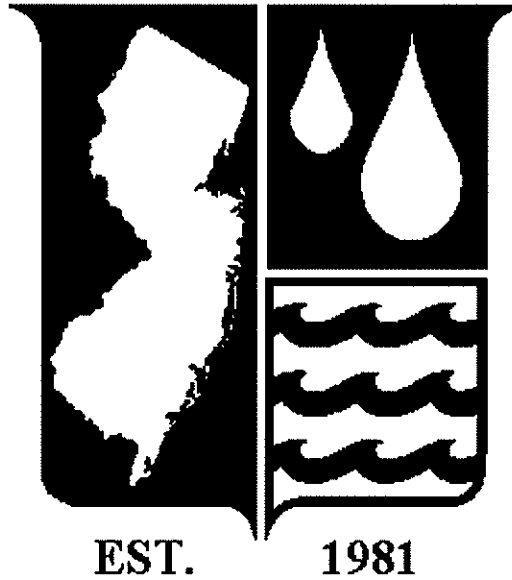


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

March 31, 2020 AND JUNE 30, 2019

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

INDEX

<u>DESCRIPTION</u>	<u>PAGE NUMBER</u>
Statements of Net Position as of March 31, 2020 and June 30, 2019	1
Statements of Revenue, Expenses, and Changes in Net Position for the Nine Months Ended March 31, 2020 and 2019	2
Statements of Cash Flows for the Nine Months Ended March 31, 2020 and 2019	3
Notes to Financial Statements	4-11
Supplemental Information	
Combining Schedule of Net Position as of March 31, 2020	13
Combined Schedule of Revenue, Expenses and Changes in Net Position for the Nine Months Ended March 31, 2020	14
Raritan Basin System Schedule of Changes in Cash and Investments by Fund for the Nine Months Ended March 31, 2020	15-18
Manasquan Water Supply System Schedule of Changes in Cash and Investments by Fund for the Nine Months Ended March 31, 2020	19-22

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

STATEMENTS OF NET POSITION

	Unaudited	
	March 31, 2020	June 30, 2019
Assets		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$ 52,512,592	\$ 46,855,543
Unbilled sales	1,955,125	1,493,831
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2020 and June 30, 2019	37,411,118	54,096,481
Interest receivable	22,535	160,219
Prepaid expenses and other current assets	1,544,979	1,076,072
Total unrestricted current assets	<u>93,446,349</u>	<u>103,682,146</u>
Restricted assets:		
Cash equivalents	26,017,432	23,143,255
Total current assets	<u>119,463,781</u>	<u>126,825,401</u>
Non-current assets:		
Investments	2,870,465	9,448,283
Capital assets, net	168,293,112	153,997,877
Total non-current assets	<u>171,163,577</u>	<u>163,446,160</u>
Total assets	<u>290,627,358</u>	<u>290,271,561</u>
Deferred outflows of resources		
Pension related	5,501,791	5,501,791
OPEB related	824,121	824,121
2018 construction loan DEP fee	641,319	641,319
Total deferred outflows of resources	<u>6,967,231</u>	<u>6,967,231</u>
Total assets and deferred outflows of resources	<u>\$ 297,594,589</u>	<u>\$ 297,238,792</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ -	\$ 4,075,585
Accounts payable	807,620	4,743,219
Accrued liabilities	2,362,531	2,540,665
Unearned revenue	3,582,155	3,084,276
Total current liabilities	<u>6,752,306</u>	<u>14,443,745</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	116,893,797	117,087,166
Net pension liability	19,884,740	19,884,740
Total OPEB liability	26,850,331	26,850,331
Total non-current liabilities	<u>163,628,868</u>	<u>163,822,237</u>
Total liabilities	<u>170,381,174</u>	<u>178,265,982</u>
Deferred inflows of resources:		
Cost recovery	360,918	(69,904)
Pension related	7,141,533	7,141,533
OPEB related	13,629,222	13,629,222
Gain on refunding	401,148	485,784
Total deferred inflows of resources	<u>21,532,821</u>	<u>21,186,635</u>
Total liabilities and deferred inflows of resources	<u>191,913,995</u>	<u>199,452,617</u>
Net position		
Net investment in capital assets	76,561,351	57,912,526
Restricted for debt service	22,435,277	20,058,979
Unrestricted	6,683,966	19,814,670
Total net position	<u>105,680,594</u>	<u>97,786,175</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 297,594,589</u>	<u>\$ 297,238,792</u>

See accompanying notes.

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

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Unaudited

	Nine months ended March 31,	
	2020	2019
Operating revenues:		
Water sales	\$ 22,755,218	\$ 22,582,910
Reimbursement of operating expenses	1,981,800	1,981,800
Total operating revenues	<u>24,737,018</u>	<u>24,564,710</u>
Operating expenses:		
Payroll	6,056,347	6,046,670
Operations and maintenance	3,988,913	3,825,046
Fringe benefits	3,350,797	3,611,475
Depreciation	3,550,300	3,547,959
Total operating expenses	<u>16,946,357</u>	<u>17,031,150</u>
Income from operations	7,790,661	7,533,560
Non-operating revenues:		
State of New Jersey - Grant Programs	68,858	18,082
Investment and interest income	908,240	852,548
Rental income	54,192	53,787
Other income	11,881	47,663
Total non-operating revenues	<u>1,043,171</u>	<u>972,080</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	121,940	241,746
Recovery of deferred inflows of resources	817,473	503,156
Total non-operating expenses	<u>939,413</u>	<u>744,902</u>
Change in net position	7,894,419	7,760,738
Net position, beginning of year	97,786,175	88,423,257
Net position, end of year	<u>\$ 105,680,594</u>	<u>\$ 96,183,995</u>

See accompanying notes.

