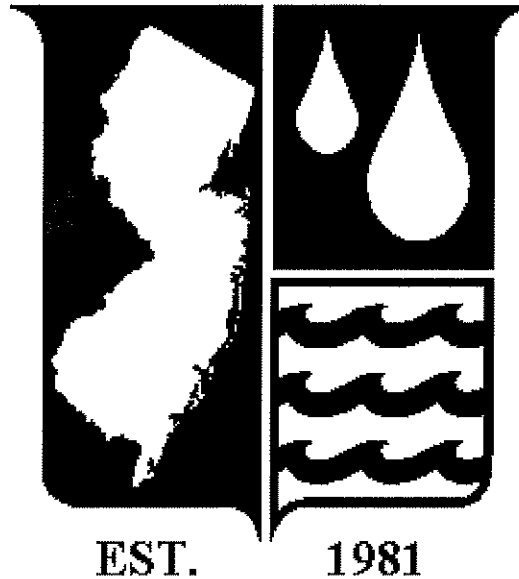


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE QUARTERLY FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

DECEMBER 31, 2025 AND JUNE 30, 2025

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

INDEX

<u>DESCRIPTION</u>	<u>PAGE NUMBER</u>
Statements of Net Position as of December 31, 2025 and June 30, 2025	1
Statements of Revenue, Expenses, and Changes in Net Position for the Six Months Ended December 31, 2025 and 2024	2
Statements of Cash Flows for the Six Months Ended December 31, 2025 and 2024	3
Notes to Financial Statements	4-11
Supplemental Information	
Combining Schedule of Net Position as of December 31, 2025	13
Combined Schedule of Revenue, Expenses and Changes in Net Position for the Six Months Ended December 31, 2025	14
Raritan Basin System Schedule of Changes in Cash and Investments by Fund for the Six Months Ended December 31, 2025	15-18
Manasquan Water Supply System Schedule of Changes in Cash and Investments by Fund for the Six Months Ended December 31, 2025	19-22

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

STATEMENTS OF NET POSITION

	Unaudited	
	December 31, 2025	June 30, 2025
Assets		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 41,519,174	\$ 58,324,520
Unbilled sales	2,792,267	2,028,029
Accounts receivable, less allowance for doubtful accounts of \$1,000 at December 31, 2025 and June 30, 2025	54,897,539	53,896,163
Interest receivable	447,395	282,844
Prepaid expenses and other current assets	522,690	1,886,481
Total unrestricted current assets	<u>100,179,065</u>	<u>116,418,037</u>
Restricted assets:		
Cash equivalents	<u>27,133,092</u>	<u>29,231,447</u>
Total current assets	<u>127,312,157</u>	<u>145,649,484</u>
Non-current assets:		
Investments	45,698,541	26,635,061
Capital assets, net	<u>261,368,962</u>	<u>251,823,395</u>
Total non-current assets	<u>307,067,503</u>	<u>278,458,456</u>
Total assets	<u>434,379,660</u>	<u>424,107,940</u>
Deferred outflows of resources:		
Cost recovery	7,254,206	6,382,192
Pension related	1,954,406	1,954,406
OPEB related	<u>18,288,143</u>	<u>18,288,143</u>
Total deferred outflows of resources	<u>27,496,755</u>	<u>26,624,741</u>
Total assets and deferred outflows of resources	<u>\$ 461,876,415</u>	<u>\$ 450,732,681</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 1,232,862	\$ 5,114,132
Accounts payable	2,080,339	2,159,164
Accrued liabilities	4,039,446	3,351,046
Unearned revenue	<u>5,080,402</u>	<u>5,391,196</u>
Total current liabilities	<u>12,433,049</u>	<u>16,015,538</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	189,826,715	189,877,320
Lease liability	-	5,164
Net pension liability	13,950,280	13,950,280
Net OPEB liability	<u>35,047,940</u>	<u>35,047,940</u>
Total non-current liabilities	<u>238,824,935</u>	<u>238,880,704</u>
Total liabilities	<u>251,257,984</u>	<u>254,896,242</u>
Deferred inflows of resources:		
Pension related	1,400,466	1,400,466
OPEB related	14,054,875	14,054,875
Gain on refunding	<u>153,834</u>	<u>165,772</u>
Total deferred inflows of resources	<u>15,609,175</u>	<u>15,621,113</u>
Total liabilities and deferred inflows of resources	<u>266,867,159</u>	<u>270,517,355</u>
Net Position		
Net investment in capital assets	95,718,735	82,224,191
Restricted for cash, investments, and unearned revenue	22,052,690	23,840,251
Unrestricted	<u>77,237,831</u>	<u>74,150,884</u>
Total net position	<u>195,009,256</u>	<u>180,215,326</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 461,876,415</u>	<u>\$ 450,732,681</u>

See notes to financial statements.

**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,	
	2025	2024
Operating revenues:		
Water sales	\$ 17,159,329	\$ 17,511,984
Reimbursement of operating expenses	1,290,000	1,290,000
Total operating revenues	<u>18,449,329</u>	<u>18,801,984</u>
Operating expenses:		
Payroll	4,759,110	4,508,167
Operations and maintenance	3,797,054	3,634,393
Fringe benefits	3,161,160	2,932,277
Depreciation	2,909,156	2,884,287
Total operating expenses	<u>14,626,480</u>	<u>13,959,124</u>
Income from operations	3,822,849	4,842,860
Non-operating revenues:		
State of New Jersey - Grant Programs	8,899,254	52,424
Investment and interest income	1,399,336	2,185,757
Rental income	61,293	59,614
Other income	86,129	1,639
Recovery of deferred outflows of resources	938,411	948,411
Total non-operating revenues	<u>11,384,423</u>	<u>3,247,845</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	785,694	860,800
SMMUA operations, net	(372,352)	(132,560)
Total non-operating expenses	<u>413,342</u>	<u>728,240</u>
Changes in net position	14,793,930	7,362,465
Net position, beginning of year	180,215,326	164,724,875
Net position, end of year	<u>\$ 195,009,256</u>	<u>\$ 172,087,340</u>

