



# New Jersey Infrastructure Bank

Financing New Jersey's Water Quality & Transportation Future

Annual Report SFY2020



Roxbury Township Treatment Plant Improvements: Rotating Biological Contactor. **SFY2020 Loan: \$5,528,405**



Phil Murphy, Governor  
State of New Jersey

## NEW JERSEY INFRASTRUCTURE BANK Quick Facts: Program Year SFY2020

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

### WATER BANK PROGRAM (EST. 1986)

#### TOTAL LOANS

From its inception through June 30, 2020, the Water Bank Program has issued more than **\$7.4 billion** long-term loans. The Water Bank Program has an additional **\$1.0 billion** outstanding short-term construction loans, and **\$33.6 million** outstanding Disaster Relief Emergency Financing Program (SAIL) loans related to Superstorm Sandy.

#### TOTAL SAVINGS

The Water Bank Program has saved taxpayers and ratepayers more than **\$2.7 billion** 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 as low as **0.91%** for the Series 2020A-1 Green Bonds, issued in April of 2020. In addition, the I-Bank issued three series of Refunding Green Bonds in June of 2020 which saved participating borrowers **\$7.9 million** in debt service payments.

### TRANSPORTATION BANK PROGRAM (EST. 2018)

#### TOTAL LOANS

From its inception through June 30, 2020, the Transportation Bank Program has closed 9 short-term loans totaling more than **\$36.9 million** and allocated **\$24.2 million** to three additional projects that are pending loan closing.

### I-BANK PROGRAMS

#### TOTAL LOANS

Approximately **1,375** long-term loans have been issued to fund clean water, drinking water, green infrastructure, land acquisitions, remediation and redevelopment projects. As of SFY2020 year-end, 165 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 140,000 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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Delaware Raritan Canal  
Photo Courtesy of the New Jersey Water Supply Authority

## 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



Roger Ellis  
Vice Chairperson



Mark Longo  
Treasurer



Jack Kocsis, Jr.  
Secretary

## EX-OFFICIO MEMBERS



Catherine R. McCabe  
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 Zimmer  
Executive Director



Judy Karp  
Assistant Director  
& Legal and  
Compliance Officer



Lauren Kaltman  
Chief Financial Officer



Leigh Peterson  
Chief Operating Officer  
Water Program



Rob Fernandez  
Chief Operating Officer  
Transportation Program

# MESSAGE FROM THE VICE-CHAIRPERSON AND EXECUTIVE DIRECTOR

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

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## **SFY2020-GENERAL: *FEVER (LITTLE WILLIE JOHN)***

SFY2020 will long be remembered as the year in which COVID-19 posed significant operating challenges to governments, businesses, and individuals worldwide. The I-Bank and its program partners, the NJ Department of Environmental Protection (DEP) and the NJ Department of Transportation (DOT), were not exempt from these challenges. As significant providers of financing for critical construction activity around the State, the I-Bank's Water and Transportation Bank Financing Programs have an obligation to ensure that environmental and transportation projects continue construction uninterrupted. It is equally important that contractors and vendors, fundamental participants in the State's economic health, are paid on time. Both Financing Programs met COVID-19's challenges head on and seamlessly maintained service to Program borrowers and staff and positioned the programs to continue offering affordable financing to eligible applicants.

As a result of the I-Bank's multi-year investments in technology, combined with DEP and DOT's work to institutionalize and hard-code technical review procedures, both Financing Programs made a smooth transition to a work-from-home environment at the onset of the COVID pandemic. During SFY2020, the I-Bank accelerated its investment in hardware to improve functionality and increase the security necessary for numerous team members, from multiple agencies to work remotely. In the final four months of the fiscal year, the Financing Programs certified a combined total of fifty-eight projects worth \$448 million, a 63% increase when compared to the same period in SFY2019 and disbursed \$159 million in requisition payments (an increase of 51% over the prior year), allowing borrowing government units to pay project contractors during a time when many businesses were facing cash flow problems. While these metrics are important, the true success of the I-Bank's two Programs is measured by the improvement in the quality of life which the projects, financed through both programs, bring to the State's residents and its environment. The I-Bank is grateful for the authority it has been granted and proud of the important role it plays with the DEP and DOT in this endeavor.

## **TRANSPORTATION: *ON THE ROAD AGAIN (WILLIE NELSON)***

The Transportation Bank has emerged as a key player for local government units to finance their transportation infrastructure needs and added a number of key program advancements. Since issuing its first loan in December 2018, the Transportation Bank has financed 9 projects totaling \$37 million and allocated \$24 million to three additional projects, for commitments totaling \$61 million, or over 96% of appropriated program funds. In SFY2020, the I-Bank launched a new loan portal, *NJ-Moves.com*. Like *H<sub>2</sub>LOans*, the sister loan application system at the Water Bank, *NJ-Moves* allows applicants to upload and submit project information quickly and easily, enabling staff to certify 13 contracts during the year. The Transportation Bank also introduced an electronic venue in SFY2020 for the efficient upload and review of invoice data through which 17 requisitions were processed totaling \$9 million.

To meet the infrastructure financing needs of more project sponsors, the I-Bank initiated the procurement of a private short-term borrowing facility to leverage existing funds and double the amount of available loan funds. It is anticipated that this facility will be operable in SFY2021. Finally, in an effort to best serve program participants, the I-Bank formed the Transportation Engineering Advisory Committee (TEA-Comm) in SFY2020. The TEA-Comm is composed of seven outside Engineering professionals who meet regularly with I-Bank and DOT staff to provide strategic counsel and feedback on the Transportation Program's policies and procedures, thereby ensuring that solutions are both practical and operative.

## **WATER: *HEAD ABOVE WATER (AVRIL LAVIGNE)***

The NJ Water Bank, had a record year with over \$917 million of projects certified by the DEP, most of whose sponsors were able to close on the associated loans within the fiscal year. In SFY2020, the I-Bank issued one new bond series totaling \$34 million to long-term finance its portion of 36 environmental projects with costs totaling \$179 million. Offering borrowers long-term financing at the time of construction completion for the exact cost of their project eliminates excess bond proceeds, and conversely, the need for supplemental funding due to cost overruns. The I-Bank also issued three refunding bond series during the year totaling \$76 million which provided nearly \$8 million in debt service savings to 132 Loans.

The I-Bank continued to participate in the growing environmental, social and governance (ESG) bond market by issuing all four of the SFY2020 bond series as Green Bonds. To date, the I-Bank has issued 18 Green Bond Series totaling \$384 million and will continue to issue its environmental bonds as Green Bonds. In SFY2020, the Water Bank issued \$332 million of short-term loans and in doing so, facilitated the creation of over 4,000 direct construction jobs, demonstrating again, the importance of the Water Bank Program to both the State's environment and its economy.

**FINANCIAL: MONEY, THAT'S WHAT I WANT (BARRETT STRONG)**

To meet increased demand and expand the ability of the Water Bank to fund more projects, the I-Bank submitted a Letter of Interest to the US Environmental Protection Agency (EPA) in SFY2020 and in response was invited by EPA to apply for WIFIA funds, a process that will conclude in SFY2021. The I-Bank intends to utilize WIFIA proceeds to provide the State with additional project funds while providing program participants interest savings.

The I-Bank developed two strategies to respond to market challenges in the wake of the COVID emergency. First, the I-Bank implemented the BAN Purchase Program (BPP) to provide temporary funds to local government borrowers currently in either Program for the rollover of their outstanding Bond Anticipation Notes ("BANs") during a liquidity crisis when market demand for such short-term investments has faded. Second, understanding the associated revenue challenges that local governments faced due to COVID-19, the I-Bank declared the pandemic a Material Event under its credit policy and issued credit guidelines, requesting additional financial information from each applicant. In this way, the I-Bank ensured that loan approval decisions during the pandemic are made with updated, timely financial information. These program changes reflect the I-Bank's focus on addressing the needs of program participants while preserving a strong position in the market to attract the most beneficial financing terms.

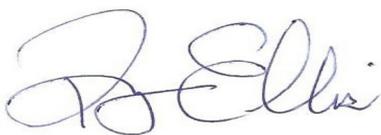
**TECHNOLOGY: ELECTRIC BOOGIE (MARCIA GRIFFITHS)**

In SFY2020 the I-Bank made great strides in improving its information technology infrastructure. It began an aggressive effort early in the fiscal year to fortify its Business Continuity, Disaster Recovery plan, implement an upgrade to its cloud-based backup solution for data, and replace redundant servers, switches, and firewalls. Thanks to such improvements, and the deployment of a new endpoint security solution, implementation of multi-factor authentication, and the strengthening of the e-mail framework, both Programs made a seamless transition to a work-from-home environment in mid-March with zero down-time or loss of productivity.

Technological improvements were also made to the Financing Programs. To further enhance and accelerate the requisition review and payment procedures, the I-Bank moved from what had been a paper-dependent process to an electronic process. Dubbed "We-Reqs" and "T-Reqs", the electronic payment systems streamline the work involved for borrowers and staff and provide environmental benefits by minimizing or eliminating the duplication of paper. The new online structures result in faster, smoother reimbursements and offer accounting and financial staff the same efficient, remote functionality as their technical and engineering peers. Finally, the I-Bank continues to mine data regarding its bond sales through its association with the investor relations platform, "BondLink," to increase transparency and outreach for future sales.

**LOOKING FORWARD: ANTICIPATION (CARLY SIMON)**

In SFY2021, the I-Bank will continue its efforts to offer low-cost, efficient loans and seek out opportunities and creative solutions for additional funds, including private monies and federal programs that lever both financing programs to finance more construction projects. With your continued support, the I-Bank will maintain its commitment to innovate and serve the State's public infrastructure systems and its people with the professionalism that has been our hallmark.



Roger Ellis  
Vice 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 SFY2020 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant actions of the Authority for the fiscal year, including the degree of success the I-Bank has had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, CliftonLarsonAllen LLP, is included in the Annual Report and completes the I-Bank's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37 (see Independent Auditor's Report starting on page 42).

I, David E. Zimmer, certify that during SFY2020, 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 SFY2020.

A handwritten signature in blue ink that reads "David E. Zimmer". The signature is fluid and cursive, with the first name being particularly prominent.

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 SFY2020.

A handwritten signature in blue ink that reads "Lauren S. Kaltman". The signature is cursive and elegant, with the first name being the most prominent part.

Lauren S. Kaltman  
Chief Financial Officer

# COMPLIANCE AND INTERNAL CONTROLS - SFY2020

The I-Bank maintains policies and procedures that govern its charge as a State financing authority including provisions controlling its expenditures, financial reporting, and procurement. Recognizing its extensive responsibility as an issuer of bonds and as a steward of public monies, the I-Bank has developed these policies and procedures to ensure compliance with the requirements of both federal and New Jersey State laws and regulations, including its enabling statute, and its bond resolutions. The I-Bank has a Chief Legal and Compliance Officer whose responsibilities include oversight of these legal and regulatory requirements with monthly schedules and quarterly reports which are submitted to the I-Bank Board's Audit & Governance Committee for review.

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

**Investment Policy:** A comprehensive policy setting forth the investment and operational parameters for the management of the investment activities of the I-Bank to ensure that such actions are consistent with the I-Bank's financial needs, prudent management and compliance with federal and New Jersey State laws. The Investment Policy was amended in SFY2020 to allow the I-Bank, upon the occurrence of a state-wide emergency as declared by the Governor, to invest a portion of its cash-on-hand in locally issued bond anticipation notes ("BANs") of program participants and to provide protocols for the sale of such BANs.

**Credit Worthiness Policy:** As a lender of funds, the I-Bank maintains credit worthiness standards which all applicants must meet without exception to receive an I-Bank Loan. These credit worthiness standards help to 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. The I-Bank Credit Policy was amended in SFY2020 to strengthen the lending portfolio including requiring second ratings or additional collateral from borrowers with lower credit ratings, requiring supplemental loans to have the same collateral and funding terms as the original loan, and setting a minimum loan size of \$150,000.

**Procurement Policy:** The I-Bank Procurement Policy adheres to the requirements of the New Jersey Local Public Contracts Law committing the I-Bank to the principles of a fair and open bidding process. The I-Bank Procurement Policy was amended during SFY2020 to apply a consistent practice across all procurements such that proposed costs provided in bid responses will be opened and considered subsequent to the Review Committee's technical ranking. The Policy was also changed to align the threshold dollar amount requiring an open public bidding process to mirror that of New Jersey's public bidding threshold.

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

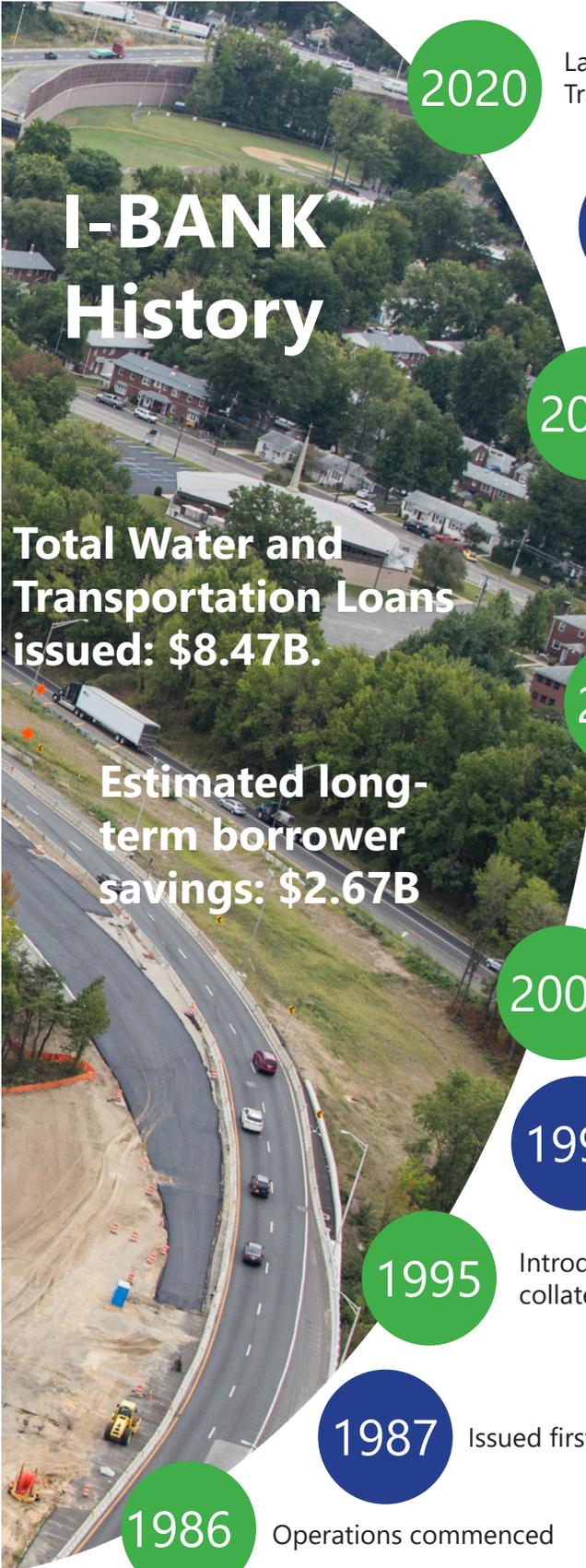
**Trust Operating Bank Account Procedures:** The I-Bank's Trust Operating Bank Account policy strictly regulates approval and signatory authority for checks with cap amounts and counter-signatory requirements.

