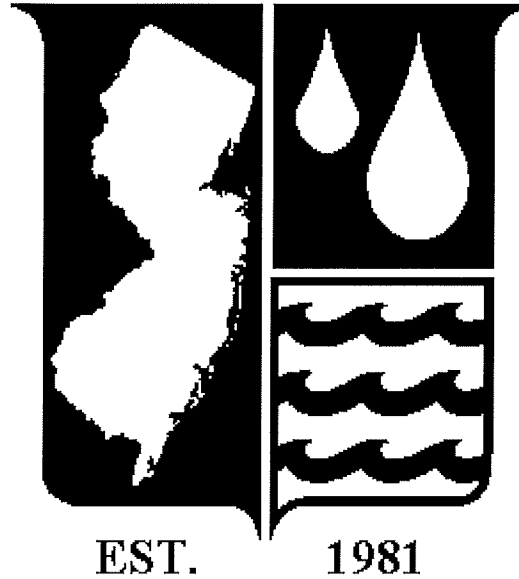


**NEW JERSEY WATER SUPPLY AUTHORITY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**December 31, 2021 AND JUNE 30, 2021**

**(UNAUDITED)**

NEW JERSEY WATER SUPPLY AUTHORITY

INDEX

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

**STATEMENTS OF NET POSITION**

	Unaudited	
	December 31, 2021	June 30, 2021
<b>Assets</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 63,713,720	\$ 65,972,752
Unbilled sales	1,937,145	1,581,175
Accounts receivable, less allowance for doubtful accounts of \$1,000 at December 31, 2021 and June 30, 2021	34,398,357	41,526,367
Interest receivable	-	2,275
Prepaid expenses and other current assets	654,514	1,761,923
Total unrestricted current assets	<u>100,703,736</u>	<u>110,844,492</u>
Restricted assets:		
Cash equivalents	33,117,975	31,950,166
Total current assets	<u>133,821,711</u>	<u>142,794,658</u>
Non-current assets:		
Investments	-	247,989
Capital assets, net	217,865,617	207,732,933
Total non-current assets	<u>217,865,617</u>	<u>207,980,922</u>
Total assets	<u>351,687,328</u>	<u>350,775,580</u>
Deferred outflows of resources:		
Pension related	3,614,185	3,614,185
OPEB related	10,062,041	10,062,041
Construction loan DEP fee	742,575	742,575
Total deferred outflows of resources	<u>14,418,801</u>	<u>14,418,801</u>
Total assets and deferred outflows of resources	<u>\$ 366,106,129</u>	<u>\$ 365,194,381</u>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 597,876	\$ 2,871,249
Accounts payable	3,971,998	5,378,515
Accrued liabilities	3,404,644	2,744,038
Unearned revenue	4,823,593	4,814,450
Total current liabilities	<u>12,798,111</u>	<u>15,808,252</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	156,088,290	156,503,688
Net pension liability	17,210,868	17,210,868
Net OPEB liability	29,968,511	29,968,511
Total non-current liabilities	<u>203,267,669</u>	<u>203,683,067</u>
Total liabilities	<u>216,065,780</u>	<u>219,491,319</u>
Deferred inflows of resources:		
Cost recovery	310,611	1,210,498
Pension related	7,381,453	7,381,453
OPEB related	14,837,299	14,837,299
Gain on refunding	248,561	260,499
Total deferred inflows of resources	<u>22,777,924</u>	<u>23,689,749</u>
Total liabilities and deferred inflows of resources	<u>238,843,704</u>	<u>243,181,068</u>
<b>Net Position</b>		
Net investment in capital assets	86,494,074	73,660,681
Restricted for cash, investments, and unearned revenue	28,294,382	27,135,716
Unrestricted	12,473,969	21,216,916
Total net position	<u>127,262,425</u>	<u>122,013,313</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 366,106,129</u>	<u>\$ 365,194,381</u>

See accompanying notes.