See notes to financial statements

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

STATEMENTS OF CASH FLOWS

Unaudited

	Six months ended December 31,	
	2025	2024
Cash flows from operating activities		
Cash received from water sales	\$ 17,699,493	\$ 17,383,449
Cash received from reimbursable expenses	1,655,712	1,444,481
Cash received from rental income	30,916	33,908
Cash paid to or on behalf of employees	(7,130,464)	(6,879,274)
Cash paid to suppliers	(2,640,986)	(2,482,913)
Net cash provided by operating activities	<u>9,614,671</u>	<u>9,499,651</u>
Cash flows from noncapital financing activities		
Cash received for grant programs	6,682,569	182,680
Net cash provided by non-capital financing activities	<u>6,682,569</u>	<u>182,680</u>
Cash flows from capital and related financing activities		
Principal paid on bonds, notes and loans	(4,254,607)	(4,147,940)
Lease liability	(5,164)	-
Interest paid on bonds, notes and loans	(806,165)	(1,109,567)
Acquisition and construction of capital assets	(12,387,023)	(4,284,664)
Proceeds from sale of capital assets	80,713	702
Net cash used in capital and related financing activities	<u>(17,372,246)</u>	<u>(9,541,469)</u>
Cash flows from investing activities		
Sale of investment securities	7,819,803	31,680,000
Purchase of investment securities	(26,695,389)	(26,167,849)
Interest received on investments	1,234,785	2,527,844
Premium on matured investments	(187,894)	(59,441)
Net cash provided/(used) by investing activities	<u>(17,828,695)</u>	<u>7,980,554</u>
Net increase in cash and cash equivalents	(18,903,701)	8,121,416
Cash and cash equivalents, beginning of year	87,555,967	81,676,767
Cash and cash equivalents, end of year	<u>\$ 68,652,266</u>	<u>\$ 89,798,183</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 3,822,849	\$ 4,842,860
Adjustments to reconcile income from operations to net cash provided by operating activities		
Cash received for operating activity included in other income	439,061	193,111
Depreciation	2,909,156	2,884,287
Increase (decrease) in cash from:		
Unbilled sales	(764,238)	71,344
Accounts receivable	1,293,477	(165,161)
Prepaid expenses and other current assets	1,363,791	1,309,377
Accounts payable	(224,693)	(174,882)
Accrued liabilities	(4,683)	(5,525)
Accrued payroll and taxes	779,951	544,240
Net cash provided by operating activities	<u>\$ 9,614,671</u>	<u>\$ 9,499,651</u>
Non cash investing activities		
Decrease/increase in fair value of investments	<u>\$ (76,955)</u>	<u>\$ 675,278</u>

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND OPERATIONS

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

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

Revenues

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

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

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues (Continued)

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

Capital Assets

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place into operation the projects of the Authority. Effective July 1, 2023, the Authority modified the capital asset definition to an asset having an initial individual cost of \$5,000 (previously \$1,000) or more and an estimated useful life in excess of three years. Such expenditures include labor, materials, services and indirect costs. Normal maintenance and repair costs are charged to operations and maintenance expense. Improvements and replacements are capitalized. Interest earned on long-term debt proceeds used for capital 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 U.S. Treasury notes, money market funds, federal agency securities, certificates of deposit, and municipal bonds with various interest rates. Restricted investments are restricted under the terms of the Authority's bond indentures for the payment of debt service. All investments are carried at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*.

Accounts Receivable

The Authority considers most of its accounts receivable to be collectible; accordingly, the change in net position is charged with an allowance for estimated uncollectible accounts based on past experience and an analysis of current accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible.

Compensated Absences

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

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

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Authority is exempt from federal income taxes under the Internal Revenue Code, Section 115, and from state income taxes under N.J.S.A. 27:26-16, 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 assets 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 assets that applies to a future period which will not be recognized as an inflow of resources until that time.

Deferred Inflows/Outflows of Resources - Cost Recovery

The Authority's cost recovery rate model used to establish rates, fees and charges, includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB Statement No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, and accrued sick pay, which are being classified as deferred outflows of resources. The deferred outflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the six months ended December 31, 2025 and the year ended June 30, 2025 were determined as follows:

**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)

	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 405,484	\$ 810,968
Excess vacation expense over vacation paid	(62,595)	11,973
Accrued sick pay	-	(29,078)
	<u>342,889</u>	<u>793,863</u>
Cost included in rate model:		
Debt principal repayment	-	-
Subtotal Raritan Basin System	<u>342,889</u>	<u>793,863</u>
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 770,427	1,540,854
Excess vacation expense over vacation paid	(3,802)	450
Accrued sick pay	-	1,277
	<u>766,625</u>	<u>1,542,581</u>
Cost included in rate model:		
Debt principal repayment	(237,500)	(455,000)
Subtotal Manasquan System	<u>529,125</u>	<u>1,087,581</u>
Total Raritan Basin and Manasquan	872,014	1,881,444
Balance, beginning of year	<u>6,382,192</u>	<u>4,500,748</u>
Balance, end of year	<u>\$ 7,254,206</u>	<u>\$ 6,382,192</u>

As shown in the statements of revenue, expenses and changes in net position for the six months ended December 31, 2025, deferred outflows of resources debit of \$938,411, does not include a credit balance of \$66,397 of accrued vacation and sick pay. The June 30, 2025, deferred outflows of resources debit balance of \$1,896,822 does not include a credit balance of \$15,378 of accrued vacation and sick pay.

