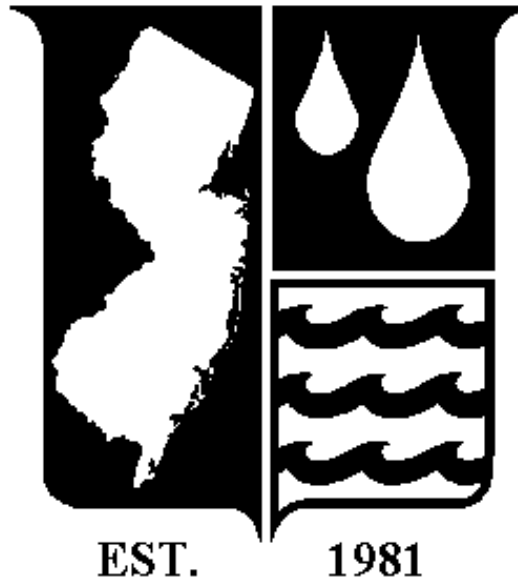


# **NEW JERSEY WATER SUPPLY AUTHORITY**

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



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2017 AND JUNE 30, 2017**

**(UNAUDITED)**

NEW JERSEY WATER SUPPLY AUTHORITY

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

**STATEMENT OF NET POSITION**

Unaudited

	Sept 30, 2017	June 30, 2017
<b>Assets</b>		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$43,276,868	\$44,408,430
Unbilled sales	2,036,753	1,174,697
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2017 and June 30, 2017	3,803,719	2,270,753
Interest receivable	136,283	170,608
Prepaid expenses and other current assets	634,873	1,000,513
Total unrestricted current assets	<u>49,888,496</u>	<u>49,025,001</u>
Restricted assets:		
Cash equivalents	5,179,123	4,098,163
Investments	2,982,270	5,329,485
Total restricted current assets	<u>8,161,393</u>	<u>9,427,648</u>
Total current assets	<u>58,049,889</u>	<u>58,452,649</u>
Non-current assets:		
Investments	10,963,118	11,104,025
Capital assets, net	139,102,757	139,466,728
Total non-current assets	<u>150,065,875</u>	<u>150,570,753</u>
Deferred outflows of resources	9,612,405	9,612,405
Total assets and deferred outflows of resources	<u>217,728,169</u>	<u>218,635,807</u>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	166,373	3,851,691
Accounts payable	530,555	431,084
Accrued liabilities	2,261,784	2,136,760
Unearned revenue	2,185,470	2,165,583
Total current liabilities	<u>5,144,182</u>	<u>8,585,118</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	60,770,686	60,835,554
Net pension liability	29,886,847	29,886,847
Total non-current liabilities	<u>90,657,533</u>	<u>90,722,401</u>
Deferred inflows of resources:		
Cost recovery	(764,617)	(896,366)
Pension related	525,390	525,390
Gain on refunding	682,678	711,070
Total deferred inflows of resources	<u>443,451</u>	<u>340,094</u>
<b>Net position</b>		
Net investment in capital assets	103,046,204	99,631,597
Restricted for debt service	5,975,923	7,262,065
Unrestricted	12,460,876	12,094,532
Total net position	<u>121,483,003</u>	<u>118,988,194</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$217,728,169</u>	<u>\$218,635,807</u>

See accompanying notes.

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

Unaudited

	Three months ended September 30,	
	2017	2016
Operating revenue:		
Water sales	\$7,566,264	\$6,258,129
Reimbursement of operating expenses	660,600	660,600
Total operating revenue	<u>8,226,864</u>	<u>6,918,729</u>
Operating expenses:		
Payroll	1,873,456	1,883,853
Operations and maintenance	1,348,815	1,113,158
Fringe benefits	1,181,603	1,173,277
Depreciation	1,156,496	1,115,781
Total operating expenses	<u>5,560,370</u>	<u>5,286,069</u>
Income from operations	2,666,494	1,632,660
Non-operating revenue:		
State of New Jersey - Grant Programs	0	0
Investment income	169,840	(161,858)
Rental income	40,479	40,734
Other income	(228)	19,479
Total non-operating revenue	<u>210,091</u>	<u>(101,645)</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	116,016	94,811
Bond discount/insurance premium expense	0	12,491
Recovery of deferred inflows of resources	265,760	(561,396)
Total non-operating expenses	<u>381,776</u>	<u>(454,094)</u>
Change in net position	2,494,809	1,985,109
Net position, beginning of year	<u>118,988,194</u>	<u>113,608,747</u>
Net position, end of year	<u>\$121,483,003</u>	<u>\$115,593,856</u>

