraim, Inc., Nancy-Lee	\$ 397,969	\$ 132,719
Aberdeen Twp.	\$ 10,627,051	\$ 2,571,095
Allamuchy Twp.	\$ 7,494,437	\$ 2,273,022
Allentown Borough	\$ 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	\$ 24,126,724
Atlantic Highlands Borough	\$ 1,917,275	\$ 447,322
Atlantic Highlands-Highlands RSA	\$ 872,692	\$ 293,499
Avalon Borough	\$ 1,118,240	\$ 215,924
Barnegat Twp.	\$ 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	\$ 26,620,123
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 Twp.	\$ 15,036,610	\$ 5,978,627
Berkeley Twp.	\$ 3,140,003	\$ 986,350
Berkeley Twp. MUA	\$ 9,624,023	\$ 4,149,139
Berkeley Twp. SA	\$ 24,262,252	\$ 8,960,779
Berlin Borough	\$ 4,823,632	\$ 1,402,673
Bernardsville Borough	\$ 6,824,630	\$ 3,190,642
Bethlehem Twp.	\$ 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 Twp.	\$ 2,573,862	\$ 744,384
Brick Twp. MUA	\$ 33,855,118	\$ 10,130,137
Bridgeton City	\$ 10,158,187	\$ 5,691,868
Bridgewater Twp.	\$ 1,770,319	\$ 515,861
Brielle Borough	\$ 4,979,048	\$ 1,043,051

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Brigantine City	\$ 12,718,667	\$ 3,646,101
Brookwood Musconetcong River POA	\$ 1,039,200	\$ 291,174
Buena Borough MUA	\$ 1,683,486	\$ 543,407
Burlington City	\$ 22,067,914	\$ 9,206,064
Burlington County	\$ 4,646,774	\$ 1,145,668
Burlington County - BCF	\$ 89,521,293	\$ 27,710,715
Burlington Twp.	\$ 14,759,041	\$ 4,209,079
Byram Homeowners Assoc	\$ 569,085	\$ 109,784
Byram Twp.	\$ 1,802,284	\$ 626,706
Caldwell Borough	\$ 37,883,224	\$ 15,488,803
Califon Borough	\$ 1,343,949	\$ 234,254
Camden City	\$ 117,694,742	\$ 46,550,901
Camden County MUA	\$ 573,639,638	\$ 259,842,865
Cape May City	\$ 3,765,097	\$ 1,265,433
Cape May County MUA	\$ 51,280,891	\$ 20,747,429
Cape May Point Borough	\$ 161,766	\$ 18,145
Carneys Point Twp.	\$ 502,733	\$ 149,279
Carneys Point Twp. SA	\$ 6,510,000	\$ 3,798,909
Carteret Borough	\$ 17,139,480	\$ 8,973,181
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 Twp.	\$ 9,123,321	\$ 4,168,090
Chatham Borough	\$ 8,569,545	\$ 3,916,838
Chatham Borough (JM)	\$ 2,091,901	\$ 1,092,734
Chatham Twp.	\$ 7,257,264	\$ 1,761,232
Cherry Hill Twp.	\$ 6,142,348	\$ 2,444,110
Chester Borough	\$ 1,394,451	\$ 473,649
Chesterfield Twp.	\$ 5,622,510	\$ 1,581,112
Cinnaminson SA	\$ 16,652,802	\$ 4,107,713
Clayton Borough	\$ 2,785,750	\$ 982,916
Clementon Borough	\$ 1,195,000	\$ 482,568
Cliffside Park Borough	\$ 1,105,000	\$ 192,618
Clifton City	\$ 4,576,000	\$ 1,408,253
Clinton Town	\$ 15,453,224	\$ 4,801,367
Clinton Twp.	\$ 264,000	\$ 87,835
Clinton Twp. SA	\$ 2,085,074	\$ 679,844
Collingswood Borough	\$ 4,263,827	\$ 1,319,243
Consumers NJ Water Co	\$ 3,473,961	\$ 1,207,113
Continental Communities LLC	\$ 1,956,690	\$ 583,827
Continental Communities LLC (Colonial Estates)	\$ 999,999	\$ 219,549
Cranford Twp.	\$ 8,351,638	\$ 2,605,478
Cumberland County IA	\$ 10,158,515	\$ 2,495,304
Cumberland County UA	\$ 7,899,790	\$ 1,998,759
Delanco Twp. SA	\$ 1,076,866	\$ 305,253
Delran SA	\$ 13,694,636	\$ 4,436,390

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Delran Twp.	\$ 1,949,550	\$ 434,696
Denville Twp.	\$ 18,205,604	\$ 7,985,291
Deptford Twp. MUA	\$ 5,726,491	\$ 1,683,975
Dover Town	\$ 822,669	\$ 226,577
Dumont Borough	\$ 7,062,000	\$ 2,081,660
Dunellen Borough	\$ 1,845,475	\$ 528,290
East Brookwood Estates POA	\$ 1,357,000	\$ 375,231
East Newark Borough	\$ 579,562	\$ 213,166
East Orange City	\$ 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 Twp.	\$ 868,172	\$ 335,794
Eatontown SA	\$ 4,400,336	\$ 1,313,246
Edgewater Borough	\$ 3,803,741	\$ 1,468,143
Edgewater MUA	\$ 1,771,496	\$ 599,028
Edgewater Park SA	\$ 3,242,377	\$ 835,877
Edison Twp.	\$ 3,299,256	\$ 935,748
Egg Harbor Twp. MUA	\$ 2,028,012	\$ 347,426
Elizabeth City	\$ 64,488,267	\$ 33,036,808
Elizabeth City (JM)	\$ 16,496,154	\$ 8,026,739
Elmer Borough	\$ 580,000	\$ 446,838
Elmwood Park Borough	\$ 8,874,766	\$ 2,558,218
Essex County UA	\$ 2,135,414	\$ 666,943
Evesham MUA	\$ 22,395,820	\$ 6,539,070
Evesham Twp.	\$ 2,643,250	\$ 1,164,675
Ewing Lawrence SA	\$ 46,611,576	\$ 14,520,193
Ewing Twp.	\$ 4,236,765	\$ 1,507,606
Fanwood Borough	\$ 1,362,256	\$ 305,540
Flemington Borough	\$ 4,774,751	\$ 1,488,905
Florence Twp.	\$ 20,837,659	\$ 5,599,006
Florham Park SA	\$ 3,554,134	\$ 947,445
Fort Lee Borough	\$ 6,952,250	\$ 1,972,327
Franklin Borough	\$ 550,000	\$ 181,574
Franklin Twp.	\$ 3,495,733	\$ 1,042,802
Franklin Twp. SA	\$ 41,680,135	\$ 14,267,143
Free Acres Assoc, Inc.	\$ 1,097,428	\$ 318,599
Frenchtown Borough	\$ 8,724,110	\$ 3,636,670
Galloway Twp.	\$ 2,384,284	\$ 685,281
Garfield City	\$ 6,122,693	\$ 1,652,201
Gibbsboro Borough	\$ 2,097,711	\$ 744,500
Glen Ridge Borough	\$ 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 Twp	\$ 5,487,649	\$ 1,190,883

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Gloucester Twp. 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 Twp.	\$ 6,387,500	\$ 2,226,244
Hainesport Twp.	\$ 13,711,900	\$ 3,896,590
Haledon Borough	\$ 1,538,000	\$ 594,614
Hamburg Borough	\$ 1,286,000	\$ 487,785
Hamilton Twp.	\$ 5,945,429	\$ 2,320,914
Hamilton Twp. MUA	\$ 6,543,167	\$ 1,777,497
Hammonton Town	\$ 28,868,026	\$ 9,272,302
Hanover SA	\$ 31,928,758	\$ 11,819,793
Harrington Park Borough	\$ 348,576	\$ 19,652
Harrison Town	\$ 5,622,704	\$ 1,829,290
Harrison Twp.	\$ 6,810,754	\$ 1,868,563
Harvey Cedars Borough	\$ 1,676,634	\$ 494,973
Hawthorne Borough	\$ 9,272,567	\$ 3,028,135
High Bridge Borough	\$ 926,941	\$ 367,233
Highlands Borough	\$ 2,098,450	\$ 491,566
Hightstown Borough	\$ 9,527,377	\$ 3,561,499
Hillsborough Twp.	\$ 7,082,919	\$ 2,147,767
Hillside Twp. (JM)	\$ 1,989,311	\$ 963,907
Hoboken City	\$ 60,285,438	\$ 24,732,102
Holmdel Twp.	\$ 5,902,119	\$ 2,018,779
Hopatcong Borough	\$ 28,179,248	\$ 6,903,590
Howell Twp.	\$ 577,334	\$ 577,334
Hudson County IA (Bayonne Crossing)	\$ 18,726,295	\$ 8,617,120
Hudson County IA (Harrison Advance)	\$ 16,816,913	\$ 5,298,390
Independence MUA	\$ 262,000	\$ 209,394
Irvington Twp. (JM)	\$ 5,576,177	\$ 2,774,027
Island Heights Borough	\$ 5,129,500	\$ 1,855,216
Jackson Twp.	\$ 1,166,859	\$ 983,650
Jackson Twp. MUA	\$ 45,819,156	\$ 11,112,253
Jefferson Twp.	\$ 1,387,350	\$ 414,472
Jefferson Twp.- Mountain Shores POA	\$ 647,816	\$ 763,165
Jersey City MUA	\$ 175,697,315	\$ 62,267,284
Keansburg Borough	\$ 5,790,422	\$ 3,147,805
Kearny MUA	\$ 12,802,824	\$ 4,485,446
Kearny Town	\$ 14,388,498	\$ 5,006,027
Lake Tamarack Water Co	\$ 151,020	\$ 45,919
Lakewood Twp. MUA	\$ 33,059,735	\$ 9,400,351
Lambertville MUA	\$ 7,422,000	\$ 5,790,088
Lambertville SA	\$ 3,182,679	\$ 903,367
Lavallette Borough	\$ 2,765,423	\$ 1,339,760
Lawrence Twp.	\$ 1,175,095	\$ 336,574
Lebanon Twp.	\$ 1,106,401	\$ 426,894

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Leonia Borough	\$ 770,607	\$ 242,254
Linden City	\$ 17,530,919	\$ 4,275,175
Linden Roselle SA	\$ 25,154,343	\$ 8,159,367
Linwood City	\$ 1,990,931	\$ 372,742
Little Egg Harbor MUA	\$ 11,971,443	\$ 3,535,159
Little Egg Harbor Twp. (BB)	\$ 3,885,916	\$ 2,705,413
Livingston Twp.	\$ 17,209,276	\$ 8,669,488
Lodi Borough	\$ 140,650	\$ 20,213
Logan Twp. MUA	\$ 2,975,000	\$ 993,242
Long Beach Twp.	\$ 48,593,767	\$ 18,173,404
Long Branch SA	\$ 42,793,640	\$ 20,172,264
Long Hill Twp.	\$ 16,726,597	\$ 6,247,651
Longport Borough	\$ 3,883,629	\$ 1,340,206
Lopatcong Twp.	\$ 200,000	\$ 14,171
Lower Twp MUA	\$ 2,899,182	\$ 876,146
Lower Twp. MUA	\$ 5,134,300	\$ 2,434,089
Lumberton Twp.	\$ 2,072,303	\$ 600,715
Lyndhurst Twp.	\$ 13,267,776	\$ 3,782,429
Madison Borough	\$ 11,274,267	\$ 5,608,958
Madison Borough (JM)	\$ 3,495,906	\$ 1,759,581
Magnolia Borough	\$ 1,828,287	\$ 558,008
Manasquan Borough	\$ 16,558,128	\$ 5,125,942
Manchester Twp	\$ 3,361,318	\$ 532,625
Manchester Twp.	\$ 3,507,498	\$ 1,263,026
Manchester UA	\$ 9,556,772	\$ 5,140,594
Mantua Twp. MUA	\$ 6,681,352	\$ 2,216,606
Manville Borough	\$ 6,731,831	\$ 2,865,818
Maple Shade Twp.	\$ 37,072,255	\$ 12,973,043
Maplewood Twp.	\$ 394,262	\$ 138,034
Margate City	\$ 937,449	\$ 273,180
Marlboro Twp.	\$ 18,849,693	\$ 5,967,291
Matawan Borough	\$ 8,930,224	\$ 2,308,519
Maywood Borough	\$ 845,977	\$ 391,179
Medford Twp.	\$ 24,214,127	\$ 9,746,992
Mendham Twp	\$ 3,715,324	\$ 1,500,964
Mercer County	\$ 991,599	\$ 285,869
Mercer County IA (Twin Rivers)	\$ 2,157,252	\$ 660,775
Merchantville Borough	\$ 3,195,523	\$ 949,133
Merchantville-Pennsauken WC	\$ 9,589,558	\$ 2,621,928
Middle Twp.	\$ 347,597	\$ 101,488
Middlesex Borough	\$ 1,694,828	\$ 477,886
Middlesex County UA	\$ 402,022,992	\$ 108,965,166
Middlesex Water Co	\$ 78,923,954	\$ 28,270,089
Middletown Twp. SA	\$ 21,293,423	\$ 7,241,286
Midland Park Borough	\$ 518,020	\$ 181,137
Millburn Twp.	\$ 2,076,373	\$ 601,380

