

New Jersey Infrastructure Bank

Financing New Jersey's Water Quality & Transportation Future

ANNUAL REPORT SFY2023



Atlantic County Utility Authority Ventnor-Margate Force Main Replacement.
SFY2023 Water Bank Long-Term Loan: \$9,537,152

NEW JERSEY INFRASTRUCTURE BANK

Quick Facts: Program Year SFY2023

The New Jersey Infrastructure Bank (I-Bank) jointly administers the NJ Water Bank with New Jersey Department of Environmental Protection (DEP), the NJ Transportation Bank with New Jersey Department of Transportation (DOT) and the Community Hazard Assistance Mitigation Program (CHAMP) with the New Jersey State Police, Office of Emergency Management (OEM).

WATER BANK

TOTAL LOANS

From its first loan in 1987 up through June 30, 2023, the Water Bank has issued **1,506** long-term loans totaling more than **\$8.33 billion** and, as of June 30, 2023, the Water Bank had an additional **\$1.59 billion** in short-term loans outstanding.

TOTAL SAVINGS

The Water Bank has saved taxpayers and ratepayers more than **\$3.06 billion** on long-term financing costs through lower interest charges, refinancing of outstanding bond deals at lower interest rates, and principal forgiveness loans.

CURRENT LONG-TERM RATES

The Water Bank offered borrowers blended interest rates for base program long-term loans of **2.44%** overall for the Series 2022A-2 Green Bonds, issued in December of 2022.

TRANSPORTATION BANK

TOTAL LOANS

From its first short-term construction loan in 2018 up through June 30, 2023, the Transportation Bank has issued **10** long-term loans to construction complete projects totaling more than **\$33.97 million** and, as of June 30, 2023, had an additional **\$34.47 million** in short-term loans outstanding for projects in the planning and construction phases.

TOTAL SAVINGS

Through its low-cost loans, the Transportation Bank has saved taxpayers and ratepayers an estimated **\$6.43 million** on long-term financing costs.

I-BANK PROGRAMS COMBINED

TOTAL JOBS CREATED

Since their inception, the Water Bank and Transportation Bank Programs combined have created an estimated **157,735** direct, one-year construction jobs.¹

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

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MISSION STATEMENT

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



Red Bank Borough White Street Water and Sewer Improvements. [SFY2023 Water Bank Long-Term Loan: \\$1,515,099](#)

BOARD OF DIRECTORS AND EXECUTIVE STAFF

PUBLIC MEMBERS



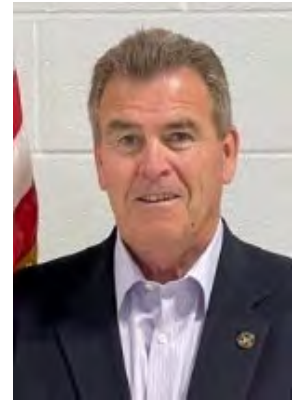
Robert Briant, Jr.
Chairperson



Mark Longo
Vice Chairperson



Jack Kocsis, Jr.
Treasurer



James McManus, Jr.
Secretary

EX-OFFICIO MEMBERS



Shawn LaTourette
Commissioner
New Jersey
Department of
Environmental Protection



Diane Guterrez-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

EXECUTIVE STAFF



David E. Zimmer
Executive Director



Judy Karp
Assistant Director,
Legal & Compliance Officer



Lauren Kaltman
Chief Financial
Officer



George Rolon
Chief Operating
Officer

MESSAGE FROM THE CHAIRPERSON AND EXECUTIVE DIRECTOR

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

OVERVIEW

The I-Bank's core mission is to ensure communities have access to infrastructure funds available from the State each year to optimize the number of environmental, transportation and resilience projects constructed pursuant to the priorities set by its program partners, while simultaneously guaranteeing the soundness and security of funds for future projects. Staying true to this mission, the I-Bank introduced a number of new programs and initiatives in SFY2023 to expand financing opportunities with a specific focus on underserved communities in the State to address the many infrastructure challenges these communities face. It is anticipated that such program offerings will increase access for these communities to the financial and operational benefits offered by the I-Bank's financing programs.

To meet Governor Murphy's directive to create greater equity regarding the disbursement of State funds, the NJ Water Bank, an I-Bank financing program co-administered by the NJ Department of Environmental Protection (DEP), developed and implemented a Technical Assistance (T/A) Program for water systems serving disadvantaged communities. This early T/A Program assists systems with developing optimal operating practices, identifying and prioritizing capital infrastructure projects, working with the Water Bank to obtain financing, and providing education and outreach to the communities and their local leaders. This service is made available free of charge to recipients and is projected to be offered in perpetuity to help eliminate planning gaps for the State's neediest communities to take the first step in managing and providing quality water services to their residents.

The Transportation Bank, an I-Bank financing program co-administered by the NJ Department of Transportation (DOT), instituted a match funding program to help disadvantaged communities meet their 10% federal match requirement to receive a competitive US Department of Transportation (USDOT) grant through Bipartisan Infrastructure Law (BIL) funds by providing 0% interest loans for the match amount.

In addition to expanding its existing program offerings in SFY2023, a new financing program was established at the I-Bank. The new program, approved by the Legislature and signed into law by the Governor at the end of SFY2023, authorizes the I-Bank to work with the NJ Office of Emergency Management (OEM) to co-administer the State's new Community Hazard Assistance Mitigation Program (CHAMP) to finance hazard mitigation and resilience projects by leveraging funds from FEMA's STORM Act revolving loan program. Together, OEM and the I-Bank petitioned FEMA for a capital grant and expects to hear on their grant application early in the new fiscal year.

WATER

The Water Bank successfully closed 78 short-term loans in SFY2023 which, when combined with long-term loans closed during the year, financed in aggregate \$510 million of water quality infrastructure projects in the State. A portion of the long-term financing was sourced from the I-Bank's Environmental Infrastructure Bonds which were issued in December 2022, the Series 2022A-2 (Green bonds). The bond sale was the I-Bank's twenty-third Green Bond Series with total green bonds issued to-date of more than \$673 million. It was also the I-Bank's first negotiated bond sale with an underwriting team that included JP Morgan (Senior manager) and Siebert Williams Shank and Loop Capital Markets (co-managers; both MWVOB firms). The I-Bank sold \$86.53 million of AAA rated Series 2022A-2 Bonds at an all-in True Interest Cost of 4.88% to partially finance \$224.2 million of infrastructure project costs. NJDEP financed the remaining costs through a combination of principal forgiveness and zero-percent interest loans. Combined, this financing saved the 26 participating project sponsors an estimated \$136.5 million and provided the average borrower with long-term funds at an effective rate of 2.44%. In addition, the I-Bank closed a second loan with the US Environmental Protection Agency's (USEPA) WIFIA financing program in December 2022 for \$500 million. In total, the I-Bank has secured over \$721 million in funding commitments from WIFIA to partially finance \$1.64 billion worth of project costs.

Given the uptick in demand and to increase the velocity of project reviews, the DEP and I-Bank jointly initiated a staff augmentation program where selected projects are assigned to consulting engineering firms to perform design review functions on behalf of, and under the supervision of, the DEP. Six projects are participating in a pilot program to assess the effectiveness of the initiative which should result in a greater number of projects reaching construction award in a given fiscal year. Finally, the DEP and I-Bank initiated a 360-degree review program for water systems in need of assistance to develop financial and strategic plans that address violations of contaminant levels, administrative consent orders, etc. The Program provides reviews, strategic advice, and potential solutions to a water system's critical issues at no charge to the system.

TRANSPORTATION

The Transportation Bank continued to make inroads with the State’s counties and municipalities, expanding its reach and garnering interest from an additional seven project sponsors. At the end of SFY2023 the Transportation Bank had either loaned or assigned funding to 32 projects totaling \$117.7 million (see pg. 42 and 43 for further details). The Transportation Bank introduced one new program this past year to expand its relevance for potential project sponsors. The Transportation Bank’s BIL Match program mentioned briefly above waives certain credit policy requirements for qualifying disadvantaged communities and offers a zero-percent loan for the federal match funds required to receive grants from USDOT’s competitive grant program.

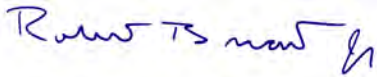
The Transportation Bank had seven projects complete construction and move to long-term financing in SFY2023 bringing the number of construction complete projects to 13, totaling \$33.97 million and bringing the program closer to the size and diversity needed for the Transportation Bank to issue its first bond deal.

LOOKING FORWARD

The I-Bank will continue its efforts to broaden program offerings that enhance access to, and inclusion in, its financing programs and increase the opportunities for all New Jersey citizens to benefit from the funds entrusted to us by the Governor and Legislature.

Thank you for your continued support.

Respectfully,



Robert A. Briant, Jr.
Chairperson



David. E. Zimmer, CFA
Executive Director

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

In accordance with Executive Order No. 37 (Corzine), the New Jersey I-Bank's SFY2023 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant actions of the Authority for the fiscal year, including the degree of success the I-Bank has had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, CliftonLarsonAllen LLP, is included in the Annual Report and completes the I-Bank's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37 (see Independent Auditor's Report starting on page 44).

I, David E. Zimmer, certify that during SFY2023, 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 SFY2023.



David E. Zimmer, CFA
Executive Director

CFO'S CERTIFICATION SFY2023

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 SFY2023.



Lauren S. Kaltman
Chief Financial Officer

COMPLIANCE SFY2023

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

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

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

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

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

Managing Contract Spending Caps: The I-Bank maintains vigilance with its vendor contracts by managing operating fund disbursements.

Trust Operating Bank Account Procedures: The I-Bank's "TOBA" policy strictly regulates authorization of disbursements to vendors with cap amounts and counter-signatory requirements involving the Board's Treasurer and requires a semi-annual compliance report to the Treasurer.

INTERNAL CONTROLS SFY2023

In 2023, in conjunction with its outside Internal Controls Audit firm, CohnReznick, LLP, the I-Bank commenced Phase V of its Audit Plan which consisted of an extensive assessment of the I-Bank's internal control processes whereby existing policies were refined, process gaps, weaknesses and opportunities for improvement were identified, and all levels of the internal control structure were evaluated.

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

A specific focus of the Internal Controls Audit in SFY2023 was to update the risk assessment to incorporate changes to the loan application and review portals ([H₂LOans](#) and [NJ-Moves](#)), and to the I-Bank's human resources processes based on the implementation of a human resources information system (HRIS) system. Relevant policies and narratives were also updated.

I-BANK SFY2023 CASE STUDY: THE REVITALIZATION OF DOWNTOWN HACKENSACK CITY

As part of a larger revitalization effort in its downtown area initiated in 2015, the City of Hackensack undertook a streetscape project to address a major local commerce issue. The City's Main Street had been converted to a one-way route in 1974 to provide residents living outside of downtown with an efficient thoroughfare to get home from work faster. As part of a new municipal planning model to revitalize its downtown, Hackensack's Main Street pivoted to more "mixed-use living," with retail and residential units in the same buildings. This new municipal planning model shifted the city's planning perspective to recognize that one-way traffic through Main Street was negatively impacting local businesses. As Mayor John Labrosse observed, "the problem for local business was readily evident, traffic went one way... out of town."



Hackensack City Sewer Separation to Support Main Street Redevelopment.
SFY2023 Loan: Water Bank \$5,556,024 and Transportation Bank \$2,035,971

In an I-Bank first, the City of Hackensack chose to finance their project by borrowing approximately \$7.6 million from both I-Bank Financing Programs. Consequently, the city benefitted from the resources of the **Water Bank**, jointly administered with the DEP for water quality projects, and the **Transportation Bank**, jointly administered with the DOT for transportation infrastructure projects, saving over \$5 million in aggregate.

The Water Bank provided \$1 million in principal forgiveness funds for the partial separation of the city's combined sewer system. Total savings on funding from the Water Bank, including reduced interest expense, are estimated to be \$4.8 million over the 35-year term of the loan or 86% of the water project costs. In addition, the city received long-term financing through the Transportation Bank for streetscape improvements completed in 2023. Total savings from reduced interest expense on the Transportation Bank component are estimat-

ed to be \$340,000 over the 14-year term of the loan or 17% of the transportation project costs. Combined, the two projects created an estimated 91 direct, one-year construction jobs.

When city planners began the streetscape project reverting Main Street back to a two-way thoroughfare, project designers capitalized on the construction to simultaneously address water quality issues beneath the streets. Mayor Labrosse remarked, "Typically, the environment takes a back seat to business and commerce. But in this case the City Council prioritized the clean water benefits while revitalizing the retail shopping corridor in the downtown area."

The Water Bank project addressed a water issue that is a quality-of-life challenge for the 21 municipalities in the State with combined sewer systems

("CSS"). CSSs were state-of-the-art solutions when they were built in the late 1800s and early 1900s, for the disease-ridden, flood-prone urban areas because they were able to remove sewage and stormwater quickly and transport it together to a treatment plant. With today's larger and more densely populated communities, these systems are no longer effective. When the combined volume of sewage and stormwater in a CSS is too great for the treatment plant to manage, the system is deliberately designed to discharge the combined flow directly into nearby water bodies without treatment. These combined sewer overflows ("CSOs") pollute rivers and other water bodies during heavy rain events and have a significant environmental impact on aquatic habitats. CSOs can also cause sewer backups into basements and streets, threatening human health.

I-BANK SFY2023 CASE STUDY (CONTINUED)

Part of Hackensack's revitalization plan addressed the city's CSS by separating the sewer on Main and Moore Streets. The repairs encompassed four intersections allowing stormwater to be deposited directly to a nearby water body instead of being transferred unnecessarily to the sewage treatment plant. The project included the construction of new drainage pipes and sanitary sewer bypass piping and pumping, which will help prevent untreated sewage from overwhelming the treatment system and abating spillage into the waterways as well as frequent flooding in the city. In addition to reducing overflow incidence, this project enabled the city to comply with the New Jersey Pollution Discharge Elimination System.

Both the Transportation Bank project and the Water Bank CSS project are

critical elements of Hackensack's renaissance plan initiated with the construction of its Atlantic Street Park. The Atlantic Street Park project provides the community with a vibrant space and serves as the center of its Hackensack Performing Arts Complex. The park contains an outdoor stage, lush greenery, and shade trees for community engagement. Events offered at the park include movies under the stars, Shakespeare in the Park, concerts, and sunset yoga. The creation of this park is a cornerstone of the city's efforts to revitalize its downtown area into a pedestrian-friendly, mixed-use hub. The water and transportation projects are a continuation of these efforts.

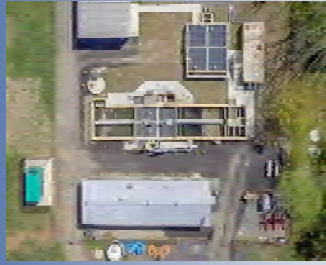
The projects financed by the I-Bank in partnership with the DEP and DOT enhance the overall quality of life in Hack-

ensack and contribute to the city's potential growth. Hackensack's business district has been revitalized by the reversion to a two-way Main Street encouraging financial growth for the community. Additionally, partial separation of the combined sewer system saved the city money on water treatment and environmental threats from CSO overflows. The city's renewal projects are benefiting Main Street businesses and improving the health and safety of its residents through environmental enhancement, community engagement and quality-of-life through the Atlantic Street Park. By jointly financing the projects with funding from the Water Bank and Transportation Bank, Hackensack's elected leaders have provided its residents benefits from substantial savings and centralized financial administration.



Hackensack City Sewer Separation to Support Main Street Redevelopment.
SFY2023 Loan: Water Bank \$5,556,024 and Transportation Bank \$2,035,971

I-Bank History



1985

Established as the Waste Water Treatment Trust by NJ Legislature.

1986

Commenced Operations



1987

Issued 1st program loan for wastewater treatment to Camden County MUA (**\$182M**)



1995

Introduced Master Program Trust Agreement (MPTA) bond collateral Structure



1997

Authorized to finance Drinking Water projects (changed name to NJ Environmental Infrastructure Trust (NJEIT))



2004

Issued 1st short-term construction loan



2013

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

2014

Issued 1st **SAIL** Disaster Relief Emergency Financing Program Loan for Superstorm Sandy



2015

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



2018

Authorized to finance Transportation Projects with DOT
Changed name to NJ Infrastructure Bank (**I-Bank**)



Issued 1st Transportation Bank short-term loan to Camden County (**\$2.5M**)

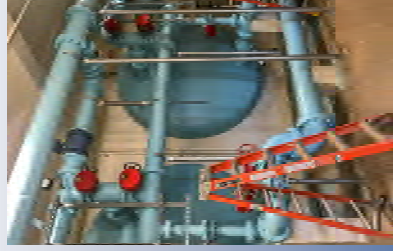
2020

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



2021

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



2022

Closed 1st and 2nd WIFIA loans (**\$221M** and **\$500M**) with USEPA

Implemented 35-year extended term loans for Water Bank



2023

Authorized to finance resilience projects with NJOEM under the Community Hazard Assistance Mitigation Program "**CHAMP**".

Introduced Early Technical Assistance program for Disadvantaged Communities



I-BANK: FINANCING PROGRAMS BENEFITS

\$AVINGS, CASH-FLOW, ADMINISTRATION

OVERVIEW

The I-Bank has partnered with the DEP for over 36 years to provide low-cost financing through the NJ Water Bank for environmental infrastructure projects, saving taxpayers more than \$3.061 billion and creating approximately 156,914 direct, one-year construction jobs, adding vital economic activity to the State.

In 2018, the I-Bank's mandate was expanded to finance transportation projects in partnership with the DOT through the creation of the New Jersey Transportation Bank. Since its inception, the Transportation Bank, which receives \$22.6 million of appropriated funds annually, has closed approxi-

mately \$34 million in long-term loans to 13 projects creating more than 821 direct, one-year construction jobs.

DOLLAR SAVINGS BENEFITS

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

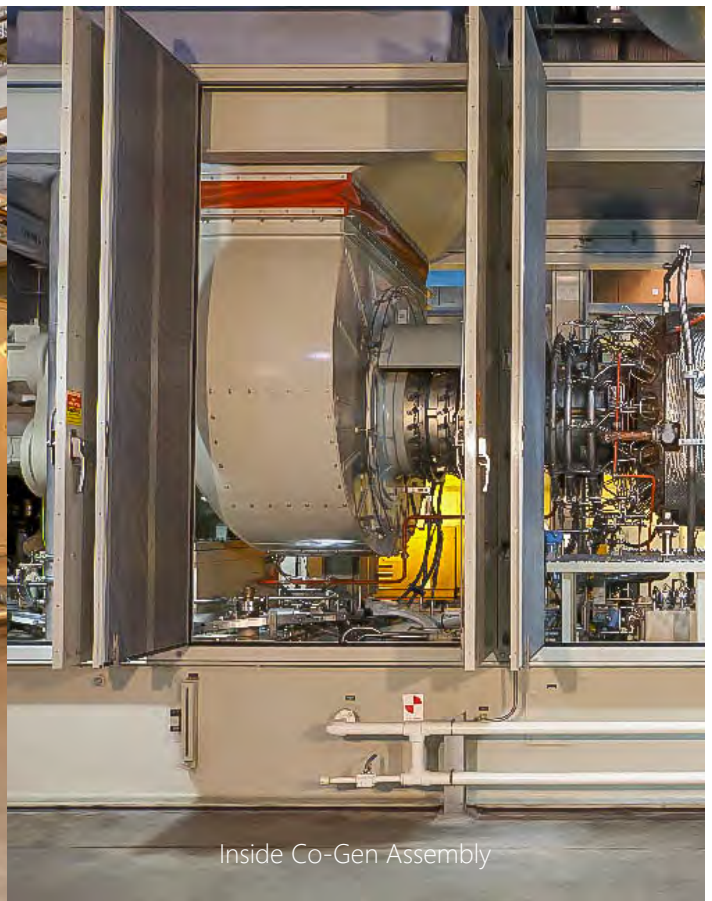
Minimized Financing Costs – Borrowers in the I-Bank's lending programs receive a blended interest rate equivalent to a combination of the I-Bank's AAA market interest rate bonds and funds appropriated through the DEP or DOT which are loaned at a 0% interest rate. At long-term closing, bor-

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

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



Co-Gen Complete Assembly



Inside Co-Gen Assembly

Rutgers University Busch Co-Gen Upgrade. **SFY2023 Water Bank Long-Term Loan: \$30,098,028**

I-BANK: FINANCING PROGRAMS BENEFITS (CONTINUED)

of Local Government Services (DLGS) at the Department of Community Affairs.

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

On Target Funding – Design and construction funding is provided as a component of the short-term construction loan program through project completion. The Water Bank and Transportation Bank short-term loan programs offer below market interest rates which accrue only on requisitioned funds. Short-term loans are converted to long-term loans for exact project costs at construction completion eliminating excess bond proceeds and reducing debt service to its accurate level.

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

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

CASH FLOW BENEFITS

Generous Allowable Costs – Both financing programs allow for a broad array of eligible costs, including legal

fees, and planning and design and engineering costs.

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

ADMINISTRATIVE BENEFITS

Easy Reporting – The I-Bank manages federal IRS arbitrage rebate requirements on its publicly-issued tax-exempt bonds, relieving borrowers of the cost and administration of this obligation. Due to the I-Bank’s extensive portfolio of outstanding Water Bank bonds, no single borrower is presently a “material obligated entity” and, therefore, not required to fulfill the Securities and Exchange Commission’s (SEC) secondary disclosure or reporting requirements for debt issued through the I-Bank.