Deferred Inflows/Outflows of Resources - Debt Refunding

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

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

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

**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)

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, 2025 and 2024, unearned revenue amounting to \$4,156,683 and \$4,946,355 respectively, was determined as follows:

	<u>2025</u>	<u>2024</u>
Reimbursement of operating expenses	\$ 1,314,811	\$ 1,332,181
Operating expenses	1,687,163	1,464,741
Unearned revenue	<u>(372,352)</u>	<u>(132,560)</u>
Balance, beginning of year	4,529,035	5,078,895
Balance, end of year	<u>\$ 4,156,683</u>	<u>\$ 4,946,335</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, 2025 and 2024, the amount included in unearned revenue was \$320,736 and \$356,440, respectively.

Accounting for Watershed Protection Program

For the six months ended December 31, 2025 and 2024, the Authority received \$21,887, and \$182,680, 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, 2025, all the funds received had been recognized as revenue.

Accounting for Mitigation Funds

During the six months ended December 31, 2025, and 2024, the Authority received \$61,558 and \$0, respectively for the costs associated with implementing water quality improvement projects for the Delaware and Raritan Canal. These funds are restricted to projects specifically identified by the D&R Canal Commission ("DRCC") and administered by the Authority and are recognized as revenue as the related costs are incurred. These funds are maintained in a separate mitigation account. As of December 31, 2025 and 2024, the balance of unearned revenue was \$602,983 and \$541,425, respectively.

Accounting for FEMA Reimbursements

The Authority received Federal Emergency Management Agency reimbursements for COVID-19 and the remnants of Hurricane Ida flooding in the amounts of \$0 for the six months ending December 31, 2025, and 2024, respectively. As of December 31, 2025 and 2024, the balance of unearned revenue was \$0 and \$350,228, respectively.

The Authority received Federal Emergency Management Agency reimbursements for the Building Resilient Infrastructure Communities (BRIC) program in the amounts of \$6,660,682 and \$0, for the six months ending December 31, 2025 and 2024, respectively. These funds are restricted to be used on the Spruce Run Foundation Grouting Project and are recognized as revenue as the related expenses are incurred.

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

NOTES TO FINANCIAL STATEMENTS

C. CAPITAL ASSETS

Capital assets activity for the six months ended December 31, 2025 and the year ended June 30, 2025, was as follows:

	2026 Beginning Balance	Additions	Retirements	2026 Ending Balance
Capital assets not being depreciated:				
Land	\$ 25,648,119	\$ -	\$ -	\$ 25,648,119
Construction work in progress	105,634,083	11,534,661	-	117,168,744
Total capital assets not being depreciated	131,282,202	11,534,661	-	142,816,863
Capital assets being depreciated:				
Dams	77,358,631	-	-	77,358,631
Building, structures and improvements	150,285,185	6,678	-	150,291,863
D & R Canal dredging	60,844,736	-	-	60,844,736
Machinery and equipment	9,248,982	913,384	(321,324)	9,841,042
Leased equipment	38,738	-	(38,738)	-
Total capital assets being depreciated	297,776,272	920,062	(360,062)	298,336,272
Less accumulated depreciation for:				
Dams	(36,157,442)	(380,883)	-	(36,538,325)
Building, structures and improvements	(113,344,020)	(1,765,207)	-	(115,109,227)
D & R Canal dredging	(22,020,103)	(396,845)	-	(22,416,948)
Machinery and equipment	(5,679,618)	(361,379)	321,324	(5,719,673)
Leased equipment	(33,896)	(4,842)	38,738	-
Total accumulated depreciation	(177,235,079)	(2,909,156)	360,062	(179,784,173)
Total capital assets being depreciated, net	120,541,193	(1,989,094)	-	118,552,099
Total capital assets, net	\$ 251,823,395	\$ 9,545,567	\$ -	\$ 261,368,962

	2025 Beginning Balance	Additions	Retirements	2025 Ending Balance
Capital assets not being depreciated:				
Land	\$ 25,648,119	\$ -	\$ -	\$ 25,648,119
Construction work in progress	95,300,520	10,360,690	(27,127)	105,634,083
Total capital assets not being depreciated	120,948,639	10,360,690	(27,127)	131,282,202
Capital assets being depreciated:				
Dams	77,358,631	-	-	77,358,631
Building, structures and improvements	150,278,507	6,678	-	150,285,185
D & R Canal dredging	60,844,736	-	-	60,844,736
Machinery and equipment	8,431,061	1,155,931	(338,010)	9,248,982
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	296,951,673	1,162,609	(338,010)	297,776,272
Less accumulated depreciation for:				
Dams	(35,395,677)	(761,765)	-	(36,157,442)
Building, structures and improvements	(109,797,926)	(3,546,094)	-	(113,344,020)
D & R Canal dredging	(21,226,414)	(793,689)	-	(22,020,103)
Machinery and equipment	(5,110,745)	(676,380)	107,507	(5,679,618)
Leased equipment	(24,211)	(9,685)	-	(33,896)
Total accumulated depreciation	(171,554,973)	(5,787,613)	107,507	(177,235,079)
Total capital assets being depreciated, net	125,396,700	(4,625,004)	(230,503)	120,541,193
Total capital assets, net	\$ 246,345,339	\$ 5,735,686	\$ (257,630)	\$ 251,823,395

**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, 2025 and June 30, 2025, the Authority's bank balance were \$68,964,665 and \$89,337,576, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$68,714,665 and \$89,087,576 as of December 31, 2025 and June 30, 2025, respectively, were collateralized through an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh through TD Bank. The letter of credit covers up to a maximum of \$100,000,000 of Authority deposits and was renewed through March 30, 2026. The cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$312,699 and \$1,781,909, respectively. The statements of net position amount includes petty cash totaling \$300 as of December 31, 2025 and June 30, 2025, respectively.

2. Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. The Authority's bank balances of \$68,964,665 and \$89,337,576 as of December 31, 2025 and June 30, 2025, respectively, was exposed to custodial credit risk as follows:

	December 31, 2025	June 30, 2025
Uninsured and uncollateralized	\$ -	\$ -

3. Investments and Cash Equivalents

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

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

As of December 31, 2025, the Authority had the following investments, inclusive of interest receivable:

Investment Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
US Treasury Notes	Level 1	\$ 37,266,657	\$ 37,266,657	\$ -
Money Market Funds	Level 1	-	-	-
Federal Agency Securities	Level 2	8,879,279	8,879,279	-
Total		\$ 46,145,936	\$ 46,145,936	\$ -

**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)

As of June 30, 2025, the Authority had the following investments, inclusive of interest receivable:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
Certificates of Deposit	Level 1	\$ 12,162,256	\$ 12,162,256	\$ -
Money Market Funds	Level 1	24,316	24,316	-
Federal Agency Securities	Level 2	14,731,333	14,731,333	-
Total		\$ 26,917,905	\$ 26,917,905	\$ -

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, 2025 and 2024, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the six months ended December 31, 2025 and 2024, respectively:

	2025	2024
Interest earned on cash accounts	\$ 891,536	\$ 1,059,076
Interest earned on investments	584,755	451,403
Gain on fair value of investments	(76,955)	675,278
Total	\$ 1,399,336	\$ 2,185,757

E. MAJOR WATER CUSTOMERS

During fiscal years 2025 and 2024, the Authority supplied water to approximately 30 customers of the Raritan Basin System and 12 customers of the Manasquan System.

Revenue

During fiscal years 2025 and 2024, two customers accounted for approximately 85% of total Raritan Basin System operating revenue. During fiscal years 2025 and 2024, two customers accounted for approximately 85% of the total Manasquan System operating revenue.

Accounts Receivable

During fiscal year 2025 and 2024, two customers accounted for approximately 85% and 92%, respectively, of the total Raritan Basin System water sales accounts receivable. During fiscal years 2025 and 2024, two customers accounted for approximately 87% and 92%, respectively, of total Manasquan System water sales accounts receivable.

F. RISK MANAGEMENT

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

Supplemental Information

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

COMBINING SCHEDULE OF NET POSITION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

Unaudited				
	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 24,650,809	\$ 16,868,365	\$ -	\$ 41,519,174
Unbilled sales	2,792,267	-	-	2,792,267
Accounts receivable, less allowance for doubtful accounts of \$1,000 at December 31, 2025	54,641,022	460,654	(204,137)	54,897,539
Interest receivable	327,498	119,897	-	447,395
Prepaid expenses and other current assets	404,713	117,977	-	522,690
Total unrestricted assets	<u>82,816,309</u>	<u>17,566,893</u>	<u>(204,137)</u>	<u>100,179,065</u>
Restricted assets:				
Cash equivalents	22,250,481	4,882,611	-	27,133,092
Total current assets	<u>105,066,790</u>	<u>22,449,504</u>	<u>(204,137)</u>	<u>127,312,157</u>
Non-current assets:				
Investments	27,242,637	18,455,904	-	45,698,541
Capital assets net of accumulated depreciation of \$179,784,173 at December 31, 2025	219,656,619	41,712,343	-	261,368,962
Total non-current assets	<u>246,899,256</u>	<u>60,168,247</u>	<u>-</u>	<u>307,067,503</u>
Total assets	<u>351,966,046</u>	<u>82,617,751</u>	<u>(204,137)</u>	<u>434,379,660</u>
Deferred outflows of resources:				
Cost recovery	(6,309,948)	13,564,154	-	7,254,206
Pension related	1,517,010	437,396	-	1,954,406
OPEB related	14,067,892	4,220,251	-	18,288,143
Total deferred outflows of resources	<u>9,274,954</u>	<u>18,221,801</u>	<u>-</u>	<u>27,496,755</u>
Total assets and deferred outflows of resources	<u>\$ 361,241,000</u>	<u>\$ 100,839,552</u>	<u>\$ (204,137)</u>	<u>\$ 461,876,415</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 1,193,671	\$ 39,191	\$ -	\$ 1,232,862
Accounts payable	1,857,493	426,983	(204,137)	2,080,339
Accrued liabilities	3,311,824	727,622	-	4,039,446
Unearned revenue	602,983	4,477,419	-	5,080,402
Total current liabilities	<u>6,965,971</u>	<u>5,671,215</u>	<u>(204,137)</u>	<u>12,433,049</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	151,803,104	38,023,611	-	189,826,715
Non-current lease liability	-	-	-	0
Net pension liability	10,828,207	3,122,073	-	13,950,280
Total OPEB liability	27,204,211	7,843,729	-	35,047,940
Total non-current liabilities	<u>189,835,522</u>	<u>48,989,413</u>	<u>-</u>	<u>238,824,935</u>
Total liabilities	<u>196,801,493</u>	<u>54,660,628</u>	<u>(204,137)</u>	<u>251,257,984</u>
Deferred inflows of resources				
Pension related	1,087,041	313,425	-	1,400,466
OPEB related	10,909,394	3,145,481	-	14,054,875
Gain on refunding	-	153,834	-	153,834
Total deferred inflow of resources	<u>11,996,435</u>	<u>3,612,740</u>	<u>-</u>	<u>15,609,175</u>
Net position				
Net investment in capital assets	66,659,844	29,058,891	-	95,718,735
Restricted for cash, investments and unearned revenue	21,647,498	405,192	-	22,052,690
Unrestricted	64,135,730	13,102,101	-	77,237,831
Total net position	<u>152,443,072</u>	<u>42,566,184</u>	<u>-</u>	<u>195,009,256</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 361,241,000</u>	<u>\$ 100,839,552</u>	<u>\$ (204,137)</u>	<u>\$ 461,876,415</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, 2025**

