

NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

September 30, 2023 AND JUNE 30, 2023

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

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**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

STATEMENTS OF NET POSITION

	Unaudited	
	<u>September 30,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Assets		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 58,915,266	\$ 56,288,289
Unbilled sales	2,432,942	1,853,997
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2023 and June 30, 2023	6,437,766	13,967,536
Interest receivable	369,181	285,544
Prepaid expenses and other current assets	1,046,622	1,760,875
Total unrestricted current assets	<u>69,201,777</u>	<u>74,156,241</u>
Restricted assets:		
Cash equivalents	20,052,643	19,823,574
Total current assets	<u>89,254,420</u>	<u>93,979,815</u>
Non-current assets:		
Investments	34,849,821	34,751,456
Capital assets, net	239,886,656	235,324,883
Total non-current assets	<u>274,736,477</u>	<u>270,076,339</u>
Total assets	<u>363,990,897</u>	<u>364,056,154</u>
Deferred outflows of resources:		
Cost recovery	3,098,195	2,672,857
Pension related	3,016,579	3,016,579
OPEB related	10,685,054	10,685,054
Construction loan DEP fee	742,575	742,575
Total deferred outflows of resources	<u>17,542,403</u>	<u>17,117,065</u>
Total assets and deferred outflows of resources	<u>\$ 381,533,300</u>	<u>\$ 381,173,219</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 572,717	\$ 3,116,146
Accounts payable	3,607,844	4,550,507
Accrued liabilities	3,026,443	2,927,674
Unearned revenue	6,472,972	6,533,836
Total current liabilities	<u>13,679,976</u>	<u>17,128,163</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	149,615,311	149,640,545
Lease liability	24,884	24,884
Net pension liability	16,101,898	16,101,898
Net OPEB liability	27,662,158	27,662,158
Total non-current liabilities	<u>193,404,251</u>	<u>193,429,485</u>
Total liabilities	<u>207,084,227</u>	<u>210,557,648</u>
Deferred inflows of resources:		
Pension related	2,796,346	2,796,346
OPEB related	16,528,732	16,528,732
Gain on refunding	207,183	213,136
Total deferred inflows of resources	<u>19,532,261</u>	<u>19,538,214</u>
Total liabilities and deferred inflows of resources	<u>226,616,488</u>	<u>230,095,862</u>
Net Position		
Net investment in capital assets	115,054,629	107,918,240
Restricted for cash, investments, and unearned revenue	13,579,671	13,289,738
Unrestricted	26,282,512	29,869,379
Total net position	<u>154,916,812</u>	<u>151,077,357</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 381,533,300</u>	<u>\$ 381,173,219</u>

See notes to financial statements.

**NEW JERSEY WATER SUPPLY AUTHORITY
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STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Unaudited	
	Three months ended Sept. 30,	
	2023	2022
Operating revenues:		
Water sales	\$ 8,259,885	\$ 8,511,981
Reimbursement of operating expenses	645,000	645,000
Total operating revenues	<u>8,904,885</u>	<u>9,156,981</u>
Operating expenses:		
Payroll	2,100,561	2,109,905
Operations and maintenance	1,577,936	1,703,839
Fringe benefits	1,395,547	1,176,975
Depreciation	1,229,865	1,225,940
Total operating expenses	<u>6,303,909</u>	<u>6,216,659</u>
Income from operations	2,600,976	2,940,322
Non-operating revenues:		
State of New Jersey - Grant Programs	12,929	510,750
Investment and interest income	937,026	(181,200)
Rental income	54,677	50,933
Other income	(147,707)	14,749
Recovery of deferred outflows of resources	479,372	490,265
Total non-operating revenues	<u>1,336,297</u>	<u>885,497</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	160,479	159,565
SMMUA operations, net	(62,661)	(9,516)
Total non-operating expenses	<u>97,818</u>	<u>150,049</u>
Changes in net position	3,839,455	3,675,770
Net position, beginning of year	151,077,357	135,345,662
Net position, end of year	<u>\$ 154,916,812</u>	<u>\$ 139,021,432</u>

See notes to financial statements.

NEW JERSEY WATER SUPPLY AUTHORITY
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STATEMENTS OF CASH FLOWS

Unaudited	Three months ended Sept. 30,	
	2023	2022
Cash flows from operating activities		
Cash received from water sales	\$ 6,077,368	\$ 7,057,198
Cash received from reimbursable expenses	682,080	1,111,866
Cash received from rental income	31,062	42,062
Cash paid to or on behalf of employees	(3,257,545)	(3,095,219)
Cash paid to suppliers	(927,856)	(1,099,896)
Net cash provided by operating activities	<u>2,605,109</u>	<u>4,016,011</u>
Cash flows from noncapital financing activities		
Cash received for grant programs	9,683	2,781
Net cash provided by non-capital financing activities	<u>9,683</u>	<u>2,781</u>
Cash flows from capital and related financing activities		
Proceeds from borrowing	9,329,953	-
Principal paid on bonds, notes and loans	(2,635,481)	(2,640,961)
Interest paid on bonds, notes and loans	(240,420)	(266,779)
Acquisition and construction of capital assets	(6,819,923)	(4,196,741)
Proceeds from sale of capital assets	(147,899)	14,000
Net cash used in capital and related financing activities	<u>(513,770)</u>	<u>(7,090,481)</u>
Cash flows from investing activities		
Sale of investment securities	1,655,405	-
Purchase of investment securities	(1,753,770)	(14,954,740)
Interest received on investments	853,389	(291,241)
Net cash provided/(used) by investing activities	<u>755,024</u>	<u>(15,245,981)</u>
Net increase in cash and cash equivalents	2,856,046	(18,317,670)
Cash and cash equivalents, beginning of year	76,111,863	104,568,018
Cash and cash equivalents, end of year	<u>\$ 78,967,909</u>	<u>\$ 86,250,348</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,600,976	\$ 2,940,322
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	117,530	503,533
Depreciation	1,229,865	1,225,940
Increase (decrease) in cash from:		
Unbilled sales	(578,945)	(1,228,965)
Accounts receivable	(1,805,712)	(266,924)
Prepaid expenses and other current assets	714,253	559,232
Accounts payable	94,397	95,241
Accrued liabilities	1,703	(1,369)
Accrued payroll and taxes	231,042	189,001
Net cash provided by operating activities	<u>\$ 2,605,109</u>	<u>\$ 4,016,011</u>
Non cash investing activities		
Decrease/increase in fair value of investments	<u>\$ 106,916</u>	<u>\$ (411,124)</u>

