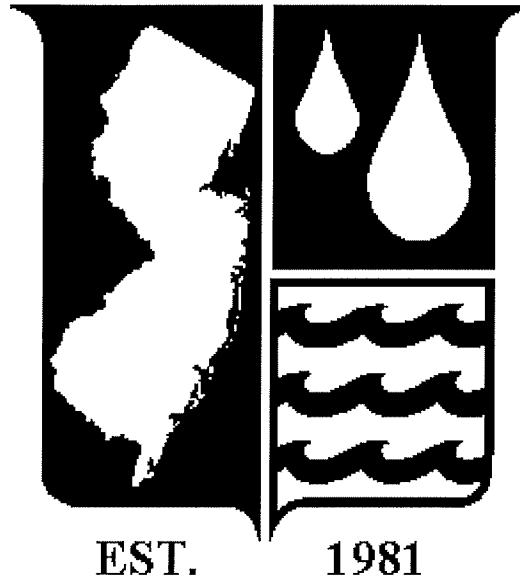


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

September 30, 2021 AND JUNE 30, 2021

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

INDEX

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

STATEMENTS OF NET POSITION

	Unaudited	
	September 30, 2021	June 30, 2021
Assets		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 59,430,307	\$ 65,972,752
Unbilled sales	1,960,020	1,581,175
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2021 and June 30, 2021	43,059,016	41,526,367
Interest receivable	-	2,275
Prepaid expenses and other current assets	1,208,219	1,761,923
Total unrestricted current assets	<u>105,657,562</u>	<u>110,844,492</u>
Restricted assets:		
Cash equivalents	31,474,658	31,950,166
Total current assets	<u>137,132,220</u>	<u>142,794,658</u>
Non-current assets:		
Investments	-	247,989
Capital assets, net	213,171,283	207,732,933
Total non-current assets	<u>213,171,283</u>	<u>207,980,922</u>
Total assets	<u>350,303,503</u>	<u>350,775,580</u>
Deferred outflows of resources:		
Pension related	3,614,185	3,614,185
OPEB related	10,062,041	10,062,041
Construction loan DEP fee	742,575	742,575
Total deferred outflows of resources	<u>14,418,801</u>	<u>14,418,801</u>
Total assets and deferred outflows of resources	<u>\$ 364,722,304</u>	<u>\$ 365,194,381</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 597,876	\$ 2,871,249
Accounts payable	5,489,853	5,378,515
Accrued liabilities	3,004,955	2,744,038
Unearned revenue	4,691,242	4,814,450
Total current liabilities	<u>13,783,926</u>	<u>15,808,252</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	156,113,593	156,503,688
Net pension liability	17,210,868	17,210,868
Net OPEB liability	29,968,511	29,968,511
Total non-current liabilities	<u>203,292,972</u>	<u>203,683,067</u>
Total liabilities	<u>217,076,898</u>	<u>219,491,319</u>
Deferred inflows of resources:		
Cost recovery	759,821	1,210,498
Pension related	7,381,453	7,381,453
OPEB related	14,837,299	14,837,299
Gain on refunding	254,530	260,499
Total deferred inflows of resources	<u>23,233,103</u>	<u>23,689,749</u>
Total liabilities and deferred inflows of resources	<u>240,310,001</u>	<u>243,181,068</u>
Net Position		
Net investment in capital assets	81,768,468	73,660,681
Restricted for cash, investments, and unearned revenue	26,783,416	27,135,716
Unrestricted	15,860,419	21,216,916
Total net position	<u>124,412,303</u>	<u>122,013,313</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 364,722,304</u>	<u>\$ 365,194,381</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