See accompanying notes.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**STATEMENT OF CASH FLOWS**

Unaudited

	Three months ended September 30,	
	2017	2016
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$5,308,607	\$7,004,139
Cash received from reimbursable expenses	636,144	659,561
Cash received from rental income	14,622	35,497
Cash paid to or on behalf of employees	(2,674,200)	(2,856,672)
Cash paid to suppliers	(997,626)	(884,769)
Net cash provided by operating activities	<u>2,287,547</u>	<u>3,957,756</u>
<b>Cash flows from noncapital financing activities</b>		
Cash received for grant programs	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from borrowing	-	-
Gain on refunding	-	-
Principal paid on bonds, notes and loans	(3,917,216)	(1,259,007)
Interest paid on bonds, notes and loans	(345,419)	(162,813)
Acquisition and construction of capital assets	(767,563)	(768,497)
Proceeds from sale of capital assets	(238)	19,394
Net cash used in capital and related financing activities	<u>(5,030,436)</u>	<u>(2,170,923)</u>
<b>Cash flows from investing activities</b>		
Sale of investment securities	3,412,452	6,920,483
Purchase of investment securities	(930,923)	(7,209,081)
Interest received on investments	204,165	(29,474)
Premium on matured investments	6,593	741,223
Net cash provided by investing activities	<u>2,692,287</u>	<u>423,151</u>
Net increase in cash and cash equivalents	(50,602)	2,209,984
Cash and cash equivalents, beginning of year	48,506,593	45,685,995
Cash and cash equivalents, end of year	<u>\$48,455,991</u>	<u>\$47,895,979</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$2,666,494	\$1,632,660
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Non-cash items expensed to operations and maintenance	0	40,734
Cash received for operating activity shown in other income	40,489	85
Depreciation	1,156,496	1,115,781
Increase (decrease) in cash from:		
Unbilled sales	(862,056)	(409,672)
Accounts receivable	(1,542,506)	1,060,822
Prepaid expenses and other current assets	365,640	360,425
Accounts payable	84,049	(40,517)
Accrued liabilities	(10,558)	(5,958)
Accrued payroll and taxes	389,499	(76,590)
Net pension liability	0	279,986
Net cash provided by operating activities	<u>\$2,287,547</u>	<u>\$3,957,756</u>
<b>Non cash investing activities</b>		
Increase (decrease) in fair value of investments	<u>(\$22,836)</u>	<u>(\$13,540)</u>

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 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 it does not constitute a legal budget or establish spending limitations.

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

**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 Governmental Accounting Standards Board ("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 accented 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 the 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 associated of 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**

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

**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 2017, two customers accounted for approximately 84% of the total Raritan Basin System accounts receivable and five customers accounted for approximately 89% of total Manasquan System accounts receivable. During fiscal year 2016, two customers accounted for approximately 87% of total Raritan Basin System accounts receivable, and five customers accounted for approximately 87% 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  
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**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 three months ended September 30, 2017 and the year ended June 30, 2017, were determined as follows:

	Sept 30, 2017	June 30, 2017
<b>Raritan Basin System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$208,802	\$835,209
Excess vacation expense over vacation paid	(25,108)	(19,963)
Accrued Sick pay	-	(391)
	<u>183,694</u>	<u>814,855</u>
Cost included in rate model:		
Debt principal repayment	-	-
	<u>183,694</u>	<u>814,855</u>
<b>Manasquan System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	385,213	1,540,854
Excess vacation expense over vacation paid	594	(1,846)
Accrued sick pay	-	3,638
	<u>385,807</u>	<u>1,542,646</u>
Cost included in rate model:		
Debt principal repayment	(701,250)	(230,000)
	<u>(315,443)</u>	<u>1,312,646</u>
Total Raritan Basin and Manasquan	<u>(131,749)</u>	<u>2,127,501</u>
Balance, beginning of year	896,366	(1,231,135)
Balance, end of year	<u>\$764,617</u>	<u>\$896,366</u>

As shown in the statement of revenue, expenses and changes in net position for the three months ended September 30, 2017 and the year ended June 30, 2017, respectively, deferred inflow of resources debit of \$265,760 and a credit balance of \$2,502,694 includes a credit balance of \$158,525, and a credit balance of \$356,631 of Water Treatment Plant deferred revenue, which is not part of the rate model, and does not include a debit balance of \$24,514 and a debit balance of \$18,562 of accrued vacation and sick pay.