## Internal Controls – 2020

In 2020, the I-Bank's outside Internal Controls Audit Firm, Cohn Reznick, LLP, completed the Audit Report for the internal controls audit performed during 2018-2020 which was presented to the Board's Audit & Governance Committee. The audit included a review and refinement of existing policies, identification and remediation of process gaps, weaknesses and opportunities for improvement, and a comprehensive review of all levels of the internal control structure of the I-Bank. The Audit Report concluded that the internal controls of the I-Bank are, in general, designed properly and operating effectively.



Essex County Replacement of New Dutch Lane Bridge over Deepavaal Brook. **SFY2019 Loan: \$2,250,000.**



# I-BANK History

Total Water and  
Transportation Loans  
issued: \$8.47B.

Estimated long-  
term borrower  
savings: \$2.67B

2020

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

2018

Mission expanded to include Transportation Loans

Changed name to NJ Infrastructure Bank (**I-BANK**)

Issued first Transportation Loan (Camden County **\$2.5M**)

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



Passaic Valley Sewerage Commission Heat Treatment Plant Supernatant Return Pipe Lining Project. **SFY2020 Loan: \$3,319,673.**

The New Jersey Infrastructure Bank (I-Bank) has partnered with the DEP for over 34 years by providing low interest rate loans for environmental infrastructure projects, saving taxpayers nearly \$2.7 billion through low interest rates including refunding savings as well as principal forgiveness, and creating more than 140,000 direct construction jobs, adding vital economic activity to the State.

In 2018, the I-Bank's mandate was expanded to finance Transportation projects across the State in partnership with the DOT through the creation of the NJ Transportation Bank.

## **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, providing these borrowers with a lower interest rate.

**Minimized Financing Costs** – Borrowers receive partial financing from the State as zero interest loans and the balance at the I-Bank's AAA interest rate. Also, each borrower pays a minimal cost of issuance (COI) fee fixed at 10 bps on their par amount. Together, these two features, dramatically minimize each borrower's cost when compared to self-financed bond deals.

**5% Down Payment Waiver** – Water Bank applicants are not required to make a 5% down payment. Applicants in both Programs are permitted to have the I-Bank submit a bond approval request to

the Director of DLGS at the Department of Community Affairs on their behalf.

*(NOTE: This exemption for the 5% down payment is not currently applicable to the Transportation Bank. However, Bills S767 and A4552 extending this waiver to transportation projects were introduced in SFY2020 and as of the publication of this report, await legislative approval).*

**Earnings Credits** – Earnings on investments from funds held for the bonds, including monies in Revenue Fund accounts, are distributed to borrowers as credits toward their debt service payments.

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

**On Target funding** – Since construction funding is provided through the Short-Term Construction Loan program prior to conversion to a Long-Term loan, excess bond proceeds are eliminated 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 prior bonds. All realized net savings (totaling approximately \$185 million to-date) 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 fund due to the Program's self-funded Master Program Trust Account collateral structure.

## **CASH FLOW BENEFITS**

**Capitalized Interest** – Construction Loans allow borrowers to defer repayments until after construction completion.

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

**Flexible Term** – Projects may be financed for the lesser of the asset's certified useful life or 30 years (Water) or 31 years (Transportation).

## **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, 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.

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# NEW JERSEY WATER BANK



New Jersey Water Release Structure



Bradley Beach Borough Stormwater Improvements. **SFY2020 Loan: \$374,786**

## NJ WATER BANK: FINANCIAL OFFERINGS IN SFY2020

The New Jersey Environmental Infrastructure Financing Program (Water Bank) once again pushed into new frontiers in an effort to expand its available sources of funds and to broaden its reach of borrowers and projects. Specifically, the I-Bank launched initiatives (i) to secure a new source of short-term funds for the Program's Construction Loan Program (CLP) issuing an RFQ for the selection of a pool of qualified banks to offer short-term borrowing facilities, and (ii) to participate in the US Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) long-term loan program. Both Programs are expected to facilitate the Water Bank's access to additional and cheaper sources of funds.

The components of the Water Bank's Financing Programs listed below provide low interest loans through a combination of Federal Clean Water (CW) or Drinking Water (DW) State Revolving Funds (SRF), and State Funds through the New Jersey Department of Environmental Protection (DEP), as well as I-Bank Bond Proceeds, and/or I-Bank available funds.

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

The Water Bank offered temporary financing opportunities through the Short-term Construction Loan Program (CLP), and the SAIL Disaster Relief Emergency Financing Loan Program, described below. In the past fiscal year, the I-Bank

issued 61 short-term construction loans totaling \$356 million of projects.

### **Construction Loans**

The CLP provided short-term financing at 0% interest for the planning, design, and construction of projects in advance of long-term funds. Short-term loan terms for the planning stage of a project (P&D loans) which included project planning, engineering design and legal expenses were allowed for up to two years. Short-Term loan terms for construction related expenses allowed for a loan maturity of a period not to exceed three full fiscal years. P&D loans are financed with the expectation that the plans will result in an eligible capital improvement project financed through the Water Bank Program. An exception is short-term loans for P&D related to long-term control plans for CSO communities which were eligible for up to a ten-year term with portions of principal repayments beginning at the end of the third year. By making temporary loans to borrowers covering 100% of a typical project's design and construction costs, the Water Bank Program converts actual project costs into long-term loans upon completion of construction. Borrowers benefit from the quick turnaround time from submission of reimbursement requests to cash disbursement. Construction loans minimize the total cost of financing and post-loan closing administrative and compliance requirements for

both the borrowers and the Water Bank.

### **SAIL - Disaster Relief Program**

The Disaster Relief Emergency Financing Program (SAIL) continues to address impacts from Superstorm Sandy with nine SAIL loans having been made in prior State Fiscal Years to finance the construction costs for those projects. The I-Bank has worked closely with NJOEM and FEMA on behalf of borrowers to secure reimbursement of FEMA hazard mitigation grants and maintain compliance within the federal Stafford Act. Program borrowers benefit from I-Bank involvement in compliance resulting in the reimbursement of 90% of all submitted costs, or the full, maximum allowable percentage under FEMA's reimbursement cap for Superstorm Sandy. To date, the I-Bank has processed 75 requisitions on behalf of borrowers under the SAIL Program for these nine projects with no rejections from FEMA. Further, the average time of reimbursement from FEMA for these 75 requests has been an impressive 40 calendar days.

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

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

The SFY2020 Base Clean Water Program offered a 50% DEP 0% interest loan and a 50% I-Bank Loan, producing a blended interest rate equal to 50% of the I-Bank's AAA/Aaa market rate. Additionally, the program offered principal forgiveness

## NJ WATER BANK: FINANCIAL OFFERINGS (CONTINUED)

funds for certain types of projects, including Asset Management Plan (AMP) development for Small systems. Other principal forgiveness financing packages included the Barnegat Bay Watershed, Combined Sewer Overflow (CSO) Abatement, Green CSO and Coastal Community Water Quality Restoration projects, which were all eligible for as much as 50% principal forgiveness.

### **Base Drinking Water Program**

The SFY2020 Base Drinking Water Program offered a 50% DEP 0% interest loan and a 50% I-Bank Loan, producing a blended 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 composed of a 25% DEP 0% interest loan and a 75% I-Bank loan producing a blended interest rate equal to 75% of the I-Bank 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 financing composed of a 75% DEP 0% interest loan and a 25% in an I-Bank market rate loan. Additionally, the Drinking Water program offered set aside funds for certain projects that qualified for principal forgiveness including Small System loans (The "Nano" Loan Program), asset management plans and lead service line replacement.

### **SPECIAL INITIATIVES**

#### **Barnegat Bay**

In a continuation of the Barnegat Bay initiative, the SFY2020 Financing Program offered principal forgiveness funds for up to \$2 million of eligible costs of stormwater projects that facilitate the removal of pollutants from entering the Barnegat Bay. The remaining funding was provided by a 50% interest-free DEP loan and a 50% AAA market rate I-Bank loan. Since the inception of this initiative, the State has made available over \$68 million (\$35 million in principal forgiveness loans and \$33 million in low-interest cost loans) for stormwater improvement in Barnegat Bay.

#### **Combined Sewer Overflow (CSO)**

##### **Abatement: Green Infrastructure**

A total of \$12 million in principal forgive-

ness funds were available for CSO abatement 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 \$6 million in project costs were eligible for 50% principal forgiveness, a 25% zero interest loan from DEP and a 25% I-Bank AAA/Aaa market rate loan resulting in a \$3 million principal forgiveness cap per borrower. Project costs between \$6 and \$10 million were financed with a 75% zero interest loan from DEP and a 25% I-Bank AAA/Aaa market rate loan. Project costs over \$10 million were financed through the base program with a 50% zero interest loan from DEP and a 50% I-Bank AAA/Aaa market rate loan.

##### **Combined Sewer Overflow (CSO)**

##### **Abatement: Gray Infrastructure**

A total of \$10 million in principal forgiveness funds were available for up to 50% of the allowable project costs for CSO abatement projects not utilizing green practices. The first \$2 million in project costs were eligible for 50% principal forgiveness, a 25% zero interest loan from DEP and a 25% I-Bank AAA/Aaa market rate loan resulting in a \$1 million principal forgiveness cap per applicant. Project costs between \$2 and \$10 million were financed with a 75% zero interest loan from DEP and a 25% I-Bank AAA/Aaa market rate loan. Project costs over \$10 million were financed through the base program with a 50% zero interest loan from DEP and a 50% I-Bank AAA/Aaa market rate loan.

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

The Water Bank continued to offer 100% principal forgiveness loans, capped at \$100,000 per applicant, to small wastewater systems (serving 10,000 people or fewer) to develop and implement asset management programs. To qualify for principal forgiveness, the Asset Management Program Plan must result in the construction of a related capital improvement project costing at least \$250,000 funded by the financing program.

### **NANO Loan Program**

The Water Bank maintained its NANO Loan Program (NLP) which is available to Small Drinking Water Systems (SDWS) serving populations of up to 10,000. The NLP encourages the participation of SDWSs in the Water Bank to complete critical repairs and invest in necessary upgrades by greatly reducing the costs of the projects. The NLP provided \$4 million in subsidized loans to eligible systems by offering a loan package up to \$1 million per recipient that consists of a 50% principal forgiveness loan, a 25% DEP zero interest loan and a 25% I-Bank AAA/Aaa market-rate loan. For costs in excess of the \$1 million cap, the NLP offered additional financing of a 50% DEP zero interest loan and a 50% I-Bank AAA/Aaa market-rate loan for publicly owned systems. For privately-owned systems, project amounts exceeding the \$1 million cap were financed with a 25% DEP zero interest loan and a 75% I-Bank AAA/Aaa market-rate loan. The NLP waives many program administrative and underwriting fees, as SDWS's often lack the resources of larger systems.

These projects are selected based on priority ranked order.

### **Lead Service Line Replacement**

In SFY2020, the Water Bank set aside \$30 million for eligible lead service line replacement projects designed to remediate lead action level exceedances in communities serving customers whose median household incomes were less than the median household income of the County. Loans were offered consisting of 90% principal forgiveness and 10% DEP zero interest funding. These loans were capped at \$1, \$5 or \$10 million in principal forgiveness per water system, per year based on the size of the population served by the water system. For public water systems, project costs that exceeded the caps were financed at the Water Bank's base program of a 50% zero interest loan from DEP and a 50% I-Bank AAA/Aaa market rate loan. For private water systems, project costs that exceeded the caps were financed with a 25% zero interest loan from DEP and a 75% I-Bank AAA/Aaa market rate loan.

# NJ WATER BANK PROJECTS: ELIGIBLE ACTIVITIES IN SFY2020

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 management and combined sewer overflows.

Emergency repair to replace, in kind, the failure of an essential portion of a waste-

water 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 –**

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

### **Equipment Purchases –**

Eligible equipment includes, but is not limited to 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 –**

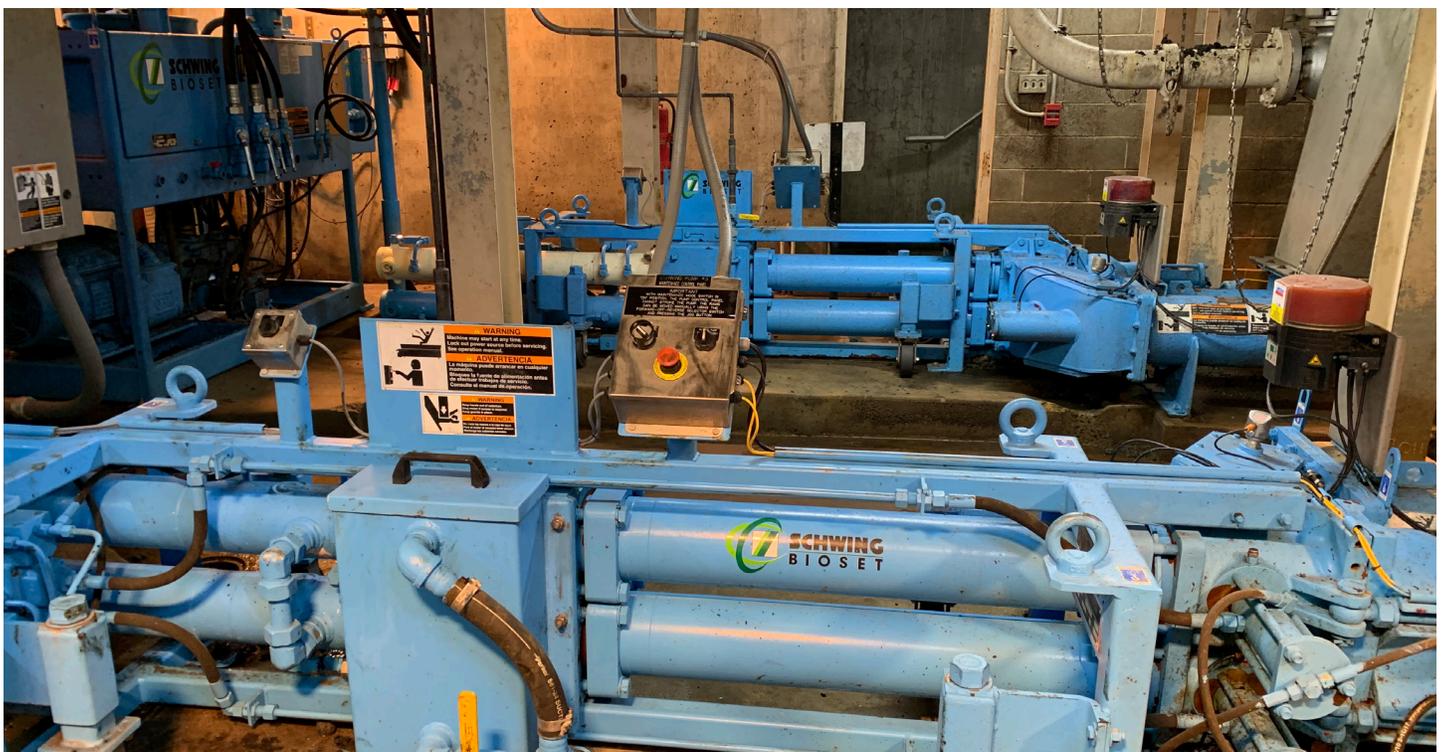
Remediation of abandoned and contaminated industrial sites including removal of contaminated soil, site-capping and the installation of stormwater controls (note, a local or county government must be the borrower and loan obligor).