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Milltown Borough	\$ 19,413,571	\$ 6,912,918
Millville City	\$ 32,759,189	\$ 11,651,520
Mine Hill Twp.	\$ 1,804,557	\$ 591,563
Monmouth County Bayshore Outfall Authority	\$ 1,818,952	\$ 520,567
Monmouth County IA	\$ 1,350,828	\$ 150,421
Monroe Twp.	\$ 2,835,280	\$ 1,119,317
Montclair State University	\$ 2,628,290	\$ 670,937
Montclair Twp.	\$ 10,175,941	\$ 3,128,242
Montgomery Twp.	\$ 32,216,019	\$ 14,738,781
Montville Twp.	\$ 4,201,069	\$ 1,314,377
Montville Twp. MUA	\$ 6,647,108	\$ 2,870,083
Moonachie Borough PA	\$ 407,701	\$ 58,686
Morris Twp.	\$ 40,763,641	\$ 17,375,407
Morristown Town	\$ 56,186,196	\$ 27,386,830
Mt Arlington Borough	\$ 9,938,480	\$ 2,765,285
Mt Holly MUA	\$ 26,287,025	\$ 7,933,862
Mt Laurel Twp. MUA	\$ 55,857,723	\$ 19,187,738
Mt Olive Twp.	\$ 29,640,514	\$ 8,496,898
Musconetcong SA	\$ 26,649,160	\$ 7,630,000
National Park Borough	\$ 899,530	\$ 200,328
Neptune Twp.	\$ 1,281,375	\$ 390,090
Netcong Borough	\$ 1,628,465	\$ 1,152,645
New Brunswick City	\$ 37,676,776	\$ 13,803,353
New Milford Borough	\$ 1,191,250	\$ 452,422
New Providence Borough	\$ 6,280,000	\$ 2,601,612
Newark City	\$ 229,139,193	\$ 103,375,058
Newark City (JM)	\$ 3,416,026	\$ 1,698,521
Newfield Borough	\$ 1,102,010	\$ 739,673
Newton Town	\$ 12,722,306	\$ 6,075,201
NJ American Water	\$ 185,959,131	\$ 69,975,822
NJ American Water-Mt Holly Water Co	\$ 13,189,909	\$ 4,376,194
NJ American Water-Pennsgrove Water Supply Co	\$ 2,219,940	\$ 766,970
NJ American Water-Shorelands Water Co	\$ 5,630,000	\$ 1,999,673
NJ American Water-South Jersey Water Supply Co	\$ 371,098	\$ 127,581
NJ City University	\$ 16,535,929	\$ 3,990,879
NJ Sports & Expo Auth	\$ 744,201	\$ 161,691
NJ Water Supply Auth	\$ 56,572,893	\$ 13,213,026
North Arlington Borough	\$ 507,322	\$ 181,979
North Bergen MUA	\$ 80,472,196	\$ 37,534,581
North Brunswick Twp.	\$ 25,001,136	\$ 6,700,728
North Hudson SA	\$ 188,008,276	\$ 81,175,827
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	\$ 42,687,539	\$ 13,124,577
Norwood Borough	\$ 1,036,850	\$ 425,139

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Nutley Twp.	\$ 5,542,148	\$ 1,647,369
Oaklyn Borough	\$ 1,298,868	\$ 406,507
Ocean County	\$ 9,177,848	\$ 7,367,482
Ocean County (BB)	\$ 653,154	\$ 413,227
Ocean County UA	\$ 274,897,423	\$ 85,507,523
Ocean Gate Borough	\$ 1,837,217	\$ 1,195,295
Ocean Twp.	\$ 17,697,545	\$ 6,959,570
Ocean Twp. SA	\$ 33,061,440	\$ 9,617,147
Oceanport Borough	\$ 23,149,779	\$ 7,668,982
Old Bridge MUA	\$ 68,766,064	\$ 19,954,795
Old Bridge Twp.	\$ 9,148,278	\$ 3,056,727
Old Tappan Borough	\$ 12,773,936	\$ 4,291,068
Oradell Borough	\$ 4,146,949	\$ 1,033,526
Orange Twp. City	\$ 11,595,473	\$ 3,600,511
Palmyra Borough	\$ 3,526,750	\$ 791,108
Paramus Borough	\$ 1,661,330	\$ 623,550
Parsippany-Troy Hills Twp.	\$ 25,862,149	\$ 12,700,828
Passaic Valley SC	\$ 265,408,137	\$ 97,294,324
Passaic Valley WC	\$ 115,781,544	\$ 45,797,772
Paterson City	\$ 25,375,227	\$ 11,191,565
Pemberton Twp	\$ 1,872,559	\$ 971,967
Pennington Borough	\$ 1,446,190	\$ 1,376,656
Pennsauken SA	\$ 929,000	\$ 269,204
Pennsville Twp	\$ 6,456,745	\$ 1,892,966
Pequannock River Basin RSA	\$ 14,528,718	\$ 6,812,097
Pequannock, Lincoln Park & Fairfield SA	\$ 51,338,604	\$ 23,218,666
Perth Amboy City	\$ 18,859,521	\$ 6,075,416
Phillipsburg Town	\$ 39,027,801	\$ 18,555,297
Pine Hill Borough	\$ 606,289	\$ 175,125
Pine Hill Borough MUA	\$ 5,169,653	\$ 1,439,529
Plainfield Area RSA	\$ 8,009,080	\$ 2,797,146
Pleasantville City	\$ 1,121,841	\$ 465,773
Plumsted Twp	\$ 22,082,853	\$ 2,799,923
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 Twp.	\$ 13,533,063	\$ 5,910,293
Raritan Twp. MUA	\$ 17,517,052	\$ 7,434,647
Readington Twp.	\$ 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

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Ridgewood Village	\$ 18,932,172	\$ 5,769,461
River Edge Borough	\$ 566,627	\$ 204,887
Riverside SA	\$ 6,692,743	\$ 1,918,323
Riverside Water Reclamation Auth	\$ 1,589,040	\$ 440,387
Robbinsville Twp. (Washington Twp.)	\$ 1,360,000	\$ 393,950
Rockaway Valley RSA	\$ 30,780,374	\$ 12,020,277
Roosevelt Borough	\$ 1,339,588	\$ 310,402
Roselle Borough	\$ 1,943,011	\$ 798,706
Rosemont Water Co	\$ 120,782	\$ 31,238
Roxbury Twp.	\$ 39,917,151	\$ 19,082,071
Runnemede Borough	\$ 2,047,000	\$ 712,532
Runnemede Borough SA	\$ 1,572,106	\$ 506,856
Saddle Brook Twp.	\$ 3,320,674	\$ 926,658
Saddle River Borough	\$ 2,094,855	\$ 579,146
Salem City	\$ 12,963,001	\$ 9,625,255
Salem County IA	\$ 13,784,605	\$ 2,566,378
Sayreville Borough	\$ 34,555,000	\$ 11,325,545
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	\$ 69,432,460	\$ 23,131,068
Somerville Borough	\$ 3,384,514	\$ 505,976
South Hackensack Twp.	\$ 1,441,280	\$ 486,103
South Monmouth RSA	\$ 8,743,971	\$ 2,731,100
South Orange Twp. (JM)	\$ 879,905	\$ 532,888
South River Borough	\$ 6,112,500	\$ 2,076,830
Southeast Monmouth MUA	\$ 16,121,774	\$ 5,325,356
Stafford MUA	\$ 4,368,651	\$ 1,482,364
Stafford Twp.	\$ 40,443,840	\$ 12,734,358
Stanhope Borough	\$ 2,197,250	\$ 991,182
Stillwater Twp. Water District #1	\$ 475,833	\$ 378,475
Stockton Borough	\$ 1,566,599	\$ 491,489
Stone Harbor Borough	\$ 17,072,956	\$ 5,229,759
Stony Brook RSA	\$ 29,826,476	\$ 13,271,504
Sussex Borough	\$ 1,707,400	\$ 660,586
Sussex County MUA	\$ 20,026,056	\$ 3,530,886
Swedesboro Boro	\$ 95,589	\$ 13,070
Tewksbury Twp.	\$ 413,961	\$ 134,579
Toms River MUA	\$ 14,984,829	\$ 6,242,477
Toms River Twp.	\$ 730,146	\$ 730,146
Toms River Twp. (Dover Twp.)	\$ 754,766	\$ 210,272
Trenton City	\$ 151,151,919	\$ 55,764,740

# WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2021

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
Tuckerton Borough	\$ 8,000,501	\$ 3,451,760
Two Rivers Water Reclamation Auth (NE Monmouth)	\$ 49,357,977	\$ 16,034,007
Union Beach Borough	\$ 600,000	\$ 203,177
Union Twp.	\$ 184,330	\$ 21,813
Union Twp. (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 Twp.	\$ 22,863,811	\$ 10,727,360
Village of Lake Glenwood, Inc	\$ 811,765	\$ 987,158
Vineland City	\$ 10,178,998	\$ 5,443,548
Voorhees Twp.	\$ 6,349,596	\$ 2,372,128
Waldwick Borough	\$ 2,951,564	\$ 845,103
Wall Twp.	\$ 10,545,475	\$ 2,603,136
Wanaque Valley RSA	\$ 8,950,838	\$ 4,004,859
Warren County (Pequest River) MUA	\$ 11,707,882	\$ 2,509,374
Warren County MUA	\$ 6,354,515	\$ 1,807,107
Warren Twp. SA	\$ 10,134,131	\$ 3,747,354
Washington Borough	\$ 17,233,521	\$ 5,490,872
Washington Twp. MUA	\$ 21,630,787	\$ 6,562,603
Watchung Borough	\$ 3,458,390	\$ 1,011,107
Waterford Twp. MUA	\$ 5,454,244	\$ 1,502,817
Wayne Twp.	\$ 14,759,658	\$ 6,146,290
Weehawken Twp.	\$ 8,734,336	\$ 2,102,017
West Deptford Twp.	\$ 18,199,718	\$ 5,061,529
West Milford MUA	\$ 11,327,665	\$ 6,076,600
West Orange Twp.	\$ 2,447,091	\$ 848,289
West Orange Twp. (JM)	\$ 3,987,399	\$ 1,975,821
West Windsor Twp.	\$ 3,269,984	\$ 945,484
Western Monmouth UA	\$ 32,730,942	\$ 6,805,606
Westville Borough	\$ 2,353,160	\$ 640,189
Westwood Borough	\$ 6,030,781	\$ 1,495,200
Wharton Borough	\$ 465,596	\$ 133,836
Wildwood City	\$ 3,741,500	\$ 987,447
Wildwood Crest Borough	\$ 16,930,111	\$ 6,806,471
Willingboro MUA	\$ 26,921,531	\$ 13,515,691
Willingboro Twp.	\$ 1,187,400	\$ 496,236
Winslow Twp.	\$ 13,550,864	\$ 4,546,946
Wonder Lakes Properties, Inc.	\$ 141,202	\$ 16,997
Woodbridge Twp.	\$ 884,595	\$ 206,682
Woodbury City	\$ 9,154,723	\$ 2,880,653
Woodbury Heights Borough	\$ 941,910	\$ 323,273
Woodland Park Borough (West Paterson Borough)	\$ 5,183,430	\$ 1,934,199
Woodstown SA	\$ 6,379,625	\$ 2,126,292
<b>Total</b>	<b>\$ 7,737,415,312</b>	<b>\$ 2,773,225,131</b>

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# NEW JERSEY TRANSPORTATION BANK



Atlantic County, Route 629 Pedestrian & Traffic Signal Improvement. **SFY2021 Loan: \$11,615,000**

# 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, for the purpose of financing transportation infrastructure projects. These projects enhance safety, improve quality of life, and help meet travel and commerce demands. The Transportation Bank receives an annual appropriation of \$22.6 million from the State Transportation Trust Fund (TTF) that it levers with borrowed funds into approximately \$40 million of project financing. These funds are 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 provide supplementary financing if State grant funds are insufficient to cover the entire cost of a project. In SFY2021, the NJ Legislature amended the Enabling Act to authorize two new, separate loan programs under the Transportation Bank umbrella, one for Marine projects, and the other for Aviation projects. Funds have yet to be appropriated for either of these programs.