*Deferred Inflows/Outflows of Resource - 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*

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

**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 September 30, 2017 and 2016, unearned revenue amounting to \$1,849,489 and \$2,022,714, respectively, was determined as follows:

	2017	2016
Reimbursement of operating expenses	\$662,781	\$661,955
Operating expenses	504,256	686,836
Unearned revenue	158,525	(24,881)
Balance, beginning of year	1,690,964	2,047,595
Balance, end of year	<u>\$1,849,489</u>	<u>\$2,022,714</u>

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of September 30, 2017 and 2016, the amount included in unearned revenue was \$335,981 and \$1,057,957, respectively.

**Accounting for Watershed Protection Program**

For the three months ended September 30, 2017 and 2016, the Authority received \$0 and \$0 respectively, from the New Jersey Department of Environmental Protection for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and NJDEP and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of September 30, 2017, all the funds received had been recognized as revenue.

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

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

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**C. CAPITAL ASSETS**

Capital assets activity for the three months ended September 30, 2017 and the year ended June 30, 2017, was as follows:

	<b>2018</b>			<b>2018</b>
	<b>Beginning</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending</b>
	<b>Balance</b>			<b>Balance</b>
Capital assets not being depreciated:	\$26,444,952	\$ -	\$ -	\$26,444,952
Land	9,326,879	782,893	-	10,109,772
Construction work in progress	35,771,831	782,893	-	36,554,724
Total capital assets not being depreciated				
Capital assets being depreciated:	77,369,160	-	-	77,369,160
Dams	140,094,325	-	-	140,094,325
Building, structures and improvements	21,160,274	-	-	21,160,274
D & R canal dredging	6,443,907	9,632	-	6,453,539
Machinery and equipment	245,067,666	9,632	-	245,077,298
Total capital assets being depreciated				
Less accumulated depreciation for:	(29,962,140)	(199,499)	-	(30,161,639)
Dams	(85,217,782)	(871,851)	-	(86,089,633)
Building, structures and improvements	(21,160,273)	-	-	(21,160,273)
D & R canal dredging	(5,032,574)	(85,146)	-	(5,117,720)
Machinery and equipment	(141,372,769)	(1,156,496)	0	(142,529,265)
Total accumulated depreciation	103,694,897	(1,146,864)	0	102,548,033
Total capital assets being depreciated, net	\$139,466,728	(\$363,971)	\$0	\$139,102,757
Total capital assets, net				
	<b>2017</b>			<b>2017</b>
	<b>Beginning</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending</b>
	<b>Balance</b>			<b>Balance</b>
Capital assets not being depreciated:	\$26,444,952	\$ -	\$ -	\$26,444,952
Land	12,713,786	3,212,708	(6,599,615)	9,326,879
Construction work in progress	39,158,738	3,212,708	(6,599,615)	35,771,831
Total capital assets not being depreciated				
Capital assets being depreciated:	77,369,160	-	-	77,369,160
Dams	133,475,474	6,621,815	(2,964)	140,094,325
Building, structures and improvements	21,160,274	-	-	21,160,274
D & R canal dredging	6,391,874	452,986	(400,953)	6,443,907
Machinery and equipment	238,396,782	7,074,801	(403,917)	245,067,666
Total capital assets being depreciated				
Less accumulated depreciation for:	(29,164,145)	(797,995)	-	(29,962,140)
Dams	(81,761,134)	(3,459,612)	2,964	(85,217,782)
Building, structures and improvements	(21,160,273)	-	-	(21,160,273)
D & R canal dredging	(5,087,883)	(339,157)	394,466	(5,032,574)
Machinery and equipment	(137,173,435)	(4,596,764)	397,430	(141,372,769)
Total accumulated depreciation	101,223,347	2,478,037	(6,487)	103,694,897
Total capital assets being depreciated, net	\$140,382,085	\$5,690,745	\$ (6,606,102)	\$139,466,728
Total capital assets, net				

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

The Authority's bond resolutions limit the investment of restricted assets to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in the NJCMF and direct and general obligations of any state that meets the minimum requirements of the resolution.

