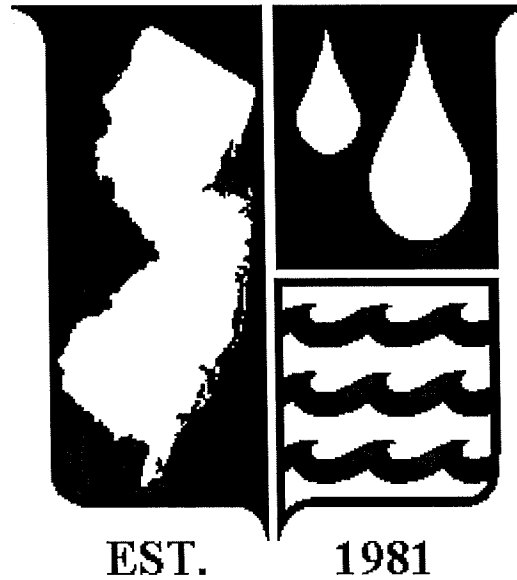


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

December 31, 2019 AND JUNE 30, 2019

(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	
	Dec. 31, 2019	June 30, 2019
Assets		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$ 52,571,112	\$ 46,855,543
Unbilled sales	1,955,443	1,493,831
Accounts receivable, less allowance for doubtful accounts of \$1,000 at December 31, 2019 and June 30, 2019	45,490,599	54,096,481
Interest receivable	24,174	160,219
Prepaid expenses and other current assets	312,423	1,076,072
Total unrestricted current assets	<u>100,353,751</u>	<u>103,682,146</u>
Restricted assets:		
Cash equivalents	23,841,006	23,143,255
Total current assets	<u>124,194,757</u>	<u>126,825,401</u>
Non-current assets:		
Investments	3,722,251	9,448,283
Capital assets, net	161,031,069	153,997,877
Total non-current assets	<u>164,753,320</u>	<u>163,446,160</u>
Total assets	<u>288,948,077</u>	<u>290,271,561</u>
Deferred outflows of resources		
Pension related	5,501,791	5,501,791
OPEB related	824,121	824,121
2018 construction loan DEP fee	641,319	641,319
Total deferred outflows of resources	<u>6,967,231</u>	<u>6,967,231</u>
Total assets and deferred outflows of resources	<u>\$ 295,915,308</u>	<u>\$ 297,238,792</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 151,282	\$ 4,075,585
Accounts payable	1,149,434	4,743,219
Accrued liabilities	3,068,693	2,540,665
Unearned revenue	3,297,335	3,084,276
Total current liabilities	<u>7,666,744</u>	<u>14,443,745</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	116,957,784	117,087,166
Net pension liability	19,884,740	19,884,740
Total OPEB liability	26,850,331	26,850,331
Total non-current liabilities	<u>163,692,855</u>	<u>163,822,237</u>
Total liabilities	<u>171,359,599</u>	<u>178,265,982</u>
Deferred inflows of resources:		
Cost recovery	287,584	(69,904)
Pension related	7,141,533	7,141,533
OPEB related	13,629,222	13,629,222
Gain on refunding	429,155	485,784
Total deferred inflows of resources	<u>21,487,494</u>	<u>21,186,635</u>
Total liabilities and deferred inflows of resources	<u>192,847,093</u>	<u>199,452,617</u>
Net position		
Net investment in capital assets	69,056,032	57,912,526
Restricted for debt service	20,543,671	20,058,979
Unrestricted	13,468,512	19,814,670
Total net position	<u>103,068,215</u>	<u>97,786,175</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 295,915,308</u>	<u>\$ 297,238,792</u>

See accompanying notes.

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

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Unaudited		
	Six months ended Dec. 31,	
	<u>2019</u>	<u>2018</u>
Operating revenues:		
Water sales	\$ 15,268,168	\$ 15,179,189
Reimbursement of operating expenses	1,321,200	1,321,200
Total operating revenues	<u>16,589,368</u>	<u>16,500,389</u>
Operating expenses:		
Payroll	4,063,109	4,087,874
Operations and maintenance	2,732,531	2,554,998
Fringe benefits	2,226,145	2,442,650
Depreciation	2,368,064	2,357,913
Total operating expenses	<u>11,389,849</u>	<u>11,443,435</u>
Income from operations	5,199,519	5,056,954
Non-operating revenues:		
State of New Jersey - Grant Programs	30,805	18,082
Investment and interest income	693,652	502,702
Rental income	51,221	50,879
Other income	9,382	37,322
Total non-operating revenues	<u>785,060</u>	<u>608,985</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	86,062	165,222
Recovery of deferred inflows of resources	616,477	309,441
Total non-operating expenses	<u>702,539</u>	<u>474,663</u>
Change in net position	5,282,040	5,191,276
Net position, beginning of year	97,786,175	88,423,257
Net position, end of year	<u>\$ 103,068,215</u>	<u>\$ 93,614,533</u>

See accompanying notes.