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Operating revenues:		
Water sales	\$ 7,475,812	\$ 7,475,812
Reimbursement of operating expenses	645,000	659,556
Total operating revenues	<u>8,120,812</u>	<u>8,135,368</u>
Operating expenses:		
Payroll	2,099,650	1,919,180
Operations and maintenance	1,827,715	1,323,568
Fringe benefits	1,129,750	1,056,907
Depreciation	1,164,426	1,176,565
Total operating expenses	<u>6,221,541</u>	<u>5,476,220</u>
Income from operations	1,899,271	2,659,148
Non-operating revenues:		
State of New Jersey - Grant Programs	14,038	26,146
Investment and interest income	30,284	59,997
Rental income	50,064	46,258
Other income	34	739
Total non-operating revenues	<u>94,420</u>	<u>133,140</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	136,474	7,134
Recovery of deferred inflows of resources	<u>(541,773)</u>	<u>316,875</u>
Total non-operating expenses	<u>(405,299)</u>	<u>324,009</u>
Change in net position	2,398,990	2,468,279
Net position, beginning of year	<u>122,013,313</u>	<u>109,554,466</u>
Net position, end of year	<u>\$ 124,412,303</u>	<u>\$ 112,022,745</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 September 30,	
	2021	2020
Cash flows from operating activities		
Cash received from water sales	\$ 5,595,058	\$ 7,361,176
Cash received from reimbursable expenses	645,123	653,676
Cash received from rental income	42,599	31,388
Cash paid to or on behalf of employees	(2,853,043)	(2,532,811)
Cash paid to suppliers	(1,163,502)	(1,935,992)
Net cash provided by operating activities	<u>2,266,235</u>	<u>3,577,437</u>
Cash flows from noncapital financing activities		
Cash received for grant and mitigation programs	38,430	42,061
Net cash provided by non-capital financing activities	<u>38,430</u>	<u>42,061</u>
Cash flows from capital and related financing activities		
Proceeds from borrowing	-	9,727,968
Principal paid on bonds, notes and loans	(2,746,137)	(4,227,653)
Interest paid on bonds, notes and loans	(204,149)	(163,466)
Acquisition and construction of capital assets	(6,652,880)	(9,580,136)
Proceeds from sale of capital assets	-	-
Net cash used in capital and related financing activities	<u>(9,603,166)</u>	<u>(4,243,287)</u>
Cash flows from investing activities		
Sale of investment securities	250,000	1,840,000
Purchase of investment securities	(2,011)	(22,556)
Interest received on investments	32,559	78,094
Premium on matured investments	-	7,615
Net cash provided/(used) by investing activities	<u>280,548</u>	<u>1,903,153</u>
Net increase in cash and cash equivalents	(7,017,953)	1,279,364
Cash and cash equivalents, beginning of year	97,922,918	86,478,419
Cash and cash equivalents, end of year	<u>\$ 90,904,965</u>	<u>\$ 87,757,783</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 1,899,271	\$ 2,659,148
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	50,098	46,997
Depreciation	1,164,426	1,176,565
Increase (decrease) in cash from:		
Unbilled sales	(378,845)	(399,206)
Accounts receivable	(1,557,041)	174,322
Prepaid expenses and other current assets	553,704	559,409
Accounts payable	161,442	(1,079,599)
Accrued liabilities	(7,837)	(8,580)
Accrued payroll and taxes	381,017	448,381
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 2,266,235</u>	<u>\$ 3,577,437</u>
Non cash investing activities		
Increase in fair value of investments	<u>\$ 2,011</u>	<u>\$ 14,941</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 the budget does not constitute a legal budget or establish spending limitations.

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

**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 2021, three customers accounted for approximately 90% of the total Raritan Basin System accounts receivable and three customers accounted for approximately 85% of total Manasquan System accounts receivable. During fiscal year 2020, three customers accounted for approximately 90% of total Raritan Basin System accounts receivable and two customers accounted for approximately 85% 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 for cash, investments, and unearned revenue* - This represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as they are needed.
- *Unrestricted Net Position* - This represents net position that is available for general use.

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net 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, 2021 and the year ended June 30, 2021, were determined as follows:

	September 30, 2021	June 30, 2021
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	33,226	(28,761)
Accrued sick pay	-	3,591
	<u>(175,576)</u>	<u>(860,379)</u>
Cost included in rate model:		
Debt principal repayment	-	-
Subtotal Raritan Basin System	<u>(175,576)</u>	<u>(860,379)</u>
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	(385,213)	(1,540,854)
Excess vacation expense over vacation paid	11,362	4,451
Accrued sick pay	-	5,223
	<u>(373,851)</u>	<u>(1,531,180)</u>
Cost included in rate model:		
Debt principal repayment	98,750	3,170,000
Subtotal Manasquan System	<u>(275,101)</u>	<u>1,638,820</u>
Total Raritan Basin and Manasquan	(450,677)	778,441
Balance, beginning of year	1,210,498	432,057
Balance, end of year	<u>\$ 759,821</u>	<u>\$ 1,210,498</u>

As shown in the statements of revenue, expenses and changes in net position for the three months ended September 30, 2021, deferred inflow of resources credit of \$541,773 includes a credit balance of \$46,508 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a debit balance of \$44,588 of accrued vacation and sick pay. The June 30, 2021, deferred inflows of resources debit balance of \$1,635,336 includes a debit balance of \$841,399 of Manasquan Water Treatment Plant unearned revenue and does not include a credit balance of \$15,496 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, 2021 and 2020, unearned revenue amounting to \$3,879,922 and \$3,203,422 respectively, was determined as follows:

	2021	2020
Reimbursement of operating expenses	\$ 645,960	\$ 661,085
Operating expenses	692,468	542,694
Unearned revenue	(46,508)	118,391
Balance, beginning of year	3,926,430	3,085,031
Balance, end of year	<u>\$ 3,879,922</u>	<u>\$ 3,203,422</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, 2021 and 2020, the amount included in unearned revenue was \$259,527 and \$220,597, respectively.

