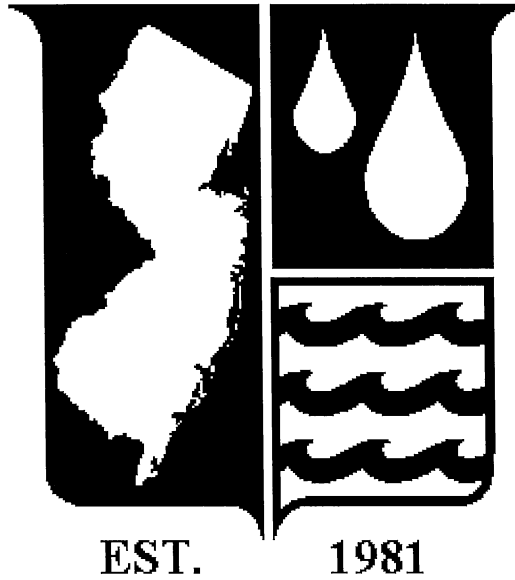


NEW JERSEY WATER SUPPLY AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

(A Component Unit of the State of New Jersey)

March 31, 2019 AND JUNE 30, 2018

(UNAUDITED)

NEW JERSEY WATER SUPPLY AUTHORITY

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NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
STATEMENTS OF NET POSITION

	Unaudited	
	March 31, 2019	June 30, 2018
Assets		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$ 47,184,528	\$ 48,177,628
Unbilled sales	1,955,996	1,501,023
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2019 and June 30, 2018	38,911,124	49,295,613
Interest receivable	105,628	167,778
Prepaid expenses and other current assets	1,457,896	977,780
Total unrestricted current assets	<u>89,615,172</u>	<u>100,119,822</u>
Restricted assets:		
Cash equivalents	15,131,140	10,231,323
Investments	4,534,726	5,378,034
Total restricted current assets	<u>19,665,866</u>	<u>15,609,357</u>
Total current assets	<u>109,281,038</u>	<u>115,729,179</u>
Non-current assets:		
Investments	10,563,557	10,715,097
Capital assets, net	150,007,701	144,437,281
Total non-current assets	<u>160,571,258</u>	<u>155,152,378</u>
Total assets	<u>269,852,296</u>	<u>270,881,557</u>
Deferred outflows of resources		
Pension related	6,905,770	6,905,770
OPEB related	5,736	5,736
2018 construction loan DEP fee	490,580	490,580
Total deferred outflows of resources	<u>7,402,086</u>	<u>7,402,086</u>
Total assets and deferred outflows of resources	<u>\$ 277,254,382</u>	<u>\$ 278,283,643</u>
Liabilities		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ -	\$ 3,931,252
Accounts payable	2,439,838	7,305,033
Accrued liabilities	2,245,064	2,779,166
Unearned revenue	2,625,132	2,174,896
Total current liabilities	<u>7,310,034</u>	<u>16,190,347</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	106,002,319	106,195,514
Net pension liability	23,038,776	23,038,776
Total OPEB liability	33,469,644	33,469,644
Total non-current liabilities	<u>162,510,739</u>	<u>162,703,934</u>
Total liabilities	<u>169,820,773</u>	<u>178,894,281</u>
Deferred inflows of resources:		
Cost recovery	(199,228)	(567,296)
Pension related	5,345,883	5,345,883
OPEB related	5,589,091	5,589,091
Gain on refunding	513,868	598,427
Total deferred inflows of resources	<u>11,249,614</u>	<u>10,966,105</u>
Total liabilities and deferred inflows of resources	<u>181,070,387</u>	<u>189,860,386</u>
Net position		
Net investment in capital assets	69,054,698	59,275,272
Restricted for debt service	17,040,734	13,434,461
Unrestricted	10,088,563	15,713,524
Total net position	<u>96,183,995</u>	<u>88,423,257</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 277,254,382</u>	<u>\$ 278,283,643</u>

See accompanying notes.

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Unaudited

	Nine months ended March 31,	
	2019	2018
Operating revenue:		
Water sales	\$ 22,582,910	\$ 22,548,606
Reimbursement of operating expenses	1,981,800	1,761,600
Total operating revenue	<u>24,564,710</u>	<u>24,310,206</u>
Operating expenses:		
Payroll	6,046,670	5,670,751
Operations and maintenance	3,825,046	4,078,733
Fringe benefits	3,611,475	3,585,130
Depreciation	3,547,959	3,464,409
Total operating expenses	<u>17,031,150</u>	<u>16,799,023</u>
Income from operations	7,533,560	7,511,183
Non-operating revenue:		
State of New Jersey - Grant Programs	18,082	14,449
Investment income	852,548	338,208
Rental income	53,787	46,385
Other income	47,663	10,947
Total non-operating revenue	<u>972,080</u>	<u>409,989</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	241,746	333,180
Recovery of deferred inflows of resources	503,156	415,925
Total non-operating expenses	<u>744,902</u>	<u>749,105</u>
Change in net position	7,760,738	7,172,067
Net position, beginning of year	88,423,257	118,988,194
Net position, end of year	<u>\$ 96,183,995</u>	<u>\$ 126,160,261</u>

See accompanying notes.

