

# **NEW JERSEY WATER SUPPLY AUTHORITY**



## **2013 ANNUAL REPORT AND THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013 and 2012**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**New Jersey  
Water Supply Authority**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

NEW JERSEY WATER SUPPLY AUTHORITY

# 2013 ANNUAL REPORT

AND THE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A COMPONENT UNIT  
OF THE STATE OF NEW JERSEY



FOR THE YEARS ENDED  
JUNE 30, 2013 AND 2012

Prepared by:  
Finance and Accounting Staff

Henry S. Patterson  
Executive Director

# 2013 Annual Report

**Governor**  
Chris Christie



## Authority Members

Bob Martin  
Chair

Steven J. Picco  
Vice Chair  
Chair, Audit Committee

Shing-Fu Hsueh  
Secretary  
Chair, Insurance Committee

Louis C. Mai  
Treasurer  
Chair, Finance Committee

Susan Blew  
Chair, Watershed Lands Acquisition Committee  
Chair, Personnel Committee

Robert J. Iacullo  
Chair, Public Participation Committee

Ellsworth Havens  
Chair, Capital Projects Committee

## Staff

Henry S. Patterson  
Executive Director

Helene P. Chudzik, Esq.  
Sr. Deputy Attorney General

## 2014 Monthly Meetings

The 2014 Monthly Meetings of the New Jersey Water Supply Authority are scheduled to be held in the Conference Room of the Authority's Clinton Administration Building, 1851 Highway 31, Clinton, New Jersey, unless otherwise indicated, beginning at 2:00 p.m. on the following Mondays:

January 6, 2014

February 3, 2014

March 3, 2014

April 7, 2014

May 5, 2014

June 2, 2014 (Canal Office)

July 7, 2014 (Canal Office)

August 4, 2014 (Manasquan Office)

September 8, 2014

October 6, 2014

November 3, 2014

December 1, 2014

The period from 12:00 p.m. to 2:00 p.m. on the above dates is set aside, as needed, for separate Committee meetings of the Personnel, Finance, Capital Projects and other Committees of the Authority.

*Cover*

*Manasquan Water Treatment Plant and Transmission System*

*Left: Two clarithickeners*

*Center: Equalization Basin*

*Right: 2 million gallon ground level storage tank*

The New Jersey Water Supply Authority was created on October 7, 1981 (P.L. 1981, c. 293) to operate, on a self-supporting basis, the existing State water supply facilities and to develop future State water supply projects as recommended in the State Water Supply Master Plan. The Authority's Spruce Run/Round Valley Reservoirs System and the Delaware and Raritan Canal Water Transmission Complex (the Raritan Basin System), provides the basic source of water supply to a number of public and private water utilities serving more than 1,500,000 people in central New Jersey. The Manasquan Water Supply System in Monmouth County commenced delivery of this new surface water supply to a number of public and private water utilities, serving more than 250,000 people in the Monmouth County area, on July 1, 1990. Under agreement with the Southeast Monmouth Municipal Utilities Authority, the Authority also operates and maintains a four million gallon per day water treatment plant and distribution system for five municipalities in Monmouth County.

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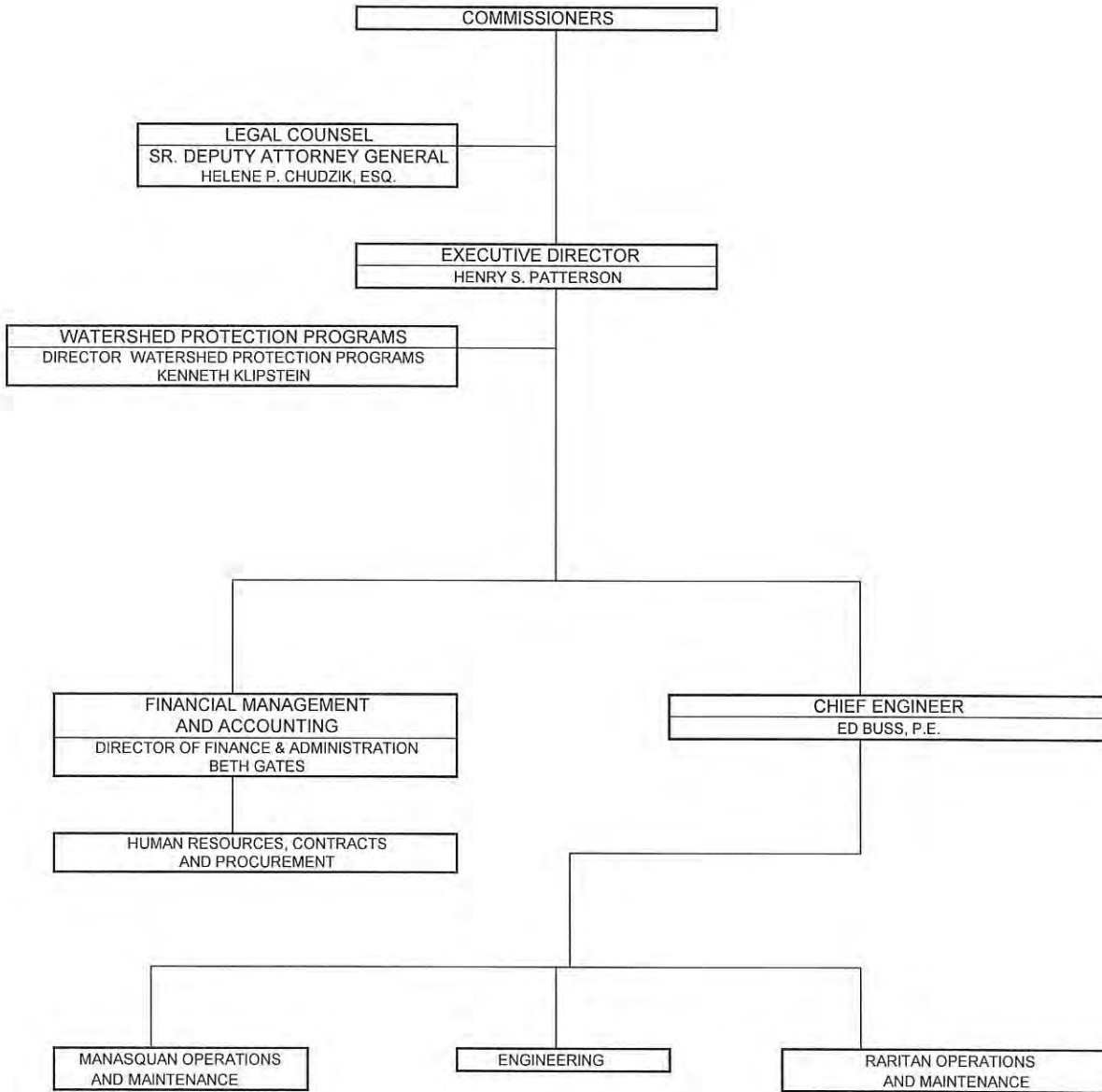
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# NEW JERSEY WATER SUPPLY AUTHORITY TABLE OF ORGANIZATION





# Letter to Governor and Legislature

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## NEW JERSEY WATER SUPPLY AUTHORITY

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February 2014

### **To the Honorable Chris Christie, Governor and Members of the New Jersey Legislature**

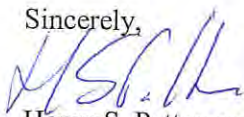
I am pleased to submit the 32<sup>nd</sup> Annual Report of the New Jersey Water Supply Authority. The Authority was created on October 7, 1981 (P.L. 1981, c.293) and was established in but not of the Department of Environmental Protection of the State of New Jersey. The "New Jersey Water Supply Authority Act" under N.J.S.A. 58:1 B-20 calls for the Authority to publish an Annual Report of its finances on or before the last day of February for the preceding calendar year. This report contains the Authority's Independent Auditors' Report, and all required reporting to be in compliance with Executive Order No. 37 (2006), for FY2013.

Operations and maintenance activities at all Authority facilities have been typical. 2013 started with precipitation well below normal levels for the first four months. However, May and June brought rains that were sufficient to strengthen reservoir levels. Timely rainfall for the rest of the year resulted in the reservoirs remaining at or near historic average levels. The sporadic rainfall throughout the year resulted in good water quality for treatment by the Manasquan Water Treatment Plant and for pumping into the reservoir. Major improvements to the Manasquan Treatment Plant continued including the construction of a two-million gallon filtered water storage tank and the construction of an equalization tank, two clarithickeners and a third lagoon to aid in the recycle process. These upgrades required a one month plant shutdown in October.

Repairs to the Delaware & Raritan Canal caused by Tropical Storms Irene and Lee in the fall of 2011 were completed in 2013. Efforts are currently underway to determine the feasibility of plans to mitigate future damages that would be caused by similar storm events. Preparation continued for dredging the 10.5 mile reach of the Canal between Lincoln Highway (Route 27) and Amwell Road in Franklin Township, Somerset County. Bathymetric surveys of the area show that approximately 7,300 tons of debris and 16,400 tons of submerged aquatic vegetation may need to be removed prior to the Canal dredging of approximately 250,000 yards of sediment. Sediment will be removed through hydraulic dredging and pumping to a staging area before it is hauled to a beneficial reuse facility. Permitting and other issues have delayed the planned construction activity until 2015.