See notes to financial statements.

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

A. 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, 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 the 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 the budget 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.

B. 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 principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB").

In its accounting and financial reporting, the Authority follows the pronouncements of the GASB and other entities that promulgate accounting principals. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principals for the State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principals ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the Codification of Governmental Accounting and Financial Reporting Standards (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principals for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other Statements, pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

The Authority derives most of its revenue 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.

Revenues

Charges for wholesale water usage are established to provide revenues sufficient for services, essential repairs and improvements to the 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.

**NEW JERSEY WATER SUPPLY AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues (Continued)

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenue 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.

Capital Assets

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place into operation the projects of the Authority. Effective July 1, 2023, the Authority modified the capital asset definition to an asset as having an initial individual cost of \$5,000 (previously \$1,000) or more 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 for capital asset construction and temporarily invested during the construction period is netted against interest cost. 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 used 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* and GASB Statement No. 72, *Fair Value Measurement and Application*.

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.

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 up to a maximum of \$15,000. A liability is accrued in the financial statements when incurred.

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in 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 for cash, investments, and unearned revenue* - 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.

Deferred Inflows/Outflows 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, and accrued sick pay, which are being classified as deferred outflows of resources. The deferred outflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the three months ended September 30, 2023 and the year ended June 30, 2023 were determined as follows:

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NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

	<u>September 30, 2023</u>	<u>June 30, 2023</u>
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 202,909	\$ 823,423
Excess vacation expense over vacation paid	(53,316)	22,814
Accrued sick pay	-	22,646
	<u>149,593</u>	<u>868,883</u>
Cost included in rate model:		
Debt principal repayment	-	-
Subtotal Raritan Basin System	<u>149,593</u>	<u>868,883</u>
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 385,213	1,540,854
Excess vacation expense over vacation paid	(718)	(8,206)
Accrued sick pay	-	608
	<u>384,495</u>	<u>1,533,256</u>
Cost included in rate model:		
Debt principal repayment	(108,750)	(415,000)
Subtotal Manasquan System	<u>275,745</u>	<u>1,118,256</u>
Total Raritan Basin and Manasquan	425,338	1,987,139
Balance, beginning of year	2,672,857	685,718
Balance, end of year	<u>\$ 3,098,195</u>	<u>\$ 2,672,857</u>

As shown in the statements of revenue, expenses and changes in net position for three months ended September 30, 2023, deferred outflows of resources debit of \$479,372, does not include a credit balance of \$54,034 of accrued vacation and sick pay. The June 30, 2023, deferred outflows of resources debit balance of \$1,949,277, does not include a debit balance of \$37,862 of accrued vacation and sick pay.

Deferred Inflows/Outflows of Resources - Debt Refunding

Deferred charges for debt refunding result from the difference between the net carrying amount of refunded bonds and the amount deposited to escrow to defease the bonds. In accordance with GASB 23, the Authority has deferred the difference between the reacquisition price and the net carrying amount of the Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005. The deferred amount is reported as a deferred inflow of resources and amortized as a component of interest expense over the remaining life of the Manasquan Reservoir Water Supply System Revenue Bonds, Series 2016.

Deferred Inflows/Outflows of Resources - Pensions & Other Postretirement Benefits (OPEB)

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 plan investments, changes in the State's proportion of expenses and liabilities to the plans as a whole, differences between the Authority's plan contributions and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

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NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 December 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 statements of net position. These excess costs or billings will be recovered or recognized in future periods. As of September 30, 2023 and 2022, unearned revenue amounting to \$5,219,483 and \$4,632,676 respectively, was determined as follows:

	<u>2023</u>	<u>2022</u>
Reimbursement of operating expenses	\$ 669,693	\$ 649,432
Operating expenses	<u>732,354</u>	<u>658,948</u>
Unearned revenue	<u>(62,661)</u>	<u>(9,516)</u>
Balance, beginning of year	<u>5,282,144</u>	<u>4,642,192</u>
Balance, end of year	<u>\$ 5,219,483</u>	<u>\$ 4,632,676</u>

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of September 30, 2023 and 2022, the amount included in unearned revenue was \$346,835 and \$262,483, respectively.

Accounting for Watershed Protection Program

For the three months ended September 30, 2023 and 2022, the Authority received \$9,683 and \$38,430 respectively, from federal and/or state environmental agencies 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 these agencies 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 September 30, 2023, all the funds received had been recognized as revenue.