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



Orange City Paving Project.
SFY2023 Transportation Bank
Long-Term Loan: \$8,583,041

New Jersey Water Bank

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



Hoboken City Water Main Upgrades.
SFY2023 Water Bank Long-Term Loan: \$5,789,911

WATER BANK: FINANCIAL OFFERINGS IN SFY2023

New Jersey enjoys a national reputation as a leader in innovative and effective environmental protection and financing strategies. In SFY2023, the Water Bank provided low-interest loans through a combination of Federal Clean Water (CW) or Drinking Water (DW) State Revolving Funds (SRF), State appropriated funds, and I-Bank proceeds from the issuance of bonds or I-Bank cash-on-hand. The Water Bank featured enhanced principal forgiveness and grant opportunities afforded by funds from the federal Infrastructure Investment and Jobs Act of 2021 (Bipartisan Infrastructure Law or (BIL)) and the federal American Rescue Plan Act of 2021 (ARPA) available through the SRF. By continuing its legacy of offering below-market loan rates combined with increased principal forgiveness opportunities provided by the DEP, the Water Bank helps New Jersey communities address critical water infrastructure needs.

SHORT-TERM FINANCING OFFERINGS

The Water Bank offers interim financing opportunities during the planning, design and construction phases of a project through the short-term Construction Loan Program (CLP) and the SAIL Disaster Relief Loan Program. During SFY2023, the I-Bank issued 78 new short-term loans and upsized 84 existing short-term loans for a total (net of true-up amounts at long-term financing) of \$510 million.

Short-Term Construction Loans

The interest rate on short-term loans in SFY2023 was set monthly to reflect costs associated with the I-Bank's borrowed funds blended with 0% interest funds appropriated by the State for the Water Bank's short-term financing program. Throughout the fiscal year, rates ranged from 0.353% to 0.451%, significantly below public short-term borrowing rates. The I-Bank issues short-term construction loans for a period of

up to three full fiscal years. Short-term loans issued during the planning phase of a project for costs associated with planning and design (P&D) may extend the maturity term up to an additional two calendar 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. The I-Bank makes short-term loans to borrowers covering 100% of a typical project's construction period and converts actual project costs incurred during both the design and construction phases into long-term loans upon construction completion. Short-term loans for the development of long-term control plans for Combined Sewer Overflow (CSO) communities are eligible for up to an additional five years. Long-term financing terms are established consistent with the terms of the program year at the time of certification of each construction contract or the date of short-term loan closing, whichever occurs later. Borrowers benefit from the quick turnaround time from submission of reimbursement requests to cash disbursement (typically less than 14 days). Short-term loans minimize the costs of financing, post-loan closing administrative requirements, and compliance obligations for both borrowers and the Water Bank.

SAIL - Disaster Relief Program

The Statewide Assistance Infrastructure Loan (SAIL) Disaster Relief Program provides short-term funds to communities in advance of FEMA public assistance funds after a declared disaster. SAIL was developed after Superstorm Sandy to relieve communities of the financial stress they would otherwise have endured in the wake of the disaster. Through SFY2023, the SAIL Program has successfully financed 13 projects totaling \$240.1 million. The I-Bank and its partners work closely to ensure

timely disbursement of funds for project expenses, typically within 14 days.

LONG-TERM FINANCING OFFERINGS

In SFY2023, long-term funding packages continued to be offered at a blended interest rate equivalent to a percentage of the I-Bank's AAA rated Market Interest Rate.

Base Clean Water Program

The SFY2023 Base **Clean Water Program** offered combined financing from the DEP and the I-Bank at a 50% Blended Rate. Additionally, the program offered set aside funds for certain projects that qualified for principal forgiveness (PF) (money lent which does not get repaid), detailed below under Special Initiatives.

Base Drinking Water Program

The SFY2023 Base **Drinking Water Program** offered combined financing from the DEP and the I-Bank at a 50% Blended Rate for public water system borrowers. For investor-owned borrowers, the program offered financing with a 75% Blended Rate. Publicly owned systems serving communities which met the affordability criteria set by the DEP (DEP's Affordability Criteria), were eligible for financing with a 25% Blended Rate for the first \$10 million in project costs (the Affordability Rate). Additionally, the program offered set aside funds for certain projects that qualified for PF, detailed below under Special Initiatives.

Use of WIFIA Funds in Base Clean & Drinking Water Programs

In December 2022, the Water Bank closed on a second USEPA WIFIA loan for \$500 million. These funds, along with the remaining balance on the initial \$221 million WIFIA loan that closed in May 2022, will be utilized when conditions are favorable compared to the cost of funds available in the public bond market to fund a portion of the

WATER BANK: FINANCIAL OFFERINGS (CONTINUED)

I-Bank's long-term loans. By utilizing cheaper WIFIA loan funds, the I-Bank will decrease the DEP's share of funds allocated to provide long-term loans to projects while continuing to offer borrowers the same rate. This allows the DEP to use those funds to finance additional projects that would otherwise be outside of the Water Bank's fundable range.

The Bipartisan Infrastructure Law (BIL)

The SFY2023 Water Bank program leveraged the BIL funds adding \$57 million in PF funds to the Drinking Water Program and approximately \$36 million in PF funds to the Clean Water Program. These funds, in combination with State appropriations and ARPA funds, allowed the program to offer \$113 million in DW PF and \$361 million in CW PF which enables the program to meet the increased demand for Water Bank funds.

SPECIAL INITIATIVES

DRINKING WATER

Lead Service Line Replacement

Twenty-five million dollars was set aside in SFY2023 as PF funds for projects that address lead contamination in drinking water. Loans to eligible water systems were offered at up to 50% of total project costs in PF capped at five million dollars per applicant per year. Up to ten million dollars of allowable project costs above the project caps were eligible for financing at the 25% Blended Rate for borrowers who met the DEP's Affordability Criteria.

Very Small Water System Program

Three million dollars was set aside as 100% PF loans up to \$750,000 each and for Water systems serving a population of 1,000 or fewer.

Drinking Water Affordability

Five million dollars in PF funds received through the BIL were distributed to high-ranking projects that met

the DEP's Affordability Criteria. The publicly- and investor-owned water systems serving these communities were eligible to receive a funding package with 100% PF for the first one million dollars of total project costs. Up to ten million dollars of allowable project costs above the project caps was eligible for financing at the 25% Blended Rate.

NANO Loan Program

The Water Bank maintained its NANO Loan Program (NLP) offering loans that include 50% PF to small drinking water systems (SDWS) serving populations of up to 10,000. Eight million dollars was set aside as PF in SFY2023 to eligible systems. The NLP offered borrowers a loan package that consists of 50% PF on the first \$1 million in project costs, with the remaining project costs receiving either a 50% Blended Rate for publicly owned SDWS or a 75% Blended Rate for privately owned SDWS. The NLP encourages SDWS participation in the Water Bank to complete critical repairs and invest in necessary upgrades by greatly reducing the costs of each project as SDWS's often lack the resources of larger systems. For projects meeting the DEP's Affordability Criteria, project costs in excess of the PF financing package (the first one million up to ten million dollars of additional project costs were eligible for financing at the 25% Blended Rate. In addition, the NLP waived some Water Bank administrative costs associated with the first one million dollars financed through the program.

Emerging Contaminants

Seventeen million dollars was allotted through the BIL as PF funds for drinking water projects that primarily addressed emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS). Emerging contaminants refer to substances and

microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. Approximately four million dollars was set aside for communities that met the DEP's Affordability Criteria or public water systems serving a population of fewer than 25,000. Project sponsors were eligible to receive PF for up to 100% of the first one million dollars of allowable costs, with a one million dollar cap of PF per applicant.

Climate Change/Resiliency/Multiple Contaminant Projects

Approximately forty-five million dollars in ARPA funds was set aside as PF for Drinking Water projects that met the DEP's Affordability Criteria to address climate change concerns and resilience. Specifically, eligible projects were those that either 1) address climate change concerns to ensure long-term drinking water resilience or 2) provide treatment to comply with the maximum contaminant levels for multiple contaminant groups due to the potential risks to public health. Eligible project sponsors were offered PF loans for up to 80% of project costs and low-interest loan funding with a 50% Blended Rate for the balance of allowable project costs capped at twenty-five million dollars. Project costs between twenty-five million and thirty-five million dollars were financed at the Affordability Rate.

Additional Set Aside

An additional ten million dollars was set aside for either high ranking PFAS or lead service line replacement projects.

WATER BANK: FINANCIAL OFFERINGS (CONTINUED)

CLEAN WATER

Combined Sewer Overflow Abatement: Green/Gray Infrastructure

Thirty million dollars in PF was set aside for projects utilizing green or grey practices and five million dollars was reserved exclusively for green infrastructure projects. Green infrastructure may include any component of 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 ten million dollars in project costs were eligible for 50% PF, and the balance of costs was funded at a 50% Blended Rate. Project costs over ten million dollars were financed at a 50% Blended Rate. Project applicants were capped at five million dollars PF per year.

Combined Sewer Overflow Abatement

Thirty million dollars for PF loans was available exclusively for CSO abatement projects in communities that met the DEP's Affordability Criteria, of which five million dollars was reserved exclusively for green infrastructure. These projects were eligible for 100% PF for the first five million dollars of allowable project costs and a 50% Blended Rate for the next five million dollars. The DEP's loan origination fee was waived for the PF portion of the loan. Eligible borrowers were able to stack the affordability PF package on top of the CSO Abatement/Affordability package for allowable project costs between ten million and twenty million dollars. Allowable project costs over twenty million dollars qualified for financing at a 50% Blended Rate.

Clean Water Affordability

Thirty-six million dollars was available as PF funds to eligible Clean Water projects sponsored by applicants that

met the DEP's Affordability Criteria. Project sponsors were eligible to receive PF for up to 100% of the first two million dollars of allowable project costs, and loan funding with a 50% Blended Rate for the next two million dollars of allowable project costs. Allowable project costs between four million and ten million dollars received loan funding at the Affordability Rate and project costs over ten million dollars received loan funding at the Base CWSRF rate. The DEP loan origination fee was waived for the PF portion of affordability loans.

CSO Long-Term Control Plan Projects (American Rescue Plan Act (ARPA) Funds)

Two hundred forty-eight million dollars in ARPA funds was set aside as PF to help offset the substantial project costs that communities are facing to implement CSO Long-Term Control Plans ("LTCP"s). PF for up to 80% of allowable costs and low interest loan funding with a 50% Blended Rate for the balance of allowable project costs was available for projects identified on CSO LTCPs submitted to the DEP. Forty percent of these PF funds, or ninety-nine million dollars, was reserved for project sponsors that met the DEP's Affordability Criteria.

Water Quality Restoration

Six million dollars was available in PF funds for water quality restoration projects in SFY2023. These capital improvement projects included equipment purchases that eliminated, prevented, or reduced documented occurrences of water quality advisories, beach closings and shellfish bed downgrades due to the presence of harmful algal blooms (HABs). Project sponsors were eligible to receive PF for up to 50% of allowable costs and a 50% Blended Rate for the balance of the first five million dollars of allowable costs. Allowable project costs between

five million and ten million dollars received a 25% Blended Rate and project costs over ten million dollars received loan funding at the Base rate. There was a two million five hundred thousand dollar cap of PF per applicant for water quality restoration projects.

Energy and Water Efficiency

Up to ten million dollars was available to make PF loans to clean water projects addressing water and energy efficiency goals and meeting the eligibility requirements for water and energy efficiency as defined in the USEPA's Green Project Reserve Guidance. These project sponsors were eligible to receive PF for up to 50% of allowable costs and a 50% Blended Rate for the balance of the first four million dollars. Allowable project costs between four million and ten million dollars received funding with a 25% Blended Rate and project costs over ten million dollars received loan funding at the Base rate. There was a two million dollar cap of PF per applicant.

Sewer Overflow and Stormwater Reuse Grant (OSG) Program

The Sewer Overflow and Stormwater Reuse Grant program offered grant funds in conjunction with PF loans for projects that address infrastructure needs for combined sewer overflows or stormwater management. Project sponsors that received a Sewer Overflow and Stormwater Reuse Grant for up to 80% of eligible project costs were eligible to receive a PF loan for the remaining 20% of costs, with total PF available capped at one million dollars per applicant.

WATER BANK: ELIGIBLE ACTIVITIES IN SFY2023

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

DRINKING WATER

- Replacement, source development and rehabilitation that address federal safe drinking water health standards
- Treatment to comply with primary and secondary drinking water standards
- Consolidation of water supply systems when necessary to ensure Federal Safe Drinking Water Act ("SDWA") requirements (i.e. extension of water mains to homes with contaminated wells or consolidation of a water system that is unable to maintain SDWA compliance)
- Well Sealing
- Storage to prevent contaminants from entering the water system and transmission lines/distribution systems or to improve pressure to safe levels
- Lead Service Line replacement

CLEAN WATER

Wastewater

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

Stormwater Management

- Stormwater management/non-point source pollution including construc-

tion, 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 and feedlot management, streambank stabilization, lake dredging and restoration, and salt dome construction

Equipment Purchases

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

Landfill Construction and Closure (Publicly Owned)

- Sealing old landfills 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 activities

Site Remediation

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

Open Space Land Acquisition

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

Septic Systems

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

Green Infrastructure

- Incorporation of green infrastructure to reduce the volume of runoff and cost for treatment. Municipalities and utilities can incorporate green infrastructure through investments including tree plantings, green streets, community gardens, rain gardens, parking lot retrofits, and bioretention systems. Green infrastructure also includes practices that mimic natural hydrology and increase an area's ability to capture water and allow it to percolate into the ground

Security Monitoring

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

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

S-T SFY	1st S-T Loan (Oper Seg)	Additional S-T Loans (Oper Segs)	L-T Inc/Dec (Oper Seg)	SFY Total
2023	\$ 335,464,995	\$ 186,668,462	\$ (12,212,050)	\$ 509,921,407
2022	\$ 217,952,523	\$ 93,395,985	\$ (11,943,684)	\$ 299,404,824
2021	\$ 590,641,509	\$ 180,711,719	\$ (45,679,559)	\$ 725,673,669
2020	\$ 289,223,107	\$ 66,763,777	\$ (23,609,255)	\$ 332,377,629
2019	\$ 364,243,998	\$ 62,957,503	\$ 1,826,655	\$ 429,028,156
Total	\$ 1,797,526,132	\$ 590,497,446	\$ (91,617,893)	\$ 2,296,405,685

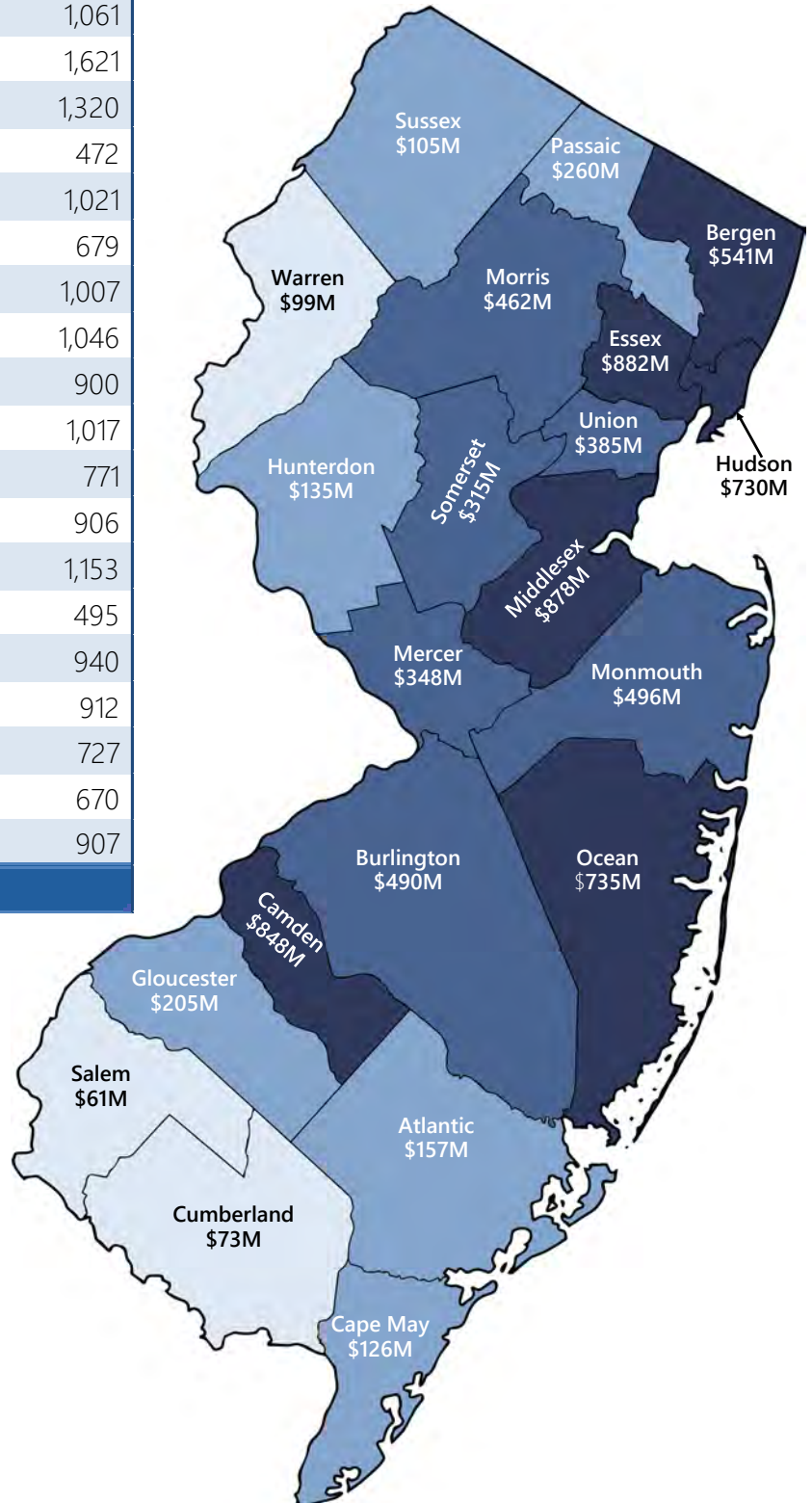
Key: S-T = Short-Term Loan L-T = Long-Term Loan Oper Seg(s) = Operable Segment amount for certified Contract(s)



Sussex County MUA Leachate Pump Station/Force Main. **SFY2023 Water Bank Long-Term Loan: \$8,590,147**

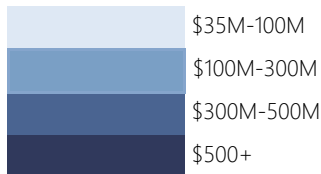
WATER BANK: LOAN HISTORY SFY1987-2023 BY COUNTY

County	Total Original Loans	Per Capita*
Atlantic	\$ 157,128,572	\$ 572
Bergen	\$ 540,927,792	\$ 566
Burlington	\$ 489,961,456	\$ 1,061
Camden	\$ 848,340,648	\$ 1,621
Cape May	\$ 125,713,445	\$ 1,320
Cumberland	\$ 72,754,679	\$ 472
Essex	\$ 882,054,440	\$ 1,021
Gloucester	\$ 205,151,846	\$ 679
Hudson	\$ 729,853,494	\$ 1,007
Hunterdon	\$ 134,911,703	\$ 1,046
Mercer	\$ 348,480,897	\$ 900
Middlesex	\$ 877,930,153	\$ 1,017
Monmouth	\$ 496,374,514	\$ 771
Morris	\$ 461,647,737	\$ 906
Ocean	\$ 734,915,604	\$ 1,153
Passaic	\$ 259,631,091	\$ 495
Salem	\$ 60,940,149	\$ 940
Somerset	\$ 315,078,551	\$ 912
Sussex	\$ 104,879,967	\$ 727
Union	\$ 385,345,800	\$ 670
Warren	\$ 99,404,683	\$ 907
Total	\$ 8,331,427,220	



*U.S. Census Bureau

LEGEND:



WATER BANK: OUTSTANDING SHORT-TERM LOANS SFY2023 YEAR-END

Issue Year	Borrower	Program	Last Loan Amount
2016	Elizabeth City (LTCP)	BASE	\$ 3,350,000
2016	Plumsted Twp. (Residual)	BASE	\$ 6,318,698
2017	Hoboken City (Residual)	BASE	\$ 33,135,932
2017	Ocean Twp. SA (Residual)	BASE	\$ 828,828
2017	Passaic Valley SC (LTCP)	BASE	\$ 9,500,000
2018	North Bergen MUA (Residual)	BASE	\$ 3,734,750
2019	Clinton Town	BASE	\$ 117,500
2019	East Greenwich Twp.	BASE	\$ 5,676,927
2019	High Bridge Borough	BASE	\$ 100,000
2019	Jersey City MUA	BASE	\$ 3,116,740
2019	Jersey City MUA	BASE	\$ 5,280,963
2019	Mt Arlington Borough	BASE	\$ 479,456
2019	Mt Arlington Borough	BASE	\$ 818,657
2019	National Park Borough	BASE	\$ 764,600
2019	Newark City	BASE	\$ 20,547,036
2019	NJ Water Supply Auth	BASE	\$ 75,000,000
2019	Northwest Bergen CUA	BASE	\$ 922,739
2019	Perth Amboy City	BASE	\$ 665,156
2019	Vernon Twp.	BASE	\$ 2,096,924
2020	Bergen County UA	BASE	\$ 1,527,724
2020	Bergen County UA	BASE	\$ 2,409,319
2020	Bloomfield Twp.	BASE	\$ 5,018,768
2020	Bloomfield Twp.	BASE	\$ 284,747
2020	Brick Twp. MUA	BASE	\$ 1,609,341
2020	Brick Twp. MUA	BASE	\$ 17,094,937
2020	Clinton Town	BASE	\$ 1,448,187
2020	East Orange City	BASE	\$ 395,000
2020	East Orange City	BASE	\$ 17,827,806
2020	Elizabeth City	BASE	\$ 3,950,000
2020	Gloucester Twp.	BASE	\$ 927,983
2020	Hamburg Borough	BASE	\$ 85,000
2020	Hillside Twp.	BASE	\$ 570,000
2020	Irvington Twp.	BASE	\$ 1,385,000
2020	Jersey City MUA	BASE	\$ 10,525,544
2020	Jersey City MUA	BASE	\$ 108,000,000
2020	Jersey City MUA	BASE	\$ 2,770,000
2020	Jersey City MUA	BASE	\$ 1,458,905
2020	Jersey City MUA	BASE	\$ 25,000,000
2020	Long Branch SA	BASE	\$ 1,647,137
2020	Long Branch SA	BASE	\$ 2,652,177

