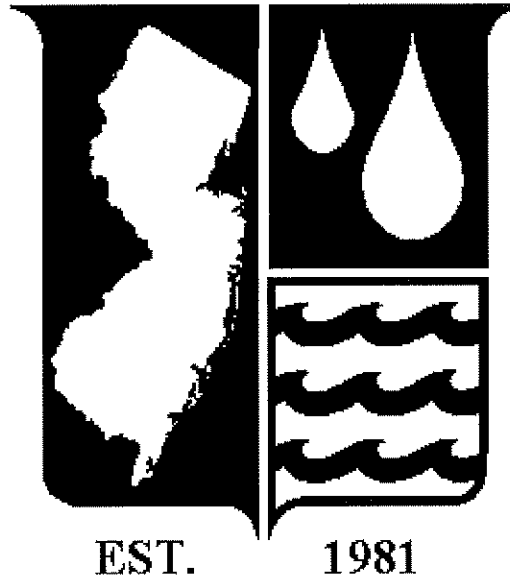


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

September 30, 2020 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	
	Sept. 30, 2020	June 30, 2020
Assets		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$ 60,756,237	\$ 57,474,187
Unbilled sales	1,894,176	1,494,970
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2020 and June 30, 2020	78,926,495	29,661,131
Interest receivable	1,972	20,069
Prepaid expenses and other current assets	1,808,285	2,367,694
Total unrestricted current assets	<u>143,387,165</u>	<u>91,018,051</u>
Restricted assets:		
Cash equivalents	27,001,546	29,004,232
Total current assets	<u>170,388,711</u>	<u>120,022,283</u>
Non-current assets:		
Investments	503,423	2,328,482
Capital assets, net	189,838,219	179,008,561
Total non-current assets	<u>190,341,642</u>	<u>181,337,043</u>
Total assets	<u>360,730,353</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>\$ 367,109,406</u>	<u>\$ 307,146,543</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 143,836	\$ 4,267,215
Accounts payable	9,879,421	8,532,933
Accrued liabilities	3,062,296	2,784,709
Unearned revenue	4,146,019	4,038,642
Total current liabilities	<u>17,231,572</u>	<u>19,623,499</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	172,273,130	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>212,643,019</u>	<u>152,932,482</u>
Total liabilities	<u>229,874,591</u>	<u>172,555,981</u>
Deferred inflows of resources:		
Cost recovery	636,423	432,057
Pension related	7,175,914	7,175,914
OPEB related	17,054,983	17,054,983
Gain on refunding	344,750	373,142
Total deferred inflows of resources	<u>25,212,070</u>	<u>25,036,096</u>
Total liabilities and deferred inflows of resources	<u>255,086,661</u>	<u>197,592,077</u>
Net Position		
Net investment in capital assets	42,639,687	87,368,795
Restricted for debt service	22,855,527	24,965,590
Unrestricted	46,527,531	(2,779,919)
Total net position	<u>112,022,745</u>	<u>109,554,466</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 367,109,406</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

	Three months ended Sept. 30,	
	2020	2019
Operating revenues:		
Water sales	\$ 7,475,812	\$ 7,543,179
Reimbursement of operating expenses	659,556	660,600
Total operating revenue	<u>8,135,368</u>	<u>8,203,779</u>
Operating expenses:		
Payroll	1,919,180	1,971,153
Operations and maintenance	1,323,568	1,204,792
Fringe benefits	1,056,907	1,096,877
Depreciation	1,176,565	1,182,518
Total operating expenses	<u>5,476,220</u>	<u>5,455,340</u>
Income from operations	2,659,148	2,748,439
Non-operating revenues:		
State of New Jersey - Grant Programs	26,146	15,339
Investment and interest income	59,997	434,224
Rental income	46,258	47,183
Other income	739	5,714
Total non-operating revenues	<u>133,140</u>	<u>502,460</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	7,134	50,704
Recovery of deferred inflows of resources	316,875	304,331
Total non-operating expenses	<u>324,009</u>	<u>355,035</u>
Change in net position	2,468,279	2,895,864
Net position, beginning of year	<u>109,554,466</u>	<u>97,786,175</u>
Net position, end of year	<u>\$ 112,022,745</u>	<u>\$ 100,682,039</u>

See accompanying notes.