Accounting for Mitigation Funds

For the three months ended September 30, 2023, and 2022, the Authority received \$0, and \$8,940, respectively, for the costs associated with implementing water quality improvement projects for the Delaware and Raritan Canal. These funds are restricted to projects specifically identified by the D&R Canal Commission ("DRCC") and administered by the Authority and are recognized as revenue as the related costs are incurred. These are maintained in a separate mitigation account. As of September 30, 2023 and June 30, 2023, the balance of unearned revenue was \$556,425, and \$556,425, respectively.

Accounting for FEMA Reimbursements

The Authority received Federal Emergency Management Agency reimbursements for COVID-19 and the remnants of Hurricane Ida flooding in the amounts of \$0, and 451,851, for the months ending September 30, 2023, and 2022, respectively. As of September 30, 2023 and 2022, the balance of unearned revenue was \$350,228 and \$0, respectively.

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NOTES TO FINANCIAL STATEMENTS

C. CAPITAL ASSETS

Capital assets activity for the three months ended September 30, 2023 and the year ended June 30, 2023, was as follows:

	2024 Beginning Balance	Additions	Retirements	2024 Ending Balance
Capital assets not being depreciated:				
Land	\$ 25,648,119	\$ -	\$ -	\$ 25,648,119
Construction work in progress	120,950,550	5,316,164	-	126,266,714
Total capital assets not being depreciated	<u>146,598,669</u>	<u>5,316,164</u>	<u>-</u>	<u>151,914,833</u>
Capital assets being depreciated:				
Dams	77,369,160	-	(10,529)	77,358,631
Building, structures and improvements	149,849,470	-	(178,921)	149,670,549
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	8,553,908	641,511	(948,771)	8,246,648
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	<u>256,971,550</u>	<u>641,511</u>	<u>(1,138,221)</u>	<u>256,474,840</u>
Less accumulated depreciation for:				
Dams	(34,644,441)	(190,442)	10,529	(34,824,354)
Building, structures and improvements	(106,382,065)	(902,692)	156,865	(107,127,892)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(6,044,030)	(134,310)	804,790	(5,373,550)
Leased equipment	(14,526)	(2,421)	-	(16,947)
Total accumulated depreciation	<u>(168,245,336)</u>	<u>(1,229,865)</u>	<u>972,184</u>	<u>(168,503,017)</u>
Total capital assets being depreciated, net	88,726,214	(588,354)	(166,037)	87,971,823
Total capital assets, net	<u>\$ 235,324,883</u>	<u>\$ 4,727,810</u>	<u>\$ (166,037)</u>	<u>\$ 239,886,656</u>

	2023 Beginning Balance	Additions	Retirements	2023 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ (796,833)	\$ 25,648,119
Construction work in progress	105,010,249	16,217,601	(277,300)	120,950,550
Total capital assets not being depreciated	<u>131,455,201</u>	<u>16,217,601</u>	<u>(1,074,133)</u>	<u>146,598,669</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	149,573,239	277,300	(1,069)	149,849,470
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	7,830,475	1,011,588	(288,155)	8,553,908
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	<u>255,971,886</u>	<u>1,288,888</u>	<u>(289,224)</u>	<u>256,971,550</u>
Less accumulated depreciation for:				
Dams	(33,882,675)	(761,766)	-	(34,644,441)
Building, structures and improvements	(102,739,113)	(3,644,021)	1,069	(106,382,065)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,823,939)	(508,246)	288,155	(6,044,030)
Leased equipment	(4,842)	(9,684)	-	(14,526)
Total accumulated depreciation	<u>(163,610,843)</u>	<u>(4,923,717)</u>	<u>289,224</u>	<u>(168,245,336)</u>
Total capital assets being depreciated, net	92,361,043	(3,634,829)	-	88,726,214
Total capital assets, net	<u>\$ 223,816,244</u>	<u>\$ 12,582,772</u>	<u>\$ (1,074,133)</u>	<u>\$ 235,324,883</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund ("NJCMF") or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (the "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 U.S. 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 certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in the NJCMF and direct and general obligations of any state that meets the minimum requirements of the resolution.

1. Cash

As of September 30, 2023 and June 30, 2023, the Authority's bank balance was \$80,325,569 and \$78,083,431, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$80,075,569 and \$77,833,431 as of September 30, 2023 and June 30, 2023, respectively, were collateralized through an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh through TD Bank. The letter of credit covers up to a maximum of \$100,000,000 of Authority deposits and expires on March 28, 2024. The cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$1,357,960 and \$1,971,868, respectively. The statements of net position amount includes petty cash totaling \$300 as of September 30, 2023 and June 30, 2023, respectively.

2. 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 does not have a deposit policy for custodial credit risk. The Authority's bank balances of \$80,325,569 and \$78,083,431 as of September 30, 2023 and June 30, 2023, respectively, was exposed to custodial credit risk as follows:

	September 30, 2023	June 30, 2023
Uninsured and uncollateralized	\$ -	\$ -

3. Investments and Cash Equivalents

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

The Authority categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principals. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority has no level 1 or level 3 investments.

