

NEW JERSEY WATER SUPPLY AUTHORITY



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

September 30, 2016 AND JUNE 30, 2016

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

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New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Statement of Net Position

Unaudited

	Sept 30, 2016	June 30, 2016
Assets		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$44,541,393	\$41,144,423
Unbilled sales	1,492,178	1,082,506
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2016 and June 30, 2016	2,040,284	3,101,106
Interest receivable	140,059	272,443
Prepaid expenses and other current assets	651,655	1,012,080
Total unrestricted current assets	48,865,569	46,612,558
Restricted assets:		
Cash equivalents	3,354,586	4,541,572
Investments	2,106,067	2,491,019
Total restricted current assets	5,460,653	7,032,591
Total current assets	54,326,222	53,645,149
Non-current assets:		
Investments	11,459,500	11,527,173
Capital assets, net	140,204,535	140,382,085
Total non-current assets	151,664,035	151,909,258
Deferred outflows of resources	3,646,920	3,646,920
Total assets and deferred outflows of resources	209,637,177	209,201,327
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	173,500	1,276,652
Accounts payable	574,429	445,212
Accrued liabilities	959,311	1,149,802
Unearned revenue	3,080,671	3,155,654
Total current liabilities	4,787,911	6,027,320
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	64,889,734	64,954,602
Net pension liability	21,814,775	21,534,789
Total non-current liabilities	86,704,509	86,489,391
Deferred inflows of resources:		
Cost recovery	734,559	1,231,135
Pension related	1,021,022	1,021,022
Gain on refunding	795,320	823,712
Total deferred inflows of resources	2,550,901	3,075,869
Net position		
Net investment in capital assets	99,909,165	98,890,303
Restricted for cash, investment, and unearned revenue	2,379,982	3,876,937
Unrestricted	13,304,709	10,841,507
Total net position	115,593,856	113,608,747
Total liabilities, deferred inflows of resources, and net position	\$209,637,177	\$209,201,327

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 September 30,	
	2016	2015
Operating revenues:		
Water sales	\$6,258,129	\$6,514,155
Reimbursement of operating expenses	660,600	660,600
Total operating revenues	6,918,729	7,174,755
Operating expenses:		
Payroll	1,883,853	1,802,240
Operations and maintenance	1,113,158	1,156,222
Fringe benefits	1,173,277	1,133,460
Depreciation	1,115,781	1,108,538
Total operating expenses	5,286,069	5,200,460
Income from operations	1,632,660	1,974,295
Non-operating revenue:		
State of New Jersey - Grant Programs	0	0
Investment income	(161,858)	376,080
Rental income	40,734	43,272
Other income	19,479	2,357
Total non-operating revenue	(101,645)	421,709
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	94,811	318,599
Bond discount/insurance premium expense	12,491	7,144
Recovery of deferred inflows of resources	(561,396)	179,498
Total non-operating expenses	(454,094)	505,241
Change in net position	1,985,109	1,890,763
Net position, beginning of year	113,608,747	108,095,742
Net position, end of year	\$115,593,856	\$109,986,505

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,	
	2016	2015
Cash flows from operating activities		
Cash received from water sales	\$7,004,139	\$6,839,923
Cash received from reimbursable expenses	659,561	663,852
Cash received from rental income	35,497	32,075
Cash paid to or on behalf of employees	(2,856,672)	(2,773,834)
Cash paid to suppliers	(884,769)	(827,986)
Net cash provided by operating activities	3,957,756	3,934,030
Cash flows from noncapital financing activities		
Cash received for grant programs	0	0
Net cash provided by noncapital financing activities	0	0
Cash flows from capital and related financing activities		
Proceeds from borrowing	0	0
Gain on refunding	0	0
Principal paid on bonds, notes and loans	(1,259,007)	(3,809,545)
Interest paid on bonds, notes and loans	(162,813)	(725,581)
Acquisition and construction of capital assets	(768,497)	(733,386)
Proceeds from sale of capital assets	19,394	1,980
Net cash used in financing activities	(2,170,923)	(5,266,532)
Cash flows from investing activities		
Sale of investment securities	6,920,483	3,720,372
Purchase of investment securities	(7,209,081)	(1,195,044)
Interest received on investments	(29,474)	483,577
Premium on matured investments	741,223	0
Net cash provided by investing activities	423,151	3,008,905
Net increase in cash and cash equivalents	2,209,984	1,676,403
Cash and cash equivalents, beginning of year	45,685,995	41,674,228
Cash and cash equivalents, end of year	\$47,895,979	\$43,350,631
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$1,632,660	\$1,974,295
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Non-cash items expensed to operations and maintenance	40,734	43,272
Cash received for operating activity shown in other income	85	377
Depreciation	1,115,781	1,108,538
Increase (decrease) in cash from:		
Unbilled sales	(409,672)	(793,768)
Accounts receivable	1,060,822	1,006,545
Prepaid expenses and other current assets	360,425	384,962
Accounts payable	(40,517)	52,435
Accrued liabilities	(5,958)	(1,197)
Accrued payroll and taxes	(76,590)	(116,938)
Deferred inflow of resources	279,986	275,509
Net cash provided by operating activities	\$3,957,756	\$3,934,030
Non cash investing activities		
Increase (decrease) in fair value of investments	(\$13,540)	\$201,762