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

STATEMENTS OF CASH FLOWS

Unaudited	Six months ended Dec. 31,	
	2019	2018
Cash flows from operating activities		
Cash received from water sales	\$ 15,966,791	\$ 13,433,004
Cash received from reimbursable expenses	1,368,545	1,313,595
Cash received from rental income	35,436	92,231
Cash paid to or on behalf of employees	(5,650,412)	(6,246,664)
Cash paid to suppliers	(2,158,122)	(2,082,462)
Net cash provided by operating activities	<u>9,562,238</u>	<u>6,509,704</u>
Cash flows from noncapital financing activities		
Cash received for grant programs	25,636	18,082
Net cash provided by non-capital financing activities	<u>25,636</u>	<u>18,082</u>
Cash flows from capital and related financing activities		
Proceeds from borrowing	7,596,844	-
Principal paid on bonds, notes and loans	(4,194,265)	(3,519,864)
Interest paid on bonds, notes and loans	(153,334)	(217,418)
Acquisition and construction of capital assets	(12,988,303)	(6,413,813)
Proceeds from sale of capital assets	8,775	37,048
Net cash used in capital and related financing activities	<u>(9,730,283)</u>	<u>(10,114,047)</u>
Cash flows from investing activities		
Sale of investment securities	8,202,661	7,717,496
Purchase of investment securities	(4,066,982)	(6,089,900)
Interest received on investments	829,697	514,140
Premium on matured investments	1,590,353	237,148
Net cash provided/(used) by investing activities	<u>6,555,729</u>	<u>2,378,884</u>
Net increase in cash and cash equivalents	6,413,320	(1,207,377)
Cash and cash equivalents, beginning of year	69,998,798	58,408,951
Cash and cash equivalents, end of year	<u>\$ 76,412,118</u>	<u>\$ 57,201,574</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 5,199,519	\$ 5,056,954
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	51,828	51,153
Depreciation	2,368,064	2,357,913
Increase (decrease) in cash from:		
Unbilled sales	(461,612)	(464,943)
Accounts receivable	1,002,887	(1,512,087)
Prepaid expenses and other current assets	763,649	733,336
Accounts payable	4,582	9,890
Accrued liabilities	(5,148)	(3,822)
Accrued payroll and taxes	638,469	281,310
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 9,562,238</u>	<u>\$ 6,509,704</u>
Non cash investing activities		
Increase in fair value of investments	<u>\$ 125,966</u>	<u>\$ (153,114)</u>

See accompanying notes.

**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 user, 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 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 principals 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 government 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 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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

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.

The Authority distinguishes operating revenue 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. 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 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*.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

During fiscal year 2019, three customers accounted for approximately 96% of the total Raritan Basin System accounts receivable and two customers accounted for approximately 94% of total Manasquan System accounts receivable. During fiscal year 2018, two customers accounted for approximately 84% of total Raritan Basin System accounts receivable and five customers accounted for approximately 90% of total Manasquan System accounts receivable.

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.

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 Net Position (debt service)* - 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)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (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, and accrued sick pay, 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 amounts for the six months ended December 31, 2019 and the year ended June 30, 2019, were determined as follows:

	Dec. 31, 2019	June 30, 2019
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 417,605	\$ 835,209
Excess vacation expense over vacation paid	(38,540)	13,883
Accrued sick pay	-	(7,580)
	<u>379,065</u>	<u>841,512</u>
Cost included in rate model:		
Debt principal repayment	<u>-</u>	<u>-</u>
	379,065	841,512
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	770,427	1,540,854
Excess vacation expense over vacation paid	520	(649)
Accrued sick pay	-	891
	<u>770,947</u>	<u>1,541,096</u>
Cost included in rate model:		
Debt principal repayment	<u>(1,507,500)</u>	<u>(2,880,000)</u>
	(736,553)	(1,338,904)
Total Raritan Basin and Manasquan	(357,488)	(497,392)
Balance, beginning of year	69,904	567,296
Balance, end of year	<u>\$ (287,584)</u>	<u>\$ 69,904</u>

As shown in the statements of revenues, expenses and changes in net position for the six months ended December 31, 2019, deferred inflow of resources debit of \$616,477 includes a debit balance of \$297,009 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a debit balance of \$38,020 of accrued vacation and sick pay. The June 30, 2019, deferred inflows of resources debit balance of \$936,439 includes a debit balance of \$432,502 of Manasquan Water Treatment Plant unearned revenue and does not include a credit balance of \$6,545 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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

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.

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 statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of December 31, 2019 and 2018, unearned revenue amounting to \$2,565,298 and \$1,893,260 respectively, was determined as follows:

	<u>2019</u>	<u>2018</u>
Reimbursement of operating expenses	\$ 1,340,045	\$ 1,337,711
Operating expenses	<u>1,043,036</u>	<u>1,280,238</u>
Unearned revenue	297,009	57,473
Balance, beginning of year	<u>2,268,289</u>	<u>1,835,787</u>
Balance, end of year	<u><u>\$ 2,565,298</u></u>	<u><u>\$ 1,893,260</u></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 December 31, 2019 and 2018, the amount included in unearned revenue was \$257,037 and \$303,097, respectively.