### **Open Space Land Acquisition –**

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

### **Septic Systems –**

While the Water Bank cannot lend to individuals, a local government of a community with numerous system failures may



Stony Brook Regional Sewerage Authority Dewatered Sludge Handling Replacement Project. **SFY2020 Loan: \$3,559,101**

## NJ WATER BANK PROJECTS: ELIGIBLE ACTIVITIES (CONTINUED)

establish a Septic Management District and apply for financing for the costs of planning and corrective measures, including the construction of a community system. The borrowing local government may also use Water Bank funds to provide conduit loans to residents for the rehabilitation of existing systems or the purchase and installation of traditional or alternative replacement septic systems.

### **Green Infrastructure –**

The implementation of Clean Water and Drinking Water green infrastructure, or

water or energy efficiency improvements including porous pavement, bio-retention, renewable energy, green roofs, rain gardens, and other practices that mimic natural hydrology and increase an area's effective perviousness.

### **Security Monitoring –**

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

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

Categorizing and inventorying a system's assets, identify capital replacement needs and include a financial plan that lays out the methods, scheduling and financing of the strategic upkeep and replacement of such assets. The Water Bank offers 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.



Middlesex County Utilities Authority Sayreville Pump Station Flood Mitigation. **SAIL Disaster Relief Loan: \$21,363,974.**

# NJ WATER BANK SFY2020 CASE STUDY: AFFORDABLE FINANCING OF A CSO GREEN AND GRAY INFRASTRUCTURE PROJECT



Elizabeth City Trumbull Street CSO Green Infrastructure. **SFY2020 Loan: \$6,162,262.**

The City of Elizabeth (Elizabeth) is one of the 21 municipalities in New Jersey with a combined sewer overflow system (CSO). Typically, sanitary sewer systems transport household, commercial and industrial wastewater to a sewage treatment plant for treatment, while storm sewers transport rainwater and melted snow where it is discharged into a waterway. Unlike current designs in which these two systems function separately from each other, in certain older communities like Elizabeth the sanitary and storm sewers are combined. Under optimal conditions, the combined stormwater and sewage are conveyed to a sewage treatment plant, for treatment and discharge. But when the system is overwhelmed by extra volume from extreme rain events, it diverts excess flow (stormwater AND sewage) into nearby waterways, and sometimes flows back up into neighborhoods, threatening public health and the environment. CSOs are expensive and complicated problems to address because they typically connect multiple municipalities

Reflecting the DEP's commitment to reduce and eliminate CSO outfalls in the State, this project qualified for financing in SFY2018 when the Water Bank offered communities that undertook CSO projects 50% principal forgiveness with a cap

of \$5 million per applicant, 25% DEP interest-free financing and 25% I-Bank market rate financing. In light of these financing terms, Elizabeth initiated a CSO project designed to address the combined sewer system on Trumbull Street. This system drains an area of 320 acres, approximately 3.5% of the total area of the city. During heavy rain events, Elizabeth experiences flooding from Sixth Street to Dowd Avenue. This flooding is primarily the result of inadequate capacity in the downstream sewer pipe. The brick construction of this system indicates that it was constructed more than 100 years ago, prior to the area's heavy development over the years.

The area southwest of Trumbull Street includes a mix of residential and industrial properties. Northeast of Trumbull Street are rail yards and a large industrial area. Trumbull Street is a vital transportation route through Elizabeth providing trucks access to industrial areas and, intersecting with Dowd Avenue, is one of the few truck routes that crosses under the railroad tracks. When these locations are flooded, access to the industrial areas is limited and residents are impacted.

In order to reduce roadway flooding and to maintain passable travel lanes, Elizabeth installed additional inlets at the

intersection of Trumbull and Sixth Street several feet off the curb. The existing drainage system manages stormwater flows during smaller storms. Now, once the capacity of the existing catch basins is exceeded, excess stormwater is captured in these new additional inlets and piped to a watertight 1-million-gallon concrete vault where the excess flow is stored. The entire sub-terranean storage structure is wrapped in an impermeable pond liner beneath the property acquired specifically for this project and equipped with a pump station. Once the wet weather events have passed, sensors installed in the combined sewer system activate the pumps triggering the holding tank to convey the excess discharge into the sewer system when it has sufficient conveyance capacity for treatment. The project also included green infrastructure elements such as a rain garden and a plaza for the enjoyment of City residents.

Elizabeth's CSO Team (local non-profits, environmental groups, businesses, and other affected stakeholders) were involved in the design and implementation of this project with the City as a strategic template in response to the community involvement requirement under the City's CSO Long-term Control Plan as per DEP.

## NJ WATER BANK 2020 CASE STUDY: AFFORDABLE FINANCING OF A CSO GREEN AND GRAY INFRASTRUCTURE PROJECT (CONTINUED)

The Trumbull Street CSO project was funded with \$6,189,682 from the Water Bank. It qualified for principal forgiveness totaling \$1,674,985. Including interest cost savings, total savings for this project are estimated to be \$3,550,965 over the 30-year term of the loan, or 56% of the total project cost. Financing through the Water Bank enabled Elizabeth to complete this CSO project that addressed an important health and safety issue and created an estimated 74 direct construction jobs.

The Trumbull Street project is frequently highlighted in semi-annual environmental workshops presented to Elizabeth middle

and high school students. Over 200 students participate in these workshops annually which are hosted by local non-profit groups. The workshops increase community awareness and involvement through discussions on the impacts of wet weather on the CSO and the City as well as potential solutions. The Trumbull Street project discussions highlight the improved conditions in the community with a unique approach to CSO abatement, balancing green and gray infrastructure. Health and environmental benefits of this project include the reduction of localized flooding as less combined sewage backs up into neighborhoods or discharges into public

waterways. The use of green infrastructure in the solution serves as an efficient means to reduce stormwater and has created much needed open green space for this community.

By addressing issues with the CSO, Elizabeth reduced sewage back-ups, limited roadway flooding, and maintained passable travel lanes. These benefits were made possible with strategic financing provided by the low-interest rate loans and principal forgiveness offered by the Water Bank.



Elizabeth City Trumbull Street CSO Green Infrastructure. **SFY2020 Loan: \$6,162,262.**

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

ST SFY	Initial S-T Op-Seg Loans	Additional Op-Seg Loans	Final L-T Loan Adjustments (+/-)	SFY Total
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
2016	\$ 155,605,168	\$ 4,467,104	\$ 75,665,591	\$ 235,737,863
<b>Total</b>	<b>\$ 1,622,790,381</b>	<b>\$ 195,806,536</b>	<b>\$ 115,726,135</b>	<b>\$ 1,934,323,052</b>



Passaic Valley Sewerage Commission Hypochlorite Storage Replacement. **SFY2020 Loan: \$2,688,877.**

# NJ WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2020 YEAR-END

Issue Year	Borrower	Program	Loan Amount
2018	Passaic Valley SC <sup>1</sup>	SAIL	\$ 1,580,000
2018	Passaic Valley SC <sup>1</sup>	SAIL	\$ 31,995,000
<b>Total SAIL Loans</b>			<b>\$ 33,575,000</b>
Issue Year	Borrower	Program	Loan Amount
2016	Elizabeth City (LTCP)	BASE	\$ 3,350,000
2016	Plumsted Twp	BASE	\$ 17,078,746
2017	Elizabeth City	BASE	\$ 248,421
2017	Hoboken City	BASE	\$ 33,135,932
2017	Newark City	BASE	\$ 1,502,566
2017	North Hudson SA (LTCP)	BASE	\$ 3,675,301
2017	Ocean Twp SA	BASE	\$ 828,828
2017	Passaic Valley SC (LTCP)	BASE	\$ 8,000,000
2018	Berkeley Twp MUA	BASE	\$ 1,799,146
2018	Bradley Beach Borough	BASE	\$ 1,952,123
2018	Camden County MUA	BASE	\$ 76,164,967
2018	Camden County MUA (CSO)	BASE	\$ 2,641,264
2018	Cumberland County	BASE	\$ 1,000,000
2018	Emerson Borough	BASE	\$ 99,966
2018	Hoboken City	BASE	\$ 7,200,000
2018	Hoboken City (CSO)	BASE	\$ 4,335,696
2018	Jackson Twp MUA	BASE	\$ 6,312,365
2018	Jackson Twp MUA	BASE	\$ 15,603,769
2018	Jersey City MUA	BASE	\$ 1,488,384
2018	Jersey City MUA (CSO)	BASE	\$ 33,128,166
2018	Manchester Twp	BASE	\$ 1,399,860
2018	NJ American Water Company	BASE	\$ 7,413,000
2018	NJ American Water Company	BASE	\$ 13,948,660
2018	NJ Water Supply Auth	BASE	\$ 49,548,569
2018	North Bergen MUA	BASE	\$ 19,892,394
2018	North Haledon Borough	BASE	\$ 99,966
2018	Passaic Valley SC	BASE	\$ 649,880
2018	Passaic Valley SC (CSO)	BASE	\$ 7,772,364
2018	Passaic Valley SC (CSO)	BASE	\$ 19,618,381
2018	Point Pleasant Beach Borough	BASE	\$ 2,995,000
2018	Rahway Valley SA	BASE	\$ 4,210,947
2018	Rahway Valley SA	BASE	\$ 2,356,560
2018	Rockaway Valley RSA	BASE	\$ 7,483,999
2019	Allentown Borough	BASE	\$ 500,000
2019	Brick Twp MUA	BASE	\$ 5,278,297
2019	Brick Twp MUA	BASE	\$ 3,000,000
2019	Camden County MUA	BASE	\$ 2,005,428
2019	Camden County MUA	BASE	\$ 4,200,000

<sup>1</sup> Loan amounts shown represent the total project costs as reviewed and certified by the DEP. Passaic Valley SC has only been authorized for costs related to the non-FEMA (local share) of these SAIL Program financed projects.

KEY: LTCP = Long-Term Control Plan

CSO = Combined Sewer Overflow

# NJ WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2020 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Loan Amount
2019	Camden County MUA	BASE	\$ 10,226,713
2019	Camden County MUA	BASE	\$ 3,785,476
2019	Camden County MUA (CSO)	BASE	\$ 7,260,546
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	Evesham MUA	BASE	\$ 1,915,662
2019	Glen Ridge Borough	BASE	\$ 1,856,145
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	\$ 2,286,447
2019	Jersey City MUA	BASE	\$ 9,255,147
2019	Jersey City MUA	BASE	\$ 3,116,740
2019	Jersey City MUA	BASE	\$ 5,280,963
2019	Kearny Town	BASE	\$ 14,090,909
2019	Lakewood Twp MUA	BASE	\$ 1,440,000
2019	Little Egg Harbor MUA	BASE	\$ 4,750,000
2019	Madison Borough (JM)	BASE	\$ 4,770,000
2019	Manchester Twp	BASE	\$ 2,614,425
2019	Middlesex Borough	BASE	\$ 1,381,868
2019	Middlesex County UA	BASE	\$ 10,118,868
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	\$ 4,698,840
2019	Newark City	BASE	\$ 12,296,528
2019	Newark City	BASE	\$ 12,746,105
2019	NJ Water Supply Auth	BASE	\$ 15,224,595
2019	North Brunswick Twp	BASE	\$ 5,427,000
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	\$ 1,090,836

# NJ WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2020 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Loan Amount
2019	Northwest Bergen CUA	BASE	\$ 101,000
2019	Ocean County UA	BASE	\$ 6,813,604
2019	Ocean County UA	BASE	\$ 668,003
2019	Ocean Twp SA	BASE	\$ 3,500,000
2019	Old Bridge MUA	BASE	\$ 3,290,000
2019	Paulsboro Borough	BASE	\$ 2,209,814
2019	Paulsboro Borough	BASE	\$ 635,400
2019	Perth Amboy City	BASE	\$ 350,000
2019	Perth Amboy City (LTCP)	BASE	\$ 665,156
2019	Point Pleasant Beach Borough	BASE	\$ 1,540,650
2019	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	Wall Twp	BASE	\$ 1,316,909
2019	Wall Twp	BASE	\$ 3,128,728
2019	Warren Twp SA	BASE	\$ 2,764,557
2019	West Deptford Twp	BASE	\$ 1,384,468
2019	Western Monmouth UA	BASE	\$ 6,480,000
2019	Western Monmouth UA	BASE	\$ 12,843,750
2020	Allentown Borough	BASE	\$ 4,600,000
2020	Bergen CUA	BASE	\$ 79,985
2020	Bergen CUA	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	\$ 98,980
2020	Burlington City	BASE	\$ 1,012,911
2020	Clinton Town	BASE	\$ 1,448,187
2020	Clinton Town	BASE	\$ 966,537
2020	East Orange (JMEUC) City	BASE	\$ 67,490
2020	East Orange City	BASE	\$ 14,550,355
2020	Elizabeth (JMEUC) City	BASE	\$ 808,076
2020	Glen Ridge Borough	BASE	\$ 2,367,744
2020	Gloucester Twp	BASE	\$ 927,983
2020	Hackensack City (CSO)	BASE	\$ 5,204,010
2020	Hamburg Borough	BASE	\$ 85,000
2020	Hillside (JMEUC) Twp	BASE	\$ 103,437
2020	Hoboken City	BASE	\$ 6,196,314
2020	Hoboken City (CSO)	BASE	\$ 359,344
2020	Hopatcong Borough	BASE	\$ 75,000