See accompanying notes.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements

1. 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 of New Jersey, 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 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 it 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.

2. 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").

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

Revenue

Charges for wholesale water usage are established to provide revenues sufficient for services, essential repairs and improvements to 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 revenues 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.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Capital Assets

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place in 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 assets 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*.

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. At September 30, 2016 and 2015, accounts receivable included amounts due from the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") for \$0 and \$0 respectively.

During fiscal year 2016, two customers accounted for approximately 87% of the total Raritan Basin System accounts receivable and five customers accounted for approximately 87% of the Manasquan Reservoir accounts receivable. During fiscal year 2015, two customers accounted for approximately 84% of the total Raritan Basin System accounts receivable, and five customers accounted for approximately 88% of the Manasquan Reservoir accounts receivable.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

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 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, 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* - This represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as they are needed.
- *Unrestricted Net Position* - This represents net position that is available for general use.

Deferred Inflows and Outflows of Resources

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

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

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 amount for the three months ended September 30, 2016 and the year ended June 30, 2016, were determined as follows:

	Sept. 30, 2016	June 30, 2016
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	(35,448)	27,016
Accrued Sick pay	0	186,576
	<u>173,354</u>	<u>1,048,801</u>
Cost included in rate model:		
Debt principal repayment	0	0
	<u>173,354</u>	<u>1,048,801</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	(4,493)	(2,006)
Accrued sick pay	0	14,337
	<u>380,720</u>	<u>1,553,185</u>
Cost included in rate model:		
Debt principal repayment	(57,500)	(2,942,853)
	<u>323,220</u>	<u>(1,389,668)</u>
Total Raritan Basin and Manasquan	<u>496,574</u>	<u>(340,867)</u>
Balance, beginning of year	(1,231,135)	(890,268)
Balance, end of year	<u>(\$734,561)</u>	<u>(\$1,231,135)</u>

As shown in the statement of revenue, expenses and changes in net position for the three months ended September 30, 2016 and the year ended June 30, 2016, respectively, a credit balance of \$561,396 and a debit balance of \$730,229 of deferred inflows of resources include a credit balance of \$24,881, and a debit balance of \$149,993 of Water Treatment Plant deferred revenue, which is not part of the rate model, and does not include a debit balance of \$39,941 and a credit balance of \$225,923 of accrued vacation and accrued sick pay.

Deferred Inflows/Outflows of Resource - Debt Refunding

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

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

Deferred Inflows/Outflows of Resources - Pensions

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 the pension plan investments, changes in the State's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contributions and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Accounting for Southeast Monmouth Municipal Utilities Authority Agreement

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

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of September 30, 2016 and 2015, unearned revenue amounting to \$2,022,714 and \$1,935,402, respectively, was determined as follows:

	2016	2015
Reimbursement of operating expenses	\$661,955	\$661,447
Operating expenses	686,836	623,647
Unearned revenue	(24,881)	37,800
Balance, beginning of year	2,047,595	1,897,602
Balance, end of year	\$2,022,714	\$1,935,402

In previous years, the Authority received additional funds that are restricted for the use by the SMMUA for costs associated in operating the Water Treatment Plant. As of June 30, 2016 and 2015, the amount included in unearned revenue was \$1,057,957 and \$1,194,923, respectively.

Accounting for Watershed Protection Program

For the three months ended September 30, 2016 and 2015, the Authority received \$0 and \$0 respectively, from the New Jersey Department of Environmental Protection 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 NJDEP 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, 2016, all the funds received had been recognized as revenue.