**1. Cash**

As of September 30, 2017 and June 30, 2017, the Authority's bank balance was \$4,914,049 and \$5,490,531, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$5,240,531 and \$4,664,049 as of September 30, 2017 and June 30, 2017, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$608,758 and \$102,349, respectively. The statement of net position amount includes petty cash totaling \$300 as of September 30, 2017 and June 30, 2017, 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 \$4,914,049 and \$5,490,531 as of September 30, 2017 and June 30, 2017, respectively, was exposed to custodial credit risk as follows:

	September 30, 2017	June 30, 2017
Uninsured and uncollateralized	\$ -	\$ -

**3. Investments and Cash Equivalents**

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

The Authority categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principals. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2017, the Authority had the following recurring fair value measurements using quoted market prices for U.S. Treasuries (Level 1 inputs) and 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
U.S. Treasuries	Level 1	\$47,132,670	\$47,132,670	\$ -
N/J G/O Bonds	Level 2	11,099,401	1,103,938	9,995,463
<b>Total</b>		<b>\$58,232,071</b>	<b>\$48,236,608</b>	<b>\$9,995,463</b>

As of June 30, 2017, the Authority had the following recurring fair value measurements using quoted market prices for U.S. Treasuries (Level 1 inputs) and 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**

**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
U.S. Treasuries	Level 1	\$48,447,596	\$48,447,596	\$ -
N/J G/O Bonds	Level 2	11,274,633	1,039,588	10,235,045
<b>Total</b>		<b>\$59,722,229</b>	<b>\$49,487,184</b>	<b>\$10,235,045</b>

**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 PNC Bank and TD Bank to collateralize all deposits held at market rate equal to 102% of the daily combined total of all deposits. As of September 30, 2017, all deposits were collateralized.

4. Investment Income

The following comprises investment income for the three months ended September 30 2017 and 2016, respectively:

	2017	2016
Interest earned on bank accounts and certificates of deposit	55,898	(267,078)
Interest earned on securities	136,778	118,760
Increase (decrease) in fair value of securities	(22,836)	(13,540)
	<b>\$169,840</b>	<b>(\$161,858)</b>

**E. MAJOR WATER CUSTOMERS**

During fiscal years 2017 and 2016, the Authority supplied water to approximately 32 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2017 and 2016, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. During fiscal years 2017 and 2016, three customers accounted for approximately 88% and 86%, respectively, 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 THREE MONTHS ENDED SEPTEMBER 30, 2017

Unaudited

	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Elimination Entries</b>	<b>Combined Total</b>
<b>Assets</b>				
<b>Current assets:</b>				
Unrestricted assets:				
Cash and cash equivalents	\$30,026,891	\$13,249,977	\$ -	\$43,276,868
Unbilled sales	2,036,753	-	-	2,036,753
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2017	2,368,128	1,606,252	(170,661)	3,803,719
Interest receivable	124,493	11,790	-	136,283
Prepaid expenses and other current assets	501,886	132,987	-	634,873
Total unrestricted current assets	<u>35,058,151</u>	<u>15,001,006</u>	<u>(170,661)</u>	<u>49,888,496</u>
Restricted assets:				
Cash equivalents	3,078,345	2,100,778	-	5,179,123
Investments	-	2,982,270	-	2,982,270
Total restricted current assets	<u>3,078,345</u>	<u>5,083,048</u>	<u>-</u>	<u>8,161,393</u>
Total current assets	<u>38,136,496</u>	<u>20,084,054</u>	<u>(170,661)</u>	<u>58,049,889</u>
<b>Non-current assets:</b>				
Investments	10,104,287	858,831	-	10,963,118
Capital assets net of accumulated depreciation of \$142,529,266 at September 30, 2017	83,724,113	55,378,644	-	139,102,757
Total non-current assets	<u>93,828,400</u>	<u>56,237,475</u>	<u>-</u>	<u>150,065,875</u>
Deferred outflows of resources	7,272,745	2,339,660	-	9,612,405
Total assets and deferred outflows of resources	<u>\$139,237,641</u>	<u>\$78,661,189</u>	<u>(\$170,661)</u>	<u>\$217,728,169</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Current portion of bonds, notes and loans payable	\$ 127,182	\$ 39,191	\$ -	\$ 166,373
Accounts payable	406,573	294,643	(170,661)	530,555
Accrued liabilities	1,684,892	576,892	-	2,261,784
Unearned revenue	-	2,185,470	-	2,185,470
Total current liabilities	<u>2,218,647</u>	<u>3,096,196</u>	<u>(170,661)</u>	<u>5,144,182</u>
<b>Non-current liabilities:</b>				
Non-current portion of bonds, notes and loans payable	9,089,104	51,681,582	-	60,770,686
Net pension liability	22,612,383	7,274,464	-	29,886,847
Total non-current liabilities	<u>31,701,487</u>	<u>58,956,046</u>	<u>-</u>	<u>90,657,533</u>
<b>Deferred inflows of resources</b>				
Cost recovery	13,200,975	(13,965,592)	-	(764,617)
Pension related	397,510	127,880	-	525,390
Gain on refunding	-	682,678	-	682,678
Total deferred inflow of resources	<u>13,598,485</u>	<u>(13,155,034)</u>	<u>-</u>	<u>443,451</u>
<b>Net position</b>				
Net investment in capital assets	74,507,827	28,538,377	-	103,046,204
Restricted for debt service	3,078,345	2,897,578	-	5,975,923
Unrestricted	14,132,850	(1,871,974)	-	12,460,876
Total net position	<u>91,719,022</u>	<u>29,763,981</u>	<u>-</u>	<u>121,483,003</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$139,237,641</u>	<u>\$78,661,189</u>	<u>(\$170,661)</u>	<u>\$217,728,169</u>