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
STATEMENTS OF CASH FLOWS

Unaudited

	Nine months ended March 31,	
	2019	2018
Cash flows from operating activities		
Cash received from water sales	\$ 21,150,600	\$ 22,191,189
Cash received from reimbursable expenses	2,036,278	1,746,004
Cash received from rental income	111,462	33,793
Cash paid to or on behalf of employees	(9,969,910)	(9,214,074)
Cash paid to suppliers	(2,960,001)	(2,998,793)
Net cash provided by operating activities	<u>10,368,429</u>	<u>11,758,119</u>
Cash flows from noncapital financing activities		
Cash received for grant programs	18,082	14,449
Net cash provided by noncapital financing activities	<u>18,082</u>	<u>14,449</u>
Cash flows from capital and related financing activities		
Proceeds from borrowing	-	49,548,569
Principal paid on bonds, notes and loans	(3,883,974)	(4,799,460)
Interest paid on bonds, notes and loans	(465,529)	(564,863)
Acquisition and construction of capital assets	(4,086,708)	(49,626,746)
Proceeds from sale of capital assets	46,871	10,362
Net cash used in capital and related financing activities	<u>(8,389,340)</u>	<u>(5,432,138)</u>
Cash flows from investing activities		
Sale of investment securities	8,023,928	3,877,084
Purchase of investment securities	(7,266,228)	(2,734,528)
Interest received on investments	914,698	371,938
Premium on matured investments	237,148	13,265
Net cash provided by investing activities	<u>1,909,546</u>	<u>1,527,759</u>
Net increase in cash and cash equivalents	3,906,717	7,868,189
Cash and cash equivalents, beginning of year	58,408,951	48,506,593
Cash and cash equivalents, end of year	<u>\$ 62,315,668</u>	<u>\$ 56,374,782</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 7,533,560	\$ 7,511,183
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Non-cash items expensed to operations and maintenance	-	-
Cash received for operating activity shown in other income	54,579	46,970
Depreciation	3,547,959	3,464,409
Increase (decrease) in cash from:		
Unbilled sales	(454,973)	(781,796)
Accounts receivable	(1,230,216)	100,914
Prepaid expenses and other current assets	(480,116)	(343,934)
Accounts payable	1,717,839	1,727,202
Accrued liabilities	6,554	3,393
Accrued payroll and taxes	(326,757)	29,778
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 10,368,429</u>	<u>\$ 11,758,119</u>
Non cash investing activities		
Decrease in fair value of investments	<u>\$ (152,540)</u>	<u>\$ (277,245)</u>

See accompanying notes.

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND OPERATIONS

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

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

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

The Authority distinguishes operating 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.

Capital Assets

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

Depreciation

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

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

Cash and Cash Equivalents

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

Investments

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

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

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

During fiscal year 2018, two customers accounted for approximately 84% of the total Raritan Basin System accounts receivable and five customers accounted for approximately 90% of total Manasquan System accounts receivable. During fiscal year 2017, two customers accounted for approximately 84% of total Raritan Basin System accounts receivable, and five customers accounted for approximately 89% of total Manasquan System accounts receivable.

Compensated Absences

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

Use of Estimates

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

Income Taxes

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

Net Position

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

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

Deferred Inflows and Outflows of Resources

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

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

Deferred Inflows of Resources - Cost Recovery

The Authority's cost recovery rate model used to establish rates, fees and charges, includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB Statement No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, and accrued sick pay, which are being classified as deferred inflows of resources. The deferred inflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the nine months ended March 31, 2019 and the year ended June 30, 2018, were determined as follows:

	March 31, 2019	June 30, 2018
Raritan Basin System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 626,407	\$ 835,209
Excess vacation expense over vacation paid	6,971	39,416
Accrued sick pay	-	67,255
	<u>633,378</u>	<u>941,880</u>
Cost included in rate model:		
Debt principal repayment	-	-
	<u>633,378</u>	<u>941,880</u>
Manasquan System		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	1,155,641	1,540,854
Excess vacation expense over vacation paid	2,913	1,633
Accrued sick pay	-	(8,437)
	<u>1,158,554</u>	<u>1,534,050</u>
Cost included in rate model:		
Debt principal repayment	(2,160,000)	(2,805,000)
	<u>(1,001,446)</u>	<u>(1,270,950)</u>
 Total Raritan Basin and Manasquan	 (368,068)	 (329,070)
 Balance, beginning of year	 <u>567,296</u>	 <u>896,366</u>
Balance, end of year	<u>199,228</u>	<u>\$ 567,296</u>

As shown in the statement of revenue, expenses and changes in net position for the nine months ended March 31, 2019 and the year ended June 30, 2018, respectively, deferred inflow of resources debit of \$503,156 and a debit balance of \$573,760 includes a debit balance of \$125,204 and a debit balance of \$144,823 of Water Treatment Plant deferred revenue, which is not part of the rate model, and does not include a credit balance of \$9,884 and a credit balance of \$99,867 of accrued vacation and 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)**

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources (Continued)

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

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

Accounting for Southeast Monmouth Municipal Utilities Authority Agreement

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

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of March 31, 2019 and 2018, unearned revenue amounting to \$1,960,991 and \$1,785,187 respectively, was determined as follows:

	2019	2018
Reimbursement of operating expenses	\$ 2,008,091	\$ 1,769,623
Operating expenses	<u>1,882,887</u>	<u>1,675,400</u>
Unearned revenue	125,204	94,223
Balance, beginning of year	<u>1,835,787</u>	<u>1,690,964</u>
Balance, end of year	<u>\$ 1,960,991</u>	<u>\$ 1,785,187</u>

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of March 31, 2019 and 2018, the amount included in unearned revenue was \$189,141 and \$295,183, respectively.

Accounting for Watershed Protection Program

For the nine months ended March 31, 2019 and 2018, the Authority received \$18,082 and \$14,449 respectively, from federal and/or state environmental agencies for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and these agencies and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of March 31, 2019, all the funds received had been recognized as revenue.

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. CAPITAL ASSETS

Capital assets activity for the nine months ended March 31, 2019 and the year ended June 30 2018, was as follows:

	2019 Beginning Balance	Additions	Retirements	2019 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	16,130,416	8,468,972	-	24,599,388
Total capital assets not being depreciated	42,575,368	8,468,972	-	51,044,340
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,443,278	9,079	-	142,452,357
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,639,585	642,048	(228,083)	7,053,550
Total capital assets being depreciated	247,612,297	651,127	(228,083)	248,035,341
Less accumulated depreciation for:				
Dams	(30,760,135)	(598,496)	-	(31,358,631)
Building, structures and improvements	(88,615,808)	(2,659,620)	-	(91,275,428)
D & R canal dredging	(21,160,273)	(1)	-	(21,160,274)
Machinery and equipment	(5,214,168)	(289,842)	226,363	(5,277,647)
Total accumulated depreciation	(145,750,384)	(3,547,959)	226,363	(149,071,980)
Total capital assets being depreciated, net	101,861,913	(2,896,832)	(1,720)	98,963,361
Total capital assets, net	<u>\$ 144,437,281</u>	<u>\$ 5,572,140</u>	<u>\$ (1,720)</u>	<u>\$ 150,007,701</u>
	2018 Beginning Balance	Additions	Retirements	2018 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	9,326,879	9,265,054	(2,461,517)	16,130,416
Total capital assets not being depreciated	35,771,831	9,265,054	(2,461,517)	42,575,368
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	140,094,325	2,482,861	(133,908)	142,443,278
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,443,907	357,145	(161,467)	6,639,585
Total capital assets being depreciated	245,067,666	2,840,006	(295,375)	247,612,297
Less accumulated depreciation for:				
Dams	(29,962,140)	(797,995)	-	(30,760,135)
Building, structures and improvements	(85,217,782)	(3,496,353)	98,327	(88,615,808)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,032,574)	(343,061)	161,467	(5,214,168)
Total accumulated depreciation	(141,372,769)	(4,637,409)	259,794	(145,750,384)
Total capital assets being depreciated, net	103,694,897	(1,797,403)	(35,581)	101,861,913
Total capital assets, net	<u>\$ 139,466,728</u>	<u>\$ 7,467,651</u>	<u>\$ (2,497,098)</u>	<u>\$ 144,437,281</u>

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

1. Cash

As of March 31, 2019 and June 30, 2018, the Authority's bank balance was \$2,329,798 and \$6,635,034, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$2,079,798 and \$6,385,034 as of March 31, 2019 and June 30, 2018, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$141,232 and \$99,740, respectively. The statement of net position amount includes petty cash totaling \$300 as of March 31, 2019 and June 30, 2018, 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 \$2,329,798 and \$6,635,034 as of March 31, 2019 and June 30, 2018, respectively, was exposed to custodial credit risk as follows:

	March 31, 2019	June 30, 2018
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>

3. Investments and Cash Equivalents

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

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

As of March 31, 2019, 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	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
U.S. Treasuries	Level 1	\$ 64,520,596	\$ 64,520,596	\$ -
NJ G/O Bonds	Level 2	10,669,185	10,575,196	93,989
Total		<u>\$ 75,189,781</u>	<u>\$ 75,095,792</u>	<u>\$ 93,989</u>

As of June 30, 2018, 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:

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

3. Investments and Cash Equivalents (continued)

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
U.S. Treasuries	Level 1	\$ 57,151,951	\$ 57,151,951	\$ -
NJ G/O Bonds	Level 2	10,882,875	4,471,756	6,411,119
Total		\$ 68,034,826	\$ 61,623,707	\$ 6,411,119

4. Credit and Custodial Credit Risk

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

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

The Authority entered into an agreement with TD Bank to collateralize all deposits held at market rate equal to 102% of the daily combined total of all deposits. As of March 31, 2019, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the nine months ended March 31, 2019 and 2018, respectively:

	2019	2018
Interest earned on bank accounts and certificates of deposit	\$ 637,741	\$ 204,157
Interest earned on securities	367,347	411,296
Decrease in fair value of securities	(152,540)	(277,245)
	<u>\$ 852,548</u>	<u>\$ 338,208</u>

E. MAJOR WATER CUSTOMERS

During fiscal years 2018 and 2017, the Authority supplied water to approximately 32 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2018 and 2017, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. During fiscal years 2018 and 2017, three customers accounted for approximately 85% and 88%, respectively, of the total Manasquan System operating revenue.

F. RISK MANAGEMENT

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

Supplemental Information

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
 COMBINING SCHEDULE OF NET POSITION
 FOR THE NINE MONTHS ENDED MARCH 31, 2019

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
Assets				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 32,747,768	\$ 14,436,760	\$ -	\$ 47,184,528
Unbilled sales	1,955,996	-	-	1,955,996
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2019	37,308,063	1,778,162	(175,101)	38,911,124
Interest receivable	105,209	419	-	105,628
Prepaid expenses and other current assets	1,140,980	316,916	-	1,457,896
Total unrestricted current assets	<u>73,258,016</u>	<u>16,532,257</u>	<u>(175,101)</u>	<u>89,615,172</u>
Restricted assets:				
Cash equivalents	12,539,459	2,591,681	-	15,131,140
Investments	-	4,534,726	-	4,534,726
Total restricted current assets	<u>12,539,459</u>	<u>7,126,407</u>	<u>-</u>	<u>19,665,866</u>
Total current assets	<u>85,797,475</u>	<u>23,658,664</u>	<u>(175,101)</u>	<u>109,281,038</u>
Non-current assets:				
Investments	9,722,406	841,151	-	10,563,557
Capital assets net of accumulated depreciation of \$149,071,979 at March 31, 2019	97,387,009	52,620,692	-	150,007,701
Total non-current assets	<u>107,109,415</u>	<u>53,461,843</u>	<u>-</u>	<u>160,571,258</u>
Total assets	<u>192,906,890</u>	<u>77,120,507</u>	<u>(175,101)</u>	<u>269,852,296</u>
Deferred outflows of resources				
Pension related	5,285,251	1,620,519	-	6,905,770
OPEB related	4,359	1,377	-	5,736
2018 construction loan DEP fee	490,580	-	-	490,580
Total deferred outflows of resources	<u>5,780,190</u>	<u>1,621,896</u>	<u>-</u>	<u>7,402,086</u>
Total assets and deferred outflows of resources	<u>\$ 198,687,080</u>	<u>\$ 78,742,403</u>	<u>\$ (175,101)</u>	<u>\$ 277,254,382</u>
Liabilities				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,957,669	657,270	(175,101)	2,439,838
Accrued liabilities	1,705,130	539,934	-	2,245,064
Unearned revenue	475,000	2,150,132	-	2,625,132
Total current liabilities	<u>4,137,799</u>	<u>3,347,336</u>	<u>(175,101)</u>	<u>7,310,034</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	57,725,763	48,276,556	-	106,002,319
Net pension liability	17,632,457	5,406,319	-	23,038,776
Total OPEB liability	25,436,929	8,032,715	-	33,469,644
Total non-current liabilities	<u>100,795,149</u>	<u>61,715,590</u>	<u>-</u>	<u>162,510,739</u>
Total liabilities	<u>104,932,948</u>	<u>65,062,926</u>	<u>(175,101)</u>	<u>169,820,773</u>
Deferred inflows of resources				
Cost recovery	11,809,410	(12,008,638)	-	(199,228)
Pension related	4,091,409	1,254,474	-	5,345,883
OPEB related	4,247,709	1,341,382	-	5,589,091
Gain on refunding	-	513,868	-	513,868
Total deferred inflow of resources	<u>20,148,528</u>	<u>(8,898,914)</u>	<u>-</u>	<u>11,249,614</u>
Net position				
Net Investment in capital assets	39,661,246	29,393,452	-	69,054,698
Restricted for debt service	12,064,459	4,976,275	-	17,040,734
Unrestricted	21,879,899	(11,791,336)	-	10,088,563
Total net position	<u>73,605,604</u>	<u>22,578,391</u>	<u>-</u>	<u>96,183,995</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 198,687,080</u>	<u>\$ 78,742,403</u>	<u>\$ (175,101)</u>	<u>\$ 277,254,382</u>