Accounting for Watershed Protection Program

For the three months ended September 30, 2021 and 2020, the Authority received \$38,430 and \$42,061 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, 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

C. CAPITAL ASSETS

Capital assets activity for the three months ended September 30, 2021 and the year ended June 30, 2021, was as follows:

	2022 Beginning Balance	Additions	Retirements	2022 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	89,541,411	6,537,998	-	96,079,409
Total capital assets not being depreciated	<u>115,986,363</u>	<u>6,537,998</u>	<u>-</u>	<u>122,524,361</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	145,169,966	-	(1,209)	145,168,757
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	7,444,203	64,778	(31,283)	7,477,698
Total capital assets being depreciated	<u>251,143,603</u>	<u>64,778</u>	<u>(32,492)</u>	<u>251,175,889</u>
Less accumulated depreciation for:				
Dams	(33,120,909)	(190,441)	-	(33,311,350)
Building, structures and improvements	(99,174,956)	(882,583)	1,209	(100,056,330)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,940,894)	(91,402)	31,283	(6,001,013)
Total accumulated depreciation	<u>(159,397,033)</u>	<u>(1,164,426)</u>	<u>32,492</u>	<u>(160,528,967)</u>
Total capital assets being depreciated, net	<u>91,746,570</u>	<u>(1,099,648)</u>	<u>-</u>	<u>90,646,922</u>
Total capital assets, net	<u>\$ 207,732,933</u>	<u>\$ 5,438,350</u>	<u>\$ -</u>	<u>\$ 213,171,283</u>
	2021 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	33,024,608	(1,940,721)	89,541,411
Total capital assets not being depreciated	<u>84,902,476</u>	<u>33,024,608</u>	<u>(1,940,721)</u>	<u>115,986,363</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	547,652	(53,971)	7,444,203
Total capital assets being depreciated	<u>248,861,278</u>	<u>2,336,296</u>	<u>(53,971)</u>	<u>251,143,603</u>
Less accumulated depreciation for:				
Dams	(32,356,124)	(764,785)	-	(33,120,909)
Building, structures and improvements	(95,663,063)	(3,511,893)	-	(99,174,956)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,575,732)	(419,133)	53,971	(5,940,894)
Total accumulated depreciation	<u>(154,755,193)</u>	<u>(4,695,811)</u>	<u>53,971</u>	<u>(159,397,033)</u>
Total capital assets being depreciated, net	<u>94,106,085</u>	<u>(2,359,515)</u>	<u>-</u>	<u>91,746,570</u>
Total capital assets, net	<u>\$ 179,008,561</u>	<u>\$ 30,665,093</u>	<u>\$ (1,940,721)</u>	<u>\$ 207,732,933</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, 2021 and June 30, 2021, the Authority's bank balance was \$91,009,353 and \$98,082,732, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$90,759,353 and \$97,832,732 as of September 30, 2021 and June 30, 2021, respectively, was collateralized through a stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh through TD Bank. The letter of credit covers up to a maximum of \$100,000,000 of Authority deposits and expires on May 23, 2022. The cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$104,687 and \$160,114, respectively. The statement of net position amount includes petty cash totaling \$300 as of September 30, 2021 and June 30, 2021, 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 \$91,009,353 and \$98,082,732 as of September 30, 2021 and June 30, 2021, respectively, was exposed to custodial credit risk as follows:

	September 30, 2021	June 30, 2021
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.

As of September 30, 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	\$ -	\$ -	\$ -
Total		\$ -	\$ -	\$ -

As of June 30, 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:

**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	\$ 250,264	\$ 250,264	\$ -
Total		\$ 250,264	\$ 250,264	\$ -

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, 2021, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the three months ended September 30, 2021 and 2020, respectively:

	2021	2020
Interest earned on bank accounts and certificates of deposit	\$ 27,992	\$ 41,240
Interest earned on securities	281	3,816
Increase in fair value of securities	2,011	14,941
	<u>\$ 30,284</u>	<u>\$ 59,997</u>

E. MAJOR WATER CUSTOMERS

During fiscal years 2021 and 2020, the Authority supplied water to approximately 30 customers of the Raritan Basin System and 13 customers of the Manasquan System.