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

**COMBINED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:	\$5,636,921	\$1,929,343	\$ -	\$7,566,264
Water Sales			660,600	660,600
Reimbursement of operating expenses	5,636,921	1,929,343	660,600	8,226,864
Total operating revenues				
Operating expenses:	1,421,767	244,715	206,974	1,873,456
Payroll	1,000,578	174,688	148,681	1,323,947
Operations and maintenance (direct)				
Operations and maintenance (general and administrative)	-	14,198	10,670	24,868
Fringe benefits	929,355	142,067	110,181	1,181,603
Headquarters overhead	(190,750)	163,000	27,750	-
Depreciation	689,895	466,601	-	1,156,496
Total operating expenses	3,850,845	1,205,269	504,256	5,560,370
Income from operations	1,786,076	724,074	156,344	2,666,494
Non-operating revenue:	-	-	-	-
State of New Jersey - Grant Programs	149,131	18,528	2,181	169,840
Investment income	40,479	-	-	40,479
Rental income	(231)	3	-	(228)
Other income/(loss)	189,379	18,531	2,181	210,091
Total non-operating revenue				
Non-operating expenses:	39,707	76,309	-	116,016
Bond discount/insurance premium expense	-	-	-	-
Recovery of deferred inflows of resources	(208,802)	316,037	158,525	265,760
Costs to be recovered from future revenue	(169,095)	392,346	158,525	381,776
Total non-operating expenses	2,144,550	350,259	-	2,494,809
Changes in net position	86,275,397	25,333,350	-	113,608,747
Net position, beginning of year	\$90,419,947	\$25,683,609	\$ -	\$116,103,556
Net position, end of year				



NEW JERSEY WATER SUPPLY AUTHORITY  
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SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Revenue Fund	Operating Account	Payroll Account	Operating Fund				Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
				Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve				
Cash and investments - July 1, 2017	\$1,176,243	\$3,378,352	\$30,000	\$1,052,319	\$3,578,527	\$983,805	\$4,255,118	\$1,231,480	\$6,382,382	\$3,903,948	\$25,941,874
Cash receipts:											
Water sales operations and maintenance	1,746,327										1,746,327
Water sales debt service	689,273										689,273
Water sales capital fund	324,690										324,690
Water sales source water protection fund	236,138										236,138
Water sales overdrafts											-
Rental income	20,488										20,488
Manasquan reservoir support	5,142			16,760							21,892
Headquarters overhead				187,750							187,750
Disposition of property	9,301										9,301
Recycling revenue											-
Sale of investment securities											170,000
Nonrefundable bid deposits											-
Insurance reimbursement											-
Miscellaneous expense reimbursement	14,318	8,156									23,474
Transfers:											
Contributions from operating fund		2,276,301	755,081	(5,032,279)			174,264	25,000		87,970	(1,713,653)
Contributions to operating fund				756,318			(26,272)			(72,964)	657,082
Transfers for operations	(3,974,690)			3,974,690							-
Transfers for investments											-
Distribution from reserves to operations		7,997									7,997
Investment income				1,001	27,236	311	12,458	1,601	131,283	5,224	179,112
Per resolution, Section 603:											
Investment income, transfer from	164,963				(24,394)		(9,319)		(131,250)		-
Investment income, transfer to											-
Unrealized gain/(loss) on fair value	(785,050)	2,293,454	755,081	(95,770)	1,512	(10,376)	(25,372)	26,601	26,217	20,230	(6,052)
Total cash receipts	\$331,153	\$5,671,806	\$785,081	\$956,549	\$3,752,881	\$843,440	\$4,380,875	\$1,259,081	\$6,408,599	\$3,924,178	\$28,472,683
Total available cash and investments											