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

STATEMENTS OF CASH FLOWS

Unaudited		Three months ended Sept. 30,	
	2020	2019	
Cash flows from operating activities			
Cash received from water sales	\$ 7,361,176	\$ 8,482,962	
Cash received from reimbursable expenses	653,676	670,837	
Cash received from rental income	31,388	35,436	
Cash paid to or on behalf of employees	(2,532,811)	(2,655,455)	
Cash paid to suppliers	(1,935,992)	(929,305)	
Net cash provided by operating activities	<u>3,577,437</u>	<u>5,604,475</u>	
Cash flows from noncapital financing activities			
Cash received for grant programs	42,061	9,131	
Net cash provided by non-capital financing activities	<u>42,061</u>	<u>9,131</u>	
Cash flows from capital and related financing activities			
Proceeds from borrowing	9,727,968	3,580,367	
Principal paid on bonds, notes and loans	(4,227,653)	(4,094,857)	
Interest paid on bonds, notes and loans	(163,466)	(246,339)	
Acquisition and construction of capital assets	(9,580,136)	(7,476,527)	
Proceeds from sale of capital assets	-	5,572	
Net cash used in capital and related financing activities	<u>(4,243,287)</u>	<u>(8,231,784)</u>	
Cash flows from investing activities			
Sale of investment securities	1,840,000	6,285,000	
Purchase of investment securities	(22,556)	(3,604,465)	
Interest received on investments	78,094	568,448	
Premium on matured investments	7,615	1,577,552	
Net cash provided/(used) by investing activities	<u>1,903,153</u>	<u>4,826,535</u>	
Net increase in cash and cash equivalents	1,279,364	2,208,357	
Cash and cash equivalents, beginning of year	86,478,419	69,998,798	
Cash and cash equivalents, end of year	<u>\$ 87,757,783</u>	<u>\$ 72,207,155</u>	
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	\$ 2,659,148	\$ 2,748,439	
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Cash received for operating activity included in other income	46,997	47,325	
Depreciation	1,176,565	1,182,518	
Increase (decrease) in cash from:			
Unbilled sales	(399,206)	(401,051)	
Accounts receivable	174,322	1,249,302	
Prepaid expenses and other current assets	559,409	381,825	
Accounts payable	(1,079,599)	(14,069)	
Accrued liabilities	(8,580)	(8,955)	
Accrued payroll and taxes	448,381	419,141	
Net pension liability	-	-	
Net OPEB liability	-	-	
Net cash provided by operating activities	<u>\$ 3,577,437</u>	<u>\$ 5,604,475</u>	
Non cash investing activities			
Decrease in fair value of investments	<u>\$ 14,941</u>	<u>\$ 126,912</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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues

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

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

Capital Assets

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

Depreciation

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

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

Cash and Cash Equivalents

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

Investments

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

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

NOTES TO FINANCIAL STATEMENTS

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 net position that is available for general use.

Deferred Inflows and Outflows of Resources

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

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

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

Deferred Inflows of Resources - Cost Recovery

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

	Sept 30, 2020	June 30, 2020
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ (208,802)	\$ (835,209)
Excess vacation expense over vacation paid	(3,432)	(124,605)
Accrued sick pay	-	8,104
	<u>(212,234)</u>	<u>(951,710)</u>
Cost included in rate model:		
Debt principal repayment	-	-
Subtotal Raritan Basin System	<u>(212,234)</u>	<u>(951,710)</u>
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	(385,214)	(1,540,854)
Excess vacation expense over vacation paid	9,314	(17,843)
Accrued sick pay	-	(2,632)
	<u>(375,900)</u>	<u>(1,561,329)</u>
Cost included in rate model:		
Debt principal repayment	792,500	3,015,000
Subtotal Manasquan System	<u>416,600</u>	<u>1,453,671</u>
Total Raritan Basin and Manasquan	204,366	501,961
Balance, beginning of year	432,057	(69,904)
Balance, end of year	<u>\$ 636,423</u>	<u>\$ 432,057</u>

As shown in the statements of revenue, expenses and changes in net position for the three months ended September 30, 2020, deferred inflow of resources debit of \$316,875 includes a debit balance of \$118,391 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a debit balance of \$5,882 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.