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

Unaudited				
	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 38,320,433	\$ 21,109,874	\$ -	\$ 59,430,307
Unbilled sales	1,960,020	-	-	1,960,020
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2021	41,736,453	1,479,735	(157,172)	43,059,016
Interest receivable	-	-	-	-
Prepaid expenses and other current assets	1,035,959	172,260	-	1,208,219
Total unrestricted assets	<u>83,052,865</u>	<u>22,761,869</u>	<u>(157,172)</u>	<u>105,657,562</u>
Restricted assets:				
Cash equivalents	25,745,778	5,728,880	-	31,474,658
Total current assets	<u>108,798,643</u>	<u>28,490,749</u>	<u>(157,172)</u>	<u>137,132,220</u>
Non-current assets:				
Investments				
Capital assets net of accumulated depreciation of \$160,528,967 at September 30, 2021	164,843,475	48,327,808	-	213,171,283
Total non-current assets	<u>164,843,475</u>	<u>48,327,808</u>	<u>-</u>	<u>213,171,283</u>
Total assets	<u>273,642,118</u>	<u>76,818,557</u>	<u>(157,172)</u>	<u>350,303,503</u>
Deferred outflows of resources:				
Pension related	2,789,390	824,795	-	3,614,185
OPEB related	7,726,003	2,336,038	-	10,062,041
Construction loan DEP fee	742,575	-	-	742,575
Total deferred outflows of resources	<u>11,257,968</u>	<u>3,160,833</u>	<u>-</u>	<u>14,418,801</u>
Total assets and deferred outflows of resources	<u>\$ 284,900,086</u>	<u>\$ 79,979,390</u>	<u>\$ (157,172)</u>	<u>\$ 364,722,304</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 558,686	\$ 39,190	\$ -	\$ 597,876
Accounts payable	5,319,863	327,162	(157,172)	5,489,853
Accrued liabilities	2,432,761	572,194	-	3,004,955
Unearned revenue	551,793	4,139,449	-	4,691,242
Total current liabilities	<u>8,863,103</u>	<u>5,077,995</u>	<u>(157,172)</u>	<u>13,783,926</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	115,450,180	40,663,413	-	156,113,593
Net pension liability	13,283,164	3,927,704	-	17,210,868
Total OPEB liability	<u>23,075,753</u>	<u>6,892,758</u>	<u>-</u>	<u>29,968,511</u>
Total non-current liabilities	<u>151,809,097</u>	<u>51,483,875</u>	<u>-</u>	<u>203,292,972</u>
Total liabilities	<u>160,672,200</u>	<u>56,561,870</u>	<u>(157,172)</u>	<u>217,076,898</u>
Deferred inflows of resources				
Cost recovery	9,613,613	(8,853,792)	-	759,821
Pension related	5,696,926	1,684,527	-	7,381,453
OPEB related	11,424,720	3,412,579	-	14,837,299
Gain on refunding	-	254,530	-	254,530
Total deferred inflow of resources	<u>26,735,259</u>	<u>(3,502,156)</u>	<u>-</u>	<u>23,233,103</u>
Net position				
Net investment in capital assets	48,834,609	32,933,859	-	81,768,468
Restricted for cash, investments and unearned revenue	25,193,985	1,589,431	-	26,783,416
Unrestricted	<u>23,464,033</u>	<u>(7,603,614)</u>	<u>-</u>	<u>15,860,419</u>
Total net position	<u>97,492,627</u>	<u>26,919,676</u>	<u>-</u>	<u>124,412,303</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 284,900,086</u>	<u>\$ 79,979,390</u>	<u>\$ (157,172)</u>	<u>\$ 364,722,304</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, 2021