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

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	Unaudited	
	Six months ended December 31,	
	2021	2020
Operating revenues:		
Water sales	\$ 15,156,457	\$ 15,209,653
Reimbursement of operating expenses	1,290,000	1,319,112
Total operating revenues	<u>16,446,457</u>	<u>16,528,765</u>
Operating expenses:		
Payroll	4,161,801	3,941,590
Operations and maintenance	3,321,012	2,526,741
Fringe benefits	2,247,847	2,155,751
Depreciation	2,328,281	2,351,794
Total operating expenses	<u>12,058,941</u>	<u>10,975,876</u>
Income from operations	4,387,516	5,552,889
Non-operating revenues:		
State of New Jersey - Grant Programs	30,869	19,615
Investment and interest income	52,862	98,907
Rental income	53,688	58,858
Other income	(11,198)	751
Total non-operating revenues	<u>126,221</u>	<u>178,131</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	254,228	(1,400)
Recovery of deferred inflows of resources	(989,603)	556,856
Total non-operating expenses	<u>(735,375)</u>	<u>555,456</u>
Change in net position	5,249,112	5,175,564
Net position, beginning of year	122,013,313	109,554,466
Net position, end of year	<u>\$ 127,262,425</u>	<u>\$ 114,730,030</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 December 31,	
	2021	2020
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$ 13,543,453	\$ 15,052,128
Cash received from reimbursable expenses	1,306,508	1,298,460
Cash received from rental income	44,001	85,927
Cash paid to or on behalf of employees	(5,731,494)	(5,478,243)
Cash paid to suppliers	(2,485,589)	(2,639,105)
Net cash provided by operating activities	<u>6,676,879</u>	<u>8,319,167</u>
<b>Cash flows from noncapital financing activities</b>		
Cash received for grant and mitigation programs	74,355	532,875
Net cash provided by non-capital financing activities	<u>74,355</u>	<u>532,875</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from borrowing	8,431,861	17,927,134
Principal paid on bonds, notes and loans	(2,692,494)	(4,355,790)
Interest paid on bonds, notes and loans	(172,878)	(70,206)
Acquisition and construction of capital assets	(13,699,776)	(23,566,960)
Proceeds from sale of capital assets	550	-
Net cash used in capital and related financing activities	<u>(8,132,737)</u>	<u>(10,065,822)</u>
<b>Cash flows from investing activities</b>		
Sale of investment securities	250,000	1,840,000
Purchase of investment securities	(14,857)	(17,684)
Interest received on investments	55,137	114,502
Premium on matured investments	-	7,615
Net cash provided/(used) by investing activities	<u>290,280</u>	<u>1,944,433</u>
Net increase in cash and cash equivalents	(1,091,223)	730,653
Cash and cash equivalents, beginning of year	97,922,918	86,478,419
Cash and cash equivalents, end of year	<u>\$ 96,831,695</u>	<u>\$ 87,209,072</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 4,387,516	\$ 5,552,889
Adjustments to reconcile income from operations to net cash provided by operating		
Cash received for operating activity included in other income	54,786	59,609
Depreciation	2,328,281	2,351,794
Increase (decrease) in cash from:		
Unbilled sales	(355,970)	(460,473)
Accounts receivable	(1,347,337)	79,144
Prepaid expenses and other current assets	1,107,409	1,118,818
Accounts payable	(167,706)	(992,846)
Accrued liabilities	(5,942)	(14,600)
Accrued payroll and taxes	675,842	624,832
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 6,676,879</u>	<u>\$ 8,319,167</u>
<b>Non cash financing activities</b>		
Issuance of NJIB loan payable	\$ -	\$ (59,775,405)
Accounts receivable from NJIB loan	-	59,775,405
<b>Total non-cash financing activities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Non cash investing activities</b>		
Increase in fair value of investments	\$ 2,011	\$ 10,069
See accompanying notes.		

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

**NOTES TO FINANCIAL STATEMENTS**

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**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.

**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)**

**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.

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. 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

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**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 2021, three customers accounted for approximately 90% of the total Raritan Basin System accounts receivable and three customers accounted for approximately 85% of total Manasquan System accounts receivable. During fiscal year 2020, three customers accounted for approximately 90% of total Raritan Basin System accounts receivable and two customers accounted for approximately 85% 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 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.



**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)**

**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, 2021 and the year ended June 30, 2021, were determined as follows:

	December 31, 2021	June 30, 2021
<b>Raritan Basin System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ (417,604)	\$ (835,209)
Excess vacation expense over vacation paid	79,469	(28,761)
Accrued sick pay	-	3,591
	<u>(338,135)</u>	<u>(860,379)</u>
Cost included in rate model:		
Debt principal repayment	-	-
<b>Subtotal Raritan Basin System</b>	<u>(338,135)</u>	<u>(860,379)</u>
<b>Manasquan System</b>		
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	11,175	4,451
Accrued sick pay	-	5,223
	<u>(759,252)</u>	<u>(1,531,180)</u>
Cost included in rate model:		
Debt principal repayment	197,500	3,170,000
<b>Subtotal Manasquan System</b>	<u>(561,752)</u>	<u>1,638,820</u>
Total Raritan Basin and Manasquan	(899,887)	778,441
Balance, beginning of year	1,210,498	432,057
Balance, end of year	<u>\$ 310,611</u>	<u>\$ 1,210,498</u>