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

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

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

Accounting for Southeast Monmouth Municipal Utilities Authority Agreement

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

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statements of net position. These excess costs or billings will be recovered or recognized in future periods. As of September 30, 2020 and 2019, unearned revenue amounting to \$3,203,422 and \$2,412,885 respectively, was determined as follows:

	2020	2019
Reimbursement of operating expenses	\$ 661,085	\$ 670,690
Operating expenses	542,694	526,094
Unearned revenue	118,391	144,596
Balance, beginning of year	3,085,031	2,268,289
Balance, end of year	<u>\$ 3,203,422</u>	<u>\$ 2,412,885</u>

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of September 30, 2020 and 2019, the amount included in unearned revenue was \$220,597 and \$263,439, respectively.

Accounting for Watershed Protection Program

For the three months ended September 30, 2020 and 2019, the Authority received \$42,061 and \$9,131 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 September 30, 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

C. CAPITAL ASSETS

Capital assets activity for the three months ended September 30, 2020 and the year ended June 30, 2020, 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	58,457,524	11,885,482	-	70,343,006
Total capital assets not being depreciated	<u>84,902,476</u>	<u>11,885,482</u>	<u>-</u>	<u>96,787,958</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	143,381,322	-	-	143,381,322
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,950,522	120,741	-	7,071,263
Total capital assets being depreciated	<u>248,861,278</u>	<u>120,741</u>	<u>-</u>	<u>248,982,019</u>
Less accumulated depreciation for:				
Dams	(32,356,124)	(193,461)	-	(32,549,585)
Building, structures and improvements	(95,663,063)	(876,131)	-	(96,539,194)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,575,732)	(106,973)	-	(5,682,705)
Total accumulated depreciation	<u>(154,755,193)</u>	<u>(1,176,565)</u>	<u>-</u>	<u>(155,931,758)</u>
Total capital assets being depreciated, net	<u>94,106,085</u>	<u>(1,055,824)</u>	<u>-</u>	<u>93,050,261</u>
Total capital assets, net	<u>\$ 179,008,561</u>	<u>\$ 10,829,658</u>	<u>\$ -</u>	<u>\$ 189,838,219</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

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

1. Cash

As of September 30, 2020 and June 30, 2020, the Authority's bank balance was \$87,863,267 and \$86,919,617, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$87,613,267 and \$86,669,617 as of September 30, 2020 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 \$86,500,000 and \$4,500,000 and \$83,000,000 and \$4,500,000 of Authority deposits, respectively. The letters expire November 25, 2020 and September 30, 2020, respectively. The cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$105,783 and \$441,497, respectively. The statement of net position amount includes petty cash totaling \$300 as of September 30, 2020 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 \$87,863,267 and \$86,919,617 as of September 30, 2020 and June 30, 2020, respectively, was exposed to custodial credit risk as follows:

	September 30, 2020	June 30, 2020
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>

3. Investments and Cash Equivalents

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

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

As of September 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	\$ 505,395	\$ 505,395	\$ -
Total		\$ 505,395	\$ 505,395	\$ -

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:

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

NOTES TO FINANCIAL STATEMENTS

D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

3. Investments and Cash Equivalents (continued)

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 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 September 30, 2020, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the three months ended September 30, 2020 and 2019, respectively:

	2020	2019
Interest earned on bank accounts and certificates of deposit	\$ 41,240	\$ 265,672
Interest earned on securities	3,816	41,640
Increase in fair value of securities	14,941	126,912
	\$ 59,997	\$ 434,224

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 THREE MONTHS ENDED SEPTEMBER 30, 2020