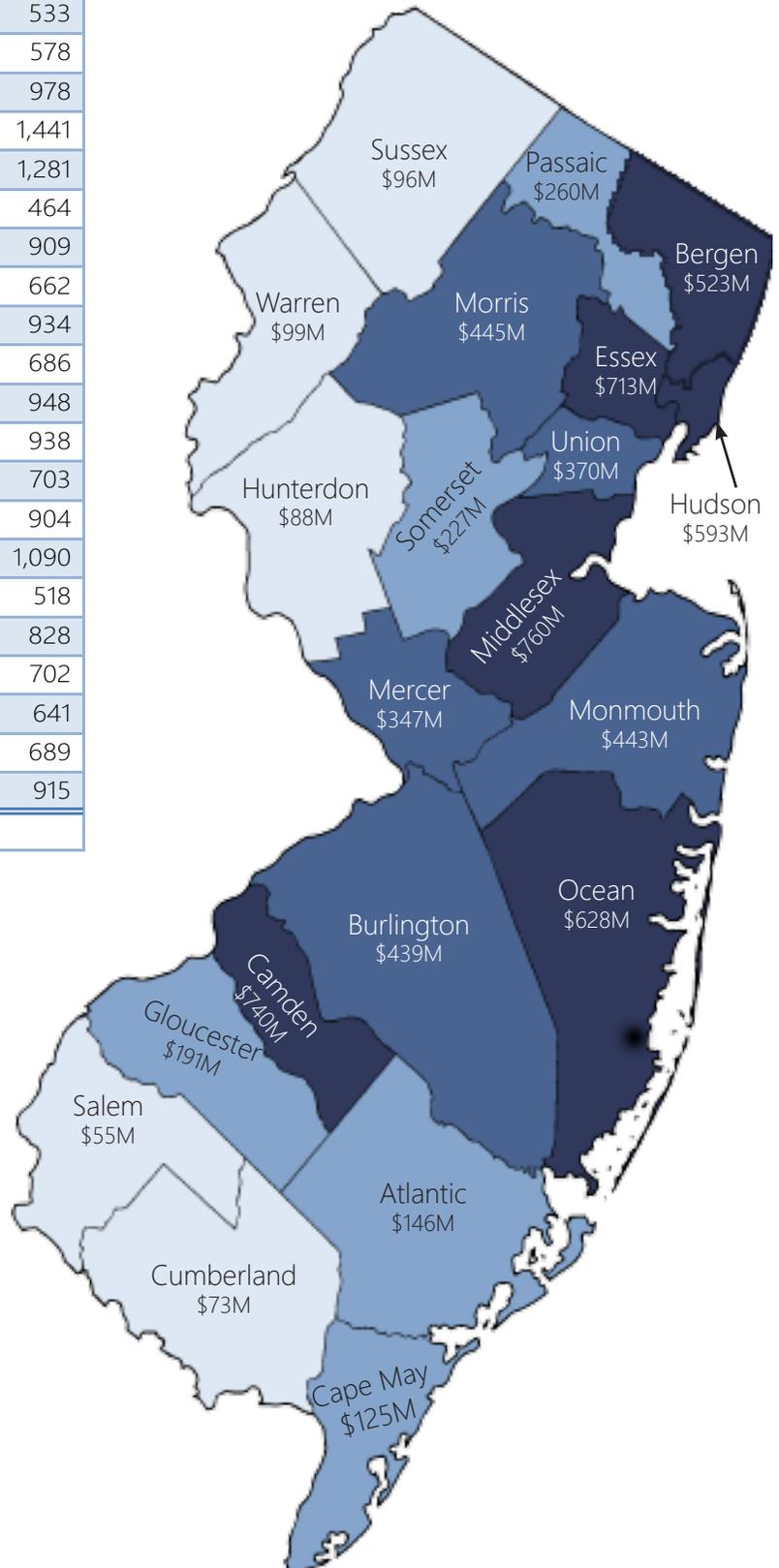
# NJ WATER BANK OUTSTANDING SHORT-TERM LOANS:

SFY2020 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Loan Amount
2020	Irvington (JMEUC) Twp	BASE	\$ 274,214
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	Jersey City MUA (CSO)	BASE	\$ 10,525,544
2020	Jersey City MUA (CSO)	BASE	\$ 81,500,000
2020	Lakewood Twp MUA	BASE	\$ 4,063,763
2020	Lambertville MUA	BASE	\$ 550,000
2020	Lambertville MUA	BASE	\$ 755,810
2020	Little Egg Harbor MUA	BASE	\$ 1,797,091
2020	Little Egg Harbor MUA	BASE	\$ 1,095,374
2020	Long Branch SA	BASE	\$ 106,555
2020	Long Branch SA	BASE	\$ 308,939
2020	Moorestown Twp	BASE	\$ 20,880,000
2020	Mt Laurel Twp MUA	BASE	\$ 3,616,696
2020	Musconetcong SA	BASE	\$ 420,147
2020	Newark (JMEUC) City	BASE	\$ 160,012
2020	Newark City	BASE	\$ 12,579,421
2020	Newark City (CSO)	BASE	\$ 4,700,474
2020	NJ American Water Company	BASE	\$ 24,103,961
2020	North Hudson SA	BASE	\$ 75,296
2020	Passaic Valley SC	BASE	\$ 6,059,402
2020	Passaic Valley SC	BASE	\$ 780,670
2020	Salem County IA	BASE	\$ 303,000
2020	Scotch Plains Twp	BASE	\$ 2,305,469
2020	Ship Bottom Borough	BASE	\$ 542,030
2020	Somerset Raritan Valley SA	BASE	\$ 5,144,453
2020	South Orange Village (JMEUC) Twp	BASE	\$ 71,140
2020	Spotswood Borough	BASE	\$ 1,987,954
2020	Spotswood Borough	BASE	\$ 730,010
2020	Summit (JMEUC) 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 (JMEUC) City	BASE	\$ 298,279
2020	University Hospital	BASE	\$ 863,550
2020	West Orange (JMEUC) Twp	BASE	\$ 189,353
2020	Wildwood City	BASE	\$ 283,096
2020	Woodbine Borough	BASE	\$ 301,500
<b>Total Construction Loans</b>			<b>\$ 1,040,218,870</b>
<b>Total SAIL and Construction Loans</b>			<b>\$ 1,073,793,870</b>

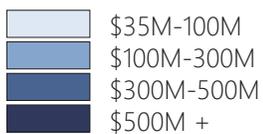
# NJ WATER BANK LOAN HISTORY: SFY1987-2020 BY COUNTY

County	Total Loans	Per Capita*
Atlantic	\$ 146,313,846	\$ 533
Bergen	\$ 522,795,170	\$ 578
Burlington	\$ 438,956,025	\$ 978
Camden	\$ 740,240,401	\$ 1,441
Cape May	\$ 124,610,067	\$ 1,281
Cumberland	\$ 72,754,679	\$ 464
Essex	\$ 712,685,974	\$ 909
Gloucester	\$ 190,702,722	\$ 662
Hudson	\$ 592,644,165	\$ 934
Hunterdon	\$ 88,050,630	\$ 686
Mercer	\$ 347,341,824	\$ 948
Middlesex	\$ 759,690,751	\$ 938
Monmouth	\$ 442,975,081	\$ 703
Morris	\$ 444,947,283	\$ 904
Ocean	\$ 628,302,104	\$ 1,090
Passaic	\$ 259,631,091	\$ 518
Salem	\$ 54,720,632	\$ 828
Somerset	\$ 226,934,616	\$ 702
Sussex	\$ 95,679,095	\$ 641
Union	\$ 369,833,794	\$ 689
Warren	\$ 99,404,683	\$ 915
<b>Total</b>	<b>\$ 7,359,214,633</b>	



\*2010 CENSUS DATA

LEGEND:



# NJ WATER BANK LONG-TERM LOANS: CLOSED IN SFY2020

## SERIES SFY2020A-1 (BY BORROWER)

Borrower Names	Total Original Loan	Program Savings (Est.) <sup>1</sup>
Aberdeen Twp.	\$ 8,092,896	\$ 1,525,818
Aberdeen Twp.	\$ 1,291,628	\$ 743,781
Bradley Beach Borough	\$ 374,786	\$ 62,205
Brick Twp. MUA	\$ 2,047,688	\$ 491,577
Elizabeth City	\$ 6,162,262	\$ 3,550,966
Franklin Twp. SA	\$ 1,688,649	\$ 316,728
Gloucester County IA	\$ 4,877,129	\$ 664,650
Hoboken City	\$ 33,766,332	\$ 14,378,316
Jackson Twp. MUA	\$ 6,876,802	\$ 2,090,850
Little Egg Harbor Twp. (BB)	\$ 3,885,916	\$ 2,705,413
Long Beach Twp.	\$ 8,905,020	\$ 3,215,343
Lower Twp MUA	\$ 2,899,182	\$ 876,146
Middlesex County UA	\$ 21,363,974 <sup>2</sup>	\$ 4,000,011
Montclair Twp.	\$ 1,817,623	\$ 556,440
Netcong Borough	\$ 1,628,465	\$ 1,152,645
Newark City	\$ 10,987,797	\$ 3,345,869
North Hudson SA	\$ 2,196,964	\$ 664,818
North Hudson SA	\$ 16,117,444	\$ 10,493,045
North Jersey District Water SC	\$ 15,668,831	\$ 4,260,980
Ocean County UA	\$ 2,253,461	\$ 423,451
Ocean Twp. SA	\$ 296,592	\$ 45,735
Passaic Valley SC	\$ 2,688,877	\$ 507,058
Passaic Valley SC	\$ 3,319,673	\$ 2,311,437
Passaic Valley SC	\$ 2,332,537	\$ 439,708
Roxbury Twp.	\$ 5,528,405	\$ 1,689,081
Ship Bottom Borough	\$ 2,764,405	\$ 516,954
Ship Bottom Borough	\$ 2,487,624	\$ 969,713
Stafford Twp.	\$ 1,102,647	\$ 210,607
Stony Brook RSA	\$ 3,559,101	\$ 668,475
Toms River MUA	\$ 572,587	\$ 83,008
<b>Total</b>	<b>\$ 177,555,297<sup>3</sup></b>	<b>\$ 62,960,828</b>

<sup>1</sup> Assumes each borrower would borrow 100% of funds at I-Bank's AAA rate.

<sup>2</sup> Net long-term loan after receipt of \$55,541,029 from a FEMA grant as a result of damage from Superstorm Sandy.

<sup>3</sup> Premium proceeds from the sale of the I-Bank's 2020A-1 Bond series provided and additional \$1,338,971 in funds to cover the total project construction costs equaling \$178,894,268.

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## 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
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	\$ 24,168,558
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	\$ 8,087,680	\$ 3,765,141
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
Bloomington Borough	\$ 516,255	\$ 378,278
Boonton Town	\$ 3,492,315	\$ 891,657
Bordentown City	\$ 4,037,899	\$ 1,051,981
Bordentown SA	\$ 5,155,639	\$ 2,582,808
Bound Brook Borough	\$ 148,161	\$ 18,294
Bradley Beach Borough	\$ 374,786	\$ 62,205
Brick Twp.	\$ 2,573,862	\$ 744,384

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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
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	\$ 21,148,893	\$ 8,571,981
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	\$ 482,485,405	\$ 225,727,462
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	\$ 14,782,832	\$ 4,689,291
Clinton Twp.	\$ 264,000	\$ 87,835
Clinton Twp. SA	\$ 2,085,074	\$ 679,844

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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
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	\$ 19,399,575	\$ 5,924,350
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

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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	\$ 7,246,895	\$ 2,178,806
Gloucester City	\$ 20,177,099	\$ 6,756,309
Gloucester County IA	\$ 18,790,275	\$ 3,503,746
Gloucester County UA	\$ 89,491,284	\$ 35,811,475
Gloucester Twp	\$ 5,487,649	\$ 1,190,883
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	\$ 48,581,250	\$ 20,859,214
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

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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	\$ 26,659,911	\$ 7,704,339
Jefferson Twp.	\$ 1,387,350	\$ 414,472
Jefferson Twp./Mountain Shores POA	\$ 647,816	\$ 763,165
Jersey City MUA	\$ 128,314,406	\$ 45,209,876
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	\$ 28,032,021	\$ 8,542,138
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
Leonia Borough	\$ 770,607	\$ 242,254
Linden City	\$ 17,530,919	\$ 4,275,175
Linden Roselle SA	\$ 23,804,320	\$ 8,006,517
Linwood City	\$ 1,990,931	\$ 372,742
Little Egg Harbor MUA	\$ 5,462,487	\$ 2,104,312
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

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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	\$ 392,853,254	\$ 107,456,896
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
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 Auth	\$ 1,818,952	\$ 520,567
Monmouth County IA	\$ 1,350,828	\$ 150,421
Monroe Twp.	\$ 2,835,280	\$ 1,119,317
Montclair State University	\$ 2,628,290	\$ 670,937
Montclair Twp.	\$ 10,175,941	\$ 3,128,242
Montgomery Twp.	\$ 32,216,019	\$ 14,738,781
Montville Twp.	\$ 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

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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-Pennsgrrove 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	\$ 20,888,455	\$ 7,333,842
North Arlington Borough	\$ 507,322	\$ 181,979
North Bergen MUA	\$ 60,746,756	\$ 27,592,586
North Brunswick Twp.	\$ 19,791,186	\$ 5,957,615
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
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	\$ 268,687,629	\$ 84,482,627
Ocean Gate Borough	\$ 1,837,217	\$ 1,195,295
Ocean Twp.	\$ 17,697,545	\$ 6,959,570
Ocean Twp. SA	\$ 29,479,512	\$ 8,840,061
Oceanport Borough	\$ 23,149,779	\$ 7,668,982
Old Bridge MUA	\$ 65,671,422	\$ 19,444,055
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

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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	\$ 240,670,932	\$ 89,887,740
Passaic Valley WC	\$ 115,781,544	\$ 46,008,114
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	\$ 18,519,620	\$ 6,027,899
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
Point Pleasant Beach Borough	\$ 2,522,812	\$ 930,181
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	\$ 191,626,523	\$ 55,355,040
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
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	\$ 24,226,383	\$ 10,597,698
Roosevelt Borough	\$ 1,339,588	\$ 310,402
Roselle Borough	\$ 1,943,011	\$ 798,706
Rosemont Water Co	\$ 120,782	\$ 31,238

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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	\$ 7,565,088	\$ 1,862,649
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
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

# NJ WATER BANK LONG-TERM LOAN HISTORY: SFY1987-2020

## BY BORROWER (CONTINUED)

Borrower Names	Total Original Loan	Program Savings (Est.)
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.	\$ 6,966,095	\$ 1,904,860
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.	\$ 16,999,696	\$ 4,792,714
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	\$ 14,433,978	\$ 4,192,606
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>\$ 7,359,214,632</b>	<b>\$ 2,670,208,025</b>

# NEW JERSEY TRANSPORTATION BANK



Essex County Replacement of New Dutch Lane Bridge over Deepavaal Brook. **SFY2019 Loan: \$2,250,000.**

# NJ 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 into approximately \$40 million of project financing that is separate and apart from funds available through State grant programs. 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.

## **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, rights of way, pedestrian bikeways and walkways, pedestrian bridges connecting to passenger stations, grade crossings, and other necessary land-side improvements.

## **ELIGIBLE BORROWERS**

An eligible borrower is a local government unit defined as a county, municipality, regional transportation authority, or any other political subdivision of the State authorized to construct, operate, and maintain public highways or Transportation projects.

## **ELIGIBLE PROJECT COSTS**

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

## **OVERVIEW OF THE PROGRAM**

To be eligible for program financing, Borrowers must have their project identified on the Transportation 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. 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 (i.e. within 12 months of the DOT's Concurrence of Award).

The Transportation Bank provides eligible borrowers with short-term loan funds to finance eligible project costs. Upon project completion, short-term loans are rolled into long-term financing for a term that matches the useful life of the project as certified by the Project's Engineer, with a maximum maturity of 31 years. Note that Transportation Bank long-term loans are not subject to the maturity limitations in New Jersey Local Bond Law. Finally, 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 total estimated costs.

A Borrower receiving an allocation may close a short-term loan at any point

in the ensuing year upon the I-Bank's certification of a contract. The three types of contracts eligible for certification are engineering design, construction management, and construction.