	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	-	-	645,000	645,000
Total operating revenue	<u>5,636,463</u>	<u>1,839,349</u>	<u>645,000</u>	<u>8,120,812</u>
Operating expenses:				
Payroll	1,645,854	211,237	242,559	2,099,650
Operations and maintenance (direct)	1,232,538	277,718	287,474	1,797,730
Operations and maintenance (general and administrative)	-	18,266	11,719	29,985
Fringe benefits	884,471	117,563	127,716	1,129,750
Headquarters overhead	(168,750)	145,750	23,000	-
Depreciation	700,572	463,854	-	1,164,426
Total operating expenses	<u>4,294,685</u>	<u>1,234,388</u>	<u>692,468</u>	<u>6,221,541</u>
Income from operations	<u>1,341,778</u>	<u>604,961</u>	<u>(47,468)</u>	<u>1,899,271</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	14,038	-	-	14,038
Investment and interest income	22,926	6,398	960	30,284
Rental income	50,064	-	-	50,064
Other income/(loss)	7	27	-	34
Total non-operating revenue	<u>87,035</u>	<u>6,425</u>	<u>960</u>	<u>94,420</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	104,574	31,900	-	136,474
Recovery of deferred inflows of resources	(208,802)	(286,463)	(46,508)	(541,773)
Total non-operating expenses	<u>(104,228)</u>	<u>(254,563)</u>	<u>(46,508)</u>	<u>(405,299)</u>
Changes in net position	1,533,041	865,949	-	2,398,990
Net position, beginning of year	<u>95,959,586</u>	<u>26,053,727</u>	<u>-</u>	<u>122,013,313</u>
Net position, end of year	<u>\$ 97,492,627</u>	<u>\$ 26,919,676</u>	<u>\$ -</u>	<u>\$ 124,412,303</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, 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 II	Source Water Protection Fund	
Cash and investments - July 1, 2021	\$ 1,335,360	\$ 1,859,130	\$ 177,816	\$ 3,286,994	\$ 3,645,173	\$ 931,682	\$ 4,980,517	\$ 1,884,786	\$ 326,418	\$ 4,336,904	\$ 22,764,780
Cash receipts:											
Water sales operations and maintenance	1,971,553	-	-	-	-	-	-	-	-	-	1,971,553
Water sales debt service	1,013,344	-	-	-	-	-	-	-	-	-	1,013,344
Water sales capital fund	393,416	-	-	-	-	-	-	-	-	-	393,416
Water sales source water protection fund	286,121	-	-	-	-	-	-	-	-	-	286,121
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-
Rental income	42,599	-	-	-	-	-	-	-	-	-	42,599
Manasquan reservoir support	16,135	-	-	-	-	-	-	-	-	-	16,135
Headquarters overhead	-	-	-	158,500	-	-	-	-	-	-	158,500
Disposition of property	-	-	-	-	-	-	-	-	-	-	-
Recycling revenue	-	-	-	-	-	-	-	-	-	-	-
Sale of investment securities	252,555	-	-	-	-	-	-	-	-	-	252,555
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	73,528	6,288	-	-	-	-	-	-	-	-	79,816
Transfers:											
Contributions from operating fund	1,262,390	8,182,790	1,050,643	(13,220,383)	-	-	2,173	37,500	-	137,220	(2,547,667)
Contributions to operating fund	(2,740,490)	-	-	8,776,613	-	-	(3,445)	-	-	(88,379)	5,944,299
Transfers for operations	(3,803,540)	-	-	3,803,540	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	15,302	-	-	-	-	-	-	-	-	15,302
Investment income	101	589	-	-	1,166	281	1,602	594	2	1,396	5,731
Per resolution, Section 603:											
Investment income, transfer from	1,447	-	-	-	(1,166)	(281)	-	-	-	-	-
Investment income, transfer to	(1,447)	-	-	-	1,447	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	(264)	-	(264)
Total cash receipts	(1,232,288)	8,204,969	1,050,643	(481,730)	1,447	-	330	38,094	(262)	50,237	7,631,440
Total available cash and investments	\$ 103,072	\$ 10,064,099	\$ 1,228,459	\$ 2,805,264	\$ 3,646,620	\$ 931,682	\$ 4,980,847	\$ 1,922,880	\$ 326,156	\$ 4,387,141	\$ 30,396,220

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, 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	\$ 22,764,780	\$ 333,049	\$ 643,009	\$ 1,431,509	\$ 17,705,704	\$ 753,224	\$ 25,004,324	\$ 1,075,667	\$ 88,016	\$ 2,034,080	\$ 71,833,362
Cash receipts:											
Water sales operations and maintenance	1,971,553	-	-	-	-	-	-	-	-	-	1,971,553
Water sales debt service	1,013,344	-	-	-	-	-	-	-	-	-	1,013,344
Water sales capital fund	393,416	-	-	-	-	-	-	-	-	-	393,416
Water sales source water protection fund	286,121	-	-	-	-	-	-	-	-	-	286,121
Water sales overdrafts	-	-	-	-	-	-	-	-	-	-	-
Rental income	42,599	-	-	-	-	-	-	-	-	-	42,599
Manasquan reservoir support	16,135	-	-	-	-	-	-	-	-	-	16,135
Headquarters overhead	158,500	-	-	-	-	-	-	-	-	-	158,500
Disposition of property	-	-	-	-	-	-	-	-	-	-	-
Recycling revenue	-	-	-	-	-	-	-	-	-	-	-
Sale of investment securities	252,555	-	-	-	-	-	-	-	-	-	252,555
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	79,816	-	-	-	-	-	-	-	-	-	79,816
Transfers:											
Contributions from operating fund	(2,547,667)	88,638	173,463	-	549,066	-	1,414,269	37,500	-	284,731	-
Contributions to operating fund	5,944,299	-	-	-	(5,824,092)	(120,207)	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	15,302	-	-	-	-	-	-	-	-	(15,302)	-
Investment income	5,731	27	72	444	5,240	222	7,992	331	5	567	20,631
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	(264)	-	-	-	-	-	-	-	-	-	(264)
Total cash receipts	7,631,440	88,665	173,535	444	(5,269,786)	(119,985)	1,422,261	37,931	5	269,996	4,234,406
Total available cash and investments	\$ 30,396,220	\$ 421,714	\$ 816,544	\$ 1,431,953	\$ 12,435,918	\$ 633,239	\$ 26,426,585	\$ 1,113,498	\$ 88,021	\$ 2,304,076	\$ 76,067,768