As shown in the statements of revenue, expenses and changes in net position for the six months ended December 31, 2021, deferred inflow of resources credit of \$989,603 includes a debit balance of \$928 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a debit balance of \$90,644 of accrued vacation and sick pay. The June 30, 2021, deferred inflows of resources debit balance of \$1,635,336 includes a debit balance of \$841,399 of Manasquan Water Treatment Plant unearned revenue and does not include a credit balance of \$15,496 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  
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NOTES TO FINANCIAL STATEMENTS

**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 statements of net position. These excess costs or billings will be recovered or recognized in future periods. As of December 31, 2021 and 2020, unearned revenue amounting to \$3,926,358 and \$3,244,919 respectively, was determined as follows:

	2021	2020
Reimbursement of operating expenses	\$ 1,291,736	\$ 1,322,204
Operating expenses	1,290,808	1,162,316
Unearned revenue	928	159,888
Balance, beginning of year	3,926,430	3,085,031
Balance, end of year	<u>\$ 3,927,358</u>	<u>\$ 3,244,919</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, 2021 and 2020, the amount included in unearned revenue was \$257,675 and \$185,721, respectively.

**Accounting for Watershed Protection Program**

For the six months ended December 31, 2021 and 2020, the Authority received \$74,355 and \$532,876 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, 2021, 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

**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, 2021 and June 30, 2021, the Authority's bank balance was \$96,859,573 and \$98,082,732, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$96,609,573 and \$97,832,732 as of December 31, 2021 and June 30, 2021, respectively, was collateralized through a 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 May 23, 2022. The cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$28,178 and \$160,114, respectively. The statement of net position amount includes petty cash totaling \$300 as of December 31, 2021 and June 30, 2021, 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 \$96,859,573 and \$98,082,732 as of December 31, 2021 and June 30, 2021, respectively, was exposed to custodial credit risk as follows:

	December 31, 2021	June 30, 2021
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. The Authority has no level 1 or level 3 investments.

As of December 31, 2021, 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:

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	\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

As of June 30, 2021, 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:

**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	\$ 250,264	\$ 250,264	\$ -
<b>Total</b>		<b>\$ 250,264</b>	<b>\$ 250,264</b>	<b>\$ -</b>

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, 2021, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the six months ended December 31, 2021 and 2020, respectively:

	2021	2020
Interest earned on bank accounts and certificates of deposit	\$ 50,570	\$ 82,520
Interest earned on securities	281	6,318
Increase in fair value of securities	2,011	10,069
<b>Total</b>	<b>\$ 52,862</b>	<b>\$ 98,907</b>

**E. MAJOR WATER CUSTOMERS**

During fiscal years 2021 and 2020, the Authority supplied water to approximately 30 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2021 and 2020, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. During fiscal years 2021 and 2020, 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, 2021