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2023 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Last Loan Amount
2020	Mt Laurel Twp. MUA	BASE	\$ 7,200,000
2020	Musconetcong SA	BASE	\$ 6,000,000
2020	Newark City	BASE	\$ 850,000
2020	Passaic Valley SC	BASE	\$ 6,059,402
2020	Scotch Plains Twp.	BASE	\$ 2,305,469
2020	Ship Bottom Borough	BASE	\$ 1,947,116
2020	South Orange Village Twp.	BASE	\$ 405,000
2020	Summit City	BASE	\$ 740,000
2020	Trenton City	BASE	\$ 15,000,000
2020	Union Twp.	BASE	\$ 1,510,000
2020	West Orange Twp.	BASE	\$ 970,000
2020	Wildwood City	BASE	\$ 1,404,421
2021	Allentown Borough	BASE	\$ 921,662
2021	Bayonne City	BASE	\$ 1,618,539
2021	Bergen County UA	BASE	\$ 6,927,530
2021	Bergen County UA	BASE	\$ 18,700,000
2021	Bloomfield Twp.	BASE	\$ 866,400
2021	Brick Twp. MUA	BASE	\$ 4,041,432
2021	Brick Twp. MUA	BASE	\$ 5,380,603
2021	Brick Twp. MUA	BASE	\$ 1,818,601
2021	Burlington City	BASE	\$ 1,990,596
2021	Camden City	BASE	\$ 5,177,115
2021	Camden County MUA	BASE	\$ 23,711,831
2021	Clinton Town	BASE	\$ 1,792,706
2021	Clinton Town	BASE	\$ 2,009,217
2021	East Orange City	BASE	\$ 1,925,000
2021	Elizabeth City	BASE	\$ 21,585,000
2021	Farmingdale Borough	BASE	\$ 522,893
2021	Gloucester County UA	BASE	\$ 13,848,103
2021	Gloucester Twp.	BASE	\$ 701,564
2021	Hackensack City	BASE	\$ 14,630,000
2021	Haddon Heights Borough	BASE	\$ 471,305
2021	Hightstown Borough	BASE	\$ 537,084
2021	Hillside Twp.	BASE	\$ 2,855,000
2021	Hopewell Twp.	BASE	\$ 1,111,858
2021	Irvington Twp.	BASE	\$ 7,385,000
2021	Jersey City MUA	BASE	\$ 5,587,978
2021	Jersey City MUA	BASE	\$ 9,361,874
2021	Kearny Town	BASE	\$ 12,123,577
2021	Logan Twp. MUA	BASE	\$ 9,948,000

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2023 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Last Loan Amount
2021	Lower Twp. MUA	BASE	\$ 28,783,951
2021	Lower Twp. MUA	BASE	\$ 10,778,546
2021	Maplewood Twp.	BASE	\$ 2,905,000
2021	Medford Lakes Borough	BASE	\$ 6,096,325
2021	Mendham Borough	BASE	\$ 2,468,717
2021	Mendham Borough	BASE	\$ 462,228
2021	Millburn Twp.	BASE	\$ 2,590,000
2021	Newark City	BASE	\$ 4,350,000
2021	Newark City	BASE	\$ 22,840,021
2021	NJ American Water Company	BASE	\$ 20,000,000
2021	North Hudson SA	BASE	\$ 23,981,208
2021	North Jersey District WSC	BASE	\$ 23,761,252
2021	Old Bridge MUA	BASE	\$ 2,235,586
2021	Orange City	BASE	\$ 633,753
2021	Passaic Valley SC	BASE	\$ 120,269,892
2021	Paterson City	BASE	\$ 2,458,630
2021	Pennsville SA	BASE	\$ 798,254
2021	Point Pleasant Beach Borough	BASE	\$ 3,100,000
2021	Rockaway Valley RSA	BASE	\$ 13,920,273
2021	Roselle Park Borough	BASE	\$ 1,360,000
2021	Ship Bottom Borough	BASE	\$ 3,865,000
2021	Somerville Borough	BASE	\$ 808,710
2021	South Orange Village Twp.	BASE	\$ 2,020,000
2021	Stony Brook RSA	BASE	\$ 19,261,427
2021	Summit City	BASE	\$ 3,790,000
2021	Sussex County MUA	BASE	\$ 31,351,363
2021	Toms River MUA	BASE	\$ 1,176,920
2021	Trenton City	BASE	\$ 25,000,000
2021	Union Twp.	BASE	\$ 8,030,000
2021	Wenonah Borough	BASE	\$ 1,098,125
2021	West Orange Twp.	BASE	\$ 5,130,000
2021	Wildwood City	BASE	\$ 1,395,000
2021	Willingboro MUA	BASE	\$ 3,535,000
2021	Winslow Twp.	BASE	\$ 2,500,000
2022	Passaic Valley SC	SAIL	\$ 1,384,563
2022	Bergen County UA	BASE	\$ 3,378,094
2022	Bergen County UA	BASE	\$ 4,222,980
2022	Bergen County UA	BASE	\$ 201,572
2022	Bloomfield Twp.	BASE	\$ 3,340,253
2022	Camden County MUA	BASE	\$ 9,997,247

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2023 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Last Loan Amount
2022	Cumberland County IA	BASE	\$ 5,635,189
2022	Delanco SA	BASE	\$ 139,178
2022	East Orange City	BASE	\$ 21,541
2022	Elizabeth City	BASE	\$ 257,838
2022	Franklin Twp. SA	BASE	\$ 3,939,840
2022	Hackettstown MUA	BASE	\$ 722,542
2022	High Bridge Borough	BASE	\$ 1,477,872
2022	Hillside Twp.	BASE	\$ 32,992
2022	Irvington Twp.	BASE	\$ 87,468
2022	Jersey City MUA	BASE	\$ 3,249,004
2022	Jersey City MUA	BASE	\$ 3,191,847
2022	Linden Roselle SA	BASE	\$ 8,379,423
2022	Litle Egg Harbor Twp.	BASE	\$ 1,879,325
2022	Long Beach Twp.	BASE	\$ 4,622,081
2022	Maplewood Twp.	BASE	\$ 33,626
2022	Middlesex Borough	BASE	\$ 1,080,989
2022	Middlesex County UA	BASE	\$ 25,292,326
2022	Millburn Twp.	BASE	\$ 29,715
2022	Montville Twp.	BASE	\$ 2,800,000
2022	National Park Borough	BASE	\$ 1,500,000
2022	Newark City	BASE	\$ 51,047
2022	NJ American Water Company	BASE	\$ 23,216,765
2022	Oakland Borough	BASE	\$ 7,681,070
2022	Passaic Valley SC	BASE	\$ 64,825,879
2022	Passaic Valley SC	BASE	\$ 7,119,116
2022	Passaic Valley WC	BASE	\$ 37,605,981
2022	Pennsville SA	BASE	\$ 2,664,831
2022	Roselle Park Borough	BASE	\$ 14,536
2022	Ship Bottom Borough	BASE	\$ 4,250,000
2022	South Orange Village Twp.	BASE	\$ 22,727
2022	Stafford Twp.	BASE	\$ 2,700,000
2022	Summit City	BASE	\$ 44,316
2022	Union Twp.	BASE	\$ 95,248
2022	Washington Twp. MUA	BASE	\$ 1,372,281
2022	West Orange Twp.	BASE	\$ 60,388
2022	Winslow Twp.	BASE	\$ 1,250,027
2023	Passaic Valley SC	SAIL	\$ 6,750,849
2023	Passaic Valley SC	SAIL	\$ 27,855,441
2023	Atlantic City MUA	BASE	\$ 1,955,044
2023	Camden City	BASE	\$ 6,550,000

WATER BANK: OUTSTANDING SHORT-TERM LOANS

SFY2023 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Last Loan Amount
2023	Camden City	BASE	\$ 2,175,071
2023	Camden County MUA	BASE	\$ 5,037,034
2023	Camden County MUA	BASE	\$ 15,650,000
2023	Camden County MUA	BASE	\$ 10,935,939
2023	East Orange City	BASE	\$ 98,948
2023	East Orange City	BASE	\$ 18,790
2023	East Orange City	BASE	\$ 10,500,000
2023	Elizabeth City	BASE	\$ 1,184,388
2023	Elizabeth City	BASE	\$ 224,913
2023	Essex Fells Borough	BASE	\$ 5,400,000
2023	Hackensack City	BASE	\$ 10,965,153
2023	Hamburg Borough	BASE	\$ 743,199
2023	Hawthorne Borough	BASE	\$ 5,000,000
2023	Highlands Borough	BASE	\$ 8,329,712
2023	Hightstown Borough	BASE	\$ 470,908
2023	Hillside Twp.	BASE	\$ 151,551
2023	Hillside Twp.	BASE	\$ 28,779
2023	Ho Ho Kus Borough	BASE	\$ 3,700,000
2023	Hoboken City	BASE	\$ 8,910,686
2023	Irvington Twp.	BASE	\$ 401,787
2023	Irvington Twp.	BASE	\$ 76,300
2023	Jersey City MUA	BASE	\$ 11,205,521
2023	Lavallette Borough	BASE	\$ 189,329
2023	Livingston Twp.	BASE	\$ 6,400,000
2023	Livingston Twp.	BASE	\$ 641,325
2023	Livingston Twp.	BASE	\$ 1,377,640
2023	Mantua Twp. MUA	BASE	\$ 1,837,632
2023	Mantua Twp. MUA	BASE	\$ 946,199
2023	Maplewood Twp.	BASE	\$ 154,463
2023	Maplewood Twp.	BASE	\$ 29,333
2023	Merchantville - Pennsauken WC	BASE	\$ 8,677,030
2023	Metuchen Borough	BASE	\$ 8,227,354
2023	Middlesex County UA	BASE	\$ 5,935,651
2023	Millburn Twp.	BASE	\$ 136,501
2023	Millburn Twp.	BASE	\$ 25,922
2023	Montgomery Twp.	BASE	\$ 17,000,000
2023	Mt Laurel Twp. MUA	BASE	\$ 3,162,340
2023	Newark City	BASE	\$ 234,485
2023	Newark City	BASE	\$ 44,529
2023	Newark City	BASE	\$ 3,772,074

WATER BANK: OUTSTANDING SHORT-TERM LOANS
SFY2023 YEAR-END (CONTINUED)

Issue Year	Borrower	Program	Last Loan Amount
2023	Newton Town	BASE	\$ 981,835
2023	North Bergen Twp.	BASE	\$ 272,700
2023	North Haledon Borough	BASE	\$ 1,868,904
2023	North Hudson SA	BASE	\$ 17,190,137
2023	Ocean CUA	BASE	\$ 46,745,553
2023	Parsippany Troy Hills Twp.	BASE	\$ 8,905,938
2023	Passaic Valley SC	BASE	\$ 4,100,254
2023	Princeton	BASE	\$ 1,565,042
2023	Rahway Valley SA	BASE	\$ 5,267,857
2023	Red Bank Borough	BASE	\$ 3,241,647
2023	Ridgewood Village	BASE	\$ 10,762,338
2023	Robbinsville Twp.	BASE	\$ 1,460,608
2023	Rockaway Valley RSA	BASE	\$ 254,217
2023	Roselle Park Borough	BASE	\$ 66,773
2023	Roselle Park Borough	BASE	\$ 12,681
2023	Shore Water Company	BASE	\$ 500,000
2023	South Monmouth RSA	BASE	\$ 1,107,910
2023	South Orange Village Twp.	BASE	\$ 2,334,344
2023	South Orange Village Twp.	BASE	\$ 104,397
2023	South Orange Village Twp.	BASE	\$ 19,826
2023	Stafford Twp.	BASE	\$ 3,575,000
2023	Stone Harbor Borough	BASE	\$ 5,943,971
2023	Summit City	BASE	\$ 203,566
2023	Summit City	BASE	\$ 38,657
2023	Toms River MUA	BASE	\$ 5,789,943
2023	Trenton City	BASE	\$ 12,547,498
2023	Tuckerton Borough	BASE	\$ 249,568
2023	Union Twp.	BASE	\$ 437,525
2023	Union Twp.	BASE	\$ 83,086
2023	Wanaque Valley RSA	BASE	\$ 1,166,535
2023	West Deptford Twp.	BASE	\$ 4,130,156
2023	West Orange Twp.	BASE	\$ 277,398
2023	West Orange Twp.	BASE	\$ 52,678
2023	Willingboro MUA	BASE	\$ 6,561,021
Total Short-Term Water Loans			\$ 1,594,542,638

WATER BANK: LONG-TERM LOANS CLOSED IN SFY2023 (SERIES 2022A-2 and DIRECT LOANS)

Borrower	Total Original Loan	Program Saving *
Allentown Borough	\$ 4,277,198	\$ 1,615,098
Atlantic County UA	\$ 9,537,152	\$ 5,104,419
Berkeley Twp. SA	\$ 2,871,740	\$ 1,086,802
Camden County MUA	\$ 4,555,534	\$ 4,165,747
Delran Twp.	\$ 1,212,779	\$ 268,567
Hackensack City	\$ 5,556,024	\$ 4,766,354
Hoboken City	\$ 333,010	\$ 239,747
Long Beach Twp.	\$ 3,406,727	\$ 1,294,020
Mantua Twp. MUA	\$ 1,932,967	\$ 430,046
North Hudson SA	\$ 4,225,018	\$ 4,780,052
North Hudson SA	\$ 1,915,041	\$ 570,974
Red Bank Borough	\$ 1,515,099	\$ 339,968
Rockaway Valley RSA	\$ 735,967	\$ 354,252
Rutgers, The State Uni of NJ	\$ 28,450,014	\$ 8,495,524
Seaside Park Borough	\$ 2,078,928	\$ 785,967
Spotswood Borough	\$ 1,154,106	\$ 171,539
Stafford Twp.	\$ 2,781,477	\$ 1,051,468
Sussex County MUA	\$ 8,157,548	\$ 3,083,636
Tuckerton Borough	\$ 1,783,565	\$ 672,836
Two Rivers Water Reclamation Auth	\$ 1,817,361	\$ 26,998
University Hospital	\$ 6,935,405	\$ 550,486
Willingboro MUA	\$ 13,711,200	\$ 2,514,254
Glen Ridge Borough	\$ 2,172,357	\$ 1,501,793
Hoboken City	\$ 5,789,911	\$ 2,200,878
Newark City	\$ 2,438,341	\$ 1,170,793
Newark City	\$ 84,942,244	\$ 85,248,155
Perth Amboy City	\$ 1,182,904	\$ 262,857
Ship Bottom Borough	\$ 8,807,514	\$ 3,336,234
Tuckerton Borough	\$ 961,867	\$ 1,022,011
Woodbine Borough	\$ 1,103,378	\$ 1,186,666
Spotswood Borough	\$ 541,519	\$ 566,374
Roosevelt Borough	\$ 454,350	\$ 349,738
Total	\$ 217,338,245	\$ 139,214,254

* Principal Forgiveness and Estimated Interest Savings

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023 BY BORROWER

Borrower	Total Original Loan	Program Savings
2117 Mt. Ephraim, Inc., Nancy-Lee	\$ 397,969	\$ 132,719
Aberdeen Twp.	\$ 10,627,051	\$ 2,571,095
Allamuchy Twp.	\$ 7,494,437	\$ 2,273,022
Allentown Borough	\$ 4,694,421	\$ 1,659,416
Aqua New Jersey, Inc.	\$ 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	\$ 67,786,945	\$ 28,789,376
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	\$ 26,877,642
Bayview Water Co.	\$ 1,600,000	\$ 485,388
Beach Haven Borough	\$ 8,987,445	\$ 5,014,124
Beachwood Borough (BB)	\$ 4,614,128	\$ 1,891,842
Bellmawr Borough	\$ 14,007,749	\$ 4,859,691
Belmar Borough	\$ 982,903	\$ 273,832
Bergen County	\$ 7,383,149	\$ 1,605,543
Bergen County IA - Encap	\$ 211,321,814	\$ -
Bergen County UA	\$ 133,837,295	\$ 59,443,680
Bergen County UA (Edgewater)	\$ 1,683,537	\$ 575,747
Bergenfield Borough	\$ 1,130,000	\$ 366,825
Berkeley Heights Twp.	\$ 15,036,610	\$ 5,978,627
Berkeley Twp.	\$ 3,140,003	\$ 986,350
Berkeley Twp. MUA	\$ 9,624,023	\$ 4,149,139
Berkeley Twp. SA	\$ 27,133,992	\$ 10,047,581
Berlin Borough	\$ 4,823,632	\$ 1,402,673
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

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Boonton Town	\$ 3,492,315	\$ 891,657
Bordentown City	\$ 4,037,899	\$ 1,051,981
Bordentown SA	\$ 5,155,639	\$ 2,582,808
Bound Brook Borough	\$ 148,161	\$ 18,294
Bradley Beach Borough	\$ 2,299,383	\$ 478,462
Brick Twp.	\$ 2,573,862	\$ 744,384
Brick Twp. MUA	\$ 40,932,437	\$ 13,235,179
Bridgeton City	\$ 10,158,187	\$ 5,691,868
Bridgewater Twp.	\$ 1,770,319	\$ 515,861
Brielle Borough	\$ 10,007,175	\$ 2,577,046
Brigantine City	\$ 12,718,667	\$ 3,646,101
Brookwood Musconetcong River POA	\$ 1,039,200	\$ 291,174
Buena Borough MUA	\$ 2,961,060	\$ 935,893
Burlington City	\$ 22,067,914	\$ 9,206,064
Burlington County	\$ 4,646,774	\$ 1,145,668
Burlington County - BCF	\$ 89,521,293	\$ 27,710,715
Burlington Twp.	\$ 15,391,605	\$ 4,328,205
Byram Homeowners Assoc	\$ 569,085	\$ 109,784
Byram Twp.	\$ 1,802,284	\$ 626,706
Caldwell Borough	\$ 37,883,224	\$ 15,488,803
Califon Borough	\$ 1,343,949	\$ 234,254
Camden City	\$ 117,694,742	\$ 46,550,901
Camden County MUA	\$ 590,585,652	\$ 267,931,476
Cape May City	\$ 3,765,097	\$ 1,265,433
Cape May County MUA	\$ 51,280,891	\$ 20,795,668
Cape May Point Borough	\$ 161,766	\$ 18,145
Carneys Point Twp.	\$ 502,733	\$ 149,279
Carneys Point Twp. SA	\$ 6,510,000	\$ 3,798,909
Carteret Borough	\$ 22,442,062	\$ 10,593,497
Carteret Redevelopment Agency	\$ 38,472,833	\$ 11,370,104
Cedar Glen Homes, Inc.	\$ 846,401	\$ 225,054
Cedar Glen West, Inc.	\$ 432,666	\$ 82,089
Cedar Grove Twp.	\$ 9,123,321	\$ 4,168,090
Chatham Borough	\$ 13,821,038	\$ 5,976,719
Chatham Twp.	\$ 7,257,264	\$ 1,761,232
Cherry Hill Twp.	\$ 6,142,348	\$ 2,444,110

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
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	\$ 19,761,048	\$ 5,511,165
Clinton Twp.	\$ 264,000	\$ 87,835
Clinton Twp. SA	\$ 2,085,074	\$ 679,844
Collingswood Borough	\$ 4,263,827	\$ 1,319,243
Consumers NJ Water Co	\$ 3,473,961	\$ 1,207,113
Continental Communities LLC	\$ 1,956,690	\$ 583,827
Continental Communities LLC (Colonial Estates)	\$ 999,999	\$ 219,549
Cranford Twp.	\$ 10,975,680	\$ 3,256,399
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	\$ 4,493,991
Delran Twp.	\$ 3,162,329	\$ 703,262
Denville Twp.	\$ 18,205,604	\$ 7,985,291
Deptford Twp. MUA	\$ 5,726,491	\$ 1,683,975
Dover Town	\$ 822,669	\$ 226,577
Dumont Borough	\$ 7,062,000	\$ 2,081,660
Dunellen Borough	\$ 1,845,475	\$ 528,290
East Brookwood Estates POA	\$ 1,357,000	\$ 375,231
East Newark Borough	\$ 579,562	\$ 213,166
East Orange City	\$ 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