## **ELIGIBLE PROJECTS**

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

Eligible Marine projects include improvements to public ports and terminal facilities, including but not limited to projects that enable, increase the efficiency of, or improve the capacity for trade and cargo movement. Examples would be dredging, soil hardening, and paving for port and terminal facilities.

Eligible Aviation projects include projects to develop or improve county or municipal airport facilities that enable, increase the efficiency of, or improve the capacity for, commercial and industrial facilities that are part of airport facilities.

Examples would be improvements to terminal facilities, runways, berms, and on-site storage facilities.

## **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.

For Marine projects, an eligible borrower is a county, municipality, or other political subdivision or instrumentality of the State, or a municipal, county or State authority that is not a bi-state authority, authorized to construct, operate or maintain ports or marine projects.

For Aviation projects, an eligible borrower is a county, municipality, municipal or regional transportation authority or other political subdivision or instrumentality of the State authorized to construct, operate or maintain airports or aviation projects. Bi-state agencies are excluded.

## **ELIGIBLE PROJECT COSTS**

Eligible costs for financing include soft costs such as fees related to environmental planning, permitting, engineering, financial advisors, 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 Infrastructure Financing Program 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 which must be 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 an investment grade rated municipal or county general obligation pledge. To ensure the Transportation Bank's limited appropriations are utilized quickly and

efficiently, projects are allocated funds only when a project's sponsor represents that construction award will meet 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). Project Priority Lists for Marine and Aviation projects will commence upon appropriation of funds for these new project categories.

The Transportation Bank provides eligible borrowers with short-term loan funds to finance eligible project costs. 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 obtain a loan, a project sponsor must apply for and then be allocated funds. The I-Bank allocates funds to projects 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 costs.

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

## **SFY2021 ALLOCATION DETAIL**

During SFY2021, the I-Bank's Transportation Program allocated \$53.9 million to 11 projects, increasing the overall number of projects which have received an allocation in the Transportation Bank program to 24 for an amount totaling \$115.8 million. These allocations over the three and a half years of the Transportation Bank's operations, combined with the I-Bank's leveraging of borrowed funds, reflect a commitment of more than 128% of available appropriations.

## TRANSPORTATION BANK: OVERVIEW (CONTINUED)

### SFY2021 LOAN DETAIL

Four borrowers closed on short-term loans totaling \$27.8 million. Atlantic County closed on an \$11.6 million loan, the City of Wildwood borrowed \$10.5 million, the City of Bayonne closed on a \$2.9 million loan, and Raritan Township closed on a \$2.8 million loan. The Transportation Bank program is structured so that once projects are construction complete, short-term loans are rolled into long-term financing. The repayment monies from the long-term loans financed with the State's TTF appropriations stay within the Transportation Bank program and revolve to be available for future transportation projects.

### SFY2021 PROJECT FINANCING

In SFY2021, short-term loan interest rates were set at the beginning of each quarter at approximately 50% of the I-Bank's presumed cost of short-term funds, with 1-year MIG1 as the guiding benchmark. Interest was only charged on funds drawn for the time such draws are outstanding. In SFY2021, the interest rate on the short-term loan program ranged from 0.60% during the first quarter of the fiscal year and decreased to 0.30% for the last quarter. Debt service repayments are generally not due during short-term borrowing and typically commence after conversion to a long-term loan. Long-term loan rates are equal to approximately 50% of

the Transportation Bank's long-term borrowing rate. A long-term bond financing deal was not issued during the fiscal year.

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 borrower need not have paid such expenses prior to drawing on its loan funds.

## TRANSPORTATION BANK: SFY2021 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. 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. 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 SFY2021, the PPL contained 28 projects, 24 of which have been allocated funds.

P. L. 2021, c. 80 was amended and officially signed into law on May 11, 2021. This amendment removes the 5% down payment requirement on bond ordinances authorizing loans in connection with the Transportation Bank for Transportation

Infrastructure capital improvement projects.

During SFY2021, the I-Bank's application with the US Federal Highway Administration (FHWA) to be designated as a State Infrastructure Bank (SIB) was approved. As a recognized SIB, the I-Bank is able to borrow funds from certain federal government programs at advantageous terms for rural transportation projects. A program specific to financing rural projects with federal funds is currently under design.

## TRANSPORTATION BANK: SFY2021 ASSET CATEGORY ALLOCATION

Asset Category		Amount
Road Assets	\$	46,519,354
Multimodal	\$	23,677,000
Bridge	\$	45,652,599
<b>Total</b>	<b>\$</b>	<b>115,848,953</b>

# TRANSPORTATION BANK: PROJECT ACTIVITY IN SFY2021

The Transportation Bank offers financing for various types of surface transportation projects in New Jersey, ranging from simple street repaving to complex bridge reconstruction. The following three Transportation Bank projects reached key stages of the financing program in SFY2021. The scope of these projects includes improvements to traffic systems, upgrades to streetscapes, and an in-kind bridge replacement. The following is an overview of a sample of projects and their programmatic stages in SFY2021.

## **SHORT-TERM LOAN CLOSED:** **ATLANTIC COUNTY** **TRAFFIC SYSTEM IMPROVEMENTS**

Atlantic County closed an \$11.6 million Transportation Bank loan in SFY2021 to make traffic system improvements. The project includes improvements to County Road 629, a shore route that passes through the municipalities of Longport Borough, Margate City, Ventnor City, and terminates in Atlantic City. The County Road serves shore communities with local year-round residents, vacation homes, beach access, and recreational attractions. The scope of the project includes improvements and modernization of 28 signalized intersections along County Route 629. Specifically, the modernization work includes new signal heads, pedestrian signals, controllers, battery backups, junction boxes, and GPS clocks. There will also be significant improvements related to crosswalk design, curb ramps and curb radii.

## **UNDER CONSTRUCTION:** **HACKENSACK** **STREETSCAPE IMPROVEMENTS**

The City of Hackensack's streetscape improvements project is currently under construction and is being joint financed through the Transportation Bank and the Water Bank. The project's Transportation Bank component involves the two-way conversion of the current one-way flow of traffic on Main Street and addition of streetscaping from Mercer Street to Berry Street totaling approximately \$3.9 million. Specifically, the work under construction includes milling, paving, lane striping, ADA ramp creation, curbing, concrete sidewalks, and the addition of pedestrian walkways.

According to Hackensack authorities, the discussions for this project began in the mid-1970s after being advised by its planners that one-way traffic on main street created adverse conditions for commerce. Often, environmental considerations take a back seat to business and commerce. In this case, Hackensack Council prioritized the clean water benefits while also revitalizing the retail shopping corridor in the downtown area. The separation of the CSO system while constructing the transportation project saves the city money on water treatment and protects the environment by reducing CSO overflows. This transportation project provides an improved quality of life for Hackensack residents as well as benefits its Main Street businesses.

## **CONSTRUCTION COMPLETE:** **ESSEX COUNTY** **NEW DUTCH LANE BRIDGE PROJECT**

Essex County completed one of two projects submitted by the County for financing from the Transportation Bank. Originally built in 1940, the New Dutch Lane Bridge spans the Deepavaal Brook in Fairfield Township. The Transportation Bank provided \$2.25 million in financing for an in-kind replacement of the structure which had been deemed "structurally deficient" due to the poor condition of its substructure as evidenced by a DOT sufficiency rating of 61.6 (out of 100). The bridge's pier exhibited signs of severe internal and external decay, with one-inch-wide splits and hollow sounding areas. In addition, the superstructure was in sub-par condition due to large areas of concrete spalling and separation reaching down to the reinforced steel in both spans and numerous fine to medium cracks with visible salt deposits.

Like the existing superstructure, the replacement superstructure consists of two travel lanes, one in each direction, with a shoulder and parapet on each side of the bridge for pedestrian safety. Final invoices for this project were received and approved in January of SFY2021.



Little Silver, Branch Avenue Sidewalks, Phase II. **SFY2021 Loan: \$459,000**



Hackensack, Streetscape and Two-Way Conversion of Main Street. **SFY2021 Loan: \$3,921,780**



Atlantic County, Route 629 Pedestrian & Traffic Signal Improvement. **SFY2021 Loan: \$11,615,000**

## TRANSPORTATION BANK: **NJ-MOVES** APPLICATION PROCESS

The Transportation Bank application and financing process is similar to that of the Water Bank. The Transportation Bank's web-based, financing application platform called, "**NJ-Moves**", is modeled after the Water Bank's successful web-based platform, **H<sub>2</sub>LOans**. **NJ-Moves** offers a streamlined application process for transportation infrastructure projects.

**NJ-Moves** provides Borrowers a quick and efficient process for data input that eliminates duplication 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** include the following functionality:

- Create and track transportation projects
- Upload and store required documents (Contracts, Plans, Specs, Estimates, etc.)
- Conveniently add/manage an Organization's Members and Consultants to help facilitate the application process
- Collaborate with NJDOT's and NJIB's Engineers and Project Managers
- Maintain all Engineering Design, Construction Management and Building Costs
- Upload project closeout files and documents
- Prepare and submit Financial Addendum Forms (FAF) for both short-term and long-term loans
- View a project's Base Rating determined by the NJ Department of Transportation.