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

STATEMENTS OF CASH FLOWS

Unaudited

	2020	2019
Cash flows from operating activities		
Cash received from water sales	\$ 23,818,204	\$ 21,150,600
Cash received from reimbursable expenses	2,026,736	2,036,278
Cash received from rental income	35,436	111,462
Cash paid to or on behalf of employees	(9,426,893)	(9,969,910)
Cash paid to suppliers	(4,723,157)	(2,960,001)
Net cash provided by operating activities	<u>11,730,326</u>	<u>10,368,429</u>
Cash flows from noncapital financing activities		
Cash received for grant programs	43,227	18,082
Net cash provided by non-capital financing activities	<u>43,227</u>	<u>18,082</u>
Cash flows from capital and related financing activities		
Proceeds from borrowing	15,435,242	-
Principal paid on bonds, notes and loans	(4,193,982)	(3,883,974)
Interest paid on bonds, notes and loans	(318,065)	(465,529)
Acquisition and construction of capital assets	(21,799,486)	(4,086,708)
Proceeds from sale of capital assets	10,222	46,871
Net cash used in capital and related financing activities	<u>(10,866,069)</u>	<u>(8,389,340)</u>
Cash flows from investing activities		
Sale of investment securities	9,057,661	8,023,928
Purchase of investment securities	(4,070,196)	(7,266,228)
Interest received on investments	1,045,924	914,698
Premium on matured investments	1,590,353	237,148
Net cash provided/(used) by investing activities	<u>7,623,742</u>	<u>1,909,546</u>
Net increase in cash and cash equivalents	8,531,226	3,906,717
Cash and cash equivalents, beginning of year	69,998,798	58,408,951
Cash and cash equivalents, end of year	<u>\$ 78,530,024</u>	<u>\$ 62,315,668</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 7,790,661	\$ 7,533,560
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	55,851	54,579
Depreciation	3,550,300	3,547,959
Increase (decrease) in cash from:		
Unbilled sales	(461,294)	(454,973)
Accounts receivable	1,264,432	(1,230,216)
Prepaid expenses and other current assets	(468,907)	(480,116)
Accounts payable	29,672	1,717,839
Accrued liabilities	1,437	6,554
Accrued payroll and taxes	(31,826)	(326,757)
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 11,730,326</u>	<u>\$ 10,368,429</u>
Non cash investing activities		
Increase in fair value of investments	<u>\$ 129,181</u>	<u>\$ (152,540)</u>

See accompanying notes.

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

NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND OPERATIONS

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

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

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

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

Capital Assets

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place into operation the projects of the Authority. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of three years. Such expenditures include labor, materials, services and indirect costs. Normal maintenance and repair costs are charged to operations and maintenance expense. Improvements and replacements are capitalized. Interest earned on long-term debt proceeds used for capital asset construction and temporarily invested during the construction period is netted against interest cost. The excess, if any, is capitalized to construction work in progress, and the portion related to completed projects is expensed. The cost of capital assets retired, net of any gain or loss on the disposal of such capital assets, is offset to accumulated depreciation. The Authority also holds several restricted easements for utility access, conservation and water rights. These easements are recorded at the lower of cost or fair market value upon acquisition.

Depreciation

Capital assets are depreciated on the straight-line basis over the estimated useful lives of the various classes of plant, as follows:

Dams	100 years
Buildings, structures and improvements	15-40 years
D&R canal dredging	20 years
Machinery & equipment	3-10 years

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers short-term investments that have original maturities of ninety days or less to be cash equivalents.

Investments

Short-term investments and restricted investments used for construction and payment of interest consist of money market funds and U.S. Government-backed securities with various interest rates. Restricted investments are restricted under the terms of the Authority's bond indentures for the payment of debt service. All investments are carried at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

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

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

Compensated Absences

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

Use of Estimates

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

Income Taxes

The Authority is exempt from federal income taxes under the Internal Revenue Code, Section 115, and from state income taxes under N.J.S.A. 27:25-16, and accordingly, no provision is recorded for federal and state income taxes.

Net Position

Net position represents the difference between assets and liabilities and is classified into three categories:

- *Net Investment in Capital Assets* - This represents capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition construction or improvement of those assets.
- *Restricted Net Position (debt service)* - This represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as they are needed.
- *Unrestricted Net Position* - This represents net position that is available for general use.

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

Deferred Inflows of Resources - Cost Recovery

The Authority's cost recovery rate model used to establish rates, fees and charges, includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB Statement No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, and accrued sick pay, which are being classified as deferred inflows of resources. The deferred inflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the nine months ended March 31, 2020 and the year ended June 30, 2019, were determined as follows:

	March 31, 2020	June 30, 2019
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 626,407	\$ 835,209
Excess vacation expense over vacation paid	43,744	13,883
Accrued sick pay	-	(7,580)
	<u>670,151</u>	<u>841,512</u>
Cost included in rate model:		
Debt principal repayment	<u>-</u>	<u>-</u>
	670,151	841,512
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	1,155,640	1,540,854
Excess vacation expense over vacation paid	4,637	(649)
Accrued sick pay	-	891
	<u>1,160,277</u>	<u>1,541,096</u>
Cost included in rate model:		
Debt principal repayment	<u>(2,261,250)</u>	<u>(2,880,000)</u>
	(1,100,973)	(1,338,904)
Total Raritan Basin and Manasquan	(430,822)	(497,392)
Balance, beginning of year	69,904	567,296
Balance, end of year	<u>\$ (360,918)</u>	<u>\$ 69,904</u>

As shown in the statements of revenues, expenses and changes in net position for the nine months ended March 31, 2020, deferred inflow of resources debit of \$817,473 includes a debit balance of \$338,270 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a credit balance of \$48,381 of accrued vacation and sick pay. The June 30, 2019, deferred inflows of resources debit balance of \$936,439 includes a debit balance of \$432,502 of Manasquan Water Treatment Plant unearned revenue and does not include a credit balance of \$6,545 of accrued vacation and sick pay.