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 43,180,264	\$ 17,575,973	\$ -	\$ 60,756,237
Unbilled sales	1,894,176	-	-	1,894,176
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2020	77,400,997	1,671,313	(145,815)	78,926,495
Interest receivable	1,972	-	-	1,972
Prepaid expenses and other current assets	1,650,413	157,872	-	1,808,285
Total unrestricted assets	<u>124,127,822</u>	<u>19,405,158</u>	<u>(145,815)</u>	<u>143,387,165</u>
Restricted assets:				
Cash equivalents	21,538,363	5,463,183	-	27,001,546
Total current assets	<u>145,666,185</u>	<u>24,868,341</u>	<u>(145,815)</u>	<u>170,388,711</u>
Non-current assets:				
Investments	503,423	-	-	503,423
Capital assets net of accumulated depreciation of \$155,931,758 at September 30, 2020	139,897,141	49,941,078	-	189,838,219
Total non-current assets	<u>140,400,564</u>	<u>49,941,078</u>	<u>-</u>	<u>190,341,642</u>
Total assets	<u>286,066,749</u>	<u>74,809,419</u>	<u>(145,815)</u>	<u>360,730,353</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>\$ 291,279,074</u>	<u>\$ 75,976,147</u>	<u>\$ (145,815)</u>	<u>\$ 367,109,406</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 104,646	\$ 39,190	\$ -	\$ 143,836
Accounts payable	9,754,759	270,477	(145,815)	9,879,421
Accrued liabilities	2,408,436	653,860	-	3,062,296
Unearned revenue	722,000	3,424,019	-	4,146,019
Total current liabilities	<u>12,989,841</u>	<u>4,387,546</u>	<u>(145,815)</u>	<u>17,231,572</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	130,859,862	41,413,268	-	172,273,130
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>162,016,105</u>	<u>50,626,914</u>	<u>-</u>	<u>212,643,019</u>
Total liabilities	<u>175,005,946</u>	<u>55,014,460</u>	<u>(145,815)</u>	<u>229,874,591</u>
Deferred inflows of resources				
Cost recovery	10,437,334	(9,800,911)	-	636,423
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	-	344,750	-	344,750
Total deferred inflow of resources	<u>29,122,375</u>	<u>(3,910,305)</u>	<u>-</u>	<u>25,212,070</u>
Net position				
Net investment in capital assets	8,932,633	33,707,054	-	42,639,687
Restricted for cash, investments and unearned revenue	20,816,363	2,039,164	-	22,855,527
Unrestricted	57,401,757	(10,874,226)	-	46,527,531
Total net position	<u>87,150,753</u>	<u>24,871,992</u>	<u>-</u>	<u>112,022,745</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 291,279,074</u>	<u>\$ 75,976,147</u>	<u>\$ (145,815)</u>	<u>\$ 367,109,406</u>

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

COMBINED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenue:				
Water sales	\$ 5,636,463	\$ 1,839,349	\$ -	\$ 7,475,812
Reimbursement of operating expenses	-	-	659,556	659,556
Total operating revenue	<u>5,636,463</u>	<u>1,839,349</u>	<u>659,556</u>	<u>8,135,368</u>
Operating expenses:				
Payroll	1,440,450	236,672	242,058	1,919,180
Operations and maintenance (direct)	934,693	195,471	157,805	1,287,969
Operations and maintenance (general and administrative)	-	22,004	13,595	35,599
Fringe benefits	828,001	121,420	107,486	1,056,907
Headquarters overhead	(157,250)	135,500	21,750	-
Depreciation	708,446	468,119	-	1,176,565
Total operating expenses	<u>3,754,340</u>	<u>1,179,186</u>	<u>542,694</u>	<u>5,476,220</u>
Income from operations	<u>1,882,123</u>	<u>660,163</u>	<u>116,862</u>	<u>2,659,148</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	26,146	-	-	26,146
Investment income	49,188	9,280	1,529	59,997
Rental income	46,258	-	-	46,258
Other income/(loss)	739	-	-	739
Total non-operating revenue	<u>122,331</u>	<u>9,280</u>	<u>1,529</u>	<u>133,140</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	29,753	(22,619)	-	7,134
Recovery of deferred inflows of resources	(208,802)	407,286	118,391	316,875
Total non-operating expenses	<u>(179,049)</u>	<u>384,667</u>	<u>118,391</u>	<u>324,009</u>
Changes in net position	2,183,503	284,776	-	2,468,279
Net position, beginning of year	84,967,250	24,587,216	-	109,554,466
Net position, end of year	<u>\$ 87,150,753</u>	<u>\$ 24,871,992</u>	<u>\$ -</u>	<u>\$ 112,022,745</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 THREE MONTHS ENDED SEPTEMBER 30, 2020**

