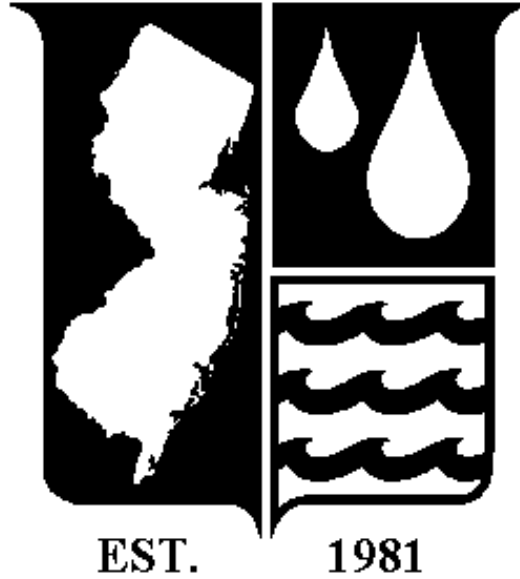


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

March 31, 2021 AND JUNE 30, 2020

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

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

STATEMENTS OF NET POSITION

	Unaudited	
	March 31, 2021	June 30, 2020
Assets		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 63,876,189	\$ 57,474,187
Unbilled sales	1,952,606	1,494,970
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2021 and June 30, 2020	57,600,746	29,661,131
Interest receivable	997	20,069
Prepaid expenses and other current assets	2,315,628	2,367,694
Total unrestricted current assets	<u>125,746,166</u>	<u>91,018,051</u>
Restricted assets:		
Cash equivalents	30,233,558	29,004,232
Total current assets	<u>155,979,724</u>	<u>120,022,283</u>
Non-current assets:		
Investments	250,531	2,328,482
Capital assets, net	202,350,983	179,008,561
Total non-current assets	<u>202,601,514</u>	<u>181,337,043</u>
Total assets	<u>358,581,238</u>	<u>301,359,326</u>
Deferred outflows of resources		
Pension related	4,431,402	4,431,402
OPEB related	714,496	714,496
Construction loan DEP fee	1,233,155	641,319
Total deferred outflows of resources	<u>6,379,053</u>	<u>5,787,217</u>
Total assets and deferred outflows of resources	<u>\$ 364,960,291</u>	<u>\$ 307,146,543</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ -	\$ 4,267,215
Accounts payable	3,370,814	8,532,933
Accrued liabilities	2,340,349	2,784,709
Unearned revenue	4,436,715	4,038,642
Total current liabilities	<u>10,147,878</u>	<u>19,623,499</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	172,145,804	112,562,593
Net pension liability	18,808,879	18,808,879
Net OPEB liability	21,561,010	21,561,010
Total non-current liabilities	<u>212,515,693</u>	<u>152,932,482</u>
Total liabilities	<u>222,663,571</u>	<u>172,555,981</u>
Deferred inflows of resources:		
Cost recovery	1,010,542	432,057
Pension related	7,175,914	7,175,914
OPEB related	17,054,983	17,054,983
Gain on refunding	288,583	373,142
Total deferred inflows of resources	<u>25,530,022</u>	<u>25,036,096</u>
Total liabilities and deferred inflows of resources	<u>248,193,593</u>	<u>197,592,077</u>
Net Position		
Net investment in capital assets	55,479,780	87,368,795
Restricted for cash and unearned revenue	25,796,843	24,965,590
Unrestricted	35,490,075	(2,779,919)
Total net position	<u>116,766,698</u>	<u>109,554,466</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 364,960,291</u>	<u>\$ 307,146,543</u>

See accompanying notes.

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Unaudited

	Nine months ended March 31,	
	2021	2020
Operating revenues:		
Water sales	\$ 22,589,008	\$ 22,755,218
Reimbursement of operating expenses	1,964,112	1,981,800
Total operating revenue	<u>24,553,120</u>	<u>24,737,018</u>
Operating expenses:		
Payroll	5,897,317	6,056,347
Operations and maintenance	3,989,355	3,988,913
Fringe benefits	3,293,416	3,350,797
Depreciation	3,521,574	3,550,300
Total operating expenses	<u>16,701,662</u>	<u>16,946,357</u>
Income from operations	7,851,458	7,790,661
Non-operating revenues:		
State of New Jersey - Grant Programs	52,390	68,858
Investment and interest income	138,100	908,240
Rental income	61,918	54,192
Other income	1,101	11,881
Total non-operating revenues	<u>253,509</u>	<u>1,043,171</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	(8,864)	121,940
Recovery of deferred inflows of resources	901,599	817,473
Total non-operating expenses	<u>892,735</u>	<u>939,413</u>
Change in net position	7,212,232	7,894,419
Net position, beginning of year	109,554,466	97,786,175
Net position, end of year	<u>\$ 116,766,698</u>	<u>\$ 105,680,594</u>

See accompanying notes.

