

NEW JERSEY WATER SUPPLY AUTHORITY



EST.

1981

COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

MARCH 31, 2016 AND JUNE 30, 2015

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

INDEX

<u>DESCRIPTION</u>	<u>PAGE NUMBER</u>
Statement of Net Position as of March 31, 2016 and June 30, 2015	1
Statements of Revenues, Expenses, and Changes in Net Position for the Nine Months Ended March 31, 2016 and 2015	2
Statements of Cash Flows for the Nine Months Ended March 31, 2016 and 2015	3
Notes to Financial Statements	4-11
Supplemental Information	
Combining Statement of Net Position as of March 31, 2016	13
Combining Statement of Revenues, Expenses and Changes in Net Position for the Nine Months Ended March 31, 2016	14
Raritan Basin System Statement of Changes in Cash and Investments by Fund for the Nine Months Ended March 31, 2016	15-18
Manasquan Water Supply System Statement of Changes in Cash and Investments by Fund for the Nine Months Ended March 31, 2016	19-22

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Statement of Net Position

Unaudited

	March 31, 2016	June 30, 2015
Assets		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$41,123,982	\$37,174,983
Unbilled sales	1,512,993	1,097,005
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2016 and June 30, 2015	2,442,322	2,908,472
Interest receivable	125,790	243,335
Prepaid expenses and other current assets	1,372,506	1,026,563
Total unrestricted assets	46,577,593	42,450,358
Restricted assets:		
Cash equivalents	4,179,414	4,499,245
Investments	6,793,764	7,840,414
Total restricted current assets	10,973,178	12,339,659
Total current assets	57,550,771	54,790,017
Non-current assets:		
Investments	11,760,762	11,824,171
Capital assets, net	140,740,063	141,237,393
Total non-current assets	152,500,825	153,061,564
Deferred outflows of resources	1,280,619	1,280,619
Total assets and deferred outflows of resources	211,332,215	209,132,200
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	0	3,930,734
Accounts payable	2,595,953	656,022
Accrued liabilities	865,797	1,342,565
Unearned revenue	3,292,607	3,110,567
Total current liabilities	6,754,357	9,039,888
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	71,129,606	71,231,389
Net pension liability	18,110,053	18,141,342
Total non-current liabilities	89,239,659	89,372,731
Deferred inflows of resources	3,020,548	2,623,839
Net position		
Net investment in capital assets	95,173,641	91,638,454
Restricted	7,680,571	9,229,092
Unrestricted	9,463,439	7,228,196
Total net position	112,317,651	108,095,742
Total liabilities, deferred inflows of resources, and net position	\$211,332,215	\$209,132,200

*Certain balances have been reclassified to conform to current year presentation

See accompanying notes.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Statements of Revenues, Expenses and Changes in Net Position

Unaudited

	Nine months ended March 31,	
	2016	2015
Operating revenues:		
Water sales	\$19,017,421	\$18,109,050
Reimbursement of operating expenses	1,981,800	1,981,800
Total operating revenues	20,999,221	20,090,850
Operating expenses:		
Payroll	5,475,615	5,320,920
Operations and maintenance	3,629,169	4,513,274
Fringe benefits	3,432,458	3,237,463
Depreciation	3,326,792	3,263,585
Total operating expenses	15,864,034	16,335,242
Income from operations	5,135,187	3,755,608
Non-operating revenue:		
State of New Jersey - Grant Programs	8,364	63
Investment income	574,701	379,992
Rental income	53,875	53,474
Other income	73,578	194,272
Total non-operating revenue	710,518	627,801
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	923,279	1,037,506
Bond discount/insurance premium expense	21,277	21,277
Recovery of deferred inflows of resources	679,240	455,269
Total non-operating expenses	1,623,796	1,514,052
Change in net position	4,221,909	2,869,357
Net position, beginning of year	108,095,742	121,682,236
Net position, end of year	\$112,317,651	\$124,551,593

See accompanying notes.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Statements of Cash Flows

Unaudited

	Nine months ended March 31,	
	2016	2015
Cash flows from operating activities		
Cash received from water sales	\$19,402,936	\$16,999,821
Cash received from reimbursable expenses	1,999,336	1,982,575
Cash received from rental income	33,468	30,634
Cash paid to or on behalf of employees	(9,019,126)	(8,467,593)
Cash paid to suppliers	(2,520,744)	(3,473,578)
Net cash provided by operating activities	9,895,870	7,071,859
Cash flows from noncapital financing activities		
Cash received for grant programs	8,364	63
Net cash provided by noncapital financing activities	8,364	63
Cash flows from capital and related financing activities		
Proceeds from borrowing	0	0
Principal paid on bonds, notes and loans	(4,125,903)	(4,267,461)
Interest paid on bonds, notes and loans	(1,331,629)	(1,486,168)
Acquisition and construction of capital assets	(2,692,403)	(3,440,202)
Proceeds from sale of capital assets	72,564	38,814
Net cash used in financing activities	(8,077,371)	(9,155,017)
Cash flows from investing activities		
Sale of investment securities	4,360,569	4,345,501
Purchase of investment securities	(3,250,510)	(3,097,965)
Interest received on investments	692,246	525,578
Net cash provided by investing activities	1,802,305	1,773,114
Net increase in cash and cash equivalents	3,629,168	(309,981)
Cash and cash equivalents, beginning of year	41,674,228	41,877,517
Cash and cash equivalents, end of year	\$45,303,396	\$41,567,536
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$5,135,187	\$3,755,608
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Non-cash items expensed to operations and maintenance	53,875	53,474
Cash received for operating activity shown in other income	1,014	155,458
Depreciation	3,326,792	3,263,585
Increase (decrease) in cash from:		
Unbilled sales	(415,988)	(539,447)
Accounts receivable	439,140	(909,658)
Prepaid expenses and other current assets	(345,943)	(351,761)
Accounts payable	1,829,882	1,717,830
Accrued liabilities	4,271	5,215
Accrued payroll and taxes	(101,071)	(78,445)
Net pension liability	(31,289)	-
Net cash provided by operating activities	\$9,895,870	\$7,071,859
Non cash investing activities		
Increase (decrease) in fair value of investments	(\$6,919)	(\$219,901)