Accounting for Watershed Protection Program

For the six months ended December 31, 2019 and 2018, the Authority received \$25,636 and \$8,759 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 December 31, 2019, all the funds received had been recognized as revenue.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. CAPITAL ASSETS

Capital assets activity for the three months ended December 31, 2019 and the year ended June 30, 2019, was as follows:

	2020 Beginning Balance	Additions	Retirements	2020 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	29,736,972	9,307,315	(867,509)	38,176,778
Total capital assets not being depreciated	<u>56,181,924</u>	<u>9,307,315</u>	<u>(867,509)</u>	<u>64,621,730</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,452,358	875,008	-	143,327,366
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,981,742	86,442	(64,326)	7,003,858
Total capital assets being depreciated	<u>247,963,534</u>	<u>961,450</u>	<u>(64,326)</u>	<u>248,860,658</u>
Less accumulated depreciation for:				
Dams	(31,558,129)	(398,997)	-	(31,957,126)
Building, structures and improvements	(92,153,666)	(1,753,380)	-	(93,907,046)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,275,512)	(215,687)	64,326	(5,426,873)
Total accumulated depreciation	<u>(150,147,581)</u>	<u>(2,368,064)</u>	<u>64,326</u>	<u>(152,451,319)</u>
Total capital assets being depreciated, net	<u>97,815,953</u>	<u>(1,406,614)</u>	<u>-</u>	<u>96,409,339</u>
Total capital assets, net	<u>\$ 153,997,877</u>	<u>\$ 7,900,701</u>	<u>\$ (867,509)</u>	<u>\$ 161,031,069</u>
	2019 Beginning Balance	Additions	Retirements	2019 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	16,130,416	13,606,556	-	29,736,972
Total capital assets not being depreciated	<u>42,575,368</u>	<u>13,606,556</u>	<u>-</u>	<u>56,181,924</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,443,278	9,080	-	142,452,358
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,639,585	679,698	(337,541)	6,981,742
Total capital assets being depreciated	<u>247,612,297</u>	<u>688,778</u>	<u>(337,541)</u>	<u>247,963,534</u>
Less accumulated depreciation for:				
Dams	(30,760,135)	(797,994)	-	(31,558,129)
Building, structures and improvements	(88,615,808)	(3,537,858)	-	(92,153,666)
D & R Canal dredging	(21,160,273)	(1)	-	(21,160,274)
Machinery and equipment	(5,214,168)	(397,165)	335,821	(5,275,512)
Total accumulated depreciation	<u>(145,750,384)</u>	<u>(4,733,018)</u>	<u>335,821</u>	<u>(150,147,581)</u>
Total capital assets being depreciated, net	<u>101,861,913</u>	<u>(4,044,240)</u>	<u>(1,720)</u>	<u>97,815,953</u>
Total capital assets, net	<u>\$ 144,437,281</u>	<u>\$ 9,562,316</u>	<u>\$ (1,720)</u>	<u>\$ 153,997,877</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 December 31, 2019 and June 30, 2019, the Authority's bank balance was \$77,039,580 and \$70,306,338, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$76,789,580 and \$70,056,338 as of December 31, 2019 and June 30, 2019, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$627,762 and \$307,840, respectively. The statement of net position amount includes petty cash totaling \$300 as of December 31, 2019 and June 30, 2019, 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 balance of \$77,039,580 and \$70,306,338 as of December 31, 2019 and June 30, 2019, respectively, was exposed to custodial credit risk as follows:

	December 31, 2019	June 30, 2019
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>

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.

As of December 31, 2019, the Authority had the following recurring fair value measurements using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

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	\$ 3,746,425	\$ 3,139,423	\$ 607,002
Total		\$ 3,746,425	\$ 3,139,423	\$ 607,002

As of June 30, 2019, the Authority had the following recurring fair value measurements using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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	\$ 9,608,502	\$ 9,514,743	\$ 93,759
Total		\$ 9,608,502	\$ 9,514,743	\$ 93,759

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 December 31, 2019, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the six months ended December 31, 2019 and 2018, respectively:

	2019	2018
Interest earned on bank accounts and certificates of deposit	\$ 501,068	\$ 402,816
Interest earned on securities	66,618	253,000
Increase in fair value of securities	125,966	(153,114)
	<u>\$ 693,652</u>	<u>\$ 502,702</u>

E. MAJOR WATER CUSTOMERS

During fiscal years 2019 and 2018, the Authority supplied water to approximately 32 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2019 and 2018, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. During fiscal years 2019 and 2018, three customers accounted for approximately 85% of the total Manasquan System operating revenue.

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 SIX MONTHS ENDED DECEMBER 31, 2019