As of September 30, 2023, the Authority had the following recurring fair value measurements using current sale prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities, inclusive of interest receivable:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 35,219,002	\$ 34,075,222	\$ 1,143,780
Total		\$ 35,219,002	\$ 34,075,222	\$ 1,143,780

As of June 30, 2023, the Authority had the following recurring fair value measurements using current sale prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities, inclusive of interest receivable:

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

3. Investments and Cash Equivalents (continued)

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 35,037,000	\$ 23,302,701	\$ 11,734,299
Total		\$ 35,037,000	\$ 23,302,701	\$ 11,734,299

4. 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 the 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 TD Bank to collateralize all deposits held at market rate equal to 102% of the daily combined total of all deposits. As of September 30, 2023, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the three months ended September 30, 2023 and 2022, respectively:

	2023	2022
Interest earned on bank accounts and certificates of deposit	\$ 495,918	\$ 121,604
Interest earned on securities	334,192	108,320
Decrease/Increase in fair value of securities	106,916	(411,124)
	\$ 937,026	\$ (181,200)

E. MAJOR WATER CUSTOMERS

During fiscal years 2023 and 2022, the Authority supplied water to approximately 30 customers of the Raritan Basin System and 12 customers of the Manasquan System.

Revenue

During fiscal years 2023 and 2022, two customers accounted for approximately 86% and 85%, respectively, of total Raritan Basin System operating revenue. During fiscal years 2023 and 2022, two customers accounted for approximately 86% and 85%, respectively, of the total Manasquan System operating revenue.

Accounts Receivable

During fiscal year 2023 and 2022, two customers accounted for approximately 91% and 90%, respectively, of the total Raritan Basin System water sales accounts receivable. During fiscal years 2023 and 2022, two customers accounted for approximately 91% and 95%, respectively, of total Manasquan System water sales accounts receivable.

F. RISK MANAGEMENT

The Authority carries insurance for all of its facilities, covering direct physical loss or damage and loss of revenue resulting therefrom, with such 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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

COMBINING SCHEDULE OF NET POSITION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

Unaudited				
	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 33,474,096	\$ 25,441,170	\$ -	\$ 58,915,266
Unbilled sales	2,432,942	-	-	2,432,942
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2023	4,764,005	1,901,049	(227,288)	6,437,766
Interest receivable	356,784	12,397	-	369,181
Prepaid expenses and other current assets	806,163	240,459	-	1,046,622
Total unrestricted assets	<u>41,833,990</u>	<u>27,595,075</u>	<u>(227,288)</u>	<u>69,201,777</u>
Restricted assets:				
Cash equivalents	14,087,066	5,965,577	-	20,052,643
Total current assets	<u>55,921,056</u>	<u>33,560,652</u>	<u>(227,288)</u>	<u>89,254,420</u>
Non-current assets:				
Investments	33,242,485	1,607,336	-	34,849,821
Capital assets net of accumulated depreciation of \$168,503,017 at September 30, 2023	194,580,292	45,306,364	-	239,886,656
Total non-current assets	<u>227,822,777</u>	<u>46,913,700</u>	<u>-</u>	<u>274,736,477</u>
Total assets	<u>283,743,833</u>	<u>80,474,352</u>	<u>(227,288)</u>	<u>363,990,897</u>
Deferred outflows of resources:				
Cost recovery	(8,007,603)	11,105,798	-	3,098,195
Pension related	2,373,143	643,436	-	3,016,579
OPEB related	8,288,866	2,396,188	-	10,685,054
Construction loan DEP fee	742,575	-	-	742,575
Total deferred outflows of resources	<u>3,396,981</u>	<u>14,145,422</u>	<u>-</u>	<u>17,542,403</u>
Total assets and deferred outflows of resources	<u>\$ 287,140,814</u>	<u>\$ 94,619,774</u>	<u>\$ (227,288)</u>	<u>\$ 381,533,300</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 533,526	\$ 39,191	\$ -	\$ 572,717
Accounts payable	3,402,775	432,357	(227,288)	3,607,844
Accrued liabilities	2,547,705	478,738	-	3,026,443
Unearned revenue	906,654	5,566,318	-	6,472,972
Total current liabilities	<u>7,390,660</u>	<u>6,516,604</u>	<u>(227,288)</u>	<u>13,679,976</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	110,222,311	39,393,000	-	149,615,311
Non-current lease liability	19,178	5,706	-	24,884
Net pension liability	12,667,363	3,434,535	-	16,101,898
Total OPEB liability	21,761,820	5,900,338	-	27,662,158
Total non-current liabilities	<u>144,670,672</u>	<u>48,733,579</u>	<u>-</u>	<u>193,404,251</u>
Total liabilities	<u>152,061,332</u>	<u>55,250,183</u>	<u>(227,288)</u>	<u>207,084,227</u>
Deferred inflows of resources				
Pension related	2,199,886	596,460	-	2,796,346
OPEB related	13,003,153	3,525,579	-	16,528,732
Gain on refunding	-	207,183	-	207,183
Total deferred inflow of resources	<u>15,203,039</u>	<u>4,329,222</u>	<u>-</u>	<u>19,532,261</u>
Net position				
Net Investment in capital assets	83,824,455	31,230,174	-	115,054,629
Restricted for cash, investments and unearned revenue	13,180,412	399,259	-	13,579,671
Unrestricted	22,871,576	3,410,936	-	26,282,512
Total net position	<u>119,876,443</u>	<u>35,040,369</u>	<u>-</u>	<u>154,916,812</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 287,140,814</u>	<u>\$ 94,619,774</u>	<u>\$ (227,288)</u>	<u>\$ 381,533,300</u>