Upcoming releases to **NJ-Moves** will eventually 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)
- Create 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 SFY2021 YEAR-END

Issue Year	Borrower	Loan Amount
<b>2019</b>	Burlington County	\$ 3,325,000
2019	Camden County	\$ 2,500,000
2019	Cape May County	\$ 10,100,000
2019	Essex County	\$ 2,250,000
2019	Little Silver Borough - Phase 1	\$ 459,000
2019	Orange City	\$ 9,910,000
2019	Somerdale Borough	\$ 2,053,550
<b>2020</b>	Hackensack City	\$ 3,921,780
2020	Little Silver Borough - Phase 2	\$ 2,391,000
<b>2021</b>	Atlantic County	\$ 11,615,000
2021	Bayonne City	\$ 2,921,230
2021	Raritan Township	\$ 2,822,950
2021	Wildwood City	\$ 10,455,000
<b>Total</b>		<b>\$ 64,724,510</b>

**APPENDIX  
INDEPENDENT AUDITOR'S REPORT**

# **New Jersey Infrastructure Bank**

(A Component Unit of the State of New Jersey)

Financial Report  
June 30, 2021

## Contents

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the I-Bank's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and each major enterprise fund of the I-Bank as of June 30, 2021 and 2020, 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.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the I-Bank's basic financial statements. The Master Program Trust Agreement Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 on our consideration of I-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 I-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 I-Bank's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
October 13, 2021

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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The New Jersey Infrastructure Bank (I-Bank) is structured organizationally as two distinct operating departments: (i) one department, the Environmental Infrastructure Trust (EIT), in conjunction with the New Jersey Department of Environmental Protection (NJ DEP) for the purpose of operating its environmental infrastructure Clean Water and Drinking Water financing programs, which programs are referred to collectively as the New Jersey Water Bank (Water Bank), and (ii) a second department, the Transportation Infrastructure Bank (TIB), in conjunction with the New Jersey Department of Transportation (NJ DOT), for the purpose of operating its transportation infrastructure financing program, 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, 2021 and 2020 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 statements 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 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, 2021 and 2020**

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**Water Bank**

**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 highlights for the year ended June 30, 2020:**

- Assets increased by \$246,144,506 or 42.49%
  - Cash and investments (excluding earmarked but, as of yet, undisbursed project funds) increased by \$61,529,943 or 22.63%
  - Total loans increased by \$184,847,886 or 60.83%
- Liabilities increased by \$442,627 or 28.01%
- Net position increased by \$245,701,879 or 42.53%
- Operating revenues decreased by \$957,857 or (6.51%)
- Non-operating revenues increased by \$185,718,087 or 361.87%
- Operating expenses decreased by \$52,621 or (1.02%)

The Water Bank issues short-term loans to fund various types of environmental infrastructure projects prior to securing 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. With few exceptions, Water Bank Short-Term Construction Program loans outstanding during SFY2021 were charged a 0% interest rate with the support of the NJ DEP.

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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**Water Bank, (Continued)**

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. For loans outstanding during SFY2021, the Water Bank provided interim SAIL Loans to borrowers at a 0% interest rate with the support of the NJ DEP.

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 NJ DEP 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 provides a portion of the long-term funds by acting as a conduit lender, issuing bonds in the public municipal market and providing the proceeds to participating borrowers at the cost of those funds net of any interest subsidy. In cases of de-minimis loans, 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.

**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.

During SFY2021 and SFY2020, the Water Bank closed on 105 and 61 short-term loans, respectively. In both years the cash and investment balances, each which may include available construction funds, increased primarily due to the State's Appropriation to the Water Bank's Short-Term Construction Loan Program. Total loans increased due to the payment of requisitions on outstanding short-term loans offset by the conversion of short-term loans to long-term loans.

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

**Water Bank, (Continued)**

The following table summarizes the net position changes of the Water Bank between June 30, 2021, 2020 and 2019:

	2021	2020	Percent Increase (Decrease)	2019	Percent Increase (Decrease)
Current loans receivable	\$ 240,669,140	\$258,421,787	(6.87)%	\$ 110,276,513	134.34 %
Noncurrent loans receivable	295,278,173	230,231,729	28.25 %	193,529,117	18.96 %
Cash for borrowers - undisbursed reserve funds	80,000	80,000	0.00 %	80,000	0.00 %
Total loans	<u>536,027,313</u>	<u>488,733,516</u>	9.68 %	<u>303,885,630</u>	60.83 %
Current cash and cash equivalents, as reduced by undisbursed reserve funds	250,069,794	201,321,623	24.21 %	168,619,256	19.39 %
Current investments	27,835,197	31,453,089	(11.50)%	15,391,921	104.35 %
Noncurrent investments	106,641,378	100,670,923	5.93 %	87,904,515	14.52 %
Administrative fee receivable	2,207,165	2,304,085	(4.21)%	2,366,155	(2.62)%
Due from Transportation	540,207	323,165	67.16 %	322,748	0.13 %
Other assets	587,363	695,348	(15.53)%	867,018	(19.80)%
Total assets	<u>\$ 923,908,417</u>	<u>\$825,501,749</u>	11.92 %	<u>\$ 579,357,243</u>	42.49 %
Accounts payable	\$ 3,094,400	\$ 2,023,090	52.95 %	\$ 1,580,463	28.01 %
Total liabilities	<u>\$ 3,094,400</u>	<u>\$ 2,023,090</u>	52.95 %	<u>\$ 1,580,463</u>	28.01 %
Restricted	\$ 871,621,805	\$774,091,822	12.60 %	\$ 530,446,187	45.93 %
Unrestricted	49,192,212	49,386,837	(0.39)%	47,330,593	4.34 %
Total net position	<u>\$ 920,814,017</u>	<u>\$823,478,659</u>	11.82 %	<u>\$ 577,776,780</u>	42.53 %

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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**Water Bank, (Continued)**

For SFY21, the Water Bank's administrative fees decreased by (12.20%) due to no refunding issuances during the year versus three refunding series issued in SFY20 whereby borrowers reimbursed the Water Bank for costs of issuance and the maturity of a large bond issue causing a reduction in administrative fees. The Water Bank's non-operating revenues decreased substantially due to receiving net funding of \$95 million from the State through the NJ DEP to support the Short-Term Construction Loan Program in SFY21 compared to \$235 million in funds in SFY20. 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 SFY21 versus SFY20 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 SFY21 associated with the establishment of two new programs, i) long-term financing through of the Water Infrastructure Financing Innovation Act (WIFIA) and ii) short-term financing through the issuance of Extendable Commercial Paper (ECP). Increasing expenses related to employee benefits was also a contributing factor.

For SFY20, the Water Bank's administrative fees increased by 4.94% due to the refunding issuances during the year and the subsequent refunding cost of issuance reimbursements from borrowers. The Water Bank's non-operating revenues increased substantially due to receiving \$235 million in funds in SFY20 from the State through the NJ DEP to support the Short-Term Construction Loan Program compared to \$50 million in Funds in SFY19. 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. This was partially offset by an increase in FMV gain for SFY20 versus SFY19 resulting from decreases in interest rates throughout the yield curve. 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 remained relatively flat reflecting the stability of the program from year to year.

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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**Water Bank, (Continued)**

The following table summarizes the changes in Water Bank net position between fiscal years June 30, 2021, 2020 and 2019:

	2021	2020	Percent Increase (Decrease)	2019	Percent Increase (Decrease)
Net position, beginning of year	<u>\$823,478,659</u>	<u>\$577,776,780</u>		<u>\$516,884,752</u>	
Investment income	330,773	7,216,872	(95.42)%	8,468,277	(14.78)%
Loan interest income	135,815	144,084	(5.74)%	151,825	(5.10)%
Administrative fees	5,621,816	6,403,481	(12.21)%	6,102,191	4.94 %
Miscellaneous	1,856,632	2,036,084	(8.81)%	1,320,998	54.13 %
State appropriations - current year	95,394,323	235,000,000	(59.41)%	50,000,000	370.00 %
Total revenues	<u>103,339,358</u>	<u>250,800,521</u>	(58.80)%	<u>66,043,291</u>	279.75 %
Administrative expenses	<u>6,004,000</u>	<u>5,098,642</u>	17.76 %	<u>5,151,263</u>	(1.02)%
Total expenses	<u>6,004,000</u>	<u>5,098,642</u>	17.76 %	<u>5,151,263</u>	(1.02)%
Change in net position	97,335,358	245,701,878	(60.38)%	60,892,028	303.50 %
Net position, end of year	<u><u>\$920,814,017</u></u>	<u><u>\$823,478,659</u></u>	11.82 %	<u><u>\$577,776,780</u></u>	42.53 %

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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**Transportation Bank**

**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 highlights for the year ended June 30, 2020:**

- Assets increased by \$21,522,408 or 47.84%
  - Cash and investments increased by \$12,442,631 or 27.91%
  - Loans increased by \$8,959,987 or 3,216.31%
- Liabilities increased by \$417 or .13%
- Net position increased by \$21,521,991 or 48.18%
- Operating revenues decreased by \$280,429 or (21.81%)
- Administrative expenses increased by \$574,382 or 38.06%

The Transportation Bank became operational in January of 2018, the purpose of the Transportation Bank is to provide financial assistance to New Jersey local government units or consortia thereof, authorized to construct, operate and maintain transportation projects. 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 fourth annual \$22.6 million SFY2021 appropriation in October of 2020. The State has provided for up to \$1.6 million of the appropriation to be used for operations.

**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 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, 2021 and 2020**

**Transportation Bank, (Continued)**

During SFY2021, the cash and investment balance increased, primarily due to the receipt of State Appropriations for the Transportation Program. These funds were invested in accordance with the I-Bank's investment policy with a shorter maturity throughout SFY21 than SFY20 based upon anticipated liquidity needs of the program to reimburse borrowers for project costs. The loans receivable increased substantially, 140.62%, due to the payment of requisitions to borrowers during the state fiscal year. Accounts Payable to water as reimbursement for expenses increased due to a greater amount of expenses having been incurred and not yet paid for operations due to the timing of services provided.

The following table summarizes the net position changes of the Transportation Bank between June 30, 2021, 2020 and 2019:

	2021	2020	Percent Increase (Decrease)	2019	Percent Increase (Decrease)
Current loans receivable	\$ 569,070	\$ 169,666	235.41 %	\$ 97,125	74.69 %
Noncurrent loans receivable	21,821,267	9,068,899	140.62 %	181,455	4897.88 %
Cash for borrowers - undisbursed reserve funds	-	-	100.00 %	-	100.00 %
Total loans	<u>22,390,337</u>	<u>9,238,565</u>	<u>142.36 %</u>	<u>278,580</u>	<u>3216.31 %</u>
Current cash and cash equivalents, as reduced by undisbursed reserve funds	\$ 36,546,291	\$ 6,274,230	482.48 %	\$ 13,051,960	(51.93)%
Current investments	28,572,294	42,756,251	(33.17)%	28,506,399	49.99 %
Noncurrent investments	-	7,993,945	(100.00)%	3,023,436	164.40 %
Administrative fee receivable	-	-	100.00 %	-	100.00 %
Other assets	240,535	251,546	(4.38)%	131,755	90.92 %
Total assets	<u>\$ 87,749,456</u>	<u>\$ 66,514,537</u>	<u>31.93 %</u>	<u>\$ 44,992,130</u>	<u>47.84 %</u>
Accounts payable	\$ -	\$ -	100.00 %	\$ -	100.00 %
Due to Water for Expenses	540,207	323,165	67.16 %	322,748	0.13 %
Total liabilities	<u>\$ 540,207</u>	<u>\$ 323,165</u>	<u>67.16 %</u>	<u>\$ 322,748</u>	<u>0.13 %</u>
Restricted	\$ 81,301,009	\$ 65,546,040	24.04 %	\$ 43,383,984	51.08 %
Unrestricted	5,908,240	645,333	815.53 %	1,285,398	(49.80)%
Total net position	<u>\$ 87,209,249</u>	<u>\$ 66,191,373</u>	<u>31.75 %</u>	<u>\$ 44,669,382</u>	<u>48.18 %</u>

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

**Transportation Bank, (Continued)**

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 October of 2020. Administrative fees increased due to the closing of four loans during SFY2021 versus two loans in SFY2020. Administrative expenses decreased in SFY2020 compared to SFY2019, slightly due to open positions and lower I.T. expenses being offset by increased bond counsel fees due to program activity and higher employee benefit charges.