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
<b>Assets</b>				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 41,830,161	\$ 21,883,559	\$ -	\$ 63,713,720
Unbilled sales	1,937,145	-	-	1,937,145
Accounts receivable, less allowance for doubtful accounts of \$1,000 at December 31, 2021	32,934,014	1,632,692	(168,349)	34,398,357
Interest receivable	-	-	-	-
Prepaid expenses and other current assets	585,610	68,904	-	654,514
Total unrestricted assets	<u>77,286,930</u>	<u>23,585,155</u>	<u>(168,349)</u>	<u>100,703,736</u>
Restricted assets:				
Cash equivalents	27,176,964	5,941,011	-	33,117,975
Total current assets	<u>104,463,894</u>	<u>29,526,166</u>	<u>(168,349)</u>	<u>133,821,711</u>
Non-current assets:				
Investments	-	-	-	-
Capital assets net of accumulated depreciation of \$161,679,9785 at December 31, 2021	169,902,749	47,962,868	-	217,865,617
Total non-current assets	<u>169,902,749</u>	<u>47,962,868</u>	<u>-</u>	<u>217,865,617</u>
Total assets	<u>274,366,643</u>	<u>77,489,034</u>	<u>(168,349)</u>	<u>351,687,328</u>
Deferred outflows of resources:				
Pension related	2,789,390	824,795	-	3,614,185
OPEB related	7,726,003	2,336,038	-	10,062,041
Construction loan DEP fee	742,575	-	-	742,575
Total deferred outflows of resources	<u>11,257,968</u>	<u>3,160,833</u>	<u>-</u>	<u>14,418,801</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 285,624,611</u>	<u>\$ 80,649,867</u>	<u>\$ (168,349)</u>	<u>\$ 366,106,129</u>
<b>Liabilities</b>				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 558,686	\$ 39,190	\$ -	\$ 597,876
Accounts payable	3,827,173	313,174	(168,349)	3,971,998
Accrued liabilities	2,711,164	693,480	-	3,404,644
Unearned revenue	638,560	4,185,033	-	4,823,593
Total current liabilities	<u>7,735,583</u>	<u>5,230,877</u>	<u>(168,349)</u>	<u>12,798,111</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	115,438,779	40,649,511	-	156,088,290
Net pension liability	13,283,164	3,927,704	-	17,210,868
Total OPEB liability	23,075,753	6,892,758	-	29,968,511
Total non-current liabilities	<u>151,797,696</u>	<u>51,469,973</u>	<u>-</u>	<u>203,267,669</u>
Total liabilities	<u>159,533,279</u>	<u>56,700,850</u>	<u>(168,349)</u>	<u>216,065,780</u>
Deferred inflows of resources				
Cost recovery	9,451,054	(9,140,443)	-	310,611
Pension related	5,696,926	1,684,527	-	7,381,453
OPEB related	11,424,720	3,412,579	-	14,837,299
Gain on refunding	-	248,561	-	248,561
Total deferred inflow of resources	<u>26,572,700</u>	<u>(3,794,776)</u>	<u>-</u>	<u>22,777,924</u>
<b>Net position</b>				
Net investment in capital assets	53,905,284	32,588,790	-	86,494,074
Restricted for cash, investments and unearned revenue	26,538,404	1,755,978	-	28,294,382
Unrestricted	19,074,944	(6,600,975)	-	12,473,969
Total net position	<u>99,518,632</u>	<u>27,743,793</u>	<u>-</u>	<u>127,262,425</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 285,624,611</u>	<u>\$ 80,649,867</u>	<u>\$ (168,349)</u>	<u>\$ 366,106,129</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, 2021**

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenue:				
Water sales	\$ 11,477,759	\$ 3,678,698	\$ -	\$ 15,156,457
Reimbursement of operating expenses	-	-	1,290,000	1,290,000
Total operating revenue	<u>11,477,759</u>	<u>3,678,698</u>	<u>1,290,000</u>	<u>16,446,457</u>
Operating expenses:				
Payroll	3,236,559	455,894	469,348	4,161,801
Operations and maintenance (direct)	2,214,607	547,628	494,594	3,256,829
Operations and maintenance (general and administrative)	-	38,306	25,877	64,183
Fringe benefits	1,742,003	250,855	254,989	2,247,847
Headquarters overhead	(337,500)	291,500	46,000	-
Depreciation	1,400,842	927,439	-	2,328,281
Total operating expenses	<u>8,256,511</u>	<u>2,511,622</u>	<u>1,290,808</u>	<u>12,058,941</u>
Income from operations	<u>3,221,248</u>	<u>1,167,076</u>	<u>(808)</u>	<u>4,387,516</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	30,869	-	-	30,869
Investment and interest income	39,510	11,616	1,736	52,862
Rental income	53,688	-	-	53,688
Other income/(loss)	(11,259)	61	-	(11,198)
Total non-operating revenue	<u>112,808</u>	<u>11,677</u>	<u>1,736</u>	<u>126,221</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	192,614	61,614	-	254,228
Recovery of deferred inflows of resources	(417,604)	(572,927)	928	(989,603)
Total non-operating expenses	<u>(224,990)</u>	<u>(511,313)</u>	<u>928</u>	<u>(735,375)</u>
Changes in net position	3,559,046	1,690,066	-	5,249,112
Net position, beginning of year	95,959,586	26,053,727	-	122,013,313
<b>Net position, end of year</b>	<u>\$ 99,518,632</u>	<u>\$ 27,743,793</u>	<u>\$ -</u>	<u>\$ 127,262,425</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, 2021