The Authority acquired 251 acres of critical watershed properties in FY2013 along with its partners. To date, more than 4,128 acres of land with high water resource value have been purchased. The Authority has dedicated \$8 per million gallons from the Source Water Protection Component of the rate to fund the acquisition of these watershed properties.

The Authority was presented with the "Certificate of Achievement for Excellence in Financial Reporting Award" from the Government Finance Officers Association for FY2012, our 21<sup>st</sup> consecutive award.

Sincerely,  
  
Henry S. Patterson  
Executive Director



## Operations

Operation and maintenance activities at all Authority facilities have been typical. Calendar year 2013 started with precipitation well below normal levels for the first four months. However, May and June brought rains that were sufficient to strengthen reservoir levels. Timely average rainfall for the rest of the year resulted in the reservoirs remaining at or near historic average levels. The sporadic rainfall throughout the year resulted in good water quality in the river, the Manasquan Water Treatment Plant and the reservoir.

### Dam Inspections

In accordance with the State Dam Safety Regulations, Authority staff conducted the Annual dam inspection at the Manasquan Reservoir on August 27, 2013. The dam and dikes were characterized as “safe” and only minor routine repairs were recommended.

The 2013 inspection at the Spruce Run and Round Valley Reservoirs is a formal inspection that was conducted by an outside consultant in early October. The Spruce Run Dam was constructed on a limestone base. After over 50 years, the Authority desires to convene a Technical Review Board to discuss the conditions of the Spruce Run Dam. Following the dam inspection, the consultant will act as Facilitator of a Technical Review Board meeting.

The Authority also continued its program of quarterly inspections of the dams, dikes and appurtenances in accordance with the Authority’s Internal Management Program.

### Asset Management Planning

Asset management planning is designed to prioritize rehabilitation programs at a facility to maximize use of financial

resources while ensuring longevity of the equipment.

The Authority developed an asset management plan for the Manasquan Water Treatment Plant (MWTP) in 2008. The asset management plan development included a thorough evaluation of the condition of the existing equipment and an analysis of proposed legislation or changes in regulations that could impact on plant operations.

The asset management plan provided the Authority and the Monmouth County Improvement Authority (MCIA) predecessor of the Southeast Monmouth Municipal Utilities Authority (SMMUA), and current owners of the MWTP, a projected capital expenditure plan for the MWTP over the next twenty years.

The asset management plan was presented to the customer communities for their acceptance so essential projects such as the replacement of the ozone system, the instrumentation, the chemical storage tanks, improvements to the sludge lagoon and recycle system and construction of new finished water storage could proceed.

### South Branch Pump Station Pump Rehabilitation

The South Branch Pumping Station was constructed in 1965 as a part of the Spruce Run/Round Valley Reservoirs Complex in the Raritan River Basin. It is located on the South Branch Raritan River, about three miles downstream from the Spruce Run Reservoir. It is used to pump water from the South Branch Raritan River to the Round Valley Reservoir. Ten 40 mgd pumps, each operated by a 2,000 HP motor, can transfer up to 350 mgd to the Reservoir through a 3.2 mile long, 108-inch diameter force main.

A program is being implemented to refurbish/rehabilitate the main pumps and motors including replacement of the baseplates. The grout beneath the baseplates



has failed and the units are vibrating to the extent that alignment between the pumps and motors cannot be maintained. Units #1 and 6 will be refurbished in 2013. Additional pumps will be refurbished in subsequent years.

### **Dredging of the D & R Canal**

Flow in the 10.5-mile section of the Canal, in Franklin Township, Somerset County between Route 27 and Amwell Road, near Millstone Borough, is being impeded by sediment accumulation. This is compounded by the growth of weeds during the summer months when flow demand is the greatest. The water surface elevation is typically raised during these periods, which causes water to discharge over the lower elevation spillways.

A program is being developed to remove up to an estimated 270,000 cubic yards of sediment from the Canal. Development of the program includes a proactive public participation element including meetings with stakeholders along the Canal and a website to keep the public informed about the status of the project. The website can be accessed at [http://www.njwsa.org/html/canal\\_dredging.html](http://www.njwsa.org/html/canal_dredging.html).

The Consultant considered four alternatives for the proposed dredging project; mechanical excavation (in dry), mechanical dredging (in wet), hydraulic dredging with geobags, and hydraulic dredging with mechanical dewatering. After reviewing the alternatives, hydraulic dredging with either method of dewatering the sediment was selected as the preferred alternative. The Authority is working to reach an amicable agreement for beneficial reuse of the sediment. The preferred site must receive NJDEP and EPA approvals before it can accept the material.

A Level 2 Environmental Impact Document was prepared and the required Public Hearing was held on May 13,

2013. With the uncertainty on the beneficial reuse site and the outstanding permit issues, construction has been pushed back to the 2014 funding cycle with the NJEIFTP.

This project also includes disposal of 45,000 cubic yards of sediment from the US Route 202 temporary stockpile site being used to temporarily stockpile material removed from the Canal as part of the Maintenance Dredging program of the Canal.

### **Manasquan Water Treatment Plant Improvements**

The asset management plan highlighted the need to rehabilitate the existing caustic and zinc orthophosphate chemical storage and feed system and to construct a finished water storage tank and a filter-to-waste system.

Work includes construction of a two-million gallon ground level finished water storage tank, construction of two clarithickeners, an equalization tank and a third drying bed (lagoon). The finished water storage tank will allow the plant to shut down for brief periods of maintenance while still providing water to our customers and help for the plant to maintain more consistent production levels on a diurnal basis.

The Authority has executed a construction contract in the amount of \$6,740,000 to complete the project. Construction activity is progressing on schedule. There was a one month plant shutdown that started in late October to facilitate a tie in of the new equipment into the existing system. The anticipated completion of the project is February 2014.

### **Watershed Protection Programs Unit**

The Authority's Watershed Protection Program Unit's mission is to invest in activities that protect the quality of the source water in the Raritan and Manasquan



Watersheds. Priority actions are guided by the results of detailed watershed management plans, developed by the Watershed staff, in the Raritan Basin and the Manasquan River Watershed. High priority areas and issues of concern include: Preservation of critical water resource land; Agricultural runoff in the upper Raritan watersheds; Erosion and sediment transport rates in the Lockatong and Wickecheoke watersheds; Sediment transport and deposition in the last 11 miles of the D&R Canal directly upstream of some of the major water supply intakes; Peak runoff rates in the Peter Brook and other watersheds with a high percentage of impervious coverage (Urban Stormwater Disconnection); and Chemical processes that result in a yellow coloration of the source water in Manasquan River.

The Watershed Protection Program Unit's 2013 highlighted accomplishments in these priority areas include:

*Preservation of Critical Water Resource Land*; partnered in the preservation of 95 acres in Delaware Township, 125 acres in Mendham Township, and 31 acres in Kingwood Township. *Agriculture in the Upper Raritan*; Held the first sign-up for the agricultural mini-grants program. Seven applications were received to install water quality related farm practices. Thirty-two nutrient management plans were completed as part of the Agricultural Assistance Program in the Mulhockaway Creek Watershed. Integrated crop management services were delivered to 41 farms to reduce their nutrient inputs. *Erosion and sediment transport rates in the Lockatong and Wickecheoke Watersheds*; Two vegetative filter strips were installed in Kingwood Park and roadside drainage improvements were designed for projects in Delaware and Kingwood Townships. *D&R Canal sediment reduction*; Worked with Franklin Township and a private landowner to identify retrofits to two

stormwater basins that drain to the D&R Canal. Schematic designs were drafted for each basin. *Urban Stormwater disconnection projects (Rain Barrel & Rain Garden Projects)*; Launched the New Jersey Rain Garden Rebate Program, the first program of its type in the State. Twenty-four bio-retention gardens were designed for installation in the initial pilot. Four Rain Barrel workshops yielded sixty-three new program participants. *Manasquan River Projects*; USGS intensive monitoring of color and turbidity has narrowed the watershed focus area to the Mingamahone and Mash Bog Brook tributaries for further study. A study plan will be initiated for these watersheds in 2014. *River-Friendly Programs/Outreach*; Two golf courses and two businesses were certified. Two additional business certifications are pending final review. The interest in participation in the suite of River-Friendly Programs (Business, Golf Course and School) is strong and growing.

## **Policies and Economic Growth Strategies of the State of New Jersey**

The Highlands Water Protection and Planning Act, N.J.S.A. 13:20-1 et seq. protects drinking water for over 5.4 million people and helps preserve New Jersey's dwindling open space. Approximately 17 percent of the Raritan Basin is in the Highlands, providing nearly all of the water stored in Round Valley and Spruce Run Reservoirs. During 2013, the Authority committed \$1,246,000 to purchase and preserve along with its partners, 251 acres within the Raritan Basin. To date, more than 4,128 acres are closed.

One of the stated goals of the NJDEP is to ensure that adequate, safe and reliable water supplies are provided to the people of the State of New Jersey. Specifically, the State ensures that surface and ground water diversions do not exceed the sustainable yield of available water resources. The



Raritan Basin Safe Yield Model was developed based on the results of the Authority's operations model, and the Manasquan Reservoir System Safe Yield Model, currently under development, will be used in support of future water allocation permit applications and System operations.