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

COMBINED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenue:				
Water sales	\$ 6,333,784	\$ 1,926,101	\$ -	\$ 8,259,885
Reimbursement of operating expenses	-	-	645,000	645,000
Total operating revenue	<u>6,333,784</u>	<u>1,926,101</u>	<u>645,000</u>	<u>8,904,885</u>
Operating expenses:				
Payroll	1,636,673	249,858	214,030	2,100,561
Operations and maintenance (direct)	955,416	254,983	316,006	1,526,405
Operations and maintenance (general and administrative)	-	31,825	19,706	51,531
Fringe benefits	1,074,044	169,894	151,609	1,395,547
Headquarters overhead	(223,503)	192,500	31,003	-
Depreciation	766,122	463,743	-	1,229,865
Total operating expenses	<u>4,208,752</u>	<u>1,362,803</u>	<u>732,354</u>	<u>6,303,909</u>
Income from operations	<u>2,125,032</u>	<u>563,298</u>	<u>(87,354)</u>	<u>2,600,976</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	12,929	-	-	12,929
Investment and interest income	715,350	196,983	24,693	937,026
Rental income	54,677	-	-	54,677
Other income/(loss)	(115,681)	(32,026)	-	(147,707)
Recovery of deferred outflows of resources	202,909	276,463	-	479,372
Total non-operating revenue	<u>870,184</u>	<u>441,420</u>	<u>24,693</u>	<u>1,336,297</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	139,955	20,524	-	160,479
SMMUA operations, net	-	-	(62,661)	(62,661)
Total non-operating expenses	<u>139,955</u>	<u>20,524</u>	<u>(62,661)</u>	<u>97,818</u>
Changes in net position	2,855,261	984,194	-	3,839,455
Net position, beginning of year	<u>117,021,182</u>	<u>34,056,175</u>	<u>-</u>	<u>151,077,357</u>
Net position, end of year	<u>\$ 119,876,443</u>	<u>\$ 35,040,369</u>	<u>\$ -</u>	<u>\$ 154,916,812</u>

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Operating Fund										Subtotal	
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/ISR Investments	Pumping Reserve	Capital Improvements II		Source Water Protection Fund
Cash and investments - July 1, 2023	\$ 1,420,368	\$ 2,041,134	\$ 177,800	\$ 4,134,865	\$ 3,650,437	\$ 915,414	\$ 4,770,561	\$ 19,989,762	\$ 1,860,870	\$ 6,920,011	\$ 4,193,362	\$ 50,074,584
Cash receipts:												
Water sales operations and maintenance	2,326,670	-	-	-	-	-	-	-	-	-	-	2,326,670
Water sales NJEJFP	1,219,671	-	-	-	-	-	-	-	-	-	-	1,219,671
Water sales capital fund	415,437	-	-	-	-	-	-	-	-	-	-	415,437
Water sales source water protection fund	277,201	-	-	-	-	-	-	-	-	-	-	277,201
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	31,062	-	-	-	-	-	-	-	-	-	-	31,062
Manasquan reservoir support	62,290	-	-	-	-	-	-	-	-	-	-	62,290
Headquarters overhead	-	-	-	192,503	-	-	-	-	-	-	-	192,503
Disposition of property	11,144	-	-	-	-	-	-	-	-	-	-	11,144
Recycling revenue	154	-	-	-	-	-	-	-	-	-	-	154
Saler/Transfer for investment securities	-	-	-	-	-	-	-	2,847	-	1,665,896	-	1,668,743
Grant Programs	1,506	8,177	-	-	-	-	-	-	-	-	-	9,683
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	2,048	-	-	-	-	-	-	-	-	-	-	2,048
Transfers:												
Contributions from operating fund	1,862,950	6,675,543	1,097,257	(12,656,794)	-	-	145,446	-	37,500	-	106,647	(2,931,451)
Contributions to operating fund	-	-	-	6,529,346	-	-	(57,142)	-	(218,411)	-	(106,131)	6,147,662
Transfers for operations	(7,647,820)	3,541	-	7,647,820	-	-	-	-	-	-	-	3,541
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	200,000	-	-	94,900	-	-	(94,900)	-	-	-	(200,000)	-
Investment income	3,687	15,784	-	17,952	28,916	6,732	37,090	206,255	12,834	54,262	28,818	412,330
Per resolution, Section 603:												
Investment income, transfer from	164,241	-	-	(17,953)	(45,227)	(8,475)	(38,690)	(1)	-	(53,895)	-	-
Investment income, transfer to	(27,390)	-	-	27,390	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	26,821	5,548	26,949	7,893	-	32,832	-	100,043
Total cash receipts	(1,297,149)	6,703,045	1,097,257	1,807,774	37,900	3,805	18,753	216,994	(168,077)	1,689,095	(170,666)	9,948,731
Total available cash and investments	\$ 123,219	\$ 8,744,179	\$ 1,275,057	\$ 5,942,639	\$ 3,688,337	\$ 919,219	\$ 4,789,314	\$ 20,206,756	\$ 1,692,793	\$ 8,619,106	\$ 4,022,696	\$ 60,023,315