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, 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	\$ 103,072	\$ 10,064,099	\$ 1,228,459	\$ 2,805,264	\$ 3,646,620	\$ 931,682	\$ 4,980,847	\$ 1,922,880	\$ 326,156	\$ 4,387,141	\$ 30,396,220
Cash disbursements:											
Payroll	-	-	875,563	-	-	-	-	-	-	-	875,563
Fringe benefits	-	22,344	-	467,161	-	-	-	-	-	-	489,505
Employee deferred compensation and credit union	-	182,117	-	80,734	-	-	-	-	-	-	262,851
Operations and maintenance	-	8,046,900	-	(183,563)	-	-	-	-	-	-	7,863,337
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	-	-	-	-	-	-	-	-	250,000	-	250,000
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	-	8,251,361	875,563	364,332	-	-	-	-	250,000	-	9,741,256
Cash and investments - September 30, 2021	\$ 103,072	\$ 1,812,738	\$ 352,896	\$ 2,440,932	\$ 3,646,620	\$ 931,682	\$ 4,980,847	\$ 1,922,880	\$ 76,156	\$ 4,387,141	\$ 20,654,964
Summary of cash and investments:											
Cash	\$ 103,072	\$ 1,812,738	\$ 352,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,268,706
Short-term investments	-	-	-	\$ 2,440,932	\$ 3,646,620	\$ 931,682	\$ 4,980,847	\$ 1,922,880	\$ 76,156	\$ 4,387,141	\$ 18,386,258
Long-term investments	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 103,072	\$ 1,812,738	\$ 352,896	\$ 2,440,932	\$ 3,646,620	\$ 931,682	\$ 4,980,847	\$ 1,922,880	\$ 76,156	\$ 4,387,141	\$ 20,654,964

**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, 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	\$ 30,396,220	\$ 421,714	\$ 816,544	\$ 1,431,953	\$ 12,435,918	\$ 633,239	\$ 26,426,565	\$ 1,113,498	\$ 88,021	\$ 2,304,076	\$ 76,067,768
Cash disbursements:											
Payroll	875,563	-	-	-	-	-	-	-	-	-	875,563
Fringe benefits	489,505	-	-	-	-	-	-	-	-	-	489,505
Employee deferred compensation and credit union	262,851	-	-	-	-	-	-	-	-	-	262,851
Operations and maintenance	7,863,337	-	-	-	-	-	-	-	-	-	7,863,337
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	14,248	14,248
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Purchase/Sale of investments securities	250,000	-	-	-	-	-	-	-	-	-	250,000
Principal on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on 1998 bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-	-	-	-	-	-	-
Principal on NJEIT bonds	-	317,357	520,195	-	-	-	927,439	-	-	-	1,764,991
Interest on NJEIT revenue bonds	-	4,043	33,770	-	-	-	443,249	-	-	-	481,062
Total cash disbursements	9,741,256	321,400	553,965	-	-	-	1,370,688	-	-	14,248	12,001,557
Cash and investments - September 30, 2021	\$ 20,654,964	\$ 100,314	\$ 262,579	\$ 1,431,953	\$ 12,435,918	\$ 633,239	\$ 25,055,897	\$ 1,113,498	\$ 88,021	\$ 2,289,828	\$ 64,066,211
Summary of cash and investments:											
Cash	\$ 2,268,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,642	\$ 2,325,348
Short-term investments	18,386,258	100,314	262,579	1,431,953	12,435,918	633,239	25,055,897	1,113,498	88,021	2,233,186	61,740,863
Long-term investments	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 20,654,964	\$ 100,314	\$ 262,579	\$ 1,431,953	\$ 12,435,918	\$ 633,239	\$ 25,055,897	\$ 1,113,498	\$ 88,021	\$ 2,289,828	\$ 64,066,211