See accompanying notes.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements

1. Organization and Operations

The New Jersey Water Supply Authority (the "Authority"), a Component Unit of the State of New Jersey (the "State"), consisting of the Spruce Run/Round Valley Reservoirs Complex, the Delaware and Raritan Canal Transmission Complex (the "Raritan Basin System") and the Manasquan Reservoir Water Supply System (the "Manasquan System"), is a public body, corporate and politic, constituted as an instrumentality of the State of New Jersey, exercising public and essential governmental functions. The Authority was created by the New Jersey Water Supply Authority Act (the "Act") on October 7, 1981, and in connection with the Act, all water supply facilities owned or operated by the State (*i.e.*, *Raritan Basin System*) were transferred or leased to the Authority. The Act empowers the Authority to acquire, finance, construct and operate water systems and issue bonds. Members of the Authority consist of the Commissioner of the New Jersey Department of Environmental Protection ("NJDEP"), ex officio member and six public members appointed by the Governor upon the advice and consent of the New Jersey Senate. The public members represent the agricultural community, industrial water users, residential water users, private watershed associations, public finance, and water resource management and distribution. The Authority prepares an annual budget that is used to establish rates and as a management tool but it does not constitute a legal budget or establish spending limitations.

The Authority does not have component units that should be included within its financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Authority is a component unit of the State of New Jersey and is included in their general purpose financial statements.

The accompanying basic financial statements have been prepared in conformity with accounting principals generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB").

The Authority derives most of its revenues from water user charges and is considered to be an enterprise fund; accordingly, the Authority presents its financial statements on the accrual basis of accounting. In addition, the Authority has established certain restricted "funds or accounts" as directed by internal resolution and bond indentures.

Revenue

Charges for wholesale water usage are established to provide revenues sufficient for services, essential repairs and improvements to utility plant, and repayment of debt service on certain long-term obligations used for plant construction. Sales are recognized as revenue when water is made available to customers, and the customers are billed in the following month or quarter.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses result from the sale of water to customers. Operating expenses include costs of providing water, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Capital Assets

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place in operation the projects of the Authority. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of three years. Such expenditures include labor, materials, services and indirect costs. Normal maintenance and repair costs are charged to operations and maintenance expense. Improvements and replacements are capitalized. Interest earned on long-term debt proceeds used for capital assets construction and temporarily invested during the construction period is netted against interest costs. The excess, if any, is capitalized to construction work in progress, and the portion related to completed projects is expensed. The cost of capital assets retired, net of any gain or loss on the disposal of such capital assets, is offset to accumulated depreciation. The Authority also holds several restricted easements for utility access, conservation and water rights. These easements are recorded at the lower of cost or fair market value upon acquisition.

Depreciation

Capital assets are depreciated on the straight-line basis over the estimated useful lives of the various classes of plant, as follows:

Dams	100 years
Buildings, structures and improvements	15-40 years
D&R canal dredging	20 years
Machinery & equipment	3-10 years

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers short-term investments that have original maturities of ninety days or less to be cash equivalents.

Investments

Short-term investments and restricted investments for construction and payment of interest consist of money market funds and U.S. Government-backed securities with various interest rates. Restricted investments are restricted under the terms of the Authority's bond indentures for the payment of debt service. All investments are carried at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Accounts Receivable

The Authority considers most of its accounts receivable to be collectible; accordingly, the change in net position is charged with an allowance for estimated uncollectible accounts based on past experience and an analysis of current accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. At March 31, 2016 and 2015, accounts receivable included amounts due from the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") for \$0 and \$757 respectively.

During fiscal years 2016 and 2015, respectively, two customers accounted for approximately 84% of total Raritan Basin System accounts receivable and five customers accounted for approximately 88% of the Manasquan Reservoir accounts receivable.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Compensated Absences

All full-time employees accumulate vacation benefits in varying annual amounts up to a maximum allowable accumulation of two years benefit. Unused sick leave benefits are earned by all full-time employees at a rate of 15 days per year and may be accumulated without limit. In the event of termination, an employee is reimbursed for all accumulated vacation days. Unused sick leave benefits do not vest but are payable only upon retirement to a maximum of \$15,000. A liability is accrued in the financial statements when incurred.

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 could differ from those estimates.

Income Taxes

The Authority is exempt from federal income taxes under the Internal Revenue Code, Section 115, and from state income taxes under N.J.S.A. 27:25-16, and accordingly, no provision is recorded for federal and state income taxes.