During 2013, the Authority's operations continued to support the sustainability of the State's water resources through its operation of the reservoir systems, through managing passing flow requirements at certain stations along the river system, and through continuous maintenance and dredging of the Delaware and Raritan Canal to assure adequate flow and the long-term integrity of that structure.

### **Annual Review of Authority Operations**

Each year during the budget process, senior management of the Authority reviews operations to identify inefficiencies and cost savings which, when implemented, will provide direct benefit to the Authority's customers. During 2013, the Authority undertook several steps to implement cost savings measures totaling \$1,442,220. The Authority reviewed staffing levels and determined to permanently eliminate funding for one position within the Auto Shop, the Senior Mechanic, so that one mechanic remains to service the needs of Clinton and the other mechanic services the needs of the D&R Canal and Manasquan. The Raritan System grounds staff historically operated with two crews each with a foreman and four crew members. Over time, the crews were reduced to three. In 2013, the Authority chose to permanently change the staffing complement to a foreman and two crew members for each team. This required the elimination of three maintenance worker positions saving \$137,700 in

2013. This staffing change is appropriate in part because of the River-Friendly Business Certification maintained by the Authority, which calls for maintaining more natural fields with native grasses and much less mowing. Maintenance work is still accomplished in a timely fashion. In 2013, an Assistant Heavy Equipment Operator, an Equipment Operator and an Assistant Pump Station Operator Trainee were eliminated. The elimination of these three positions saved the Authority and its customers \$153,900 in 2013. Finally, the Authority eliminated a Principal Watershed Protection Specialist with associated salary and fringe savings of \$106,650. A review of the general operations and maintenance budget revealed savings of \$13,300 composed of staff training and travel recognizing there hasn't yet been a lift on the out-of-state travel ban. Finally, the Authority undertook a thorough review of its reserves, specifically the pumping reserve, the water reuse reserve and the Source Water Protection reserve and determined that the existing levels of funding were appropriate and utilized \$837,000 in reserves to offset the rate impact in 2013. Management raises were again deferred in 2013 saving \$40,000. As vacancies occurred in staffing, the Authority made certain that personnel were promoted or hired from the outside into salaries which were lower than the departing incumbent. During 2013, the Authority saved \$32,170 through exercising this diligence.

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# Letter of Transmittal - Chief Financial Officer

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## NEW JERSEY WATER SUPPLY AUTHORITY

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October 7, 2013

### Formal Transmittal of the CAFR

#### To the Commissioners of the New Jersey Water Supply Authority

The Comprehensive Annual Financial Report of the New Jersey Water Supply Authority ("Authority") for the year ended June 30, 2013 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles. In accordance with these accounting principles, the Authority is a component unit of the State of New Jersey and, as such, is included in the State of New Jersey's Annual Report.

#### Profile of the Government

##### Reporting Entity and its Services

The Authority was created on October 7, 1981 (P.L. 1981, c.293) and was established in but not of the Department of Environmental Protection of the State of New Jersey. This "New Jersey Water Supply Authority Act" established the Authority to acquire, finance, construct, and operate water systems under certain

circumstances, and authorizes the issuance of bonds of the Authority.

The Authority operates three separate systems: the Raritan Basin System, the Manasquan Water Supply System, and the Manasquan Water Treatment Plant and Transmission System. The Manasquan Water Treatment Plant and Transmission System is owned by the Southeast Monmouth Municipal Utilities Authority (SMMUA), and is operated and maintained by the Authority under the terms of an operating agreement. Each of these systems provides sufficient revenues to cover their own operating expenses, and each System's debt service.

A seven member Board of Commissioners governs the Authority. The Authority's Executive Director heads a full-time staff of professional, technical, and operational personnel totaling 126 employees, consisting of 99 employees of the Raritan Basin System and 27 employees of the Manasquan Reservoir System.

The meetings of the Authority are normally scheduled for the first working Monday of each month. Four members of the Authority constitute a quorum at any meeting. Action may be taken, and motions and resolutions adopted by the Authority at any meeting by the affirmative vote of at least four members of the Authority. All meetings held by the Authority are in accordance with the Open Public Meetings Act, which requires that all meetings of public bodies be open to the public.



### Accounting System and Budgetary Control

The Authority's financial statements are prepared in accordance with generally accepted accounting principles. The Authority operates and reports as a single enterprise fund utilizing the accrual basis of accounting. The enterprise fund concept is similar to how private business enterprises are financed and operated. The intent is that the costs of providing service to water users on a continuing basis be financed primarily through user charges.

In an effort to ensure compliance with the Authority's By-laws and to safeguard its assets, an internal control structure has been developed and implemented by management. The internal control structure is outlined in Accounting Policies and Procedures Manuals maintained by the Authority and include: description of methods, procedures and accounting principles to be followed with explanations and examples of principal transactions; standards setting out authorization levels for expenditure of Authority funds and very specific procedures to follow when executing purchase orders, receiving goods and payment for services; separation of accounts payable and receivable function; limitations on access to the vendor management system; bank reconciliation review; controls over deposits and generation of automated and manual checks. The internal control structure also includes approved organization structures, and approved budgets for capital and operating expenditures.

The Authority's By-laws also set out standards for procurement, which have been codified in policies and procedures. The standards include a threshold, after which the Board of Directors must approve all transactions. The Authority is in compliance with Executive Order No. 37 (2006) with respect to procurement, and has

amended its procedures to ensure 100 percent compliance.

The discussion of internal controls in the letter of transmittal should include their inherent limitations. At a minimum, consider stating that because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the Authority followed all of its standards, procedures and internal control safeguards for the year in question.

The Authority adopts an annual budget for its operations and establishes water rates accordingly.

### **Information Useful in Assessing the Government's Economic Condition**

#### Financial Position

The total assets of the Authority as of June 30, 2013 were \$211,692,920 a decrease of less than one percent over the previous year's total of \$209,642,663. The Capital Assets, net of accumulated depreciation decreased \$488,412, or less than one percent, from \$143,988,686 to \$143,500,274.

The total of cash, cash equivalents and investments for the Authority increased \$8,980,886, or 17 percent, from \$53,343,896 to \$62,324,782. The increase in cash is mainly attributable to the receipt of FEMA and insurance reimbursement because of the expenses on the D&R Canal after Hurricane Irene on August 28, 2011 and Tropical Storm Lee on September 7, 2011. Current liabilities increased \$1,593,953, or 16 percent, from \$9,817,272 to \$11,411,225. The increase is primarily due to the increase in current payable on new loans. Total Net Positions of the Authority increased \$6,762,603, or six percent, from \$114,249,113 to \$121,011,716.



Total Operating Revenues decreased by \$13,693 or less than one percent, from \$25,948,314 to \$25,926,007 due to no change in the rate and no overdraft water billing in the Raritan Basin System. Total Operating Expenses decreased \$2,125,808, or nine percent, from \$23,918,001 to \$21,792,193, because of the end of storm related damages. Non-operating Revenues increased \$4,399,520 or 153 percent, from \$2,884,459 to \$7,283,979 due to the receipt of FEMA and insurance reimbursement from the storm related damages. Investment Income decreased \$27,127, or 12 percent from the previous year. Non-operating expenses decreased \$42,810, or one percent, from \$4,698,000 to \$4,655,190 due to an increase from the FASB71 Calculation, and a decrease in the interest component of debt service.

#### Independent Audit

In accordance with the "New Jersey Water Supply Authority Act" (P.L. 1981, c.293), before the last day of February, an Annual Report of the Authority's activities of the preceding calendar year is due to the Governor and the Legislature. This Annual Report must include an audit of the Authority's books and accounts. Mercadieu, P.C., Certified Public Accountants, was retained to perform an audit of the 2013 Fiscal Year in accordance with Auditing Standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States. In June 1999, the GASB adopted their Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The Authority adopted GASB Statement No. 34 in Fiscal Year 2001, including the Management's Discussion and Analysis ("MD&A"). The MD&A is considered to be required supplemental data and precedes the financial

statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the Report of Independent Auditors'. Mercadieu, P.C. reports directly to the Audit Committee of the Board of Commissioners. Mercadieu, P.C., also performed, as part of the annual audit, a review of the internal control.

The Authority has previously established rates, and intends to continue establishing rates on the basis of its cash needs in any fiscal year to meet its requirements for Operations and Maintenance Expenses, Debt Service, Capital Fund and the Source Water Component.

#### Awards and Acknowledgments

##### *Certificate of Achievement for Excellence in Financial Reporting*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the New Jersey Water Supply Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the 21<sup>st</sup> consecutive year that the Authority has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.



### Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Financial and Accounting staff of the New Jersey Water Supply Authority. Any financial report is also only as good as the accounting records that supply its supporting data. The Authority's entire staff deserves recognition for their dedication, perseverance and attention to detail that result in the Authority's records being kept in a manner which reflects credit on the staff as a unit as well as each employee individually.

### Economic Outlook

The continuing economic viability of the Authority is ensured by the water contracts the Authority maintains with our water users. The water users have entered into long-term contracts for a supply of water for their respective systems, which they are authorized to continuously withdraw without interruption, for potable or industrial water supply purposes. During Fiscal Year 2013, the Authority supplied water to 27 contractual customers of the Raritan Basin System, which provided water to approximately 1,500,000 people in central New Jersey, and 13 contractual customers of the Manasquan System, which provides water to approximately 250,000 people in the Monmouth County area. Two customers accounted for approximately 84 percent of total Raritan Basin System operating revenues. Three customers accounted for approximately 81 percent of total Manasquan System operating revenues.