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

STATEMENTS OF CASH FLOWS

Unaudited

	Nine months ended March 31,	
	2021	2020
Cash flows from operating activities		
Cash received from water sales	\$ 21,382,552	\$ 23,818,204
Cash received from reimbursable expenses	1,979,129	2,026,736
Cash received from rental income	85,927	35,436
Cash paid to or on behalf of employees	(9,483,553)	(9,426,893)
Cash paid to suppliers	(5,292,547)	(4,723,157)
Net cash provided by operating activities	<u>8,671,508</u>	<u>11,730,326</u>
Cash flows from noncapital financing activities		
Cash received for grant programs	553,785	43,227
Net cash provided by non-capital financing activities	<u>553,785</u>	<u>43,227</u>
Cash flows from capital and related financing activities		
Proceeds from borrowing	31,779,602	15,435,242
Principal paid on bonds, notes and loans	(4,452,042)	(4,193,982)
Interest paid on bonds, notes and loans	(148,423)	(318,065)
Acquisition and construction of capital assets	(31,008,225)	(21,799,486)
Proceeds from sale of capital assets	-	10,222
Net cash used in capital and related financing activities	<u>(3,829,088)</u>	<u>(10,866,069)</u>
Cash flows from investing activities		
Sale of investment securities	2,090,000	9,057,661
Purchase of investment securities	(19,664)	(4,070,196)
Interest received on investments	157,172	1,045,924
Premium on matured investments	7,615	1,590,353
Net cash provided/(used) by investing activities	<u>2,235,123</u>	<u>7,623,742</u>
Net increase in cash and cash equivalents	7,631,328	8,531,226
Cash and cash equivalents, beginning of year	86,478,419	69,998,798
Cash and cash equivalents, end of year	<u>\$ 94,109,747</u>	<u>\$ 78,530,024</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 7,851,458	\$ 7,790,661
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	63,019	55,851
Depreciation	3,521,574	3,550,300
Increase (decrease) in cash from:		
Unbilled sales	(457,636)	(461,294)
Accounts receivable	(1,037,043)	1,264,432
Prepaid expenses and other current assets	52,066	(468,907)
Accounts payable	(1,017,890)	29,672
Accrued liabilities	(7,870)	1,437
Accrued payroll and taxes	(296,170)	(31,826)
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 8,671,508</u>	<u>\$ 11,730,326</u>
Non cash financing activities		
Issuance of NJIB loan payable	\$ (59,775,405)	\$ -
Accounts receivable from NJIB loan	59,775,405	-
Total non-cash financing activities	<u>\$ -</u>	<u>\$ -</u>
Non cash investing activities		
Increase in fair value of investments	<u>\$ 12,048</u>	<u>\$ 129,181</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 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 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 governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principals ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the Codification of Governmental Accounting and Financial Reporting Standards (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principals for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other Statements, pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues

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

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

Capital Assets

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

Depreciation

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

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

Cash and Cash Equivalents

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

Investments

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

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

NOTES TO FINANCIAL STATEMENTS (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 2020, three customers accounted for approximately 90% of the total Raritan Basin System accounts receivable and two customers accounted for approximately 85% of total Manasquan System accounts receivable. During fiscal year 2019, three customers accounted for approximately 96% of total Raritan Basin System accounts receivable and two customers accounted for approximately 94% 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 the 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, 2021 and the year ended June 30, 2020, were determined as follows:

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
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	(22,299)	(124,605)
Accrued sick pay	-	8,104
	<u>(648,706)</u>	<u>(951,710)</u>
Cost included in rate model:		
Debt principal repayment	-	-
Subtotal Raritan Basin System	<u>(648,706)</u>	<u>(951,710)</u>
 Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	(1,155,641)	(1,540,854)
Excess vacation expense over vacation paid	5,332	(17,843)
Accrued sick pay	-	(2,632)
	<u>(1,150,309)</u>	<u>(1,561,329)</u>
Cost included in rate model:		
Debt principal repayment	2,377,500	3,015,000
Subtotal Manasquan System	<u>1,227,191</u>	<u>1,453,671</u>
 Total Raritan Basin and Manasquan	 578,485	 501,961
Balance, beginning of year	432,057	(69,904)
Balance, end of year	<u>\$ 1,010,542</u>	<u>\$ 432,057</u>

As shown in the statements of revenue, expenses and changes in net position for the nine months ended March 31, 2021, deferred inflow of resources debit of \$901,599 includes a debit balance of \$306,147 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a credit balance of \$16,967 of accrued vacation and sick pay. The June 30, 2020, deferred inflows of resources debit balance of \$1,394,399 includes a debit balance of \$755,462 of Manasquan Water Treatment Plant unearned revenue and does not include a credit balance of \$136,976 of accrued vacation and sick pay.