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, 2021

	Revenue Account	Operating Fund										Subtotal		
		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, 2021	\$ 2	\$ 377,002	\$ 55,872	\$ 8,175,618	\$ 1,604,939	\$ 217,965	\$ 4,161,631	\$ 30,386	\$ 1,489,202	\$ 602,767	\$ 154,799	\$ 2,401,212	\$ 316,287	\$ 19,587,692
Cash receipts:														
Water sales operations and maintenance	829,772	-	-	-	-	-	-	-	-	-	-	-	-	829,772
Water sales capital	845,618	-	-	-	-	-	-	-	-	-	-	-	-	845,618
Water sales debt service	177,628	-	-	-	-	-	-	-	-	-	-	-	-	177,628
Source water protection	27,918	-	-	-	-	-	-	-	-	-	-	-	-	27,918
Water sales debt service NJEIT	46,400	-	-	-	-	-	-	-	-	-	-	-	-	46,400
Water sales overdrains	3,287	-	-	-	-	-	-	-	-	-	-	-	-	3,287
NJ-American pumping costs	26,431	-	-	-	-	-	-	-	-	-	-	-	-	26,431
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	7,859	-	-	-	-	-	-	-	-	-	-	-	-	7,859
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	1,992	-	-	-	-	-	-	-	-	-	-	-	-	1,992
Transfers:														
Contributions from operating fund	-	709,006	301,699	(2,545,428)	-	-	30,000	-	26,613	2,369	-	799,916	7,500	(68,325)
Contributions to operating fund	(1,962,810)	-	-	428,496	-	-	(44,576)	-	(81,873)	-	-	-	-	302,047
Transfers for operations	409,750	4,477	-	1,962,810	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	22	96	-	2,560	501	48	1,334	-	465	174	27	894	81	414,227
Investment income	-	-	-	(2,560)	(601)	(48)	-	-	-	-	(27)	-	(81)	-
Per resolution, Section 603:														
Investment income, transfer from	3,217	-	-	3,217	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	(3,217)	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts	413,867	713,579	301,699	(150,905)	-	-	(13,242)	-	(54,795)	2,543	-	800,810	7,500	2,021,056
Total cash and investments	\$ 413,869	\$ 1,090,581	\$ 357,571	\$ 8,024,713	\$ 1,604,939	\$ 217,965	\$ 4,148,389	\$ 30,386	\$ 1,434,407	\$ 605,310	\$ 154,799	\$ 3,202,022	\$ 323,797	\$ 21,608,748

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, 2021

	Water Treatment Plant/Transmission System										Totals			
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJIEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve		Rebate Fund	General Reserve Fund	Employment Benefit Funds
Cash and investments - July 1, 2021	\$ 19,587,692	\$ 171,992	\$ 2,789,971	\$ 9,480	\$ 98,435	\$ 253,189	\$ 112,017	\$ 164,612	\$ 543,671	\$ 1,746,553	\$ 250,594	\$ 41,197	\$ 570,417	\$ 28,339,820
Cash receipts:														
Water sales operations and maintenance	829,772	-	-	-	-	-	-	-	-	-	-	-	-	829,772
Water sales capital	845,618	-	-	-	-	-	-	-	-	-	-	-	-	845,618
Water sales debt service	177,628	-	-	-	-	-	-	-	-	-	-	-	-	177,628
Source water protection	27,918	-	-	-	-	-	-	-	-	-	-	-	-	27,918
Water sales debt service NJIEIT	46,400	-	-	-	-	-	-	-	-	-	-	-	-	46,400
Water sales overdrafts	3,287	-	-	-	-	-	-	-	-	-	-	-	-	3,287
NJ-American pumping costs	26,431	-	-	-	-	-	-	-	-	-	-	-	-	26,431
Headquarters overhead	-	-	645,000	-	-	-	-	-	-	-	-	-	-	645,000
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	7,859	-	-	-	-	-	-	-	-	-	-	-	-	7,859
Sale of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	1,992	1,936	-	-	-	-	-	-	-	-	-	-	-	3,928
Transfers:														
Contributions from operating fund	(668,325)	200,000	(205,303)	-	-	-	-	44,230	148,084	-	-	409,750	71,564	-
Contributions to operating fund	302,047	-	(259,867)	-	-	-	(42,180)	-	-	-	-	-	-	-
Transfers for operations	414,227	-	-	-	-	-	-	-	-	-	-	(409,750)	(4,477)	-
Distribution from reserves to operations	-	-	-	-	9	60	11	11	-	-	59	-	125	-
Investment income	6,202	7	874	-	-	-	-	-	-	-	-	-	-	7,358
Per resolution, Section 603:														
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts	2,021,056	201,843	180,704	-	9	60	(42,169)	44,241	148,084	-	59	-	67,212	2,621,199
Total cash and investments	\$ 21,608,748	\$ 373,835	\$ 2,870,675	\$ 9,480	\$ 98,444	\$ 253,249	\$ 69,848	\$ 208,853	\$ 691,755	\$ 1,746,553	\$ 250,653	\$ 41,197	\$ 637,629	\$ 28,961,019