Other Post Employment Benefits ("OPEB") Other than Pensions

On July 1, 2007, the Authority implemented Government Standards Board Statement ("GASB") Number 45, which covers accounting and financial reporting requirements for government employers, which provide post employment benefits other than pensions. Since the Authority participates in the State of New Jersey's multiple-employer cost-sharing plan (Public Employee's Retirement System), the Authority's portion of this liability and cost is calculated and recorded at the State of New Jersey level and included in the State's Comprehensive Annual Financial Report. The Authority records OPEB expense based on the billings from the State PERS. Required financial statement disclosures are included in Note 6 of these audited financial statements.

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

3. Capital Assets

Capital assets activity for the three months ended September 30, 2016 and the year ended June 30, 2016, was as follows:

	2017 Beginning Balance	Additions	Retirements	2017 Ending Balance
Capital assets not being depreciated:				
Land	\$26,444,952	\$ -	\$ -	\$26,444,952
Construction work in progress	12,713,786	886,449	-	13,600,235
Total capital assets not being depreciated	<u>39,158,738</u>	<u>886,449</u>	<u>-</u>	<u>40,045,187</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	133,475,474	-	-	133,475,474
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,391,874	51,782	(63,759)	6,379,897
Total capital assets being depreciated	<u>238,396,782</u>	<u>51,782</u>	<u>(63,759)</u>	<u>238,384,805</u>
Less accumulated depreciation for:				
Dams	(29,164,145)	(199,499)	-	(29,363,644)
Building, structures and improvements	(81,761,134)	(831,030)	-	(82,592,164)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,087,883)	(85,252)	63,759	(5,109,376)
Total accumulated depreciation	<u>(137,173,435)</u>	<u>(1,115,781)</u>	<u>63,759</u>	<u>(138,225,457)</u>
Total capital assets being depreciated, net	<u>101,223,347</u>	<u>(1,063,999)</u>	<u>0</u>	<u>100,159,348</u>
Total capital assets, net	<u>\$140,382,085</u>	<u>(\$177,550)</u>	<u>\$0</u>	<u>\$140,204,535</u>
	2016 Beginning Balance	Additions	Retirements	2016 Ending Balance
Capital assets not being depreciated:				
Land	\$25,566,853	\$ 878,099	\$ -	\$26,444,952
Construction work in progress	10,445,244	2,268,542	-	12,713,786
Total capital assets not being depreciated	<u>36,012,097</u>	<u>3,146,641</u>	<u>0</u>	<u>39,158,738</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	133,475,474	-	-	133,475,474
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,320,308	439,543	(367,977)	6,391,874
Total capital assets being depreciated	<u>238,325,216</u>	<u>439,543</u>	<u>(367,977)</u>	<u>238,396,782</u>
Less accumulated depreciation for:				
Dams	(28,366,150)	(797,995)	-	(29,164,145)
Building, structures and improvements	(78,436,800)	(3,324,334)	-	(81,761,134)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,136,697)	(319,163)	367,977	(5,087,883)
Total accumulated depreciation	<u>(133,099,920)</u>	<u>(4,441,492)</u>	<u>367,977</u>	<u>(137,173,435)</u>
Total capital assets being depreciated, net	<u>105,225,296</u>	<u>(4,001,949)</u>	<u>0</u>	<u>101,223,347</u>
Total capital assets, net	<u>\$141,237,393</u>	<u>(\$855,308)</u>	<u>\$0</u>	<u>\$140,382,085</u>

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

4. Cash 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 United States 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 certificate 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.

a. Cash

As of September 30, 2016 and June 30, 2016, the Authority's bank balance was \$4,981,013 and \$4,038,014, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$4,713,013 and \$3,788,014 as of September 30, 2016 and June 30, 2016, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$160,526 and \$159,916, respectively. The statement of net position amount includes petty cash totaling \$300 as of September 30, 2016 and June 30, 2016, respectively.

b. 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 \$4,981,013 and \$4,038,014 as of September 30, 2016 and June 30, 2016, respectively, was exposed to custodial credit risk as follows:

	September 30, 2016	June 30, 2016
Uninsured and uncollateralized	\$ -	\$ -

c. Investments and Cash Equivalents

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

The Authority categorizes its fair value measurement within fair value hierarchy established by generally accepted accounting principals. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2016, the Authority had the following recurring fair value measurements using quoted market prices for U.S. Treasuries (Level 1 inputs) and using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

Investment and Cash Equivalent Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
U.S. Treasuries	\$45,181,259	\$45,181,259	\$ -
N/J G/O Bonds	11,599,559	-	11,599,559
Total	\$56,780,818	\$45,181,259	\$11,599,559

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Notes to Financial Statements (continued)