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	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
Cash and investments - July 1, 2023	\$ 50,074,584	\$ 348,851	\$ 683,838	\$ 1,435,398	\$ 9,224,410	\$ 582,910	\$ 12,827,270	\$ 1,397,333	\$ 88,865	\$ 1,917,964	\$ 78,581,423
Cash receipts:											
Water sales operations and maintenance	2,326,670	-	-	-	-	-	-	-	-	-	2,326,670
Water sales NJEIFP	1,219,671	-	-	-	-	-	-	-	-	-	1,219,671
Water sales capital fund	415,437	-	-	-	-	-	-	-	-	-	415,437
Water sales source water protection fund	277,201	-	-	-	-	-	-	-	-	-	277,201
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-
Rental income	31,062	-	-	-	-	-	-	-	-	-	31,062
Manasquan reservoir support	62,290	-	-	-	-	-	-	-	-	-	62,290
Headquarters overhead	192,503	-	-	-	-	-	-	-	-	-	192,503
Disposition of property	11,144	-	-	-	-	-	-	-	-	-	11,144
Recycling revenue	154	-	-	-	-	-	-	-	-	-	154
Sale/Transfer for investment securities	1,668,743	-	-	-	-	-	-	-	-	-	1,668,743
Grant Programs	9,683	-	-	-	-	-	-	-	-	-	9,683
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	2,048	-	-	-	9,329,953	-	-	-	-	2,396	9,334,397
Transfers:											
Contributions from operating fund	(2,931,451)	53,889	173,151	-	550,574	-	1,818,558	37,500	-	297,779	-
Contributions to operating fund	6,147,662	-	-	-	(6,141,662)	(6,000)	-	-	-	-	-
Transfers for operations	3,541	-	-	-	-	-	-	-	-	(3,541)	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	-	-	-	-	-	-	-	-	-	-
Investment income	412,330	1,590	2,882	10,001	70,046	3,916	89,591	9,785	416	12,937	613,494
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	100,043	-	-	-	-	-	-	-	-	-	100,043
Total cash receipts	9,948,731	55,479	176,033	10,001	3,808,911	(2,084)	1,908,149	47,285	416	309,571	16,262,492
Total available cash and investments	\$ 60,023,315	\$ 404,330	\$ 859,871	\$ 1,445,399	\$ 13,033,321	\$ 580,826	\$ 14,735,419	\$ 1,444,618	\$ 89,281	\$ 2,227,535	\$ 94,843,915

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Operating Fund										Subtotal	
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-insurance Reserve	Depreciation Reserve	Dredging RV/ISR Investments	Pumping Reserve	Capital Improvements Investments II		Source Water Protection Fund
Total available cash and investments	\$ 123,219	\$ 8,744,179	\$ 1,275,057	\$ 5,942,639	\$ 3,688,337	\$ 919,219	\$ 4,789,314	\$ 20,206,756	\$ 1,692,793	\$ 8,619,106	\$ 4,022,696	\$ 60,023,315
Cash disbursements:												
Payroll	-	-	1,097,257	-	-	-	-	-	-	-	-	1,097,257
Fringe benefits	-	7,737	-	467,414	-	-	-	-	-	-	-	475,151
Employee deferred compensation and credit union	-	208,531	-	82,126	-	-	-	-	-	-	-	290,657
Operations and maintenance	-	8,210,038	-	(234,561)	-	-	-	-	-	-	-	7,975,477
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	1,671	-	-	-	-	-	-	-	-	1,666,941	-	1,668,612
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:												
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJIB loans	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	1,671	8,426,306	1,097,257	314,979	-	-	-	-	-	1,666,941	-	11,507,154
Cash and investments - September 30, 2023	\$ 121,548	\$ 317,873	\$ 177,800	\$ 5,627,660	\$ 3,688,337	\$ 919,219	\$ 4,789,314	\$ 20,206,756	\$ 1,692,793	\$ 6,952,165	\$ 4,022,696	\$ 48,516,161
Summary of cash and investments:												
Cash	\$ 121,548	\$ 317,873	\$ 177,800	\$ 5,627,660	\$ 3,688,337	\$ 919,219	\$ 4,789,314	\$ 20,206,756	\$ 1,692,793	\$ 6,952,165	\$ 4,022,696	\$ 48,516,161
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	617,221
Long-term investments	-	-	-	5,627,660	1,237,019	181,730	1,355,470	89,414	1,692,793	92,889	4,022,696	14,299,671
Restricted investments (current)	-	-	-	-	2,451,318	737,489	3,433,844	20,117,342	-	6,859,276	-	33,599,269
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 121,548	\$ 317,873	\$ 177,800	\$ 5,627,660	\$ 3,688,337	\$ 919,219	\$ 4,789,314	\$ 20,206,756	\$ 1,692,793	\$ 6,952,165	\$ 4,022,696	\$ 48,516,161

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	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	\$ 60,023,315	\$ 404,330	\$ 859,871	\$ 1,445,399	\$ 13,033,321	\$ 580,826	\$ 14,735,419	\$ 1,444,618	\$ 89,281	\$ 2,227,535	\$ 94,843,915
Cash disbursements:											
Payroll	1,097,257	-	-	-	-	-	-	-	-	-	1,097,257
Fringe benefits	475,151	-	-	-	-	-	-	-	-	-	475,151
Employee deferred compensation and credit union	290,657	-	-	-	-	-	-	-	-	-	290,657
Operators and maintenance	7,975,477	-	-	-	-	-	-	-	-	-	7,975,477
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	1,668,612	-	-	-	-	-	-	-	-	15,056	1,683,668
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	203,992	553,616	-	-	-	1,232,439	-	-	-	1,990,047
Interest, Fees, and Credits on NJIB loans	-	(2,121)	21,511	-	-	-	151,837	-	-	-	171,227
Total cash disbursements	11,507,154	201,871	575,127	-	-	-	1,384,276	-	-	15,056	13,683,484
Cash and investments - September 30, 2023	\$ 48,516,161	\$ 202,459	\$ 284,744	\$ 1,445,399	\$ 13,033,321	\$ 580,826	\$ 13,351,143	\$ 1,444,618	\$ 89,281	\$ 2,212,479	\$ 81,160,431
Summary of cash and investments:											
Cash	\$ 617,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,097	\$ 772,318
Short-term investments	14,299,671	202,459	284,744	1,445,399	13,033,321	580,826	13,351,143	1,444,618	89,281	2,057,382	46,788,844
Long-term investments	33,599,269	-	-	-	-	-	-	-	-	-	33,599,269
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 48,516,161	\$ 202,459	\$ 284,744	\$ 1,445,399	\$ 13,033,321	\$ 580,826	\$ 13,351,143	\$ 1,444,618	\$ 89,281	\$ 2,212,479	\$ 81,160,431