	Operating Fund										Subtotal
	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	
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	2,971,244	13,958	-	-	92,250	-	-	-	-	-	3,077,452
Water sales debt service	1,593,307	-	-	-	-	-	-	-	-	-	1,593,307
Water sales capital fund	673,534	-	-	-	-	-	-	-	-	-	673,534
Water sales source water protection fund	416,940	-	-	-	-	-	-	-	-	-	416,940
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-
Rental income	31,388	-	-	-	-	-	-	-	-	-	31,388
Manasquan reservoir support	16,925	-	-	-	-	-	-	-	-	-	16,925
Headquarters overhead	-	-	-	163,750	-	-	-	-	-	-	163,750
Disposition of property	-	-	-	-	-	-	-	-	-	-	-
Recycling revenue	739	-	-	-	-	-	-	-	-	-	739
Sale of investment securities	2,090,093	-	-	-	-	-	-	-	-	-	2,090,093
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	30,112	-	-	-	-	-	-	-	-	-	30,112
Transfers:											
Contributions from operating fund	851,650	11,980,518	747,851	(18,281,792)	295,000	250,000	766,047	37,500	-	130,767	(3,222,459)
Contributions to operating fund	(6,178,540)	-	-	17,211,709	-	-	(15,668)	-	-	(155,091)	10,862,410
Transfers for operations	(2,934,715)	221,380	-	2,713,335	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	9,613	-	-	-	-	-	-	-	-	9,613
Investment income	416	889	-	408	3,040	1,600	11,473	946	9,955	2,410	31,137
Per resolution, Section 603:											
Investment income, transfer from	29,733	-	-	(408)	(5,290)	(1,601)	(8,253)	-	(14,181)	-	-
Investment income, transfer to	(2,556)	-	-	-	2,556	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	9,970	1,111	5,672	-	5,803	-	22,556
Total cash receipts	(509,730)	12,226,358	747,851	1,807,002	397,526	251,110	759,271	38,446	1,577	(21,914)	15,697,497
Total available cash and investments	\$ 1,341,326	\$ 12,970,026	\$ 925,667	\$ 4,909,920	\$ 3,985,985	\$ 1,181,774	\$ 5,584,004	\$ 1,769,913	\$ 1,330,101	\$ 4,363,829	\$ 38,362,545

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	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	3,077,452	-	-	-	-	-	-	-	-	-	3,077,452
Water sales debt service	1,593,307	-	-	-	-	-	-	-	-	-	1,593,307
Water sales capital fund	573,534	-	-	-	-	-	-	-	-	-	573,534
Water sales source water protection fund	416,940	-	-	-	-	-	-	-	-	-	416,940
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-
Rental income	31,388	-	-	-	-	-	-	-	-	-	31,388
Manasquan reservoir support	16,925	-	-	-	-	-	-	-	-	-	16,925
Headquarters overhead	163,750	-	-	-	-	-	-	-	-	-	163,750
Disposition of property	-	-	-	-	-	-	-	-	-	-	-
Recycling revenue	739	-	-	-	-	-	-	-	-	-	739
Sale of investment securities	2,090,093	-	-	-	9,727,968	-	-	-	-	-	11,818,061
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	30,112	-	-	-	-	-	-	-	-	-	30,112
Transfers:											
Contributions from operating fund	(3,222,459)	92,058	176,496	-	1,299,066	-	1,414,269	37,500	-	203,070	-
Contributions to operating fund	10,862,410	-	-	-	(10,862,410)	-	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	9,613	-	-	-	-	-	-	-	-	(9,613)	-
Investment income	31,137	49	133	772	7,089	393	10,949	494	23	1,022	52,061
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	22,556	-	-	-	-	-	-	-	-	-	22,556
Total cash receipts	15,697,497	92,107	176,629	772	171,713	393	1,425,218	37,994	23	194,479	17,796,825
Total available cash and investments	\$ 38,362,545	\$ 416,362	\$ 793,863	\$ 1,429,651	\$ 15,684,317	\$ 752,280	\$ 20,731,510	\$ 961,885	\$ 87,970	\$ 2,231,517	\$ 81,451,900