Deferred Inflows/Outflows of Resources - Debt Refunding

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

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

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

Accounting for Southeast Monmouth Municipal Utilities Authority Agreement

The Authority operates and maintains a Water Treatment Plant/Transmission System for the Southeast Monmouth Municipal Utilities Authority ("SMMUA"). The SMMUA is charged for budgeted operating expenses expected to be incurred by the Authority during the SMMUA's fiscal year (January 1 through December 31).

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of March 31, 2020 and 2019, unearned revenue amounting to \$2,606,559 and \$1,960,991 respectively, was determined as follows:

	<u>2020</u>	<u>2019</u>
Reimbursement of operating expenses	\$ 2,008,212	\$ 2,008,091
Operating expenses	1,669,942	1,882,887
Unearned revenue	338,270	125,204
Balance, beginning of year	<u>2,268,289</u>	<u>1,835,787</u>
Balance, end of year	<u>\$ 2,606,559</u>	<u>\$ 1,960,991</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 March 31, 2020 and 2019, the amount included in unearned revenue was \$253,596 and \$189,141, respectively.

Accounting for Watershed Protection Program

For the nine months ended March 31, 2020 and 2019, the Authority received \$43,226 and \$18,082 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 March 31, 2020, all the funds received had been recognized as revenue.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. CAPITAL ASSETS

Capital assets activity for the nine months ended March 31, 2020 and the year ended June 30, 2019, was as follows:

	2020 Beginning Balance	Additions	Retirements	2020 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	29,736,972	17,717,845	(867,509)	46,587,308
Total capital assets not being depreciated	56,181,924	17,717,845	(867,509)	73,032,260
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,452,358	907,164	-	143,359,522
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,981,742	88,035	(117,849)	6,951,928
Total capital assets being depreciated	247,963,534	995,199	(117,849)	248,840,884
Less accumulated depreciation for:				
Dams	(31,558,129)	(598,496)	-	(32,156,625)
Building, structures and improvements	(92,153,666)	(2,632,359)	-	(94,786,025)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,275,512)	(319,445)	117,849	(5,477,108)
Total accumulated depreciation	(150,147,581)	(3,550,300)	117,849	(153,580,032)
Total capital assets being depreciated, net	97,815,953	(2,555,101)	-	95,260,852
Total capital assets, net	\$ 153,997,877	\$ 15,162,744	\$ (867,509)	\$ 168,293,112
	2019 Beginning Balance	Additions	Retirements	2019 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	16,130,416	13,606,556	-	29,736,972
Total capital assets not being depreciated	42,575,368	13,606,556	-	56,181,924
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,443,278	9,080	-	142,452,358
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,639,585	679,698	(337,541)	6,981,742
Total capital assets being depreciated	247,612,297	688,778	(337,541)	247,963,534
Less accumulated depreciation for:				
Dams	(30,760,135)	(797,994)	-	(31,558,129)
Building, structures and improvements	(88,615,808)	(3,537,858)	-	(92,153,666)
D & R Canal dredging	(21,160,273)	(1)	-	(21,160,274)
Machinery and equipment	(5,214,168)	(397,165)	335,821	(5,275,512)
Total accumulated depreciation	(145,750,384)	(4,733,018)	335,821	(150,147,581)
Total capital assets being depreciated, net	101,861,913	(4,044,240)	(1,720)	97,815,953
Total capital assets, net	\$ 144,437,281	\$ 9,562,316	\$ (1,720)	\$ 153,997,877

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

1. Cash

As of March 31, 2020 and June 30, 2019, the Authority's bank balance was \$80,622,077 and \$70,306,338, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$80,372,077 and \$70,056,338 as of March 31, 2020 and June 30, 2019, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$2,092,353 and \$307,840, respectively. The statement of net position amount includes petty cash totaling \$300 as of March 31, 2020 and June 30, 2019, respectively.

2. Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. The Authority's bank balance of \$80,622,077 and \$70,306,338 as of March 31, 2020 and June 30, 2019, respectively, was exposed to custodial credit risk as follows:

	March 31, 2020	June 30, 2019
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 March 31, 2020, the Authority had the following recurring fair value measurements using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 2,893,000	\$ 2,640,517	\$ 252,483
Total		\$ 2,893,000	\$ 2,640,517	\$ 252,483

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

3. Investments and Cash Equivalents (continued)

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 9,608,502	\$ 9,514,743	\$ 93,759
Total		\$ 9,608,502	\$ 9,514,743	\$ 93,759

4. Credit and Custodial Credit Risk

In order to limit exposure to credit risk, the Authority follows the investment policies set forth by the NJCMF. These policies allow investment in securities that achieve a certain rating from the three major ratings organizations as determined annually by the governing board of the NJCMF, as well as limiting investments to certain types of marketable securities.

U.S. Treasury notes are explicitly guaranteed by the U.S. government and are not subject to credit risk or custodial credit risk.