**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 - 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.

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 March 31, 2021 and 2020, unearned revenue amounting to \$3,391,178 and \$2,606,559 respectively, was determined as follows:

	<u>2021</u>	<u>2020</u>
Reimbursement of operating expenses	\$ 1,968,507	\$ 2,008,212
Operating expenses	<u>1,662,360</u>	<u>1,669,942</u>
Unearned revenue	<u>306,147</u>	<u>338,270</u>
Balance, beginning of year	<u>3,085,031</u>	<u>2,268,289</u>
Balance, end of year	<u>\$ 3,391,178</u>	<u>\$ 2,606,559</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, 2021 and 2020, the amount included in unearned revenue was \$323,537 and \$253,596, respectively.

Accounting for Watershed Protection Program

For the nine months ended March 31, 2021 and 2020, the Authority received \$553,786 and \$43,226 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, 2021, all the funds received had been recognized as revenue.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. CAPITAL ASSETS

Capital assets activity for the nine months ended March 31, 2021 and the year ended June 30, 2020, was as follows:

	2020 Beginning Balance	Additions	Retirements	2021 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	58,457,524	26,539,569	(1,940,721)	83,056,372
Total capital assets not being depreciated	<u>84,902,476</u>	<u>26,539,569</u>	<u>(1,940,721)</u>	<u>109,501,324</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	143,381,322	1,788,644	-	145,169,966
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,950,522	476,504	-	7,427,026
Total capital assets being depreciated	<u>248,861,278</u>	<u>2,265,148</u>	<u>-</u>	<u>251,126,426</u>
Less accumulated depreciation for:				
Dams	(32,356,124)	(574,343)	-	(32,930,467)
Building, structures and improvements	(95,663,063)	(2,628,177)	-	(98,291,240)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,575,732)	(319,054)	-	(5,894,786)
Total accumulated depreciation	<u>(154,755,193)</u>	<u>(3,521,574)</u>	<u>-</u>	<u>(158,276,767)</u>
Total capital assets being depreciated, net	<u>94,106,085</u>	<u>(1,256,426)</u>	<u>-</u>	<u>92,849,659</u>
Total capital assets, net	<u>\$ 179,008,561</u>	<u>\$ 25,283,143</u>	<u>\$ (1,940,721)</u>	<u>\$ 202,350,983</u>

	2020 Beginning Balance	Additions	Retirements	2020 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	30,300,995	29,024,038	(867,509)	58,457,524
Total capital assets not being depreciated	<u>56,745,947</u>	<u>29,024,038</u>	<u>(867,509)</u>	<u>84,902,476</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,452,358	928,964	-	143,381,322
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,981,742	91,853	(123,073)	6,950,522
Total capital assets being depreciated	<u>247,963,534</u>	<u>1,020,817</u>	<u>(123,073)</u>	<u>248,861,278</u>
Less accumulated depreciation for:				
Dams	(31,558,129)	(797,995)	-	(32,356,124)
Building, structures and improvements	(92,153,666)	(3,509,397)	-	(95,663,063)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,275,512)	(423,293)	123,073	(5,575,732)
Total accumulated depreciation	<u>(150,147,581)</u>	<u>(4,730,685)</u>	<u>123,073</u>	<u>(154,755,193)</u>
Total capital assets being depreciated, net	<u>97,815,953</u>	<u>(3,709,868)</u>	<u>-</u>	<u>94,106,085</u>
Total capital assets, net	<u>\$ 154,561,900</u>	<u>\$ 25,314,170</u>	<u>\$ (867,509)</u>	<u>\$ 179,008,561</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

1. Cash

As of March 31, 2021 and June 30, 2020, the Authority's bank balance was \$94,428,920 and \$86,919,617, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$94,178,920 and \$86,669,617 as of March 31, 2021 and June 30, 2020, respectively, was collateralized through two irrevocable stand by letters of credit issued by the Federal Home Loan Bank of Pittsburgh through TD Bank. The letters of credit cover up to a maximum of \$97,000,000 and \$83,000,000 and \$4,500,000 of Authority deposits, respectively. The letters expire May 24, 2021 and September 30, 2020, respectively. The cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$319,473 and \$441,497, respectively. The statement of net position amount includes petty cash totaling \$300 as of March 31, 2021 and June 30, 2020, 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 \$94,428,920 and \$86,919,617 as of March 31, 2021 and June 30, 2020, respectively, was exposed to custodial credit risk as follows:

	March 31, 2021	June 30, 2020
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 1 or level 3 investments.

**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)

As of March 31, 2021, the Authority had the following recurring fair value measurements using current sale prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 251,528	\$ 251,528	\$ -
Total		\$ 251,528	\$ 251,528	\$ -

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

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 2,348,551	\$ 2,093,593	\$ 254,958
Total		\$ 2,348,551	\$ 2,093,593	\$ 254,958

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, 2021, all deposits were collateralized.