NEW JERSEY WATER SUPPLY AUTHORITY
A COMPONENT UNIT OF THE STATE OF NEW JERSEY
COMBINED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE NINE MONTHS ENDED MARCH 31, 2019

Unaudited				
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:				
Water Sales	\$ 16,909,277	\$ 5,673,633	\$ -	\$ 22,582,910
Reimbursement of operating expenses	-	-	1,981,800	1,981,800
Total operating revenues	<u>16,909,277</u>	<u>5,673,633</u>	<u>1,981,800</u>	<u>24,564,710</u>
Operating expenses:				
Payroll	4,657,832	622,422	766,416	6,046,670
Operations and maintenance (direct)	2,487,715	695,344	541,531	3,724,590
Operations and maintenance (general and administrative)	-	52,473	47,983	100,456
Fringe benefits	2,815,475	348,540	447,460	3,611,475
Headquarters overhead	(578,997)	499,500	79,497	-
Depreciation	2,141,214	1,406,745	-	3,547,959
Total operating expenses	<u>11,523,239</u>	<u>3,625,024</u>	<u>1,882,887</u>	<u>17,031,150</u>
Income from operations	<u>5,386,038</u>	<u>2,048,609</u>	<u>98,913</u>	<u>7,533,560</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	18,082	-	-	18,082
Investment income	640,347	185,910	26,291	852,548
Rental income	53,787	-	-	53,787
Other income/(loss)	42,460	5,203	-	47,663
Total non-operating revenue	<u>754,676</u>	<u>191,113</u>	<u>26,291</u>	<u>972,080</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	106,570	135,176	-	241,746
Recovery of deferred inflows of resources	(626,407)	1,004,359	125,204	503,156
Total non-operating expenses	<u>(519,837)</u>	<u>1,139,535</u>	<u>125,204</u>	<u>744,902</u>
Changes in net position	6,660,551	1,100,187	-	7,760,738
Net position, beginning of year	66,945,053	21,478,204	-	88,423,257
Net position, end of year	<u>\$ 73,605,604</u>	<u>\$ 22,578,391</u>	<u>\$ -</u>	<u>\$ 96,183,995</u>

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Operating Fund		Payroll Account - TD	Operating Fund		Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
	Revenue Account - TD	Operating Account - PNC		Operating Account - TD	Operating Fund							
Cash and investments - July 1, 2018	\$1,858,475	(\$238)	\$3,418,450	\$150,121	\$463,144	\$3,543,616	\$935,461	\$4,489,752	\$1,390,492	\$6,160,721	\$4,108,094	\$28,528,088
Cash receipts:												
Water sales operations and maintenance	8,467,672											8,467,672
Water sales debt service	4,175,966											4,175,966
Water sales capital fund	1,508,729											1,508,729
Water sales source water protection fund	1,097,258											1,097,258
Water sales overdrafts	120,954											120,954
Rental income	111,461											111,461
Manasquan reservoir support	32,190				15,650							47,840
Headquarters overhead					575,497							575,497
Disposition of property												
Recycling revenue	501											501
Sale of investment securities												
Nonrefundable bid deposits	9,672											9,672
Insurance reimbursement	125,470	1,282	26,576									153,328
Miscellaneous expense reimbursement												
Transfers:												
Contributions from operating fund	894,628		9,209,558	2,808,747	(21,459,943)			534,040	112,500		395,865	(7,504,605)
Contributions to operating fund			6,784,896		7,065,597			(240,714)			(266,341)	13,353,438
Transfers for operations	(18,514,100)	(200)	200		18,514,100							
Transfers for investments					238,971							
Distribution from reserves to operations	2,359		2,368,563	1,728	9,706	77,882	17,657	78,094	16,221	288,031	(121,100)	2,486,454
Investment income												
Per resolution, Section 603:												
Investment income, transfer from	250,119				(5,368)	(58,028)	(16,656)	(46,138)		(287,500)		(163,571)
Investment income, transfer to	146,385					18,088	(902)					163,571
Unrealized gain/(loss) on fair value	(1,570,736)	1,082	18,417,703	2,810,475	4,954,210	25,680	44,653	73,825	128,721	(98,685)	55,246	25,205,928
Total cash receipts	\$287,739	\$844	\$21,836,153	\$2,960,596	\$5,417,354	\$3,607,238	\$980,113	\$4,898,859	\$1,519,213	\$6,062,567	\$4,163,340	\$51,734,016
Total available cash and investments												