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Revenue Account	Operating Account	Payroll Account	Operating Fund Account	Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Capital Improvement Fund	Sediment Reserve	Subtotal
Cash and investments - July 1, 2023	\$ 41,511	\$ 1,548,883	\$ 55,872	\$ 6,777,349	\$ 1,582,306	\$ 214,540	\$ 3,950,762	\$ 30,401	\$ 1,469,820	\$ 627,302	\$ 152,513	\$ 8,927,090	\$ 256,325	\$ 25,634,674
Cash receipts:														
Water sales operations and maintenance	790,536	-	-	-	-	-	-	-	-	-	-	-	-	790,536
Water sales capital fund	799,416	-	-	-	-	-	-	-	-	-	-	-	-	799,416
Water sales debt service	177,628	-	-	-	-	-	-	-	-	-	-	-	-	177,628
Source water protection	26,596	-	-	-	-	-	-	-	-	-	-	-	-	26,596
Water sales debt service NJEIT	44,205	-	-	-	-	-	-	-	-	-	-	-	-	44,205
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NJ-American pumping costs	69,612	-	-	-	-	-	-	-	-	-	-	-	-	69,612
Headquarters overhead	-	-	-	(161,500)	-	-	-	-	-	-	-	-	-	(161,500)
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	6,286	-	-	-	-	-	-	-	-	-	-	-	-	6,286
Sale/transfer for investment securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	1,197	-	-	-	-	-	-	-	-	-	-	-	-	1,197
Transfers:														
Contributions from operating fund	-	2,129,351	312,961	(4,187,638)	-	-	48,187	-	26,613	24,952	-	799,916	7,500	(838,158)
Contributions to operating fund	(2,436,950)	-	-	422,450	-	-	(18,187)	-	(102,363)	(14,743)	-	-	-	287,157
Transfers for operations	587,180	-	-	2,436,950	-	-	-	-	-	-	-	-	-	587,180
Distribution from reserves to operations	540	12,322	-	41,807	1,825	1,478	27,998	2	10,306	4,383	980	65,997	1,637	179,275
Investment income, Section 603:														
Investment income, transfer from	65,134	-	-	(41,808)	(14,734)	(2,648)	-	-	-	(2,470)	(1,760)	-	(1,637)	77
Investment income, transfer to	(48,059)	-	-	48,059	-	1,780	-	-	-	1,692	1,187	-	-	12,279
Unrealized gain/(loss) on fair value	83,321	2,141,673	312,961	(1,441,680)	4,711	610	57,998	2	(65,444)	13,814	407	865,913	7,500	1,994,786
Total cash receipts	124,832	3,690,556	368,833	5,335,669	1,687,017	215,150	4,008,760	30,403	1,404,376	641,116	152,920	9,793,003	283,825	27,616,460

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Water Treatment Plant/Transmission System													
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filler Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJ/EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
Cash and investments - July 1, 2023	\$ 25,634,674	\$ 233,176	\$ 2,672,520	\$ 9,480	\$ 99,175	\$ 255,540	\$ 151,453	\$ 178,803	\$ 563,421	\$ 1,746,553	\$ 254,242	\$ 41,197	\$ 527,206	\$ 32,567,440
Cash receipts:														
Water sales operations and maintenance	790,536	-	-	-	-	-	-	-	-	-	-	-	-	790,536
Water sales capital fund	799,416	-	-	-	-	-	-	-	-	-	-	-	-	799,416
Water sales debt service	177,628	-	-	-	-	-	-	-	-	-	-	-	-	177,628
Source water protection	26,596	-	-	-	-	-	-	-	-	-	-	-	-	26,596
Water sales debt service NJ/EIT	44,205	-	-	-	-	-	-	-	-	-	-	-	-	44,205
Water sales overdrains	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NJ-American pumping costs	69,612	-	-	-	-	-	-	-	-	-	-	-	-	69,612
Headquarters overhead	(161,500)	-	645,000	-	-	-	-	-	-	-	-	-	-	483,500
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from (to) Raritan Basin	6,286	-	-	-	-	-	-	-	-	-	-	-	-	6,286
State/T transfer for investment securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	1,197	-	-	-	-	-	-	-	-	-	-	-	-	1,197
Transfers:														
Contributions from operating fund	(838,158)	300,000	(318,953)	-	-	-	-	44,230	147,459	-	-	587,180	78,242	-
Contributions to operating fund	287,157	-	(287,157)	-	-	-	-	-	-	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	587,180	-	-	-	-	-	-	-	-	-	(587,180)	-	-	-
Investment income	179,275	1,028	20,713	-	489	1,603	861	771	-	-	1,593	77	2,987	209,397
Per resolution, Section 603:														
Investment income, transfer from	77	-	-	-	-	-	-	-	-	-	-	(77)	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	12,279	-	-	-	-	-	-	-	-	-	-	-	-	12,279
Total cash receipts	1,981,786	301,028	59,603	-	489	1,603	861	45,001	147,459	-	1,593	-	81,229	2,620,652
Total cash and investments	\$ 27,616,460	\$ 534,204	\$ 2,932,123	\$ 9,480	\$ 99,664	\$ 257,143	\$ 152,314	\$ 223,804	\$ 710,880	\$ 1,746,553	\$ 255,835	\$ 41,197	\$ 608,435	\$ 35,188,092