Net Position

Net position represents the difference between assets and liabilities and is classified into three categories:

- ◆ *Net Investment, Capital Assets* - This represents capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- ◆ *Restricted Net Position* - This represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as they are needed.
- ◆ *Unrestricted Net Position* - This represents net position that is available for general use.

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Deferred Inflows of Resources - Cost Recovery

The Authority's cost recovery rate model, used to establish rates, fees and charges, includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB Statement No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, which are being classified as deferred inflows of resources. The deferred inflows will be recovered through future revenue in accordance with the rate model. The deferred amount for the nine months ended March 31, 2016 and 2015, were determined as follows:

	2016	2015
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$626,407	\$626,407
Excess vacation expense over vacation paid	24,764	(37,525)
	651,171	588,882
Cost included in rate model:		
Debt principal repayment	0	0
	651,171	588,882
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	1,155,641	1,155,641
Excess vacation expense over vacation paid	3,618	3,341
	1,159,259	1,158,982
Cost included in rate model:		
Debt principal repayment	(2,207,140)	(2,098,270)
	(1,047,881)	(939,288)
Total Raritan Basin and Manasquan	(396,710)	(350,406)
Balance, beginning of year	(890,268)	(440,430)
Balance, end of year	(\$1,286,978)	(\$790,836)

As shown in the statement of revenue, expenses and changes in net position for the nine months ended March 31, 2016 and 2015, respectively, deferred inflows of resources of \$679,240 and \$455,269 includes a debit balance of \$254,148, and a debit balance of \$139,047 of Manasquan Water Treatment Plant deferred revenue, which is not part of the rate model, and does not include a credit balance of \$28,382 and a debit balance of \$34,184 of accrued vacation.

Deferred Inflows/Outflows of Resources - Pensions

Deferred charges for the defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on the pension plan investments, changes in the State's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contributions and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Accounting for Southeast Monmouth Municipal Utilities Authority Agreement

The Authority operates and maintains a Water Treatment Plant/Transmission System for the Southeast Monmouth Municipal Utilities Authority ("SMMUA"). The SMMUA is charged for budgeted operating expenses expected to be incurred by the Authority during the SMMUA's fiscal year (January 1 through March 31).

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of March 31, 2016 and 2015, unearned revenue amounting to \$2,151,750 and \$1,728,050, respectively, was determined as follows:

	2016	2015
Reimbursement of operating expenses	\$1,984,593	\$1,984,697
Operating expenses	1,730,445	1,845,650
Unearned revenue	254,148	139,047
Balance, beginning of year	1,897,602	1,589,003
Balance, end of year	\$2,151,750	\$1,728,050

In previous years, the Authority received additional funds that are restricted for the use by the SMMUA for costs associated in operating the Water Treatment Plant. As of March 31, 2016 and 2015, the amount included in unearned revenue was \$1,140,857 and \$1,349,570, respectively.

Accounting for Watershed Protection Program

For the Nine months ended March 31, 2016 and 2015, the Authority received \$8,364 and \$63 respectively, from the New Jersey Department of Environmental Protection for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and NJDEP and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of March 31, 2016, all the funds received had been recognized as revenue.

Other Post Employment Benefits ("OPEB") Other than Pensions

On July 1, 2007, the Authority implemented Government Standards Board Statement ("GASB") Number 45, which covers accounting and financial reporting requirements for government employers, which provide post employment benefits other than pensions. Since the Authority participates in the State of New Jersey's multiple-employer cost-sharing plan (Public Employee's Retirement System), the Authority's portion of this liability and cost is calculated and recorded at the State of New Jersey level and included in the State's Comprehensive Annual Financial Report. The Authority records OPEB expense based on the billings from the State PERS. Required financial statement disclosures are included in Note 6 of these audited financial statements.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

3. Capital Assets

Capital assets activity for the Nine months ended March 31, 2016 and the year ended June 30, 2015, was as follows:

	2016 Beginning Balance	Additions	Retirements	2016 Ending Balance
Capital assets not being depreciated:				
Land	\$25,566,853	\$ 878,100	\$ -	\$26,444,953
Construction work in progress	10,445,244	1,611,715	-	12,056,959
Total capital assets not being depreciated	<u>36,012,097</u>	<u>2,489,815</u>	<u>-</u>	<u>38,501,912</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	133,475,474	-	-	133,475,474
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,320,308	339,647	(235,576)	6,424,379
Total capital assets being depreciated	<u>238,325,216</u>	<u>339,647</u>	<u>(235,576)</u>	<u>238,429,287</u>
Less accumulated depreciation for:				
Dams	(28,366,150)	(598,496)	-	(28,964,646)
Building, structures and improvements	(78,436,800)	(2,493,302)	-	(80,930,102)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,136,697)	(234,994)	235,576	(5,136,115)
Total accumulated depreciation	<u>(133,099,920)</u>	<u>(3,326,792)</u>	<u>235,576</u>	<u>(136,191,136)</u>
Total capital assets being depreciated, net	<u>105,225,296</u>	<u>(2,987,145)</u>	<u>0</u>	<u>102,238,151</u>
Total capital assets, net	<u>\$141,237,393</u>	<u>(\$497,330)</u>	<u>\$0</u>	<u>\$140,740,063</u>
	2015 Beginning Balance	Additions	Retirements	2015 Ending Balance
Capital assets not being depreciated:				
Land	\$25,566,853	-	\$ -	\$25,566,853
Construction work in progress	9,778,693	4,037,997	(3,371,446)	10,445,244
Total capital assets not being depreciated	<u>35,345,546</u>	<u>4,037,997</u>	<u>(3,371,446)</u>	<u>36,012,097</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	130,095,629	3,379,845	-	133,475,474
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,564,082	425,196	(668,970)	6,320,308
Total capital assets being depreciated	<u>235,189,145</u>	<u>3,805,041</u>	<u>(668,970)</u>	<u>238,325,216</u>
Less accumulated depreciation for:				
Dams	(27,568,155)	(797,995)	-	(28,366,150)
Building, structures and improvements	(75,195,448)	(3,241,352)	-	(78,436,800)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,455,726)	(329,376)	648,405	(5,136,697)
Total accumulated depreciation	<u>(129,379,602)</u>	<u>(4,368,723)</u>	<u>648,405</u>	<u>(133,099,920)</u>
Total capital assets being depreciated, net	<u>105,809,543</u>	<u>(563,682)</u>	<u>(20,565)</u>	<u>105,225,296</u>
Total capital assets, net	<u>\$141,155,089</u>	<u>\$3,474,315</u>	<u>(\$3,392,011)</u>	<u>\$141,237,393</u>