	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 II	Source Water Protection Fund	
Cash and investments - July 1, 2021	\$ 1,335,360	\$ 1,859,130	\$ 177,816	\$ 3,286,994	\$ 3,645,173	\$ 931,662	\$ 4,980,517	\$ 1,884,786	\$ 326,418	\$ 4,336,904	\$ 22,764,780
Cash receipts:											
Water sales operations and maintenance	5,449,702	-	-	-	-	-	-	-	-	-	5,449,702
Water sales NJEJFP	2,513,441	-	-	-	-	-	-	-	-	-	2,513,441
Water sales capital fund	975,806	-	-	-	-	-	-	-	-	-	975,806
Water sales source water protection fund	709,677	-	-	-	-	-	-	-	-	-	709,677
Water sales overdrafts	288,655	-	-	-	-	-	-	-	-	-	288,655
Rental income	44,001	-	-	-	-	-	-	-	-	-	44,001
Manasquan reservoir support	34,198	-	-	327,250	-	-	-	-	-	-	34,198
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	550
Disposition of property	550	-	-	-	-	-	-	-	-	-	550
Recycling revenue	-	-	-	-	-	-	-	-	-	-	252,555
Sale of investment securities	252,555	-	-	-	-	-	-	-	-	-	252,555
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	114,156	41,317	-	-	-	-	-	-	-	-	155,473
Transfers:											
Contributions from operating fund	1,262,390	16,358,624	1,934,999	(25,028,599)	-	-	254,728	75,000	-	274,440	(4,868,418)
Contributions to operating fund	(2,740,490)	-	-	13,667,757	-	-	(36,510)	-	-	(264,766)	10,625,991
Transfers for operations	(9,458,465)	-	-	9,458,465	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	27,738	-	2,292,504	-	-	(170,607)	-	-	(175,780)	1,973,855
Investment income	125	1,039	-	-	2,091	504	2,903	1,076	3	2,508	10,249
Per resolution, Section 603:											
Investment income, transfer from	2,595	-	-	-	(2,091)	(504)	-	-	-	-	-
Investment income, transfer to	(2,595)	-	-	-	2,595	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	(264)	-	(264)
Total cash receipts	(553,699)	16,428,718	1,934,999	717,377	2,595	-	50,514	76,076	(261)	(163,598)	18,492,721
Total available cash and investments	\$ 781,661	\$ 18,287,848	\$ 2,112,815	\$ 4,004,371	\$ 3,647,768	\$ 931,662	\$ 5,031,031	\$ 1,960,862	\$ 326,157	\$ 4,173,306	\$ 41,257,501

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, 2021

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total cash and investments	\$ 22,764,780	\$ 333,049	\$ 643,009	\$ 1,431,509	\$ 17,705,704	\$ 753,224	\$ 25,004,324	\$ 1,075,667	\$ 88,016	\$ 2,034,080	\$ 71,833,362
Cash receipts:											
Water sales operations and maintenance	5,449,702	-	-	-	-	-	-	-	-	-	5,449,702
Water sales NJEJFP	2,513,441	-	-	-	-	-	-	-	-	-	2,513,441
Water sales capital fund	975,806	-	-	-	-	-	-	-	-	-	975,806
Water sales source water protection fund	709,677	-	-	-	-	-	-	-	-	-	709,677
Water sales overdrafts	288,655	-	-	-	-	-	-	-	-	-	288,655
Rental income	44,001	-	-	-	-	-	-	-	-	-	44,001
Manasquan reservoir support	34,198	-	-	-	-	-	-	-	-	-	34,198
Headquarters overhead	327,250	-	-	-	-	-	-	-	-	-	327,250
Disposition of property	550	-	-	-	-	-	-	-	-	-	550
Recycling revenue	-	-	-	-	-	-	-	-	-	-	-
Sale of investment securities	252,555	-	-	-	-	-	-	-	-	-	252,555
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	155,473	-	-	-	8,431,861	86,768	-	-	-	-	8,674,102
Transfers:											
Contributions from operating fund	(4,868,418)	177,276	346,926	-	915,112	-	2,828,535	75,000	-	525,569	-
Contributions to operating fund	10,625,991	-	-	-	(10,435,784)	(190,207)	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	1,973,855	-	-	-	(1,946,117)	-	-	-	-	(27,738)	-
Investment income	10,249	39	131	796	9,398	375	14,537	603	10	1,080	37,218
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	(264)	-	-	-	-	-	-	-	-	-	(264)
Total cash receipts	18,492,721	177,315	347,057	796	(3,025,530)	(103,064)	2,843,072	75,603	10	498,911	19,306,891
Total available cash and investments	\$ 41,257,501	\$ 510,364	\$ 990,066	\$ 1,432,305	\$ 14,680,174	\$ 650,160	\$ 27,847,396	\$ 1,151,270	\$ 88,026	\$ 2,532,991	\$ 91,140,253