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Edison Twp.	\$ 3,299,256	\$ 935,748
Egg Harbor Twp. MUA	\$ 2,028,012	\$ 347,426
Elizabeth City	\$ 86,268,191	\$ 43,390,570
Elmer Borough	\$ 580,000	\$ 446,838
Elmwood Park Borough	\$ 8,874,766	\$ 2,558,218
Essex County UA	\$ 2,135,414	\$ 666,943
Evesham MUA	\$ 22,395,820	\$ 6,539,070
Evesham Twp.	\$ 2,643,250	\$ 1,164,675
Ewing Lawrence SA	\$ 46,611,576	\$ 14,520,193
Ewing Twp.	\$ 4,236,765	\$ 1,507,606
Fanwood Borough	\$ 1,362,256	\$ 305,540
Flemington Borough	\$ 4,774,751	\$ 1,488,905
Florence Twp.	\$ 20,837,659	\$ 5,599,006
Florham Park SA	\$ 3,554,134	\$ 947,445
Fort Lee Borough	\$ 6,952,250	\$ 1,972,327
Franklin Borough	\$ 550,000	\$ 181,574
Franklin Twp.	\$ 3,495,733	\$ 1,042,802
Franklin Twp. SA	\$ 46,138,892	\$ 15,563,023
Free Acres Assoc, Inc.	\$ 1,097,428	\$ 318,599
Frenchtown Borough	\$ 8,724,110	\$ 3,636,670
Galloway Twp.	\$ 2,384,284	\$ 685,281
Garfield City	\$ 6,122,693	\$ 1,652,201
Gibbsboro Borough	\$ 2,097,711	\$ 744,500
Glen Ridge Borough	\$ 11,313,317	\$ 4,184,941
Gloucester City	\$ 20,177,099	\$ 6,756,309
Gloucester County IA	\$ 26,733,446	\$ 3,951,685
Gloucester County UA	\$ 89,491,284	\$ 35,811,475
Gloucester Twp.	\$ 17,053,677	\$ 4,647,789
Gloucester Twp. MUA	\$ 2,190,500	\$ 621,667
Great Gorge Terrace Condo Assoc, Inc.	\$ 846,930	\$ 796,468
Hackensack City	\$ 15,641,269	\$ 9,235,809
Hackettstown MUA	\$ 12,154,566	\$ 4,796,442
Haddon Twp.	\$ 6,387,500	\$ 2,226,244
Hainesport Twp.	\$ 13,711,900	\$ 3,896,590
Haledon Borough	\$ 1,538,000	\$ 594,614
Hamburg Borough	\$ 1,868,690	\$ 987,165

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
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
Hampton Borough	\$ 1,115,109	\$ 1,110,551
Hanover SA	\$ 31,928,758	\$ 11,819,793
Harrington Park Borough	\$ 348,576	\$ 19,652
Harrison Town	\$ 5,622,704	\$ 1,829,290
Harrison Twp.	\$ 6,810,754	\$ 1,868,563
Harvey Cedars Borough	\$ 1,676,634	\$ 494,973
Hawthorne Borough	\$ 9,272,567	\$ 3,028,135
High Bridge Borough	\$ 926,941	\$ 367,233
Highlands Borough	\$ 2,098,450	\$ 491,566
Hightstown Borough	\$ 10,666,450	\$ 4,567,751
Hillsborough Twp.	\$ 7,082,919	\$ 2,147,767
Hillside Twp. (JM)	\$ 1,989,311	\$ 963,907
Hoboken City	\$ 66,408,359	\$ 27,172,727
Holmdel Twp.	\$ 5,902,119	\$ 2,018,779
Hopatcong Borough	\$ 28,639,882	\$ 7,261,052
Howell Twp.	\$ 12,338,514	\$ 7,683,717
Hudson County IA (Bayonne Crossing)	\$ 18,726,295	\$ 8,617,120
Hudson County IA (Harrison Advance)	\$ 16,816,913	\$ 5,298,390
Independence MUA	\$ 262,000	\$ 209,394
Irvington Twp. (JM)	\$ 5,576,177	\$ 2,774,027
Island Heights Borough	\$ 5,129,500	\$ 1,855,216
Jackson Twp.	\$ 1,166,859	\$ 983,650
Jackson Twp. MUA	\$ 45,819,156	\$ 11,112,253
Jefferson Twp.	\$ 1,387,350	\$ 414,472
Jefferson Twp. Mountain Shores POA	\$ 647,816	\$ 763,165
Jersey City MUA	\$ 193,017,773	\$ 66,536,394
Keansburg Borough	\$ 5,790,422	\$ 3,147,805
Kearny MUA	\$ 12,802,824	\$ 4,485,446
Kearny Town	\$ 26,609,403	\$ 8,401,457
Lake Tamarack Water Co	\$ 151,020	\$ 45,919
Lakewood Twp. MUA	\$ 33,059,735	\$ 9,400,351
Lambertville MUA	\$ 9,160,606	\$ 6,141,453
Lambertville SA	\$ 3,182,679	\$ 903,367

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Lavallette Borough	\$ 2,765,423	\$ 1,339,760
Lawrence Twp.	\$ 1,175,095	\$ 336,574
Lebanon Twp.	\$ 1,106,401	\$ 426,894
Leonia Borough	\$ 770,607	\$ 242,254
Linden City	\$ 17,530,919	\$ 4,275,175
Linden Roselle SA	\$ 25,154,343	\$ 8,159,367
Linwood City	\$ 1,990,931	\$ 372,742
Little Egg Harbor MUA	\$ 11,971,443	\$ 3,535,159
Little Egg Harbor Twp. (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.	\$ 52,000,494	\$ 19,467,425
Long Branch SA	\$ 42,793,640	\$ 20,172,264
Long Hill Twp.	\$ 16,726,597	\$ 6,310,889
Longport Borough	\$ 3,883,629	\$ 1,340,206
Lopatcong Twp.	\$ 200,000	\$ 14,171
Lower Twp. MUA	\$ 8,033,482	\$ 3,310,235
Lumberton Twp.	\$ 2,072,303	\$ 600,715
Lyndhurst Twp.	\$ 13,267,776	\$ 3,782,429
Madison Borough	\$ 20,291,715	\$ 9,044,337
Magnolia Borough	\$ 1,828,287	\$ 558,008
Manasquan Borough	\$ 16,558,128	\$ 5,125,942
Manchester Twp.	\$ 6,868,816	\$ 1,795,651
Manchester UA	\$ 9,556,772	\$ 5,140,594
Mantua Twp. MUA	\$ 8,614,319	\$ 2,646,652
Manville Borough	\$ 6,731,831	\$ 2,891,297
Maple Shade Twp.	\$ 37,072,255	\$ 12,973,043
Maplewood Twp.	\$ 394,262	\$ 138,034
Margate City	\$ 937,449	\$ 273,180
Marlboro Twp.	\$ 19,595,719	\$ 6,197,271
Matawan Borough	\$ 8,930,224	\$ 2,308,519
Maywood Borough	\$ 845,977	\$ 391,179
Medford Twp.	\$ 24,214,127	\$ 9,746,992
Mendham Twp.	\$ 3,715,324	\$ 1,500,964
Mercer County	\$ 991,599	\$ 285,869

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
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	\$ 2,963,923	\$ 1,060,496
Middlesex County UA	\$ 402,022,992	\$ 109,208,947
Middlesex Water Co	\$ 131,124,689	\$ 52,631,611
Middletown Twp. SA	\$ 21,293,423	\$ 7,241,286
Midland Park Borough	\$ 518,020	\$ 181,137
Millburn Twp.	\$ 2,076,373	\$ 601,380
Milltown Borough	\$ 20,825,592	\$ 7,307,187
Millville City	\$ 32,759,189	\$ 11,651,520
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
Moorestown Twp.	\$ 31,533,622	\$ 6,787,170
Morris Twp.	\$ 40,763,641	\$ 17,375,407
Morristown Town	\$ 56,186,196	\$ 27,386,830
Mt Arlington Borough	\$ 9,938,480	\$ 2,982,587
Mt Holly MUA	\$ 26,287,025	\$ 7,933,862
Mt Laurel Twp. MUA	\$ 55,857,723	\$ 19,187,738
Mt Olive Twp.	\$ 29,640,514	\$ 8,962,747
Musconetcong SA	\$ 26,649,160	\$ 7,967,567
National Park Borough	\$ 1,622,330	\$ 888,830
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

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Newark City	\$ 372,523,375	\$ 237,314,023
Newfield Borough	\$ 1,102,010	\$ 739,673
Newton Town	\$ 12,722,306	\$ 6,075,201
NJ American Water	\$ 230,090,196	\$ 77,775,019
NJ American Water-Mt Holly Water Co	\$ 13,189,909	\$ 4,376,194
NJ American Water-Pennsgrove Water Supply Co	\$ 2,219,940	\$ 766,970
NJ American Water-Shorelands Water Co	\$ 5,630,000	\$ 1,999,673
NJ American Water-South Jersey Water Supply Co	\$ 371,098	\$ 127,581
NJ City University	\$ 16,535,929	\$ 3,990,879
NJ Sports & Expo Auth	\$ 744,201	\$ 161,691
NJ Water Supply Auth	\$ 56,572,893	\$ 13,213,026
North Arlington Borough	\$ 507,322	\$ 181,979
North Bergen MUA	\$ 80,472,196	\$ 37,534,581
North Brunswick Twp.	\$ 25,001,136	\$ 6,700,728
North Hudson SA	\$ 210,740,784	\$ 94,083,383
North Jersey District Water SC	\$ 39,662,072	\$ 11,816,541
North Plainfield Borough	\$ 2,154,442	\$ 726,505
North Wildwood City	\$ 22,158,427	\$ 11,432,725
Northwest Bergen County UA	\$ 55,264,137	\$ 16,467,500
Norwood Borough	\$ 1,036,850	\$ 425,139
Nutley Twp.	\$ 5,542,148	\$ 1,647,369
Oaklyn Borough	\$ 1,298,868	\$ 406,507
Ocean County	\$ 9,177,848	\$ 7,367,482
Ocean County (BB)	\$ 653,154	\$ 413,227
Ocean County UA	\$ 281,638,195	\$ 86,773,939
Ocean Gate Borough	\$ 1,837,217	\$ 1,195,295
Ocean Twp.	\$ 17,697,545	\$ 6,959,570
Ocean Twp. SA	\$ 33,061,440	\$ 9,617,147
Oceanport Borough	\$ 23,149,779	\$ 7,668,982
Old Bridge MUA	\$ 68,766,064	\$ 19,995,996
Old Bridge Twp.	\$ 9,148,278	\$ 3,056,727
Old Tappan Borough	\$ 12,773,936	\$ 4,337,233
Oradell Borough	\$ 4,146,949	\$ 1,033,526
Orange Twp. City	\$ 11,595,473	\$ 3,600,511
Palmyra Borough	\$ 3,526,750	\$ 791,108
Paramus Borough	\$ 1,661,330	\$ 623,550

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Parsippany-Troy Hills Twp.	\$ 25,862,149	\$ 12,700,828
Passaic Valley SC	\$ 265,408,137	\$ 97,294,324
Passaic Valley WC	\$ 115,781,544	\$ 43,576,563
Paterson City	\$ 25,375,227	\$ 11,191,565
Paulsboro Borough	\$ 2,650,164	\$ 508,394
Pemberton Twp.	\$ 1,872,559	\$ 971,967
Pennington Borough	\$ 1,446,190	\$ 1,376,656
Pennsauken SA	\$ 929,000	\$ 269,204
Pennsville Twp.	\$ 6,456,745	\$ 1,892,966
Pequannock River Basin RSA	\$ 14,528,718	\$ 6,812,097
Pequannock, Lincoln Park & Fairfield SA	\$ 51,338,604	\$ 23,218,666
Perth Amboy City	\$ 22,019,215	\$ 7,777,801
Phillipsburg Town	\$ 39,027,801	\$ 18,562,624
Pine Hill Borough	\$ 606,289	\$ 175,125
Pine Hill Borough MUA	\$ 5,169,653	\$ 1,439,529
Plainfield Area RSA	\$ 8,009,080	\$ 2,797,146
Pleasantville City	\$ 1,121,841	\$ 465,773
Plumsted Twp.	\$ 22,082,853	\$ 2,799,923
Point Pleasant Beach Borough	\$ 4,833,915	\$ 1,900,159
Point Pleasant Borough	\$ 1,638,485	\$ 1,187,949
Pompton Lakes Borough MUA	\$ 16,605,641	\$ 8,087,172
Princeton (Borough & Township)	\$ 31,212,157	\$ 12,582,229
Rahway City	\$ 17,581,401	\$ 5,209,852
Rahway Valley SA	\$ 197,880,694	\$ 56,722,758
Ramsey Borough	\$ 1,999,175	\$ 548,502
Randolph Twp.	\$ 13,533,063	\$ 5,910,293
Raritan Twp. MUA	\$ 20,861,756	\$ 8,097,403
Readington Twp.	\$ 2,415,097	\$ 745,149
Red Bank Borough	\$ 5,959,686	\$ 3,113,344
Ridgefield Borough	\$ 990,000	\$ 338,200
Ridgefield Park Village	\$ 2,133,780	\$ 760,046
Ridgewood Village	\$ 18,932,172	\$ 5,769,461
River Edge Borough	\$ 566,627	\$ 204,887
Riverside SA	\$ 6,692,743	\$ 2,046,614
Riverside Water Reclamation Auth	\$ 1,589,040	\$ 440,387
Robbinsville Twp. (Washington Twp.)	\$ 1,360,000	\$ 393,950

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Rockaway Valley RSA	\$ 32,245,703	\$ 12,603,756
Roosevelt Borough	\$ 1,793,938	\$ 660,140
Roselle Borough	\$ 1,943,011	\$ 798,706
Rosemont Water Co	\$ 120,782	\$ 31,238
Roxbury Twp.	\$ 39,917,151	\$ 19,082,071
Runnemede Borough	\$ 2,047,000	\$ 712,532
Runnemede Borough SA	\$ 1,572,106	\$ 506,856
Rutgers, The State Uni of NJ	\$ 28,450,014	\$ 8,495,524
Saddle Brook Twp.	\$ 3,320,674	\$ 926,658
Saddle River Borough	\$ 2,094,855	\$ 579,146
Salem City	\$ 12,963,001	\$ 9,625,255
Salem County IA	\$ 13,784,605	\$ 2,566,378
Sayreville Borough	\$ 34,555,000	\$ 11,325,545
Sea Girt Borough	\$ 5,941,102	\$ 1,950,481
Seaside Park Borough	\$ 14,505,337	\$ 5,141,178
Secaucus MUA	\$ 3,049,345	\$ 2,251,038
Secaucus Town	\$ 3,325,000	\$ 1,242,021
Ship Bottom Borough	\$ 17,893,998	\$ 6,148,982
Somerdale Borough	\$ 830,528	\$ 252,920
Somers Point City	\$ 2,875,000	\$ 732,084
Somerset Raritan Valley SA	\$ 106,428,283	\$ 32,641,514
Somerville Borough	\$ 3,384,514	\$ 505,976
South Hackensack Twp.	\$ 1,441,280	\$ 486,103
South Monmouth RSA	\$ 8,743,971	\$ 2,731,100
South Orange Twp.	\$ 596,683	\$ 107,943
South Orange Twp. (JM)	\$ 879,905	\$ 532,888
South River Borough	\$ 6,112,500	\$ 2,076,830
Southeast Monmouth MUA	\$ 16,121,774	\$ 5,325,356
Spotswood Borough	\$ 1,695,625	\$ 737,912
Stafford MUA	\$ 4,368,651	\$ 1,482,364
Stafford Twp.	\$ 43,225,317	\$ 13,785,826
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

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

Borrower	Total Original Loan	Program Savings
Sussex Borough	\$ 1,707,400	\$ 660,586
Sussex County MUA	\$ 28,183,604	\$ 6,736,369
Swedesboro Boro	\$ 95,589	\$ 13,070
Tewksbury Twp.	\$ 413,961	\$ 134,579
Toms River MUA	\$ 18,891,094	\$ 7,437,568
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	\$ 10,745,933	\$ 5,146,607
Two Rivers Water Reclamation Auth	\$ 1,817,361	\$ 26,998
Two Rivers Water Reclamation Auth (NE Monmouth)	\$ 49,357,977	\$ 16,034,007
Union Beach Borough	\$ 600,000	\$ 203,177
Union Twp.	\$ 184,330	\$ 21,813
Union Twp. (JM)	\$ 3,159,054	\$ 1,304,138
University Hospital	\$ 6,935,405	\$ 550,486
Valley View Healthcare & Rehab Center	\$ 24,252	\$ 5,124
Ventnor City	\$ 6,819,407	\$ 2,608,306
Verona Twp.	\$ 22,863,811	\$ 10,727,360
Village of Lake Glenwood, Inc	\$ 811,765	\$ 987,158
Vineland City	\$ 10,178,998	\$ 5,443,548
Voorhees Twp.	\$ 6,349,596	\$ 2,372,128
Waldwick Borough	\$ 2,951,564	\$ 845,103
Wall Twp.	\$ 10,545,475	\$ 2,748,080
Wanaque Valley RSA	\$ 8,950,838	\$ 4,004,859
Warren County (Pequest River) MUA	\$ 11,707,882	\$ 2,509,374
Warren County MUA	\$ 6,354,515	\$ 1,807,107
Warren Twp. SA	\$ 12,692,421	\$ 4,193,270
Washington Borough	\$ 17,233,521	\$ 5,490,872
Washington Twp. MUA	\$ 21,630,787	\$ 6,562,603
Watchung Borough	\$ 3,458,390	\$ 1,011,107
Waterford Twp. MUA	\$ 5,454,244	\$ 1,502,817
Wayne Twp.	\$ 14,759,658	\$ 6,146,290
Weehawken Twp.	\$ 8,734,336	\$ 2,102,017
West Deptford Twp.	\$ 18,199,718	\$ 5,128,249
West Milford MUA	\$ 11,327,665	\$ 6,076,600
West Orange Twp.	\$ 2,447,091	\$ 848,289

WATER BANK: LONG-TERM LOAN HISTORY: SFY1987-2023
BY BORROWER (CONTINUED)

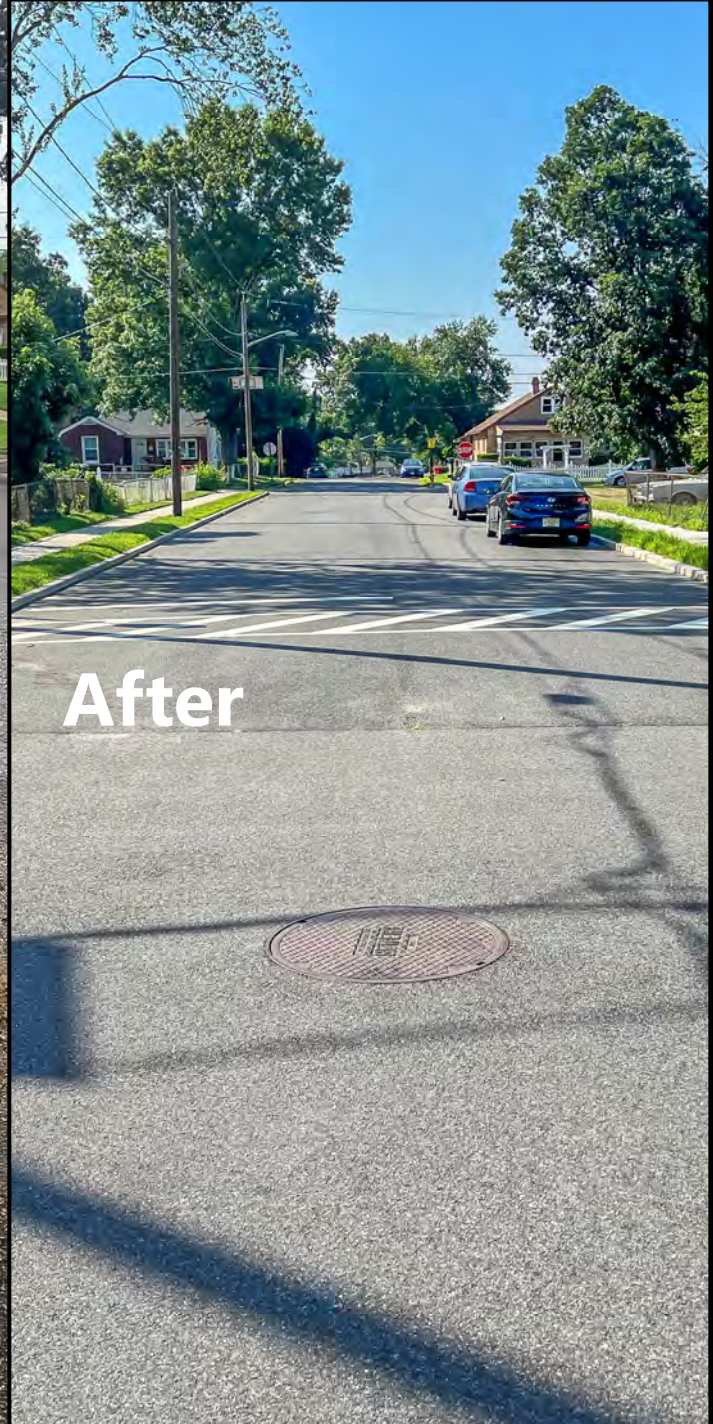
Borrower	Total Original Loan	Program Savings
West Orange Twp. (JM)	\$ 3,987,399	\$ 1,975,821
West Windsor Twp.	\$ 3,269,984	\$ 945,484
Western Monmouth UA	\$ 32,730,942	\$ 6,805,606
Westville Borough	\$ 2,353,160	\$ 640,189
Westwood Borough	\$ 6,030,781	\$ 1,495,200
Wharton Borough	\$ 465,596	\$ 133,836
Wildwood City	\$ 3,741,500	\$ 987,447
Wildwood Crest Borough	\$ 16,930,111	\$ 6,806,471
Willingboro MUA	\$ 40,632,731	\$ 16,029,945
Willingboro Twp.	\$ 1,187,400	\$ 496,236
Winslow Twp.	\$ 13,550,864	\$ 4,546,946
Wonder Lakes Properties, Inc.	\$ 141,202	\$ 16,997
Woodbine Borough	\$ 1,103,378	\$ 1,186,666
Woodbridge Twp.	\$ 884,595	\$ 206,682
Woodbury City	\$ 9,154,723	\$ 2,880,653
Woodbury Heights Borough	\$ 941,910	\$ 323,273
Woodland Park Borough (West Paterson Borough)	\$ 5,183,430	\$ 1,934,199
Woodstown SA	\$ 6,379,625	\$ 2,145,721
Total Long-Term Water Loans	\$ 8,331,427,220	\$ 3,061,415,150



Delran Township Clay Street Pump Station. **SFY2023 Water Bank Long-Term Loan: \$10,288,313**

New Jersey Transportation Bank

Improving New Jersey's Transportation Infrastructure
One Project at a Time



Somerdale Borough Evergreen Avenue Reconstruction.
SFY2023 Transportation Bank Long-Term Loan: \$2,053,550

TRANSPORTATION BANK: OVERVIEW

INTRODUCTION

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

SURFACE TRANSPORTATION PROGRAM

The Surface Transportation Program receives an annual appropriation of \$22.6 million from the State Transportation Trust Fund (TTF) that can be leveraged with borrowed funds into approximately \$40 million of project financing. These low-cost funds allow local governments to move forward with their transportation projects and may also be used to supplement State grant funds, such as the DOT's

Local Aid and Economic Development Program.