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

4. Cash and Investments

New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insure deposits. All funds of the Authority may be invested in obligations of, or guaranteed by, the United States Government.

The Authority's bond resolutions limit the investment of restricted assets to obligations of the U.S. Government or its agencies, investments in certain certificate of deposit of commercial banks which are members of the Federal Reserve System, investments in the State of New Jersey Cash Management Fund and direct and general obligations of any State which meets the minimum requirements of the resolution.

a. Cash

As of March 31, 2016 and June 30, 2015, the Authority's bank balance was \$6,164,588 and \$2,275,529, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$5,914,588 and \$2,025,529 as of March 31, 2016 and June 30, 2015, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$2,011 and \$36,108, respectively. The statement of net position amount includes petty cash totaling \$300 as of March 31, 2016 and June 30, 2015, respectively.

b. Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority has a deposit policy for custodial credit risk. The Authority's bank balance of \$6,164,588 and \$2,275,529 as of March 31, 2016 and June 30, 2015, respectively, was exposed to custodial credit risk as follows:

	March 31, 2016	June 30, 2015
Uninsured and uncollateralized	\$ -	\$ -

c. Investments and Cash Equivalents

The Authority does not have a policy limit interest rate risk; however, its practice is to hold investments to maturity.

As of March 31, 2016 the Authority had the following investments and cash equivalents, with maturities as indicated:

Investment and Cash Equivalent Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
U.S. Treasuries	\$45,934,283	\$45,934,283	\$ -
N/J G/O Bonds	11,886,552	-	11,886,552
Total	\$57,820,835	\$45,934,283	\$11,886,552

As of June 30, 2015, the Authority had the following investments and cash equivalents, with maturities as indicated:

Investment and Cash Equivalent Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
U.S. Treasuries	\$47,274,921	\$47,274,921	\$ -
N/J G/O Bonds	12,067,506	-	12,067,506
Total	\$59,342,427	\$47,274,921	\$12,067,506

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Credit and Custodial Credit Risk

In order to limit exposure to credit risk, the Authority follows the investment policies set forth by the NJCMF. These policies allow investment in securities that achieve a certain rating from the three major ratings organizations as determined annually by the governing board of NJCMF, as well as limiting investments to certain types of marketable securities.

U.S. Treasury notes are explicitly guaranteed by the U.S. government and are not subject to credit risk or custodial credit risk.

The Authority entered into an agreement with PNC Bank and TD Bank to collateralize all deposits held at market rate equal to 102% of the daily combined total of all deposits. As of March 31, 2016, all deposits were collateralized.

d. Investment Income

The following comprises investment income for the Nine months ended March 31, 2016 and 2015, respectively:

	2016	2015
Interest earned on bank accounts and certificates of deposit	199,086	163,102
Interest earned on securities	434,825	436,791
Increase (decrease) in fair value of securities	(59,210)	(219,901)
	\$574,701	\$379,992

5. Major Water Customers

During fiscal years 2016 and 2015, the Authority supplied water to approximately 29 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2016 and 2015, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. Three customers accounted for approximately 82% of total Manasquan System operating revenue.

6. Risk Management

The Authority carries insurance for all of its facilities covering direct physical loss or damage and loss of revenue resulting therefrom, with deductibles as it deems appropriate. The Authority also carries General and Umbrella Public Liability Insurance with self-insured retainers as it deems appropriate. Automotive and Public Officials Liability coverage is also maintained with deductibles. Workers' Compensation coverage is also maintained as required by State law. Settled claims resulting from the aforementioned risks have not exceeded insurance coverage in any of the past three fiscal years.