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 37,028,454	\$ 15,542,658	\$ -	\$ 52,571,112
Unbilled sales	1,955,443	-	-	1,955,443
Accounts receivable, less allowance for doubtful accounts of \$1,000 at December 31, 2019	43,869,794	1,766,849	(146,044)	45,490,599
Interest receivable	24,061	113	-	24,174
Prepaid expenses and other current assets	247,538	64,885	-	312,423
Total unrestricted current assets	<u>83,125,290</u>	<u>17,374,505</u>	<u>(146,044)</u>	<u>100,353,751</u>
Restricted assets:				
Cash equivalents	16,964,201	6,876,805	-	23,841,006
Total current assets	<u>100,089,491</u>	<u>24,251,310</u>	<u>(146,044)</u>	<u>124,194,757</u>
Non-current assets:				
Investments	3,221,924	500,327	-	3,722,251
Capital assets net of accumulated depreciation of \$152,451,320 at December 31, 2019	109,743,267	51,287,802	-	161,031,069
Total non-current assets	<u>112,965,191</u>	<u>51,788,129</u>	<u>-</u>	<u>164,753,320</u>
Total assets	<u>213,054,682</u>	<u>76,039,439</u>	<u>(146,044)</u>	<u>288,948,077</u>
Deferred outflows of resources				
Pension related	4,196,365	1,305,426	-	5,501,791
OPEB related	634,573	189,548	-	824,121
2018 construction loan DEP fee	641,319	-	-	641,319
Total deferred outflows of resources	<u>5,472,257</u>	<u>1,494,974</u>	<u>-</u>	<u>6,967,231</u>
Total assets and deferred outflows of resources	<u>\$ 218,526,939</u>	<u>\$ 77,534,413</u>	<u>\$ (146,044)</u>	<u>\$ 295,915,308</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 112,091	\$ 39,191	\$ -	\$ 151,282
Accounts payable	1,009,621	285,857	(146,044)	1,149,434
Accrued liabilities	2,311,343	757,350	-	3,068,693
Unearned revenue	475,000	2,822,335	-	3,297,335
Total current liabilities	<u>3,908,055</u>	<u>3,904,733</u>	<u>(146,044)</u>	<u>7,666,744</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	72,033,215	44,924,569	-	116,957,784
Net pension liability	15,166,627	4,718,113	-	19,884,740
Total OPEB liability	20,674,755	6,175,576	-	26,850,331
Total non-current liabilities	<u>107,874,597</u>	<u>55,818,258</u>	<u>-</u>	<u>163,692,855</u>
Total liabilities	<u>111,782,652</u>	<u>59,722,991</u>	<u>(146,044)</u>	<u>171,359,599</u>
Deferred inflows of resources				
Cost recovery	11,222,213	(10,934,629)	-	287,584
Pension related	5,447,039	1,694,494	-	7,141,533
OPEB related	10,494,501	3,134,721	-	13,629,222
Gain on refunding	-	429,155	-	429,155
Total deferred inflow of resources	<u>27,163,753</u>	<u>(5,676,259)</u>	<u>-</u>	<u>21,487,494</u>
Net position				
Net investment in capital assets	37,597,961	31,458,071	-	69,056,032
Restricted for debt service	16,489,201	4,054,470	-	20,543,671
Unrestricted	25,493,372	(12,024,860)	-	13,468,512
Total net position	<u>79,580,534</u>	<u>23,487,681</u>	<u>-</u>	<u>103,068,215</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 218,526,939</u>	<u>\$ 77,534,413</u>	<u>\$ (146,044)</u>	<u>\$ 295,915,308</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 SIX MONTHS ENDED DECEMBER 31, 2019

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:				
Water Sales	\$ 11,448,587	\$ 3,819,581	\$ -	\$ 15,268,168
Reimbursement of operating expenses	-	-	1,321,200	1,321,200
Total operating revenues	<u>11,448,587</u>	<u>3,819,581</u>	<u>1,321,200</u>	<u>16,589,368</u>
Operating expenses:				
Payroll	3,147,094	485,234	430,781	4,063,109
Operations and maintenance (direct)	1,773,982	581,780	311,105	2,666,867
Operations and maintenance (general and administrative)	-	40,964	24,700	65,664
Fringe benefits	1,728,181	267,512	230,452	2,226,145
Headquarters overhead	(329,998)	284,000	45,998	-
Depreciation	1,430,326	937,738	-	2,368,064
Total operating expenses	<u>7,749,585</u>	<u>2,597,228</u>	<u>1,043,036</u>	<u>11,389,849</u>
Income from operations	<u>3,699,002</u>	<u>1,222,353</u>	<u>278,164</u>	<u>5,199,519</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	30,805	-	-	30,805
Investment income	550,367	124,440	18,845	693,652
Rental income	51,221	-	-	51,221
Other income/(loss)	9,309	73	-	9,382
Total non-operating revenue	<u>641,702</u>	<u>124,513</u>	<u>18,845</u>	<u>785,060</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	65,262	20,800	-	86,062
Recovery of deferred inflows of resources	(417,605)	737,073	297,009	616,477
Total non-operating expenses	<u>(352,343)</u>	<u>757,873</u>	<u>297,009</u>	<u>702,539</u>
Changes in net position	4,693,047	588,993	-	5,282,040
Net position, beginning of year	<u>74,887,487</u>	<u>22,898,688</u>	<u>-</u>	<u>97,786,175</u>
Net position, end of year	<u>\$ 79,580,534</u>	<u>\$ 23,487,681</u>	<u>\$ -</u>	<u>\$ 103,068,215</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 SIX MONTHS ENDED DECEMBER 31, 2019**