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenue:				
Water sales	\$ 13,480,631	\$ 3,678,698	\$ -	\$ 17,159,329
Reimbursement of operating expenses	-	-	1,290,000	1,290,000
Total operating revenue	<u>13,480,631</u>	<u>3,678,698</u>	<u>1,290,000</u>	<u>18,449,329</u>
Operating expenses:				
Payroll	3,671,317	538,926	548,867	4,759,110
Operations and maintenance (direct)	2,356,037	713,499	658,241	3,727,777
Operations and maintenance (general and administrative)	-	41,905	27,372	69,277
Fringe benefits	2,386,253	382,726	392,181	3,161,160
Headquarters overhead	(445,502)	385,000	60,502	-
Depreciation	1,964,619	944,537	-	2,909,156
Total operating expenses	<u>9,932,724</u>	<u>3,006,593</u>	<u>1,687,163</u>	<u>14,626,480</u>
Income from operations	<u>3,547,907</u>	<u>672,105</u>	<u>(397,163)</u>	<u>3,822,849</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	8,899,254	-	-	8,899,254
Investment and interest income	1,025,911	348,614	24,811	1,399,336
Rental income	61,293	-	-	61,293
Other income/(loss)	73,111	13,018	-	86,129
Recovery of deferred outflows of resources	405,484	532,927	-	938,411
Total non-operating revenue	<u>10,465,053</u>	<u>894,559</u>	<u>24,811</u>	<u>11,384,423</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	772,219	13,475	-	785,694
SMMUA operations, net	-	-	(372,352)	(372,352)
Total non-operating expenses	<u>772,219</u>	<u>13,475</u>	<u>(372,352)</u>	<u>413,342</u>
Changes in net position	13,240,741	1,553,189	-	14,793,930
Net position, beginning of year	<u>139,202,331</u>	<u>41,012,995</u>	<u>-</u>	<u>180,215,326</u>
Net position, end of year	<u>\$ 152,443,072</u>	<u>\$ 42,566,184</u>	<u>\$ -</u>	<u>\$ 195,009,256</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, 2025

	Operating Fund										Subtotal	
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/SR Investments	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	
Cash and investments - July 1, 2025	\$ 70	\$ 370,693	\$ 178,000	\$ 2,634,051	\$ 3,937,346	\$ 945,068	\$ 4,644,712	\$ 20,376,414	\$ 797,719	\$ 177,987	\$ 4,172,953	\$ 38,295,023
Cash receipts:												
Water sales operations and maintenance	6,784,197	-	-	-	-	-	-	-	-	-	-	6,784,197
Water sales NJEJCP	3,642,779	-	-	-	-	-	-	-	-	-	-	3,642,779
Water sales capital fund	1,102,860	-	-	-	-	-	-	-	-	-	-	1,102,860
Water sales source water protection fund	688,399	-	-	-	-	-	-	-	-	-	-	688,399
Water sales overdrafts	419,832	-	-	-	-	-	-	-	-	-	-	419,832
Rental income	34,816	-	-	-	-	-	-	-	-	-	-	34,816
Manasquan reservoir support	46,192	-	-	-	-	-	-	-	-	-	-	46,192
Headquarters overhead	2,545	-	-	454,252	-	-	-	-	-	-	-	454,252
Disposition of property	58	-	-	-	-	-	-	-	-	-	-	58
Recycling revenue	-	-	-	-	-	-	-	-	-	-	-	-
Investment securities	-	-	-	-	52,166	15,525	36,814	482,314	-	-	-	586,819
Grant Programs	6,660,682	21,887	-	-	-	-	-	-	-	-	-	6,682,569
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	512,517	-	-	-	-	-	-	-	-	-	-	512,517
Transfers:												
Contributions from operating fund	-	16,290,136	2,377,283	(34,120,512)	-	-	137,268	-	75,000	-	345,765	(14,895,060)
Contributions to operating fund	-	-	-	14,382,642	-	-	(143,456)	-	(626,125)	-	(354,719)	13,358,302
Transfers for operations	(19,879,546)	-	-	19,879,546	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	-	-	-	-	-	(6,678)	-	-	-	(200,000)	(173,062)
Investment income	5,244	26,938	-	6,878	16,319	1,590	12,828	-	4,943	406	47,049	152,628
Investment income, transfer from	73,694	-	-	(55,786)	(16,318)	(1,590)	-	-	-	-	-	-
Investment income, transfer to	(73,694)	-	-	73,694	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	4,353	1,363	(220)	(175,878)	-	(58)	-	(170,440)
Total cash receipts	575	16,347,424	2,377,283	602,606	130,214	16,898	36,516	306,436	(446,182)	348	(161,905)	19,210,203
Total available cash and investments	\$ 645	\$ 16,718,117	\$ 2,555,283	\$ 3,236,657	\$ 4,127,560	\$ 961,956	\$ 4,681,228	\$ 20,682,850	\$ 351,537	\$ 178,345	\$ 4,011,048	\$ 57,505,226