Supplemental Information

New Jersey Water Supply Authority

Combining Schedule of Net Position

March 31, 2016

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$30,687,341	\$10,436,641		\$41,123,982
Unbilled sales	1,512,993			1,512,993
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2016	754,695	1,859,354	(171,727)	2,442,322
Interest receivable	116,606	9,184		125,790
Prepaid expenses and other current assets	1,083,912	288,594		1,372,506
Total unrestricted current assets	<u>34,155,547</u>	<u>12,593,773</u>	<u>(171,727)</u>	<u>46,577,593</u>
Restricted assets:				
Cash equivalents	1,454,230	2,725,184		4,179,414
Investments	0	6,793,764		6,793,764
Total restricted current assets	<u>1,454,230</u>	<u>9,518,948</u>	<u>0</u>	<u>10,973,178</u>
Total current assets	<u>35,609,777</u>	<u>22,112,721</u>	<u>(171,727)</u>	<u>57,550,771</u>
Non-current assets:				
Investments	10,822,593	938,169		11,760,762
Capital assets net of accumulated depreciation of \$136,191,136 at March 31, 2016	83,224,765	57,515,298		140,740,063
Total non-current assets	<u>94,047,358</u>	<u>58,453,467</u>	<u>-</u>	<u>152,500,825</u>
Deferred outflows of resources	988,207	292,412		1,280,619
Total assets and deferred outflows of resources	<u>\$130,645,342</u>	<u>\$80,858,600</u>	<u>(171,727)</u>	<u>\$211,332,215</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$0	\$0		\$0
Accounts payable	1,774,502	993,178	(171,727)	2,595,953
Accrued liabilities	523,276	342,521		865,797
Unearned revenue	0	3,292,607		3,292,607
Total current liabilities	<u>2,297,778</u>	<u>4,628,306</u>	<u>(171,727)</u>	<u>6,754,357</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	10,905,547	60,224,059		71,129,606
Net pension liability	14,073,119	4,036,934		18,110,053
Total non-current liabilities	<u>24,978,666</u>	<u>64,260,993</u>		<u>89,239,659</u>
Deferred inflows of resources	15,930,671	(12,910,123)		3,020,548
Net position				
Net investment in capital assets	72,319,218	22,854,423		95,173,641
Restricted for repayment of debt principal and interest	1,454,230	6,226,341		7,680,571
Unrestricted	13,664,779	(4,201,340)	-	9,463,439
Total net position	<u>87,438,227</u>	<u>24,879,424</u>	<u>0</u>	<u>112,317,651</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$130,645,342</u>	<u>\$80,858,600</u>	<u>(171,727)</u>	<u>\$211,332,215</u>

New Jersey Water Supply Authority
Combining Schedule of Revenues, Expenses
and Changes in Net Position

March 31, 2016

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:				
Water Sales	\$13,051,577	\$5,965,844		\$19,017,421
Reimbursement of operating expenses			1,981,800	1,981,800
Total operating revenues	<u>13,051,577</u>	<u>5,965,844</u>	<u>1,981,800</u>	<u>20,999,221</u>
Operating expenses:				
Payroll	4,167,916	644,666	663,033	5,475,615
Operations and maintenance (direct)	2,239,019	725,239	556,826	3,521,084
Operations and maintenance (general and administrative)		61,336	46,749	108,085
Fringe benefits	2,666,621	374,751	391,086	3,432,458
Headquarters overhead	(552,751)	480,000	72,751	0
Depreciation	2,067,122	1,259,670	-	3,326,792
Total operating expenses	<u>10,587,927</u>	<u>3,545,662</u>	<u>1,730,445</u>	<u>15,864,034</u>
Income from operations	<u>2,463,650</u>	<u>2,420,182</u>	<u>251,355</u>	<u>5,135,187</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	8,364			8,364
Investment Income	389,856	182,252	2,793	574,701
Rental Income	53,875	0		53,875
Other Income	71,530	2,048		73,578
Total non-operating revenue	<u>523,425</u>	<u>184,300</u>	<u>2,793</u>	<u>710,518</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	134,442	788,837		923,279
Bond discount/insurance premium expense		21,277		21,277
Recovery of deferred inflows of resources	(626,407)	1,051,499	254,148	679,240
Total non-operating expenses	<u>(491,965)</u>	<u>1,861,613</u>	<u>254,148</u>	<u>1,623,796</u>
Changes in net position	3,479,040	742,869	0	4,221,909
Net position, beginning of year	<u>83,959,187</u>	<u>24,136,555</u>		<u>108,095,742</u>
Net position, end of year	<u>\$87,438,227</u>	<u>\$24,879,424</u>	<u>\$0</u>	<u>\$112,317,651</u>

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System
For the nine months ended March 31, 2016

	Revenue Fund	Operating Fund					Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal	
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve					Depreciation Reserve
Cash and investments - July 1, 2015	\$289,108	\$1,187,370	\$30,000	\$972,749	\$3,693,572	\$1,009,445	\$3,437,514	\$926,772	\$6,677,330	\$2,889,273	\$21,113,133
Cash receipts:											
Water sales operations and maintenance	8,879,903										8,879,903
Water sales debt service	1,316,050										1,316,050
Water sales capital fund	1,707,071										1,707,071
Water sales source water protection fund	1,263,407										1,263,407
Water sales overdrafts	293,652										293,652
Rental income	33,975										33,975
Manasquan reservoir support	240,028			12,316							252,344
Headquarters overhead				561,751							561,751
Disposition of property	28,554										28,554
Recycling revenue											-
Sale of investment securities							442,213				442,213
Nonrefundable bid deposits											-
Insurance reimbursement	22,502										22,502
Miscellaneous expense reimbursement	133,344	1,935									135,279
Transfers:											
Contributions from operating fund		9,570,167	2,418,255	(17,752,913)			594,657	112,500		418,500	(4,638,834)
Contributions to operating fund				2,074,550			(113,266)			(31,141)	1,930,143
Transfers for operations	(13,426,963)			14,995,405	1,558						1,570,000
Transfers for investments											-
Distribution from reserves to operations		7,748									7,748
Investment income				1,626	81,559	37,067	105,272	1,238	287,533	4,010	518,305
Per resolution, Section 603:											
Investment income, transfer from	510,933			(1,626)	(81,559)	(37,067)	(103,181)		(287,500)		-
Investment income, transfer to	(58,487)				8,493		51,994				-
Unrealized gain/(loss) on fair value					(26,001)	(12,134)	19,475		28,393		9,733
Total cash receipts	943,969	9,579,850	2,418,255	(108,891)	(17,950)	(12,134)	997,164	113,738	28,426	391,369	14,333,796
Total available cash and investments	\$1,233,077	\$10,767,220	\$2,448,255	\$863,858	\$3,675,622	\$997,311	\$4,434,678	\$1,040,510	\$6,705,756	\$3,280,642	\$35,446,929