As of June 30, 2016, the Authority had the following recurring fair value measurements using quoted market prices for U.S. Treasuries (Level 1 inputs) and using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

Investment and Cash Equivalent Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1-5
U.S. Treasuries	\$44,298,616	\$44,298,616	\$ -
N/J G/O Bonds	11,799,616	4,001,505	7,798,111
Total	\$56,098,232	\$48,300,121	\$7,798,111

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 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 PNC Bank and 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, 2016, all deposits were collateralized.

d. Investment Income

The following comprises investment income for the year ended September 30, 2016 and 2015, respectively:

	2016	2015
Interest earned on bank accounts and certificates of deposit	(267,078)	72,120
Interest earned on securities	118,760	154,489
Increase (decrease) in fair value of securities	(13,540)	149,471
	<u>(\$161,858)</u>	<u>\$376,080</u>

5. Major Water Customers

During fiscal years 2016 and 2015, the Authority supplied water to approximately 29 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2016 and 2015, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. Three customers accounted for approximately 82% of total Manasquan System operating revenue.

6. Risk Management

The Authority carries insurance for all of its facilities covering direct physical loss or damage and loss of revenue resulting therefrom, with 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

Combining Schedule of Net Position

September 30, 2016

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$32,583,202	\$11,958,191		\$44,541,393
Unbilled sales	1,492,178			1,492,178
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2016	258,257	1,945,278	(163,251)	2,040,284
Interest receivable	128,218	11,841		140,059
Prepaid expenses and other current assets	517,657	133,998		651,655
Total unrestricted current assets	<u>34,979,512</u>	<u>14,049,308</u>	<u>(163,251)</u>	<u>48,865,569</u>
Restricted assets:				
Cash equivalents	718,994	2,635,592		3,354,586
Investments	0	2,106,067		2,106,067
Total restricted current assets	<u>718,994</u>	<u>4,741,659</u>	<u>0</u>	<u>5,460,653</u>
Total current assets	<u>35,698,506</u>	<u>18,790,967</u>	<u>(163,251)</u>	<u>54,326,222</u>
Non-current assets:				
Investments	10,569,580	889,920		11,459,500
Capital assets net of accumulated depreciation of \$138,225,455 at September 30, 2016	83,197,638	57,006,897		140,204,535
Total non-current assets	<u>93,767,218</u>	<u>57,896,817</u>	<u>-</u>	<u>151,664,035</u>
Deferred outflows of resources	2,808,128	838,792		3,646,920
Total assets and deferred outflows of resources	<u>\$132,273,852</u>	<u>\$77,526,576</u>	<u>(163,251)</u>	<u>\$209,637,177</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$134,309	\$39,191		\$173,500
Accounts payable	488,183	249,497	(163,251)	574,429
Accrued liabilities	669,870	289,441		959,311
Unearned revenue	0	3,080,671		3,080,671
Total current liabilities	<u>1,292,362</u>	<u>3,658,800</u>	<u>(163,251)</u>	<u>4,787,911</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	10,003,714	54,886,020		64,889,734
Net pension liability	16,797,894	5,016,881		21,814,775
Total non-current liabilities	<u>26,801,608</u>	<u>59,902,901</u>		<u>86,704,509</u>
Deferred inflows of resources				
Cost recovery	14,026,169	(13,291,610)		734,559
Pension related	786,187	234,835		1,021,022
Gain on refunding	-	795,320		795,320
Total deferred inflow of resources	<u>14,812,356</u>	<u>(12,261,455)</u>	<u>0</u>	<u>2,550,901</u>
Net position				
Net investment in capital assets	73,059,615	26,849,550		99,909,165
Restricted for debt service, investment, and unearned revenue	718,994	1,660,988		2,379,982
Unrestricted	15,688,917	(2,284,208)	-	13,304,709
Total net position	<u>89,367,526</u>	<u>26,226,330</u>	<u>0</u>	<u>115,593,856</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$132,273,852</u>	<u>\$77,526,576</u>	<u>(\$163,251)</u>	<u>\$209,637,177</u>

New Jersey Water Supply Authority
 Combining Schedule of Revenues, Expenses
 and Changes in Net Position