5. Investment Income

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

	2021	2020
Interest earned on bank accounts and certificates of deposit	\$ 118,207	\$ 694,989
Interest earned on securities	7,845	84,070
Increase in fair value of securities	12,048	129,181
	\$ 138,100	\$ 908,240

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. MAJOR WATER CUSTOMERS

During fiscal years 2020 and 2019, the Authority supplied water to approximately 30 and 32 customers, respectively, of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2020 and 2019, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. During fiscal years 2020 and 2019, 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, 2021

Unaudited

	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Elimination Entries</u>	<u>Combined Total</u>
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 44,698,151	\$ 19,178,038	\$ -	\$ 63,876,189
Unbilled sales	1,952,606	-	-	1,952,606
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2021	56,241,563	1,499,676	(140,493)	57,600,746
Interest receivable	997	-	-	997
Prepaid expenses and other current assets	1,936,657	378,971	-	2,315,628
Total unrestricted assets	<u>104,829,974</u>	<u>21,056,685</u>	<u>(140,493)</u>	<u>125,746,166</u>
Restricted assets:				
Cash equivalents	24,384,232	5,849,326	-	30,233,558
Total current assets	<u>129,214,206</u>	<u>26,906,011</u>	<u>(140,493)</u>	<u>155,979,724</u>
Non-current assets:				
Investments	250,531	-	-	250,531
Capital assets net of accumulated depreciation of \$158,276,767 at March 31, 2021	153,286,830	49,064,153	-	202,350,983
Total non-current assets	<u>153,537,361</u>	<u>49,064,153</u>	<u>-</u>	<u>202,601,514</u>
Total assets	<u>282,751,567</u>	<u>75,970,164</u>	<u>(140,493)</u>	<u>358,581,238</u>
Deferred outflows of resources				
Pension related	3,429,008	1,002,394	-	4,431,402
OPEB related	550,162	164,334	-	714,496
Construction loan DEP fee	1,233,155	-	-	1,233,155
Total deferred outflows of resources	<u>5,212,325</u>	<u>1,166,728</u>	<u>-</u>	<u>6,379,053</u>
Total assets and deferred outflows of resources	<u>\$ 287,963,892</u>	<u>\$ 77,136,892</u>	<u>\$ (140,493)</u>	<u>\$ 364,960,291</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	3,277,731	233,576	(140,493)	3,370,814
Accrued liabilities	1,852,381	487,968	-	2,340,349
Unearned revenue	722,000	3,714,715	-	4,436,715
Total current liabilities	<u>5,852,112</u>	<u>4,436,259</u>	<u>(140,493)</u>	<u>10,147,878</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	130,858,124	41,287,680	-	172,145,804
Net pension liability	14,554,265	4,254,614	-	18,808,879
Total OPEB liability	16,601,978	4,959,032	-	21,561,010
Total non-current liabilities	<u>162,014,367</u>	<u>50,501,326</u>	<u>-</u>	<u>212,515,693</u>
Total liabilities	<u>167,866,479</u>	<u>54,937,585</u>	<u>(140,493)</u>	<u>222,663,571</u>
Deferred inflows of resources				
Cost recovery	10,000,863	(8,990,321)	-	1,010,542
Pension related	5,552,704	1,623,210	-	7,175,914
OPEB related	13,132,337	3,922,646	-	17,054,983
Gain on refunding	-	288,583	-	288,583
Total deferred inflow of resources	<u>28,685,904</u>	<u>(3,155,882)</u>	<u>-</u>	<u>25,530,022</u>
Net position				
Net investment in capital assets	22,428,706	33,051,074	-	55,479,780
Restricted for cash, investments and unearned revenue	23,662,232	2,134,611	-	25,796,843
Unrestricted	45,320,571	(9,830,496)	-	35,490,075
Total net position	<u>91,411,509</u>	<u>25,355,189</u>	<u>-</u>	<u>116,766,698</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 287,963,892</u>	<u>\$ 77,136,892</u>	<u>\$ (140,493)</u>	<u>\$ 364,960,291</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, 2021**

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenue:				
Water sales	\$ 17,030,887	\$ 5,558,121	\$ -	\$ 22,589,008
Reimbursement of operating expenses	-	-	1,964,112	1,964,112
Total operating revenue	<u>17,030,887</u>	<u>5,558,121</u>	<u>1,964,112</u>	<u>24,553,120</u>
Operating expenses:				
Payroll	4,550,117	695,239	651,961	5,897,317
Operations and maintenance (direct)	2,608,446	717,968	544,455	3,870,869
Operations and maintenance (general and administrative)	-	73,014	45,472	118,486
Fringe benefits	2,541,028	397,166	355,222	3,293,416
Headquarters overhead	(471,750)	406,500	65,250	-
Depreciation	2,121,681	1,399,893	-	3,521,574
Total operating expenses	<u>11,349,522</u>	<u>3,689,780</u>	<u>1,662,360</u>	<u>16,701,662</u>
Income from operations	5,681,365	1,868,341	301,752	7,851,458
Non-operating revenue:				
State of New Jersey - Grant Programs	52,390	-	-	52,390
Investment income	107,389	26,316	4,395	138,100
Rental income	61,918	-	-	61,918
Other income/(loss)	1,001	100	-	1,101
Total non-operating revenue	<u>222,698</u>	<u>26,416</u>	<u>4,395</u>	<u>253,509</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	86,211	(95,075)	-	(8,864)
Recovery of deferred inflows of resources	(626,407)	1,221,859	306,147	901,599
Total non-operating expenses	<u>(540,196)</u>	<u>1,126,784</u>	<u>306,147</u>	<u>892,735</u>
Changes in net position	6,444,259	767,973	-	7,212,232
Net position, beginning of year	84,967,250	24,587,216	-	109,554,466
Net position, end of year	<u>\$ 91,411,509</u>	<u>\$ 25,355,189</u>	<u>\$ -</u>	<u>\$ 116,766,698</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, 2021