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System (continued)
For the nine months ended March 31, 2016

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total cash and investments	\$21,113,133	\$287,978	\$535,658	\$1,375,581	\$13,411,879	\$20,121	\$1,751,704	\$150,052	\$85,886	\$1,053,188	\$39,785,180
Cash receipts:											
Water sales operations and maintenance	8,879,903										8,879,903
Water sales debt service	1,316,050										1,316,050
Water sales capital fund	1,707,071										1,707,071
Water sales source water protection fund	1,263,407										1,263,407
Water sales overdrafts	293,652										293,652
Rental income	33,975										33,975
Manasquan reservoir support	252,344										252,344
Headquarters overhead	561,751										561,751
Disposition of property	28,554										28,554
Recycling revenue	-										-
Sale of investment securities	442,213										442,213
Nonrefundable bid deposits	-										-
Insurance reimbursement	22,502										22,502
Miscellaneous expense reimbursement	135,279										135,279
Transfers:											
Contributions from operating fund	(4,638,834)	265,500	517,500		1,843,522		1,251,149	112,500		648,663	-
Contributions to operating fund	1,930,143				(1,297,594)					(632,549)	-
Transfers for operations	1,570,000						(1,570,000)				-
Transfers for investments	-										-
Distribution from reserves to operations	7,748									(7,748)	-
Investment income	518,305	114	282	1,778	17,871	24	1,231	195	48	1,518	541,366
Per resolution, Section 603:											
Investment income, transfer from	-										-
Investment income, transfer to	-										-
Unrealized gain/(loss) on fair value	9,733										9,733
Total cash receipts	14,333,796	265,614	517,782	1,778	563,799	24	(317,620)	112,695	48	9,884	15,487,800
Total available cash and investments	\$35,446,929	\$553,592	\$1,053,440	\$1,377,359	\$13,975,678	\$20,145	\$1,434,084	\$262,747	\$85,934	\$1,063,072	\$55,272,980

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System (continued)
For the nine months ended March 31, 2016

	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Operating Fund Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
Total available cash and investments	\$1,233,077	\$10,767,220	\$2,448,255	\$863,858	\$3,675,622	\$997,311	\$4,434,678	\$1,040,510	\$6,705,756	\$3,280,642	\$35,446,929
Cash disbursements:											
Payroll			2,418,255								2,418,255
Fringe benefits		22,554		548,931							571,485
Employee deferred compensation and credit union		1,355,901		122,945							1,478,846
Operations and maintenance		5,521,273									5,521,273
Prepaid insurance											-
Miscellaneous disbursements											-
Watershed Management Fund											-
Capital improvements:											
Capital assets											-
New five year construction project											-
Purchase of investments securities							456,674				456,674
Principal on 1981 bonds											-
Interest on 1981 bonds											-
Principal on 1998 bonds											-
Interest on 1998 revenue bonds											-
Principal on NJEIT bonds											-
Interest on NJEIT revenue bonds											-
Total cash disbursements	-	6,899,728	2,418,255	671,876	-	-	456,674	-	-	-	10,446,533
Cash and investments - December 31, 2015	\$1,233,077	\$3,867,492	\$30,000	\$191,982	\$3,675,622	\$997,311	\$3,978,004	\$1,040,510	\$6,705,756	\$3,280,642	\$25,000,396
Summary of cash and investments:											
Cash	\$1,233,077	\$3,867,492	\$30,000								\$5,130,569
Short-term investments				\$191,982	\$2,174,268	\$296,679	\$1,988,621	\$1,040,510	\$74,532	\$3,280,642	9,047,234
Long-term investments					1,501,354	700,632	1,989,383		6,631,224		10,822,593
Restricted Investments (current)											-
Restricted Investments (long-term)											-
Total cash and investments	\$1,233,077	\$3,867,492	\$30,000	\$191,982	\$3,675,622	\$997,311	\$3,978,004	\$1,040,510	\$6,705,756	\$3,280,642	\$25,000,396

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System (continued)
For the nine months ended March 31, 2016