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, 2025

	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	\$ 36,295,023	\$ 336,788	\$ 737,625	\$ 1,513,745	\$ 6,689,354	\$ 592,040	\$ 20,889,993	\$ 1,780,940	\$ 3,800,680	\$ 2,057,924	\$ 76,694,112
Cash receipts:											
Water sales operations and maintenance	6,784,197	-	-	-	-	-	-	-	-	-	6,784,197
Water sales NJEIPF	3,642,779	-	-	-	-	-	-	-	-	-	3,642,779
Water sales capital fund	1,102,860	-	-	-	-	-	-	-	-	-	1,102,860
Water sales source water protection fund	668,399	-	-	-	-	-	-	-	-	-	668,399
Water sales overdrafts	419,832	-	-	-	-	-	-	-	-	-	419,832
Rental income	34,816	-	-	-	-	-	-	-	-	-	34,816
Manasquan reservoir support	46,192	-	-	-	-	-	-	-	-	-	46,192
Headquarters overhead	454,252	-	-	-	-	-	-	-	-	-	454,252
Disposition of property	2,545	-	-	-	-	-	-	-	-	-	2,545
Recycling revenue	58	-	-	-	-	-	-	-	-	-	58
Investment securities	586,819	-	-	-	-	-	-	-	-	-	586,819
Grant Programs	6,682,569	-	-	-	-	-	-	-	-	-	6,682,569
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	512,517	-	-	-	-	-	-	-	-	7,099	519,616
Transfers:											
Contributions from operating fund	(14,895,060)	-	319,659	-	5,310,467	-	3,843,068	75,000	4,652,970	693,896	-
Contributions to operating fund	13,359,302	-	-	-	(9,624,270)	-	-	-	(3,669,350)	(64,682)	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	(173,062)	-	-	-	-	-	-	-	200,000	(26,938)	-
Investment income	152,628	2,797	3,835	16,979	47,923	6,333	226,247	20,380	10,308	23,737	511,167
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	(170,440)	-	-	-	-	-	-	-	-	-	(170,440)
Total cash receipts	19,210,203	2,797	323,494	16,979	(4,265,860)	6,333	4,069,315	95,380	1,193,928	633,112	21,285,661
Total available cash and investments	\$ 57,505,226	\$ 339,585	\$ 1,061,119	\$ 1,530,724	\$ 2,423,474	\$ 598,373	\$ 24,959,308	\$ 1,876,320	\$ 4,994,608	\$ 2,691,036	\$ 97,979,773

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, 2025

	Operating Fund										Subtotal	
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/SR Investments	Pumping Reserve	Capital Improvements II		Source Water Protection Fund
Total available cash and investments	\$ 645	\$ 16,718,117	\$ 2,555,283	\$ 3,236,657	\$ 4,127,560	\$ 961,956	\$ 4,681,228	\$ 20,682,850	\$ 351,537	\$ 178,345	\$ 4,011,048	\$ 57,505,226
Cash disbursements:												
Payroll	-	-	2,187,113	-	-	-	-	-	-	-	-	2,187,113
Fringe benefits	-	41,302	-	1,041,984	-	-	-	-	-	-	-	1,083,286
Employee deferred compensation and credit union	-	396,005	-	121,010	-	-	-	-	-	-	-	517,015
Operations and maintenance	-	16,115,892	-	(688,779)	-	-	-	-	-	-	-	15,527,113
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:												
New five year construction project	-	-	-	-	-	-	-	-	-	-	-	-
Maturity of investments securities	-	-	-	-	52,069	15,481	36,656	263,748	-	-	-	367,954
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJIB loans	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	16,553,199	2,187,113	574,215	52,069	15,481	36,656	263,748	-	-	-	19,682,481
Cash and investments - December 31, 2025	\$ 645	\$ 164,918	\$ 368,170	\$ 2,662,442	\$ 4,075,491	\$ 946,475	\$ 4,644,572	\$ 20,419,102	\$ 351,537	\$ 178,345	\$ 4,011,048	\$ 37,822,745
Summary of cash and investments:												
Cash	\$ 645	\$ 164,918	\$ 368,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 593,793
Short-term investments	-	-	-	2,662,442	1,521,681	181,681	1,137,564	-	351,537	79,506	4,011,048	9,945,459
Long-term investments	-	-	-	-	2,548,874	762,389	3,499,015	20,333,520	-	88,839	-	27,242,637
Restricted investments (current)	-	-	-	-	4,936	2,405	7,993	85,582	-	-	-	100,916
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 645	\$ 164,918	\$ 368,170	\$ 2,662,442	\$ 4,075,491	\$ 946,475	\$ 4,644,572	\$ 20,419,102	\$ 351,537	\$ 178,345	\$ 4,011,048	\$ 37,822,745

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, 2025

	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	\$ 57,505,226	\$ 339,585	\$ 1,061,119	\$ 1,530,724	\$ 2,423,474	\$ 598,373	\$ 24,959,308	\$ 1,876,320	\$ 4,994,608	\$ 2,691,036	\$ 97,979,773
Cash disbursements:											
Payroll	2,187,113	-	-	-	-	-	-	-	-	-	2,187,113
Fringe benefits	1,093,286	-	-	-	-	-	-	-	-	-	1,093,286
Employee deferred compensation and credit union	517,015	-	-	-	-	-	-	-	-	-	517,015
Operations and maintenance	15,527,113	-	-	-	-	-	-	-	-	-	15,527,113
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	20,708	20,708
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Maturity of investments securities	367,954	-	-	-	-	-	-	-	-	-	367,954
Principal on NJET bonds	-	80,000	597,441	-	-	-	2,610,448	-	-	-	3,287,889
Interest, Fees, and Credits on NJIB loans	-	(16,946)	9,277	-	-	-	652,437	-	-	-	844,768
Total cash disbursements	19,682,481	63,054	606,718	-	-	-	3,462,885	-	-	20,708	23,835,846
Cash and investments - December 31, 2025	\$ 37,822,745	\$ 276,531	\$ 454,401	\$ 1,530,724	\$ 2,423,474	\$ 598,373	\$ 21,496,423	\$ 1,876,320	\$ 4,994,608	\$ 2,670,328	\$ 74,143,927
Summary of cash and investments:											
Cash	\$ 533,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,733
Short-term investments	9,945,459	276,531	454,401	1,530,724	2,423,474	-	-	1,876,320	4,994,608	2,615,569	24,117,076
Long-term investments	27,242,637	-	-	-	-	-	-	-	-	-	27,242,637
Restricted investments (current)	100,916	-	-	-	-	598,373	21,496,423	-	-	54,769	22,250,481
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 37,822,745	\$ 276,531	\$ 454,401	\$ 1,530,724	\$ 2,423,474	\$ 598,373	\$ 21,496,423	\$ 1,876,320	\$ 4,994,608	\$ 2,670,328	\$ 74,143,927