	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
Cash and investments - July 1, 2020	\$ 1,851,056	\$ 743,668	\$ 177,816	\$ 3,102,918	\$ 3,588,459	\$ 930,664	\$ 4,824,733	\$ 1,731,467	\$ 1,328,524	\$ 4,385,743	\$ 22,665,048
Cash receipts:											
Water sales operations and maintenance	8,592,727				92,250						8,716,681
Water sales debt service	4,227,294	31,704									4,227,294
Water sales capital fund	1,529,767										1,529,767
Water sales source water protection fund	1,112,382										1,112,382
Water sales overdrafts	243,996										243,996
Rental income	86,175										86,175
Manasquan reservoir support	49,535										49,535
Headquarters overhead				478,250							478,250
Disposition of property											
Recycling revenue	739										739
Sale of investment securities	2,340,093										2,340,093
Nonrefundable bid deposits											
Insurance reimbursement	136,031										136,031
Miscellaneous expense reimbursement	580,218										580,218
Transfers:											
Contributions from operating fund	851,650		2,732,001	(51,554,547)	385,000	250,000	778,064	112,500		392,301	(8,536,910)
Contributions to operating fund	(6,178,540)			33,211,427			(99,344)			(299,502)	26,634,041
Transfers for operations	(15,379,285)	221,380		15,157,905							
Transfers for investments				3,325,167			(1,476)			(190,858)	5,597,539
Distribution from reserves to operations		2,484,805		1,072	6,502	2,450	17,576	2,657	12,539	6,622	52,756
Investment income	551	2,787									
Per resolution, Section 603:											
Investment income, transfer from	38,711			(1,072)	(8,751)	(2,450)	(10,673)		(16,765)		
Investment income, transfer to	(7,530)				7,530						
Unrealized gain/(loss) on fair value					9,970	1,111	5,203		3,379		19,663
Total cash receipts	(1,174,486)	40,236,797	2,732,001	618,202	492,501	251,111	689,351	115,157	(847)	(91,437)	43,268,350
Total available cash and investments	\$ 78,570	\$ 40,960,485	\$ 2,909,817	\$ 3,721,120	\$ 4,080,960	\$ 1,181,775	\$ 5,514,084	\$ 1,846,624	\$ 1,327,677	\$ 4,294,306	\$ 65,933,398

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, 2021

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total cash and investments	\$ 22,665,048	\$ 324,255	\$ 617,234	\$ 1,428,879	\$ 15,512,604	\$ 751,887	\$ 19,306,292	\$ 923,891	\$ 87,947	\$ 2,037,038	\$ 63,655,075
Cash receipts:											
Water sales operations and maintenance	8,716,681	-	-	-	-	-	-	-	-	-	8,716,681
Water sales debt service	4,227,294	-	-	-	-	-	-	-	-	-	4,227,294
Water sales capital fund	1,528,767	-	-	-	-	-	-	-	-	-	1,528,767
Water sales source water protection fund	1,112,382	-	-	-	-	-	-	-	-	-	1,112,382
Water sales overdrafts	243,996	-	-	-	-	-	-	-	-	-	243,996
Rental income	86,175	-	-	-	-	-	-	-	-	-	86,175
Manasquan reservoir support	48,535	-	-	-	-	-	-	-	-	-	48,535
Headquarters overhead	478,250	-	-	-	-	-	-	-	-	-	478,250
Disposition of property	-	-	-	-	-	-	-	-	-	-	-
Recycling revenue	739	-	-	-	-	-	-	-	-	-	739
Sale of investment securities	2,340,093	-	-	-	31,779,602	-	-	-	-	-	34,119,695
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	136,031	-	-	-	-	-	-	-	-	-	136,031
Miscellaneous expense reimbursement	580,218	-	-	-	-	-	-	-	-	-	580,218
Transfers:											
Contributions from operating fund	(8,536,910)	276,174	529,488	-	2,647,204	-	4,242,801	112,500	-	728,743	-
Contributions to operating fund	26,634,041	-	-	-	(25,742,965)	-	-	-	-	(891,076)	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	5,597,639	-	-	-	(5,574,487)	-	-	-	-	(23,152)	-
Investment income	52,756	120	359	2,125	19,970	1,082	32,164	1,413	59	3,110	113,158
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	19,663	-	-	-	-	-	-	-	-	-	19,663
Total cash receipts	43,268,360	276,294	529,847	2,125	3,129,324	1,082	4,274,965	113,913	59	(182,375)	51,413,584
Total available cash and investments	\$ 65,933,398	\$ 600,549	\$ 1,147,081	\$ 1,431,004	\$ 18,641,928	\$ 752,969	\$ 23,581,257	\$ 1,037,804	\$ 88,006	\$ 1,854,663	\$ 115,068,659