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$35,446,929	\$553,592	\$1,053,440	\$1,377,359	\$13,975,678	\$20,145	\$1,434,084	\$262,747	\$85,934	\$1,063,072	\$55,272,980
Cash disbursements:											
Payroll	2,418,255										2,418,255
Fringe benefits	571,485										571,485
Employee deferred compensation and credit union	1,478,846										1,478,846
Operations and maintenance	5,521,273										5,521,273
Prepaid insurance	-										-
Miscellaneous disbursements	-				796,833					29,606	826,439
Watershed Management Fund	-										-
Capital improvements:											
Capital assets	-										-
New five year construction project	-										-
Purchase of investments securities	456,674										456,674
Principal on 1981 bonds	-										-
Interest on 1981 bonds	-										-
Principal on 1998 bonds	-										-
Interest on 1998 revenue bonds	-										-
Principal on NJEIT bonds	-	308,820	536,488								845,308
Interest on NJEIT revenue bonds	-	39,552	150,984								190,536
Total cash disbursements	10,446,533	348,372	687,472	-	796,833	-	-	-	-	29,606	12,308,816
Cash and investments - December 31, 2015	\$25,000,396	\$205,220	\$365,968	\$1,377,359	\$13,178,845	\$20,145	\$1,434,084	\$262,747	\$85,934	\$1,033,466	\$42,964,164
Summary of cash and investments:											
Cash	\$5,130,569									\$45,303	\$5,175,872
Short-term investments	9,047,234	\$205,220	\$365,968	\$1,377,359	\$13,178,845	\$20,145	\$1,434,084	\$262,747	\$85,934	988,163	26,965,699
Long-term investments	10,822,593										10,822,593
Restricted Investments (current)	-										-
Restricted Investments (long-term)	-										-
Total cash and investments	\$25,000,396	\$205,220	\$365,968	\$1,377,359	\$13,178,845	\$20,145	\$1,434,084	\$262,747	\$85,934	\$1,033,466	\$42,964,164

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes In Cash and Investments
Manasquan Water Supply System
For the nine months ended March 31, 2016

	Revenue Fund	Operating Fund				Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M								
Cash and Investments - July 1, 2015	\$171,096	\$312,936	\$20,000	\$3,610,830	\$1,653,051	\$242,339	\$2,300,477	\$30,069	\$1,570,510	\$390,690	\$160,392	\$136,797	\$10,599,187
Cash receipts:													
Water sales operations and maintenance	1,990,536												1,990,536
Water sales debt service	3,504,606												3,504,606
Source water protection	60,946												60,946
Water sales debt service NJEIT	130,308												130,308
Water sales overdrafts	151,347												151,347
NJ-American pumping costs	150,270												150,270
Headquarters overhead													-
Reimbursement of WTP capital expenses													-
Disposition of assets	1,980												1,980
Reimbursement from Raritan Basin	18,406												18,406
Sale of investments securities													-
Nonrefundable bid deposits													-
Miscellaneous reimbursement	76,319												76,319
Transfers:													
Contributions from operating fund		3,121,433	801,068	(7,631,126)			90,000		63,722	25,175		22,000	(3,507,728)
Contributions to operating fund		371		1,878,532			(310,656)		(74,080)	(11,245)			1,482,922
Transfers for operations	(6,199,495)			6,199,495									-
Distribution from reserves to operations		193,641											193,641
Investment income				4,812	22,583	11,045	2,917	37	1,922	16,477	2,005	110	61,908
Per resolution, Section 603:													
Investment income, transfer from	57,031			(4,812)	(22,583)	(11,045)				(16,426)	(2,005)	(110)	50
Investment income, transfer to	(12,648)			4,436						8,212			-
Unrealized gain/(loss) on fair value				(6,934)	(3,642)					(5,437)	(638)		(16,651)
Total cash receipts	(70,394)	3,315,445	801,068	451,337	(6,934)	(3,642)	(217,739)	37	(8,436)	16,756	(638)	22,000	4,298,860
Total cash and investments	\$100,702	\$3,628,381	\$821,068	\$4,062,167	\$1,646,117	\$238,697	\$2,082,738	\$30,106	\$1,562,074	\$407,446	\$159,754	\$158,797	\$14,898,047

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System (continued)
For the nine months ended March 31, 2016

	Water Treatment Plant/Transmission System														Totals	
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2005 Debt Service Account	2005 Debt Service Reserve	2006 Debt Service Account	2006 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
Cash and investments - July 1, 2015	\$10,599,187	\$185,236	\$1,011,428	\$9,488	\$98,444	\$253,205	\$1,169,619	\$349,508	\$3,709,558	\$3,606,827	\$14,247	\$10,186	\$150,088	\$41,198	\$345,414	\$21,553,633
Cash receipts:																
Water sales operations and maintenance	1,990,536															1,990,536
Water sales debt service	3,504,606															3,504,606
Source water protection	60,946															60,946
Water sales debt service NJEIT	130,308															130,308
Water sales overdrafts	151,347															151,347
NJ-American pumping costs	150,270															150,270
Headquarters overhead	-		1,981,800													1,981,800
Reimbursement of WTP capital expenses	-															-
Disposition of assets	1,980															1,980
Reimbursement from Raritan Basin	18,406															18,406
Sale of investments securities	-															-
Nonrefundable bid deposits	-															-
Miscellaneous reimbursement	76,319		50,783				34,410									161,512
Transfers:																
Contributions from operating fund	(3,507,728)	600,000	(604,517)					134,018	3,182,925		3,877				191,425	-
Contributions to operating fund	1,482,922		(1,139,120)		(83)	(347)	(228,372)			(115,000)						-
Transfers for operations	-															-
Distribution from reserves to operations	193,641														(193,641)	-
Investment income	61,908		1,123	11	65	272	1,321	324	192	107,447		1	134	50	490	173,338
Per resolution, Section 603:																
Investment income, transfer from	50		15	(15)										(50)		-
Investment income, transfer to	-															-
Unrealized gain/(loss) on fair value	(16,651)															(16,651)
Total cash receipts	4,298,860	600,000	290,084	(4)	(18)	(75)	(192,641)	134,342	3,183,117	(7,553)	3,877	1	134	-	(1,726)	8,308,398
Total cash and investments	\$14,898,047	\$785,236	\$1,301,512	\$9,484	\$98,426	\$253,130	\$976,978	\$483,850	\$6,892,675	\$3,599,274	\$18,124	\$10,187	\$150,222	\$41,198	\$343,688	\$29,862,031