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	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	\$26,528,088	\$308,848	\$572,947	\$1,391,222	\$13,446,428	\$20,336	\$7,639,332	\$604,656	\$86,391	\$1,691,890	\$52,290,138
Cash receipts:	8,467,672										8,467,672
Water sales operations and maintenance	4,175,966										4,175,966
Water sales debt service	1,508,729										1,508,729
Water sales capital fund	1,097,258										1,097,258
Water sales source water protection fund	120,954										120,954
Water sales overdrafts	111,461										111,461
Rental income	47,840										47,840
Manasquan reservoir support	575,197									(6,455)	568,742
Headquarters overhead	-										-
Disposition of property	501										501
Recycling revenue	-										-
Sale of investment securities	-										-
Nonrefundable bid deposits	9,672										9,672
Insurance reimbursement	153,328				11,614,705	475,000					12,243,033
Miscellaneous expense reimbursement	(7,504,605)	271,413	530,775		1,647,331		4,243,128	112,500		689,458	-
Transfers:	13,353,438				(12,663,944)					(769,494)	-
Contributions from operating fund	-										-
Contributions to operating fund	-										-
Transfers for operations	-										-
Transfers for investments	2,486,454	1,011	2,478	15,694	(2,476,688)	1,714	107,866	7,171	664	(9,566)	847,320
Distribution from reserves to operations	556,290				133,528					20,904	-
Investment income	(163,571)										(163,571)
Per resolution, Section 603:	163,571										163,571
Investment income, transfer from	45,473										45,473
Investment income, transfer to	25,205,928	272,424	533,253	15,694	(1,665,268)	476,714	4,350,994	119,671	664	(65,153)	29,244,921
Unrealized gain/(loss) on fair value	\$51,734,016	\$581,272	\$1,106,200	\$1,406,916	\$11,781,160	\$487,050	\$11,990,326	\$724,327	\$87,055	\$1,626,737	\$81,535,059
Total cash receipts											
Total available cash and investments											

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Operating Fund				Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
	Revenue Account - TD	Operating Account - PNC	Operating Account - TD	Payroll Account - TD							
Total available cash and investments	\$287,739	\$844	\$21,836,153	\$2,960,596	\$5,417,354	\$3,607,238	\$990,113	\$4,898,859	\$1,519,213	\$4,163,340	\$51,734,016
Cash disbursements:											
Payroll			25,887	2,784,153							2,784,153
Fringe benefits			1,015,698								1,015,698
Employee deferred compensation and credit union			20,223,112								20,223,112
Operations and maintenance		844			(628,005)						1,568,699
Prepaid insurance											19,695,951
Miscellaneous disbursements											-
Watershed Management Fund											-
Capital improvements:											-
Capital assets											-
New five year construction project						42,312		101,302			196,966
Purchase of investments securities											-
Principal on 1981 bonds											-
Interest on 1981 bonds											-
Principal on 1998 bonds											-
Interest on 1998 revenue bonds											-
Principal on NJEIT bonds											-
Interest on NJEIT revenue bonds											-
Total cash disbursements	\$287,739	\$0	\$21,264,697	\$2,784,153	\$4,210,979	\$3,564,926	\$926,761	\$4,797,557	\$1,519,213	\$4,163,340	\$25,280,981
Cash and investments - September 30, 2018											25,463,035
Summary of cash and investments:											
Cash	\$287,739	\$0	\$571,456	\$176,443	\$4,210,979	\$748	\$96	\$2,173	\$75,402	\$4,163,340	\$1,038,655
Short-term investments						2,246,800	296,679	3,007,508	\$1,519,213		15,519,921
Long-term investments						1,317,378	629,986	1,787,876	5,997,165		9,722,405
Restricted investments (current)											-
Restricted investments (long-term)											-
Total cash and investments	\$287,739	\$0	\$571,456	\$176,443	\$4,210,979	\$3,564,926	\$926,761	\$4,797,557	\$1,519,213	\$4,163,340	\$26,280,981