	Revenue Account	Operating Fund							Subtotal		
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve		Capital Improvements Investments	Source Water Protection Fund
Cash and investments - July 1, 2019	\$ 501,639	\$ 1,232,379	\$ 177,142	\$ 2,295,191	\$ 3,576,412	\$ 934,328	\$ 4,800,664	\$ 1,563,314	\$ 5,961,952	\$ 4,290,021	\$ 25,333,042
Cash receipts:	6,633,111	-	-	-	-	-	-	-	-	-	6,633,111
Water sales operations and maintenance	3,286,677	-	-	-	-	-	-	-	-	-	3,286,677
Water sales debt service	1,196,368	-	-	-	-	-	-	-	-	-	1,196,368
Water sales capital fund	870,085	-	-	-	-	-	-	-	-	-	870,085
Water sales source water protection fund	175,821	-	-	-	-	-	-	-	-	-	175,821
Water sales overdrafts	35,436	-	-	-	-	-	-	-	-	-	35,436
Rental income	41,852	-	-	-	-	-	-	-	-	-	41,852
Manasquan reservoir support	-	-	-	354,498	-	-	-	-	-	-	354,498
Headquarters overhead	20,095	-	-	-	-	-	-	-	-	-	20,095
Disposition of property	354	-	-	-	-	-	-	-	-	-	354
Recycling revenue	1,389,806	-	-	-	680,000	-	1,105,000	-	5,000,000	-	8,174,806
Sale of investment securities	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	19,737	-	-	-	-	-	-	-	-	-	19,737
Insurance reimbursement	18,886	11,940	-	-	-	-	-	-	-	-	30,826
Miscellaneous expense reimbursement	-	-	-	-	-	-	-	-	-	-	-
Transfers:											
Contributions from operating fund	933,180	13,727,952	1,807,418	(23,015,045)	167,748	20,000	937,673	75,000	-	271,992	(5,074,082)
Contributions to operating fund	(6,815,125)	1,924,156	-	16,971,402	-	-	(63,858)	-	-	(179,015)	11,837,560
Transfers for operations	(7,125,975)	-	-	7,125,975	-	-	-	-	(4,500,000)	-	(4,500,000)
Transfers for investments	35,000	7,662	-	154,618	-	-	-	-	-	(189,618)	7,662
Distribution from reserves to operations	2,250	10,595	674	11,085	44,528	7,773	43,683	11,960	134,849	32,656	300,053
Investment income	-	-	-	-	-	-	-	-	-	-	-
Per resolution, Section 603:											
Investment income, transfer from	222,725	-	-	(11,085)	(47,645)	(6,422)	(23,072)	-	(134,501)	-	-
Investment income, transfer to	(33,600)	-	-	33,600	-	-	-	-	1,058,893	-	1,215,676
Unrealized gain/(loss) on fair value	-	-	-	99,777	(650)	(650)	57,656	-	-	-	-
Total cash receipts	906,663	15,682,305	1,808,092	1,591,448	978,008	20,701	2,057,082	86,960	1,559,241	(63,985)	24,626,635
Total available cash and investments	\$ 1,408,322	\$ 16,914,684	\$ 1,985,234	\$ 3,886,639	\$ 4,554,420	\$ 955,029	\$ 6,857,746	\$ 1,650,274	\$ 7,521,193	\$ 4,226,036	\$ 49,959,577

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Subtotal	Party 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, 2019	\$ 25,333,042	\$ 315,242	\$ 598,976	\$ 1,412,985	\$ 11,566,428	\$ 499,114	\$ 13,458,777	\$ 764,929	\$ 87,314	\$ 1,849,181	\$ 55,885,988
Cash receipts:											
Water sales operations and maintenance	6,633,111	-	-	-	-	-	-	-	-	-	6,633,111
Water sales debt service	3,286,677	-	-	-	-	-	-	-	-	-	3,286,677
Water sales capital fund	1,196,368	-	-	-	-	-	-	-	-	-	1,196,368
Water sales source water protection fund	870,085	-	-	-	-	-	-	-	-	-	870,085
Water sales overdrafts	175,821	-	-	-	-	-	-	-	-	-	175,821
Rental income	35,436	-	-	-	-	-	-	-	-	-	35,436
Manasquan reservoir support	41,852	-	-	-	-	-	-	-	-	-	41,852
Headquarters overhead	354,498	-	-	-	-	-	-	-	-	-	354,498
Disposition of property	20,095	-	-	-	-	-	-	-	-	-	20,095
Recycling revenue	354	-	-	-	-	-	-	-	-	-	354
Sale of investment securities	8,174,806	-	-	-	7,596,847	-	-	-	-	-	15,771,653
Insurance reimbursement	19,737	-	-	-	-	-	-	-	-	-	19,737
Nonrefundable bid deposits	30,826	-	-	-	-	-	-	-	-	-	30,826
Miscellaneous expense reimbursement	-	-	-	-	-	-	-	-	-	-	-
Transfers:											
Contributions from operating fund	(5,074,082)	176,370	352,530	-	1,101,232	-	2,836,502	75,000	-	532,448	-
Contributions to operating fund	11,837,560	-	-	-	(11,837,560)	-	-	-	-	-	-
Transfers for operations	(4,500,000)	-	-	-	4,500,000	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	7,662	-	-	-	-	-	-	-	-	(7,662)	-
Investment income	300,053	774	1,874	10,618	103,188	3,599	110,211	5,828	437	14,154	550,736
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	1,215,676	-	-	-	-	-	-	-	-	-	1,215,676
Total cash receipts	24,626,535	177,144	354,404	10,618	1,463,707	3,599	2,946,713	80,828	437	538,940	30,202,925
Total available cash and investments	\$ 49,959,577	\$ 492,386	\$ 953,380	\$ 1,423,603	\$ 13,030,135	\$ 502,713	\$ 16,405,490	\$ 845,757	\$ 87,751	\$ 2,388,121	\$ 86,068,913