The total sales base for the Raritan Basin System increased slightly to 182.207 million gallons per day for fiscal year 2013, and the total sales base for the Manasquan Reservoir System was unchanged at 20.560 million gallons per day. We are expecting our

major water customers in both Systems to continue to increase their contractual water allocations in the future. Payments for uninterruptible service are based upon the mgd amount specified in each water user contract, and are payable to the Authority whether or not the water user actually withdraws the full amount of water available as defined in the contract as daily uninterruptible service.



Henry S. Patterson  
Executive Director



Beth Gates  
Director Finance and Administration



Michael R. Citarelli  
Chief Financial Officer



# Financial Section

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Report of Independent Auditors'

Management's Discussion and Analysis

Basic Financial Statements

Statements of Net Position

Statements of Revenues, Expenses and  
Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Combining Statements and Schedules

## INDEPENDENT AUDITORS' REPORT

To the Commissioners of  
New Jersey Water Supply Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the New Jersey Water Supply Authority (the "Authority"), as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of June 30, 2013 and 2012, and the changes in the financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The other accompanying supplementary information which consists of the combining schedule of net position, combining schedule of revenue, expenses and changes in net position, the schedule of changes in cash and investments – Raritan Basin System and schedule of changes in cash and investments – Manasquan Water Supply System are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information listed above is the responsibility of management and was derived from and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Other Matters (Continued)

#### *Other Supplementary Information (Continued)*

accepted in the United States of America. In our opinion, the combining schedule of net position, combining schedule of revenue, expenses and changes in net position, the schedule of changes in cash and investments – Raritan Basin System and schedule of changes in cash and investments – Manasquan Water Supply System are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 7, 2013, and October 1, 2012, for the years ended June 30, 2013 and 2012, respectively, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Mercader, PC*  
*Certified Public Accountants*

October 7, 2013





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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2013

This section of the Annual Financial Report of the New Jersey Water Supply Authority (the "Authority"), a Component Unit of the State of New Jersey, presents discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the Authority's basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- Operating revenue for fiscal year 2013 was \$25.9 million, no change over fiscal year 2012, which was the result of a .44% decrease in Raritan, and a .19% decrease in Manasquan sales. In the Raritan Basin System, there was no change in the rate at \$231.00 per million gallons, and the sales base increased .10%, from 182.023 million gallons per day to 182.207 million gallons per day. In the Manasquan Reservoir System, there was no change in the rate at \$1,015.90 per million gallons. The fiscal year 2013 sales base remained the same at 20.560 million gallons per day.
- Unrestricted cash and cash equivalents for fiscal year 2013 were \$42.0 million, an increase of 23.51% from fiscal year 2012. Income from operations increased for the Raritan System 129.27% and increased 1.26% for the Manasquan System.
- Total liabilities for fiscal year 2013 were \$90.7 million, a decrease of 4.94% from fiscal year 2012. The Authority continues to pay down long-term debt in both systems.
- Total operating expenses for fiscal year 2013 decreased to \$21.8 million, which represents an 8.89% decrease from fiscal year 2012. Payroll increased 1.5% because of increased pension and health benefit expenses. Operations and maintenance expenses decreased 26.59% to \$6.2 million because of the reduction of storm related damages from Superstorm Sandy on October 29, 2012.
- Other changes for fiscal year 2013 include the following: non-operating revenue increased 152.52% to \$7,283,979, investment income decreased 11.9% because of receding market conditions, the receipt of grant programs decreased 49.09% from the previous year, and other income increased 219.84%, because of the receipt of FEMA and insurance proceeds reimbursing the Authority for storm expenses.
- Non-operating expenses for fiscal year 2013 decreased .91% to \$4.65 million. The interest component of debt service decreased 11.62% with the continued pay-down of the system debt. There was an increase in the reduction in costs to be recovered from future revenue, and the change in the rate model is outlined in Note 2 to the basic financial statements.




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**MANAGEMENT'S DISCUSSION AND ANALYSIS**


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Year Ended June 30, 2013

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. The Authority is a self-supporting entity and follows enterprise fund accounting. The enterprise fund concept is similar to the manner in which private business enterprises are financed and operated. The Authority presents its financial statements on the accrual basis of accounting. The statements offer short and long-term financial information about the activities and operations of the Authority. The intent is that the costs of providing service to water users on a continuing basis are financed primarily through user charges. The Authority has established certain restricted "funds or accounts," as directed by internal resolution and bond indentures. In an effort to ensure compliance with the Authority's by-laws and to safeguard its assets, internal controls have been developed and implemented by management. These internal controls include policies, procedures, approved organizational structures and approved budgets for capital and operating expenditures.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The Authority's total net position was approximately \$121 million as of June 30, 2013. In fiscal year 2013, total assets increased .98% to \$211.7 million due to a 118.11% increase in costs to be recovered from future revenues, and total liabilities decreased 4.94% to \$90.7 million, due to the continued pay down of long-term debt. Total net position as of June 30, 2012, was approximately \$114 million. Total assets that year decreased .22% to \$209.6 million, and total liabilities decreased .71% to \$95.4 million. Changes in assets, liabilities and net position between June 30, 2013, 2012 and 2011, are summarized in the following table:

	2013	2012	2011	Percentage Change 2013-2012
Current assets	<b>\$47,973,586</b>	\$43,454,301	\$36,101,110	10.40%
Capital assets, net	<b>143,500,274</b>	143,988,686	144,133,322	(.34)
Other non-current assets	<b>20,219,060</b>	22,199,676	29,871,335	(8.92)
Total assets	<b>211,692,920</b>	209,642,663	210,105,767	.98
Long-term debt	<b>79,269,979</b>	85,576,278	86,563,054	(7.37)
Other liabilities	<b>11,411,225</b>	9,817,272	9,510,372	16.24
Total liabilities	<b>90,681,204</b>	95,393,550	96,073,426	(4.94)
Net position invested in capital assets, net of related debt	<b>83,560,654</b>	78,090,867	77,691,938	7.00
Restricted	<b>12,126,909</b>	11,924,238	12,011,721	1.70
Unrestricted	<b>25,324,153</b>	24,234,008	24,328,682	4.50
Total net position	<b>\$121,011,716</b>	\$114,249,113	\$114,032,341	5.92





MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2013

OPERATING ACTIVITIES

The Authority operates three separate systems: the Raritan Basin System, the Manasquan Water Supply System, and the Manasquan Water Treatment Plant and Transmission System. The Manasquan Water Treatment Plant and Transmission System is owned by the Southeast Monmouth Municipal Utilities Authority, which sets the rates, and is operated and maintained by the Authority under the terms of an operating agreement. Each system must generate sufficient revenue each year to cover its own operating expenses and debt service. The following rates were adopted at the April 2013 and 2012 Authority meetings, respectively, based on anticipated operating expenses:

	<u>Rate</u> <u>7/01/2013</u>	<u>Rate</u> <u>7/01/2012</u>	<u>Percent</u> <u>Change</u>
Raritan Basin System	\$ 231.00/mg	\$ 231.00/mg	-%
Manasquan Water Supply System			
Initial users	\$1,015.90/mg	\$1,015.90/mg	-%
Delayed water users	\$1,168.49/mg	\$1,168.49/mg	-%

The Authority's total operating revenue for fiscal year 2013 was \$25.9 million, a decrease of .08% from fiscal year 2012, due to a .44% decrease in Raritan and a .19% decrease in Manasquan water sales. The Authority's total operating expenses for fiscal year 2013 were \$21.8 million, a decrease of 8.89% from fiscal year 2012, because of a decrease in Raritan O&M expenses. The Authority's total operating revenue for fiscal year 2012 was \$25.9 million, a decrease of 2.44% from fiscal year 2011. The Authority's total operating expenses for fiscal year 2012 were \$23.9 million, an increase of 15.83% from fiscal year 2011. The following table summarizes the changes in revenue, expenses and net position between fiscal years 2013, 2012 and 2011:



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2013

	2013	2012	2011	Percentage Change 2013-2012
Operating revenue:				
Water sales	\$23,430,025	\$23,513,508	\$24,095,286	(.36)%
Reimbursement of operating expenses	2,495,982	2,434,806	2,501,135	2.51
Total operating revenue	25,926,007	25,948,314	26,596,421	(.09)
Non-operating revenue:				
State of New Jersey-Grant Programs	212,023	416,483	233,650	(49.09)
Investment income	200,837	227,964	253,672	(11.90)
Rental income	32,931	102,033	66,109	(67.73)
Other income	6,838,188	2,137,979	78,875	219.84
Total non-operating revenue	7,283,979	2,884,459	632,306	152.52
Total revenue	33,209,986	28,832,773	27,228,727	15.18
Operating expenses:				
Payroll	7,113,521	7,352,772	7,371,024	(3.25)
Operations and maintenance	6,241,134	8,501,467	5,268,967	(26.59)
Fringe benefits	4,168,585	3,762,280	3,658,603	10.80
Depreciation	4,268,953	4,301,482	4,351,153	(.76)
Total operating expenses	21,792,193	23,918,001	20,649,747	(8.89)
Non-operating expenses:				
Interest component of debt service of the State of New Jersey	1,820,444	2,059,808	2,185,254	(11.62)
Amortization of issuance costs-D&R System Revenue Refunding Bonds, Series 1998	25,229	25,229	25,229	-
Amortization of issuance costs- Manasquan State Loan Notes	65,319	65,319	65,319	-
Reduction in costs to be recovered from future revenue	2,744,198	2,547,644	2,249,633	7.72
Total non-operating expenses	4,655,190	4,698,000	4,525,435	(.91)
Total expenses	26,447,383	28,616,001	25,175,182	(7.58)
Change in net position	6,762,603	216,772	2,053,545	3,019.68
Net position, beginning of year	114,249,113	114,032,341	111,978,796	.19
Net position, end of year	\$121,011,716	\$114,249,113	\$114,032,341	5.92





## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

At June 30, 2013, the Authority had a total of \$143,500,274 invested in the Systems that it operates: \$83,213,060 invested in the Raritan Basin System, and \$60,287,214 invested in the Manasquan System. This total amount represents a .34% decrease from last year.