## **SFY2020 ALLOCATION DETAIL**

During SFY2020, the I-Bank's Transportation Program allocated \$20,080,426 to four projects: Atlantic County (Traffic signal improvement project), Bayonne (East 25th St. pedestrian bridge project), Hackensack (Main St. conversion and streetscape project), and Little Silver (Sidewalk improvement project). These allocations increased the overall number of projects which have received an allocation and closed a loan in the Transportation Bank program to 13 for an amount totaling \$61,132,976. This reflects a commitment of 96% of available program appropriations over the two-and-a-half-year period of Transportation Bank operations.

## **SFY2020 LOAN DETAIL**

During SFY2020, two borrowers closed on short-term loans; \$3,921,780 to the City of Hackensack and \$2,391,000 to the Borough of Little Silver. The Transportation Bank is structured so that once these projects are construction complete, short-term loans are rolled into long-term financing. The repayment monies from the long-term loans financed with TTF appropriations stay within the Transportation Bank program and revolve to be available for future transportation project loans.

## **SFY2020 PROJECT FINANCING**

In SFY2020, 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 LIBOR as the benchmark. This rate was only charged on funds drawn for the time such draws are outstanding. In SFY2020, the interest rate on the short-term loan program ranged from 1.00% to 1.35%. Debt service repayments are generally not due during short-term borrowing and typically commence after conversion to a long-term loan. Long-term

## NJ TRANSPORTATION BANK: OVERVIEW (CONTINUED)

loan rates will be 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 for vendor and/or contractor expenses involving incurred eligible costs related to certified contracts are reviewed and approved by the Program prior to being disbursed, typically

within 7 days. A project sponsor need not have paid such expenses prior to drawing funds against its loan.

## NJ TRANSPORTATION BANK: SFY2020 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 administrative guidance to the public. The NJ Transportation Infrastructure Bank Financing Program Project Priority Report ("January Report") includes 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.

SFY2020 was the Transportation Bank's second full year of operations to finance projects. As of the end of SFY2020 the PPL contained 17 projects, 13 of which have been allocated funds.

The I-Bank's Enabling Act was amended in SFY2020 granting the I-Bank the authority to apply for federal funds under certain USDOT programs including TIFIA, MAP-21, TEA-21, and SAFETEA-LU. The I-Bank applied to the US Federal Highway Administration to be designated as a State Infrastructure Bank (SIB) which will enable the I-Bank to borrow funds from certain federal government programs at advantageous terms. As of fiscal year-end, the SIB designation submission was still under consideration.



Burlington County Centerton Bridge Demolition. **SFY2019 Loan: \$3,325,000.**

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

In October 2019, the Transportation Bank launched its new web-based, financing application platform, "*NJ-Moves*." Following in the successful footsteps of the Water Bank's *H<sub>2</sub>LOans* platform, *NJ-Moves* offers a streamlined process for project sponsors to submit application information for their transportation infrastructure projects.

*NJ-Moves* features a quick and efficient on-line application experience. Utilizing industry standard security practices, all Borrower and project information is encrypted and stored in a secure cloud-

based environment offering a centralized location for interested parties to review and manage project information. The current release of *NJ-Moves* enables Borrowers to:

- Create and track infrastructure projects;
- Upload and store required documents (Contracts, Plans, Specs, Estimates, etc.);
- Add/manage organization's members and consultants to help facilitate the application process; and
- Collaborate with NJDOT's and I-Bank's Engineers and Project Managers.

The I-Bank continues to update and improve the *NJ-Moves* platform. Upcoming releases will eventually include the following functionality:

- Tracking of loan application progress;
- Formulation of loan exhibits within the application;
- Tracking of required reviews (Technical, Environmental, DLGS Approval, Credit Checks, etc.); and
- Electronic submission and processing of payment requisition requests.



Cape May County Avalon Boulevard Deck Rehabilitation over Ingrams Thoroughfare. **SFY2019 Loan: \$10,100,000.**

# NJ TRANSPORTATION BANK: SFY2020 PROJECT PRIORITY LIST SUMMARY

Asset Category	No. of Projects	Est. Project Cost
Bridge Assets	7	\$ 100,546,646.33
Road Assets	7	\$ 32,422,329.50
Multimodal	3	\$ 14,592,496.00
<b>Total</b>	<b>17</b>	<b>\$ 147,561,471.83</b>

# NJ TRANSPORTATION BANK: OUTSTANDING SHORT-TERM LOANS SFY2020 YEAR-END

Issue Year	Borrower	Loan Amount
2019	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
2020	Hackensack City	\$ 3,921,780
2020	Little Silver Borough - Phase 2	\$ 2,391,000
<b>Total</b>		<b>\$ 36,910,330</b>



Essex County Replacement of New Dutch Lane Bridge over Deepavaal Brook. **SFY2019 Loan: \$2,250,000.**

# NJ TRANSPORTATION BANK: PROJECT COMPLETIONS IN SFY2020

The Transportation Bank offers financing for various types of transportation projects in New Jersey ranging from simple street repaving to complex bridge reconstruction. In SFY2020, two (2) Transportation Bank financed projects neared construction completion and are expected to be transitioned to long-term financing in SFY2021. These projects included an in-kind bridge replacement and a sidewalk re-pavement. The following is an overview of these projects.

## ESSEX COUNTY– NEW DUTCH LANE BRIDGE PROJECT

During SFY2020, Essex County completed one of the two projects it has submitted 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 \$2,250,000 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 sound 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 (2) travel lanes, one in each direction, with a shoulder and parapet on each side of the bridge for pedestrian safety.

## LITTLE SILVER – BRANCH AVENUE SIDEWALKS, PHASE I

The Borough of Little Silver obtained \$459,000 in financing from the Transportation Bank to rehabilitate and replace existing sidewalks that were broken and beyond repair along the westerly side of Branch Avenue. The sidewalk serves as a main pedestrian thoroughfare to the Little Silver Train Station which provides customer access to passage along NJ Transit’s North Jersey Coast Line.

This project is the first of two Little Silver pedestrian improvement projects financed by the Transportation Bank. The Phase II project, which will add new sidewalk passages and provide overall safe pedestrian passage to three local schools, will commence in SFY2021.



Little Silver Branch Avenue Sidewalks, Phase I. **SFY2019 Loan: \$459,000.**

**APPENDIX  
INDEPENDENT AUDITOR'S REPORT**

# **New Jersey Infrastructure Bank**

(A Component Unit of the State of New Jersey)

Financial Report  
June 30, 2020



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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, 2020 and 2019, 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, 2020 and 2019, 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 7, 2020, 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 7, 2020

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2020 and 2019**

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On January 16, 2018, pursuant to Public Law 2016, Chapter 56 the New Jersey Environmental Infrastructure Trust's name was changed to the New Jersey Infrastructure Bank (I-Bank) and its statutory authority expanded to include a financing program for local transportation projects. The I-Bank currently 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 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, 2020 and 2019 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 short-term and long-term 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 its two separate Financing Programs administered by the I-Bank in conjunction with the NJ DEP and the NJ DOT; namely 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, 2020 and 2019**

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**Water Bank**

**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%)

**Financial highlights for the year ended June 30, 2019:**

- Assets increased by \$61,171,920 or 11.81%
  - Cash and investments (excluding earmarked but, as of yet, undisbursed project funds) decreased by \$69,170,550 or (20.28%)
  - Total loans increased by \$130,233,111 or 75.00%
- Liabilities increased by \$279,892 or 21.52%
- Net position increased by \$60,892,028, or 11.78%
- Operating revenues increased by \$7,139,000, or 94.14%
- Non-operating revenues decreased by \$79,058,669, or (60.64%)
- Operating expenses decreased by \$401,841, or (7.24%)

The Water Bank issues short-term loans to fund various types of environmental infrastructure projects prior to securing long term financing. The Short-Term Loan Program offers loans for eligible costs including construction, planning & design, associated legal fees, equipment, and emergencies. The Water Bank Short-Term 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 Program loans outstanding in SFY2020 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, 2020 and 2019**

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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 in SFY2020, 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. 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. 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 SFY2020 and SFY2019, the Water Bank closed on 61 and 78 short-term loans, respectively. In both years the cash and investment balance, which includes available construction funds, increased primarily due to the State Appropriation to the Water Bank's Short-Term Loan Programs. Total loans increased due to the payment of requisitions on outstanding short-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, 2020 and 2019**

**Water Bank, (Continued)**

The following table summarizes the net position changes of the Water Bank between June 30, 2020, 2019 and 2018:

	2020	2019	Percent Increase (Decrease)	2018	Percent Increase (Decrease)
Current loans receivable	\$258,421,787	\$110,276,513	134.34 %	\$ 69,747,872	58.11 %
Noncurrent loans receivable	230,231,729	193,529,117	18.96 %	103,773,220	86.49 %
Cash for borrowers - undisbursed reserve funds	80,000	80,000	0.00 %	131,426	(39.13)%
Total loans	<u>488,733,516</u>	<u>303,885,630</u>	60.83 %	<u>173,652,518</u>	75.00 %
Current cash and cash equivalents, as reduced by undisbursed reserve funds	201,321,623	168,619,256	19.39 %	225,247,477	(25.14)%
Current investments	31,453,089	15,391,921	104.35 %	31,858,130	(51.69)%
Noncurrent investments	100,670,923	87,904,515	14.52 %	83,980,636	4.67 %
Administrative fee receivable	2,304,085	2,366,155	(2.62)%	2,423,841	(2.38)%
Due from Transportation	323,165	322,748	0.13 %	131,857	144.77 %
Other assets	695,348	867,018	(19.80)%	890,864	(2.68)%
Total assets	<u>\$825,501,749</u>	<u>\$579,357,243</u>	42.49 %	<u>\$518,185,323</u>	11.81 %
Accounts payable	\$ 2,023,090	\$ 1,580,463	28.01 %	\$ 1,300,571	21.52 %
Total liabilities	<u>\$ 2,023,090</u>	<u>\$ 1,580,463</u>	28.01 %	<u>\$ 1,300,571</u>	21.52 %
Restricted	\$774,091,822	\$530,446,187	45.93 %	\$471,348,518	12.54 %
Unrestricted	49,386,837	47,330,593	4.34 %	45,536,234	3.94 %
Total net position	<u>\$823,478,659</u>	<u>\$577,776,780</u>	42.53 %	<u>\$516,884,752</u>	11.78 %

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2020 and 2019**

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**Water Bank, (Continued)**

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, compared to \$50 million in funds in SFY 19, from the State through the NJ DEP to support the Short-Term Loan Program. 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.

For SFY19, the Water Bank's administrative fees increased by 1.86% 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 decreased substantially due to receiving \$50 million in funds in SFY19, compared to \$130 million in funds in SFY 18, from the State through the NJ DEP to support the Short-Term Loan Program. The Water Bank's investment income increased primarily due to higher interest rates for short term securities such as money market funds in conjunction with increased holdings throughout the year. In addition, decreases in interest rates in the middle of the yield curve resulted in substantial FMV gain in SFY19 versus a loss in SFY18. 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 decreased due primarily to unfilled full-time staffing positions and the resulting reduction in aggregate salary and fringe expenses, a reduction in information technology expenses and the first full year of shared expenses with the Transportation program. These reductions in expenses were partially offset by increased expenses for the refunding.

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2020 and 2019**

**Water Bank, (Continued)**

The following table summarizes the changes in Water Bank net position between fiscal years June 30, 2020, 2019 and 2018:

	2020	2019	Percent Increase (Decrease)	2018	Percent Increase (Decrease)
Net position, beginning of year	<u>\$577,776,780</u>	<u>\$516,884,752</u>		<u>\$384,474,896</u>	
Investment income	7,216,872	8,468,277	(14.78)%	1,423,893	494.73 %
Loan interest income	144,084	151,825	(5.10)%	168,535	(9.91)%
Administrative fees	6,403,481	6,102,191	4.94 %	5,990,865	1.86 %
Miscellaneous	2,036,084	1,320,998	54.13 %	379,667	247.94 %
State appropriations - current year	235,000,000	50,000,000	370.00 %	130,000,000	(61.54)%
Total revenues	<u>250,800,521</u>	<u>66,043,291</u>	279.75 %	<u>137,962,960</u>	(52.13)%
Administrative expenses	5,098,642	5,151,263	(1.02)%	5,553,104	(7.24)%
Total expenses	<u>5,098,642</u>	<u>5,151,263</u>	(1.02)%	<u>5,553,104</u>	(7.24)%
Change in net position	245,701,878	60,892,028	303.50 %	132,409,856	(54.01)%
Net position, end of year	<u><u>\$823,478,659</u></u>	<u><u>\$577,776,780</u></u>	42.53 %	<u><u>\$516,884,752</u></u>	11.78 %

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2020 and 2019**

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**Transportation Bank**

**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%

**Financial highlights for the year ended June 30, 2019:**

- Assets increased by \$22,567,693, or 100.64%
  - Cash and investments increased by \$22,197,032, or 99.16%
- Loans increased by \$278,580 or 100%
- Liabilities increased by \$190,891 or 144.77%
- Net position increased by \$22,376,802, or 100.38%
- Operating revenues increased by \$1,232,885, or 2,326.42%
- Administrative expenses increased by \$1,148,663, or 318.71%

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 third annual \$22.6 million SFY2020 appropriation in September of 2019. The State has provided for up to \$2.6 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, 2020 and 2019**

**Transportation Bank, (Continued)**

During SFY2020, the cash and investment balance increased, primarily due to the receipt of State Appropriations for the Transportation Program. These funds were invested based upon the liquidity needs of the program to maximize investment earnings in accordance with the I-Bank's investment policy. The loans increased due to the payment of requisitions to 8 borrowers for 9 loans outstanding during the state fiscal year. Accounts Payable to water increased due to increased expenses incurred for operations as the program and its associated expenses continue to grow.

The following table summarizes the net position changes of the Transportation Bank between June 30, 2020, 2019 and 2018:

	2020	2019	Percent Increase (Decrease)	2018	Percent Increase (Decrease)
Current loans receivable	\$ 169,666	\$ 97,125	74.69 %	\$ -	100.00 %
Noncurrent loans receivable	9,068,899	181,455	4897.88 %	-	100.00 %
Cash for borrowers - undisbursed reserve funds	-	-	0.00 %	-	100.00 %
<b>Total loans</b>	<b>9,238,565</b>	<b>278,580</b>	<b>3216.31 %</b>	<b>-</b>	<b>100.00 %</b>
Current cash and cash equivalents, as reduced by undisbursed reserve funds	\$ 6,274,230	\$ 13,051,960	(51.93)%	\$ 22,384,763	(41.69)%
Current investments	42,756,251	28,506,399	49.99 %	-	100.00 %
Noncurrent investments	7,993,945	3,023,436	164.40 %	-	100.00 %
Administrative fee receivable	-	-	0.00 %	-	0.00 %
Other assets	251,546	131,755	90.92 %	39,674	232.10 %
<b>Total assets</b>	<b>\$ 66,514,537</b>	<b>\$ 44,992,130</b>	<b>47.84 %</b>	<b>\$ 22,424,437</b>	<b>100.64 %</b>
Accounts payable	\$ -	\$ -	100.00 %	\$ -	0.00 %
Due to Water for Expenses	323,165	322,748	0.13 %	131,857	144.77 %
<b>Total liabilities</b>	<b>\$ 323,165</b>	<b>\$ 322,748</b>	<b>0.13 %</b>	<b>\$ -</b>	<b>100.00 %</b>
Restricted	\$ 65,546,040	\$ 43,383,984	51.08 %	\$ 19,889,799	118.12 %
Unrestricted	645,333	1,285,398	(49.80)%	2,402,781	(46.50)%
<b>Total net position</b>	<b>\$ 66,191,373</b>	<b>\$ 44,669,382</b>	<b>48.18 %</b>	<b>\$ 22,292,580</b>	<b>100.38 %</b>

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

**Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2020 and 2019**

**Transportation Bank, (Continued)**

Investment income decreased due to drastically lower interest rates for short term securities, such as money market funds during the second half of the year, which more than offset the interest earned on the increased holdings due to additional State Appropriation received in September of 2019. Administrative fees decreased due to the closing of 2 loans during SFY2020 versus 7 loans in SFY2019. Administrative expenses increased due to the continued development of the program, particularly in additional I.T. support, resulting in increases in both direct and allocated costs attributable to the operation of the Transportation Bank.