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Operating Fund								Subtotal		
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve		Capital Improvements Investments	Source Water Protection Fund
Total available cash and investments	\$ 1,408,322	\$ 16,914,684	\$ 1,985,234	\$ 3,886,639	\$ 4,554,420	\$ 955,029	\$ 6,857,746	\$ 1,650,274	\$ 7,521,193	\$ 4,226,036	\$ 49,959,577
Cash disbursements:											
Payroll	-	-	1,807,418	-	-	-	-	-	-	-	1,807,418
Fringe benefits	-	9,762	-	815,460	-	-	-	-	-	-	825,222
Employee deferred compensation and credit union	-	368,940	-	112,144	-	-	-	-	-	-	471,084
Operations and maintenance	-	16,000,418	-	(366,375)	-	-	-	-	-	-	15,634,043
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
New five year construction project	-	-	-	-	1,066,994	389,471	1,845,184	-	5,953,750	-	9,255,399
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Bonds Fees/Earnings Credit	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	\$ 1,408,322	\$ 16,369,120	\$ 1,807,418	\$ 561,229	\$ 1,066,994	\$ 389,471	\$ 1,845,184	\$ 1,650,274	\$ 5,953,750	\$ 4,226,036	\$ 27,993,166
Cash and investments - December 31, 2019	\$ 1,408,322	\$ 545,564	\$ 177,816	\$ 3,325,410	\$ 3,487,426	\$ 565,558	\$ 5,012,562	\$ 1,650,274	\$ 1,567,443	\$ 4,226,036	\$ 21,966,411
Summary of cash and investments:											
Cash	\$ 1,408,322	\$ 545,564	\$ 177,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,131,702
Short-term investments	-	-	-	3,325,410	3,103,611	316,772	3,914,725	1,650,274	75,957	4,226,036	16,612,785
Long-term investments	-	-	-	-	383,815	248,786	1,097,837	-	1,491,486	-	3,221,924
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 1,408,322	\$ 545,564	\$ 177,816	\$ 3,325,410	\$ 3,487,426	\$ 565,558	\$ 5,012,562	\$ 1,650,274	\$ 1,567,443	\$ 4,226,036	\$ 21,966,411

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Subtotal	Party 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	\$ 49,959,577	\$ 492,386	\$ 953,380	\$ 1,423,603	\$ 13,030,135	\$ 502,713	\$ 16,405,490	\$ 845,757	\$ 87,751	\$ 2,388,121	\$ 86,088,913
Cash disbursements:											
Payroll	1,807,418	-	-	-	-	-	-	-	-	-	1,807,418
Fringe benefits	825,222	-	-	-	-	-	-	-	-	-	825,222
Employee deferred compensation and credit union	471,084	-	-	-	-	-	-	-	-	-	471,084
Operations and maintenance	15,634,043	-	-	-	-	-	-	-	-	-	15,634,043
Prepaid insurance	-	-	-	-	-	-	-	-	-	26,398	26,398
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets											
New five year construction project											
Purchase of investments securities	9,255,399	-	-	-	-	-	-	-	-	-	9,255,399
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	297,259	503,664	-	-	-	-	-	-	-	800,923
Principal on NJEIT bonds	-	16,094	57,082	-	-	-	-	-	-	-	73,176
Interest on NJEIT revenue bonds	-	(8,163)	(11,166)	-	-	-	-	-	-	-	(19,329)
Bonds Fees/Earnings Credit	-	305,190	549,580	-	-	-	-	-	-	26,398	28,874,334
Total cash disbursements	\$ 27,993,166	\$ 305,190	\$ 549,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,398	\$ 28,874,334
Cash and investments - December 31, 2019	\$ 21,966,411	\$ 187,196	\$ 403,800	\$ 1,423,603	\$ 13,030,135	\$ 502,713	\$ 16,405,490	\$ 845,757	\$ 87,751	\$ 2,361,723	\$ 57,214,579
											0
Summary of cash and investments:											
Cash	\$ 2,131,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,012	\$ 2,182,714
Short-term investments	16,612,785	187,196	403,800	1,423,603	13,030,135	502,713	16,405,490	845,757	87,751	2,310,711	51,809,941
Long-term investments	3,221,924	-	-	-	-	-	-	-	-	-	3,221,924
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 21,966,411	\$ 187,196	\$ 403,800	\$ 1,423,603	\$ 13,030,135	\$ 502,713	\$ 16,405,490	\$ 845,757	\$ 87,751	\$ 2,361,723	\$ 57,214,579