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System (continued)
For the nine months ended March 31, 2016

	Operating Fund					Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Reserve for O&M								
Total available cash and investments	\$100,702	\$3,628,381	\$821,068	\$4,062,167	\$1,646,117	\$238,697	\$2,082,738	\$30,106	\$1,562,074	\$407,446	\$159,754	\$158,797	\$14,898,047
Cash disbursements:													
Payroll			801,068										801,068
Fringe benefits		1,487,019		(1,140,923)									346,096
Employee deferred compensation and credit union				165,197									165,197
Operations and maintenance		1,433,464		592,031				81,267					2,106,762
NJ-American pumping costs													-
Prepaid insurance													-
Headquarters overhead				489,000									489,000
Capital assets reservoir													-
Capital improvement program (reservoir)													-
Purchase of Investments securities													-
Principal on bonds													-
Interest on bonds													-
Total cash disbursements	-	2,920,483	801,068	105,305	-	-	-	-	81,267	-	-	-	3,908,123
Cash and investments - March 31, 2016	\$100,702	\$707,898	\$20,000	\$3,956,862	\$1,646,117	\$238,697	\$2,082,738	\$30,106	\$1,480,807	\$407,446	\$159,754	\$158,797	\$10,989,924
Summary of cash and investments:													
Cash (Manasquan)	\$100,702	\$707,898	\$20,000										\$828,600
Cash (Water Treatment Plant/TS)													-
Short-term investments				\$3,956,862	\$1,244,939	\$37,685	\$2,082,738	\$30,106	\$1,480,807	\$106,569	\$124,652	\$158,797	9,223,155
Short-term Investments (Water Treatment Plant/TS)													-
Long-term investments					401,178	201,012				300,877	35,102		938,169
Restricted investments (current)													-
Restricted investments (long-term)													-
Total cash and investments	\$100,702	\$707,898	\$20,000	\$3,956,862	\$1,646,117	\$238,697	\$2,082,738	\$30,106	\$1,480,807	\$407,446	\$159,754	\$158,797	\$10,989,924

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System (continued)
For the nine months ended March 31, 2016

	Water Treatment Plant/Transmission System													General Reserve Fund	Employment Benefit Funds	Totals
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2005 Debt Service Account	2005 Debt Service Reserve	2006 Debt Service Account	2006 Debt Service Reserve	Rebate Fund			
Total available cash and investments	\$14,898,047	\$785,236	\$1,301,512	\$9,484	\$98,426	\$253,130	\$976,978	\$483,850	\$6,892,675	\$3,599,274	\$18,124	\$10,187	\$150,222	\$41,198	\$343,688	\$29,862,031
Cash disbursements:																
Payroll	801,068															801,068
Fringe benefits	346,096															346,096
Employee deferred compensation and credit union	165,187															165,187
Operations and maintenance	2,106,762	626,831														2,733,593
NJ-American pumping costs	-															-
Prepaid insurance	-															-
Headquarters overhead	489,000		72,751													561,751
Capital assets reservoir	-															-
Capital improvement program (reservoir)	-															-
Purchase of investments securities	-															-
Principal on bonds	-							142,572	2,940,000		2,853					3,085,425
Interest on bonds	-							38,698	1,231,750		4,695					1,275,143
Total cash disbursements	3,908,123	626,831	72,751	-	-	-	-	181,270	4,171,750	-	7,548	-	-	-	-	8,968,273
Cash and investments - March 31, 2016	\$10,989,924	\$158,405	\$1,228,761	\$9,484	\$98,426	\$253,130	\$976,978	\$302,580	\$2,720,925	\$3,599,274	\$10,576	\$10,187	\$150,222	\$41,198	\$343,688	\$20,893,758
Summary of cash and investments:																
Cash (Manasquan)	\$828,600															\$828,600
Cash (Water Treatment Plant/TS)	-	\$158,405														158,405
Short-term investments	9,223,155													\$41,198	\$343,688	9,608,041
Short-term investments (Water Treatment Plant/TS)	-		\$1,228,761	\$9,484	\$98,426	\$253,130	\$976,978									2,566,779
Long-term investments	938,169															938,169
Restricted investments (current)	-							\$302,580	\$2,720,925	\$3,599,274	\$10,576	\$10,187	\$150,222			6,793,764
Restricted investments (long-term)	-															-
Total cash and investments	\$10,989,924	\$158,405	\$1,228,761	\$9,484	\$98,426	\$253,130	\$976,978	\$302,580	\$2,720,925	\$3,599,274	\$10,576	\$10,187	\$150,222	\$41,198	\$343,688	\$20,893,758