The following table summarizes the changes in the Transportation Bank net position between fiscal years June 30, 2020, 2019 and 2018:

	2020	2019	Percent Increase (Decrease)	2018	Percent Increase (Decrease)
Net position, beginning of year	\$ 44,669,382	\$ 22,292,580		\$ -	
Investment income	878,027	1,007,300	(12.83)%	52,995	1800.75 %
Loan interest income	42,707	-	100.00 %	-	100.00 %
Administrative fees	84,717	278,580	(69.59)%	-	100.00 %
State appropriations - current year	22,600,000	22,600,000	0.00 %	22,600,000	0.00 %
Total revenues	<u>23,605,452</u>	<u>23,885,880</u>	(1.17)%	<u>22,652,995</u>	5.44 %
Administrative expenses	2,083,460	1,509,078	38.06 %	360,415	318.71 %
Total expenses	<u>2,083,460</u>	<u>1,509,078</u>	38.06 %	<u>360,415</u>	318.71 %
Change in net position	21,521,991	22,376,802	(3.82)%	22,292,580	0.38 %
Net position, end of year	<u>\$ 66,191,373</u>	<u>\$ 44,669,382</u>	48.18 %	<u>\$ 22,292,580</u>	100.38 %

**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, 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>

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, 2019**

	Water Bank	Transportation Bank	Total
<b>Assets</b>			
Current assets:			
Unrestricted assets:			
Cash and cash equivalents	\$ 28,542,733	\$ 1,285,398	\$ 29,828,131
Investments	1,496,895	-	1,496,895
Interest receivable	113,482	468	113,950
Loans receivable	2,986,599	-	2,986,599
Administrative fee receivable	2,366,155	-	2,366,155
Due from Transportation	322,748	-	322,748
Other assets	67,416	4,751	72,166
Restricted assets:			
Cash and cash equivalents	140,156,523	11,766,562	151,923,085
Investments	13,895,026	28,506,399	42,401,425
Interest receivable	674,249	126,536	800,785
Loans receivable	107,289,914	97,125	107,387,039
<b>Total current assets</b>	<b>297,911,740</b>	<b>41,787,239</b>	<b>339,698,979</b>
Noncurrent assets:			
Unrestricted assets:			
Capital assets	11,871	-	11,871
Investments	-	-	-
Loans receivable	13,003,157	-	13,003,157
Restricted assets:			
Investments	87,904,515	3,023,436	90,927,951
Loans receivable	180,525,960	181,455	180,707,415
<b>Total noncurrent assets</b>	<b>281,445,503</b>	<b>3,204,891</b>	<b>284,650,394</b>
<b>Total assets</b>	<b>\$ 579,357,243</b>	<b>\$ 44,992,130</b>	<b>\$ 624,349,373</b>
<b>Liabilities and Net Position</b>			
Current liabilities:			
Unrestricted liabilities:			
Accounts payable	\$ 1,580,463	\$ -	\$ 1,580,463
Due to Water	-	322,748	322,748
<b>Total current liabilities</b>	<b>1,580,463</b>	<b>322,748</b>	<b>1,903,211</b>
<b>Total liabilities</b>	<b>1,580,463</b>	<b>322,748</b>	<b>1,903,211</b>
Net position:			
Net investment in capital assets	11,871	-	11,871
Restricted for debt service	121,873,463	-	121,873,463
Restricted for Interim Financing Loan Program	408,572,724	-	408,572,724
Restricted for Transportation Program	-	43,383,984	43,383,984
Unrestricted	47,318,722	1,285,398	48,604,120
<b>Total net position</b>	<b>577,776,780</b>	<b>44,669,382</b>	<b>622,446,162</b>
<b>Total liabilities and net position</b>	<b>\$ 579,357,243</b>	<b>\$ 44,992,130</b>	<b>\$ 624,349,373</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 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</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 Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2019**

	Water Bank	Transportation Bank	Total
Operating revenue:			
Investment income:			
Interest income	\$ 5,737,580	\$ 924,063	\$ 6,661,643
Net increase in the fair value of investments	2,730,697	83,237	2,813,934
Interest income from loans	151,825	-	151,825
Administrative fees	6,102,191	278,580	6,380,771
<b>Total operating revenues</b>	<b>14,722,293</b>	<b>1,285,880</b>	<b>16,008,173</b>
Operating expenses:			
Administrative expenses	5,151,263	1,509,078	6,660,341
<b>Total operating expenses</b>	<b>5,151,263</b>	<b>1,509,078</b>	<b>6,660,341</b>
<b>Operating income</b>	<b>9,571,030</b>	<b>(223,198)</b>	<b>9,347,832</b>
Nonoperating revenues:			
Miscellaneous	1,320,998	-	1,320,998
State appropriations - current year	50,000,000	22,600,000	72,600,000
<b>Total nonoperating revenue</b>	<b>51,320,998</b>	<b>22,600,000</b>	<b>73,920,998</b>
<b>Change in net position</b>	<b>60,892,028</b>	<b>22,376,802</b>	<b>83,268,830</b>
Net position, beginning of year	516,884,752	22,292,580	539,177,332
Net position, end of year	<b>\$ 577,776,780</b>	<b>\$ 44,669,382</b>	<b>\$ 622,446,162</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, 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:			
Acquisition 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	\$ 8,665,795	\$ (1,078,009)	\$ 7,587,786
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	7,314	(11,267)	(3,953)
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)**

**Statements of Cash Flows**  
**Year Ended June 30, 2019**

	Water Bank	Transportation Bank	Total
<b>Cash flow from operating activities:</b>			
Cash received for administrative fees	\$ 6,159,877	\$ 278,580	\$ 6,438,457
Cash payments for goods and services	(2,427,668)	(358,630)	(2,786,298)
Cash payments for salaries and benefits	(2,406,369)	(955,972)	(3,362,341)
Disbursement of loan funds to borrowers	(257,628,895)	(278,580)	(257,907,475)
Principal received from loans to borrowers	127,153,467	-	127,153,467
Interest received from loans to borrowers	155,486	-	155,486
<b>Net cash used in operating activities</b>	<b>(128,994,102)</b>	<b>(1,314,602)</b>	<b>(130,308,704)</b>
<b>Cash flows from non-capital financing activities:</b>			
Miscellaneous	1,320,998	-	1,320,998
Current year State appropriations received	50,000,000	22,600,000	72,600,000
<b>Net cash provided by non-capital financing activities</b>	<b>51,320,998</b>	<b>22,600,000</b>	<b>73,920,998</b>
<b>Cash flows from investing activities:</b>			
Interest on investments	4,196,497	866,154	5,062,651
Purchase of investments	(46,127,236)	(60,384,355)	(106,511,591)
Proceeds from sale and maturity of investments	62,924,197	28,900,000	91,824,197
<b>Net cash provided by (used in) investing activities</b>	<b>20,993,458</b>	<b>(30,618,201)</b>	<b>(9,624,743)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(56,679,646)</b>	<b>(9,332,803)</b>	<b>(66,012,449)</b>
<b>Cash and cash equivalents:</b>			
Beginning of year	225,378,903	22,384,763	247,763,666
End of year	<b>\$ 168,699,257</b>	<b>\$ 13,051,960</b>	<b>\$ 181,751,217</b>
<b>Displayed as:</b>			
Cash and cash equivalents - unrestricted	\$ 28,452,733	\$ 1,285,398	\$ 29,738,131
Cash and cash equivalents - restricted	140,156,524	11,766,562	151,923,086
<b>Cash and cash equivalents</b>	<b>\$ 168,609,257</b>	<b>\$ 13,051,960</b>	<b>\$ 181,661,217</b>

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

**Statements of Cash Flows (Continued)**  
**Year ended June 30, 2019**

	Water Bank	Transportation Bank	Total
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income	\$ 9,571,030	\$ (223,198)	\$ 9,347,832
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	25,395	-	25,395
Investment income included in operations	(4,196,497)	(866,154)	(5,062,651)
Net unrealized and realized gain on investments	(2,730,697)	(83,237)	(2,813,934)
Amortized interest	(1,523,934)	37,757	(1,486,177)
Effect of changes in operating assets and liabilities:			-
Decrease in administrative fee receivable	57,686	-	57,686
Decrease (increase) in other assets	(19,776)	3,584	(16,192)
Decrease (increase) in interest receivable	18,227	(95,665)	(77,438)
Increase in loans receivable	(130,284,537)	(278,580)	(130,563,117)
Increase due from Transportation	(190,891)		(190,891)
Increase due to Water		190,891	190,891
Increase in accounts payable	279,892	-	279,892
<b>Net cash used in operating activities</b>	<b>\$ (128,994,102)</b>	<b>\$ (1,314,602)</b>	<b>\$ (130,308,704)</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 (Wells Fargo 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 (U.S. Bank, 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 SFY2020, 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 assists 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) 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. In turn, payments by the borrowers on these loans 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 Loan Program in addition to an interest-bearing loan from the I-Bank, borrowers receive an interest-free loan from the NJ DEP. The sources for the NJ DEP loans are Federal Capitalization Grants received under the Clean Water Act and the Safe Drinking Water Act and State general obligation bond issuances approved to capitalize the various loan funds, (collectively, the NJ DEP Funds). The NJ DEP maintains internally designated Clean Water (the CW) and Drinking Water (the DW) State Revolving Funds (SRF) to separately account for loans by the Department. In some instances, the borrowers receive a principal forgiveness loan in which the State will forgive the repayment of a portion of the principal of each loan. The accompanying financial statements do not include any assets, liabilities or fund balances of the NJ DEP Funds.

**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**.

**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.

**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)**

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 Wells Fargo Government 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 fair value 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  
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**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.

**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 and pay operating costs within the Transportation Program.

**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.

**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  
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**Notes to Financial Statements**

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

The amounts of cash and cash equivalents as of June 30, 2020 is 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>

The amounts of cash and cash equivalents as of June 30, 2019 as follows:

	Water Bank	Transportation Bank	Total I-Bank
Operating checking (TD Bank)	\$ 393,566	\$ -	\$ 393,566
GS SQ Treasury obligation (TD Bank MM)	156,863,679	-	156,863,679
Wells Fargo Government MM Fund Instl Class (WELLS FARGO)		13,051,960	13,051,960
Prime, institutional class (PFM Funds)	11,442,012	-	11,442,012
	<u>\$ 168,699,257</u>	<u>\$ 13,051,960</u>	<u>\$ 181,751,217</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, 2020, the I-Bank deposits are \$263,131, of which \$13,131 is uncollateralized. As of June 30, 2019, the I-Bank deposits are \$393,566, of which \$143,466 are uncollateralized. All of the I-Bank's investments totaling \$182,874,208 and \$134,826,271, and money market funds totaling \$207,412,722 and \$181,357,651, as of June 30, 2020 and 2019, 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.

**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, 2020 and 2019, the **Water Bank** had the following investments and maturities:

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>

Investment Type	Fair Value	June 30, 2019			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes & Bonds	\$ 46,172,199	\$ 1,755,687	\$ 44,416,512	\$ -	\$ -
US Gov't Other Notes & Bonds	24,853,127	6,414,892	12,002,674	3,535,424	2,900,137
Corporate Bonds/Notes/CP	32,271,110	7,221,342	25,049,768		
	<u>\$ 103,296,436</u>	<u>\$ 15,391,921</u>	<u>\$ 81,468,954</u>	<u>\$ 3,535,424</u>	<u>\$ 2,900,137</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, 2020 and 2019, the **Transportation Bank** had the following investments and maturities:

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>

Investment Type	Fair Value	June 30, 2019			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes & Bonds	\$ 31,529,835	\$ 28,506,399	\$ 3,023,436	\$ -	\$ -
	<u>\$ 31,529,835</u>	<u>\$ 28,506,399</u>	<u>\$ 3,023,436</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  
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**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**

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

As of June 30, 2019, the **Water Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2019 Fair Value
3M Company Corp Notes	3/15/2023	AA-	A1	656,123
African Development Bank Note	9/20/2019	AAA	Aaa	757,918
African Development Bank Note	3/22/2021	AAA	Aaa	1,811,901
Amazon.Com Inc Bonds	2/22/2023	AA-	A3	1,009,702
American Honda Finance Corp Notes	7/20/2020	A	A2	378,760
Apple Inc	11/13/2020	AA+	Aa1	1,799,039
Bank of America Corp Note	3/5/2024	A-	A2	1,026,312
Bank of New York Mellon (Callable) Notes	5/3/2021	A	A1	973,032
Berkshire Hathaway Fin (Callable) Notes	3/15/2023	AA	Aa2	508,078
BlackRock Inc Corp Notes	6/1/2022	AA-	Aa3	496,779
Branch Banking & Trust (Callable) Note	5/10/2021	A-	A2	497,346
Burlington Nrth Corp Note	10/1/2019	A+	A3	477,422
Caterpillar Finl Service Note	9/4/2020	A	A3	672,623
Hershey Company Corp Notes	5/15/2021	A	A1	366,165
Home Depot Inc Corp Notes	6/5/2020	A	A2	433,490
IBM Corp Corp Notes	2/5/2021	A	A1	452,487
IBM Credit Corp Note	1/20/2021	A	A1	894,376
Intel Corp (Callable) Notes	5/11/2022	A+	A1	503,975
Intel Corp Corp Notes	12/15/2022	A+	A1	223,840
International Finance Corporation Note	3/9/2021	AAA	Aaa	906,360
Intl Bank of Recon And Dev Global Notes	11/27/2019	AAA	Aaa	895,950
Intl Bank of Recon And Dev Global Notes	9/4/2020	AAA	Aaa	1,494,299
Intl Bank of Recon And Dev Global Notes	9/12/2020	AAA	Aaa	1,790,951
John Deere Capital Corp Notes	1/6/2023	A	A2	891,511
Johnson & Johnson (Callable) Notes	3/1/2023	AAA	Aaa	678,341
JPMorgan Chase & Co Bonds	4/1/2023	A-	A2	918,529
Merck & Co Inc	3/7/2024	AA	A1	521,738
Microsoft Corp Corp (Callable) Notes	11/3/2022	AAA	Aaa	511,110
Microsoft Corp Notes	2/6/2020	AAA	Aaa	718,457
PepsiCo, Inc Corp (Callable) Notes	10/6/2021	A+	A1	496,086
Pfizer Inc Corp Notes	3/15/2024	AA	A1	582,477
State Street Corp Notes	5/19/2021	A	A1	262,315
The Procter & Gamble Co Corp Notes	10/23/2020	AA-	Aa3	594,713
Toyota Motor Corp Notes	3/12/2020	AA-	Aa3	539,734
Toyota Motor Credit Corp	4/17/2020	AA-	Aa3	853,358
Toyota Motor Credit Corp Notes	9/8/2022	AA-	Aa3	450,518
United Parcel Service Corporate Bond	4/1/2021	A+	A1	758,741
Wal-Mart Stores Inc Corp Note	12/15/2020	AA	Aa2	1,921,543
Walt Disney Company Corp Notes	6/5/2020	A	A2	896,562
Wells Fargo & Co Corp Bonds	1/30/2020	A-	A2	1,648,451
Other US Government Notes And Bonds		AA+	Aaa	24,853,127
US Treasury Notes And Bonds		AA+	Aaa	46,172,199
<b>Total</b>				<b>\$ 103,296,436</b>