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, 2021

	Operating Fund										Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	
Total available cash and investments	\$ 76,570	\$ 40,980,465	\$ 2,909,817	\$ 3,721,120	\$ 4,080,960	\$ 1,181,775	\$ 5,514,084	\$ 1,846,624	\$ 1,327,677	\$ 4,294,306	\$ 65,933,398
Cash disbursements:											
Payroll	-	-	2,581,758	-	-	-	-	-	-	-	2,581,758
Fringe benefits	-	29,008	-	1,209,579	-	-	-	-	-	-	1,238,587
Employee deferred compensation and credit union	-	1,687,044	-	208,883	-	-	-	-	-	-	1,895,727
Operations and maintenance	-	37,315,546	-	(808,886)	-	-	-	-	-	-	36,506,560
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:	-	-	-	-	-	-	-	-	-	-	-
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	-	-	-	-	437,615	250,093	750,000	-	1,000,000	-	2,437,708
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on NJEIT revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Bonds Fees/Earnings Credit	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	39,031,598	2,581,758	609,276	437,615	250,093	750,000	-	1,000,000	-	44,660,340
Cash and investments - March 31, 2021	\$ 76,570	\$ 1,948,867	\$ 328,059	\$ 3,111,844	\$ 3,643,345	\$ 931,682	\$ 4,764,084	\$ 1,846,624	\$ 327,677	\$ 4,294,306	\$ 21,273,058
Summary of cash and investments:											
Cash	\$ 76,570	\$ 1,948,867	\$ 328,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,353,496
Short-term investments	-	-	-	3,111,844	3,643,345	931,682	4,764,084	1,846,624	76,149	4,294,306	18,668,034
Long-term investments	-	-	-	-	-	-	-	-	251,528	-	251,528
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 76,570	\$ 1,948,867	\$ 328,059	\$ 3,111,844	\$ 3,643,345	\$ 931,682	\$ 4,764,084	\$ 1,846,624	\$ 327,677	\$ 4,294,306	\$ 21,273,058

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, 2021

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$ 65,933,398	\$ 600,549	\$ 1,147,081	\$ 1,431,004	\$ 18,641,928	\$ 752,969	\$ 23,581,257	\$ 1,037,804	\$ 88,006	\$ 1,854,663	\$ 115,068,659
Cash disbursements:											
Payroll	2,581,758	-	-	-	-	-	-	-	-	-	2,581,758
Fringe benefits	1,238,587	-	-	-	-	-	-	-	-	-	1,238,587
Employee deferred compensation and credit union	1,895,727	-	-	-	-	-	-	-	-	-	1,895,727
Operations and maintenance	36,506,560	-	-	-	-	-	-	-	-	-	36,506,560
Prepaid insurance	-	-	-	-	-	-	-	-	-	34,046	34,046
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	2,437,708	-	-	-	-	-	-	-	-	-	2,437,708
Principal on NJEIT bonds	-	333,558	579,943	-	-	-	-	-	-	-	913,501
Interest on NJEIT revenue bonds	-	25,425	100,788	-	-	-	-	-	-	-	126,213
Bonds Fees/Earnings Credit	-	548	-	-	-	-	-	-	-	-	-
Total cash disbursements	44,660,340	359,831	680,731	-	-	-	-	-	-	34,046	45,734,100
Cash and investments - March 31, 2021	\$ 21,273,058	\$ 240,918	\$ 466,350	\$ 1,431,004	\$ 18,641,928	\$ 752,969	\$ 23,581,257	\$ 1,037,804	\$ 88,006	\$ 1,820,617	\$ 69,334,559
Summary of cash and investments:											
Cash	\$ 2,353,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,833	\$ 2,401,329
Short-term investments	18,688,034	240,918	466,350	1,431,004	18,641,928	752,969	23,581,257	1,037,804	88,006	1,772,784	66,681,054
Long-term investments	251,528	-	-	-	-	-	-	-	-	-	251,528
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 21,273,058	\$ 240,918	\$ 466,350	\$ 1,431,004	\$ 18,641,928	\$ 752,969	\$ 23,581,257	\$ 1,037,804	\$ 88,006	\$ 1,820,617	\$ 69,333,911