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	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	\$51,734,016	\$581,272	\$1,106,200	\$1,406,916	\$11,781,160	\$497,050	\$11,990,326	\$724,327	\$87,055	\$1,626,737	\$81,535,059
Cash disbursements:											
Payroll	2,784,153										2,784,153
Fringe benefits	1,207,267										1,207,267
Employee deferred compensation and credit union	1,568,698										1,568,698
Operations and maintenance	19,695,951									28,889	19,724,840
Prepaid insurance	-										-
Miscellaneous disbursements	-										-
Watershed Management Fund	-										-
Capital improvements:											
Capital assets											
New five year construction project											
Purchase of investments securities	196,966										196,966
Principal on 1981 bonds	-										-
Interest on 1981 bonds	-										-
Principal on 1998 bonds	-										-
Interest on 1998 revenue bonds	-	330,434	573,245								903,679
Principal on NJEIT bonds	-	27,019	112,806								139,825
Interest on NJEIT revenue bonds	-	357,453	686,051							28,889	26,525,428
Total cash disbursements	25,453,035	\$223,819	\$420,149	\$1,406,916	\$11,781,160	\$497,050	\$11,990,326	\$724,327	\$87,055	\$1,597,948	\$55,009,631
Cash and investments - September 30, 2018	\$26,280,981										
Summary of cash and investments:											
Cash	\$1,038,655									\$49,055	\$1,087,710
Short-term investments	15,519,921	\$223,819	\$420,149	\$1,406,916	\$11,781,160	\$497,050	\$11,990,326	\$724,327	\$87,055	1,548,783	44,199,506
Long-term investments	9,722,405										9,722,405
Restricted investments (current)	-										-
Restricted investments (long-term)	-										-
Total cash and investments	\$26,280,981	\$223,819	\$420,149	\$1,406,916	\$11,781,160	\$497,050	\$11,990,326	\$724,327	\$87,055	\$1,597,948	\$55,009,631

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Revenue Fund	Operating Fund			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								
Cash and investments - July 1, 2018	\$70,560	\$665,129	\$40,033	\$4,723,630	\$1,604,983	\$214,645	\$30,307	\$1,573,796	\$566,483	\$154,646	\$226,297	\$13,756,026
Cash receipts:	2,337,535											2,337,535
Water sales operations and maintenance	3,195,639											3,195,639
Water sales debt service	81,001											81,001
Source water protection	134,624											134,624
Water sales debt service NJEIT	7,987											7,987
Water sales overdrafts	130,728											130,728
NJ-American pumping costs												
Headquarters overhead												
Reimbursement of WTP capital expenses	5,177											5,177
Disposition of assets	19,080											19,080
Reimbursement from (to) Raritan Basin												
Sale of investments securities												
Nonrefundable bid deposits												
Miscellaneous reimbursement	9,525											9,525
Transfers:												
Contributions from operating fund	17,741	2,524,483	818,071	(6,750,223)	90,000			79,839	45,172		22,500	(3,152,417)
Contributions to operating fund	(6,071,000)	5,944		1,324,100	(273)			(63,013)	(20,612)			1,246,146
Transfers for operations	188,350	2,736		6,093,529				(22,556)				(27)
Distribution from reserves to operations	1,778	4,074	514	65,879	25,984	5,724	60	17,973	11,408	1,577	2,412	191,086
Investment income												
Per resolution, Section 603:												
Investment income, transfer from	87,116			(46,136)	(5,446)				(7,633)	(1,426)		(3,398)
Investment income, transfer to	(80,071)			83,614								3,543
Unrealized gain/(loss) on fair value	65,210	2,537,237	818,585	766,761	33,171	14,275	60	12,243	49,748	146	22,500	4,457,452
Total cash receipts	\$135,770	\$5,202,566	\$858,618	\$5,492,391	\$1,638,681	\$229,196	\$30,367	\$1,566,039	\$616,231	\$154,792	\$248,797	\$18,213,478
Total cash and investments												