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, 2025

	Operating Fund										Subtotal			
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve		Pumping Reserve	Capital Improvement Fund	Sediment Reserve
Cash and investments - July 1, 2025	\$ 41	\$ 77,929	\$ 56,000	\$ 6,652,841	\$ 1,603,438	\$ 216,120	\$ 4,104,105	\$ 30,405	\$ 837,295	\$ 673,670	\$ 153,982	\$ 16,004,704	\$ 239,325	\$ 30,689,857
Cash receipts:														
Water sales operations and maintenance	2,180,302	-	-	-	-	-	-	-	-	-	-	-	-	2,180,302
Water sales capital fund	2,172,860	-	-	-	-	-	-	-	-	-	-	-	-	2,172,860
Water sales debt service	532,884	-	-	-	-	-	-	-	-	-	-	-	-	532,884
Source water protection	73,357	-	-	-	-	-	-	-	-	-	-	-	-	73,357
Water sales debt service NJ/EIT	121,922	-	-	-	-	-	-	-	-	-	-	-	-	121,922
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NJ-American pumping costs	115,710	-	-	(393,750)	-	-	-	-	-	-	-	-	-	115,710
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	(393,750)
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from (to) Raritan Basin	6,681	-	-	-	-	-	-	-	-	92	-	-	-	6,681
Sale/Transfer for investment securities	-	-	-	-	21,681	3,186	-	-	-	-	-	16,952,571	-	16,977,720
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	47,122	-	-	-	-	-	-	-	-	-	-	-	-	47,122
Transfers:														
Contributions from operating fund	-	2,072,928	679,130	(6,386,755)	-	-	60,000	-	53,225	39,444	-	1,599,832	15,000	(1,837,195)
Contributions to operating fund	-	-	-	1,948,181	-	-	(34,600)	-	(142,795)	-	-	-	-	1,770,866
Transfers to operations	(5,285,365)	-	-	5,285,363	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	7,950	-	-	-	-	-	-	-	-	-	-	-	7,950
Investment income	2,449	287	-	86,421	6,471	278	46,904	-	8,945	2,703	125	166,944	3,024	344,551
Per resolution, Section 603:														
Investment income, transfer from	98,203	-	-	(85,419)	(6,471)	(278)	-	-	-	-	(125)	-	(3,024)	1,865
Investment income, transfer to	(98,203)	-	-	98,203	-	36	-	-	-	-	(95)	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	(177)	-	-	-	-	339	(95)	(94,549)	-	(94,409)
Total cash receipts	4	2,081,165	679,130	551,284	21,684	3,232	72,404	-	(80,614)	42,578	(99)	18,644,799	15,000	22,030,587
Total cash and investments	45	2,152,094	735,130	7,184,105	1,625,122	2,193,952	4,176,510	30,405	756,682	716,248	153,923	34,649,503	314,325	52,720,444

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, 2025

	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NUJET Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
Total cash and investments	\$ 30,689,857	\$ 54,894	\$ 2,062,870	\$ 9,480	\$ 95,238	\$ 256,096	\$ 125,984	\$ 195,928	\$ 592,970	\$ 1,734,755	\$ 266,474	\$ 833,617	\$ 571,955	\$ 37,495,916
Cash receipts:														
Water sales operations and maintenance	2,180,302	-	-	-	-	-	-	-	-	-	-	-	-	2,180,302
Water sales capital fund	2,172,960	-	-	-	-	-	-	-	-	-	-	-	-	2,172,960
Water sales debt service	532,884	-	-	-	-	-	-	-	-	-	-	-	-	532,884
Source water protection	73,357	-	-	-	-	-	-	-	-	-	-	-	-	73,357
Water sales debt service NUJET	121,922	-	-	-	-	-	-	-	-	-	-	-	-	121,922
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NJ-American pumping costs	115,710	-	-	-	-	-	-	-	-	-	-	-	-	115,710
Headquarters overhead	(393,750)	-	1,290,600	-	-	-	-	-	-	-	-	-	-	896,850
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	8,681	-	-	-	-	-	-	-	-	-	-	-	-	8,681
Reimbursement from (to) Raritan Basin	16,977,720	-	-	-	-	-	-	-	-	-	-	-	-	16,977,720
Sales/Transfer for investment securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonreturnable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	47,122	-	138	-	-	-	-	-	-	-	-	-	-	47,260
Transfers:														
Contributions from operating fund	(1,697,195)	200,000	(211,862)	-	-	-	-	88,480	284,169	-	-	1,275,760	190,668	-
Contributions to operating fund	1,770,896	350,000	(1,317,943)	-	-	-	(10,633)	-	1,156,617	(1,156,617)	-	(782,420)	-	-
Transfers to operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	7,950	160	20,664	-	639	2,453	895	1,096	-	-	2,571	1,885	(7,950)	360,369
Investment income	1,885	-	6,256	-	(1,302)	(4,954)	-	-	-	-	-	(1,885)	-	-
Per resolution, Section 803:														
Investment income, transfer from	(94,406)	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	22,030,687	550,160	(212,747)	(653)	(553)	(2,501)	(9,639)	89,536	1,450,795	(1,156,617)	2,571	483,340	168,173	23,413,007
Unrealized gain/(loss) on fair value	\$ 52,720,444	\$ 603,054	\$ 1,849,923	\$ 9,480	\$ 99,575	\$ 285,959	\$ 119,246	\$ 285,482	\$ 2,043,795	\$ 578,139	\$ 269,045	\$ 1,316,957	\$ 760,128	\$ 24,246,624
Total cash and investments														