The Authority entered into an agreement with TD Bank to collateralize all deposits held at market rate equal to 102% of the daily combined total of all deposits. As of March 31, 2020, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the nine months ended March 31, 2020 and 2019, respectively:

	2020	2019
Interest earned on bank accounts and certificates of deposit	\$ 694,989	\$ 637,741
Interest earned on securities	84,070	367,347
Increase in fair value of securities	129,181	(152,540)
	<u>\$ 908,240</u>	<u>\$ 852,548</u>

E. MAJOR WATER CUSTOMERS

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

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

F. RISK MANAGEMENT

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

Supplemental Information

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
COMBINING SCHEDULE OF NET POSITION
FOR THE NINE MONTHS ENDED MARCH 31, 2020

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 36,125,152	\$ 16,387,440	\$ -	\$ 52,512,592
Unbilled sales	1,955,125	-	-	1,955,125
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2020	36,177,306	1,520,004	(286,192)	37,411,118
Interest receivable	22,535	-	-	22,535
Prepaid expenses and other current assets	1,200,980	343,999	-	1,544,979
Total unrestricted current assets	<u>75,481,098</u>	<u>18,251,443</u>	<u>(286,192)</u>	<u>93,446,349</u>
Restricted assets:				
Cash equivalents	18,446,585	7,570,847	-	26,017,432
Total current assets	<u>93,927,683</u>	<u>25,822,290</u>	<u>(286,192)</u>	<u>119,463,781</u>
Non-current assets:				
Investments				
Capital assets net of accumulated depreciation of \$153,580,032 at March 31, 2020	2,870,465	-	-	2,870,465
	117,472,236	50,820,876	-	168,293,112
Total non-current assets	<u>120,342,701</u>	<u>50,820,876</u>	<u>-</u>	<u>171,163,577</u>
Total assets	<u>214,270,384</u>	<u>76,643,166</u>	<u>(286,192)</u>	<u>290,627,358</u>
Deferred outflows of resources				
Pension related				
OPEB related	4,196,365	1,305,426	-	5,501,791
2018 construction loan DEP fee	634,573	189,548	-	824,121
	641,319	-	-	641,319
Total deferred outflows of resources	<u>5,472,257</u>	<u>1,494,974</u>	<u>-</u>	<u>6,967,231</u>
Total assets and deferred outflows of resources	<u>\$ 219,742,641</u>	<u>\$ 78,138,140</u>	<u>\$ (286,192)</u>	<u>\$ 297,594,589</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	711,363	382,449	(286,192)	807,620
Unearned revenue	1,833,177	529,354	-	2,362,531
	722,000	2,860,155	-	3,582,155
Total current liabilities	<u>3,266,540</u>	<u>3,771,958</u>	<u>(286,192)</u>	<u>6,752,306</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable				
Net pension liability	72,031,850	44,861,947	-	116,893,797
Total OPEB liability	15,166,627	4,718,113	-	19,884,740
	20,674,755	6,175,576	-	26,850,331
Total non-current liabilities	<u>107,873,232</u>	<u>55,755,636</u>	<u>-</u>	<u>163,628,868</u>
Total liabilities	<u>111,139,772</u>	<u>59,527,594</u>	<u>(286,192)</u>	<u>170,381,174</u>
Deferred inflows of resources				
Cost recovery				
Pension related	10,931,127	(10,570,209)	-	360,918
OPEB related	5,447,039	1,694,494	-	7,141,533
Gain on refunding	10,494,501	3,134,721	-	13,629,222
	-	401,148	-	401,148
Total deferred inflow of resources	<u>26,872,667</u>	<u>(5,339,846)</u>	<u>-</u>	<u>21,532,821</u>
Net position				
Net Investment in capital assets	45,440,386	31,120,965	-	76,561,351
Restricted for debt service	17,724,585	4,710,692	-	22,435,277
Unrestricted	18,565,231	(11,881,265)	-	6,683,966
Total net position	<u>81,730,202</u>	<u>23,950,392</u>	<u>-</u>	<u>105,680,594</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 219,742,641</u>	<u>\$ 78,138,140</u>	<u>\$ (286,192)</u>	<u>\$ 297,594,589</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 NINE MONTHS ENDED MARCH 31, 2020

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:				
Water Sales	\$ 17,023,804	\$ 5,731,414	\$ -	\$ 22,755,218
Reimbursement of operating expenses	-	-	1,981,800	1,981,800
Total operating revenues	<u>17,023,804</u>	<u>5,731,414</u>	<u>1,981,800</u>	<u>24,737,018</u>
Operating expenses:				
Payroll	4,679,142	670,454	706,751	6,056,347
Operations and maintenance (direct)	2,633,285	793,490	467,460	3,894,235
Operations and maintenance (general and administrative)	-	57,857	36,821	94,678
Fringe benefits	2,597,019	363,867	389,911	3,350,797
Headquarters overhead	(494,999)	426,000	68,999	-
Depreciation	2,143,938	1,406,362	-	3,550,300
Total operating expenses	<u>11,558,385</u>	<u>3,718,030</u>	<u>1,669,942</u>	<u>16,946,357</u>
Income from operations	<u>5,465,419</u>	<u>2,013,384</u>	<u>311,858</u>	<u>7,790,661</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	68,858	-	-	68,858
Investment income	713,151	168,677	26,412	908,240
Rental income	54,192	-	-	54,192
Other income/(loss)	11,798	83	-	11,881
Total non-operating revenue	<u>847,999</u>	<u>168,760</u>	<u>26,412</u>	<u>1,043,171</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	97,110	24,830	-	121,940
Recovery of deferred inflows of resources	(626,407)	1,105,610	338,270	817,473
Total non-operating expenses	<u>(529,297)</u>	<u>1,130,440</u>	<u>338,270</u>	<u>939,413</u>
Changes in net position	6,842,715	1,051,704	-	7,894,419
Net position, beginning of year	<u>74,887,487</u>	<u>22,898,688</u>	<u>-</u>	<u>97,786,175</u>
Net position, end of year	<u>\$ 81,730,202</u>	<u>\$ 23,950,392</u>	<u>\$ -</u>	<u>\$ 105,680,594</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 NINE MONTHS ENDED MARCH 31, 2020