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, 2021

	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 II	Source Water Protection Fund	
Total available cash and investments	\$ 781,661	\$ 18,287,848	\$ 2,112,815	\$ 4,004,371	\$ 3,647,768	\$ 931,682	\$ 5,031,031	\$ 1,960,862	\$ 326,157	\$ 4,173,306	\$ 41,257,501
Cash disbursements:											
Payroll	-	-	1,934,999	-	-	-	-	-	-	-	1,934,999
Fringe benefits	-	41,433	-	874,570	-	-	-	-	-	-	916,003
Employee deferred compensation and credit union	-	362,674	-	142,406	-	-	-	-	-	-	505,080
Operations and maintenance	-	16,609,710	-	(364,540)	-	-	-	-	-	-	16,245,170
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	-	-	-	-	-	-	-	-	250,000	-	250,000
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on NJEIT revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	17,013,817	1,934,999	652,436	-	-	-	-	250,000	-	19,851,252
Cash and investments - December 31, 2021	\$ 781,661	\$ 1,274,031	\$ 177,816	\$ 3,351,935	\$ 3,647,768	\$ 931,682	\$ 5,031,031	\$ 1,960,862	\$ 76,157	\$ 4,173,306	\$ 21,406,249
Summary of cash and investments:											
Cash	\$ 781,661	\$ 1,274,031	\$ 177,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,233,508
Short-term investments	-	-	-	\$ 3,351,935	\$ 3,647,768	\$ 931,682	\$ 5,031,031	\$ 1,960,862	\$ 76,157	\$ 4,173,306	\$ 19,172,741
Long-term investments	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 781,661	\$ 1,274,031	\$ 177,816	\$ 3,351,935	\$ 3,647,768	\$ 931,682	\$ 5,031,031	\$ 1,960,862	\$ 76,157	\$ 4,173,306	\$ 21,406,249

**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, 2021**

	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	\$ 41,257,501	\$ 510,384	\$ 990,066	\$ 1,432,305	\$ 14,680,174	\$ 650,160	\$ 27,847,396	\$ 1,151,270	\$ 88,026	\$ 2,532,991	\$ 91,140,253
Cash disbursements:											
Payroll	1,934,999	-	-	-	-	-	-	-	-	-	1,934,999
Fringe benefits	916,003	-	-	-	-	-	-	-	-	-	916,003
Employee deferred compensation and credit union	505,080	-	-	-	-	-	-	-	-	-	505,080
Operations and maintenance	16,245,170	-	-	-	-	-	-	-	-	-	16,245,170
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	35,823	35,823
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	250,000	-	-	-	-	-	-	-	-	-	250,000
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	317,357	520,195	-	-	-	927,439	-	-	-	1,764,991
Interest on NJEIT revenue bonds	-	4,043	33,770	-	-	-	443,249	-	-	-	481,062
Total cash disbursements	19,851,252	321,400	553,965	-	-	-	1,370,688	-	-	35,823	22,133,128
Cash and investments - December 31, 2021	\$ 21,406,249	\$ 188,984	\$ 436,101	\$ 1,432,305	\$ 14,680,174	\$ 650,160	\$ 26,476,708	\$ 1,151,270	\$ 88,026	\$ 2,497,168	\$ 69,007,125
Summary of cash and investments:											
Cash	\$ 2,233,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,096	\$ 2,283,604
Short-term investments	19,172,741	188,984	436,101	1,432,305	14,680,174	650,160	26,476,708	1,151,270	88,026	2,447,072	66,723,521
Long-term investments	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 21,406,249	\$ 188,984	\$ 436,101	\$ 1,432,305	\$ 14,680,174	\$ 650,160	\$ 26,476,708	\$ 1,151,270	\$ 88,026	\$ 2,497,168	\$ 69,007,125