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Operating Fund										Subtotal			
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve		Pumping Reserve	Capital Improvement Fund	Sediment Reserve
Total available cash and investments	\$ 124,832	\$ 3,690,556	\$ 368,833	\$ 5,335,669	\$ 1,587,017	\$ 215,150	\$ 4,008,760	\$ 30,403	\$ 1,404,376	\$ 641,116	\$ 152,920	\$ 9,793,003	\$ 263,825	\$ 27,616,460
Cash disbursements:														
Payroll	-	-	312,961	-	-	-	-	-	-	-	-	-	-	312,961
Fringe benefits	-	(1,078)	-	47,408	-	-	-	-	-	-	-	-	-	46,330
Employee deferred compensation and credit union	-	587,686	-	(467,414)	-	-	-	-	-	-	-	-	-	120,272
Operations and maintenance	-	488,864	-	234,560	-	-	-	-	-	-	-	-	-	723,424
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJIB loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	1,075,472	312,961	(185,446)	-	-	-	-	-	-	-	-	-	1,202,987
Cash and investments - September 30, 2023	\$ 124,832	\$ 2,615,084	\$ 55,872	\$ 5,521,115	\$ 1,587,017	\$ 215,150	\$ 4,008,760	\$ 30,403	\$ 1,404,376	\$ 641,116	\$ 152,920	\$ 9,793,003	\$ 263,825	\$ 26,413,473
Cash (Manasquan)	\$ 124,832	\$ 2,615,084	\$ 55,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,795,788
Cash (Water Treatment Plant/TS)	-	-	-	5,521,115	605,718	67,960	4,008,760	30,403	1,404,376	247,998	54,794	9,793,003	263,825	21,997,952
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments (Water Treatment Plant/TS)	-	-	-	-	991,299	147,190	-	-	-	393,118	98,126	-	-	1,619,733
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 124,832	\$ 2,615,084	\$ 55,872	\$ 5,521,115	\$ 1,587,017	\$ 215,150	\$ 4,008,760	\$ 30,403	\$ 1,404,376	\$ 641,116	\$ 152,920	\$ 9,793,003	\$ 263,825	\$ 26,413,473

NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Water Treatment Plant/Transmission System											Totals		
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJ/EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund		General Reserve Fund	Employment Benefit Funds
Total available cash and investments	\$ 27,616,460	\$ 534,204	\$ 2,932,123	\$ 9,480	\$ 99,664	\$ 257,143	\$ 152,314	\$ 223,804	\$ 710,880	\$ 1,746,553	\$ 255,835	\$ 41,197	\$ 608,435	\$ 35,183,092
Cash disbursements:														
Payroll	312,961	-	-	-	-	-	-	-	-	-	-	-	-	312,961
Fringe benefits	46,330	-	-	-	-	-	-	-	-	-	-	-	1,078	47,408
Employee deferred compensation and credit union	120,272	-	-	-	-	-	-	-	-	-	-	-	-	120,272
Operations and maintenance	723,424	287,074	-	-	-	-	-	-	-	-	-	-	-	1,010,498
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	31,003	-	-	-	-	-	-	-	-	-	-	31,003
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	118,381	435,000	-	-	-	-	553,381
Interest, Fees, and Credits on NJIB loans and bonds	-	-	-	-	-	-	-	7,795	78,294	-	-	-	-	86,089
Total cash disbursements	1,202,967	287,074	31,003	-	-	-	-	126,176	513,294	-	-	-	1,078	2,161,612
Cash and investments - September 30, 2023	\$ 26,413,473	\$ 247,130	\$ 2,901,120	\$ 9,480	\$ 99,664	\$ 257,143	\$ 152,314	\$ 97,628	\$ 197,586	\$ 1,746,553	\$ 255,835	\$ 41,197	\$ 607,357	\$ 33,026,480
Cash (Manasquan)	\$ 2,795,768	\$ 247,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,795,768
Cash (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	247,130
Short-term investments	21,997,952	-	-	-	-	-	-	-	-	-	-	-	607,357	22,646,506
Short-term investments (Water Treatment Plant/TS)	-	-	2,901,120	9,480	99,664	257,143	152,314	-	-	-	-	41,197	-	3,419,721
Long-term investments	1,619,733	-	-	-	-	-	-	-	-	-	-	-	-	1,619,733
Restricted investments (current)	-	-	-	-	-	-	-	97,628	197,586	1,746,553	255,835	-	-	2,297,602
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 26,413,473	\$ 247,130	\$ 2,901,120	\$ 9,480	\$ 99,664	\$ 257,143	\$ 152,314	\$ 97,628	\$ 197,586	\$ 1,746,553	\$ 255,835	\$ 41,197	\$ 607,357	\$ 33,026,480