The following table summarizes the changes in capital assets, net of depreciation, between fiscal years 2013, 2012 and 2011:

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>Percentage Change 2013-2012</b>
Land and land rights	<b>\$25,553,880</b>	\$24,290,450	\$22,364,310	5.20%
Dams	<b>50,598,999</b>	51,396,994	52,194,990	(1.55)
Building, structures and improvements	<b>58,097,172</b>	57,647,267	60,756,881	.78
Machinery and equipment	<b>983,141</b>	1,038,191	1,281,313	(5.30)
Construction work in progress	<b>8,267,082</b>	9,615,784	7,535,828	(14.03)
Total capital assets, net	<b>\$143,500,274</b>	\$143,988,686	\$144,133,322	(.34)

More detailed information about the Authority's capital assets is presented in Note 3 to the basic financial statements.

The following table summarizes the changes in capital debt between fiscal years 2013, 2012 and 2011:

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>Percentage Change 2013-2012</b>
Bonds payable	<b>\$35,456,893</b>	\$40,607,618	\$45,524,920	(12.68)%
Notes payable	<b>33,652,337</b>	33,654,736	33,657,001	(.01)
Loans payable	<b>16,393,574</b>	17,198,649	12,822,647	(4.68)
Total bonds, notes and loans payable	<b>\$85,502,804</b>	\$91,461,003	\$92,004,568	(6.51)

At year-end, the Authority had \$85,502,804 in bonds, notes and loans principal outstanding, compared to \$91,461,003 at June 30, 2012. This change represents a decrease of 6.51%, as shown in the above table.

More detailed information about the Authority's long-term debt is presented in Note 5 to the basic financial statements.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2013

CURRENT AND NEW BUSINESS

During fiscal year 2013, the Authority supplied water to 27 contractual customers of the Raritan Basin System, who, in turn, supplied water to approximately 1,500,000 people in central New Jersey. Two customers accounted for approximately 84% of total Raritan Basin System operating revenue. Effective July 1, 2013, there was the addition of Village Grande @ Bear Creek (.074mgd). This will increase the total sales base for the Raritan Basin System to 182.281mgd as of June 30, 2013, up from 182.207mgd at June 30, 2012. In addition, during fiscal year 2013, the Authority provided water to 13 contractual customers of the Manasquan Water Supply System, who provided water to approximately 250,000 people in the Monmouth County area. Three customers accounted for approximately 81% of total Manasquan System operating revenue. Effective July 1, 2013, the total sales base for the Manasquan Reservoir System remains unchanged at 20.560mgd.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the water customers, New Jersey citizens, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability as a self-supporting entity. If you have questions about this report or need additional financial information, you can contact the New Jersey Water Supply Authority at 1851 Highway 31, P.O. Box 5196, Clinton, New Jersey 08809, (908) 638-6121 or visit our website at [www.njwsa.org](http://www.njwsa.org).



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

	June 30,	
	2013	2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$42,001,799	\$34,008,030
Unbilled sales	968,323	1,165,026
Accounts receivable, less allowance for doubtful accounts of \$1,000 at June 30, 2013 and 2012	979,511	4,646,665
Interest receivable	118,995	118,994
Prepaid expenses and other current assets	1,018,480	899,250
Costs to be recovered from future revenue	2,886,478	2,616,336
Total current assets	47,973,586	43,454,301
Non-current assets:		
Restricted assets:		
Cash equivalents	2,130,879	1,058,593
Investments	12,540,844	12,378,541
Investments	5,651,260	5,898,732
Costs to be recovered from future revenue	(445,437)	2,460,092
Deferred issuance costs	341,514	403,718
Capital assets, net	143,500,274	143,988,686
Total non-current assets	163,719,334	166,188,362
Total assets	211,692,920	209,642,663
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	6,232,825	5,884,725
Accounts payable	283,150	281,460
Accrued liabilities	2,350,436	2,138,191
Unearned revenue	2,544,814	1,512,896
Total current liabilities	11,411,225	9,817,272
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	79,269,979	85,576,278
Total liabilities	90,681,204	95,393,550
<b>Net Position</b>		
Invested in capital assets, net of related debt	83,560,654	78,090,867
Restricted for repayment of debt principal and interest	12,126,909	11,924,238
Unrestricted	25,324,153	24,234,008
Total net position	\$121,011,716	\$114,249,113

*See accompanying notes.*

New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Statement of Revenue, Expenses and Changes in Net Position

	<b>Year Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
Operating revenue:		
Water sales	\$23,430,025	\$23,513,508
Reimbursement of operating expenses	2,495,982	2,434,806
Total operating revenue	25,926,007	25,948,314
Operating expenses:		
Payroll	7,113,521	7,352,772
Operations and maintenance	6,241,134	8,501,467
Fringe benefits	4,168,585	3,762,280
Depreciation	4,268,953	4,301,482
Total operating expenses	21,792,193	23,918,001
Income from operations	4,133,814	2,030,313
Non-operating revenue:		
State of New Jersey – Grant Programs	212,023	416,483
Investment income	200,837	227,964
Rental income	32,931	102,033
Other income	6,838,188	2,137,979
Total non-operating revenue	7,283,979	2,884,459
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	1,820,444	2,059,808
Amortization of issuance costs – D & R System Revenue Refunding Bonds, Series 1998	25,229	25,229
Amortization of issuance costs – Manasquan State Loan Notes	65,319	65,319
Reduction in costs to be recovered from future revenue	2,744,198	2,547,644
Total non-operating expenses	4,655,190	4,698,000
Change in net position	6,762,603	216,772
Net position, beginning of year	114,249,113	114,032,341
Net position, end of year	\$121,011,716	\$114,249,113

*See accompanying notes.*



New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Statement of Cash Flows

	<b>Year Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$23,466,487	\$23,548,441
Cash received from reimbursable expenses	9,277,750	4,565,635
Cash received from rental income	35,226	35,713
Cash paid to or on behalf of employees	(10,967,156)	(11,100,076)
Cash paid to suppliers	(5,605,013)	(8,531,005)
Net cash provided by operating activities	16,207,294	8,518,708
<b>Cash flows from noncapital financing activities</b>		
Cash received for grant programs	212,023	416,483
Net cash provided by noncapital financing activities	212,023	416,483
<b>Cash flows from capital and related financing activities</b>		
Proceeds from borrowing	103,151	4,993,705
Principal paid on bonds, notes and loans	(5,185,638)	(5,849,198)
Interest paid on bonds, notes and loans	(1,874,569)	(2,083,637)
Acquisition and construction of capital assets	(717,956)	(7,182,560)
Proceeds from sale of capital assets	35,745	3,240
Net cash used in capital and related financing activities	(7,639,267)	(10,118,450)
<b>Cash flows from investing activities</b>		
Sale of investment securities	9,163,057	19,953,250
Purchase of investment securities	(9,077,888)	(15,152,455)
Interest received on investments	200,836	132,234
Net cash provided by investing activities	286,005	4,933,029
Net increase in cash and cash equivalents	9,066,055	3,749,770
Cash and cash equivalents, beginning of year	35,066,623	31,316,853
Cash and cash equivalents, end of year	\$44,132,678	\$35,066,623
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$4,133,814	\$2,030,313
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Non-cash items expensed to operations and maintenance	754,636	-
Cash received for operating activity included in other income	6,835,374	2,236,772
Depreciation	4,268,953	4,301,482
Increase (decrease) in cash from:		
Unbilled sales	196,703	(197,269)
Accounts receivable	(154,564)	189,440
Prepaid expenses and other current assets	(119,230)	(47,485)
Accounts payable	6,187	24,921
Accrued liabilities	(3,964)	(12,114)
Accrued payroll and taxes	289,385	(7,352)
Net cash provided by operating activities	\$16,207,294	\$8,518,708
<b>Non-cash investing activities</b>		
Decrease in fair value of investments	\$(247,472)	\$(163,639)

*See accompanying notes.*



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

**I. 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 consent of the New Jersey Senate. The public members represent the agricultural community, industrial water users, residential water users, private watershed associations, public finance and water resource management and distribution. The Authority prepares an annual budget that is used to establish rates and as a management tool but the budget does not constitute a legal budget or establish spending limitations.