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Water Treatment Plant/Transmission System										Employment Benefit Funds	Totals	
	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self- Insurance Reserve	Capital Improvement Reserve	NJIEIT Debt Service Account	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund			General Reserve Fund
Cash and investments - July 1, 2018													
Cash receipts:													
Water sales operations and maintenance													
Water sales debt service													
Source water protection													
Water sales debt service NJIEIT													
Water sales overdrafts													
NJ-American pumping costs													
Headquarters overhead													
Reimbursement of WTP capital expenses													
Disposition of assets													
Reimbursement from/(to) Raritan Basin													
Sale of investments securities													
Nonrefundable bid deposits													
Miscellaneous reimbursement													
Transfers:													
Contributions from operating fund													
Contributions to operating fund													
Transfers for operations													
Distribution from reserves to operations													
Investment income													
Per resolution, Section 603:													
Investment income, transfer from													
Investment income, transfer to													
Unrealized gain/(loss) on fair value													
Total cash receipts													
Total cash and investments													

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Revenue Account	Operating Fund				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	Reserve for O&M								
Total available cash and investments	\$135,770	\$5,202,366	\$856,618	\$5,492,391	\$1,638,681	\$228,196	\$4,020,230	\$30,367	\$1,586,039	\$616,231	\$154,792	\$248,797	\$18,213,478
Cash disbursements:													
Payroll			803,179										803,179
Fringe benefits		1,606,551		(1,181,381)									425,170
Employee deferred compensation and credit union				205,900									205,900
Operations and maintenance		849,289		600,052	32,644	11,241			23,733				1,516,959
NJ-American pumping costs													-
Prepaid insurance													-
Headquarters overhead					496,000								496,000
Capital assets reservoir													-
Capital improvement program (reservoir)													-
Purchase of investments securities													-
Principal on bonds													-
Interest on bonds		2,455,840	803,179	120,571	32,644	11,241			23,733				3,447,208
Total cash disbursements	\$135,770	\$746,526	\$55,439	\$5,371,820	\$1,606,037	\$217,955	\$4,020,230	\$30,367	\$1,586,039	\$592,498	\$154,792	\$248,797	\$14,786,270
Cash and investments - September 30, 2018													
Summary of cash and investments:													
Cash (Manasquan)	\$135,770	\$746,526	\$55,439		\$527	\$272			\$623	\$146			\$939,303
Cash (Water Treatment Plant/TS)				\$5,371,820	1,244,939	37,692	\$4,020,230	\$30,367	\$1,586,039	321,280	124,652	248,797	12,985,816
Short-term investments													-
Long-term investments (Water Treatment Plant/TS)					360,571	179,991			270,595		29,994		841,151
Long-term investments													-
Restricted investments (current)													-
Restricted investments (long-term)													-
Total cash and investments	\$135,770	\$746,526	\$55,439	\$5,371,820	\$1,606,037	\$217,955	\$4,020,230	\$30,367	\$1,586,039	\$592,498	\$154,792	\$248,797	\$14,786,270

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

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Water Treatment Plant/Transmission System											Totals	
	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2006 Debt Service Account	2006 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
Total available cash and investments	\$18,213,478	\$2,041,622	\$9,517	\$98,695	\$253,974	\$103,960	\$279,708	\$5,881,899	\$1,746,553	\$246,774	\$41,197	\$711,390	\$30,415,575
Cash disbursements:													
Payroll	803,179												803,179
Fringe benefits	425,170												425,170
Employee deferred compensation and credit union	205,900												205,900
Operations and maintenance	1,516,959	512,019										239,378	2,268,356
NJ-American pumping costs	-												-
Prepaid insurance	-												-
Headquarters overhead	486,000	79,497											565,497
Capital assets reservoir	-												-
Capital improvement program (reservoir)	-												-
Purchase of investments securities	-						149,671	2,880,000					3,029,671
Principal on bonds	-						26,600	563,937					590,537
Interest on bonds	-						176,271	3,443,937					3,620,208
Total cash disbursements	3,447,208	624,966	79,497				342,542	7,727,874				239,378	8,011,257
Cash and investments - September 30, 2018	\$14,766,270	\$1,661,842	\$1,962,125	\$98,695	\$253,974	\$103,960	\$103,437	\$2,437,962	\$1,746,553	\$246,774	\$41,197	\$472,012	\$22,404,318
Summary of cash and investments:													
Cash (Manasquan)	\$639,303												\$639,303
Cash (Water Treatment Plant/TS)	\$161,842												161,842
Short-term investments	12,985,816												13,499,025
Short-term investments (Water Treatment Plant/TS)	-	\$1,962,125	\$9,517	\$98,695	\$253,974	\$103,960							2,428,271
Long-term investments	841,151												841,151
Restricted investments (current)	-												-
Restricted investments (long-term)	-												-
Total cash and investments	\$14,766,270	\$1,661,842	\$1,962,125	\$98,695	\$253,974	\$103,960	\$103,437	\$2,437,962	\$1,746,553	\$246,774	\$41,197	\$472,012	\$22,404,318