	Revenue Account	Operating Fund						Subtotal			
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve		Pumping Reserve	Capital Improvements Investments	Source Water Protection Fund
Cash and investments - July 1, 2019	\$ 501,639	\$ 1,232,379	\$ 177,142	\$ 2,295,191	\$ 3,576,412	\$ 934,328	\$ 4,800,664	\$ 1,563,314	\$ 5,961,952	\$ 4,280,021	\$ 25,333,042
Cash receipts:											
Water sales operations and maintenance	9,861,677	-	-	-	-	-	-	-	-	-	9,861,677
Water sales debt service	4,803,316	-	-	-	-	-	-	-	-	-	4,803,316
Water sales capital fund	1,745,560	-	-	-	-	-	-	-	-	-	1,745,560
Water sales source water protection fund	1,269,497	-	-	-	-	-	-	-	-	-	1,269,497
Water sales overdrafts	176,040	-	-	-	-	-	-	-	-	-	176,040
Rental income	36,436	-	-	-	-	-	-	-	-	-	36,436
Manasquan reservoir support	47,936	-	-	-	-	-	-	-	-	-	47,936
Headquarters overhead	-	-	-	377,499	-	-	-	-	-	-	377,499
Disposition of property	21,543	-	-	-	-	-	-	-	-	-	21,543
Recycling revenue	354	-	-	-	-	-	-	-	-	-	354
Sale of investment securities	1,494,806	-	-	-	680,000	-	1,105,000	-	5,000,000	-	8,279,806
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	19,737	-	-	-	-	-	-	-	-	-	19,737
Miscellaneous expense reimbursement	32,852	25,260	-	-	-	-	-	-	-	-	58,212
Transfers:											
Contributions from operating fund	933,180	21,873,130	2,637,236	(34,472,274)	297,748	385,003	1,066,028	100,000	-	362,656	(6,817,293)
Contributions to operating fund	(6,815,125)	1,924,157	-	22,384,604	-	-	(63,859)	-	-	(254,433)	17,175,344
Transfers for operations	(13,119,175)	-	-	13,119,175	-	-	-	-	(4,500,000)	-	(4,500,000)
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	35,000	4,082,445	-	154,618	-	-	-	-	-	(189,018)	4,082,445
Investment income	2,994	12,914	674	16,140	58,951	11,239	67,435	16,474	153,751	44,332	384,904
Per resolution, Section 603:											
Investment income, transfer from	254,013	-	-	(16,140)	(62,380)	(8,709)	(27,255)	-	(139,529)	-	-
Investment income, transfer to	(48,186)	-	-	-	48,186	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	99,858	(585)	57,917	-	1,062,026	-	1,219,216
Total cash receipts	752,555	27,917,906	2,637,910	1,563,622	1,122,363	386,948	2,205,266	116,474	1,576,248	(37,063)	38,242,239
Total available cash and investments	\$ 1,254,194	\$ 29,150,285	\$ 2,815,052	\$ 3,858,813	\$ 4,698,775	\$ 1,321,276	\$ 7,005,930	\$ 1,679,788	\$ 7,538,200	\$ 4,252,958	\$ 63,575,271

**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 NINE MONTHS ENDED MARCH 31, 2020**

	Subtotal	Party SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Cash and investments - July 1, 2019	\$ 25,333,042	\$ 315,242	\$ 598,976	\$ 1,412,985	\$ 11,566,428	\$ 499,114	\$ 13,458,777	\$ 764,929	\$ 87,314	\$ 1,849,181	\$ 55,885,988
Cash receipts:											
Water sales operations and maintenance	9,861,677	-	-	-	-	-	-	-	-	-	9,861,677
Water sales debt service	4,803,316	-	-	-	-	-	-	-	-	-	4,803,316
Water sales capital fund	1,745,560	-	-	-	-	-	-	-	-	-	1,745,560
Water sales source water protection fund	1,269,497	-	-	-	-	-	-	-	-	-	1,269,497
Water sales overdrafts	176,040	-	-	-	-	-	-	-	-	-	176,040
Rental income	36,436	-	-	-	-	-	-	-	-	-	36,436
Manasquan reservoir support	47,936	-	-	-	-	-	-	-	-	-	47,936
Headquarters overhead	377,499	-	-	-	-	-	-	-	-	-	377,499
Disposition of property	21,543	-	-	-	-	-	-	-	-	-	21,543
Recycling revenue	354	-	-	-	-	-	-	-	-	-	354
Sale of investment securities	8,279,806	-	-	-	11,497,630	247,000	-	-	-	-	20,024,436
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	19,737	-	-	-	-	-	-	-	-	-	19,737
Miscellaneous expense reimbursement	58,212	-	-	-	-	-	-	-	-	-	58,212
Transfers:											
Contributions from operating fund	(6,917,293)	235,160	470,040	-	1,468,308	-	3,782,002	100,000	-	761,783	-
Contributions to operating fund	17,175,344	-	-	-	(16,386,547)	-	-	-	-	(788,797)	-
Transfers for operations	(4,500,000)	-	-	-	4,500,000	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	4,082,445	-	-	-	(4,074,288)	-	-	-	-	(8,157)	-
Investment income	384,904	1,063	2,524	14,482	140,497	5,048	156,509	8,103	582	20,329	734,041
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	1,219,216	-	-	-	-	-	-	-	-	-	1,219,216
Total cash receipts	38,242,229	236,223	472,564	14,482	(2,854,400)	252,048	3,938,511	108,103	582	(14,842)	40,395,500
Total available cash and investments	\$ 63,575,271	\$ 551,465	\$ 1,071,540	\$ 1,427,467	\$ 8,712,028	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,834,339	\$ 96,281,488