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, 2021

	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, 2020	\$ 309,736	\$ 480,451	\$ 55,872	\$ 6,473,462	\$ 1,604,939	\$ 217,683	\$ 4,169,211	\$ 30,386	\$ 1,490,356	\$ 616,584	\$ 154,652	\$ -	\$ 286,297	\$ 15,889,839
Cash receipts:														
Water sales operations and maintenance	2,382,594	-	-	-	-	-	-	-	-	-	-	-	-	2,382,594
Water sales capital fund	1,795,194	-	-	-	-	-	-	-	-	-	-	-	-	1,795,194
Water sales debt service	1,243,417	-	-	-	-	-	-	-	-	-	-	-	-	1,243,417
Source water protection	81,150	-	-	-	-	-	-	-	-	-	-	-	-	81,150
Water sales debt service NJEIT	134,872	-	-	-	-	-	-	-	-	-	-	-	-	134,872
Water sales overdrafts	30,092	-	-	-	-	-	-	-	-	-	-	-	-	30,092
NJ-American pumping costs	139,522	-	-	-	-	-	-	-	-	-	-	-	-	139,522
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	12,804	-	-	-	-	-	-	-	-	-	-	-	-	12,804
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	14,451	-	-	-	-	-	-	-	-	-	-	-	-	14,451
Transfers:														
Contributions from operating fund	-	2,624,667	842,648	(5,669,447)	-	272	90,000	-	79,912	96	148	1,599,832	22,500	(409,374)
Contributions to operating fund	(103,530)	(270)	-	893,756	-	-	(83,926)	-	(102,286)	(14,977)	-	-	-	588,765
Transfers for operations	(5,897,810)	-	-	5,899,687	-	-	(1,887)	-	-	-	-	-	-	230,619
Distribution from reserves to operations	223,480	7,129	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	145	442	-	11,203	2,395	260	6,344	-	2,237	864	162	742	382	25,176
Per resolution, Section 603:														
Investment income, transfer from	14,401	-	-	(11,202)	(2,395)	(260)	-	-	-	-	(182)	-	(382)	-
Investment income, transfer to	(14,401)	-	-	14,401	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	65,381	2,631,968	842,648	1,138,409	-	272	10,551	-	(20,139)	(14,017)	146	1,600,574	22,500	6,279,282
Total cash receipts	\$ 376,127	\$ 3,112,419	\$ 898,520	\$ 7,611,870	\$ 1,604,939	\$ 2,175,965	\$ 4,179,742	\$ 30,386	\$ 1,470,217	\$ 802,967	\$ 154,788	\$ 1,600,574	\$ 309,797	\$ 22,168,921
Total cash and investments														

NEW JERSEY WATER SUPPLY AUTHORITY
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SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Water Treatment Plant/Transmission System											Totals		
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund		General Reserve Fund	Employment Benefit Funds
Cash and investments - July 1, 2020	\$ 15,689,639	\$ 97,859	\$ 2,591,299	\$ 9,480	\$ 98,640	\$ 253,860	\$ 43,039	\$ 151,137	\$ 3,397,921	\$ 1,746,563	\$ 250,216	\$ 41,197	\$ 580,986	\$ 25,151,825
Cash receipts:														
Water sales operations and maintenance	2,392,594	-	-	-	-	-	-	-	-	-	-	-	-	2,392,594
Water sales capital fund	1,795,194	-	-	-	-	-	-	-	-	-	-	-	-	1,795,194
Water sales debt service	1,243,417	-	-	-	-	-	-	-	-	-	-	-	-	1,243,417
Source water protection	81,150	-	-	-	-	-	-	-	-	-	-	-	-	81,150
Water sales debt service NJEIT	134,872	-	-	-	-	-	-	-	-	-	-	-	-	134,872
Water sales overcosts	30,092	-	-	-	-	-	-	-	-	-	-	-	-	30,092
NJ-American pumping costs	139,522	-	-	-	-	-	-	-	-	-	-	-	-	139,522
Headquarters overhead	-	-	1,964,112	-	-	-	-	-	-	-	-	-	-	1,964,112
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	12,804	-	-	-	-	-	-	-	-	-	-	-	-	12,804
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonre/uncable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	14,451	-	-	-	-	-	-	-	-	-	-	-	-	14,451
Transfers:														
Contributions from operating fund	(409,374)	500,000	(1,429,546)	-	-	-	339,252	132,811	444,066	-	-	223,490	189,301	-
Contributions to operating fund	588,765	150,000	(480,707)	-	-	-	(258,058)	-	-	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-	(223,490)	(7,129)	-
Distribution from reserves to operations	230,619	61	11,013	-	-	-	(11,013)	87	-	-	310	-	742	30,712
Investment income	25,176	-	3,945	-	78	315	-	-	-	-	-	-	-	-
Per resolution, Section 803:														
Investment income, transfer from	-	-	1,349	-	(294)	(1,055)	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	(218)	(740)	70,181	132,898	444,066	-	310	-	132,914	7,838,920
Total cash receipts	6,279,292	650,061	70,166	9,480	98,422	253,120	113,220	284,035	3,841,987	1,746,553	250,526	41,197	773,900	32,990,746
Total cash and investments	\$ 22,168,921	\$ 747,920	\$ 2,661,465	\$ 9,480	\$ 98,422	\$ 253,120	\$ 113,220	\$ 284,035	\$ 3,841,987	\$ 1,746,553	\$ 250,526	\$ 41,197	\$ 773,900	\$ 32,990,746