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

	Operating Fund													
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Capital Improvement Fund	Sediment Reserve	Subtotal
Total available cash and investments	\$ 45	\$ 2,159,094	\$ 735,130	\$ 7,184,105	\$ 1,625,122	\$ 219,382	\$ 4,176,510	\$ 30,405	\$ 755,682	\$ 716,248	\$ 153,923	\$ 34,649,503	\$ 314,325	\$ 62,720,444
Cash disbursements:														
Payroll	-	-	624,486	-	-	-	-	-	-	-	-	-	-	624,486
Fringe benefits	-	1,338,015	-	(1,041,984)	-	-	-	-	-	-	-	-	-	286,031
Employee deferred compensation and credit union	-	4,191	-	148,923	-	-	-	-	-	-	-	-	-	153,114
Operations and maintenance	-	737,181	-	588,778	-	-	-	-	-	-	-	-	-	1,325,959
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets reservior	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments securities	-	-	-	-	21,766	3,188	-	-	-	-	-	17,000,000	-	17,024,954
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJIB loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	2,079,337	624,486	(304,283)	21,766	3,188	-	-	-	-	-	17,000,000	-	19,424,544
Cash and investments - December 31, 2025	\$ 45	\$ 79,707	\$ 110,644	\$ 7,488,388	\$ 1,603,356	\$ 216,164	\$ 4,176,510	\$ 30,405	\$ 755,682	\$ 716,248	\$ 153,923	\$ 17,649,503	\$ 314,325	\$ 33,295,900
Cash (Manasquan)	\$ 45	\$ 79,707	\$ 110,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,396
Cash (Water Treatment Plant/TS)	-	-	-	-	-	-	4,176,510	30,405	755,682	315,402	54,793	781,461	314,325	14,600,884
Short-term investments	-	-	-	7,488,388	604,838	67,960	-	-	-	-	-	-	-	-
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	993,560	147,749	-	-	-	385,928	98,839	16,819,809	-	18,455,904
Restricted investments (current)	-	-	-	-	4,838	455	-	-	-	4,918	291	38,214	-	48,716
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 45	\$ 79,707	\$ 110,644	\$ 7,488,388	\$ 1,603,356	\$ 216,164	\$ 4,176,510	\$ 30,405	\$ 755,682	\$ 716,248	\$ 153,923	\$ 17,649,503	\$ 314,325	\$ 33,295,900

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, 2025

	Water Treatment Plant/Transmission System										Totals			
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJ-EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve		Rebate Fund	General Reserve Fund	Employment Benefit Funds
Total available cash and investments	\$ 52,720,444	\$ 605,054	\$ 1,849,923	\$ 9,480	\$ 98,575	\$ 253,595	\$ 119,346	\$ 285,482	\$ 2,043,756	\$ 578,138	\$ 269,045	\$ 1,316,957	\$ 760,128	\$ 60,909,923
Cash disbursements:														
Payroll	624,486	-	-	-	-	-	-	-	-	-	-	-	-	624,486
Fringe benefits	286,031	-	-	-	-	-	-	-	-	-	-	-	-	286,031
Employee deferred compensation and credit union	153,114	-	-	-	-	-	-	-	-	-	-	-	-	153,114
Operations and maintenance	1,325,959	562,519	-	-	-	-	-	-	-	-	-	-	-	1,888,478
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	60,502	-	-	-	-	-	-	-	-	-	-	60,502
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	17,024,954	-	-	-	-	-	-	-	-	-	-	-	-	17,024,954
Principal on bonds	-	-	-	-	-	-	-	118,381	475,000	-	-	-	-	593,381
Interest, Fees, and Credits on NJB loans and bonds	-	-	-	-	-	-	-	6,053	56,044	-	-	-	-	62,097
Total cash disbursements	19,424,544	562,519	60,502	-	-	-	-	124,434	531,044	-	-	-	-	20,703,043
Cash and investments - December 31, 2025	\$ 33,295,900	\$ 42,535	\$ 1,789,421	\$ 9,480	\$ 98,575	\$ 253,595	\$ 119,346	\$ 161,048	\$ 1,512,712	\$ 578,138	\$ 269,045	\$ 1,316,957	\$ 760,128	\$ 40,206,880
Cash (Manasquan)	\$ 190,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,396
Cash (Water Treatment Plant/TS)	-	42,535	-	-	-	-	-	-	-	-	-	-	-	42,535
Short-term investments	14,600,894	-	-	-	-	-	-	-	-	-	-	-	-	14,600,894
Short-term investments (Water Treatment Plant/TS)	-	1,789,421	-	9,480	98,575	253,595	119,346	-	-	-	1,316,957	-	760,128	16,677,969
Long-term investments	18,455,904	-	-	-	-	-	-	-	-	-	-	-	-	18,455,904
Restricted investments (current)	48,716	-	-	-	-	-	-	161,048	1,512,712	578,138	289,045	-	-	2,270,417
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	18,455,904
Total cash and investments	\$ 33,295,900	\$ 42,535	\$ 1,789,421	\$ 9,480	\$ 98,575	\$ 253,595	\$ 119,346	\$ 161,048	\$ 1,512,712	\$ 578,138	\$ 269,045	\$ 1,316,957	\$ 760,128	\$ 40,206,880