NEW JERSEY WATER SUPPLY AUTHORITY  
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SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	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
<b>Total cash and investments</b>	\$25,941,874	\$301,514	\$657,007	\$1,381,648	\$11,902,828	\$20,203	\$1,948,968	\$451,204	\$96,049	\$1,554,751	\$44,146,036
<b>Cash receipts:</b>	1,746,327										1,746,327
Water sales operations and maintenance	688,273										688,273
Water sales debt service	324,690										324,690
Water sales capital fund	236,138										236,138
Water sales source water protection fund											
Water sales overdrains											
Rental income	20,488										20,488
Manasquan reservoir support	21,892										21,892
Headquarters overhead	187,750										187,750
Disposition of property	9,301										9,301
Recycling revenue	-										-
Sale of investment securities	170,000										170,000
Nonrefundable bid deposits	-										-
Insurance reimbursement	-										-
Miscellaneous expense reimbursement	23,474										23,474
<b>Transfers:</b>											
Contributions from operating fund	(1,713,653)	60,314	117,950		366,072		942,922	25,000		201,395	-
Contributions to operating fund	657,082				(657,082)						-
Transfers for operations	-										-
Transfers for investments	7,997									(7,997)	-
Distribution from reserves to operations	179,112	198	240	1,800	16,183	25	2,800	547	50	1,800	202,755
Investment income	-										-
Per resolution, Section 603:											
Investment income, transfer from	-										-
Investment income, transfer to	(8,052)										(8,052)
Unrealized gain/(loss) on fair value	2,530,819	60,512	118,190	1,800	(274,827)	25	943,722	25,547	50	195,198	3,603,036
<b>Total cash receipts</b>	\$28,472,683	\$362,026	\$675,197	\$1,383,448	\$11,628,001	\$20,228	\$2,894,680	\$476,751	\$96,099	\$1,748,949	\$47,749,072

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Operating Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
Total available cash and investments	\$391,193	\$5,671,806	\$785,091	\$956,549	\$3,752,881	\$943,440	\$4,380,875	\$1,258,081	\$6,408,599	\$3,924,178	\$28,472,693
Cash disbursements:											
Payroll			755,091								755,091
Fringe benefits		4,256		147,768							152,024
Employee deferred compensation and credit union		167,024		24,044							191,068
Operations and maintenance		2,412,586									2,412,586
Prepaid insurance											
Miscellaneous disbursements											
Watershed Management Fund											
Capital improvements:											
Capital assets											
New five year construction project											
Purchase of investments securities					176,785						176,785
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		2,683,666	765,091	171,812	176,785						3,697,584
Total cash disbursements	\$391,193	\$3,067,940	\$30,000	\$784,737	\$3,576,096	\$943,440	\$4,380,875	\$1,258,081	\$6,408,599	\$3,924,178	\$24,786,139
Cash and investments - September 30, 2017											
Summary of cash and investments:											
Cash	\$391,193	\$3,067,940	\$30,000	\$784,737	\$117,879						\$3,627,012
Short-term investments					\$2,189,531	\$296,991	\$2,525,678	\$1,258,081	\$74,644	\$3,924,178	11,053,840
Long-term investments					1,268,686	646,449	1,855,197		6,333,955		10,104,287
Restricted investments (current)											
Restricted investments (long-term)											
Total cash and investments	\$391,193	\$3,067,940	\$30,000	\$784,737	\$3,576,096	\$943,440	\$4,380,875	\$1,258,081	\$6,408,599	\$3,924,178	\$24,786,139