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

**SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

	Operating Fund										
	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	Subtotal
Total available cash and investments	\$ 1,341,326	\$ 12,970,026	\$ 925,667	\$ 4,909,920	\$ 3,985,985	\$ 1,181,774	\$ 5,584,004	\$ 1,769,913	\$ 1,330,101	\$ 4,363,829	\$ 38,362,545
Cash disbursements:											
Payroll	-	-	747,851	-	-	-	-	-	-	-	747,851
Fringe benefits	-	3,265	-	331,904	-	-	-	-	-	-	335,169
Employee deferred compensation and credit union	-	129,645	-	93,491	-	-	-	-	-	-	222,136
Operations and maintenance	-	12,020,663	-	(168,366)	-	-	-	-	-	-	11,852,297
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	500,000	-	1,000,000	-	2,187,708
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on NJEIT revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	12,152,573	747,851	257,029	437,615	250,093	500,000	-	1,000,000	-	15,345,161
Cash and investments - September 30, 2020	\$ 1,341,326	\$ 817,453	\$ 177,816	\$ 4,652,891	\$ 3,548,370	\$ 931,681	\$ 5,084,004	\$ 1,769,913	\$ 330,101	\$ 4,363,829	\$ 23,017,384
Summary of cash and investments:											
Cash	\$ 1,341,326	\$ 817,453	\$ 177,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,336,595
Short-term investments	-	-	-	4,652,891	3,548,370	931,681	4,832,587	1,769,913	76,124	4,363,829	20,175,395
Long-term investments	-	-	-	-	-	-	251,417	-	253,977	-	505,394
Restricted Investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 1,341,326	\$ 817,453	\$ 177,816	\$ 4,652,891	\$ 3,548,370	\$ 931,681	\$ 5,084,004	\$ 1,769,913	\$ 330,101	\$ 4,363,829	\$ 23,017,384

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

**SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

	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	\$ 38,362,545	\$ 416,362	\$ 793,863	\$ 1,429,651	\$ 15,684,317	\$ 752,280	\$ 20,731,510	\$ 961,885	\$ 87,970	\$ 2,231,517	\$ 81,451,900
Cash disbursements:											
Payroll	747,851	-	-	-	-	-	-	-	-	-	747,851
Fringe benefits	335,169	-	-	-	-	-	-	-	-	-	335,169
Employee deferred compensation and credit union	222,136	-	-	-	-	-	-	-	-	-	222,136
Operations and maintenance	11,852,297	-	-	-	-	-	-	-	-	-	11,852,297
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	6,178	6,178
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	2,187,708	-	-	-	-	-	-	-	-	-	2,187,708
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	312,596	497,261	-	-	-	-	-	-	-	809,857
Interest on NJEIT revenue bonds	-	13,944	52,738	-	-	-	-	-	-	-	66,682
Total cash disbursements	15,345,151	326,540	549,999	-	-	-	-	-	-	6,178	16,227,878
Cash and investments - September 30, 2020	\$ 23,017,384	\$ 89,822	\$ 243,864	\$ 1,429,651	\$ 15,684,317	\$ 752,280	\$ 20,731,510	\$ 961,885	\$ 87,970	\$ 2,225,339	\$ 65,224,022
Summary of cash and investments:											
Cash	\$ 2,336,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,400	\$ 2,388,995
Short-term investments	20,175,395	89,822	243,864	1,429,651	15,684,317	752,280	20,731,510	961,885	87,970	2,172,939	62,329,633
Long-term investments	505,394	-	-	-	-	-	-	-	-	-	505,394
Restricted Investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 23,017,384	\$ 89,822	\$ 243,864	\$ 1,429,651	\$ 15,684,317	\$ 752,280	\$ 20,731,510	\$ 961,885	\$ 87,970	\$ 2,225,339	\$ 65,224,022