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Operating Fund										Subtotal		
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Renewal & Replacement Account	Water Reuse & Recycling	Source Water Protections	Depreciation Reserve		Pumping Reserve	Sediment Reserve
Cash and investments - July 1, 2019	\$ 173,265	\$ 396,312	\$ 55,660	\$ 5,742,531	\$ 1,606,449	\$ 218,027	\$ 4,052,478	\$ 30,375	\$ 1,574,342	\$ 599,679	\$ 154,808	\$ 256,297	\$ 14,860,223
Cash receipts:	1,536,847	-	-	-	-	-	-	-	-	-	-	-	1,536,847
Water sales operations and maintenance	2,102,181	-	-	-	-	-	-	-	-	-	-	-	2,102,181
Water sales debt service	53,255	-	-	-	-	-	-	-	-	-	-	-	53,255
Source water protection	86,510	-	-	-	-	-	-	-	-	-	-	-	86,510
Water sales debt service NJEIT	24,726	-	-	-	-	-	-	-	-	-	-	-	24,726
Water sales overdrafts	102,001	-	-	-	-	-	-	-	-	-	-	-	102,001
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	(166,500)	-	-	-	-	-	-	-	-	(166,500)
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	7,749	-	-	-	-	-	-	-	-	-	-	-	7,749
Reimbursement from/(to) Raritan Basin	340,000	-	-	-	-	-	-	-	-	-	-	-	340,000
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	8,568	-	-	-	-	-	-	-	-	-	-	-	8,568
Transfers:	-	1,819,785	532,365	(5,014,538)	110,000	180,000	60,000	-	53,299	31,364	30,000	15,000	(2,182,745)
Contributions from operating fund	-	-	-	854,008	-	-	(49,472)	-	(130,187)	(1,855)	-	-	672,484
Contributions to operating fund	(4,517,680)	-	-	4,561,138	-	-	-	-	(43,458)	-	-	-	-
Transfers for operations	208,620	2,342	-	-	-	-	-	-	-	-	-	-	210,962
Distribution from reserves to operations	416	2,414	212	49,937	13,964	2,018	31,075	11	11,709	5,976	1,051	1,793	120,576
Investment income	-	-	-	(49,937)	(13,983)	(2,017)	-	-	-	(3,684)	(1,051)	(1,793)	82
Per resolution, Section 603:	72,547	-	-	61,910	-	-	-	-	-	-	-	-	-
Investment income, transfer from	(61,910)	-	-	-	(762)	(63)	-	-	-	(694)	(10)	-	(1,529)
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	(34,170)	1,824,541	532,577	295,938	109,219	179,938	41,603	11	(108,637)	31,107	29,990	15,000	2,917,177
Total cash receipts	\$ 139,095	\$ 2,220,853	\$ 988,237	\$ 6,038,523	\$ 1,715,668	\$ 397,965	\$ 4,094,081	\$ 30,386	\$ 1,465,705	\$ 630,786	\$ 184,798	\$ 271,287	\$ 17,777,400
Total cash and investments													

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Subtotal	Water Treatment Plant/Transmission System										Totals		
		Operating Account	Operating Fund	Residual Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund		General Reserve Fund	Employment Benefit Funds
Cash and investments - July 1, 2019	\$ 14,860,223	\$ 85,637	\$ 2,064,423	\$ 9,557	\$ 99,005	\$ 254,968	\$ 141,056	\$ 148,111	\$ 3,318,296	\$ 1,746,553	\$ 247,736	\$ 41,197	\$ 544,131	\$ 23,561,093
Cash receipts:														
Water sales operations and maintenance	1,536,847	-	-	-	-	-	-	-	-	-	-	-	-	1,536,847
Water sales debt service	2,102,181	-	-	-	-	-	-	-	-	-	-	-	-	2,102,181
Source water protection	53,255	-	-	-	-	-	-	-	-	-	-	-	-	53,255
Water sales debt service NJEIT	88,510	-	-	-	-	-	-	-	-	-	-	-	-	88,510
Water sales overdrafts	24,726	-	-	-	-	-	-	-	-	-	-	-	-	24,726
NJ-American pumping costs	102,001	-	-	-	-	-	-	-	-	-	-	-	-	102,001
Headquarters overhead	(166,500)	-	1,321,200	-	-	-	-	-	-	-	-	-	-	1,321,200
Reimbursement of WTP capital expenses	7,749	-	-	-	-	-	-	-	-	-	-	-	-	7,749
Disposition of assets	340,000	-	-	-	-	-	-	-	-	-	-	-	-	340,000
Reimbursement from/(to) Rentlan Basin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	2,365	38,241	-	-	-	-	-	-	-	-	-	-	40,606
Miscellaneous reimbursement	8,568	-	-	-	-	-	-	-	-	-	-	-	-	8,568
Transfers:														
Contributions from operating fund	(2,182,745)	300,000	(304,095)	-	-	-	(89,916)	88,561	1,762,794	-	208,620	-	126,845	-
Contributions to operating fund	672,494	-	(582,578)	-	-	-	-	-	-	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	210,962	-	15,494	37	526	1,725	629	461	-	1,669	82	(2,342)	3,542	145,175
Investment income	120,576	434	-	-	-	-	-	-	-	-	-	-	-	121,010
Per resolution, Section 603:														
Investment income, transfer from	82	-	4,904	(114)	(1,129)	(3,661)	-	-	-	-	(82)	-	-	-
Investment income, transfer to	(1,529)	-	-	-	-	-	-	-	-	-	-	-	-	(1,529)
Unrealized gain/(loss) on fair value	2,917,177	302,789	493,166	(77)	(603)	(1,936)	(89,287)	89,042	1,762,794	-	1,669	-	126,045	5,602,789
Total cash receipts	\$ 17,777,400	\$ 386,636	\$ 2,557,589	\$ 9,480	\$ 98,402	\$ 253,032	\$ 51,769	\$ 237,153	\$ 5,081,090	\$ 1,746,553	\$ 249,405	\$ 41,197	\$ 672,176	\$ 23,163,982
Total cash and investments														