ELIGIBLE PROJECTS

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

ELIGIBLE BORROWERS

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

ELIGIBLE PROJECT COSTS

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

OVERVIEW OF THE PROGRAM

To be eligible for program financing, Borrowers must have their project identified on the Transportation Bank Project Priority List (PPL). Upon a borrower's application submission, projects are placed on the PPL by the I-Bank, pursuant to the ranking methodology set forth by the DOT Commissioner in the Program's annual January Report which is submitted to the Legislature each fiscal year. Applicants must also demonstrate an ability to satisfy loan repayment obligations by meeting the requirements of the I-Bank's creditworthiness standards, which include the prerequisite for an investment grade rated municipi-



Bayonne City Roadway Improvements. **SFY2023 Transportation Bank Long-Term Loan: \$1,576,986**

TRANSPORTATION BANK: OVERVIEW (CONTINUED)

pal or county general obligation pledge.

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

FINANCING PROCESS

To ensure the Surface Transportation Program's limited appropriations are utilized quickly and efficiently, projects are allocated funds when the construction contract is expected to be awarded within a time frame that meets the construction readiness standards (within 12 months of concurrence of award from the DOT for most surface transportation projects and within 24 months for bridges and complicated projects). The I-Bank allocates funds to projects for the Surface Transportation Program at the beginning of each calendar quarter based on a project's relative rank and readiness. In allocating funds to a project, the I-Bank reserves an amount of funds equal to the project's estimated costs. A borrower receiving an allocation may close a short-term loan upon I-Bank certification of a contract. The three types of contracts eligible for certification are planning & design, construction management & inspection, and construction.

SFY2023 GENERAL DETAIL

As of the end of SFY2023, the Transportation Bank had committed approximately \$118 million of funds to

projects, consisting of 10 long-term loans for 13 projects totaling \$34 million, 6 outstanding short-term loans with a value of \$34.5 million and \$49.3 million of funds set aside for 13 additional projects that are in the planning and design phase but which have not yet closed a short-term loan.

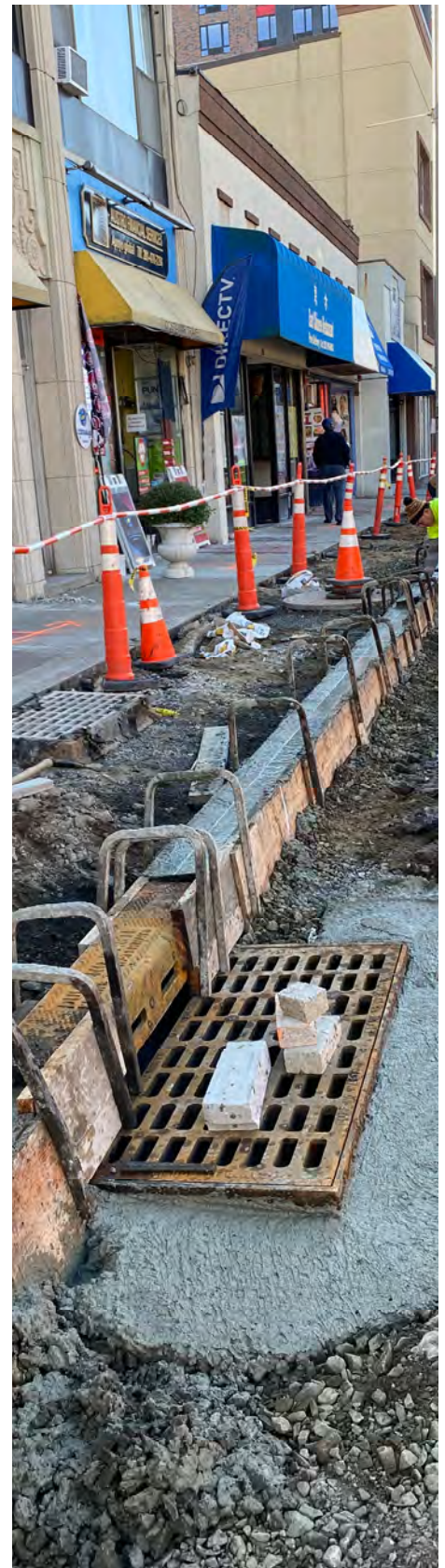
SFY2023 LOAN DETAIL

During SFY2023, two borrowers closed on short-term loans in the Surface Transportation Program for a total amount of \$7.8 million. Essex County closed on a \$5.2 million loan for priority repairs to county bridges in Harrison, East Newark, and Newark. Raritan Township borrowed \$2.6 million for road resurfacing.

During SFY2023, the Surface Transportation Program converted seven short-term loans to long-term financing totaling \$15.9 million through direct loans from the I-Bank. The repayment monies from the long-term loans financed with the State's TTF appropriations stay within the Surface Transportation Program and revolve to be available as loans for future transportation projects.

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

The all-in interest rates for the long-term direct loans closed in SFY2023 were set according to Board Resolution and ranged from 2.406% to 3.146%.



Hackensack Streetscape and Two Way Conversion of Main Street.

**SFY2023 Transportation Bank
Long-Term Loan: \$2,035,971**

TRANSPORTATION BANK: NJ-MOVES APPLICATION PROCESS

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

- Creation and tracking of transportation projects

- Upload and storage of required documents (contracts, plans, specs, estimates, project closeout files, etc.)
- Ability to conveniently add/manage users to facilitate the application process
- Collaboration with DOT's and NJIB's engineers and project managers
- Maintenance of all engineering design, construction management and building costs
- Financial Addendum Forms (FAF) for both short-term and long-term loans
- Storage of a project's base rating as determined by the DOT

The Transportation Bank continues to

improve the platform by making accommodations for more complex projects with multiple contracts and non-linear timelines. Upcoming upgrades will include user-friendly releases that will allow borrowers to:

- Track loan progress, technical reviews, DLGS approval and credit checks
- Track individual contract certification
- View and approve loan exhibits within the application
- Submit and upload electronic reimbursement requests with supporting invoices
- Update project information
- View a project's rating and ranking



Bayonne City Roadway Improvements. **SFY2023 Transportation Bank Long-Term Loan: \$1,576,986**

TRANSPORTATION BANK: SFY2023 TRANSPORTATION FINANCING PROGRAM - LEGISLATIVE REPORTS

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

tem and the Transportation Project Priority List (together, the "January Report") include project and applicant eligibility requirements, the system and methodology for prioritizing projects for funding, and the initial list of projects eligible for funding in the upcoming fiscal year (the PPL). The

Financial Plan (May Report) identifies the process by which Transportation Bank projects will be funded in the upcoming fiscal year, the report includes loan terms and conditions, interest rates, fees, and loan closing prerequisites.



Somerdale Borough Evergreen Avenue Reconstruction. **SFY2023 Transportation Bank Long-Term Loan: \$8,157,548**

TRANSPORTATION BANK: ALLOCATED FUNDS BY BORROWER

Applicant	County	Allocation Quarter	Allocation Amount
Hoboken City	Hudson	SFY23-Q3	\$ 6,388,267
Hoboken City	Hudson	SFY23-Q4	\$ 6,272,201
Little Ferry Borough	Bergen	SFY23-Q4	\$ 1,457,834
Mendham Township	Morris	SFY23-Q3	\$ 2,476,197
Orange City	Essex	SFY23-Q3	\$ 1,868,500
Orange City	Essex	SFY23-Q4	\$ 8,484,000
Plumsted Township	Ocean	SFY22-Q1	\$ 1,333,561
Princeton	Mercer	SFY23-Q1	\$ 8,201,200
Prospect Park	Passaic	SFY23-Q2	\$ 600,505
Raritan Township	Hunterdon	SFY23-Q4	\$ 3,333,000
Robbinsville Township	Mercer	SFY23-Q1	\$ 2,299,409
Robbinsville Township	Mercer	SFY23-Q4	\$ 2,971,512
Willingboro Township	Burlington	SFY23-Q4	\$ 3,586,334
Total			\$ 49,272,520

TRANSPORTATION BANK: OUTSTANDING SHORT-TERM LOANS SFY2023 YEAR-END BY BORROWER

Borrower	County	Loan Amount
Atlantic County	Atlantic	\$ 11,615,000
Bayonne City	Hudson	\$ 2,921,230
Essex County	Essex	\$ 5,172,537
Flemington Borough	Hunterdon	\$ 1,671,550
Raritan Twp	Hunterdon	\$ 2,633,070
Wildwood City	Cape May	\$ 10,455,000
Total		\$ 34,468,387



Orange City Paving Project. **SFY2023 Transportation Bank Long-Term Loan: \$8,583,041**

TRANSPORTATION BANK: LONG-TERM LOAN HISTORY: SFY2018-2023 BY BORROWER

Borrower Names	County	Total Original Loan	Program Saving
Bayonne City	Hudson	\$ 1,576,986	\$ 423,980
Burlington County	Burlington	\$ 2,440,000	\$ 72,044
Camden County	Camden	\$ 1,787,267	\$ 164,365
Cape May County	Cape May	\$ 9,627,220	\$ 1,446,715
Essex County	Essex	\$ 1,864,849	\$ 405,616
Hackensack City	Bergen	\$ 2,035,971	\$ 340,061
Little Silver Borough	Monmouth	\$ 2,388,507	\$ 730,175
Orange City	Essex	\$ 8,583,041	\$ 2,301,252
Raritan Twp.	Hunterdon	\$ 1,613,681	\$ 382,646
Somerdale Borough	Camden	\$ 2,053,550	\$ 164,852
Total		\$ 33,971,073	\$ 6,431,705

APPENDIX

INDEPENDENT AUDITOR'S REPORT

New Jersey Infrastructure Bank

(A Component Unit of the State of New Jersey)

Financial Report
June 30, 2023 and 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the New Jersey Infrastructure Bank (the I-Bank), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the New Jersey Infrastructure Bank's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Jersey Infrastructure Bank, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the New Jersey Infrastructure Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Jersey Infrastructure Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Jersey Infrastructure Bank's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2023

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2023 and 2022**

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

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

This section of the annual financial report of the I-Bank presents management's discussion and analysis of the financial performance of each Financing Program within the I-Bank during the fiscal year ended June 30, 2023, relative to the fiscal year ended June 30, 2022. The CHAMP Program, within the newly formed RIB department, became operational in June of 2023 and therefore cannot be compared to the prior year. Please read this section in conjunction with the I-Bank's financial statements and accompanying notes.

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

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

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

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

**Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2023 and 2022**

Water Bank

Financial highlights for the year ended June 30, 2023:

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

Financial highlights for the year ended June 30, 2022:

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

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

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

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Water Bank (Continued)

after the receipt and approval of eligible program cost invoices. Loan liabilities are realized and increased with each additional disbursement.

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

With few exceptions, Water Bank Short-Term Construction and SAIL loans outstanding during SFY2023 were charged a blended interest rate ranging from 0.353% to 0.451% reflecting a passthrough of the interest rate on funds from the I-Bank's Extended Commercial Paper (ECP) and funds of the NJDEP at 0%. During SFY2023 and SFY2022, the Water Bank closed on 78 and 44 short-term loans, respectively.

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

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

For SFY2023, the Water Bank's investment income increased as a result of sustained higher interest rates throughout the year and a lower Fair Market Value (FMV) loss than SFY2022. Interest Income from loans increased 71% in SFY2023 due to an increase in loan balances coupled with higher interest rates charged on short-term loans compared to SFY2022. For SFY2023, the Water Bank's administrative fees increased 5.4% compared to SFY2022 primarily due to the receipt of excess earnings on bonds that are no longer outstanding. Miscellaneous income relates to the return of funds that had been held in debt service reserve accounts for bonds that are no longer outstanding. This amount varies based on the size of the issue retired each year. The Water Bank's non-operating revenues increased due to receiving \$28 million in net funding from the State through the NJDEP in SFY2023 to support the Short-Term Construction Loan Program compared to \$21 million in SFY2022. The Water Bank's expenses decreased primarily due to fewer bond sales, reduced expenses relating to borrowings under the USEPA's WIFIA program, lower general legal fees and a reduction in expenses related to salary and benefits for employees. These reductions were mostly offset by increases in interest costs related to the issuance of the I-Bank's extendable commercial paper (ECP) for liquidity in the Short-Term Construction Loan Program.

For SFY2022, the Water Bank's investment income decreased as a result of the lower balance of investments coupled with rapidly rising market interest rates creating much higher FMV losses for investments held in the portfolio in the second half of the fiscal year, versus SFY2021. Interest Income from loans increased 1,127% in SFY2022 due interest accrued on short-term loans loan balances which had not been charged interest in SFY2021. For SFY2022, the Water Bank's administrative fees remained relatively

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Water Bank (Continued)

flat compared to SFY2021 due to relatively level outstanding long-term loans throughout the year. Miscellaneous income relates to the return of funds that had been held in debt service reserve accounts for bonds that are no longer outstanding. This amount varies based on the size of the issue retired each year. The Water Bank's non-operating revenues decreased substantially due to receiving \$21 million in net funding from the State through the NJDEP in SFY2022 to support the Short-Term Construction Loan Program compared to \$95 million in SFY2021. The Water Bank's expenses increased primarily due to costs incurred in SFY2022 associated with the completion of the long-term financing process involving the I-Bank's first WIFIA loan, the completion of both a Fall and a Spring bond deal, and interest costs related to the issuance of the I-Bank's extendable commercial paper (ECP) for liquidity in the Short-Term Construction Loan Program. Increasing expenses related to employee salary and benefits was also a contributing factor.

The following table summarizes the net position changes of the Water Bank between June 30, 2023, 2022 and 2021:

	2023	2022	Percent Increase (Decrease)	2021	Percent Increase (Decrease)
Current loans receivable	\$ 576,131,780	\$ 274,239,632	110.08 %	\$ 240,669,140	13.95 %
Noncurrent loans receivable	196,823,380	365,041,756	(46.08)%	295,278,173	23.63 %
Cash for borrowers - undisbursed reserve funds	80,000	80,000	0.00 %	80,000	0.00 %
Total loans	<u>773,035,160</u>	<u>639,361,388</u>	20.91 %	<u>536,027,313</u>	19.28 %
Current cash and cash equivalents, as reduced by undisbursed reserve funds	79,969,348	186,284,320	(57.07)%	250,069,794	(25.51)%
Current investments	44,493,830	37,714,610	17.98 %	27,835,197	35.49 %
Noncurrent investments	103,871,121	113,072,372	(8.14)%	106,641,378	6.03 %
Administrative fee receivable	2,246,446	2,232,577	0.62 %	2,207,165	1.15 %
Due from the Transportation Bank	130,053	-	100.00 %	540,207	(100.00)%
Other assets	3,994,520	1,763,536	126.51 %	587,363	200.25 %
Total assets	<u>\$ 1,007,740,478</u>	<u>\$ 980,428,802</u>	2.79 %	<u>\$ 923,908,417</u>	6.12 %
Accounts payable	\$ 2,069,266	\$ 2,681,158	(22.82)%	\$ 3,094,400	(13.35)%
Due to CHAMP	992	-	100.00 %	-	-
Accr int payable	89,014	11,890	648.62 %	-	100.00 %
Notes payable	25,000,000	35,000,000	(28.57)%	-	100.00 %
Total liabilities	<u>\$ 27,159,272</u>	<u>\$ 37,693,048</u>	(27.95)%	<u>\$ 3,094,400</u>	1118.11 %
Restricted	\$ 943,398,068	\$ 905,953,273	4.13 %	\$ 871,621,805	3.94 %
Unrestricted	37,183,138	36,782,482	1.09 %	49,192,212	(25.23)%
Total net position	<u>\$ 980,581,206</u>	<u>\$ 942,735,755</u>	4.01 %	<u>\$ 920,814,017</u>	2.38 %

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Water Bank (Continued)

The following table summarizes the changes in Water Bank net position between fiscal years June 30, 2023, 2022 and 2021:

	2023	2022	Percent Increase (Decrease)	2021	Percent Increase (Decrease)
Net position, beginning of year	<u>\$ 942,735,755</u>	<u>\$ 920,814,017</u>		<u>\$ 823,478,659</u>	
Investment income	5,430,111	(4,705,715)	(215.39)%	330,773	(1522.64)%
Loan interest income	2,844,788	1,666,743	70.68 %	135,815	1127.21 %
Administrative fees	5,957,350	5,649,395	5.45 %	5,621,816	0.49 %
Miscellaneous	2,341,781	5,528,068	(57.64)%	1,856,632	197.75 %
Employee Unemployment Contribution	3,591	-	100.00 %	-	-
State appropriations - current year	27,960,607	20,842,541	34.15 %	95,394,323	(78.15)%
Total revenues	<u>44,538,228</u>	<u>28,981,033</u>	53.68 %	<u>103,339,358</u>	(71.96)%
Administrative expenses	5,810,107	6,927,168	(16.13)%	6,004,000	15.38 %
Interest expenses	882,670	132,127	568.04 %	-	100.00 %
Total expenses	<u>6,692,777</u>	<u>7,059,296</u>	(5.19)%	<u>6,004,000</u>	17.58 %
Change in net position	37,845,451	21,921,737	72.64 %	97,335,358	(77.48)%
Net position, end of year	<u>\$ 980,581,206</u>	<u>\$ 942,735,755</u>	4.01 %	<u>\$ 920,814,017</u>	2.38 %

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Years Ended June 30, 2023 and 2022**

Transportation Bank

Financial highlights for the year ended June 30, 2023:

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

Financial highlights for the year ended June 30, 2022:

- Assets increased by \$20,666,531 or 23.55%
 - Cash and investments increased by \$8,323,324,159 or 12.78%
 - Loans increased by \$12,168,540 or 54.35%
- Liabilities decreased by \$540,207 or (100.00%)
- Net position increased by \$21,206,738 or 24.32%
- Operating revenues increased by \$31,665 or 7.30%
- Administrative expenses decreased by \$157,197 or (7.80%)

Financial analysis:

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

The Transportation Bank provides low-cost financing for capital projects for public highways, approach roadways, and other necessary land side improvements, ramps, signal systems, roadbeds, transit lanes or rights of way, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges and grade crossings. The Transportation Bank received the sixth annual \$22.6 million SFY2023 appropriation in September of 2022. The State has provided for up to \$2.6 million of the appropriation to be used for operations.

During SFY2023, the cash and investment balance increased due to the receipt of State Appropriations for the Transportation Program partially offset by the payment of requisitions to borrowers. These requisitions resulted in loans receivable increasing substantially. For SFY2023, administrative fees receivable was

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Transportation Bank (Continued)

lower due to fewer short-term loans converting to long-term financing in June of 2023 versus June of 2022. Accounts Payable due the Water Bank increased as a result of a greater amount of expenses having been incurred and not yet paid for operations due to the timing of services provided.