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, 2021

	Revenue Account	Operating Fund										Subtotal																		
		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																
Cash and investments - July 1, 2021	\$	2	\$	377,002	\$	55,972	\$	8,175,618	\$	1,604,939	\$	217,965	\$	4,161,631	\$	30,386	\$	1,486,202	\$	602,767	\$	154,799	\$	2,401,212	\$	316,297	\$	19,567,692		
Cash receipts:																														
Water sales operations and maintenance	1,548,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,548,485	
Water sales capital	1,560,452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,560,452	
Water sales debt service	355,256	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	355,256	
Source water protection	52,099	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,099	
Water sales debt service NJEIT	86,590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,590	
Water sales overdrafts	3,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,287	
NJ-American pumping costs	74,979	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,979	
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement from/(to) Raritan Basin	15,809	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,809	
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous reimbursement	2,916	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,916	
Transfers:																														
Contributions from operating fund	-	1,821,691	-	558,727	-	(5,026,747)	-	-	-	60,000	-	-	-	2,369	-	-	-	53,226	-	-	-	-	-	-	-	-	-	-	(915,902)	
Contributions to operating fund	-	-	-	935,727	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	710,816	
Transfers for operations	(3,823,300)	(561)	-	3,823,300	-	-	-	-	-	(101,306)	-	-	-	-	-	-	-	(123,605)	-	-	-	-	-	-	-	-	-	-	(661)	
Distribution from reserves to operations	409,750	7,941	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	417,691	
Investment income	23	115	-	4,604	-	-	-	-	898	86	2,390	86	-	312	-	-	820	-	-	-	49	1,804	-	-	-	-	-	11,248		
Per resolution, Section 603:																														
Investment income, transfer from	5,785	-	-	(4,605)	-	-	-	-	(898)	(86)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment income, transfer to	(5,785)	-	-	5,785	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total cash receipts	286,346	1,829,186	-	558,727	-	(261,936)	-	-	-	(38,916)	-	-	-	2,681	-	-	(69,599)	-	-	-	-	-	-	-	-	-	-	-	3,923,165	
Total cash and investments	\$ 286,346	\$ 2,205,186	\$ -	\$ 614,599	\$ 7,913,662	\$ 1,604,939	\$ 217,965	\$ 4,122,715	\$ 30,386	\$ 1,419,643	\$ 605,448	\$ 154,799	\$ 4,002,848	\$ 331,297	\$ 23,510,657															

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, 2021

	Water Treatment Plant/Transmission System										Totals			
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJETT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve		Rebate Fund	General Reserve Fund	Employment Benefit Funds
Cash and investments - July 1, 2021	\$ 19,587,692	\$ 171,892	\$ 2,789,971	\$ 9,480	\$ 98,435	\$ 253,189	\$ 112,017	\$ 164,612	\$ 543,671	\$ 1,746,553	\$ 250,594	\$ 41,197	\$ 570,417	\$ 26,339,820
Cash receipts:														
Water sales operations and maintenance	1,548,485	-	-	-	-	-	-	-	-	-	-	-	-	1,548,485
Water sales capital	1,560,452	-	-	-	-	-	-	-	-	-	-	-	-	1,560,452
Water sales debt service	355,256	-	-	-	-	-	-	-	-	-	-	-	-	355,256
Source water protection	52,099	-	-	-	-	-	-	-	-	-	-	-	-	52,099
Water sales debt service NJETT	86,590	-	-	-	-	-	-	-	-	-	-	-	-	86,590
Water sales overdrafts	3,287	-	-	-	-	-	-	-	-	-	-	-	-	3,287
NJ-American pumping costs	74,979	-	-	-	-	-	-	-	-	-	-	-	-	74,979
Headquarters overhead	-	-	1,290,000	-	-	-	-	-	-	-	-	-	-	1,290,000
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	15,809	-	-	-	-	-	-	-	-	-	-	-	-	15,809
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	2,916	2,282	-	-	-	-	-	-	-	-	-	-	-	5,198
Transfers:														
Contributions from operating fund	(915,902)	400,000	(411,121)	-	-	-	-	88,460	296,168	-	-	409,750	132,645	-
Contributions to operating fund	710,816	-	(640,436)	-	-	-	(70,380)	-	-	-	-	-	-	-
Transfers for operations	(561)	561	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	417,691	-	-	-	-	-	-	-	-	-	-	(409,750)	(7,941)	-
Investment income	11,248	13	1,569	-	16	107	11	20	-	-	106	-	241	13,351
Per resolution, Section 603:														
Investment income transfer from	-	-	313	-	(49)	(264)	-	-	-	-	-	-	-	-
Investment income transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts	3,923,165	402,856	240,345	9,480	98,402	253,032	(70,369)	88,480	296,168	106	124,945	124,945	5,005,506	
Total cash and investments	\$ 23,510,857	\$ 574,848	\$ 3,030,316	\$ 9,480	\$ 98,402	\$ 253,032	\$ 41,648	\$ 253,092	\$ 839,839	\$ 1,746,553	\$ 250,700	\$ 41,197	\$ 695,362	\$ 31,345,326