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Operating Fund												
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self - Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
Cash and investments - July 1, 2020	\$ 309,736	\$ 480,451	\$ 55,872	\$ 6,473,462	\$ 1,604,939	\$ 217,693	\$ 4,169,211	\$ 30,386	\$ 1,490,356	\$ 616,584	\$ 154,652	\$ 286,297	\$ 15,889,639
Cash receipts:													
Water sales operations and maintenance	739,504	-	-	-	-	-	-	-	-	-	-	-	739,504
Water sales debt service	999,163	-	-	-	-	-	-	-	-	-	-	-	999,163
Source water protection	25,527	-	-	-	-	-	-	-	-	-	-	-	25,527
Water sales debt service NJEIT	42,425	-	-	-	-	-	-	-	-	-	-	-	42,425
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-
NJ-American pumping costs	57,937	-	-	-	-	-	-	-	-	-	-	-	57,937
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	4,378	-	-	-	-	-	-	-	-	-	-	-	4,378
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	793	-	-	-	-	-	-	-	-	-	-	-	793
Transfers:													
Contributions from operating fund	-	603,223	255,442	(1,155,373)	-	272	30,000	-	26,686	96	146	7,500	(232,008)
Contributions to operating fund	(103,530)	(270)	-	321,794	-	-	(35,612)	-	(15,402)	-	-	-	166,980
Transfers for operations	(2,299,470)	-	-	2,299,470	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	223,490	2,998	-	-	-	-	-	-	-	-	-	-	226,488
Investment income	54	233	-	4,013	870	95	2,300	-	814	318	60	136	8,893
Per resolution, Section 603:													
Investment income, transfer from	5,174	-	-	(4,013)	(870)	(95)	-	-	-	-	(60)	(136)	-
Investment income, transfer to	(5,174)	-	-	5,174	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts	(309,729)	606,184	255,442	1,471,065	-	272	(3,312)	-	12,098	414	146	7,500	2,040,080
Total cash and investments	\$ 7	\$ 1,086,635	\$ 311,314	\$ 7,944,527	\$ 1,604,939	\$ 217,965	\$ 4,165,899	\$ 30,386	\$ 1,502,454	\$ 616,998	\$ 154,796	\$ 293,797	\$ 17,929,719

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	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	\$ 15,889,639	\$ 97,859	\$ 2,591,299	\$ 9,480	\$ 98,640	\$ 253,860	\$ 43,039	\$ 151,137	\$ 3,397,921	\$ 1,746,553	\$ 250,216	\$ 41,197	\$ 580,986	\$ 25,151,826
Cash receipts:														
Water sales operations and maintenance	739,504	-	-	-	-	-	-	-	-	-	-	-	-	739,504
Water sales debt service	999,163	-	-	-	-	-	-	-	-	-	-	-	-	999,163
Source water protection	25,527	-	-	-	-	-	-	-	-	-	-	-	-	25,527
Water sales debt service NJEIT	42,425	-	-	-	-	-	-	-	-	-	-	-	-	42,425
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NJ-American pumping costs	57,937	-	-	-	-	-	-	-	-	-	-	-	-	57,937
Headquarters overhead	-	-	659,556	-	-	-	-	-	-	-	-	-	-	659,556
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	4,378	-	-	-	-	-	-	-	-	-	-	-	-	4,378
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	793	-	-	-	-	-	-	-	-	-	-	-	-	793
Transfers:														
Contributions from operating fund	(232,008)	150,000	(390,696)	-	-	-	-	44,351	148,022	-	-	223,490	56,841	-
Contributions to operating fund	166,980	-	(144,995)	-	-	-	(21,985)	-	-	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	226,488	-	-	-	-	-	-	-	-	-	-	(223,490)	(2,988)	-
Investment income	8,893	23	1,363	-	29	115	-	32	-	-	113	-	240	10,808
Per resolution, Section 603:														
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts	2,040,080	150,023	125,228	-	29	115	(21,985)	44,383	148,022	-	113	-	54,083	2,540,091
Total cash and investments	\$ 17,929,719	\$ 247,882	\$ 2,716,527	\$ 9,480	\$ 98,669	\$ 253,975	\$ 21,054	\$ 195,520	\$ 3,545,943	\$ 1,746,553	\$ 250,329	\$ 41,197	\$ 635,069	\$ 27,691,917