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

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

The following table summarizes the net position changes of the Transportation Bank between June 30, 2023, 2022 and 2021:

	2023	2022	Percent Increase (Decrease)	2021	Percent Increase (Decrease)
Current loans receivable	\$ 18,831,969	\$ 6,788,561	177.41 %	\$ 569,070	1092.92 %
Noncurrent loans receivable	32,911,143	27,770,316	18.51 %	21,821,267	27.26 %
Total loans	<u>51,743,112</u>	<u>34,558,877</u>	49.72 %	<u>22,390,337</u>	54.35 %
Current cash and cash equivalents	\$ 9,617,133	\$ 12,312,178	(21.89)%	\$ 36,546,291	(66.31)%
Current investments	71,664,635	61,129,731	17.23 %	28,572,294	113.95 %
Administrative fee receivable	125,639	191,159	(34.28)%	-	100.00 %
Other assets	559,207	224,042	149.60 %	240,535	(6.86)%
Total assets	<u>\$ 133,709,726</u>	<u>\$ 108,415,987</u>	23.33 %	<u>\$ 87,749,456</u>	23.55 %
Due to the Water Bank for expenses	\$ 130,053	\$ -	100.00 %	\$ 540,207	(100.00)%
Total liabilities	<u>\$ 130,053</u>	<u>\$ -</u>	100.00 %	<u>\$ 540,207</u>	(100.00)%
Restricted	\$ 127,671,818	\$ 101,253,755	26.09 %	\$ 81,301,009	24.54 %
Unrestricted	5,907,854	7,162,232	(17.51)%	5,908,240	21.22 %
Total net position	<u>\$ 133,579,672</u>	<u>\$ 108,415,987</u>	23.21 %	<u>\$ 87,209,249</u>	24.32 %

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Transportation Bank, (Continued)

The following table summarizes the changes in the Transportation Bank net position between fiscal years June 30, 2023, 2022 and 2021:

	2023	2022	Percent Increase (Decrease)	2021	Percent Increase (Decrease)
Net position, beginning of year	<u>\$ 108,415,987</u>	<u>\$ 87,209,249</u>		<u>\$ 66,191,373</u>	
Investment income	3,126,464	84,375	3605.43 %	95,964	(12.08)%
Loan interest income	793,646	156,134	408.31 %	70,163	122.53 %
Administrative fees	223,764	225,061	(0.58)%	267,778	(15.95)%
Employee Unemployment Contribution	1,512	-	100.00 %	-	-
State appropriations - current year	22,600,000	22,600,000	0.00 %	22,600,000	0.00 %
Total revenues	<u>26,745,386</u>	<u>23,065,570</u>	15.95 %	<u>23,033,905</u>	0.14 %
Administrative expenses	<u>1,581,702</u>	<u>1,858,832</u>	(14.91)%	<u>2,016,029</u>	(7.80)%
Total expenses	<u>1,581,702</u>	<u>1,858,832</u>	(14.91)%	<u>2,016,029</u>	(7.80)%
Change in net position	25,163,685	21,206,738	18.66 %	21,017,876	0.90 %
Net position, end of year	<u>\$ 133,579,672</u>	<u>\$108,415,987</u>	23.21 %	<u>\$ 87,209,249</u>	24.32 %

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**Management’s Discussion and Analysis (Unaudited)
Years Ended June 30, 2023 and 2022**

CHAMP

Financial highlights for the year ended June 30, 2023:

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

Financial analysis:

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

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

The following table summarizes the net position changes of CHAMP at June 30, 2023:

	2023	2022	Percent Increase (Decrease)	2021	Percent Increase (Decrease)
Current cash and cash equivalents	\$ 492,500	\$ -	100.00 %	\$ -	-
Due from the Water Bank	992	-	100.00 %	-	-
Other assets	261	-	100.00 %	-	-
Total assets	\$ 493,753	\$ -	100.00 %	\$ -	-
Restricted	\$ 3	\$ -	100.00 %	\$ -	-
Unrestricted	493,750	-	100.00 %	-	-
Total net position	\$ 493,753	\$ -	100.00 %	\$ -	-

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CHAMP (Continued)

For SFY2023, the CHAMP was a new program.

The following table summarizes the net position changes of CHAMP at June 30, 2023:

	2023	2022	Percent Increase (Decrease)	2021	Percent Increase (Decrease)
Net position, beginning of year	\$ -	\$ -		\$ -	
Investment income	258	-	100.00 %	-	-
Employee Unemployment Contribution	3	-	100.00 %	-	-
State appropriations - current year	500,000	-	100.00 %	-	-
Total revenues	<u>500,261</u>	-	100.00 %	-	-
Administrative expenses	<u>6,508</u>	-	100.00 %	-	-
Total expenses	<u>6,508</u>	-	100.00 %	-	-
Change in net position	<u>493,753</u>	-	100.00 %	-	-
Net position, end of year	<u>\$ 493,753</u>	<u>\$ -</u>	100.00 %	<u>\$ -</u>	-

Contacting the I-Bank's financial management: This financial report is designed to provide citizens, borrowers, investors and creditors with a general overview of the I-Bank's finances and to demonstrate the I-Bank's accountability for the State appropriations and bond proceeds it receives. If you have any questions about this report or need additional financial information, contact the I-Bank's Chief Financial Officer at 3131 Princeton Pike, Building 4, Lawrenceville, New Jersey 08648.

**New Jersey Infrastructure Bank
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**Statements of Net Position
June 30, 2023**

	Water Bank	Transportation Bank	CHAMP	Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 9,522,087	\$ 2,881,226	\$ 492,497	\$ 12,895,810
Investments	12,577,822	2,936,719	-	15,514,541
Interest receivable	3,101,048	36,929	258	3,138,236
Loans receivable	486,313	-	-	486,313
Administrative fee receivable	2,246,446	125,639	-	2,372,085
Due from the Water Bank	-	-	992	992
Due from the Transportation Bank	130,053	-	-	130,053
Due from CHAMP	-	-	-	-
Other assets	100,571	47,220	3	147,794
Restricted assets:				
Cash and cash equivalents	70,527,261	6,735,907	3	77,263,171
Investments	31,916,008	68,727,916	-	100,643,924
Interest receivable	775,836	464,883	-	1,240,719
Loans receivable	575,645,467	18,831,969	-	594,477,436
Total current assets	707,028,913	100,788,408	493,753	808,311,074
Noncurrent assets:				
Unrestricted assets:				
Capital assets	17,065	10,175	-	27,239
Investments	5,354,889	-	-	5,354,889
Loans receivable	5,717,102	-	-	5,717,102
Restricted assets:				
Investments	98,516,232	-	-	98,516,232
Loans receivable	191,106,278	32,911,143	-	224,017,421
Total noncurrent assets	300,711,565	32,921,318	-	333,632,883
Total assets	1,007,740,478	133,709,726	493,753	1,141,943,957
Liabilities and Net Position				
Current liabilities:				
Unrestricted liabilities:				
Accounts payable	2,069,266	-	-	2,069,266
Due to the Water Bank	-	130,053	-	130,053
Due to CHAMP	992	-	-	992
Restricted liabilities:				
Accrued interest payable	89,014	-	-	89,014
Notes Payable	25,000,000	-	-	25,000,000
Total current liabilities	27,159,272	130,053	-	27,289,326
Total liabilities	27,159,272	130,053	-	27,289,326
Net position:				
Net investment in capital assets	17,065	10,175	-	27,239
Restricted for debt service	135,464,109	-	-	135,464,109
Restricted for Interim Financing Loan Program	807,930,367	-	-	807,930,367
Restricted for Transportation Program	-	127,670,305	-	127,670,305
Restricted for Unemployment	3,592	1,513	3	5,108
Unrestricted	37,166,073	5,897,680	493,750	43,557,503
Total net position	980,581,206	133,579,672	493,753	1,114,654,631
Total liabilities and net position	\$ 1,007,740,478	\$ 133,709,726	\$ 493,753	\$ 1,141,943,957

See notes to financial statements.

New Jersey Infrastructure Bank
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Statements of Net Position
June 30, 2022

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

See notes to financial statements.

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

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

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

See notes to financial statements.

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

**Statements of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022**

	Water Bank	Transportation Bank	Total
Operating revenue:			
Investment income:			
Interest income	\$ 1,762,805	\$ 390,136	\$ 2,152,941
Net increase in the fair value of investments	(6,468,520)	(305,761)	(6,774,281)
Interest income from loans	1,666,743	156,134	1,822,878
Administrative fees	5,649,395	225,061	5,874,456
Total operating revenues	2,610,424	465,570	3,075,994
Operating expenses:			
Interest expenses	132,127	-	132,127
Administrative expenses	6,927,168	1,858,832	8,786,000
Total operating expenses	7,059,296	1,858,832	8,918,128
Operating income (loss)	(4,448,872)	(1,393,262)	(5,842,134)
Nonoperating revenues:			
Miscellaneous	5,528,068	-	5,528,068
State appropriations - current year	20,842,541	22,600,000	43,442,541
Total nonoperating revenue	26,370,609	22,600,000	48,970,609
Change in net position	21,921,737	21,206,738	43,128,476
Net position, beginning of year	920,814,017	87,209,249	1,008,023,267
Net position, end of year	\$ 942,735,755	\$ 108,415,987	\$ 1,051,151,742

See notes to financial statements.

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

**Statements of Cash Flows
Year Ended June 30, 2023**

	Water Bank	Transportation Bank	CHAMP	Total
Cash flow from operating activities:				
Cash received for administrative fees	\$ 5,943,481	\$ 289,284	\$ -	\$ 6,232,765
Cash payments for goods and services	(3,762,400)	(328,408)	(2,015)	(4,092,823)
Cash payments for salaries and benefits	(2,630,438)	(1,115,664)	(5,488)	(3,751,590)
Cash payments for interest on notes	(805,546)	-	-	(805,546)
Disbursement of loan funds to borrowers	(363,994,941)	(17,368,397)	-	(381,363,338)
Principal received from loans to borrowers	107,986,160	184,163	-	108,170,323
Interest received from loans to borrowers	939,173	521,200	-	1,460,373
Net cash used in operating activities	(256,324,511)	(17,817,822)	(7,503)	(274,149,836)
Cash flows from non-capital financing activities:				
Proceeds from sale of notes	130,000,000	-	-	130,000,000
Principal paid on notes	(140,000,000)	-	-	(140,000,000)
Miscellaneous	2,345,373	1,512	3	2,346,888
Current year State appropriations received	150,163,547	22,600,000	500,000	173,263,547
Net cash provided by non-capital financing activities	142,508,920	22,601,512	500,003	165,610,435
Cash flows from investing activities:				
Interest on investments	8,417,344	914,034	-	9,331,378
Purchase of investments	(55,234,141)	(125,227,525)	-	(180,461,666)
Proceeds from sale and maturity of investments	54,317,416	116,834,756	-	171,152,172
Net cash provided by (used in) investing activities	7,500,619	(7,478,735)	-	21,884
Net increase (decrease) in cash and cash equivalents	(106,314,972)	(2,695,045)	492,500	(108,517,517)
Cash and cash equivalents:				
Beginning of year	186,364,320	12,312,178	-	198,676,498
End of year	\$ 80,049,348	\$ 9,617,133	\$ 492,500	\$ 90,158,981
Displayed as:				
Cash and cash equivalents - unrestricted	\$ 9,522,087	\$ 2,881,226	\$ 492,497	\$ 12,895,810
Cash and cash equivalents - restricted	70,527,261	6,735,907	3	77,263,171
Cash and cash equivalents	\$ 80,049,348	\$ 9,617,133	\$ 492,500	\$ 90,158,981
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income	\$ 7,539,472	\$ 2,562,173	\$ (6,250)	\$ 10,095,395
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	9,787	5,809	-	15,596
Investment income included in operations	(8,417,344)	(914,034)	-	(9,331,378)
Net unrealized and realized gain on investments	1,387,753	(287,440)	-	1,100,313
Amortized interest	1,951,002	(1,854,695)	-	96,307
Effect of changes in operating assets and liabilities:				
Decrease in administrative fee receivable	(13,869)	65,520	-	51,651
Decrease (increase) in other assets	16,366	(1,240)	(3)	15,123
Decrease (increase) in interest receivable	(2,257,136)	(342,741)	(258)	(2,600,135)
Increase in loans receivable	(255,875,721)	(17,184,235)	-	(273,059,956)
Increase due from the Transportation Bank	(133,060)	-	-	(133,060)
Increase due to the Water Bank	-	133,060	(992)	132,068
Increase in interest payable	77,124	-	-	77,124
Increase in accounts payable	(608,885)	-	-	(608,885)
Net cash used in operating activities	\$ (256,324,511)	\$ (17,817,823)	\$ (7,503)	\$ (274,149,837)
Supplemental Schedule of Noncash Operating and non-Capital Financing Activities				
(Increase) decrease in loans receivable due to assignment	122,202,941	-	-	122,202,941
Increase (decrease) in State Appropriation due to assignment	(122,202,941)	-	-	(122,202,941)

See notes to financial statements.

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

**Statements of Cash Flows
Year Ended June 30, 2022**

	Water Bank	Transportation Bank	Total
Cash flow from operating activities:			
Cash received for administrative fees	\$ 5,623,983	\$ 33,902	\$ 5,657,885
Cash payments for goods and services	(4,481,344)	(1,345,726)	(5,827,070)
Cash payments for salaries and benefits	(2,873,170)	(1,070,578)	(3,943,748)
Cash payments for interest on notes	(120,237)	-	(120,237)
Disbursement of loan funds to borrowers	(484,352,621)	(13,091,438)	(497,444,059)
Principal received from loans to borrowers	154,320,134	922,898	155,243,032
Interest received from loans to borrowers	549,726	127,332	677,058
Net cash used in operating activities	(331,333,529)	(14,423,610)	(345,757,139)
Cash flows from non-capital financing activities:			
Proceeds from sale of Notes	35,000,000	-	35,000,000
Miscellaneous	5,528,068	-	5,528,068
Current year State appropriations received	248,084,167	22,600,000	270,684,167
Net cash provided by non-capital financing activities	288,612,235	22,600,000	311,212,235
Cash flows from investing activities:			
Interest on investments	284,171	403,528	687,699
Purchase of investments	(65,710,693)	(67,864,031)	(133,574,724)
Proceeds from sale and maturity of investments	44,362,342	35,050,000	79,412,342
Net cash provided by (used in) investing activities	(21,064,180)	(32,410,503)	(53,474,683)
Net increase (decrease) in cash and cash equivalents	(63,785,474)	(24,234,113)	(88,019,587)
Cash and cash equivalents:			
Beginning of year	250,149,794	36,546,291	286,696,085
End of year	\$ 186,364,320	\$ 12,312,178	\$ 198,676,498
Displayed as:			
Cash and cash equivalents - unrestricted	\$ 8,317,564	\$ 6,780,959	\$ 15,098,523
Cash and cash equivalents - restricted	178,046,756	5,531,219	183,577,975
Cash and cash equivalents	\$ 186,364,320	\$ 12,312,178	\$ 198,676,498
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income	\$ (4,448,872)	\$ (1,393,262)	\$ (5,842,134)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	9,787	5,809	15,596
Investment income included in operations	(284,171)	(403,528)	(687,699)
Net unrealized and realized gain on investments	6,468,520	305,761	6,774,281
Amortized interest	(1,430,576)	(49,167)	(1,479,743)
Effect of changes in operating assets and liabilities:			
Decrease in administrative fee receivable	(25,412)	(191,159)	(216,571)
Decrease (increase) in other assets	(20,884)	(20,066)	(40,950)
Decrease (increase) in interest receivable	(1,165,075)	33,757	(1,131,318)
Increase in loans receivable	(330,575,700)	(12,168,540)	(342,744,240)
Increase due from the Transportation Bank	543,214	(543,214)	-
Increase due to the Water Bank	-	-	-
Increase in interest payable	11,890	-	11,890
Increase in accounts payable	(416,249)	-	(416,249)
Net cash used in operating activities	\$ (331,333,529)	\$ (14,423,610)	\$ (345,757,139)
Supplemental Schedule of Noncash Operating and non-Capital Financing Activities			
(Increase) decrease in loans receivable due to assignment	227,241,626	-	227,241,626
Increase (decrease) in State Appropriation due to assignment	(227,241,626)	-	(227,241,626)

See notes to financial statements.

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

Notes to Financial Statements

Note 1. Organization and Function of the I-Bank

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

The I-Bank's independent Board of Directors consists of ten members. Four 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-year legislative term in which they are appointed. The remaining two directors are appointed by the Governor with the advice and consent of the State Senate, each for a four-year term. Each appointed director serves until a successor is appointed and qualified and is eligible for reappointment. Any vacancy is filled in the same manner as the original appointment. The Governor designates one of the appointed directors to be the chair and the directors elect biannually a vice chairman, a treasurer, and a secretary from among the appointed directors. The I-Bank is administered by an Executive Director under the guidance of the Board of Directors.

All monies of the I-Bank are held at a custodial bank (currently TD Bank). The I-Bank authorizes the custodian to disburse funds to the short-term borrowers for requisitions based on a review and approval process in conjunction with the NJDEP for the Water Bank or NJDOT for the Transportation Bank. The Water Bank utilizes Trustees (U.S. Bank and Bank of New York Mellon) and loan servicers (TD Bank and the I-Bank) for its long-term loan program. The Transportation Bank utilizes a Trustee (Zions Bank) and a loan servicer (I-Bank) for its long-term loan program. The initial proceeds from a bond issuance representing any remaining project funds not disbursed for project expenses prior to bond closing are held by the Trustee. Since the I-Bank, with few exceptions, requires borrowers to be construction complete prior to long-term financing, Trustees hold limited project funds. The I-Bank authorizes the Trustee to disburse such funds to the borrowers according to the loan agreements using the same process as for short-term loans. In the case of external loan servicing, the loan servicer receives all payments of principal and interest from the borrowers and forwards such funds to the individual bond series Trustee, the Master Program Trustee (U.S. Bank), the NJDEP and/or the I-Bank, as appropriate. As noted above, for Water Bank loans issued in 2004 and later and for the Transportation Bank Loans, the I-Bank's accounting staff acts as loan servicer, with repayments being received directly by the Trustee. As a new Program, CHAMP does not have any short-

**New Jersey Infrastructure Bank
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Notes to Financial Statements

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

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

Short-Term Construction Loans have become a major component of the Water Bank and Transportation Bank, and in SFY2023, 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. As of June 30, 2023, the I-Bank had \$25 million of ECP outstanding to add liquidity to and fund a portion of the Water Bank's Short-Term Construction Loan Program.

Under the Water Bank's Long-Term Financing Program, the I-Bank and the NJDEP assist borrowers in obtaining financing for allowable project costs. Beginning in SFY2022, long-term funding packages were no longer represented in terms of a "DEP Interest Free Share" and an "I-Bank Market Rate Share" but instead as a blended interest rate equivalent to a percentage of the I-Bank's AAA Market Interest Rate. For example, a long-term funding package that previously was described as consisting of a 75% DEP Interest-Free Share and a 25% I-Bank Market-Rate Share is now described as a "Blended Interest Rate of 25% of I-Bank's AAA Market Interest Rate" or a "25% Blended Rate." This allowed the Water Bank to use below market rate WIFIA funds to increase the I-Bank share of the long-term loans and free up some of the NJDEP's share of funds normally allocated to projects while providing borrowers with the same debt service costs.

Under the Transportation Bank's Long-Term Financing Program, the I-Bank assists borrowers in obtaining financing for allowable project costs. The I-Bank closed its first long-term Transportation Bank Loans in SFY2022. The loans are made at a blended interest rate of approximately 50% of the Water Bank's AAA Market Rate plus or minus 50 basis points or 50%. While no bonds have been issued by the I-Bank, all long-term Transportation Bank Loans issued to date have been nonetheless pledged to the Transportation Bank's indenture held by the Trustee to create a diversified pool pursuant to rating agency standards. Once enough loans have been pledged to the indenture for it to qualify as a diversification pool under rating agency criteria, it is anticipated that the I-Bank will issue bonds under the indenture.

Under CHAMP, the I-Bank will make low interest loans to fund eligible hazard mitigation and resilience projects undertaken by local government units and nonprofit organizations under the Federal Emergency Management Agency's ("FEMA") Safeguarding Tomorrow Through Ongoing Risk Mitigation ("STORM") Act, Pub. L. 116-284 (42 U.S.C. s. 5135), as amended or supplemented.

Note 2. Summary of Significant Accounting Policies

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

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

The I-Bank reports the following major enterprise funds:

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

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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

CHAMP: This fund is used for operating the CHAMP financing program, in conjunction with NJOEM. The I-Bank's portion of which is referred to throughout this document as the **CHAMP**.

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

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

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

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

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

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

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

The three categories within the hierarchy are as follows:

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

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

See Note 3 for additional information regarding fair value measurements.

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

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

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

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

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

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

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

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

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

The I-Bank further separates restricted Net Position into "Restricted for Debt Service", "Restricted for Interim Financing Loan Program", "Restricted for Transportation Program" and "Restricted for Unemployment". Net

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Position Restricted for Debt Service includes amounts that have been restricted in accordance with the terms of an award or agreement or by State law and can be used as a guarantee for bond offerings. Net Position Restricted for Interim Financing Loan Program is restricted for short-term financing of allowable costs of environmental infrastructure projects. Net Position Restricted for Transportation Program is restricted in accordance with the terms of the appropriation to make loans for transportation projects. Net Position Restricted for Unemployment is restricted in accordance with the terms of the Department of Labor, Employer Accounts Guide 2019.

Unrestricted: This component of Net Position consists of Net Position that does not meet the definition of “restricted” or “net investment in capital assets.” This component includes Net Position that may be allocated for specific purposes by the Board.

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.

Note 3. Cash, Cash Equivalents, and Investments

Investment Guidelines and Management

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

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

Authorized Investments and Asset Classes

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

**New Jersey Infrastructure Bank
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Notes to Financial Statements

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

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

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

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

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Notes to Financial Statements

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

Safekeeping and Custody

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

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

	Water Bank	Transportation Bank	CHAMP	Total I-Bank
Operating checking (TD Bank)	\$ 562,066	\$ -	\$ -	\$ 562,066
GS SQ Treasury Obligation (TD Bank MM)	34,812,920	8,578,210	492,500	43,883,630
First American Funds (US Bank Corp)	34	-	-	34
Cash Management Funds (State of NJ - Non-State)	44,674,327	1,038,923	-	45,713,250
	<u>\$ 80,049,348</u>	<u>\$ 9,617,133</u>	<u>\$ 492,500</u>	<u>\$ 90,158,981</u>

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

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

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.

Deposits and investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the I-Bank and are held by either the counterparty or the counterparty's trust department or agent. As of June 30, 2023, the I-Bank's deposits at TD Bank were \$562,066 all of which were collateralized. As of June 30, 2022, the I-Bank deposits at TD Bank were \$429,117 all of which were collateralized. All of the I-Bank's investments totaling \$220,029,586 and \$211,916,713, and money market funds totaling \$89,596,915 and \$198,247,382, as of June 30, 2023, and 2022, respectively, were held in accounts outside the counterparty, not in the name of the I-Bank, and were therefore exposed to custodial credit risk.

Credit risk: Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. All assets are invested pursuant to the I-Bank's Policy. The Policy limits the type and ratings of securities allowable as well as providing diversification requirements. As of June 30, 2023, the I-Bank's investments carried ratings in compliance with the Policy.