NEW JERSEY WATER SUPPLY AUTHORITY
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SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	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
Total available cash and investments	\$ 376,127	\$ 3,112,419	\$ 898,520	\$ 7,611,870	\$ 1,604,939	\$ 217,965	\$ 4,179,742	\$ 30,386	\$ 1,470,217	\$ 602,567	\$ 154,788	\$ 1,600,574	\$ 308,797	\$ 22,166,921
Cash disbursements:														
Payroll	-	-	795,819	-	-	-	-	-	-	-	-	-	-	795,819
Fringe benefits	-	-	-	180,732	-	-	-	-	-	-	-	-	-	180,732
Employee deferred compensation and credit union	-	1,555,321	-	(1,205,578)	-	-	-	-	-	-	-	-	-	345,743
Operations and maintenance	-	1,261,631	-	545,572	-	-	-	-	-	-	-	-	-	1,807,203
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	413,000	-	-	-	-	-	-	-	-	-	413,000
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds Fees/Earnings Credit	-	2,816,952	795,819	(70,274)	-	-	-	-	-	-	-	-	-	3,542,497
Total cash disbursements	\$ 376,127	\$ 295,467	\$ 102,701	\$ 7,682,144	\$ 1,604,939	\$ 217,965	\$ 4,179,742	\$ 30,386	\$ 1,470,217	\$ 602,567	\$ 154,788	\$ 1,600,574	\$ 308,797	\$ 18,626,424
Cash and investments - March 31, 2021														
Summary of cash and investments:														
Cash (Manasquan)	\$ 376,127	\$ 295,467	\$ 102,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 774,295
Cash (Water Treatment Plan/VS)	-	-	-	7,682,144	1,604,939	217,965	4,179,742	30,386	1,470,217	602,567	154,788	1,600,574	308,797	17,862,129
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments (Water Treatment Plan/VS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 376,127	\$ 295,467	\$ 102,701	\$ 7,682,144	\$ 1,604,939	\$ 217,965	\$ 4,179,742	\$ 30,386	\$ 1,470,217	\$ 602,567	\$ 154,788	\$ 1,600,574	\$ 308,797	\$ 18,626,424

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, 2021

Water Treatment Plant/Transmission System

	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NUJET Debt Service	2018 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$ 22,188,921	\$ 747,920	\$ 2,661,465	\$ 9,480	\$ 98,422	\$ 253,120	\$ 113,220	\$ 284,035	\$ 3,841,997	\$ 1,746,553	\$ 250,526	\$ 41,197	\$ 773,900	\$ 32,980,746
Cash disbursements:														
Payroll	795,819	-	-	-	-	-	-	-	-	-	-	-	-	795,819
Fringe benefits	180,732	-	-	-	-	-	-	-	-	-	-	-	263,483	444,215
Employee deferred compensation and credit union	345,743	-	-	-	-	-	-	-	-	-	-	-	-	345,743
Operations and maintenance	1,807,203	503,129	(160,975)	-	-	-	-	-	-	-	-	-	-	2,149,357
NU-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	413,000	139,977	85,250	-	-	-	-	-	-	-	-	-	-	618,227
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	139,986	3,170,000	-	-	-	-	3,308,986
Principal on bonds	-	-	-	-	-	-	-	23,625	276,338	-	-	-	-	299,963
Interest on bonds	-	-	-	-	-	-	-	1,072	-	-	-	-	-	1,072
Bonds Fees/Earnings Credit	-	-	-	-	-	-	-	163,693	3,446,338	-	-	-	-	3,610,031
Total cash disbursements	3,542,497	643,106	(95,725)	-	-	-	-	120,352	3,856,649	\$ 1,746,553	\$ 250,526	\$ 41,197	\$ 263,483	7,963,992
Cash and investments - March 31, 2021	\$ 18,626,424	\$ 104,814	\$ 2,757,190	\$ 9,480	\$ 98,422	\$ 253,120	\$ 113,220	\$ 120,352	\$ 3,856,649	\$ 1,746,553	\$ 250,526	\$ 41,197	\$ 510,417	\$ 25,027,364

Summary of cash and investments:

Cash (Manasquan)	\$ 774,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 774,295
Cash (Water Treatment Plant/TS)	-	104,814	-	-	-	-	-	-	-	-	-	-	-	104,814
Short-term investments	17,652,129	-	-	9,480	98,422	253,120	113,220	-	-	-	-	41,197	510,417	18,403,743
Long-term investments (Water Treatment Plant/TS)	-	-	2,757,190	-	-	-	-	-	-	-	-	-	-	3,231,432
Restricted investments (current)	-	-	-	-	-	-	-	120,352	395,649	1,746,553	250,526	-	-	2,513,080
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 18,626,424	\$ 104,814	\$ 2,757,190	\$ 9,480	\$ 98,422	\$ 253,120	\$ 113,220	\$ 120,352	\$ 3,856,649	\$ 1,746,553	\$ 250,526	\$ 41,197	\$ 510,417	\$ 25,027,364