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Operating Fund		Self-Insurance Reserve	Renewal & Replacement Account	Water Reuse & Recycling	Source Water Protections	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal			
	Operating Account	Operating Fund											
Total available cash and investments	\$ 139,095	\$ 2,220,853	\$ 588,237	\$ 6,038,529	\$ 1,715,668	\$ 397,965	\$ 4,094,081	\$ 30,386	\$ 1,465,705	\$ 630,786	\$ 184,798	\$ 271,297	\$ 17,777,400
Cash disbursements:													
Payroll	-	-	532,365	-	-	-	-	-	-	-	-	-	532,365
Fringe benefits	1,039,801	-	-	(815,460)	-	-	-	-	-	-	-	-	224,341
Employee deferred compensation and credit union	-	-	-	97,270	-	-	-	-	-	-	-	-	97,270
Operations and maintenance	728,995	-	-	381,172	110,000	180,000	-	30,000	20,000	-	-	-	1,450,167
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	142,000	-	-	-	-	-	-	-	-	142,000
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds Fees/Earnings Credit	-	-	-	-	-	180,000	-	-	20,000	-	-	-	2,446,143
Total cash disbursements	\$ 1,766,796	\$ 532,365	\$ 532,365	\$ (195,018)	\$ 110,000	\$ 180,000	\$ 4,094,081	\$ 30,386	\$ 1,465,705	\$ 610,786	\$ 154,798	\$ 271,297	\$ 15,331,257
Cash and investments - December 31, 2019	\$ 139,095	\$ 452,057	\$ 55,872	\$ 6,233,547	\$ 1,605,668	\$ 217,965	\$ 4,094,081	\$ 30,386	\$ 1,465,705	\$ 610,786	\$ 154,798	\$ 271,297	\$ 15,331,257
Summary of cash and investments:													
Cash (Manasquan)	\$ 139,095	\$ 452,057	\$ 55,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,024
Cash (Water Treatment Plant/TS)	-	-	-	-	1,355,504	217,965	4,094,081	30,386	1,465,705	360,623	154,798	271,297	14,183,906
Short-term investments	-	-	-	6,233,547	-	-	-	-	-	-	-	-	-
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	250,163	-	-	500,327
Long-term investments	-	-	-	-	250,164	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 139,095	\$ 452,057	\$ 55,872	\$ 6,233,547	\$ 1,605,668	\$ 217,965	\$ 4,094,081	\$ 30,386	\$ 1,465,705	\$ 610,786	\$ 154,798	\$ 271,297	\$ 15,331,257

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 SIX MONTHS ENDED DECEMBER 31, 2019

	Water Treatment Plant/Transmission System											Totals		
	Operating Account	Operating Fund	Residual 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	\$ 17,777,400	\$ 388,636	\$ 2,557,589	\$ 9,480	\$ 98,402	\$ 253,032	\$ 51,769	\$ 237,153	\$ 5,081,090	\$ 1,746,553	\$ 249,405	\$ 41,197	\$ 672,176	\$ 28,163,882
Cash disbursements:														
Payroll	532,365	-	-	-	-	-	-	-	-	-	-	-	-	532,365
Fringe benefits	224,341	-	-	-	-	-	-	-	-	-	-	-	-	224,341
Employee deferred compensation and credit union	97,270	-	-	-	-	-	-	-	-	-	-	-	-	97,270
Operations and maintenance	1,450,167	361,429	-	-	-	-	-	-	-	-	-	-	-	1,811,596
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	142,000	-	45,998	-	-	-	-	-	-	-	-	-	-	187,998
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	108,381	3,015,000	-	-	-	-	3,123,381
Interest on bonds	-	-	-	-	-	-	-	13,000	253,169	-	-	-	-	266,169
Bonds Fees/Earnings Credit	-	-	-	-	-	-	972	-	-	-	-	-	-	972
Total cash disbursements	2,446,143	361,429	45,998	-	-	-	122,353	3,288,169	-	-	-	-	-	6,244,092
Cash and investments - December 31, 2019	\$ 15,331,257	\$ 27,207	\$ 2,511,591	\$ 9,480	\$ 98,402	\$ 253,032	\$ 51,769	\$ 114,800	\$ 1,812,921	\$ 1,746,553	\$ 249,405	\$ 41,197	\$ 672,176	\$ 22,919,790
Summary of cash and investments:														
Cash (Manasquan)	\$ 647,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,024
Cash (Water Treatment Plant/TS)	-	27,207	-	-	-	-	-	-	-	-	-	-	-	27,207
Short-term investments	14,183,906	-	2,511,591	9,480	98,402	253,032	51,769	-	-	-	-	41,197	672,176	14,897,279
Short-term investments (Water Treatment Plant/TS)	500,327	-	-	-	-	-	-	114,800	1,812,921	1,746,553	249,405	-	-	3,923,679
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 15,331,257	\$ 27,207	\$ 2,511,591	\$ 9,480	\$ 98,402	\$ 253,032	\$ 51,769	\$ 114,800	\$ 1,812,921	\$ 1,746,553	\$ 249,405	\$ 41,197	\$ 672,176	\$ 22,919,790