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;

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Notes to Financial Statements

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

- Limiting Counterparty Risk by following the provisions in Section VII.3 of the Policy, maintaining an approved list of pre-approved counterparties, and having programs in place to monitor those pre-approved counterparties. The I-Bank may rely on outside Investment Advisory Firm(s) for maintaining the list of pre-qualified counterparties and having adequate Due Diligence programs in place; and
- Limiting the Trading Exposure or the amount of trades outstanding with any one counterparty at any given time. Except for activities associated with bond sale proceeds, neither the I-Bank nor any of its representatives shall execute and have outstanding investment trades with one counterparty at any given time, whereby the Principal amount represented by such trades exceeds 20% of all Investable Funds thereby minimizing the risk of loss or litigation to the Investment Portfolio should the counterparty be unable to fulfill its obligation for any reason.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Both the State's and the I-Bank's investment policy provides diversification requirements and limits the amount the I-Bank may invest in any one issuer. All of the I-Bank's investments are in either US Treasury obligations, Prime or Government money market funds,

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

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

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Notes to Financial Statements

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

As of June 30, 2023 and 2022, the **Water Bank** had the following investments and maturities:

Investment Type	Fair Value	June 30, 2023			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 78,641,496	\$ 32,134,956	\$ 46,506,540	\$ -	\$ -
US Gov't Other Notes & Bonds	25,683,678	5,661,484	16,909,979	3,112,215	-
Municipal Bonds	6,728,699	1,373,810	5,354,889	-	-
Corporate Bonds/Notes/CP	37,311,078	5,323,580	31,987,498	-	-
	<u>\$ 148,364,951</u>	<u>\$ 44,493,830</u>	<u>\$ 100,758,906</u>	<u>\$ 3,112,215</u>	<u>\$ -</u>

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

As of June 30, 2023 and 2022, the **Transportation Bank** had the following investments and maturities:

Investment Type	Fair Value	June 30, 2023			
		Investment Maturity (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes, Bills & Bonds	\$ 43,214,781	\$ 43,214,781	\$ -	\$ -	\$ -
US Gov't Other Notes & Bonds	14,977,487	14,977,487	-	-	-
Corporate Bonds/Notes/CP	13,472,367	13,472,367	-	-	-
	<u>\$ 71,664,635</u>	<u>\$ 71,664,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

As of June 30, 2023 and 2022, **CHAMP** did not hold any investments.

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Notes to Financial Statements

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

As of June 30, 2023, the **Water Bank** had the following investments, maturities and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2023 Fair Value
3M Company	2/14/2025	A+	A1	\$ 495,483
Abbott Laboratories Corporate Notes	9/15/2025	AA-	A1	249,258
Abbott Laboratories Corporate Notes	1/30/2028	AA-	A1	419,250
Adobe Inc Corporate Note	2/1/2027	A+	A2	293,824
Amazon.com Inc Corporate Notes	6/3/2025	AA	A1	55,369
Amazon.com Inc Corporate Notes	8/22/2027	AA	A1	385,535
Amazon.com Inc Corporate Notes	12/1/2027	AA	A1	823,485
American Honda Finance Corporate Notes	6/27/2024	A-	A3	581,727
American Honda Finance Corporate Notes	8/9/2024	A-	A3	9,496
Apple Inc Corporate Notes	5/13/2025	AA+	Aaa	967,359
Asian Development Bank Corporate Notes	6/11/2024	AAA	Aaa	2,011,151
Asian Development Bank Corporate Notes	8/27/2026	AAA	Aaa	515,031
Automatic Data Processing Corporate Notes	5/15/2028	AA-	Aa3	707,316
Bank of America Corporate Notes	4/22/2025	A-	A2	28,727
Bank of America Corporate Notes	4/2/2026	A-	A2	220,399
Bank of America Corporate Notes	4/19/2026	A-	A2	397,927
Bank of America Corporate Notes	6/19/2026	A-	A2	45,787
Bank of NY Mellon Corporate Notes	4/26/2024	A	A1	215,985
Bank of NY Mellon Corporate Notes	10/24/2024	A	A1	152,871
Bank of NY Mellon Corporate Notes	10/25/2024	A	A1	493,296
Bank of NY Mellon Corporate Notes	4/25/2025	A	A2	561,515
Bank of NY Mellon Corporate Notes	7/24/2026	A	A1	107,075
BMW US Capital LLC Corporate Notes	8/12/2024	A	A2	431,389
Bristol-Myers Squibb Co Corporate Notes	11/13/2023	A+	A2	147,406
Bristol-Myers Squibb Co Corporate Notes	11/15/2027	A+	A2	388,424
Bristol-Myers Squibb Co Corporate Notes	2/20/2028	A+	A2	140,765
Burlington North Sante Fe Corporate Notes	9/1/2025	AA-	A3	48,474
Burlington North Sante Fe Corporate Notes	6/15/2027	AA-	A3	285,746
Caterpillar Financial Service Corporate Notes	9/13/2024	A	A2	47,223
Caterpillar Financial Service Corporate Notes	11/8/2024	A	A2	996,750
Caterpillar Financial Service Corporate Notes	8/12/2025	A	A2	33,962
Caterpillar Financial Service Corporate Notes	9/14/2026	A	A2	53,369
Charles Schwab Corporate Notes	3/18/2024	A	A2	115,733
Charles Schwab Corporate Notes	3/3/2027	A	A2	282,408
Charles Schwab Corporate Notes	4/1/2027	A	A2	115,115
Coca-Cola Corporate Notes	3/25/2027	A+	A1	413,363
Colgate-Palmolice Co Corporate Notes	8/15/2025	AA-	Aa3	197,343
Colgate-Palmolice Co Corporate Notes	3/2/2026	AA-	Aa3	75,128
Colgate-Palmolice Co Corporate Notes	3/1/2028	AA-	Aa3	301,534
Comcast Corporate Notes	4/1/2027	A-	A3	292,927
Emerson Electric Co Corporate Notes	6/1/2025	A	A2	350,599
General Dynamics Corporate Notes	5/15/2028	A-	A3	349,364
Hershey Company Corporate Notes	8/15/2026	A	A1	671,985
Hershey Company Corporate Notes	5/4/2028	A	A1	271,998
Home Depot Inc Corporate Notes	4/15/2025	A	A2	90,934
Home Depot Inc Corporate Notes	4/15/2027	A	A2	296,987
Home Depot Inc Corporate Notes	9/14/2027	A	A2	316,162
Honeywell Inc Corporate Notes	6/1/2025	A	A2	503,191

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Notes to Financial Statements

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

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2023 Fair Value
IBM Corp Corporate Notes	5/15/2026	A-	A3	519,720
IBM Corp Corporate Notes	5/15/2027	A-	A3	292,416
Intel Corporate Notes	7/29/2025	A	A2	301,655
Intel Corporate Notes	8/5/2027	A	A2	578,253
Inter-American Development Bank	9/23/2024	AAA	Aaa	1,154,446
International Bank of Reconstruction and Develop	11/24/2023	AAA	Aaa	676,192
John Deere Capital Corporate Notes	6/7/2024	A	A2	124,067
John Deere Capital Corporate Notes	3/7/2025	A	A2	9,497
John Deere Capital Corporate Notes	9/8/2025	A	A2	156,244
John Deere Capital Corporate Notes	1/11/2027	A	A2	27,012
John Deere Capital Corporate Notes	1/20/2028	A	A2	419,793
JP Morgan Chase & Co Corporate Notes	9/16/2024	A-	A2	44,476
JP Morgan Chase & Co Corporate Notes	6/1/2025	A-	A2	565,400
JP Morgan Chase & Co Corporate Notes	4/26/2026	A-	A2	510,565
JP Morgan Chase & Co Corporate Notes	10/1/2026	A-	A2	144,575
Kimberly-Clark Corporate Notes	9/15/2027	A	A2	236,898
Lockheed Martin Corporate Notes	1/15/2026	A-	A3	263,685
Lockheed Martin Corporate Notes	5/15/2028	A-	A3	83,735
Mastercard Inc Corporate Notes	3/26/2027	A+	Aa3	587,491
Mastercard Inc Corporate Notes	3/9/2028	A+	Aa3	308,095
Merck & Co Inc Corporate Notes	2/10/2025	A+	A1	48,213
Merck & Co Inc Corporate Notes	2/24/2026	A+	A1	22,589
Morgan Stanley Corporate Notes	7/27/2026	A-	A1	28,086
Morgan Stanley Corporate Notes	1/20/2027	A-	A1	593,702
Morgan Stanley Corporate Notes	7/20/2027	A-	A1	110,779
MUFG LTD/NY Comm Paper	12/27/2023	A-1	P-1	972,219
National Rural Utility Coop Corporate Notes	2/7/2025	A-	A2	165,285
National Rural Utility Coop Corporate Notes	3/15/2028	A-	A2	425,497
Nestle Holdings Inc Corporate Notes	9/14/2024	AA-	Aa3	746,502
Nike Inc Corporate Notes	3/27/2027	AA-	A1	835,530
Northern Trust Corporate Notes	5/10/2027	A+	A2	341,331
Novartis Capital Corp Corporate Notes	2/14/2025	AA-	A1	535,761
Paccar Financial Corp Corporate Notes	11/8/2024	A+	A1	827,102
Paccar Financial Corp Corporate Notes	8/11/2025	A+	A1	33,888
PNC Bank NA Corporate Notes	1/23/2024	A-	A3	479,100
PNC Bank NA Corporate Notes	5/19/2027	A-	A3	286,131
Qualcomm Inc Corporate Notes	5/20/2027	A	A2	345,363
Roche Holdings Inc Corporate Notes	3/10/2025	AA	Aa3	874,652
State Street Corporate Notes	3/30/2026	A	A1	553,797
Target Corp Corporate Notes	4/15/2025	A	A2	57,171
Target Corp Corporate Notes	1/15/2027	A	A2	425,487
Texas Instruments Inc Corporate Notes	2/15/2028	A+	Aa3	670,799
Toyota Motor Credit Corporate Notes	1/13/2025	A+	A1	70,748
Toyota Motor Credit Corporate Notes	2/13/2025	A+	A1	497,161
Toyota Motor Credit Corporate Notes	8/18/2025	A+	A1	14,522
Toyota Motor Credit Corporate Notes	9/20/2027	A+	A1	285,562
Truist Fin Corporate Notes	7/28/2026	A-	A3	383,662

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Notes to Financial Statements

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

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2023 Fair Value
UnitedHealth Group Inc Corporate Notes	5/15/2027	A+	A3	120,362
UnitedHealth Group Inc Corporate Notes	10/15/2027	A+	A3	325,303
UPS Corporate Notes	11/15/2027	A	A2	305,684
U.S. Bancorp Notes	7/30/2024	A+	A2	487,216
Walmart Inc Corporate Notes	7/8/2026	AA	Aa2	272,757
Walmart Inc Corporate Notes	9/17/2026	AA	Aa2	620,718
Walmart Inc Corporate Notes	9/9/2027	AA	Aa2	588,038
Other US Government Notes And Bonds		AA+	Aaa	25,683,678
Municipal Bonds		AAA	Aaa	6,728,699
US Treasury Notes And Bonds		AA+	Aaa	73,723,650
US Treasury Bills		A-1+	P-1	4,917,846
Total				<u><u>\$ 148,364,951</u></u>

As of June 30, 2023, the **Transportation Bank** had the following investments, maturities, and credit ratings:

Investment	Maturities	S&P Credit Rating	Moody's Credit Rating	June 30, 2023 Fair Value
BNP Paribas Commercial Paper	9/15/2023	A-1	P-1	\$ 1,977,378
Cooperative Rabobank Commercial Paper	2/5/2024	A-1	P-1	1,930,522
Credit Agricole Commercial Paper	7/10/2023	A-1	P-1	1,497,785
ING Funding LLC Commercial Paper	8/8/2023	A-1	P-1	1,491,494
Metlife Short Term Comm Paper	7/27/2023	A-1+	P-1	1,160,411
MUFG LTD/NY Comm Paper	7/10/2023	A-1	P-1	1,497,752
Natixis NY Commercial Paper	9/15/2023	A-1	P-1	1,977,220
Toronto Dominion HDG USA Commercial Paper	1/16/2024	A-1+	P-1	1,939,806
Other US Government Notes And Bonds		AA+	Aaa	14,977,487
US Treasury Notes And Bonds		AA+	Aaa	17,207,673
US Treasury Bills		A-1+	P-1	26,007,108
				<u><u>\$ 71,664,635</u></u>

As of June 30, 2023 **CHAMP** did not hold any investments.

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Notes to Financial Statements

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

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

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

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Notes to Financial Statements

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

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

As of June 30, 2022, the **Transportation Bank** had the following investments, maturities and credit ratings:

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

As of June 30, 2022 **CHAMP** did not hold any investments.

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Notes to Financial Statements

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

As of June 30, 2023, and 2022, the **Water Bank** had the following investments, all of which are reported at fair value measurement by level:

	Fair Value Measurements Using			
	June 30, 2023	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	\$ 78,641,496	\$ -	\$ 78,641,496	\$ -
Corporate Bonds/Notes/CP	25,683,678	-	25,683,678	-
Municipal Bonds	6,728,699	-	-	6,728,699
US Gov't Other Notes & Bonds	37,311,078	-	37,311,078	-
Total debt securities	148,364,951	-	141,636,252	6,728,699
Total investments by fair value level	\$ 148,364,951	\$ -	\$ 141,636,252	\$ 6,728,699

Investments as reported on the statement of net position:

Current:	
Unrestricted	\$ 12,577,822
Restricted	31,916,008
Noncurrent:	
Unrestricted	5,354,889
Restricted	98,516,232
Total investments	\$ 148,364,951

	Fair Value Measurements Using			
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. Treasury Notes & Bonds	\$ 88,630,014	\$ -	\$ 88,630,014	\$ -
Corporate Bonds/Notes/CP	28,465,899	-	28,465,899	-
Municipal Bonds	6,867,007	-	-	6,867,007
US Gov't Other Notes & Bonds	26,824,062	-	26,824,062	-
Total debt securities	150,786,982	-	143,919,975	6,867,007
Total investments by fair value level	\$ 150,786,982	\$ -	\$ 143,919,975	\$ 6,867,007

Investments as reported on the statement of net position:

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

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

Notes to Financial Statements

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

As of June 30, 2023, and 2022, the **Transportation Bank** had the following investments, all of which are reported at fair value measurement by level:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. Treasury Notes, Bills & Bonds	\$ 43,214,781	\$ -	\$ 43,214,781	\$ -
Corporate bonds/Notes/CP	13,472,367	-	13,472,367	-
US Gov't Other Notes & Bonds	14,977,487	-	14,977,487	-
Total debt securities	71,664,635	-	71,664,635	-
Total investments by fair value level	<u>\$ 71,664,635</u>	<u>\$ -</u>	<u>\$ 71,664,635</u>	<u>\$ -</u>

Investments as reported on the statement of net position:

Current:	
Unrestricted	2,936,719
Restricted	68,727,916
Total investments	<u>\$ 71,664,635</u>

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

Investments as reported on the statement of net position:

Current:	
Restricted	61,129,731
Total investments	<u>\$ 61,129,731</u>

As of June 30, 2023 and June 30, 2022, **CHAMP** did not hold any investments.

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

Notes to Financial Statements

Note 4. Loans Receivable and Commitment

Water Bank

The Water Bank provides loans to Borrowers to finance allowable costs of clean water and safe drinking water projects. Approximately 88.6% of the aggregate principal amount of the Borrower Bonds in all Coverage Providing Financing Programs are secured by either a direct or an indirect general obligation, full faith and credit pledge of a municipal or county government in the State.

The Water Bank's Direct Loan Program provides long-term loans for small projects, or to borrower's that are fiscally constrained or lack the administrative capability to participate in the I-Bank's Water Bank bond financing program, or under unique circumstances. The I-Bank funds these loans through cash on hand rather than through the issuance of bonds. The I-Bank portion of each Direct Loan is structured at a rate equivalent to the Thomson Reuters TM3 AAA Index on the date of loan closing plus (or minus) the spread from the I-Bank Water Bank's most recent issue. Long-term direct loans are repayable, in most cases, over a period of 20 to 30 years, with some loans maturing over a shorter or longer period, and with interest rates of 0.17% to 5.33% per annum. As of June 30, 2023 and 2022, the balance of direct loans was \$6,203,415 and \$6,700,241, respectively. Included in this balance are amounts owed from borrowers primarily for contributions made by the I-Bank on their behalf for defeasances of \$44,326 and \$198,591 as of June 30, 2023 and 2022, respectively.

Loans issued under the Water Bank Short-Term Construction Loan Program and SAIL Loan Program are issued, with few exceptions, for a maximum of five fiscal years. With limited exceptions, for SFY2023 these loans were charged an interest rate ranging from 0.353% to 0.451% reflecting a blended rate based upon the I-Bank's Extended Commercial Paper (ECP) market rate and NJDEP funds at 0% interest. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program. As of June 30, 2023, and 2022, the balance for the loans described net of undisbursed reserve funds was \$766,751,745 and \$632,581,147 respectively. As of June 30, 2023, and 2022, the balance for the loans outstanding with a 0% interest rate was \$13,267,536 and \$16,531,996 respectively. Undisbursed reserve funds include funds deposited by a borrower and held by the I-Bank to secure future debt service payment obligations.

The Water Bank's outstanding direct loans, short-term loans and SAIL loans net loans receivable balance was \$772,955,160 and \$639,281,388 as of June 30, 2023 and 2022, respectively.

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

For the year ended June 30, 2023, there were two Water Bank borrowers that represent a significant portion of outstanding short-term and direct long-term loans, each greater than 10% of the total. In aggregate these two borrowers accounted for 30.4% of the Water Bank short-term and direct long-term loans receivable. For the year ended June 30, 2022, there were two borrowers with loans of more than 10% of the total loans receivable.

The Water Bank is also committed to fund short-term loans to borrowers of approximately \$814 million for remaining project engineering and construction costs that had not yet been requisitioned as of June 30, 2023.

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

Notes to Financial Statements

Note 4. Loans Receivable and Commitment (Continued)

Transportation Bank

The Transportation Bank provides loans to Borrowers to finance allowable costs of transportation projects. As of June 30, 2023 the balance of short-term Transportation Bank loans was \$17,906,491. As of June 30, 2022 the balance of short-term Transportation Bank loans was \$16,451,034.

Loans issued under the Transportation Bank Short-Term Construction Loan Program are made, with few exceptions, for up to three years for construction, plus up to an additional two fiscal years if planning and design costs are financed. In SFY2023, these loans were charged a monthly interest rate that varied between 1.4% to 2.5% per year. These loans will be converted into long-term loans through either the Bond Program or Direct Loan Program.

For the year ended June 30, 2023, there were four Transportation Bank borrowers that represent a significant portion of outstanding short-term and long-term direct loans, each greater than 10% of the total. In aggregate these four borrowers accounted for 68.1% of Transportation Bank short-term and long-term direct loans receivable. For the year ended June 30, 2022, there were three borrowers with loans of more than 10% of the total Transportation Bank loans receivable.

On December 6, 2022, the I-Bank closed \$3,667,231 of Transportation long-term loans Series DL2022 to capitalize 2 projects.

On June 15, 2023, the I-Bank closed \$12,195,999 of Transportation long-terms loans Series DL2023 to capitalize 3 projects.

Total Transportation Bank short-term and long-term loans outstanding as of June 30, 2023, was \$51,743,112 and as of June 30, 2022 was \$34,558,877.

CHAMP

The **CHAMP** Program did not have any loans outstanding as of June 30, 2023 or June 30, 2022.