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, 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	\$ 413,869	\$ 1,090,581	\$ 357,571	\$ 8,024,713	\$ 1,604,939	\$ 217,965	\$ 4,148,389	\$ 30,386	\$ 1,434,407	\$ 605,310	\$ 154,799	\$ 3,202,022	\$ 323,797	\$ 21,608,748
Cash disbursements:														
Payroll	-	143	256,759	-	-	-	-	-	-	-	-	-	-	256,759
Fringe benefits	-	587,868	-	54,307	-	-	-	-	-	-	-	-	-	54,450
Employee deferred compensation and credit union	-	426,722	-	(467,161)	-	-	-	-	-	-	-	-	-	120,707
Operations and maintenance	-	-	-	183,562	-	-	-	-	-	-	-	-	-	610,284
NU-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	135,500	-	-	-	-	-	-	-	-	-	135,500
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	1,014,733	256,759	(93,792)	-	-	-	-	-	-	-	-	-	1,177,700
Cash and investments - September 30, 2021	\$ 413,869	\$ 75,848	\$ 100,812	\$ 8,118,505	\$ 1,604,939	\$ 217,965	\$ 4,148,389	\$ 30,386	\$ 1,434,407	\$ 605,310	\$ 154,799	\$ 3,202,022	\$ 323,797	\$ 20,431,048

Summary of cash and investments:														
Cash (Manasquan)	\$ 413,869	\$ 75,848	\$ 100,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,529
Cash (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term investments	-	-	-	8,118,505	1,604,939	217,965	4,148,389	30,386	1,434,407	605,310	154,799	3,202,022	323,797	19,840,519
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 413,869	\$ 75,848	\$ 100,812	\$ 8,118,505	\$ 1,604,939	\$ 217,965	\$ 4,148,389	\$ 30,386	\$ 1,434,407	\$ 605,310	\$ 154,799	\$ 3,202,022	\$ 323,797	\$ 20,431,048

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, 2021

	Water Treatment Plant/Transmission System										Totals			
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJ EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve		Rebate Fund	General Reserve Fund	Employment Benefit Funds
Total available cash and investments	\$ 21,608,748	\$ 373,935	\$ 2,970,675	\$ 9,480	\$ 98,444	\$ 253,249	\$ 69,848	\$ 208,853	\$ 691,755	\$ 1,746,563	\$ 250,653	\$ 41,197	\$ 637,629	\$ 28,961,019
Cash disbursements:														
Payroll	256,759	-	-	-	-	-	-	-	-	-	-	-	-	256,759
Fringe benefits	54,450	-	-	-	-	-	-	-	-	-	-	-	-	54,450
Employee deferred compensation and credit union	120,707	-	-	-	-	-	-	-	-	-	-	-	-	120,707
Operations and maintenance	610,284	303,570	-	-	-	-	-	-	-	-	-	-	-	913,854
NA-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	135,500	-	23,000	-	-	-	-	-	-	-	-	-	-	158,500
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-	113,361	395,000	-	-	-	-	508,361
Interest on bonds	-	-	-	-	-	-	-	11,071	98,543	-	-	-	-	109,614
Total cash disbursements	1,177,700	303,570	23,000	-	-	-	-	124,432	493,543	-	-	-	-	2,122,255
Cash and investments - September 30, 2021	\$ 20,431,048	\$ 70,365	\$ 2,947,675	\$ 9,480	\$ 98,444	\$ 253,249	\$ 69,848	\$ 84,401	\$ 198,212	\$ 1,746,563	\$ 250,653	\$ 41,197	\$ 637,629	\$ 28,838,754
Summary of cash and investments:														
Cash (Manasquan)	\$ 590,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,529
Cash (Water Treatment Plant/TS)	-	70,365	-	-	-	-	-	-	-	-	-	-	-	70,365
Short-term investments	19,840,519	-	-	-	-	-	-	-	-	-	-	41,197	637,629	20,519,345
Long-term investments (Water Treatment Plant/TS)	-	-	2,947,675	9,480	98,444	253,249	69,848	-	-	-	-	-	-	3,378,696
Long-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	84,401	198,212	1,746,563	250,653	-	-	2,279,819
Total cash and investments	\$ 20,431,048	\$ 70,365	\$ 2,947,675	\$ 9,480	\$ 98,444	\$ 253,249	\$ 69,848	\$ 84,401	\$ 198,212	\$ 1,746,563	\$ 250,653	\$ 41,197	\$ 637,629	\$ 28,838,754