As of June 30, 2019, the **Transportation Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2019 Fair Value
US Treasury Notes And Bonds		AA+	Aaa	31,529,835
<b>Total</b>				<b>\$ 31,529,835</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, and 2019, the **Water Bank** had the following investments, all of which are reported at fair value measurement by level:

	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 Govt Other Notes & Bonds	28,829,310	-	28,829,310	-
Total debt securities	132,124,012	-	132,124,012	-
Total investments by fair value level	\$ 132,124,012	\$ -	\$ 132,124,012	\$ -

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	\$ 132,124,012

**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, 2019	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	\$ 46,172,199	\$ -	\$ 46,172,199	\$ -
Corporate Bonds/Notes/CP	32,271,110	-	32,271,110	-
US Gov't Other Notes & Bonds	24,853,127	-	24,853,127	-
Total debt securities	103,296,436	-	103,296,436	-
Total investments by fair value level	\$ 103,296,436	\$ -	\$ 103,296,436	\$ -

Investments as reported on the statement of net position:

Current:

    Unrestricted \$ 1,496,895

    Restricted 13,895,026

Noncurrent:

    Unrestricted -

    Restricted 87,904,515

    Total investments \$ 103,296,436

**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, and 2019, the **Transportation Bank** had the following investments, all of which are reported at fair value measurement by level:

	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 Govt Other Notes & Bonds	5,072,803	-	5,072,803	-
Total debt securities	50,750,196	-	50,750,196	-
Total investments by fair value level	<u>\$ 50,750,196</u>	<u>\$ -</u>	<u>\$ 50,750,196</u>	<u>\$ -</u>

Investments as reported on the statement of net position:

Current:	
Restricted	42,756,251
Noncurrent:	
Restricted	7,993,945
Total investments	<u>\$ 50,750,196</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, 2019	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	\$ 31,529,835	\$ -	\$ 31,529,835	\$ -
Total debt securities	31,529,835	-	31,529,835	-

Investments as reported on the statement of net position:

Current:	
Restricted	28,506,399
Noncurrent:	
Restricted	3,023,436
Total investments	<u>\$ 31,529,835</u>

**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 90% 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, 2020 and 2019, the direct loans balance was \$6,625,305 and \$7,101,193, respectively. Included in this balance are amounts owed from borrowers primarily for contributions made by the I-Bank on their behalf for defeasances of \$1,680,208 and \$1,869,085 as of June 30, 2020 and 2019, respectively.

Loans issued under the Water Bank Short-Term Loan Program and SAIL Loan Program are issued, with few exceptions, for a maximum of five fiscal years. With limited exceptions, these loans are interest free. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program. As of June 30, 2020, and 2019, the balance for the loans described net of undisbursed reserve funds was \$482,028,211 and \$296,704,436, respectively. As of June 30, 2020, and 2019, the balance for the loans outstanding with a 0% interest rate was \$479,175,877 and \$294,080,799, respectively.

The Water Bank's net loans receivable balance of \$488,653,516 and \$303,805,629 as of June 30, 2020 and 2019, consisted of outstanding loans issued of \$488,733,516 and \$303,885,629 net of undisbursed loan funds of \$80,000 and \$80,000 for 2020 and 2019, 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 funds held at the NJ DEP and are therefore not subject to individual borrower repayment risk.

The Water Bank had certain borrowers whose loan receivables individually represented 10% or more of the Water Bank's total loans receivable. For the year ended June 30, 2020 and 2019, two borrowers accounted for 28.9% and one borrower accounted for 16% of loans receivable, respectively.

The Water Bank is also committed to fund short-term loans to borrowers of approximately \$562 million that had not been requisitioned as of June 30, 2020.

**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, 2020 the balance of loans was \$9,238,567. As of June 30, 2019 the balance of loans was \$278,580.

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% to 1.35% per year. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program.

The Transportation Bank is also committed to fund short-term loans to borrowers of approximately \$22.2 million that had not been requisitioned as of June 30, 2020 and \$3.2 million as of June 30, 2019. The Transportation Bank has allocated \$69.5 million in funds to projects as of June 30, 2020 and \$41 million as of June 30, 2019.

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

	Water		Transportation	
	SAIL and Short-Term	Direct Loans	Loans	Total
Year ending June 30:				
2021	\$ 256,656,796	\$ 1,844,991	\$ 169,666	\$ 258,671,453
Less undispersed reserve funds	(80,000)	-		(80,000)
Current loans	256,576,796	1,844,991	169,666	258,591,453
2022	202,080,600	421,851	196,181	202,698,633
2023	20,438,482	523,333	8,872,720	29,834,535
2024	-	418,791	-	418,791
2025	-	497,119	-	497,119
2026 through 2030	2,932,333	2,031,651	-	4,963,984
2031 through 2035	-	857,569	-	857,569
2036 through 2040	-	30,000	-	30,000
2041 through 2045	-	-	-	-
2046 through 2050	-	-	-	-
Noncurrent loans	225,451,415	4,780,313	9,068,901	239,300,630
Loans receivable, net	\$ 482,028,211	\$ 6,625,305	\$ 9,238,567	\$ 497,892,083

**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, 2019	Additions	Disposals	Balance at June 30, 2020
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>
Less accumulated depreciation:				
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>

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Capital assets being depreciated:				
Leasehold improvements	\$ 68,828	\$ -	\$ -	\$ 68,828
Office furniture	59,379	-	-	59,379
Computers and office equipment	113,190	-	-	113,190
Vehicles	51,686	-	-	51,686
	<u>293,083</u>	<u>-</u>	<u>-</u>	<u>293,083</u>
Less accumulated depreciation:				
Leasehold improvements	67,342	1,486	-	68,828
Office furniture	48,642	4,429	-	53,071
Computers and office equipment	101,857	8,853	-	110,710
Vehicles	37,976	10,627	-	48,603
	<u>255,817</u>	<u>25,395</u>	<u>-</u>	<u>281,212</u>
Capital assets (net)	<u>\$ 37,266</u>	<u>\$ (25,395)</u>	<u>\$ -</u>	<u>\$ 11,871</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, 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	-	-	-	-
	-	21,738	-	21,738
Less accumulated depreciation:				
Leasehold improvements	-	-	-	-
Office furniture	-	-	-	-
Computers and office equipment	-	2,174	-	2,174
Vehicles	-	-	-	-
	-	2,174	-	2,174
Capital assets (net)	\$ -	\$ 19,564	\$ -	\$ 19,564

The Transportation Bank did not have any capital assets as of June 30, 2019.

**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, 2020 and 2019 were \$120,275 and \$120,732, respectively. The following is a summary of the future minimum rental commitments under the current lease through November 30, 2025:

Years ending June 30,	
2021	\$ 120,275
2022	120,275
2023	120,275
2024	120,275
2025	120,275
2026	50,114
Total	<u>\$ 651,488</u>

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

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**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.

Loans to borrowers in the 2020 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 September 20, 2019 the I-Bank defeased \$460,000 of the Environmental Infrastructure Bonds Series 2012A relating to Elizabeth City.

On May 13, 2020, the I-Bank issued \$34,300,000 of Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds) to capitalize 30 projects.

On June 17, 2020, the I-Bank issued \$17,390,000 of Environmental Infrastructure Bonds, Series 2020A-R1 (Green Bonds) to take advantage of the currently low interest rate environment for the I-Bank Program borrowers. The I-Bank Series 2020A-R1 were issued to refund a portion of the outstanding Series 2010A Refunding Bonds. The proceeds of this series of Refunding Bonds refunded \$18,835,000 of the outstanding I-Bank Bonds and resulted in the I-Bank passing the reduction of interest and principal payments owed by the borrowers.

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

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

On June 17, 2020, the I-Bank issued \$40,795,000 of Environmental Infrastructure Bonds, Series 2020C-R1 (Green Bonds) to take advantage of the currently low interest rate environment for the I-Bank Program borrowers. The I-Bank Series 2020C-R1 were issued to refund a portion of the outstanding Series 2012A Bonds. The proceeds of this series of Refunding Bonds refunded \$42,965,000 of the outstanding I-Bank Bonds and resulted in the I-Bank passing the reduction of interest and principal payments owed by the borrowers.

On June 17, 2020, the I-Bank issued \$15,265,000 of Environmental Infrastructure Bonds, Series 2020C-R2 (Green Bonds) to take advantage of the currently low interest rate environment for the I-Bank Program borrowers. The I-Bank Series 2020C-R2 were issued to refund a portion of the outstanding Series 2012B and 2012C Bonds. The proceeds of this series of Refunding Bonds refunded \$15,895,000 of the outstanding I-Bank Bonds and resulted in the I-Bank passing the reduction of interest and principal payments owed by the borrowers.

At June 30, 2020 and 2019, the aggregate principal amount of conduit debt obligations outstanding totaled \$963,173,347 and \$1,032,532,065, respectively, as detailed in the following schedules.

Changes in conduit debt obligations of the Water Bank for the year ended June 30, 2020 were as follows:

	Balance at June 30, 2019	Issued	Retired	Balance at June 30, 2020	Amount Due Within One Year
<b>2006 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	\$ 11,070,000	\$ -	\$ 5,390,000	\$ 5,680,000	\$ 5,680,000
Series B Bonds, uninsured, maturing serially through 2019, at interest rate of 5.00%	3,643,719	-	3,643,719	-	-
<b>2007 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.25%	24,305,000	-	7,740,000	16,565,000	8,130,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates of 5.25%	18,865,000	-	4,375,000	14,490,000	4,590,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	27,080,000	-	6,315,000	20,765,000	6,640,000
<b>2010 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.25% to 5.00%	25,135,000	-	21,955,000	3,180,000	3,180,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rate of 4.00%	340,000	-	240,000	100,000	100,000
<b>2010 B &amp; C Series:</b>					
Series B Bonds, uninsured, maturing serially through 2019, at interest rate of 5.00%	5,455,000	-	5,455,000	-	-
Series C Bonds, uninsured, maturing serially through 2019, at interest rate of 4.00%	385,000	-	385,000	-	-

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

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

	Balance at June 30, 2019	Issued	Retired	Balance at June 30, 2020	Amount Due Within One Year
<b>2011 Refunding Series:</b>					
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	3,405,000	-	1,755,000	1,650,000	965,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	4,185,000	-	970,000	3,215,000	1,020,000
<b>2012 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2021, at interest rate of 5.00%	53,195,000	-	46,525,000	6,670,000	3,255,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 5.00%	15,740,000	-	13,815,000	1,925,000	940,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	3,690,000	-	3,205,000	485,000	240,000
<b>2012 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2026, at interest rate of 4.00%	129,265,000	-	14,850,000	114,415,000	15,420,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	300,000	-	95,000	205,000	100,000
Series C Bonds, uninsured, maturing serially through 2023, at interest rate of 3.00%	4,490,000	-	870,000	3,620,000	875,000
<b>2013 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	23,970,000	-	1,345,000	22,625,000	1,400,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	800,000	-	45,000	755,000	50,000
<b>2014 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	48,290,000	-	2,365,000	45,925,000	2,520,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	4,330,000	-	230,000	4,100,000	235,000
<b>2015 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	41,425,000	-	1,855,000	39,570,000	1,950,000
<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%	7,180,000	-	1,255,000	5,925,000	1,320,000
<b>2015 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2035, at interest rates from 3.00% to 5.00%	8,820,000	-	390,000	8,430,000	405,000
<b>2015 A-R1 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2027, at interest rate of 5.00%	85,500,000	-	11,550,000	73,950,000	8,525,000

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

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

	Balance at June 30, 2019	Issued	Retired	Balance at June 30, 2020	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%	\$ 10,265,000	\$ -	\$ 1,070,000	\$ 9,195,000	\$ 1,130,000
<b>2016 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2045, at interest rates from 2.00% to 5.00%	22,280,000	-	890,000	21,390,000	925,000
<b>2016 A-R1 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 4.50% to 5.00%	56,160,000	-	6,290,000	49,870,000	6,555,000
<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	-	-	63,210,000	5,105,000
<b>2016 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 4.00% to 5.00%	6,960,000	-	250,000	6,710,000	270,000
<b>2017 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 3.00% to 5.00%	30,775,000	-	880,000	29,895,000	910,000
<b>2017 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2047, at interest rates from 2.13% to 5.00%	18,840,000	-	655,000	18,185,000	675,000
<b>2017 A-R1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	33,525,000	-	3,180,000	30,345,000	3,295,000
<b>2017 A-R2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	72,830,000	-	5,930,000	66,900,000	6,180,000
<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%	3,860,000	-	75,000	3,785,000	75,000
<b>2018 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2047 at interest rate from 3.00% to 5.00%	21,105,000	-	705,000	20,400,000	740,000
<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%	15,100,000	-	280,000	14,820,000	290,000

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

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

	Balance at June 30, 2019	Issued	Retired	Balance at June 30, 2020	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	-	-	16,645,000	365,000
<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	-	-	13,215,000	410,000
<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	-	-	4,520,000	350,000
<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%	3,965,000	-	280,000	3,685,000	295,000
<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	-
<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	-
<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	-
Total of bonds payable covered by Master Program Trust Account	944,118,719	107,750,000	177,103,719	874,765,000	95,110,000
<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	-
<b>Total bonds payable</b>	<b>\$ 1,032,532,065</b>	<b>\$ 107,750,000</b>	<b>\$ 177,103,719</b>	<b>\$ 963,178,346</b>	<b>\$ 95,110,000</b>

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

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

Changes in conduit debt obligations of the Water Bank for the year ended June 30, 2019 were as follows:

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	Amount Due Within One Year
<b>2006 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	\$ 16,220,000	\$ -	\$ 5,150,000	\$ 11,070,000	\$ 5,390,000
Series B Bonds, uninsured, maturing serially through 2019, at interest rate of 5.00%	7,111,681	-	3,467,962	3,643,719	3,643,719
<b>2007 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.25%	31,810,000	-	7,505,000	24,305,000	7,740,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates of 5.25%	23,240,000	-	4,375,000	18,865,000	4,375,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	33,110,000	-	6,030,000	27,080,000	6,315,000
<b>2008 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2018, at interest rate of 4.50%	2,935,000	-	2,935,000	-	-
<b>2008 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2018, at interest rate of 5.00%	6,705,000	-	6,705,000	-	-
<b>2009 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2018, at interest rate of 5.00%	4,135,000	-	4,135,000	-	-
Series C Bonds, uninsured, maturing serially through 2018, at interest rate of 4.50%	4,270,000	-	4,270,000	-	-
<b>2010 A Series:</b>					
Series A Bonds, uninsured, maturing serially through 2018, at interest rate of 5.00%	5,980,000	-	5,980,000	-	-
<b>2010 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.00%	28,635,000	-	3,500,000	25,135,000	3,120,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rate of 4.00%	570,000	-	230,000	340,000	240,000
<b>2010 B &amp; C Series:</b>					
Series B Bonds, uninsured, maturing serially through 2019, at interest rate of 5.00%	10,665,000	-	5,210,000	5,455,000	5,455,000
Series C Bonds, uninsured, maturing serially through 2019, at interest rate of 4.00%	5,740,000	-	5,355,000	385,000	385,000

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

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

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	Amount Due Within One Year
<b>2011 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2018, at interest rate of 3.00%	\$ 475,000	\$ -	\$ 475,000	\$ -	\$ -
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	5,085,000	-	1,680,000	3,405,000	1,755,000
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	5,140,000	-	955,000	4,185,000	970,000
<b>2012 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 5.00%	56,155,000	-	2,960,000	53,195,000	3,100,000
Series B Bonds, uninsured, maturing serially through 2031, at interest rates from 4.00% to 5.00%	16,605,000	-	865,000	15,740,000	890,000
Series C Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	3,915,000	-	225,000	3,690,000	235,000
<b>2012 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2026, at interest rate of 4.00%	143,970,000	-	14,705,000	129,265,000	14,850,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rate of 3.00%	390,000	-	90,000	300,000	95,000
Series C Bonds, uninsured, maturing serially through 2023, at interest rate of 3.00%	5,325,000	-	835,000	4,490,000	870,000
<b>2013 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	25,260,000	-	1,290,000	23,970,000	1,345,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	845,000	-	45,000	800,000	45,000
<b>2014 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	50,555,000	-	2,265,000	48,290,000	2,365,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	4,545,000	-	215,000	4,330,000	230,000
<b>2015 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	43,185,000	-	1,760,000	41,425,000	1,855,000
<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%	8,400,000	-	1,220,000	7,180,000	1,255,000
<b>2015 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2035, at interest rates from 3.00% to 5.00%	9,200,000	-	380,000	8,820,000	390,000
<b>2015 A-R1 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2027, at interest rate of 5.00%	96,485,000	-	10,985,000	85,500,000	11,550,000

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**Notes to Financial Statements**

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

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	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%	\$ 11,305,000	\$ -	\$ 1,040,000	\$ 10,265,000	\$ 1,075,000
<b>2016 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2045, at interest rates from 2.00% to 5.00%	23,130,000	-	850,000	22,280,000	890,000
<b>2016 A-R1 Refunding Series:</b>					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 4.50% to 5.00%	56,160,000	-	-	56,160,000	6,290,000
<b>2016 A-R2 Refunding Series :</b>					
Series A Bonds, uninsured, maturing serially through 2030, at interest rates from 4.50% to 5.00%	63,365,000	-	155,000	63,210,000	-
<b>2016 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 4.00% to 5.00%	7,200,000	-	240,000	6,960,000	250,000
<b>2017 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 3.00% to 5.00%	31,610,000	-	835,000	30,775,000	880,000
<b>2017 A-2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2047, at interest rates from 2.13% to 5.00%	18,840,000	-	-	18,840,000	655,000
<b>2017 A-R1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	33,525,000	-	-	33,525,000	3,180,000
<b>2017 A-R2 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	72,830,000	-	-	72,830,000	5,930,000
<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%	3,860,000	-	-	3,860,000	75,000
<b>2018 A-1 Series:</b>					
Series A Bonds, uninsured, maturing serially through 2047 at interest rate from 3.00% to 5.00%	21,105,000	-	-	21,105,000	705,000
<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%	15,100,000	-	-	15,100,000	280,000

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

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

	Balance at June 30, 2018	Issued	Retired	Balance at June 30, 2019	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	-	16,645,000	-
<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	-	13,215,000	-
<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	-	4,520,000	-
<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%	-	3,965,000	-	3,965,000	280,000
Total of bonds payable covered by Master Program Trust Account	1,014,691,681	38,345,000	108,917,962	944,118,719	98,953,719
<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	\$ 1,103,105,027	\$ 38,345,000	\$ 108,917,962	\$ 1,032,532,065	\$ 98,953,719

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

	Principal	Interest	Total
Years ending June 30:			
2021	\$ 95,110,000	\$ 33,157,637	\$ 128,267,637
2022	92,735,000	29,737,421	122,472,421
2023	85,685,000	25,650,636	111,335,636
2024	81,065,000	21,926,574	102,991,574
2025	77,565,000	18,444,952	96,009,952
2026 through 2030	362,218,346	51,174,462	413,392,808
2031 through 2035	100,075,000	18,379,924	118,454,924
2036 through 2040	34,025,000	8,416,498	42,441,498
2041 through 2045	19,935,000	4,351,119	24,286,119
2046 through 2050	14,760,000	946,837	15,706,837
	\$ 963,173,346	\$ 212,186,060	\$ 1,175,359,406

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

**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, 2020, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2020
<b>Current Refunding:</b>	
2020A-R1	
2002 Series A	88,780
2003 Series A	8,536,220
2004 Series A	600,000
2006 Series A	9,610,000
<b>Advanced Refunding:</b>	
2020C-R1	
2012 Series A	42,965,000
2020C-R2	
2012 Series B	12,925,000
2012 Series C	2,970,000
	<b>\$ 77,695,000</b>
<b>Individual borrower defeasances:</b>	
2000 Series A	65,000
2000 Series B	370,000
2001 Series A	80,000
2002 Series A	1,275,000
2005 Series A	280,000
2006 Series A	75,000
2007 Series A	1,175,000
2010 Series B	400,000
2012 Series A	725,000
2013 Series A	355,000
2014 Series A	475,000
2014 Series B	335,000
2015 Series A-1	305,000
	<b>\$ 5,915,000</b>

## 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, 2020, 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 5.5% 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.

**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, 2019 calculation date, the cumulative debt service reserve requirement, as adjusted for refunding and defeasance was \$54,116,383. As of June 30, 2020, 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, 2020 and 2019 in all of the debt service reserve fund accounts was \$67,624,336 and \$72,385,305, 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, 2020 and 2019, the total cash and investments balance for conduit debt was \$90,617,896 and \$107,441,199, 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, 2020 and 2019, the total revenues, administrative fees and state administrative fees collected for conduit debt was \$286,465,681 and \$295,536,992, 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.

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

**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 Comprehensive Annual Financial Report (CAFR) 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 7, 2020, the date the financial statements were available to be issued. The following items were determined by management to require disclosure in the financial statements:

On June 30, 2020, the State of New Jersey signed into law a supplemental appropriation Bill (P.L. 2020 c. 43), 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 14 New Short Term Water Bank loans and increased allowable funding under 5 existing Water Bank loans with a combined total of \$123.4 million and closed a total 2 New Short-Term Transportation Bank loans totaling \$4 million.

**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, 2020 and 2019 was \$34,013,333 and \$35,021,358 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.

	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
Years ending June 30:						
2021	\$ 95,110,000	\$ 33,157,637	\$ 148,088,882	\$ 276,356,519	\$ 128,267,637	2.15
2022	92,734,999	29,737,421	142,925,032	265,397,453	122,472,421	2.17
2023	85,685,003	25,650,636	134,339,665	245,675,304	111,335,639	2.21
2024	81,065,000	21,926,574	127,534,261	230,525,835	102,991,574	2.24
2025	77,565,000	18,444,952	121,064,221	217,074,173	96,009,952	2.26
2026	71,695,000	15,189,004	110,884,120	197,768,124	86,884,004	2.28
2027	65,160,000	12,212,954	98,916,564	176,289,518	77,372,954	2.28
2028	54,015,000	9,706,399	84,947,402	148,668,800	63,721,399	2.33
2029	43,930,000	7,789,985	72,103,462	123,823,447	51,719,985	2.39
2030	39,005,000	6,276,120	60,951,313	106,232,433	45,281,120	2.35
2031	28,640,000	5,092,457	51,327,237	85,059,695	33,732,457	2.52
2032	24,245,000	4,223,982	44,727,858	73,196,840	28,468,982	2.57
2033	18,380,000	3,550,860	36,602,194	58,533,054	21,930,860	2.67
2034	16,285,000	2,993,972	31,045,284	50,324,257	19,278,972	2.61
2035	12,525,000	2,518,653	24,531,150	39,574,803	15,043,653	2.61
2036	9,635,000	2,156,207	19,033,351	30,824,557	11,791,207	2.61
2037	7,785,000	1,876,569	15,647,132	25,308,701	9,661,569	2.61
2038	6,570,000	1,644,022	13,904,565	22,118,587	8,214,022	2.67
2039	5,360,000	1,451,438	12,443,519	19,254,956	6,811,438	2.83
2040	4,675,000	1,288,263	10,649,542	16,612,805	5,963,263	2.79
2041	3,845,000	1,146,466	9,301,800	14,293,266	4,991,466	2.86
2042	3,985,000	1,011,169	9,166,888	14,163,057	4,996,169	2.83
2043	3,905,000	872,931	8,842,759	13,620,691	4,777,931	2.85
2044	4,030,000	732,794	8,789,990	13,552,784	4,762,794	2.85
2045	4,170,000	587,759	8,746,645	13,504,405	4,757,759	2.84
2046	4,295,000	437,956	8,563,174	13,296,130	4,732,956	2.81
2047	4,280,000	286,522	7,894,216	12,460,738	4,566,522	2.73
2048	3,440,000	150,384	6,080,709	9,671,093	3,590,384	2.69
2049	1,840,000	58,400	3,859,795	5,758,195	1,898,400	3.03
2050	905,000	13,575	1,854,051	2,772,626	918,575	3.02
Total	<u>\$ 874,760,002</u>	<u>\$ 212,186,062</u>	<u>\$ 1,434,766,779</u>	<u>\$ 2,521,712,843</u>	<u>\$ 1,086,946,063</u>	

<sup>1</sup> Includes Series 2020A-R1, 2020C-R1 and 2020C-R2 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, 2020.

<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, 2020, 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 7, 2020.

**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) to determine the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 7, 2020

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# 2021 I-BANK BOARD MEETING DATES

JANUARY 14, 2021

FEBRUARY 11, 2021

MARCH 11, 2021

APRIL 8, 2021

MAY 13, 2021

JUNE 10, 2021

JULY 8, 2021

AUGUST 12, 2021

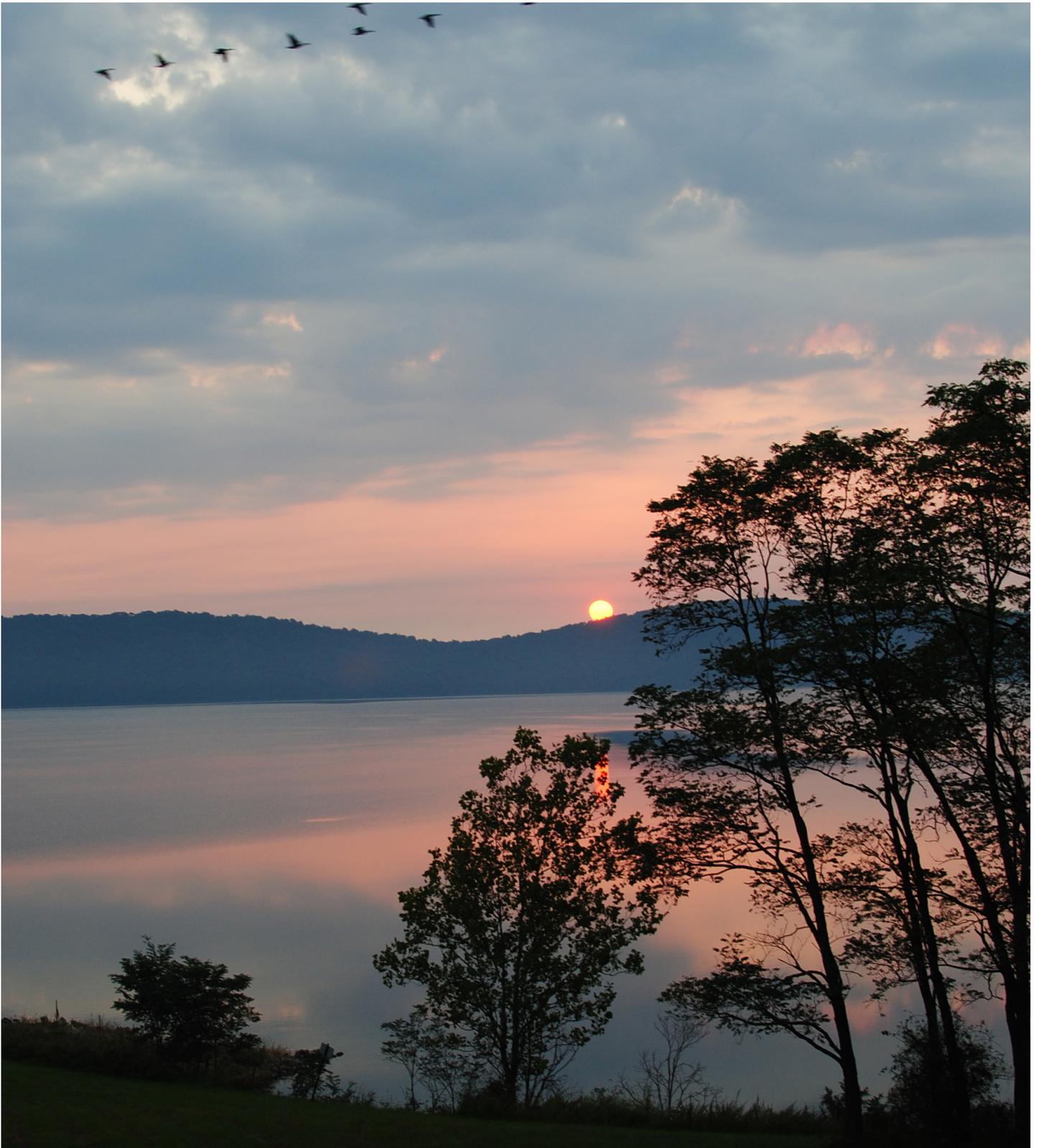
SEPTEMBER 9, 2021

OCTOBER 14, 2021

NOVEMBER 10, 2021

DECEMBER 9, 2021

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



Round Valley Reservoir  
Photos Courtesy of the New Jersey Water Supply Authority