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

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles according to a hierarchy of sources of accounting principles. Per GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, priority is established as to which source of accounting principles to utilize in determining proper accounting treatment. The hierarchy is as follows: GASB Statements and Interpretations; GASB Technical Bulletins; American Institute of Certified Public Accountants ("AICPA") Industry Audit and Accounting Guides and AICPA Statements of Position, if applicable and cleared by GASB; AICPA Practice Bulletins, if applicable and cleared by GASB; Implementation Guides published by GASB; AICPA pronouncements that are not specifically applicable to state and governmental entities; Financial Accounting Standards Board ("FASB") Statements and Interpretations; and Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure (issued on or before November 30, 1989). The Authority has elected not to follow FASB pronouncements issued after November 30, 1989. The Authority follows the hierarchy in determining accounting treatment.



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

**Revenue**

Charges for wholesale water usage are established to provide revenue sufficient for services, essential repairs and improvements to the utility plant, and repayment of debt service on certain long-term obligations used for plant construction. Sales are recognized as revenue when water is made available to customers, and the customers are billed in the following month or quarter. The Authority distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses result from the sale of water to customers. Operating expenses include costs of providing water, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Capital Assets**

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

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

**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*.

**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 June 30, 2013 and 2012, accounts receivable included amounts due from the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") for \$0 and \$931,278, respectively.

During fiscal years 2013 and 2012, two customers accounted for approximately 84% of total Raritan Basin System accounts receivable, and five customers accounted for approximately 88% 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 or state income taxes.



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**Net Position**

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

- *Invested in Capital Assets, Net of Related Debt* – This represents the net position of the Authority that is invested in capital assets, net of related debt. This indicates that this net position is not accessible for other purposes.
- *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.
- *Unrestricted Net Position* – This represents the net position that is available for general use. 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.

**Costs to be Recovered from Future Revenue**

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. 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. The deferred costs will be recovered through future revenue in accordance with the rate model. The deferred amount for the years ended June 30, 2013 and 2012, were determined as follows:

	2013	2012
<b>Raritan Basin System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$835,209	\$835,256
Excess vacation expense over vacation paid	(16,178)	9,533
	819,031	844,789
Cost included in rate model:		
Debt principal repayment	(2,465,000)	(2,345,000)
	(1,645,969)	(1,500,211)
<b>Manasquan System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	1,540,854	1,540,854
Excess vacation expense over vacation paid	(2,874)	(4,015)
	1,537,980	1,536,839
Cost included in rate model:		
Debt principal repayment	(2,527,398)	(2,427,263)
	(989,418)	(890,424)
Total Raritan Basin and Manasquan	(2,635,387)	(2,390,635)
Balance, beginning of year	5,076,428	7,467,063
Balance, end of year	\$2,441,041	\$5,076,428

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As shown in the statements of revenue, expenses and changes in net position for the years ended June 30, 2013 and 2012, respectively, the costs to be recovered from future revenue of \$2,744,198 and \$2,547,644 includes a debit balance of \$127,863, and a debit balance of \$151,491 of Manasquan Water Treatment Plant deferred revenue, which is not part of the rate model, and does not include a debit balance of \$19,052 and a credit balance of \$5,518 of accrued vacation.

**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 June 30, 2013 and 2012, unearned revenue amounting to \$1,392,211 and \$1,264,348, respectively, was determined as follows:

	<b>2013</b>	<b>2012</b>
Reimbursement of operating expenses	<b>\$2,497,601</b>	\$2,435,759
Operating expenses	<b>2,369,738</b>	2,284,268
Unearned revenue	<b>127,863</b>	151,491
Balance, beginning of year	<b>1,264,348</b>	1,112,857
Balance, end of year	<b><u>\$1,392,211</u></b>	<b><u>\$1,264,348</u></b>

During the fiscal years ended June 30, 2006 and 2005, the Authority received \$39,966 and \$191,877, respectively. These funds are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of June 30, 2013 and 2012, the amount included in unearned revenue was \$1,152,603, and \$248,548, respectively.

**Accounting for Watershed Protection Program**

For the fiscal years ended June 30, 2013 and 2012, the Authority received \$224,893 and \$120,332, respectively, from the NJDEP 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 June 30, 2013, all the funds received had been recognized as revenue.



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**Other Post-Employment Benefits (“OPEB”) Other than Pensions**

On July 1, 2007, the Authority implemented GASB No. 45, which covers accounting and financial reporting requirements for government employers that provide post-employment benefits other than pensions. Since the Authority participates in the State’s multiple-employer cost-sharing plan (Public Employees’ Retirement System “PERS”), the Authority’s portion of this liability and cost is calculated and recorded at the State level and included in the State’s Comprehensive Annual Financial Report. The Authority records OPEB expense based on billings from the State PERS. Required financial statement disclosures are included in Note 6 of these financial statements.

**3. Capital Assets**

Capital assets activity for the years ended June 30, 2013 and 2012, was as follows:

	<b>2013 Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>2013 Ending Balance</b>
Capital assets not being depreciated:				
Land	\$24,290,450	\$1,263,430	\$ -	\$25,553,880
Construction work in progress	9,615,784	2,957,817	(4,306,519)	8,267,082
Total capital assets not being depreciated	33,906,234	4,221,247	(4,306,519)	33,820,962
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	126,574,124	3,589,214	(24,352)	130,138,986
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,206,788	285,688	(228,809)	6,263,667
Total capital assets being depreciated	231,310,346	3,874,902	(253,161)	234,932,087
Less accumulated depreciation for:				
Dams	(25,972,166)	(797,995)	-	(26,770,161)
Building, structures and improvements	(68,926,858)	(3,139,309)	24,352	(72,041,815)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,168,597)	(331,649)	219,720	(5,280,526)
Total accumulated depreciation	(121,227,894)	(4,268,953)	244,072	(125,252,775)
Total capital assets, being depreciated, net	110,082,452	(394,051)	(9,089)	109,679,312
Total capital assets, net	\$143,988,686	\$3,827,196	\$(4,315,608)	\$143,500,274

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	2012 Beginning Balance	Additions	Retirements	2012 Ending Balance
Capital assets not being depreciated:				
Land	\$22,364,310	\$1,926,140	\$ -	\$24,290,450
Construction work in progress	7,535,828	2,121,570	(41,614)	9,615,784
Total capital assets not being depreciated	29,900,138	4,047,710	(41,614)	33,906,234
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	126,536,820	37,304	-	126,574,124
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,140,423	113,447	(47,082)	6,206,788
Total capital assets being depreciated	231,206,677	150,751	(47,082)	231,310,346
Less accumulated depreciation for:				
Dams	(25,174,171)	(797,995)	-	(25,972,166)
Building, structures and improvements	(65,779,939)	(3,146,919)	-	(68,926,858)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(4,859,110)	(356,569)	47,082	(5,168,597)
Total accumulated depreciation	(116,973,493)	(4,301,483)	47,082	(121,227,894)
Total capital assets, being depreciated, net	114,233,184	(4,150,732)	-	110,082,452
Total capital assets, net	\$144,133,322	\$(103,022)	\$(41,614)	\$143,988,686

#### 4. Cash and Cash and 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.

##### a. Cash

As of June 30, 2013 and 2012, the Authority's bank balance was \$4,483,866 and \$2,863,736, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$4,233,866 and \$2,613,736 as of June 30, 2013 and 2012, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$1,086,268 and \$429,877, and interest receivable totaling \$118,995 and \$118,994, respectively. The statement of net position amount includes petty cash totaling \$300 and \$500, respectively as of June 30, 2013 and 2012.



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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 \$4,483,866 and \$2,863,736 as of June 30, 2013 and 2012, respectively, was exposed to custodial credit risk as follows:

	2013	2012
Uninsured and uncollateralized	\$ 0	\$ 0

c. 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.

As of June 30, 2013, the Authority had the following 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	\$50,511,178	\$50,511,178	\$ -
NJ G/O Bonds	5,770,255	5,770,255	-
U.S. Agencies (FNMA)	2,764,446	-	2,764,446
Total	\$59,045,879	\$56,281,433	\$2,764,446

As of June 30, 2012, the Authority had the following 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	\$45,010,805	\$45,010,805	\$ -
U.S. Treasury Note	6,017,726	-	6,017,726
Total	\$51,028,531	\$45,010,805	\$6,017,726

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.

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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's \$2.7 million dollar investment in FNMA backed securities is not federally insured. The investment in U.S. Government Agencies (FNMA) is only implicitly guaranteed by the government. The Authority historically has not experienced any credit-related losses with respect to its investment in FNMA Securities.

The Authority entered into an agreement with PNC Bank and TD Bank to collateralize all deposits held at a market rate equal to 102% of the daily combined total of all deposits. As of June 30, 2013, all deposits were collateralized.

d. Investment Income

The following comprises investment income for the years ended June 30, 2013 and 2012, respectively:

	<b>2013</b>	<b>2012</b>
Interest earned on bank accounts and certificates of deposit	\$175,275	\$177,673
Interest earned on securities	273,034	213,930
Decrease in fair value of securities	(247,472)	(163,639)
	\$200,837	\$227,964

**5. Bonds, Notes and Loans Payable**

A. Notes due to State of New Jersey

The Authority has a contractual obligation to repay the following debt:

The \$63,600,000 of Manasquan Reservoir Water Supply System State Loan Notes (the "State Loan Notes") issued June 3, 1987, pursuant to the terms of the State Loan Agreement between the Authority and the State of New Jersey (the "State Loan Agreement"), from monies authorized by the 1981 bond appropriation of \$72,000,000 for construction of the Manasquan System and the \$7,416,000 of Interim Advance Notes issued September 12, 1988, from monies made available from the General Fund of the State to finance completion costs of the Manasquan System. The State Loan Notes and the Completion Loan Notes bear interest at 5.93% and 6.24%, respectively, and are collateralized by the property and revenues of the Manasquan System.