September 30, 2016

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:				
Water Sales	\$4,244,402	\$2,013,727		\$6,258,129
Reimbursement of operating expenses			660,600	660,600
Total operating revenues	<u>4,244,402</u>	<u>2,013,727</u>	<u>660,600</u>	<u>6,918,729</u>
Operating expenses:				
Payroll	1,436,325	217,014	230,514	1,883,853
Operations and maintenance (direct)	613,210	189,369	288,358	1,090,937
Operations and maintenance (general and administrative)		12,283	9,938	22,221
Fringe benefits	929,268	111,984	132,025	1,173,277
Headquarters overhead	(186,001)	160,000	26,001	0
Depreciation	691,464	424,317	-	1,115,781
Total operating expenses	<u>3,484,266</u>	<u>1,114,967</u>	<u>686,836</u>	<u>5,286,069</u>
Income from operations	<u>760,136</u>	<u>898,760</u>	<u>(26,236)</u>	<u>1,632,660</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	-			0
Investment Income	121,024	(284,237)	1,355	(161,858)
Rental Income	40,734	0		40,734
Other Income	4,106	15,373		19,479
Total non-operating revenue	<u>165,864</u>	<u>(268,864)</u>	<u>1,355</u>	<u>(101,645)</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	42,673	52,138		94,811
Bond discount/insurance premium expense		12,491		12,491
Recovery of deferred inflows of resources	(208,802)	(327,713)	(24,881)	(561,396)
Total non-operating expenses	<u>(166,129)</u>	<u>(263,084)</u>	<u>(24,881)</u>	<u>(454,094)</u>
Changes in net position	1,092,129	892,980	0	1,985,109
Net position, beginning of year	<u>88,275,397</u>	<u>25,333,350</u>		<u>113,608,747</u>
Net position, end of year	<u>\$89,367,526</u>	<u>\$26,226,330</u>	<u>\$0</u>	<u>\$115,593,856</u>

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System
For the three months ended September 30, 2016

	Revenue Fund	Operating Fund					Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal	
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve					Depreciation Reserve
Cash and investments - July 1, 2016	\$784,554	\$2,192,156	\$162,771	\$816,063	\$3,601,232	\$978,497	\$3,930,446	\$1,078,640	\$6,642,657	\$3,415,738	\$23,602,754
Cash receipts:											
Water sales operations and maintenance	3,230,452										3,230,452
Water sales debt service	516,906										516,906
Water sales capital fund	682,315										682,315
Water sales source water protection fund	496,229										496,229
Water sales overdrafts	41,066										41,066
Rental income	35,496										35,496
Manasquan reservoir support	8,468			14,689							23,157
Headquarters overhead				186,001							186,001
Disposition of property											-
Recycling revenue											-
Sale of investment securities					328,829	689,815	477,925				1,496,569
Nonrefundable bid deposits											-
Insurance reimbursement											-
Miscellaneous expense reimbursement	20,499	7,543									28,042
Transfers:											
Contributions from operating fund		2,643,565	744,828	(5,352,595)			284,692	37,500		129,000	(1,513,010)
Contributions to operating fund				630,894						(4,372)	626,522
Transfers for operations	(4,679,260)			6,249,260							1,570,000
Transfers for investments											-
Distribution from reserves to operations		6,276									6,276
Investment income				1,038	64,104	18,524	52,442	667	131,266	2,183	270,224
Per resolution, Section 603:											
Investment income, transfer from	263,566				(62,754)	(18,375)	(51,187)		(131,250)		-
Investment income, transfer to											-
Unrealized gain/(loss) on fair value					150,159	119,114	273,727		(20,344)		522,656
Total cash receipts	615,737	2,657,384	744,828	1,729,287	480,338	809,078	1,037,599	38,167	(20,328)	126,811	8,218,901
Total available cash and investments	\$1,400,292	\$4,849,540	\$907,599	\$2,545,350	\$4,081,570	\$1,787,575	\$4,968,045	\$1,116,807	\$6,622,329	\$3,542,549	\$31,821,656

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System (continued)
For the three months ended September 30, 2016