The following table summarizes the changes in the Transportation Bank net position between fiscal years June 30, 2021, 2020 and 2019:

	2021	2020	Percent Increase (Decrease)	2019	Percent Increase (Decrease)
Net position, beginning of year	\$ 66,191,373	\$ 44,669,382		\$ 22,292,580	
Investment income	95,964	878,027	(89.07)%	1,007,300	(12.83)%
Loan interest income	70,163	42,707	64.29 %	-	100.00 %
Administrative fees	267,778	84,717	216.09 %	278,580	(69.59)%
State appropriations - current year	22,600,000	22,600,000	0.00 %	22,600,000	0.00 %
Total revenues	<u>23,033,905</u>	<u>23,605,451</u>	(2.42)%	<u>23,885,880</u>	(1.17)%
Administrative expenses	<u>2,016,029</u>	<u>2,083,460</u>	(3.24)%	<u>1,509,078</u>	38.06 %
Total expenses	<u>2,016,029</u>	<u>2,083,460</u>	(3.24)%	<u>1,509,078</u>	38.06 %
Change in net position	<u>21,017,876</u>	<u>21,521,991</u>	(2.34)%	<u>22,376,802</u>	(3.82)%
Net position, end of year	<u>\$ 87,209,249</u>	<u>\$ 66,191,373</u>	31.75 %	<u>\$ 44,669,382</u>	48.18 %

**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, 2021**

	Water Bank	Transportation Bank	Total
<b>Assets</b>			
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
<b>Total current assets</b>	<b>521,952,228</b>	<b>65,906,397</b>	<b>587,858,625</b>
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
<b>Total noncurrent assets</b>	<b>401,956,189</b>	<b>21,843,059</b>	<b>423,799,248</b>
<b>Total assets</b>	<b>923,908,417</b>	<b>87,749,456</b>	<b>1,011,657,873</b>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Unrestricted liabilities:			
Accounts payable	3,094,400	-	3,094,400
Due to Water	-	540,207	540,207
<b>Total current liabilities</b>	<b>3,094,400</b>	<b>540,207</b>	<b>3,634,607</b>
<b>Total liabilities</b>	<b>3,094,400</b>	<b>540,207</b>	<b>3,634,607</b>
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
<b>Total net position</b>	<b>920,814,017</b>	<b>87,209,249</b>	<b>1,008,023,267</b>
<b>Total liabilities and net position</b>	<b>923,908,417</b>	<b>87,749,456</b>	<b>1,011,657,873</b>

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, 2020**

	Water Bank	Transportation Bank	Total
<b>Assets</b>			
Current assets:			
Unrestricted assets:			
Cash and cash equivalents	\$ 18,335,018	\$ 609,748	\$ 18,944,766
Investments	9,869,928	-	9,869,928
Interest receivable	98,021	4	98,025
Loans receivable	5,354,195	-	5,354,195
Administrative fee receivable	2,304,085	-	2,304,085
Due from Transportation	323,165	-	323,165
Other assets	60,102	16,018	76,120
Restricted assets:			
Cash and cash equivalents	183,066,605	5,664,482	188,731,087
Investments	21,583,161	42,756,251	64,339,412
Interest receivable	501,735	215,959	717,694
Loans receivable	253,067,592	169,666	253,237,258
<b>Total current assets</b>	<b>494,563,607</b>	<b>49,432,128</b>	<b>543,995,735</b>
Noncurrent assets:			
Unrestricted assets:			
Capital assets	35,490	19,564	55,054
Investments	3,485,410	-	3,485,410
Loans receivable	11,544,513	-	11,544,513
Restricted assets:			
Investments	97,185,513	7,993,945	105,179,458
Loans receivable	218,687,216	9,068,901	227,756,117
<b>Total noncurrent assets</b>	<b>330,938,142</b>	<b>17,082,410</b>	<b>348,020,552</b>
<b>Total assets</b>	<b>\$ 825,501,749</b>	<b>\$ 66,514,538</b>	<b>\$ 892,016,287</b>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Unrestricted liabilities:			
Accounts payable	\$ 2,023,090	\$ -	\$ 2,023,090
Due to Water	-	323,165	323,165
<b>Total current liabilities</b>	<b>2,023,090</b>	<b>323,165</b>	<b>2,346,255</b>
<b>Total liabilities</b>	<b>2,023,090</b>	<b>323,165</b>	<b>2,346,255</b>
Net position:			
Net investment in capital assets	35,490	19,564	55,054
Restricted for debt service	129,387,505	-	129,387,505
Restricted for Interim Financing Loan Program	644,704,317	-	644,704,317
Restricted for Transportation Program	-	65,546,040	65,546,040
Unrestricted	49,351,347	625,769	49,977,116
<b>Total net position</b>	<b>823,478,659</b>	<b>66,191,373</b>	<b>889,670,032</b>
<b>Total liabilities and net position</b>	<b>\$ 825,501,749</b>	<b>\$ 66,514,538</b>	<b>\$ 892,016,287</b>

**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 decrease 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
<b>Total operating revenues</b>	<b>6,088,403</b>	<b>433,906</b>	<b>6,522,309</b>
Operating expenses:			
Administrative expenses	6,004,000	2,016,029	8,020,029
<b>Total operating expenses</b>	<b>6,004,000</b>	<b>2,016,029</b>	<b>8,020,029</b>
<b>Operating income loss</b>	<b>84,403</b>	<b>(1,582,124)</b>	<b>(1,497,721)</b>
Nonoperating revenues:			
Miscellaneous	1,856,632	-	1,856,632
State appropriations - current year	95,394,323	22,600,000	117,994,323
<b>Total nonoperating revenue</b>	<b>97,250,955</b>	<b>22,600,000</b>	<b>119,850,955</b>
<b>Change in net position</b>	<b>97,335,358</b>	<b>21,017,876</b>	<b>118,353,234</b>
Net position, beginning of year	823,478,659	66,191,373	889,670,032
Net position, end of year	<b>\$ 920,814,017</b>	<b>\$ 87,209,249</b>	<b>\$ 1,008,023,266</b>

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, 2020**

	Water Bank	Transportation Bank	Total
Operating revenue:			
Investment income:			
Interest income	\$ 3,949,284	\$ 932,386	\$ 4,881,670
Net increase (decrease) in the fair value of investments	3,267,588	(54,359)	3,213,229
Interest income from loans	144,084	42,707	186,791
Administrative fees	6,403,480	84,717	6,488,197
<b>Total operating revenues</b>	<b>13,764,436</b>	<b>1,005,451</b>	<b>14,769,887</b>
Operating expenses:			
Administrative expenses	5,098,642	2,083,460	7,182,102
<b>Total operating expenses</b>	<b>5,098,642</b>	<b>2,083,460</b>	<b>7,182,102</b>
<b>Operating income (loss)</b>	<b>8,665,794</b>	<b>(1,078,009)</b>	<b>7,587,785</b>
Nonoperating revenues:			
Miscellaneous	2,036,085	-	2,036,085
State appropriations - current year	235,000,000	22,600,000	257,600,000
<b>Total nonoperating revenue</b>	<b>237,036,085</b>	<b>22,600,000</b>	<b>259,636,085</b>
<b>Change in net position</b>	<b>245,701,879</b>	<b>21,521,991</b>	<b>267,223,870</b>
Net position, beginning of year	577,776,780	44,669,382	622,446,162
Net position, end of year	<b>\$ 823,478,659</b>	<b>\$ 66,191,373</b>	<b>\$ 889,670,032</b>

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, 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
<b>Net cash used in operating activities</b>	<b>(301,886,895)</b>	<b>(14,687,796)</b>	<b>(316,574,691)</b>
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
<b>Net cash provided by non-capital financing activities</b>	<b>352,525,803</b>	<b>22,600,000</b>	<b>375,125,803</b>
Cash flows from capital and related financing activities:			
Aquisition of fixed assets	(11,922)	(7,307)	(19,229)
<b>Net cash used in capital and related financing activities</b>	<b>(11,922)</b>	<b>(7,307)</b>	<b>(19,229)</b>
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
<b>Net cash provided by (used in) investing activities</b>	<b>(1,878,815)</b>	<b>22,367,164</b>	<b>20,488,349</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>48,748,171</b>	<b>30,272,061</b>	<b>79,020,232</b>
Cash and cash equivalents:			
Beginning of year	201,401,623	6,274,230	207,675,853
End of year	<b>\$ 250,149,794</b>	<b>\$ 36,546,291</b>	<b>\$ 286,696,085</b>
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
<b>Cash and cash equivalents</b>	<b>\$ 250,149,794</b>	<b>\$ 36,546,291</b>	<b>\$ 286,696,085</b>

(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 (loss)	\$ 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
<b>Net cash used in operating activities</b>	<b>\$ (301,886,895)</b>	<b>\$ (14,687,796)</b>	<b>\$ (316,574,691)</b>
Supplemental Schedule of Noncash Operating and non-Capital 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)**

**Statements of Cash Flows**  
**Year Ended June 30, 2020**

	Water Bank	Transportation Bank	Total
Cash flow from operating activities:			
Cash received for administrative fees	\$ 6,465,550	\$ 84,719	\$ 6,550,269
Cash payments for goods and services	(2,200,792)	(779,765)	(2,980,557)
Cash payments for salaries and benefits	(2,434,516)	(1,312,371)	(3,746,887)
Disbursement of loan funds to borrowers	(383,794,667)	(8,993,239)	(392,787,906)
Principal received from loans to borrowers	198,946,362	33,250	198,979,612
Interest received from loans to borrowers	142,605	110	142,715
<b>Net cash used in operating activities</b>	<b>(182,875,458)</b>	<b>(10,967,296)</b>	<b>(193,842,754)</b>
Cash flows from non-capital financing activities:			
Miscellaneous	2,036,085	-	2,036,085
Current year State appropriations received	235,000,000	22,600,000	257,600,000
<b>Net cash provided by non-capital financing activities</b>	<b>237,036,085</b>	<b>22,600,000</b>	<b>259,636,085</b>
Cash flows from capital and related financing activities:			
Aquisition of fixed assets	(37,012)	(21,738)	(58,750)
<b>Net cash used in capital and related financing activities</b>	<b>(37,012)</b>	<b>(21,738)</b>	<b>(58,750)</b>
Cash flows from investing activities:			
Interest on investments	2,185,269	675,590	2,860,859
Purchase of investments	(69,432,305)	(63,664,286)	(133,096,591)
Proceeds from sale and maturity of investments	45,825,787	44,600,000	90,425,787
<b>Net cash provided by (used in) investing activities</b>	<b>(21,421,249)</b>	<b>(18,388,696)</b>	<b>(39,809,945)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>32,702,366</b>	<b>(6,777,730)</b>	<b>25,924,636</b>
Cash and cash equivalents:			
Beginning of year	168,699,257	13,051,960	181,751,217
End of year	<b>\$ 201,401,623</b>	<b>\$ 6,274,230</b>	<b>\$ 207,675,853</b>
Displayed as:			
Cash and cash equivalents - unrestricted	\$ 18,335,018	\$ 609,748	\$ 18,944,766
Cash and cash equivalents - restricted	183,066,605	5,664,482	188,731,087
<b>Cash and cash equivalents</b>	<b>\$ 201,401,623</b>	<b>\$ 6,274,230</b>	<b>\$ 207,675,853</b>

(Continued)

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

**Statements of Cash Flows (Continued)**  
**Year Ended June 30, 2020**

	Water Bank	Transportation Bank	Total
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ 8,665,794	\$ (1,078,009)	\$ 7,587,785
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	13,393	2,174	15,567
Investment income included in operations	(2,185,269)	(675,590)	(2,860,859)
Net unrealized and realized gain on investments	(3,267,588)	54,359	(3,213,229)
Amortized interest	(1,953,469)	(210,434)	(2,163,903)
Effect of changes in operating assets and liabilities:			-
Decrease in administrative fee receivable	62,070	-	62,070
Decrease (increase) in other assets	7,315	(11,267)	(3,952)
Decrease (increase) in interest receivable	187,975	(88,959)	99,016
Increase in loans receivable	(184,847,889)	(8,959,987)	(193,807,876)
Increase due from Transportation	(417)	-	(417)
Increase due to Water		417	417
Increase in accounts payable	442,627	-	442,627
<b>Net cash used in operating activities</b>	<b>\$ (182,875,458)</b>	<b>\$ (10,967,296)</b>	<b>\$ (193,842,754)</b>

See notes to financial statements.

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

**Notes to Financial Statements**

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**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 I-Bank Act 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 NJ DEP, 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 NJ DOT, 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 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 has not issued any long-term loans to date. 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 and the Master Program Trustee (U.S. Bank) or the NJDEP or the I-Bank, as appropriate. As noted above, for Water Bank loans issued in 2004 and later, 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**

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**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 SFY2021, 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.