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 NINE MONTHS ENDED MARCH 31, 2020

	Revenue Account	Operating Fund							Subtotal		
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve		Capital Improvements	Source Water Protection Fund
Total available cash and investments	\$ 1,254,194	\$ 29,150,285	\$ 2,815,052	\$ 3,858,813	\$ 4,698,775	\$ 1,321,276	\$ 7,005,830	\$ 1,679,788	\$ 7,538,200	\$ 4,252,958	\$ 63,575,271
Cash disbursements:											
Payroll	-	-	2,637,236	-	-	-	-	-	-	-	2,637,236
Fringe benefits	-	13,307	-	1,183,991	-	-	-	-	-	-	1,197,298
Employee deferred compensation and credit union	-	1,615,082	-	151,021	-	-	-	-	-	-	1,766,073
Operations and maintenance	-	27,487,639	-	(774,868)	-	-	-	-	-	-	26,712,771
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	1,066,994	389,471	1,950,184	-	5,953,750	-	9,360,399
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on NJEIT revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Bonds Fees/Earnings Credit	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	\$ 1,254,194	\$ 34,287	\$ 2,637,236	\$ 560,144	\$ 1,066,994	\$ 389,471	\$ 1,950,184	\$ 1,679,788	\$ 5,953,750	\$ 4,252,958	\$ 41,873,777
Cash and investments - March 31, 2020	\$ 1,254,194	\$ 34,287	\$ 177,816	\$ 3,298,669	\$ 3,631,781	\$ 931,805	\$ 5,055,746	\$ 1,679,788	\$ 1,584,450	\$ 4,252,958	\$ 21,901,494

	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements	Source Water Protection Fund	Subtotal
Summary of cash and investments:											
Cash	\$ 1,254,194	\$ 34,287	\$ 177,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,466,297
Short-term investments	-	-	-	3,298,669	3,245,479	681,775	4,053,519	1,679,788	330,010	4,252,958	17,542,198
Long-term investments	-	-	-	-	386,302	250,030	1,002,227	-	1,254,440	-	2,892,999
Restricted Investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 1,254,194	\$ 34,287	\$ 177,816	\$ 3,298,669	\$ 3,631,781	\$ 931,805	\$ 5,055,746	\$ 1,679,788	\$ 1,584,450	\$ 4,252,958	\$ 21,901,494

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 NINE MONTHS ENDED MARCH 31, 2020

	Subtotal	Party SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$ 63,575,271	\$ 551,465	\$ 1,071,540	\$ 1,427,467	\$ 8,712,028	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,894,339	\$ 96,281,488
Cash disbursements:											
Payroll	2,637,236	-	-	-	-	-	-	-	-	-	2,637,236
Fringe benefits	1,197,298	-	-	-	-	-	-	-	-	-	1,197,298
Employee deferred compensation and credit union	1,766,073	-	-	-	-	-	-	-	-	-	1,766,073
Operations and maintenance	26,712,771	-	-	-	-	-	-	-	-	-	26,712,771
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	45,883	45,883
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	9,360,399	-	-	-	(3,937,616)	-	-	-	-	-	5,422,783
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	322,709	590,305	-	-	-	-	-	-	-	913,014
Principal on NJEIT bonds	-	30,038	109,820	-	-	-	-	-	-	-	139,858
Interest on NJEIT revenue bonds	-	(7,762)	(10,403)	-	-	-	-	-	-	-	(18,165)
Bonds Fees/Earnings Credit	-	344,985	689,722	-	(3,937,616)	-	-	-	-	45,883	38,816,751
Total cash disbursements	\$ 41,673,777	\$ 206,480	\$ 381,818	\$ 1,427,467	\$ 12,649,644	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,788,456	\$ 57,464,737
Cash and investments - March 31, 2020	\$ 21,901,494	\$ 206,480	\$ 381,818	\$ 1,427,467	\$ 12,649,644	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,788,456	\$ 57,464,737

	Subtotal	Party SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$ 63,575,271	\$ 551,465	\$ 1,071,540	\$ 1,427,467	\$ 8,712,028	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,894,339	\$ 96,281,488
Cash disbursements:											
Payroll	2,637,236	-	-	-	-	-	-	-	-	-	2,637,236
Fringe benefits	1,197,298	-	-	-	-	-	-	-	-	-	1,197,298
Employee deferred compensation and credit union	1,766,073	-	-	-	-	-	-	-	-	-	1,766,073
Operations and maintenance	26,712,771	-	-	-	-	-	-	-	-	-	26,712,771
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	45,883	45,883
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	9,360,399	-	-	-	(3,937,616)	-	-	-	-	-	5,422,783
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	322,709	590,305	-	-	-	-	-	-	-	913,014
Principal on NJEIT bonds	-	30,038	109,820	-	-	-	-	-	-	-	139,858
Interest on NJEIT revenue bonds	-	(7,762)	(10,403)	-	-	-	-	-	-	-	(18,165)
Bonds Fees/Earnings Credit	-	344,985	689,722	-	(3,937,616)	-	-	-	-	45,883	38,816,751
Total cash disbursements	\$ 41,673,777	\$ 206,480	\$ 381,818	\$ 1,427,467	\$ 12,649,644	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,788,456	\$ 57,464,737
Cash and investments - March 31, 2020	\$ 21,901,494	\$ 206,480	\$ 381,818	\$ 1,427,467	\$ 12,649,644	\$ 751,162	\$ 17,397,288	\$ 873,032	\$ 87,896	\$ 1,788,456	\$ 57,464,737

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 NINE MONTHS ENDED MARCH 31, 2020