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

	Water		Transportation		Total
	SAIL and Short-Term	Direct Loans	Short-Term	Direct Loans	
Year ending June 30:					
2024	\$ 575,725,467	\$ 486,313	\$ 17,093,129	\$ 1,738,840	\$ 595,043,749
Less undispersed reserve funds	(80,000)	-			(80,000)
Current loans	575,645,467	486,313	17,093,129	1,738,840	594,963,749
2025	128,545,733	475,398	736,079	2,243,680	132,000,890
2026	62,560,545	480,424	77,283	2,406,695	65,524,946
2027	-	479,651	-	2,433,984	2,913,635
2028	-	465,755	-	1,839,391	2,305,146
2029 through 2033	-	1,882,411	-	9,577,032	11,459,442
2034 through 2038	-	514,280	-	8,553,327	9,067,607
2039 through 2043	-	449,322	-	4,560,395	5,009,716
2044 through 2048	-	494,342	-	483,279	977,622
2049 through 2053	-	475,518	-	-	475,518
Noncurrent loans	191,106,278	5,717,102	813,362	32,097,781	229,734,523
Loans receivable, net	\$ 766,751,745	\$ 6,203,415	\$ 17,906,491	\$ 33,836,621	\$ 824,698,272

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, 2022	Additions	Disposals	Balance at June 30, 2023
Capital assets being depreciated:				
Leasehold improvements	\$ 80,750	\$ -	\$ -	\$ 80,750
Office furniture	59,379	-	(2,606)	56,773
Computers and office equipment	142,586	-	(35,652)	106,934
Vehicles	30,830	-	-	30,830
	<u>313,545</u>	<u>-</u>	<u>(38,258)</u>	<u>275,287</u>
Less accumulated depreciation:				
Leasehold improvements	72,404	2,384	-	74,788
Office furniture	59,381	-	(2,606)	56,775
Computers and office equipment	124,078	7,403	(35,652)	95,829
Vehicles	30,830	-	-	30,830
	<u>286,693</u>	<u>9,787</u>	<u>(38,258)</u>	<u>258,222</u>
Capital assets (net)	<u>\$ 26,851</u>	<u>\$ (9,787)</u>	<u>\$ -</u>	<u>\$ 17,065</u>

	Balance at June 30, 2021	Additions	Disposals	Balance at June 30, 2022
Capital assets being depreciated:				
Leasehold improvements	\$ 80,750	\$ -	\$ -	\$ 80,750
Office furniture	59,379	-	-	59,379
Computers and office equipment	150,202	-	(7,616)	142,586
Vehicles	30,830	-	-	30,830
	<u>321,161</u>	<u>-</u>	<u>(7,616)</u>	<u>313,545</u>
Leasehold improvements	70,020	2,384	-	72,404
Office furniture	59,381	-	-	59,381
Computers and office equipment	124,291	7,403	(7,616)	124,078
Vehicles	30,830	-	-	30,830
	<u>284,523</u>	<u>9,788</u>	<u>(7,616)</u>	<u>286,693</u>
Capital assets (net)	<u>\$ 36,638</u>	<u>\$ (9,788)</u>	<u>\$ -</u>	<u>\$ 26,851</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, 2022	Additions	Disposals	Balance at June 30, 2023
Capital assets being depreciated:				
Leasehold improvements	\$ 7,307	\$ -	\$ -	\$ 7,307
Computers and office equipment	21,738	-	-	21,738
	<u>29,045</u>	-	-	<u>29,045</u>
Less accumulated depreciation:				
Leasehold improvements	2,192	1,461	-	3,653
Computers and office equipment	10,869	4,348	-	15,217
	<u>13,061</u>	<u>5,809</u>	-	<u>18,870</u>
Capital assets (net)	<u>\$ 15,984</u>	<u>\$ (5,809)</u>	<u>\$ -</u>	<u>\$ 10,175</u>

	Balance at June 30, 2021	Additions	Disposals	Balance at June 30, 2022
Capital assets being depreciated:				
Leasehold improvements	\$ 7,307	\$ -	\$ -	\$ 7,307
Computers and office equipment	21,738	-	-	21,738
	<u>29,045</u>	-	-	<u>29,045</u>
Less accumulated depreciation:				
Leasehold improvements	730	1,461	-	2,191
Computers and office equipment	6,522	4,347	-	10,869
	<u>7,252</u>	<u>5,808</u>	-	<u>13,060</u>
Capital assets (net)	<u>\$ 21,793</u>	<u>\$ (5,809)</u>	<u>\$ -</u>	<u>\$ 15,984</u>

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

CHAMP did not have any capital assets as of June 30, 2023 or June 30, 2022.

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 6. Notes Payable

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

As of June 23, 2022, the I-Bank had outstanding \$35,000,000 of 2021A-1N ECP with an interest rate of 1.55% and a maturity of September 8, 2022.

On September 8, 2022, the I-Bank issued \$35,000,000 of 2021A-1N ECP, with an interest rate of 2.30% and a maturity of December 7, 2022. The proceeds of the ECP were used to repay the \$35,000,000 which matured on September 8, 2022.

On December 7, 2022, the I-Bank issued \$35,000,000 of 2021A-1N ECP, with an interest rate of 2.90% and a maturity of March 7, 2023. The proceeds of the ECP were used to repay the \$35,000,000 which matured on December 7, 2022.

On March 7, 2023, the I-Bank issued \$35,000,000 of 2021A-1N ECP, with an interest rate of 3.24% and a maturity of May 24, 2023. The proceeds of the ECP were used to repay the \$35,000,000 which matured on March 7, 2023.

On May 24, 2023, the I-Bank issued \$25,000,000 of 2021A-1N ECP, with an interest rate of 3.42% and a maturity of August 2, 2023. The proceeds of the ECP were used to repay a portion of the \$35,000,000 which matured on May 24, 2023.

As of June 30, 2023, the I-Bank had \$25,000,000 of 2021A-1N ECP outstanding.

Note 7. Conduit Debt – Water Bank

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

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

**New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

The bond resolutions generally limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

Long-term Loans to borrowers in the 2023 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. Given the terms of the loans, most public borrowers will pay a blended interest rate on their loans of approximately 2.44%.

On **April 29, 2022**, the I-Bank entered into a loan agreement with the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act for \$221,323,600. As of June 30, 2023, \$56,365,400 has been drawn from the loan leaving a balance of \$164,958,200 available to be drawn.

On **December 20, 2022**, the I-Bank entered into a loan agreement with the United States Environmental Protection Agency pursuant to the Water Infrastructure Finance and Innovation Act for \$500,000,000. As of June 30, 2023, no funds have been drawn from the loan.

On **December 22, 2022**, the I-Bank issued \$86,530,000 of Environmental Infrastructure Bonds, Series 2022A-2 (Green Bonds) to capitalize 36 projects.

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

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

At **June 30, 2023** and **2022**, the aggregate principal amount of conduit debt obligations outstanding totaled \$1,036,835,046 and \$1,039,715,046, respectively, as detailed in the following schedules.

Changes in conduit debt obligations of the Water Bank for the year ended June 30, 2023 were as follows:

	Balance at June 30, 2022	Issued	Retired	Balance at June 30, 2023	Amount Due Within One Year
2007 Refunding Series:					
Series B Bonds, uninsured, maturing serially through 2022, at interest rates of 5.25%	\$ 5,075,000	\$ -	\$ 5,075,000	\$ -	\$ -
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	7,170,000	-	7,170,000	-	-
2011 Refunding Series:					
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.00%	1,120,000	-	1,120,000	-	-
2012 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2026, at interest rate of 4.00%	83,000,000	-	16,215,000	66,785,000	23,965,000
Series C Bonds, uninsured, maturing serially through 2023, at interest rate of 3.00%	1,855,000	-	915,000	940,000	940,000
2013 Series:					
Series A Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 5.00%	19,760,000	-	1,525,000	18,235,000	1,565,000
Series B Bonds, uninsured, maturing serially through 2032, at interest rates from 3.00% to 3.25%	655,000	-	50,000	605,000	55,000
2014 Series:					
Series A Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	40,155,000	-	2,730,000	37,425,000	2,870,000
Series B Bonds, uninsured, maturing serially through 2033, at interest rates from 3.00% to 5.00%	3,620,000	-	260,000	3,360,000	275,000
2015 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2034, at interest rates from 4.00% to 5.00%	35,575,000	-	2,170,000	33,405,000	2,270,000
2015 B Refunding Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2025, at interest rates of 4.00%	3,225,000	-	1,225,000	2,000,000	880,000
2015 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2035, at interest rates from 3.00% to 5.00%	7,605,000	-	450,000	7,155,000	465,000
2015 A-R1 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2027, at interest rate of 5.00%	55,870,000	-	9,120,000	46,750,000	9,030,000
2015B-R2 Refunding Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2026, at interest rate of 5.00%	6,875,000	-	1,245,000	5,630,000	1,305,000
2016 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2045, at interest rates from 2.00% to 5.00%	19,485,000	-	1,030,000	18,455,000	1,080,000
2016 A-R1 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 4.50% to 5.00%	37,360,000	-	6,080,000	31,280,000	6,280,000
2016 A-R2 Refunding Series:					
Series A Bonds, uninsured, maturing serially through 2030, at interest rates from 4.50% to 5.00%	52,760,000	-	5,610,000	47,150,000	5,885,000
2016 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 4.00% to 5.00%	6,155,000	-	290,000	5,865,000	300,000

New Jersey Infrastructure Bank
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Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

	Balance at June 30, 2022	Issued	Retired	Balance at June 30, 2023	Amount Due Within One Year
2017 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2046, at interest rates from 3.00% to 5.00%	28,025,000	-	1,015,000	27,010,000	1,070,000
2017 A-2 Series:					
Series A Bonds, uninsured, maturing serially through 2047, at interest rates from 2.13% to 5.00%	16,565,000	-	735,000	15,830,000	790,000
2017 A-R1 Series:					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	23,710,000	-	3,370,000	20,340,000	3,485,000
2017 A-R2 Series:					
Series A Bonds, uninsured, maturing serially through 2029, at interest rate of 4.00%	54,260,000	-	6,595,000	47,665,000	6,725,000
2017 B-1 Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	3,630,000	-	85,000	3,545,000	90,000
2018 A-1 Series:					
Series A Bonds, uninsured, maturing serially through 2047 at interest rate from 3.00% to 5.00%	18,880,000	-	815,000	18,065,000	870,000
2018 B-1 Series (AMT):					
Series B Bonds, uninsured AMT, maturing serially through 2047 at interest rate from 3.00% to 5.00%	14,230,000	-	315,000	13,915,000	330,000
2018 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 4.00% to 5.00%	15,905,000	-	390,000	15,515,000	400,000
2019 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2048 at interest rate from 2.00% to 5.00%	12,375,000	-	450,000	11,925,000	490,000
2019 B-R1 Refunding Series:					
Series B Green Bonds, uninsured, maturing serially through 2030, at interest rate of 4.00%	3,795,000	-	390,000	3,405,000	400,000
2019 C-R1 Refunding Series (Federally Taxable):					
Series C Green Bonds, uninsured, maturing serially through 2029, at interest rates from 2.65% to 5.00%	3,080,000	-	325,000	2,755,000	340,000
2020 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2049, at interest rates from 2.13% to 5.00%	33,280,000	-	1,075,000	32,205,000	1,120,000
2020 A-R1 Refunding Series:					
Series A Green Bonds, uninsured, maturing serially through 2024, at interest rate of 3.00%	14,175,000	-	2,985,000	11,190,000	2,720,000
2020 C-R1 Refunding Series (Federally Taxable):					
Series C Green Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	40,795,000	-	3,535,000	37,260,000	3,670,000
2020 C-R2 Refunding Series (Federally Taxable):					
Series C Green Bonds, uninsured, maturing serially through 2031, at interest rates from 3.00% to 4.00%	15,265,000	-	1,265,000	14,000,000	1,340,000
2021 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2050, at interest rates from 2.00% to 5.00%	122,500,000	-	3,785,000	118,715,000	3,970,000

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

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

	Balance at June 30, 2022	Issued	Retired	Balance at June 30, 2023	Amount Due Within One Year
2021 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2051, at interest rates from 2.00% to 5.00%	28,495,000	-	-	28,495,000	670,000
2022 A-1 Series:					
Series A Green Bonds, uninsured, maturing serially through 2051, at interest rates from 3.25% to 5.00%	51,935,000	-	-	51,935,000	1,215,000
2022 I W-1 Series:					
Series I W-1 Green Bonds, taxable, maturing serially through 2027, at interest rates from 2.70% to 2.98%	6,716,300	-	-	6,716,300	1,374,920
2022 C W-1 Series:					
Series C W-1 WIFIA Green Bonds, taxable, maturing serially 2028 through 2056, at an interest rate of 3.03%	56,365,400	-	-	56,365,400	-
2022 A-2 Series:					
Series A Green Bonds, uninsured, maturing serially through 2057, at an interest rate of 5.00%	-	86,530,000	-	86,530,000	-
Total of bonds payable covered by Master Program Trust Account	951,305,744	86,530,000	89,410,000	948,425,746	88,234,920
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, with weekly interest rate calculations	88,413,346	-	-	88,413,346	-
Total bonds payable	<u>\$ 1,039,719,090</u>	<u>\$ 86,530,000</u>	<u>\$ 89,410,000</u>	<u>\$ 1,036,839,092</u>	<u>\$ 88,234,920</u>

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

Years ending June 30:	Principal	Interest	Total
2024	88,234,920	35,574,287	123,809,207
2025	87,181,320	30,878,938	118,060,258
2026	170,032,566	27,160,252	197,192,818
2027	75,486,720	23,704,549	99,191,269
2028	64,144,120	20,712,183	84,856,303
2029 through 2033	212,728,600	74,326,381	287,054,981
2034 through 2038	118,133,200	46,747,215	164,880,415
2039 through 2043	86,819,760	30,121,352	116,941,112
2044 through 2048	78,255,100	16,722,763	94,977,863
2049 through 2053	52,367,440	4,641,564	57,009,004
2054 through 2058	3,451,300	253,534	3,704,834
	<u>1,036,835,046</u>	<u>310,843,018</u>	<u>1,347,678,064</u>

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

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

Current and Advance refunding: When conditions have warranted, the I-Bank has sold various series of bonds to provide for the refunding of previously issued obligations. The proceeds received from the sale of the refunding bonds for current refundings were used to redeem the applicable outstanding bonds and for advance refunding were deposited in an irrevocable escrow fund held by an escrow agent, in an amount that, when combined with interest earnings thereon, will equal no less than the sum of the outstanding principal amount of the bonds, the interest to accrue thereon and include the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. These transactions defeased the outstanding bond issuances with a resulting reduction in annual debt service during the remaining term of the issuances. The principal and interest savings are passed along to each applicable borrower in the form of a credit against the original debt service of the borrower. There are no defeased bonds as of June 30, 2023 due to refundings.

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

Defeased bonds outstanding at June 30, 2023, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2023
Individual borrower defeasances:	
2005 Series A	10,000
2007 Series A	1,785,000
2010 Series A	165,000
2010 Series B	370,000
2013 Series A	355,000
2014 Series A	1,025,000
2014 Series B	335,000
2015 Series A-1	305,000
2017 Series A-2	240,000
	\$ 4,590,000

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

The I-Bank has various issues of bonds subject to rebate calculations required to be made at least once every five years. The I-Bank prepares annual rebate calculations for purposes of determining any contingent liability for rebate. As of June 30, 2023, it was determined there was no rebate due as a result of these calculations. However, as of June 30, 2023, a contingent liability exists for two series of bonds in the amount of \$313,829. Excess earnings are held in the Trustee accounts to cover any payments due. 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 or 30 years, with some loans maturing over a shorter or longer period, and with coupon rates of 2.0% to 5.25% per annum.

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

Notes to Financial Statements

Note 7. Conduit Debt – Water Bank (Continued)

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

Bond Related Stewardship, compliance and accountability:

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

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

Debt service reserve requirement: Pursuant to the various bond resolutions and supplemental bond resolutions issued and accounted for as conduit debt, certain invested reserves are required to be maintained with the Trustee in a designated Debt Service Reserve Fund. This requirement is intended to fund potential deficiencies in principal and interest required to be paid in succeeding years. As of the September 1, 2022 calculation date, the cumulative debt service reserve requirement, as adjusted for refunding and defeasance was \$30,824,251. As of this same date, the aggregate market value of the securities held in the each of the individual Debt Service Reserve Funds was \$37,394,120. In addition, as of June 30, 2023, each Series Debt Service Reserve Fund was in compliance with the debt service reserve requirements in accordance with the respective bond resolutions and supplemental bond resolutions. The balances are not recorded in these financial statements. The market value as of June 30, 2023 and 2022 in all of the debt service reserve fund accounts was \$37,471,910 and \$45,034,805, respectively.

Statement of Funds and Accounts Held by the Trustee: Pursuant to the various bond resolutions and supplemental bond resolutions for bonds issued and accounted for as conduit debt, a Trustee is appointed to maintain all funds and accounts. The balances, consisting of such items as debt service reserve funds, unspent project account funds, early principal and interest payment receipts, etc., are not recorded in these financial statements. As of June 30, 2023 and 2022, the total cash and investments market value for conduit debt was \$56,329,728 and \$64,184,511, 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, 2023 and 2022, the total revenues, administrative fees and state administrative fees collected for conduit debt was \$273,661,450 and \$274,091,204, 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) -

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

Notes to Financial Statements

Note 8. Other Matter - Water Bank (Continued)

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

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

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

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

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

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

Note 9. Pension and Other Postemployment Benefits Plans

Public Employees' Retirement System

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

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

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

Notes to Financial Statements

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

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.

Plan Financial Statements

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

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

Pension Expense and Liabilities

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

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

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

Note 10. Subsequent Event

Management has evaluated subsequent events and transactions that occurred after the balance sheet date, but before September 28, 2023, the date the financial statements were available to be issued. The following items were determined by management to require disclosure in the financial statements:

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

Notes to Financial Statements

Note 10. Subsequent Event (Continued)

On June 30, 2023, the State of New Jersey signed into law an appropriation Bill (P.L. 2023 c. 74), 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.

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

Subsequent to year-end, the I-Bank has closed a total of 6 new Short-Term Water Bank loans and increased allowable funding under 8 existing Water Bank loans with a combined total of \$73,294,940 and closed a total of 0 new Short-Term Transportation Bank loan totaling \$0.

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

Master Program Trust Agreement Schedule (Unaudited)

Master program trust agreement: The New Jersey Environmental Infrastructure Financing Program (the Water Bank) adopted the Master Program Trust Agreement in 1995. Under the agreement, repayments of NJ DEP loans are deposited with US Bank and held in the Master Program Trust Account to provide coverage for all outstanding I-Bank Loans. The funds are held for a period of two semi-annual bond payments plus one day (i.e. 6 months and 1 day), after which time the funds are transferred to the SRF repayment fund at the State. The balance in the Master Program Trust Account as of June 30, 2023 and June 30, 2022 was \$37,093,960 and \$36,273,656. This balance is not an asset of the I-Bank and therefore is not reflected in the I-Bank's financial statements; however, it is available to pay debt service on the I-Bank Bonds in the event of a default by any program Borrowers.

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

Master Program Trust Agreement Schedule (Unaudited)

	Aggregate of Coverage Receiving Trust Loan Repayments: Principal ¹	Aggregate of Coverage Receiving Trust Loan Repayments: Interest ¹	Aggregate of Coverage Providing Fund Loan Repayments ^{2,3}	Total Funds Available to Secure and Provide Coverage for all Coverage Receiving Financing Program Debt Service ^{1,3}	Total Debt Service for all Coverage Receiving Financing Programs ¹	Ratio of all Coverage Providing Funds to all Coverage Receiving Debt Service
Years ending June 30:						
2024	\$ 88,234,920	\$ 35,574,287	\$ 148,024,435	\$ 271,833,642	\$ 123,809,207	2.2
2025	87,181,320	30,878,938	140,574,103	258,634,362	118,060,258	2.19
2026	81,619,220	27,160,252	130,812,418	239,591,890	108,779,472	2.2
2027	75,486,720	23,704,549	118,444,845	217,636,114	99,191,269	2.19
2028	64,144,120	20,712,183	104,060,330	188,916,633	84,856,303	2.23
2029	55,152,800	18,289,534	92,619,171	166,061,505	73,442,334	2.26
2030	50,122,700	16,247,530	80,865,920	147,236,150	66,370,230	2.22
2031	40,221,500	14,551,083	71,218,240	125,990,823	54,772,583	2.3
2032	36,331,000	13,195,061	64,506,894	114,032,955	49,526,061	2.3
2033	30,900,600	12,043,173	56,287,150	99,230,923	42,943,773	2.31
2034	28,770,200	11,011,339	50,461,278	90,242,817	39,781,539	2.27
2035	25,445,400	10,078,409	43,792,768	79,316,577	35,523,809	2.23
2036	22,940,700	9,259,101	37,810,232	70,010,033	32,199,801	2.17
2037	20,988,300	8,538,305	33,647,256	63,173,861	29,526,605	2.14
2038	19,988,600	7,860,061	31,262,901	59,111,563	27,848,661	2.12
2039	18,788,400	7,194,147	29,784,954	55,767,500	25,982,547	2.15
2040	18,533,100	6,576,917	28,260,308	53,370,325	25,110,017	2.13
2041	18,088,400	5,998,212	25,901,943	49,988,555	24,086,612	2.08
2042	16,275,400	5,441,093	22,629,451	44,345,944	21,716,493	2.04
2043	15,134,460	4,910,983	20,994,537	41,039,980	20,045,443	2.05
2044	14,981,260	4,402,020	20,538,106	39,921,386	19,383,280	2.06
2045	15,493,860	3,891,428	20,403,858	39,789,146	19,385,288	2.05
2046	15,942,960	3,359,947	20,126,918	39,429,824	19,302,907	2.04
2047	16,139,960	2,810,749	18,982,780	37,933,489	18,950,709	2
2048	15,697,060	2,258,619	16,581,302	34,536,981	17,955,679	1.92
2049	13,525,110	1,754,974	14,236,127	29,516,211	15,280,084	1.93
2050	12,963,710	1,308,159	12,954,502	27,226,371	14,271,869	1.91
2051	12,440,810	878,471	9,497,890	22,817,172	13,319,281	1.71
2052	9,330,610	487,655	4,994,662	14,812,927	9,818,265	1.51
2053	4,107,200	212,305	1,862,324	6,181,829	4,319,505	1.43
2054	784,300	103,281	1,161,672	2,049,253	887,581	2.31
2055	821,600	76,785	1,161,672	2,060,057	898,385	2.29
2056	844,000	49,285	1,161,672	2,054,957	893,285	2.3
2057	871,400	20,933	815,800	1,708,133	892,333	1.91
2058	130,000	3,250	82,704	215,954	133,250	1.62
Total	\$ 948,421,700	\$ 310,843,018	\$ 1,476,521,124	\$ 2,735,785,842	\$ 1,259,264,718	

¹ Includes Series 2022A-2 financing program.

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

³ Excludes debt service paid on or prior to June 30, 2023.

⁴ Totals may not add due to rounding.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the New Jersey Infrastructure Bank (the I-Bank), a component unit of the State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the I-Bank's basic financial statements, and have issued our report thereon dated September 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2023

Calendar 2024 I-Bank Board Meeting Dates

January 11, 2024

February 8, 2024

March 14, 2024

April 11, 2024

May 9, 2024

June 13, 2024

July 11, 2024

August 8, 2024

September 12, 2024

October 10, 2024

November 14, 2024

December 12, 2024

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



**Hackensack City Main Street Redevelopment.
SFY2023 Total Long-Term Transportation and Water Loan: \$7,591,995**

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