NEW JERSEY WATER SUPPLY AUTHORITY  
 A COMPONENT UNIT OF THE STATE OF NEW JERSEY  
 SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)  
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	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
<b>Total available cash and investments</b>	\$28,472,693	\$362,026	\$675,197	\$1,383,448	\$11,628,001	\$20,228	\$2,894,680	\$476,751	\$86,099	\$1,749,949	\$47,749,072
<b>Cash disbursements:</b>											
Payroll	755,091										755,091
Fringe benefits	152,024										152,024
Employee deferred compensation and credit union	191,068										191,068
Operations and maintenance	2,412,566										2,412,566
Prepaid insurance	-										-
Miscellaneous disbursements	-									10,257	10,257
Watershed Management Fund	-										-
<b>Capital improvements:</b>											
Capital assets	-										-
New five year construction project	-										-
Purchase of investments securities	176,785										176,785
Principal on 1981 bonds	-										-
Interest on 1981 bonds	-										-
Principal on 1998 bonds	-										-
Interest on 1998 revenue bonds	-	290,421	481,516								771,936
Principal on NJEIT bonds	-	13,651	56,151								69,802
Interest on NJEIT revenue bonds	3,687,654	304,071	537,667								4,529,392
Total cash disbursements	\$24,785,139	\$57,955	\$137,530	\$1,383,448	\$11,628,001	\$20,228	\$2,894,680	\$476,751	\$86,099	\$1,739,692	\$43,209,523
Cash and investments - September 30, 2017											
<b>Summary of cash and investments:</b>											
Cash	\$3,627,012									\$45,568	\$3,672,579
Short-term investments	11,053,840	\$57,955	\$137,530	\$1,383,448	\$11,628,001	\$20,228	\$2,894,680	\$476,751	\$86,099	1,694,134	29,432,866
Long-term investments	10,104,287										10,104,287
Restricted investments (current)	-										-
Restricted investments (long-term)	-										-
Total cash and investments	\$24,785,139	\$57,955	\$137,530	\$1,383,448	\$11,628,001	\$20,228	\$2,894,680	\$476,751	\$86,099	\$1,739,692	\$43,209,523

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY  
SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Revenue Fund	Operating Fund				Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M								
Cash and Investments - July 1, 2017	\$126,244	\$484,443	\$20,000	\$4,177,005	\$1,616,408	\$221,067	\$3,700,911	\$30,192	\$1,539,274	\$562,510	\$165,430	\$166,298	\$12,890,691
Cash receipts:													
Water sales operations and maintenance	884,273												884,273
Water sales debt service	1,391,681												1,391,681
State sales distribution	54,139												54,139
Water sales distribution NJEIT	51,217												51,217
Water sales operating costs	1,602												1,602
Manufacturing pumping costs	35,319												35,319
Manufacturing pumping													
Reimbursement of WTP capital expenses													
Disposition of assets													
Reimbursement from (to) Reitan Basin	4,319			(16,750)									(12,431)
Reimbursement from (to) Reitan Basin													
Sale of investment securities													
Non-indebt bid proceeds													
Miscellaneous reimbursement	2,765												2,765
Transfer													
Transfers													
Contributions from operating fund	454,600	695,098	239,917	(2,265,192)			117,500		(22,253)	6,264	7,500		(686,546)
Contributions to operating fund				(2,265,192)			(65,765)		(977)	(1,705)			(381,628)
Transfers for operations	(2,839,890)	2,584		2,839,890									
Disbursement from reserves to operations				5,797			4,481	38	1,991	314	79	180	2,564
Investment income													
Investment income													
Investment income transfer from	6,204												
Investment income transfer to													
Unrealized gain/(loss) on fair value	(84,651)	607,652	239,917	873,613	(3,078)	(774)	66,750	38	(20,944)	(488)	(407)	7,680	(2,190)
Total cash receipts	\$91,953	\$1,092,125	\$259,917	\$6,050,619	\$1,614,923	\$221,240	\$3,773,671	\$30,230	\$1,512,330	\$663,971	\$155,023	\$203,978	\$14,666,219
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 THREE MONTHS ENDED SEPTEMBER 30, 2017

	Water Treatment Plant/Transmission System											
	Operating Account	Operating Fund	Residuals Reserve	Carbon Filler Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NUET Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
Cash and investments - July 1, 2017	\$129,822	\$1,284,897	\$9,491	\$98,466	\$293,295	\$354,730	\$148,156	\$1,746,553	\$242,890	\$-1,197	\$-463,693	\$20,794,057
Cash receipts:												
Water sales operations and maintenance	884,273											884,273
Water sales debt service	1,831,681											1,831,681
Water sales production	22,035											22,035
Water sales debt service NUET	51,177											51,177
Water sales overrides	14,502											14,502
Multi-American pumping costs	33,319											33,319
Handcarriers overhauled	-	660,800										660,800
Reimbursement of WTP capital expenses	-											
Disposition of assets	-											
Water treatment (omit)(6) Realize Gain	(12,451)											(12,451)
Sale of investment securities	-											
Non-refundable bid deposits	-											
Miscellaneous reimbursement	2,795											2,795
Transfers												
Contributions from operating fund	(985,548)	(300,000)										(1,285,548)
Contributions to operating fund	391,028	(280,450)				(101,172)	44,532		875,384			645,322
Transfers from operations												
Distribution from reserves to operations	2,584	1,381	12	66	276	447	69		261	51		2,447
Investment in debt												
Pay residual, Section 603												
Investment income, transfer from												
Investment income, transfer to												
Unrealized gain/(loss) on fair value	(8,189)											(8,189)
Total cash receipts	300,000	30,843	12	66	276	(100,725)	44,591		261	51		65,250
Total cash and investments	\$428,322	\$1,365,540	\$9,503	\$98,532	\$293,571	\$254,005	\$190,747	\$1,746,553	\$243,091	\$-1,248	\$-463,943	\$23,796,604