	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	\$23,602,754	\$293,831	\$538,692	\$1,378,196	\$13,268,885	\$20,157	\$1,852,067	\$300,387	\$85,956	\$1,246,398	\$42,587,323
Cash receipts:											
Water sales operations and maintenance	3,230,452										3,230,452
Water sales debt service	516,906										516,906
Water sales capital fund	682,315										682,315
Water sales source water protection fund	496,229										496,229
Water sales overdrafts	41,066										41,066
Rental income	35,496										35,496
Manasquan reservoir support	23,157										23,157
Headquarters overhead	186,001										186,001
Disposition of property	-										-
Recycling revenue	-										-
Sale of investment securities	1,496,569										1,496,569
Nonrefundable bid deposits	-										-
Insurance reimbursement	-										-
Miscellaneous expense reimbursement	28,042										28,042
Transfers:											
Contributions from operating fund	(1,513,010)	93,300	177,000		549,075		415,966	37,500		240,169	-
Contributions to operating fund	626,522				(626,522)						-
Transfers for operations	1,570,000						(1,570,000)				-
Transfers for investments	-										-
Distribution from reserves to operations	6,276									(6,276)	-
Investment income	270,224	95	112	856	8,600	12	792	166	23	698	281,578
Per resolution, Section 603:											
Investment income, transfer from	-										-
Investment income, transfer to	-										-
Unrealized gain/(loss) on fair value	522,656										522,656
Total cash receipts	8,218,901	93,395	177,112	856	(68,847)	12	(1,153,242)	37,666	23	234,591	7,540,467
Total available cash and investments	\$31,821,656	\$387,226	\$715,804	\$1,379,052	\$13,200,038	\$20,169	\$698,825	\$338,053	\$85,979	\$1,480,989	\$50,127,791

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System (continued)
For the three months ended September 30, 2016

	Revenue Fund	Operating Fund					Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal	
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve					Depreciation Reserve
Total available cash and investments	\$1,400,292	\$4,849,540	\$907,599	\$2,545,350	\$4,081,570	\$1,787,575	\$4,968,045	\$1,116,807	\$6,622,329	\$3,542,549	\$31,821,656
Cash disbursements:											
Payroll			877,599								877,599
Fringe benefits		13,245		167,872							181,117
Employee deferred compensation and credit union		217,490		26,918							244,408
Operations and maintenance		2,040,497									2,040,497
Prepaid insurance											-
Miscellaneous disbursements											-
Watershed Management Fund											-
Capital improvements:											
Capital assets											-
New five year construction project											-
Purchase of investments securities					472,481	822,339	770,273				2,065,093
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	-	2,271,232	877,599	194,790	472,481	822,339	770,273	-	-	-	5,408,714
Cash and investments - September 30, 2016	\$1,400,292	\$2,578,308	\$30,000	\$2,350,560	\$3,609,089	\$965,236	\$4,197,772	\$1,116,807	\$6,622,329	\$3,542,549	\$26,412,942
Summary of cash and investments:											
Cash	\$1,400,292	\$2,578,308	\$30,000								\$4,008,600
Short-term investments				\$2,350,560	\$2,177,527	\$296,828	\$2,275,927	\$1,116,807	\$74,564	\$3,542,549	11,834,762
Long-term investments					1,431,562	668,408	1,921,845		6,547,765		10,569,580
Restricted investments (current)											-
Restricted investments (long-term)											-
Total cash and investments	\$1,400,292	\$2,578,308	\$30,000	\$2,350,560	\$3,609,089	\$965,236	\$4,197,772	\$1,116,807	\$6,622,329	\$3,542,549	\$26,412,942

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Raritan Basin System (continued)
For the three months ended September 30, 2016

	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	\$31,821,656	\$387,226	\$715,804	\$1,379,052	\$13,200,038	\$20,169	\$698,825	\$338,053	\$85,979	\$1,480,989	\$50,127,791
Cash disbursements:											
Payroll	877,599										877,599
Fringe benefits	181,117										181,117
Employee deferred compensation and credit union	244,408										244,408
Operations and maintenance	2,040,497										2,040,497
Prepaid insurance	-										-
Miscellaneous disbursements	-									11,635	11,635
Watershed Management Fund	-										-
Capital improvements:											
Capital assets	-										-
New five year construction project	-										-
Purchase of investments securities	2,065,093										2,065,093
Principal on 1981 bonds	-										-
Interest on 1981 bonds	-										-
Principal on 1998 bonds	-										-
Interest on 1998 revenue bonds	-										-
Principal on NJEIT bonds	-	293,696	471,075								764,771
Interest on NJEIT revenue bonds	-	15,435	55,460								70,895
Total cash disbursements	5,408,714	309,131	526,535	-	-	-	-	-	-	11,635	6,256,015
Cash and investments - September 30, 2016	\$26,412,942	\$78,095	\$189,269	\$1,379,052	\$13,200,038	\$20,169	\$698,825	\$338,053	\$85,979	\$1,469,354	\$43,871,776

Summary of cash and investments:

Cash	\$4,008,600									\$42,260	\$4,050,860
Short-term investments	11,834,762	\$78,095	\$189,269	\$1,379,052	\$13,200,038	\$20,169	\$698,825	\$338,053	\$85,979	1,427,094	29,251,336
Long-term investments	10,569,580										10,569,580
Restricted Investments (current)	-										-
Restricted Investments (long-term)	-										-
Total cash and investments	\$26,412,942	\$78,095	\$189,269	\$1,379,052	\$13,200,038	\$20,169	\$698,825	\$338,053	\$85,979	\$1,469,354	\$43,871,776