In accordance with the terms of the State Loan Agreement, the State Loan Notes are classified as either Current Debt Service Portion Notes ("Current Notes") or Deferred Debt Service Portion Notes ("Deferred Notes"). Principal of the Deferred Notes will be discharged solely by exchange for Current Notes or by the expiration of a period of forty years from the date of their issuance, which was June 3, 1987. The Deferred Notes must be exchanged for Current Notes on a pro rata basis to the extent that the Authority enters into additional long-term contracts to sell water from the Manasquan System on an annual basis. Such Current Notes are payable over a thirty-year period commencing from such date as is defined in the State Loan.



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Interest on the Deferred Notes accreted as principal through July 31, 1993, and is not payable until they have been exchanged for Current Notes. The interest that accreted as principal through July 31, 1990, accrued interest; however, the interest that accreted for the period from August 1, 1990 through July 31, 1993, did not accrue interest. The accretion of interest to the principal amount for the Current Notes and the Deferred Notes is \$25,563,184 at June 30, 2013 and 2012.

At June 30, 2013 and 2012, the State Loan Notes and Completion Notes are summarized as follows:

<b>State Loan Notes</b>	2013	2012
Current Notes	\$77,251	\$79,427
Deferred Notes	30,365,115	30,365,115
<b>Completion Notes</b>		
Current Notes	8,194	8,417
Deferred Notes	3,201,777	3,201,777
	<u>\$33,652,337</u>	<u>\$33,654,736</u>

B. Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005

On August 5, 2005, the Authority issued \$47,535,000 in Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005. The proceeds, together with other monies on deposit, were used to prepay \$49,293,438 in Current Manasquan State Loan Notes and Completion Notes.

The Revenue Bonds, Series 2005, have a principal balance of \$31,560,000 at June 30, 2013, carry a bond yield of 3.95%, and mature in incremental annual principal amounts through 2031. Principal maturities for the year ending June 30, 2014, are \$2,660,000. The property and revenue of the Manasquan System are pledged as collateral for the 2005 Bonds.

The balance of the defeased current Manasquan State Loan Notes and Completion Notes is \$0.

For the years ended June 30, 2013 and 2012, interest expense on the 2005 Bonds amounted to \$1,593,435 and \$1,717,830, respectively, and the related interest income earned on the restricted investments amounted to \$138 and \$226, respectively.

C. New Jersey Environmental Infrastructure Financing Program (“NJEIFP”)

The New Jersey Water Supply Authority, a Component Unit of the State of New Jersey, obtained a loan from the New Jersey Environmental Infrastructure Trust (“the Trust”) for the construction of a permanent structure over the Manasquan Intake Pump Station. Under the NJEIFP, the borrowers benefit from a loan formula under which participants borrow a percentage of cost from the State Revolving Fund maintained by the NJDEP at zero interest and the remaining percentage from the Trust at the same interest rate the Trust pays on its bonds. Under the State’s Smart Growth Initiative, the interest rate is equivalent to 25 percent of the lowest available rate. Each NJEIFP loan carries a 20-year life. Property and revenue of the Manasquan Reservoir System are pledged as collateral for the loans.



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The following table summarizes the NJEIFP loan outstanding for the Manasquan Reservoir System, as of June 30, 2013:

NJEIFP Series	Date of Issuance	State Revolving Fund Principal	Percent	Trust Principal	Percent	Blended Interest Rate	Outstanding Principal	Maturity
2012B	05/03/2012	\$2,312,250	76%	\$715,000	24%	.80%	\$2,909,678	08/01/2031

D. D & R System Revenue Refunding Bonds, Series 1998

On August 4, 1998, the Authority issued Water System Revenue Refunding Bonds, Series 1998 (the "Refunding Bonds") in the amount of \$28,290,000. The Refunding Bonds are serial bonds of which \$2,600,000 are outstanding at June 30, 2013, and that bear interest at varying rates from 4.5% to 5.375% and mature in incremental annual principal amounts through 2013. Principal maturities for the year ending June 30, 2014, are \$2,600,000. The Refunding Bonds maturing on or after November 1, 2009, are subject to redemption prior to their stated maturity dates at the option of the Authority on or after November 1, 2008. The property and revenue of the Raritan System are pledged as collateral for the Refunding Bonds.

The balance of the defeased 1988 Delaware and Raritan System Revenue Bonds is \$0.

For the years ended June 30, 2013 and 2012, interest expense on the Refunding Bonds amounted to \$184,395 and \$314,715, respectively, and the related interest income earned on the restricted investments amounted to \$53 and \$54, respectively.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$6,029,573. The difference is reported with bonds payable on the statements of net position and is being charged to operations using a method that approximates the effective interest method over the shorter of the remaining life of the old debt or the life of the new debt. The economic gain was a net present value debt savings of \$4,207,590.

E. New Jersey Environmental Infrastructure Financing Program ("NJEIFP")

The New Jersey Water Supply Authority, a Component Unit of the State of New Jersey, obtained loans from the New Jersey Environmental Infrastructure Trust (the "Trust") for the acquisition of source water watershed properties critical to the Raritan Basin System. Under the NJEIFP, the borrowers benefit from a loan formula under which participants borrow a percentage of the cost from the State Revolving Fund maintained by the NJDEP at zero interest and the remaining percentage from the Trust at the same interest rate the Trust pays on its bonds. Under the State's Smart Growth Initiative, the interest rate is equivalent to 25 percent of the lowest available rate. Each NJEIFP loan carries a 20-year life, and property and revenue of the Raritan Basin System are pledged as collateral for the loans.



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The following table summarizes the NJEIFP loans outstanding for the Raritan Basin System, as of June 30, 2013:

NJEIFP Series	Date of Issuance	State Revolving Fund Principal	Percent	Trust Principal	Percent	Blended Interest Rate	Outstanding Principal	Maturity
2003A	11/06/2003	\$627,019	75%	\$235,000	25%	1.194%	\$496,038	08/01/2023
2004A	11/04/2004	1,030,000	75%	350,000	25%	1.310%	878,500	08/01/2024
2005A	11/10/2005	2,940,974	75%	1,050,000	25%	1.251%	2,246,361	08/01/2025
2006A	11/09/2006	2,099,363	75%	745,000	25%	1.260%	2,038,638	08/01/2026
2007A	11/08/2007	1,740,563	75%	620,000	25%	1.055%	1,839,413	08/01/2027
2008A	11/06/2008	1,152,000	64%	660,000	36%	1.740%	1,526,856	08/01/2028
2010A	03/10/2010	300,493	51%	290,000	49%	1.685%	513,082	08/01/2029
2010B	12/02/2010	1,064,338	52%	990,000	48%	1.870%	1,904,184	08/01/2030
2012A	05/03/2012	1,501,455	76%	465,000	24%	.65%	1,890,110	08/01/2031
Total		\$12,456,205		\$5,405,000			\$13,333,182	

The following table summarizes the changes in bonds, notes and loans payable between fiscal years 2013 and 2012:

	Fiscal Year 2012	Less Payments, Net of Amortization	Debt Issued	Fiscal Year 2013	Due Within One Year
Bonds payable	\$40,607,618	\$5,150,725	\$ -	\$35,456,893	\$5,260,000
Notes payable	33,654,736	2,399	-	33,652,337	2,541
Loans payable	17,198,649	805,075	-	16,393,574	970,284
Total	\$91,461,003	\$5,958,199	\$ -	\$85,502,804	\$6,232,825

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Principal and interest on aggregate maturities and bonds, notes and loans, net of unamortized issuance cost and unamortized deferral, are as follows:

Year Ending June 30,	Raritan Basin System	Manasquan Reservoir System	Notes Payable Manasquan System	Delaware & Raritan 1998 Water Revenue Refunding Bonds	Manasquan System Revenue Bonds Series 2005	Totals
2014	\$1,036,468	\$173,622	\$7,558	\$2,669,875	\$4,171,500	\$8,059,023
2015	1,042,482	172,997	7,553	-	4,170,125	5,393,157
2016	1,033,878	172,247	7,549	-	4,171,750	5,385,424
2017	1,076,449	176,422	7,544	-	4,166,125	5,426,540
2018	1,064,348	175,372	7,538	-	4,167,875	5,415,133
2019-2023	5,255,812	870,335	37,599	-	13,936,875	20,100,621
2024-2028	3,707,574	868,835	37,407	-	3,600,375	8,214,191
2029-2033	953,730	654,298	29,745	-	2,851,375	4,489,148
Deferred Portion	-	-	33,566,892	-	-	33,566,892
Subtotal	15,170,741	3,264,128	33,709,385	2,669,875	41,236,000	96,050,129
Less amounts representing interest Unamortized deferral Amount	1,837,559	354,450	57,048	69,875	9,676,000	11,994,932
Plus unamortized Bond premium	-	-	-	7,256	286,201	293,457
Subtotal	98,195	52,519	-	18,619	1,571,731	1,741,064
Subtotal	13,431,377	2,962,197	33,652,337	2,611,363	32,845,530	85,502,804
Less: Current principal portion	827,712	142,572	2,541	2,600,000	2,660,000	6,232,825
Total	\$12,603,665	\$2,819,625	\$33,649,796	\$11,363	\$30,185,530	\$79,269,979



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**6. Employee Benefits**

**Pension and Retirement Plans**

Full-time employees of the Authority are covered by the Public Employees' Retirement System of the State of New Jersey ("PERS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of PERS and charges employers annually for their respective contributions. PERS provides retirement and disability benefits, annual cost of living adjustments and benefits to plan members and their beneficiaries. PERS is a cost-sharing, multiple-employer defined benefit plan and, as such, does not maintain separate records for each employer in the state; therefore, the actuarial data for the Authority is not available. The Division of Pensions issues a publicly available financial report for PERS, including financial statements and required supplementary information. Please refer to the State website [www.state.nj.us](http://www.state.nj.us) for more information regarding the plan. The PERS financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

As a condition of employment, all Authority full-time employees are required to be members of PERS. PERS members can apply for a service retirement at age 60 if enrolled before November 2, 2008 (Tier 1 or Tier 2), or at age 62 if enrolled on or after November 2, 2008, but before June 28, 2011 (Tier 3 or Tier 4), or at age 65 if enrolled on or after June 28, 2011 (Tier 5) regardless of the amount of service credit earned.