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, 2021

Operating Fund

	Revenue Account	Operating Account	Payroll Account	Operating 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	Subtotal
Total available cash and investments	\$ 286,348	\$ 2,206,188	\$ 614,599	\$ 7,913,682	\$ 1,604,939	\$ 217,965	\$ 4,122,715	\$ 30,386	\$ 1,419,643	\$ 605,448	\$ 154,799	\$ 4,002,848	\$ 331,297	\$ 23,510,857	
Cash disbursements:															
Payroll	-	558,727	-	-	-	-	-	-	-	-	-	-	-	-	558,727
Fringe benefits	-	143	-	112,181	-	-	-	-	-	-	-	-	-	-	112,324
Employee deferred compensation and credit union	-	1,100,402	-	(874,570)	-	-	-	-	-	-	-	-	-	-	225,832
Operations and maintenance	-	821,149	-	364,575	-	-	-	-	-	-	-	-	-	-	1,185,724
NU-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	281,250	-	-	-	-	-	-	-	-	-	-	281,250
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	1,921,894	-	(116,564)	-	-	-	-	-	-	-	-	-	-	2,363,857
Cash and investments - December 31, 2021	\$ 286,348	\$ 284,494	\$ 55,872	\$ 8,030,246	\$ 1,604,939	\$ 217,965	\$ 4,122,715	\$ 30,386	\$ 1,419,643	\$ 605,448	\$ 154,799	\$ 4,002,848	\$ 331,297	\$ 21,147,000	

Summary of cash and investments:

Cash (Manasquan)	\$ 286,348	\$ 284,494	\$ 55,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,714
Cash (Water Treatment Plant/TS)	-	-	-	8,030,246	1,604,939	217,965	4,122,715	30,386	1,419,643	605,448	154,799	4,002,848	331,297	20,520,286	
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 286,348	\$ 284,494	\$ 55,872	\$ 8,030,246	\$ 1,604,939	\$ 217,965	\$ 4,122,715	\$ 30,386	\$ 1,419,643	\$ 605,448	\$ 154,799	\$ 4,002,848	\$ 331,297	\$ 21,147,000	

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, 2021

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
Total available cash and investments	\$ 23,510,857	\$ 574,848	\$ 3,030,316	\$ 9,480	\$ 98,402	\$ 253,032	\$ 41,648	\$ 253,092	\$ 839,839	\$ 1,746,553	\$ 250,700	\$ 41,197	\$ 695,362	\$ 31,345,326
Cash disbursements:														
Payroll	558,727	-	-	-	-	-	-	-	-	-	-	-	-	558,727
Fringe benefits	112,324	-	-	-	-	-	-	-	-	-	-	-	-	112,324
Employee deferred compensation and credit union	225,832	-	-	-	-	-	-	-	-	-	-	-	-	225,832
Operations and maintenance	1,165,724	492,904	-	-	-	-	-	-	-	-	-	-	-	1,678,628
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pread insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	281,250	-	45,000	-	-	-	-	-	-	-	-	-	-	327,250
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	113,381	395,000	-	-	-	-	508,381
Interest on bonds	-	-	-	-	-	-	-	11,071	98,543	-	-	-	-	109,614
Total cash disbursements	2,363,857	492,904	45,000	-	-	-	-	124,452	493,543	-	-	-	-	3,520,756
Cash and investments - December 31, 2021	\$ 21,147,000	\$ 81,944	\$ 2,984,316	\$ 9,480	\$ 98,402	\$ 253,032	\$ 41,648	\$ 128,640	\$ 346,296	\$ 1,746,553	\$ 250,700	\$ 41,197	\$ 695,362	\$ 27,824,570
Summary of cash and investments:														
Cash (Manasquan)	\$ 626,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,714
Cash (Water Treatment Plant/TS)	20,520,286	81,944	-	-	-	-	-	-	-	-	-	-	695,362	81,944
Short-term investments	-	-	2,964,316	9,480	98,402	253,032	41,648	-	-	-	-	41,197	-	21,256,845
Long-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,386,878
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	128,640	346,296	1,746,553	250,700	-	-	2,472,189
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 21,147,000	\$ 81,944	\$ 2,984,316	\$ 9,480	\$ 98,402	\$ 253,032	\$ 41,648	\$ 128,640	\$ 346,296	\$ 1,746,553	\$ 250,700	\$ 41,197	\$ 695,362	\$ 27,824,570