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	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	Sediment Reserve	
Total available cash and investments	\$ 7	\$ 1,086,635	\$ 311,314	\$ 7,944,527	\$ 1,604,939	\$ 217,965	\$ 4,165,899	\$ 30,386	\$ 1,502,454	\$ 616,998	\$ 154,798	\$ 293,797	\$ 17,929,719
Cash disbursements:													
Payroll	-	-	255,442	-	-	-	-	-	-	-	-	-	255,442
Fringe benefits	-	-	-	59,477	-	-	-	-	-	-	-	-	59,477
Employee deferred compensation and credit union	-	441,320	-	(331,904)	-	-	-	-	-	-	-	-	109,416
Operations and maintenance	-	295,243	-	168,434	-	-	-	-	-	-	-	-	463,677
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	142,000	-	-	-	-	-	-	-	-	142,000
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	786,563	255,442	38,007	-	-	-	-	-	-	-	-	1,030,012
Cash and investments - September 30, 2020	\$ 7	\$ 350,072	\$ 55,872	\$ 7,906,520	\$ 1,604,939	\$ 217,965	\$ 4,165,899	\$ 30,386	\$ 1,502,454	\$ 616,998	\$ 154,798	\$ 293,797	\$ 16,899,707
Summary of cash and investments:													
Cash (Manasquan)	\$ 7	\$ 350,072	\$ 55,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,951
Cash (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term investments	-	-	-	7,906,520	1,604,939	217,965	4,165,899	30,386	1,502,454	616,998	154,798	293,797	16,493,756
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 7	\$ 350,072	\$ 55,872	\$ 7,906,520	\$ 1,604,939	\$ 217,965	\$ 4,165,899	\$ 30,386	\$ 1,502,454	\$ 616,998	\$ 154,798	\$ 293,797	\$ 16,899,707

NEW JERSEY WATER SUPPLY AUTHORITY
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SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	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	
Total available cash and investments	\$ 17,929,719	\$ 247,882	\$ 2,716,527	\$ 9,480	\$ 98,669	\$ 253,975	\$ 21,054	\$ 195,520	\$ 3,545,943	\$ 1,746,553	\$ 250,329	\$ 41,197	\$ 635,069	\$ 27,691,917
Cash disbursements:														
Payroll	255,442	-	-	-	-	-	-	-	-	-	-	-	-	255,442
Fringe benefits	59,477	-	-	-	-	-	-	-	-	-	-	-	-	59,477
Employee deferred compensation and credit union	109,416	-	-	-	-	-	-	-	-	-	-	-	-	109,416
Operations and maintenance	463,677	141,160	-	-	-	-	-	-	-	-	-	-	-	604,837
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	142,000	-	21,750	-	-	-	-	-	-	-	-	-	-	163,750
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	99,795	3,170,000	-	-	-	-	3,269,795
Interest on bonds	-	-	-	-	-	-	-	12,250	177,794	-	-	-	-	190,044
Total cash disbursements	1,030,012	141,160	21,750	-	-	-	-	112,045	3,347,794	-	-	-	-	4,652,761
Cash and Investments - September 30, 2020	\$ 16,899,707	\$ 106,722	\$ 2,694,777	\$ 9,480	\$ 98,669	\$ 253,975	\$ 21,054	\$ 83,475	\$ 198,149	\$ 1,746,553	\$ 250,329	\$ 41,197	\$ 635,069	\$ 23,039,156
Summary of cash and investments:														
Cash (Manasquan)	\$ 405,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,951
Cash (Water Treatment Plant/TSS)	-	106,722	-	-	-	-	-	-	-	-	-	-	-	106,722
Short-term investments	16,493,756	-	-	-	-	-	-	-	-	-	-	41,197	635,069	17,170,022
Short-term investments (Water Treatment Plant/TSS)	-	-	2,694,777	9,480	98,669	253,975	21,054	-	-	-	-	-	-	3,077,955
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	83,475	198,149	1,746,553	250,329	-	-	2,278,506
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 16,899,707	\$ 106,722	\$ 2,694,777	\$ 9,480	\$ 98,669	\$ 253,975	\$ 21,054	\$ 83,475	\$ 198,149	\$ 1,746,553	\$ 250,329	\$ 41,197	\$ 635,069	\$ 23,039,156