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System
For the three months ended September 30, 2016

	Operating Fund				Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal	
	Revenue Fund	Operating Account	Payroll Account	Operating Fund									Reserve for O&M
Cash and investments - July 1, 2016	\$11,149	\$449,497	\$61,845	\$5,141,613	\$1,634,549	\$232,632	\$1,580,171	\$30,123	\$1,499,503	\$539,819	\$158,843	\$166,297	\$11,506,041
Cash receipts:													
Water sales operations and maintenance	723,050												723,050
Water sales debt service	1,241,030												1,241,030
Source water protection	18,643												18,643
Water sales debt service NJEIT	46,253												46,253
Water sales overdrafts													-
NJ-American pumping costs	54,378												54,378
Headquarters overhead													-
Reimbursement of WTP capital expenses													-
Disposition of assets													-
Reimbursement from Raritan Basin	3,505												3,505
Sale of investments securities					792,644	395,659			595,095	67,042			1,850,440
Nonrefundable bid deposits													-
Miscellaneous reimbursement	29,317												29,317
Transfers:													
Contributions from operating fund		809,127	239,391	(3,505,172)			1,930,000		17,790	25,175		7,500	(476,189)
Contributions to operating fund				452,044			(83,666)			(12,533)			355,845
Transfers for operations	(1,998,870)			2,038,870					(40,000)				-
Distribution from reserves to operations		295,162											295,162
Investment income				2,635	11,261	5,522	1,510	18	929	8,300	1,001	67	31,243
Per resolution, Section 603:													
Investment income, transfer from	25,175				(10,500)	(5,500)				(8,212)	(963)		-
Investment income, transfer to													-
Unrealized gain/(loss) on fair value					69,142	37,509				54,116	6,645		167,412
Total cash receipts	142,481	1,104,289	239,391	(1,011,623)	862,547	433,190	1,847,844	18	(21,281)	661,941	73,725	7,567	4,340,089
Total cash and investments	\$153,630	\$1,553,786	\$301,236	\$4,129,990	\$2,497,096	\$665,822	\$3,428,015	\$30,141	\$1,478,222	\$1,201,760	\$232,568	\$173,864	\$15,846,130

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System (continued)
For the three months ended September 30, 2016

	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 Cost of Issuance	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
Cash and investments - July 1, 2016	\$11,506,041	\$172,434	\$1,206,935	\$9,490	\$98,457	\$253,259	\$928,772	\$146,851	\$47,280	\$49,838	\$1,711,765	\$535,285	\$41,197	\$409,260	\$17,116,864
Cash receipts:															
Water sales operations and maintenance	723,050														723,050
Water sales debt service	1,241,030														1,241,030
Source water protection	18,643														18,643
Water sales debt service NJEIT	46,253														46,253
Water sales overdrafts	-														-
NJ-American pumping costs	54,378														54,378
Headquarters overhead	-		660,600												660,600
Reimbursement of WTP capital expenses	-														-
Disposition of assets	-														-
Reimbursement from Raritan Basin	3,505														3,505
Sale of investments securities	1,850,440														1,850,440
Nonrefundable bid deposits	-														-
Miscellaneous reimbursement	29,317		379												29,696
Transfers:															
Contributions from operating fund	(476,189)	300,000	(303,183)					44,102		380,000				55,270	-
Contributions to operating fund	355,845		(354,959)				(886)		(34,789)		34,789				-
Transfers for operations															
Distribution from reserves to operations	295,162											(293,082)		(2,080)	-
Investment income	31,243		618	5	31	131	569	65				260	36	221	33,179
Per resolution, Section 603:															
Investment income, transfer from	-									2					-
Investment income, transfer to	-														-
Unrealized gain/(loss) on fair value	167,412														167,412
Total cash receipts	4,340,089	300,000	3,455	5	31	131	(317)	44,167	(34,789)	380,002	34,789	(292,822)	36	53,411	4,828,186
Total cash and investments	\$15,846,130	\$472,434	\$1,210,390	\$9,495	\$98,488	\$253,390	\$928,455	\$191,018	\$12,491	\$429,840	\$1,746,554	\$242,463	\$41,233	\$462,671	\$21,945,050

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System (continued)
For the three months ended September 30, 2016