Under the Water Bank's Long-Term Program, the I-Bank and the NJ DEP assist borrowers in obtaining financing for allowable project costs. The I-Bank issues debt on behalf of the borrowers; this debt is classified as conduit debt and as such is not included in the statement of net position of the I-Bank. The I-Bank lends its share of allowable costs (typically, 25%-50% of the total financed amount), plus any amounts to be funded through the interest subsidy model for Drinking Water projects in lieu of direct loans from the State, to borrowers for various terms up to a maximum of 30 years at a rate equal to the interest rate on its conduit debt obligations net of funds held in the interest subsidy account. In turn, payments by the borrowers on these loans plus funds held in the interest subsidy account are used to pay debt service on the I-Bank's conduit debt obligations issued for the Water Bank.

Under the Water Bank's Long-Term Program, the I-Bank and the NJ DEP assist borrowers in obtaining financing for allowable project costs. The I-Bank issues debt on behalf of the borrowers; this debt is classified as conduit debt and as such is not included in the statement of net position of the I-Bank. The I-Bank lends its share of allowable costs (typically, 25%-50% of the total financed amount), plus any amounts to be funded through the interest subsidy model for Drinking Water projects in lieu of direct loans from the State, to borrowers for various terms up to a maximum of 30 years at a rate equal to the interest rate on the conduit debt obligations net of funds held in the interest subsidy account. In turn, payments by the borrowers on these loans plus funds held in the interest subsidy account are used to pay debt service on the conduit debt obligations issued by the Water Bank.

**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 accrual basis of accounting is followed by the I-Bank.

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 NJ DEP. 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 DOT. 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**

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**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 invested in the PFM Funds - Prime Institutional 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**

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**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 Direct, 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**

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**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**

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**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 New Jersey Department of Environmental Protection ("DEP") and funds appropriated to the I-Bank through the New Jersey Department of Transportation ("DOT"). 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, and (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 and the credit is 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 by security type and Issuer are applicable only on the date of purchase of the investment and are based on market value at the Investment Portfolio fund level as defined by the State's Investment Policy. All Funds related to each specific program of the NJIB shall be held in segregated accounts at one or more Custodial Banks.

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

**Notes to Financial Statements**

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**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 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, 2021 is 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)		36,546,291	36,546,291
Prime, institutional class (PFM Funds)	67,084,223	-	67,084,223
	<u>\$ 250,149,794</u>	<u>\$ 36,546,291</u>	<u>\$ 286,696,085</u>

The amounts of cash and cash equivalents as of June 30, 2020 as follows:

	Water Bank	Transportation Bank	Total I-Bank
Operating checking (TD Bank)	\$ 263,131	\$ -	\$ 263,131
GS SQ Treasury Obligation (TD Bank MM)	26,094,596	-	26,094,596
Wells Fargo Government MM Fund Instl Class (WELLS FARGO)		6,274,230	6,274,230
Prime, institutional class (PFM Funds)	175,043,896	-	175,043,896
	<u>\$ 201,401,623</u>	<u>\$ 6,274,230</u>	<u>\$ 207,675,853</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 Enabling Act directs that I-Bank investments 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, but not in the I-Bank's name. As of June 30, 2021, the I-Bank deposits are \$221,023, all of which is collateralized. As of June 30, 2020, the I-Bank deposits are \$263,131, of which \$13,131 are uncollateralized. All of the I-Bank's investments totaling \$163,048,869 and \$182,874,208, and money market funds totaling \$286,475,062 and \$207,412,722, as of June 30, 2021, and 2020, respectively, are held in an account outside the counterparty, not in the name of the I-Bank, and therefore, are 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. The I-Bank's investments carry ratings that are in compliance with the Policy.

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

**Notes to Financial Statements**

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**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 and 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  
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**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, 2021 and 2020, the **Water Bank** had the following investments and maturities:

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 & 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>

Investment Type	Fair Value	June 30, 2020			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes & Bonds	\$ 70,479,837	\$ 16,419,472	\$ 54,060,365	\$ -	\$ -
US Gov't Other Notes & Bonds	28,829,310	-	23,716,905	1,909,808	3,202,597
Corporate Bonds/Notes/CP	32,814,865	15,033,616	17,781,249		
	<u>\$ 132,124,012</u>	<u>\$ 31,453,088</u>	<u>\$ 95,558,519</u>	<u>\$ 1,909,808</u>	<u>\$ 3,202,597</u>

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

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

As of June 30, 2021 and 2020, the **Transportation Bank** had the following investments and maturities:

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	5,004,608	5,004,608	-	-	-
Corporate Bonds/Notes/CP	2,895,044	2,895,044	-	-	-
	<u>\$ 28,572,294</u>	<u>\$ 28,572,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investment Type	Fair Value	June 30, 2020			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 41,498,593	\$ 39,385,696	\$ 2,112,897	\$ -	\$ -
US Gov't Other Notes & Bonds	5,072,803	-	5,072,803	-	-
Corporate Bonds/Notes/CP	4,178,800	3,370,555	808,245	-	-
	<u>\$ 50,750,196</u>	<u>\$ 42,756,251</u>	<u>\$ 7,993,945</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**

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

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

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

**Notes to Financial Statements**

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
<b>Total</b>				<b>\$ 134,476,575</b>

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

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

**Notes to Financial Statements**

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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
<b>Total</b>				<b>\$ 28,572,294</b>

**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, 2020, the **Water Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2020 Fair Value
3M Company Corp Notes	3/15/2023	A+	A1	683,918
3M Company Corp Notes	2/14/2025	A+	A1	552,203
African Development Bank Note	3/22/2021	AAA	Aaa	1,820,294
Amazon.Com Inc Corporate Notes	2/22/2023	AA-	A2	1,050,653
Amazon.Com Inc Corporate Notes	6/3/2025	AA-	A2	60,463
American Honda Finance Corp Notes	6/27/2024	A-	A3	629,467
American Honda Finance Corp Notes	7/20/2020	A-	A3	380,278
Apple Inc Corp Notes	11/13/2020	AA+	Aa1	1,811,399
Apple Inc Corp Notes	5/11/2023	AA+	Aa1	111,069
Bank Of America Corp Note	3/5/2024	A-	A2	1,054,136
Bank Of New York Mellon (Callable) Notes	5/3/2021	A	A1	987,179
Bank Of New York Mellon Corp	10/24/2024	A	A1	168,168
Berkshire Hathaway Fin (Callable) Notes	3/15/2023	AA	Aa2	528,919
Blackrock INC Corp Notes	6/1/2022	AA-	Aa3	506,947
Branch Banking & Trust (Callable) Note	5/10/2021	A-	A3	506,263
Caterpillar Finl Service	11/8/2024	A	A3	1,095,682
Coca-Cola Company Corp Notes	9/6/2024	A+	A1	529,291
Hershey Company Corp Notes	5/15/2021	A	A1	368,776
Honeywell International Corp Notes (Callable)	6/1/2025	A	A2	236,191
IBM Credit Corp Notes	2/5/2021	A	A2	456,198
IBM Credit Corp Notes	1/20/2021	A	A2	907,484
Intel Corp (Callable) Notes	5/11/2022	A+	A1	516,819
Intel Corp Notes	12/15/2022	A+	A1	232,718
International Finance Corporation Note	3/9/2021	AAA	Aaa	914,351
Intl Bank Of Recon And Dev Global Notes	9/4/2020	AAA	Aaa	1,503,500
Intl Bank Of Recon And Dev Global Notes	9/12/2020	AAA	Aaa	1,803,942
John Deere Capital Corp Notes	1/6/2023	A	A2	918,782
Johnson & Johnson (Callable) Notes	3/1/2023	AAA	Aaa	706,202
JPMorgan Chase & Co Bonds	4/1/2023	A-	A2	934,916
Merck & Co Inc	3/7/2024	AA-	A1	544,042
Microsoft Corp (Callable) Notes	11/3/2022	AAA	Aaa	526,081
Microsoft Corp (Callable) Notes	2/12/2025	AAA	Aaa	49,075
Microsoft Corp (Callable) Notes	2/6/2024	AAA	Aaa	539,649
Pepsico, Inc Corp (Callable) Notes	10/6/2021	A+	A1	507,665
Pfizer Inc Corp Notes	3/15/2024	AA-	A1	610,806
PNC Bank NA Corp Notes	1/23/2024	A-	A3	528,546
State Street Corp Notes	5/19/2021	A	A1	266,604
The Procter & Gamble Co Corp Notes	10/23/2020	AA-	Aa3	598,027
Toyota Motor Credit Corp Notes	2/13/2025	A+	A1	542,284
Toyota Motor Credit Corp Notes	7/13/2022	A+	A1	891,897
Toyota Motor Credit Corp Notes	9/8/2022	A+	A1	464,508
Unilever Capital Corp Notes (Callable)	3/7/2024	A+	A1	266,395
United Parcel Service Corporate Bond	4/1/2021	A-	A2	769,693
US Bancorp Corp Notes	7/30/2024	A+	A1	536,570
Wal-Mart Stores Inc Corp Note	12/15/2020	AA	Aa2	1,939,628
Walt Disney Company Corp Notes	8/30/2024	A-	A2	973,329
Wells Fargo & Company Corporate Notes	6/2/2024	A-	A2	283,863
Other US Government Notes And Bonds		AA+	Aaa	28,829,310
US Treasury Notes And Bonds		AA+	Aaa	70,479,837
<b>Total</b>				<b>\$ 132,124,012</b>

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

**Notes to Financial Statements**

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

As of June 30, 2020, the **Transportation Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2020 Fair Value
Apple Inc Corp Notes	2/9/2022	AA+	Aa1	406,349
MUFG Bank LTD/NY Comm Paper	3/19/2021	A-1	P-1	1,685,282
Toyota Motor Credit Corp Comm Paper	3/19/2021	A-1+	P-1	1,685,273
Wells Fargo & Company Corporate Notes	7/26/2021	A-	A2	401,896
Other US Government Notes And Bonds		AA+	Aaa	5,072,803
US Treasury Bill		A-1+	P-1	17,512,738
US Treasury Notes And Bonds		AA+	Aaa	23,985,855
<b>Total</b>				<b>\$ 50,750,196</b>

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

**Notes to Financial Statements**

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

As of June 30, 2021, and 2020, the **Water Bank** had the following investments, all of which are reported at fair value measurement by level:

	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 & 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	134,476,575	-	134,476,575	-
Total investments by fair value level	<u>\$ 134,476,575</u>	<u>\$ -</u>	<u>\$ 134,476,575</u>	<u>\$ -</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**

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

	Fair Value Measurements Using			
	June 30, 2020	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	\$ 70,479,837	\$ -	\$ 70,479,837	\$ -
Corporate Bonds/Notes/CP	32,814,865	-	32,814,865	-
US Gov't Other Notes & Bonds	28,829,310	-	28,829,310	-
Total debt securities	<u>132,124,012</u>	<u>-</u>	<u>132,124,012</u>	<u>-</u>
Total investments by fair value level	<u>\$ 132,124,012</u>	<u>\$ -</u>	<u>\$ 132,124,012</u>	<u>\$ -</u>

Investments as reported on the statement of net position:

Current:	
Unrestricted	\$ 9,869,928
Restricted	21,583,161
Noncurrent:	
Unrestricted	3,485,410
Restricted	97,185,513
Total investments	<u>\$ 132,124,012</u>

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

**Notes to Financial Statements**

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

As of June 30, 2021, and 2020, the **Transportation Bank** had the following investments, all of which are reported at fair value measurement by level:

	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	<u>28,572,294</u>	-	<u>28,572,294</u>	-
Total investments by fair value level	<u>\$ 28,572,294</u>	\$ -	<u>\$ 28,572,294</u>	\$ -

Investments as reported on the statement of net position:

Current:	
Restricted	28,572,294
Noncurrent:	
Restricted	-
Total investments	<u>\$ 28,572,294</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)**

	Fair Value Measurements Using			
	June 30, 2020	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	\$ 41,498,593	\$ -	\$ 41,498,593	\$ -
Corporate bonds/Notes/CP	4,178,800	-	4,178,800	-
US Gov't Other Notes & Bonds	5,072,803	-	5,072,803	-
Total debt securities	50,750,196	-	50,750,196	-
Total investments by fair value level	\$ 50,750,196	\$ -	\$ 50,750,196	\$ -
Investments as reported on the statement of net position:				
Current:				
Restricted	42,756,251			
Noncurrent:				
Restricted	7,993,945			
Total investments	\$ 50,750,196			

**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 and 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**

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**Note 4. Loans Receivable and Commitment**

The Water Bank provides loans to Borrowers to finance allowable costs of clean water and safe drinking water projects. Approximately 88% of the loans are secured by the full faith and credit of a local governmental unit.