	Revenue Fund	Operating Fund						Self-Insurance Reserve	Renewal & Replacement Account	Water Reuse & Recycling	Source Water Protections	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Reserve for O&M	Reserve for O&M								
Cash and investments - July 1, 2019	\$ 173,265	\$ 396,312	\$ 55,660	\$ 5,742,531	\$ 1,606,449	\$ 218,027	\$ 4,052,478	\$ 30,375	\$ 1,574,342	\$ 599,679	\$ 154,808	\$ 256,297	\$ 14,860,223		
Cash receipts:															
Water sales operations and maintenance	2,402,709	-	-	-	-	-	-	-	-	-	-	-	2,402,709		
Water sales debt service	3,281,754	-	-	-	-	-	-	-	-	-	-	-	3,281,754		
Source water protection	83,260	-	-	-	-	-	-	-	-	-	-	-	83,260		
Water sales debt service N.J.EIT	138,377	-	-	-	-	-	-	-	-	-	-	-	138,377		
Water sales overdrafts	56,803	-	-	-	-	-	-	-	-	-	-	-	56,803		
NJ-American pumping costs	142,661	-	-	-	-	-	-	-	-	-	-	-	142,661		
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-		
Reimbursement of WTP capital expenses	-	-	-	(166,500)	-	-	-	-	-	-	-	-	(166,500)		
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-		
Reimbursement from/(to) Raritan Basin	9,026	-	-	-	-	-	-	-	-	-	-	-	9,026		
Sale of investments securities	840,000	-	-	-	-	-	-	-	-	-	-	-	840,000		
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous reimbursement	8,647	-	-	-	-	-	-	-	-	-	-	-	8,647		
Transfers:															
Contributions from operating fund	-	2,931,486	783,623	(7,238,974)	110,000	180,000	60,000	-	53,289	35,543	30,000	15,000	(3,040,023)		
Contributions to operating fund	-	-	-	1,187,984	-	-	(48,699)	-	(140,458)	(1,855)	-	-	975,962		
Transfers for operations	(7,164,100)	(49)	-	7,207,586	-	-	-	-	(43,458)	-	-	-	(49)		
Distribution from reserves to operations	208,620	2,497	-	-	-	-	-	-	-	-	-	-	211,117		
Investment income	780	3,520	212	68,614	18,150	2,403	42,374	11	15,683	7,452	1,363	2,450	183,022		
Per resolution, Section 603:															
Investment income, transfer from	98,491	-	-	(68,613)	(18,734)	(2,402)	-	-	-	(4,833)	(1,362)	(2,450)	97		
Investment income, transfer to	(65,556)	-	-	85,556	-	(63)	-	-	-	(857)	(10)	-	(1,856)		
Unrealized gain/(loss) on fair value	21,492	2,937,454	783,635	1,055,635	108,490	179,938	52,675	11	(114,924)	35,450	29,991	15,000	5,105,047		
Total cash receipts	\$ 194,757	\$ 3,333,756	\$ 839,485	\$ 6,798,166	\$ 1,714,939	\$ 397,965	\$ 4,105,153	\$ 30,386	\$ 1,459,418	\$ 635,129	\$ 184,799	\$ 271,297	\$ 19,965,270		

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 NINE MONTHS ENDED MARCH 31, 2020

	Water Treatment Plant/Transmission System										Totals			
	Subtotal	Operating Account	Operating Fund	Residual Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJ/EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve		Rebate Fund	General Reserve Fund	Employment Benefit Funds
Cash and investments - July 1, 2019	\$ 14,960,223	\$ 85,837	\$ 2,064,423	\$ 9,557	\$ 99,005	\$ 254,968	\$ 141,058	\$ 148,111	\$ 3,318,296	\$ 1,746,553	\$ 247,736	\$ 41,197	\$ 544,131	\$ 23,561,093
Cash receipts:														
Water sales operations and maintenance	2,402,709	-	-	-	-	-	-	-	-	-	-	-	-	2,402,709
Water sales debt service	3,281,754	-	-	-	-	-	-	-	-	-	-	-	-	3,281,754
Source water protection	83,260	-	-	-	-	-	-	-	-	-	-	-	-	83,260
Water sales debt service NJ/EIT	138,377	-	-	-	-	-	-	-	-	-	-	-	-	138,377
Water sales overdrafts	56,803	-	-	-	-	-	-	-	-	-	-	-	-	56,803
NJ-American pumping costs	142,681	-	-	-	-	-	-	-	-	-	-	-	-	142,681
Headquarters overhead	-	-	1,991,800	-	-	-	-	-	-	-	-	-	-	1,991,800
Reimbursement of WTP capital expenses	(166,500)	-	-	-	-	-	-	-	-	-	-	-	-	(166,500)
Disposition of assets	9,026	-	-	-	-	-	-	-	-	-	-	-	-	9,026
Reimbursement from (to) Raritan Basin	840,000	-	-	-	-	-	-	-	-	-	-	-	-	840,000
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	8,647	2,555	38,241	-	-	-	-	-	-	-	-	-	-	49,443
Transfers:														
Contributions from operating fund	(3,040,023)	600,000	(692,776)	-	-	-	-	86,581	2,644,191	-	-	208,620	191,409	-
Contributions to operating fund	975,982	-	(880,723)	-	-	(95,259)	-	-	-	-	-	-	-	-
Transfers for operations	(49)	49	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	211,117	-	-	-	-	-	-	-	-	-	-	(208,620)	(2,487)	-
Investment income	163,022	568	22,099	37	702	2,333	673	559	-	-	2,264	97	5,069	197,423
Per resolution, Section 603:														
Investment income, transfer from	97	-	4,804	(114)	(1,129)	(3,661)	-	-	-	-	-	(97)	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	(1,856)	-	-	-	-	-	-	-	-	-	-	-	-	(1,856)
Total cash receipts	5,105,047	603,172	473,543	(77)	(427)	(1,328)	(94,586)	89,140	2,644,191	-	2,264	193,981	9,014,820	
Total cash and investments	\$ 19,965,270	\$ 689,009	\$ 2,537,966	\$ 9,480	\$ 99,578	\$ 253,640	\$ 48,470	\$ 237,251	\$ 5,962,487	\$ 1,746,553	\$ 250,000	\$ 41,197	\$ 738,112	\$ 22,576,013