	Revenue Fund	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
		Operating Account	Payroll Account	Operating Fund									
Total available cash and investments	\$153,630	\$1,553,786	\$301,236	\$4,129,990	\$2,497,096	\$665,822	\$3,428,015	\$30,141	\$1,478,222	\$1,201,760	\$232,568	\$173,864	\$15,846,130
Cash disbursements:													
Payroll			281,236										281,236
Fringe benefits		453,967		(349,962)									104,005
Employee deferred compensation and credit union				55,287									55,287
Operations and maintenance		664,897		196,841									861,738
NJ-American pumping costs													-
Prepaid insurance													-
Headquarters overhead				160,000									160,000
Capital assets reservoir													-
Capital improvement program (reservoir)													-
Purchase of investments securities					869,908	437,428				655,771	76,550		2,039,657
Principal on bonds													-
Interest on bonds													-
Total cash disbursements	-	1,118,864	281,236	62,166	869,908	437,428	-	-	-	655,771	76,550	-	3,501,923
Cash and investments - September 30, 2016	\$153,630	\$434,922	\$20,000	\$4,067,824	\$1,627,188	\$228,394	\$3,428,015	\$30,141	\$1,478,222	\$545,989	\$156,018	\$173,864	\$12,344,207
Summary of cash and investments:													
Cash (Manasquan)	\$153,630	\$434,922	\$20,000										\$608,552
Cash (Water Treatment Plant/TS)													-
Short-term investments				\$4,067,824	\$1,245,700	\$37,707	\$3,428,015	\$30,141	\$1,478,222	\$259,572	\$124,690	\$173,864	10,845,735
Short-term investments (Water Treatment Plant/TS)													-
Long-term investments					381,488	190,687				286,417	31,328		889,920
Restricted investments (current)													-
Restricted investments (long-term)													-
Total cash and investments	\$153,630	\$434,922	\$20,000	\$4,067,824	\$1,627,188	\$228,394	\$3,428,015	\$30,141	\$1,478,222	\$545,989	\$156,018	\$173,864	\$12,344,207

New Jersey Water Supply Authority
A Component Unit of the State of New Jersey
Schedule of Changes in Cash and Investments
Manasquan Water Supply System (continued)
For the three months ended September 30, 2016

	Water Treatment Plant/Transmission System							NJ/EIT Debt Service	2016 Cost of Issuance	2006 Debt Service Account	2006 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self- Insurance Reserve	Capital Improvement Reserve								
Total available cash and Investments	\$15,846,130	\$472,434	\$1,210,390	\$9,495	\$98,488	\$253,390	\$928,455	\$191,018	\$12,491	\$429,840	\$1,746,554	\$242,463	\$41,233	\$462,671	\$21,945,052
Cash disbursements:															
Payroll	281,236														281,236
Fringe benefits	104,005														104,005
Employee deferred compensation and credit union	55,287														55,287
Operations and maintenance	861,738	311,059							12,491						1,185,288
NJ-American pumping costs	-														-
Prepaid insurance	-														-
Headquarters overhead	186,000		26,001												186,001
Capital assets reservoir	-														-
Capital improvement program (reservoir)	-														-
Purchase of Investments securities	2,039,657														2,039,657
Principal on bonds	-							108,381		230,000					338,381
Interest on bonds	-							15,714		149,713					165,427
Total cash disbursements	3,501,923	311,059	26,001	-	-	-	-	124,095	12,491	379,713	-	-	-	-	4,355,282
Cash and investments - September 30, 2016	\$12,344,207	\$161,375	\$1,184,389	\$9,495	\$98,488	\$253,390	\$928,455	\$66,923	\$0	\$50,127	\$1,746,554	\$242,463	\$41,233	\$462,671	\$17,589,770
Summary of cash and investments:															
Cash (Manasquan)	\$608,552														\$608,552
Cash (Water Treatment Plant/TS)	-	\$161,375													161,375
Short-term investments	10,845,735														10,845,735
Short-term investments (Water Treatment Plant/TS)	-		\$1,184,389	\$9,495	\$98,488	\$253,390	\$928,455						\$41,233	\$462,671	2,474,217
Long-term investments	889,920														889,920
Restricted investments (current)	-							\$66,923	\$0	\$50,127	\$1,746,554	\$242,463			2,106,067
Restricted investments (long-term)	-														-
Total cash and investments	\$12,344,207	\$161,375	\$1,184,389	\$9,495	\$98,488	\$253,390	\$928,455	\$66,923	\$0	\$50,127	\$1,746,554	\$242,463	\$41,233	\$462,671	\$17,589,770