The Direct Loan Program provides long-term loans for small projects or for borrowers that are fiscally constrained or lack the administrative capability to participate in the I-Bank's Water Bank bond financing transaction. The I-Bank funds these loans through cash on hand rather than through the issuance of bonds. 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. The 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, 2021 and 2020, the direct loans balance was \$4,786,458 and \$6,625,305, respectively. Included in this balance are amounts owed from borrowers primarily for contributions made by the I-Bank on their behalf for defeasances of \$232,218 and \$1,680,208 as of June 30, 2021 and 2020, 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 SFY2021 these loans continued to be interest free. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program. As of June 30, 2021, and 2020, the balance for the loans described net of undisbursed reserve funds was \$531,160,855 and \$482,028,211 respectively. As of June 30, 2021, and 2020, the balance for the loans outstanding with a 0% interest rate was \$528,059,249 and \$479,175,877 respectively.

The Water Bank's net loans receivable balance of \$535,947,314 and \$488,653,516 as of June 30, 2021 and 2020, consisted of outstanding loans issued of \$536,027,313 and \$488,733,516 net of undisbursed loan funds of \$80,000 and \$80,000 for 2021 and 2020, respectively. Undisbursed loan funds include loan funds that have been committed to a specific borrower and for its project in a separate account, but not yet requisitioned by the borrower for remaining project expenses.

The Water Bank does not maintain an allowance for loan losses given the repayment history of the pool of direct loans borrowers coupled with the debt service reserve holdings for some of the borrowers. In addition, the short-term loans are anticipated to be repaid with proceeds of bonds issued by the I-Bank and through the assignment of the short-term loans to NJ DEP and are therefore not subject to individual borrower repayment risk.

For the year ended June 30, 2021, there were no Water Bank borrowers whose loan receivables individually represented 10% or more of the total loans receivable. For the year ended June 30, 2020, there were two borrowers with loans of more than 10% of the total which in aggregate accounted for 28.9% of loans receivable.

The Water Bank is also committed to fund short-term loans to borrowers of approximately \$855 million that had not been requisitioned as of June 30, 2021.

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

**Notes to Financial Statements**

**Note 4. Loans Receivable and Commitment (Continued)**

The Transportation Bank provides loans to Borrowers to finance allowable costs of transportation projects. As of June 30, 2021 the balance of loans was \$22,390,337. As of June 30, 2020 the balance of loans was \$9,238,567.

Loans issued under the Transportation Bank Short-Term Loan Program are issued, with few exceptions, for a maximum of three fiscal years for construction. These loans have an interest rate range of 0.0% to 0.6% per year. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program.

As of June 30, 2021, the Transportation Bank has closed short-term loans of \$64 million of which approximately \$55 million has been certified for requisition. The Transportation Bank has allocated \$115.8 million in funds to projects as of June 30, 2021 and \$69.5 million as of June 30, 2020.

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

	Water		Transportation	
	SAIL and Short-Term	Direct Loans	Loans	Total
Year ending June 30:				
2022	\$ 240,248,103	\$ 501,037	\$ 569,070	\$ 241,318,211
Less undispersed reserve funds	(80,000)	-	-	(80,000)
Current loans	240,168,103	501,037	569,070	241,238,211
2023	198,710,843	523,102	18,995,223	218,229,170
2024	89,100,303	413,866	2,826,044	92,340,212
2025	-	417,194	-	417,194
2026	3,181,606	421,098	-	3,602,704
2027 through 2031	-	1,934,808	-	1,934,808
2032 through 2036	-	555,354	-	555,354
2037 through 2041	-	20,000	-	20,000
2042 through 2046	-	-	-	-
2047 through 2051	-	-	-	-
Noncurrent loans	290,992,752	4,285,422	21,821,267	317,099,442
Loans receivable, net	\$ 531,160,855	\$ 4,786,459	\$ 22,390,337	\$ 558,337,651

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

**Notes to Financial Statements**

**Note 5. Capital Assets**

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

	Balance at June 30, 2020			Balance at June 30, 2021	
		Additions	Disposals		
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>	
Less accumulated depreciation:					
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>	

	Balance at June 30, 2019			Balance at June 30, 2020	
		Additions	Disposals		
Capital assets being depreciated:					
Leasehold improvements	\$ 68,828	\$ -	\$ -	\$ 68,828	
Office furniture	59,379	-	-	59,379	
Computers and office equipment	113,190	37,012	-	150,202	
Vehicles	51,686	-	-	51,686	
	<u>293,083</u>	<u>37,012</u>	<u>-</u>	<u>330,095</u>	
Leasehold improvements	68,828	-	-	68,828	
Office furniture	53,071	4,261	-	57,332	
Computers and office equipment	110,710	6,049	-	116,759	
Vehicles	48,603	3,083	-	51,686	
	<u>281,212</u>	<u>13,393</u>	<u>-</u>	<u>294,605</u>	
Capital assets (net)	<u>\$ 11,871</u>	<u>\$ 23,619</u>	<u>\$ -</u>	<u>\$ 35,490</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, 2020	Additions	Disposals	Balance at June 30, 2021
Capital assets being depreciated:				
Leasehold improvements	-	7,307	-	7,307
Office furniture	-	-	-	-
Computers and office equipment	21,738	-	-	21,738
Vehicles	-	-	-	-
	<u>21,738</u>	<u>7,307</u>	<u>-</u>	<u>29,045</u>
Less accumulated depreciation:				
Leasehold improvements	-	730	-	730
Office furniture	-	-	-	-
Computers and office equipment	2,174	4,348	-	6,522
Vehicles	-	-	-	-
	<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>

	Balance at June 30, 2019	Additions	Disposals	Balance at June 30, 2020
Capital assets being depreciated:				
Leasehold improvements	\$ -	\$ -	\$ -	\$ -
Office furniture	-	-	-	-
Computers and office equipment	-	21,738	-	21,738
Vehicles	-	-	-	-
	<u>-</u>	<u>21,738</u>	<u>-</u>	<u>21,738</u>
Less accumulated depreciation:				
Leasehold improvements	-	-	-	-
Office furniture	-	-	-	-
Computers and office equipment	-	2,174	-	2,174
Vehicles	-	-	-	-
	<u>-</u>	<u>2,174</u>	<u>-</u>	<u>2,174</u>
Capital assets (net)	<u>\$ -</u>	<u>\$ 19,564</u>	<u>\$ -</u>	<u>\$ 19,564</u>

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

**Notes to Financial Statements**

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**Note 6. Commitments and Contingencies**

**Leases:** In November 2018, the I-Bank renewed its lease for the use of premises at 3131 Princeton Pike, Lawrenceville, New Jersey 09648. The renewal was for a seven-year term from December 1, 2018 through November 30, 2025, with annual rent of \$60,800 and additional amounts for utilities and maintenance. Rental expenditures reported for the years ended June 30, 2021 and 2020 were \$120,275 and \$120,275, respectively. The following is a summary of the future minimum rental commitments under the current lease through November 30, 2025:

Years ending June 30,	
2022	\$ 120,275
2023	120,275
2024	120,275
2025	120,275
2026	50,114
Total	<u>\$ 531,213</u>

**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 supply projects for drinking water supply 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, the Bonds are special obligations of 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 revenue bonds are not secured by the I-Bank, only by revenues, including repayment of loans from the underlying borrowers and investments of amounts on deposit with the bond trustee. The principal and redemption premium, if any, and the interest on the Bonds shall be payable from and secured by the pledge (i) of the Series Trust Estate and (ii) by the Master Program Trustee of the moneys and securities on deposit in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Borrowers' principal and interest payment obligations match the principal and interest payment obligations of the I-Bank pursuant to its bonds. The loan repayments of the Borrowers' are made to a trustee, who is 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.

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**Notes to Financial Statements**

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Loans to borrowers in the 2021 program combine proceeds of the bond sale, lent at market rate, with interest free loans from the State of New Jersey, Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Thus, most public borrowers will pay a composite interest rate on their loans of less than 1%.

On October 29, 2020 the I-Bank defeased \$610,000 of the Environmental Infrastructure Bonds Series 2015A-R1 (2007A) relating to the City of Newark.

On October 29, 2020 the I-Bank defeased \$240,000 of the Environmental Infrastructure Bonds Series 2017A-2 relating to the North Jersey District Water Supply Commission.

On October 29, 2020 the I-Bank defeased \$630,000 of the Environmental Infrastructure Bonds Series 2014A relating to the Township of Long Hill.

On October 29, 2020 the I-Bank defeased \$205,000 of the Environmental Infrastructure Bonds Series 2017A-R2 (2010A) relating to the Township of Long Hill.

On June 10, 2021, the I-Bank issued \$122,500,000 of Environmental Infrastructure Bonds, Series 2021A-1 (Green Bonds) to capitalize 58 projects.

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

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**Note 7. Conduit Debt – Water Bank (Continued)**

At June 30, 2021 and 2020, the aggregate principal amount of conduit debt obligations outstanding totaled \$988,878,346 and \$963,173,347, respectively, as detailed in the following schedules.

Changes in conduit debt obligations of the Water Bank for the year ended June 30, 2021 were as follows:

	Balance at June 30, 2020	Issued	Retired	Balance at June 30, 2021	Amount Due Within One Year
<b>2006 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	\$ 5,680,000	\$ -	\$ 5,680,000	\$ -	\$ -
<b>2007 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.25%	16,565,000	-	8,130,000	8,435,000	8,435,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates of 5.25%	14,490,000	-	4,590,000	9,900,000	4,825,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	20,765,000	-	6,640,000	14,125,000	6,955,000
<b>2010 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.0% to 5.00%	3,180,000	-	3,180,000	-	-
Series B Bonds, uninsured, maturing serially through 2020, at interest rate of 4.00%	100,000	-	100,000	-	-
<b>2011 Refunding Series:</b>					
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 4.00%	1,650,000	-	965,000	685,000	685,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	3,215,000	-	1,020,000	2,195,000	1,075,000
<b>2012 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	6,670,000	-	3,255,000	3,415,000	3,415,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 4.00%	1,925,000	-	940,000	985,000	985,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	485,000	-	240,000	245,000	245,000

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

**Note 7. Conduit Debt – Water Bank (Continued)**

	Balance at June 30, 2020	Issued	Retired	Balance at June 30, 2021	Amount Due Within One Year
<b>2012 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2026, at interest rate of 4.00%	114,415,000	-	15,420,000	98,995,000	15,995,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	205,000	-	100,000	105,000	105,000
Series C Bonds, uninsured, maturing serially through 2023, at interest rate of 3.00%	3,620,000	-	875,000	2,745,000	890,000
<b>2013 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	22,625,000	-	1,400,000	21,225,000	1,465,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	755,000	-	50,000	705,000	50,000
<b>2014 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	45,925,000	-	3,150,000	42,775,000	2,620,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	4,100,000	-	235,000	3,865,000	245,000
<b>2015 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	39,570,000	-	1,950,000	37,620,000	2,045,000
<b>2015 B Refunding Series (AMT):</b>					
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates from 4.00% to 5.00%	5,925,000	-	1,320,000	4,605,000	1,380,000
<b>2015 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2035, at interest rates from 3.00% to 5.00%	8,430,000	-	405,000	8,025,000	420,000
<b>2015 A-R1 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2027, at interest rate of 5.00%	73,950,000	-	9,135,000	64,815,000	8,945,000