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 NINE MONTHS ENDED MARCH 31, 2020

	Revenue Fund	Operating Fund					Self-Insurance Reserve	Renewal & Replacement Account	Water Reuse & Recycling	Source Protections	Water	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Reserve									
Total available cash and investments	\$ 194,757	\$ 3,333,766	\$ 839,495	\$ 6,790,166	\$ 1,714,939	\$ 397,965	\$ 4,105,153	\$ 30,366	\$ 1,459,418	\$ 685,129	\$ 184,799	\$ 271,297	\$ 19,965,270		
Cash disbursements:															
Payroll	-	783,623	-	-	-	-	-	-	-	-	-	-	783,623		
Fringe benefits	-	1,516,750	-	(1,183,991)	-	-	-	-	-	-	-	-	332,759		
Employee deferred compensation and credit union	-	230	-	166,900	-	-	-	-	-	-	-	-	167,130		
Operations and maintenance	-	1,301,447	-	559,077	-	-	-	-	-	-	-	-	1,860,524		
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-		
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-		
Headquarters overhead	-	-	-	142,000	-	-	-	-	-	-	-	-	142,000		
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital improvement program (reservoir)	-	-	-	-	360,000	-	-	-	-	270,000	-	30,000	840,000		
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-		
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-		
Interest on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-		
Bonds Fees/Earnings Credit	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total cash disbursements	-	2,818,427	783,623	(316,014)	360,000	180,000	270,000	-	-	30,366	154,799	271,297	4,126,036		
Cash and investments - March 31, 2020	\$ 194,757	\$ 515,339	\$ 55,872	\$ 7,114,180	\$ 1,354,939	\$ 217,965	\$ 4,105,153	\$ 30,366	\$ 1,459,418	\$ 385,129	\$ 154,799	\$ 271,297	\$ 15,839,234		

Summary of cash and investments:													
Cash (Manasquan)	\$ 194,757	\$ 515,339	\$ 55,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 765,988
Cash (Water Treatment Plant/TS)	-	-	-	-	1,354,939	217,965	4,105,153	30,366	1,459,418	365,129	154,799	271,297	15,073,266
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 194,757	\$ 515,339	\$ 55,872	\$ 7,114,180	\$ 1,354,939	\$ 217,965	\$ 4,105,153	\$ 30,366	\$ 1,459,418	\$ 385,129	\$ 154,799	\$ 271,297	\$ 15,839,234

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 NINE MONTHS ENDED MARCH 31, 2020

	Water Treatment Plant/Transmission System										Totals			
	Operating Account	Operating Fund	Residual Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJ/EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund		General Reserve Fund	Employment Benefit Funds	
Total available cash and investments	\$ 19,965,270	\$ 689,009	\$ 2,537,966	\$ 9,480	\$ 98,578	\$ 253,640	\$ 46,470	\$ 237,251	\$ 5,962,487	\$ 1,746,553	\$ 250,000	\$ 41,197	\$ 798,112	\$ 32,576,013
Cash disbursements:														
Payroll	783,623	-	-	-	-	-	-	-	-	-	-	-	-	783,623
Fringe benefits	332,759	-	-	-	-	-	-	-	-	-	-	-	230,588	563,347
Employee deferred compensation and credit union	187,130	-	-	-	-	-	-	-	-	-	-	-	-	187,130
Operations and maintenance	1,680,524	530,231	-	-	-	-	-	-	-	-	-	-	-	2,390,755
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	142,000	41,043	68,999	-	-	-	-	-	-	-	-	-	-	252,042
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	840,000	-	-	-	-	-	-	-	-	-	-	-	-	840,000
Purchase of investments securities	-	-	-	-	-	-	-	147,572	3,192,794	-	-	-	-	3,340,366
Principal on bonds	-	-	-	-	-	-	-	25,250	253,189	-	-	-	-	278,419
Interest on bonds	-	-	-	-	-	-	-	2,044	-	-	-	-	-	2,044
Bonds Fees/Earnings Credit	4,125,036	571,274	68,999	-	-	-	-	174,866	3,445,983	-	-	-	230,588	8,617,726
Total cash disbursements	\$ 15,839,234	\$ 1,177,355	\$ 2,468,967	\$ 9,480	\$ 98,578	\$ 253,640	\$ 46,470	\$ 62,385	\$ 2,516,524	\$ 1,746,553	\$ 250,000	\$ 41,197	\$ 507,524	\$ 23,958,287
Cash and investments - March 31, 2020														
Summary of cash and investments:														
Cash (Manasquan)	\$ 765,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 765,968
Cash (Water Treatment Plant/TS)	15,073,266	117,735	2,468,967	9,480	98,578	253,640	46,470	-	-	-	-	41,197	507,524	15,621,987
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	250,000	-	-	2,877,135
Long-term investments	-	-	-	-	-	-	-	62,385	2,516,524	1,746,553	-	-	-	4,575,462
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 15,839,234	\$ 1,177,355	\$ 2,468,967	\$ 9,480	\$ 98,578	\$ 253,640	\$ 46,470	\$ 62,385	\$ 2,516,524	\$ 1,746,553	\$ 250,000	\$ 41,197	\$ 507,524	\$ 23,958,287