NEW JERSEY WATER SUPPLY AUTHORITY  
 A COMPONENT UNIT OF THE STATE OF NEW JERSEY  
 SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM  
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Revenue Fund	Operating Fund		Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal	
		Operating Account	Payroll Account									Operating Fund
Total available cash and investments	\$91,569	\$1,092,125	\$259,917	\$5,060,616	\$1,614,923	\$221,240	\$3,773,671	\$30,230	\$1,512,330	\$663,571	\$203,978	\$14,569,219
Cash disbursements:												
Payroll			238,817									238,817
Fringe benefits		455,239		(348,550)								106,689
Employee deferred compensation and credit union				63,352								63,352
Utilities and maintenance		239,325		200,783								440,108
NJ Advance and performance costs												460,618
Prepaid health insurance costs												
Healthcare overhead				160,000								160,000
Capital assets research												
Capital improvement program (research)												
Purchase of investment securities												
Principal on bonds												
Interest on bonds												
Total cash disbursements		718,074	238,817	72,811								1,030,662
Cash and investments - September 30, 2017	\$91,569	\$374,051	\$20,000	\$4,978,007	\$1,614,923	\$221,240	\$3,773,671	\$30,230	\$1,512,330	\$663,571	\$203,978	\$13,538,617

Summary of cash and investments:

Cash (Manasquan)	\$91,569	\$374,051	\$20,000									\$495,644
Cash (Water Treatment Plant/TS)				\$4,978,007	\$1,248,533	\$37,739	\$3,773,671	\$30,230	\$1,512,330	\$286,923	\$124,731	\$203,978
Short-term investments												12,164,142
Long-term investments (Water Treatment Plant/TS)					368,390	183,501				276,648	30,292	658,531
Restricted investments (current)												
Restricted investments (long-term)												
Total cash and investments	\$91,569	\$374,051	\$20,000	\$4,978,007	\$1,614,923	\$221,240	\$3,773,671	\$30,230	\$1,512,330	\$663,571	\$203,978	\$13,538,617

NEW JERSEY WATER SUPPLY AUTHORITY  
 A COMPONENT UNIT OF THE STATE OF NEW JERSEY  
 SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)  
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

	Water Treatment Plant/Transmission System												
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJETT Debt Service Account	2006 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$14,599,219	\$428,322	\$1,365,640	\$9,503	\$98,532	\$253,571	\$254,005	\$190,747	\$4,060,330	\$243,091	\$41,248	\$528,943	\$23,790,904
Cash disbursements:													
Payroll	239,917												239,917
Fringe benefits	108,669												108,669
Employees deferred compensation and credit union	60,378												60,378
Operations and maintenance	460,918	280,945											741,863
N.J.-American pumping costs													
Prepaid insurance													
Headquarters overhead	160,000		27,750										187,750
Capital assets reservoir													
Capital improvement program (reservoir)													
Purchase of investments securities													
Interest on bonds													
Principal on bonds													
Total cash disbursements	1,030,802	280,945	27,750										2,913,981
Cash and investments - September 30, 2017	\$13,538,617	\$147,377	\$1,337,790	\$9,503	\$98,532	\$253,571	\$254,005	\$67,114	\$925,512	\$243,091	\$41,248	\$528,943	\$19,197,860
Summary of cash and investments:													
Cash (Manasquan)	\$465,644												\$465,644
Cash (Water Treatment Plant/TS)		\$147,377											147,377
Short-term investments	12,194,142												12,194,142
Water Treatment Plant/TS			\$1,337,790	\$9,503	\$98,532	\$253,571	\$254,005				\$41,248	\$528,943	12,794,335
Long-term investments	658,831												1,953,901
Restricted investments (current)								\$97,114	\$925,512	\$243,091			2,962,721
Restricted investments (long-term)													
Total cash and investments	\$13,538,617	\$147,377	\$1,337,790	\$9,503	\$98,532	\$253,571	\$254,005	\$97,114	\$925,512	\$243,091	\$41,248	\$528,943	\$19,197,860