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

**Note 7. Conduit Debt – Water Bank (Continued)**

	Balance at June 30, 2020	Issued	Retired	Balance at June 30, 2021	Amount Due Within One Year
<b>2015B-R2 Refunding Series (AMT):</b>					
Series B Bonds, uninsured AMT, maturing serially through 2026, at interest rate of 5.00%	\$ 9,190,000	\$ -	\$ 1,130,000	\$ 8,060,000	\$ 1,185,000
<b>2016 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2045, at interest rates from 2.00% to 5.00%	21,390,000	-	925,000	20,465,000	980,000
<b>2016 A-R1 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 4.50% to 5.00%	49,870,000	-	6,555,000	43,315,000	5,955,000
<b>2016 A-R2 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2030, at interest rates from 4.50% to 5.00%	63,210,000	-	5,105,000	58,105,000	5,345,000
<b>2016 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 4.00% to 5.00%	6,710,000	-	270,000	6,440,000	285,000
<b>2017 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 3.00% to 5.00%	29,895,000	-	910,000	28,985,000	960,000
<b>2017 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2047, at interest rates from 2.13% to 5.00%	18,185,000	-	915,000	17,270,000	705,000
<b>2017 A-R1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	30,345,000	-	3,295,000	27,050,000	3,340,000
<b>2017 A-R2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	66,900,000	-	6,385,000	60,515,000	6,255,000
<b>2017 B-1 Series (AMT):</b>					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	3,785,000	-	75,000	3,710,000	80,000
<b>2018 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2047 at interest rate from 3.00% to 5.00%	20,400,000	-	740,000	19,660,000	780,000
<b>2018 B-1 Series (AMT):</b>					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	14,820,000	-	290,000	14,530,000	300,000

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

**Note 7. Conduit Debt – Water Bank (Continued)**

	Balance at June 30, 2020	Issued	Retired	Balance at June 30, 2021	Amount Due Within One Year
<b>2018 A-2 Series:</b>					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 4.00% to 5.00%	16,645,000	-	365,000	16,280,000	375,000
<b>2019 A-1 Series:</b>					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 2.00% to 5.00%	13,215,000	-	410,000	12,805,000	430,000
<b>2019 B-R1 Refunding Series:</b>					
Series B Green Bonds, uninsured, maturing serially through 2030, at interest rate of 4.00%	4,520,000	-	350,000	4,170,000	375,000
<b>2019 C-R1 Refunding Series (Federally Taxable):</b>					
Series C Green Bonds, uninsured, maturing serially through 2029, at interest rates from 2.65% to 5.00%	3,685,000	-	295,000	3,390,000	310,000
<b>2020 A-1 Series:</b>					
Series A Green Bonds, uninsured, maturing serially through 2049, at interest rates from 2.13% to 5.00%	34,300,000	-	-	34,300,000	1,020,000
<b>2020 A-R1 Refunding Series:</b>					
Series A Green Bonds, uninsured, maturing serially through 2024, at interest rate of 3.00%	17,390,000	-	-	17,390,000	3,215,000
<b>2020 C-R1 Refunding Series (Federally Taxable):</b>					
Series C Green Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	40,795,000	-	-	40,795,000	-
<b>2020 C-R2 Refunding Series (Federally Taxable):</b>					
Series C Green Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	15,265,000	-	-	15,265,000	-
<b>2021 A-1 Series:</b>					
Series A Green Bonds, uninsured, maturing serially through 2050, at interest rates from 2.00% to 5.00%	-	122,500,000	-	122,500,000	-
Total of bonds payable covered by Master Program Trust Account	874,760,000	122,500,000	96,795,000	900,465,000	92,675,000
<b>2005 BCIA/ENCAP Golf Holdings</b>					
Variable rate bond series maturing through 2025, with weekly interest rate calculations	88,413,346	-	-	88,413,346	-
Total bonds payable	<u>\$ 963,173,346</u>	<u>\$ 122,500,000</u>	<u>\$ 96,795,000</u>	<u>\$ 988,878,346</u>	<u>\$ 92,675,000</u>

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

**Notes to Financial Statements**

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**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:			
2022	92,675,000	32,552,696	125,227,696
2023	89,410,000	29,467,113	118,877,113
2024	84,975,000	25,551,937	110,526,937
2025	81,625,000	21,870,825	103,495,825
2026	164,333,346	18,407,037	182,740,383
2027 through 2031	253,040,000	53,899,042	306,939,042
2032 through 2036	106,200,000	23,784,361	129,984,361
2037 through 2041	53,795,000	12,275,094	66,070,094
2042 through 2046	36,085,000	6,230,447	42,315,447
2047 through 2051	26,740,000	1,435,975	28,175,975
	988,878,346	225,474,527	1,214,352,873
	988,878,346	225,474,527	1,214,352,873

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

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**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 respective sales of the bonds were used to redeem the applicable outstanding bonds and, at times, to deposit 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 including 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.

Defeased bonds outstanding at June 30, 2021, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2021
Advanced Refunding:	
2020C-R1	
2012 Series A	42,965,000
2020C-R2	
2012 Series B	12,925,000
2012 Series C	2,970,000
	<u>\$ 58,860,000</u>
Individual borrower defeasances:	
2001 Series A	40,000
2002 Series A	870,000
2005 Series A	195,000
2007 Series A	1,785,000
2010 Series A	205,000
2010 Series B	390,000
2012 Series A	725,000
2013 Series A	355,000
2014 Series A	1,105,000
2014 Series B	335,000
2015 Series A-1	305,000
2017 Series A-2	240,000
	<u>\$ 6,550,000</u>

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

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**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, which are subject to rebate calculations, which are 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, 2021, 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 default in the fulfillment of any of the terms, covenants or provisions of the bond resolutions, unless otherwise described herein.

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

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**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, 2020 calculation date, the cumulative debt service reserve requirement, as adjusted for refunding and defeasance was \$47,484,916. As of June 30, 2021, 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 balance as of June 30, 2021 and 2020 in all of the debt service reserve fund accounts was \$59,215,445 and \$67,624,336, 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 are not recorded in these financial statements. As of June 30, 2021 and 2020, the total cash and investments balance for conduit debt was \$81,380,008 and \$90,617,896, 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, 2021 and 2020, the total revenues, administrative fees and state administrative fees collected for conduit debt was \$275,128,254 and \$286,465,681, 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 no longer outstanding; and the LOC Provider became the 100% holder of the NJEIT-BCIA Bonds, which are without recourse to the I-Bank.

**New Jersey Infrastructure Bank  
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**Notes to Financial Statements**

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**Note 8. Other Matter - Water Bank (Continued)**

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). The plan 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.

The 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. The 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.

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.

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**Notes to Financial Statements**

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

***Plan Financial Statements***

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and the OPEB plan. 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***

I-Bank personnel are employees of the State of New Jersey. The I-Bank submits quarterly reimbursements to the State for salary and fringe benefits, including pension and health benefits, related to its personnel. As a result, the I-Bank does not pay directly into the State plan and therefore has no pension or OPEB expense or any liabilities associated with pension or OPEB 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.

**Note 10. Subsequent Event**

Management has evaluated subsequent events and transactions that occurred after the balance sheet date, but before October 13, 2021, 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 October 24, 2021, the State of New Jersey signed into law a supplemental appropriation Bill (P.L. 2021 c. 206), 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.

Subsequent to year-end, the I-Bank has closed a total of 6 New Short Term Water Bank loans and increased allowable funding under 7 existing Water Bank loans with a combined total of \$113,779,979 million and increased allowable funding under 1 existing Transportation Bank loans totaling \$768,584 million.

On July 1, 2021, the I-Bank issued \$35,000,000 of Environmental Infrastructure Extendable Commercial Paper Notes, Series 2021A-1N to fund the Short-Term Construction Loan Program. The July 1, 2021 Paper Note rolled on September 28, 2021.

**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 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, 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, 2021 and 2020 was \$34,427,880.31 and \$34,013,333 and, respectively. 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.

Years ending June 30:	Aggregate of Coverage Receiving Trust Loan Repayments: Principal <sup>1</sup>	Aggregate of Coverage Receiving Trust Loan Repayments: Interest <sup>1</sup>	Aggregate of Coverage Providing Fund Loan Repayments <sup>2,3</sup>	Total Funds Available to Secure and Provide Coverage for all Coverage Receiving Financing Program Debt Service <sup>1,3</sup>	Total Debt Service for all Coverage Receiving Financing Programs <sup>1</sup>	Ratio of all Coverage Providing Funds to all Coverage Receiving Debt Service
2022	\$ 92,675,000	\$ 32,552,694	\$ 152,435,826	\$ 277,663,519	\$ 125,227,693	2.22
2023	89,410,000	29,467,114	144,002,287	262,879,404	118,877,116	2.21
2024	84,975,000	25,551,936	137,196,883	247,723,820	110,526,936	2.24
2025	81,625,000	21,870,824	129,627,827	233,123,651	103,495,824	2.25
2026	75,920,000	18,407,037	119,873,612	214,200,649	94,327,037	2.27
2027	69,565,000	15,214,026	107,541,835	192,320,862	84,779,026	2.27
2028	58,025,000	12,495,836	93,224,233	163,745,069	70,520,836	2.32
2029	48,780,000	10,356,632	81,638,108	140,774,740	59,136,632	2.38
2030	43,420,000	8,609,852	70,114,379	122,144,232	52,029,852	2.35
2031	33,250,000	7,222,695	60,474,079	100,946,774	40,472,695	2.49
2032	29,035,000	6,189,895	53,857,590	89,082,485	35,224,895	2.53
2033	23,280,000	5,371,457	45,726,642	74,378,099	28,651,457	2.60
2034	21,310,000	4,665,803	40,151,488	66,127,291	25,975,803	2.55
2035	17,670,000	4,037,963	33,482,977	55,190,940	21,707,963	2.54
2036	14,905,000	3,519,244	27,500,441	45,924,685	18,424,244	2.49
2037	12,620,000	3,112,631	23,392,603	39,125,234	15,732,631	2.49
2038	11,560,000	2,757,310	21,231,028	35,548,338	14,317,310	2.48
2039	10,495,000	2,412,850	19,978,093	32,885,943	12,907,850	2.55
2040	9,935,000	2,120,050	18,453,447	30,508,498	12,055,050	2.53
2041	9,185,000	1,872,253	16,095,083	27,152,336	11,057,253	2.46
2042	7,025,000	1,653,156	13,512,385	22,190,541	8,678,156	2.56
2043	6,985,000	1,453,719	13,456,254	21,894,973	8,438,719	2.59
2044	7,155,000	1,251,531	13,398,194	21,804,725	8,406,531	2.59
2045	7,375,000	1,043,197	13,263,946	21,682,142	8,418,197	2.58
2046	7,545,000	828,844	12,987,005	21,360,849	8,373,844	2.55
2047	7,400,000	613,709	12,051,129	20,064,839	8,013,709	2.50
2048	6,620,000	410,597	9,665,852	16,696,449	7,030,597	2.37
2049	5,100,000	246,163	7,723,380	13,069,542	5,346,163	2.44
2050	4,225,000	128,381	6,464,984	10,818,365	4,353,381	2.49
2051	3,395,000	37,125	3,073,963	6,506,088	3,432,125	1.90
Total	\$ 900,465,000	\$ 225,474,525	\$ 1,501,595,555	\$ 2,627,535,082	\$ 1,125,939,528	

<sup>1</sup> Includes Series 2021A-1 financing programs.

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

<sup>3</sup> Excludes debt service paid on or prior to June 30, 2021.

<sup>4</sup> 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, 2021, 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 October 13, 2021.

### **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.

**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  
October 13, 2021

# 2022 I-BANK BOARD MEETING DATES

JANUARY 13, 2022

FEBRUARY 10, 2022

MARCH 10, 2022

APRIL 14, 2022

MAY 12, 2022

JUNE 9, 2022

JULY 14, 2022

AUGUST 11, 2022

SEPTEMBER 8, 2022

OCTOBER 13, 2022

NOVEMBER 10, 2022

DECEMBER 8, 2022

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



Atlantic County, Route 629 Pedestrian & Traffic Signal Improvement Project. **SFY2021 Loan: \$11,615,000**

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