Tier 1, 2 or 3: Annual Benefit = Years of Service Credit, divided by 55, times Final Average Salary (average salary of the last three years of credited service or the highest three fiscal years of credited service, whichever provides the higher benefit). Tier 4 or Tier 5: Annual Benefit = Years of Service Credit, divided by 60, times Final Average Salary (average salary of the last five years of credited service or the highest five fiscal years of credited service, whichever provides the higher benefit). Pension benefits fully vest on reaching 10 years of service. Vested employees who were enrolled prior to July 1, 2007, and who have established 25 years or more of creditable service may retire without penalty at or after age 55 and receive full retirement benefits. PERS also provides death and disability benefits. Benefits are established by State statute.

Covered Authority employees are required by PERS to contribute 6.78% of their salaries. State statute requires the Authority to contribute the remaining amounts necessary to pay benefits when due. The amount of the Authority's contribution is certified each year by PERS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest.

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Notes to Financial Statements (continued)

The payroll for employees covered by PERS for the years ended June 30, 2013, 2012 and 2011, was \$6,842,065, \$6,982,324 and \$7,018,064, respectively. The Authority's total payroll for the years ended June 30, 2013, 2012 and 2011, was \$7,205,913, \$7,395,891 and \$7,422,082, respectively. The actuarial contribution requirements and the contributions made for the years ended June 30, 2013, 2012 and 2011, were \$1,234,025, \$1,289,250 and \$1,141,373, respectively, which consisted of \$784,639, \$856,878 and \$754,621 from the Authority, and \$449,386, \$432,372 and \$386,752 from the employees, respectively. As required by PERS, the employer and employee contributions represented 11.47% and 6.56% of covered payroll for the year ended June 30, 2013, 12.27% and 6.19% of covered payroll for the year ended June 30, 2012, and 10.75% and 5.51% of covered payroll for the year ended June 30, 2011, respectively. Contributions were made in accordance with the actuarial funding requirement.

**Post-Retirement Health Care Benefits**

The Authority provides continued health care benefits to employees retiring after twenty-five years of service and their eligible dependents. Benefits, contributions, funding and the manner of administration are determined by the State Legislature. The Authority's portion of this liability and cost is included in the State's comprehensive annual financial report on an annual basis. As such, the liability for Authority employees is covered under the State plan. The Division of Pensions within the New Jersey Treasury Department administers the funds. Monthly, the Division of Pensions charges the Authority for its contribution. The total number of employees receiving benefits was 52, 49 and 45 at June 30, 2013, 2012 and 2011, respectively. Total cost for these post-retirement benefits, included in fringe benefits, approximated \$714,969, \$599,311 and \$501,871 for the years ended June 30, 2013, 2012 and 2011, respectively.

**7. Major Water Customers**

During fiscal years 2013 and 2012, the Authority supplied water to approximately 27 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2013 and 2012, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. Three customers accounted for approximately 81% of total Manasquan System operating revenue.

**8. 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 such 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.



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

**9. New Accounting Pronouncement**

The Governmental Accounting Standards Board has issued Statement No. 65, "Items Previously Reported as Assets and Liabilities," which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources, or inflows of resources, certain items that were previously reported as assets and liabilities. Under this new standard, certain items currently reported as assets will continue to be classified as such, while others will be reported as deferred outflows of resources or current period outflows of resources. Similarly, certain items currently reported as liabilities will continue to be classified as such, others will be reported as deferred inflows of resources, and some will be inflows of resources. The Authority plans to implement this standard for its fiscal year ending June 30, 2014, as required.

**10. Insurance Reimbursements**

Included in "Other income" on the statement of revenues, expenses and changes in net position for the year ended June 30, 2013, are insurance reimbursements in the amount of \$5,705,339 and \$1,130,715 from private insurance and FEMA, respectively. The Authority received \$60,572.53 from FEMA, related to the damages from Superstorm Sandy, which incurred in the year ended June 30, 2013, and the balance of "Other income" is related to the damages from Hurricane Irene and Tropical Storm Lee, which incurred in the year ended June 30, 2012. Damages were primarily incurred in waterways that the Authority leases from, and maintains on behalf of, the State of New Jersey. Therefore, there was no impairment of capital assets recorded by the Authority as a result of these damages and repairs were expensed as incurred.

**11. Contingencies**

The Authority is party to various legal actions and disputes. Although the ultimate effect, if any, of these matters is not presently determinable, management believes that collectively they will not have a material effect on the results of operations or the financial position of the Authority.

**12. Subsequent Events**

Management has evaluated events that occurred after June 30, 2013, but before October 7, 2013, the date the financial statements were available to be issued. No matters were determined by management to require disclosure.

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

**13. Information by Business Segment**

The Authority issued revenue bonds to finance the construction of various capital assets, including the construction of the reservoir systems for both the Manasquan and Raritan Basin Systems. Each of these Systems must provide sufficient revenue each year to cover its own operating expenses and debt service. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.

The chart represents information by Business Segment and is not consistent with the consolidated balances on the statement of net position. Summary financial information for the operating segments is presented below:

	June 30, 2013		June 30, 2012	
	Raritan Basin System	Manasquan Water Supply System	Raritan Basin System	Manasquan Water Supply System
<b>Condensed statement of net assets</b>				
Assets:				
Current assets	\$35,419,136	\$12,554,450	\$30,042,635	\$13,411,666
Restricted assets	4,884,240	9,787,483	4,901,553	8,535,581
Capital assets	83,213,060	60,287,214	84,099,912	59,888,774
Other non-current assets	(11,435,738)	16,983,075	(9,429,438)	18,191,980
Total assets	112,080,698	99,612,222	109,614,662	100,028,001
Liabilities:				
Current liabilities	4,966,616	6,444,609	4,567,814	5,249,458
Non-current liabilities	12,615,028	66,654,951	16,041,425	69,534,853
Total liabilities	17,581,644	73,099,560	20,609,239	74,784,311
Net position:				
Invested in capital assets, net of related debt	67,170,320	16,390,334	64,818,732	13,272,135
Restricted for repayment of debt principal and interest	4,884,240	7,242,669	4,901,553	7,022,685
Unrestricted	22,591,119	2,733,034	19,448,628	4,785,380
Total net position	\$94,645,679	\$26,366,037	\$89,168,913	\$25,080,200



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

	June 30, 2013		June 30, 2012	
	Raritan Basin System	Manasquan Water Supply System	Raritan Basin System	Manasquan Water Supply System
<b>Condensed statement of revenue, expenses and changes in net position</b>				
Total operating revenue	\$15,552,494	\$7,877,531	\$15,620,858	\$7,892,650
Operating expenses	12,453,830	2,699,672	14,573,589	2,758,662
Depreciation	2,626,819	1,642,134	2,659,380	1,642,102
Operating income	471,845	3,535,725	(1,612,111)	3,491,886
Non-operating revenue	7,015,495	266,865	2,608,669	274,837
Non-operating expense	2,010,574	2,516,753	2,024,146	2,522,363
Change in net position	5,476,766	1,285,837	(1,027,588)	1,244,360
Net position, beginning of year	89,168,913	25,080,200	90,196,501	23,835,840
Net position, end of year	\$94,645,679	\$26,366,037	\$89,168,913	\$25,080,200
<b>Condensed statement of cash flows</b>				
Net cash provided by (used in):				
Operating activities	\$10,783,739	\$5,406,690	\$3,236,135	\$5,267,096
Non-capital financing activities	212,023	-	416,483	-
Capital and related financing activities	(5,144,583)	(2,533,569)	(4,486,389)	(8,643,834)
Investing activities	276,365	9,640	5,195,016	(261,987)
Net increase in cash and cash equivalents	6,127,544	2,882,761	4,361,245	(3,638,725)
Beginning cash and cash equivalent balances	25,442,798	9,623,825	21,081,553	10,235,300
Ending cash and cash equivalent balances	\$31,570,342	\$12,506,586	\$25,442,798	\$6,596,575

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## Supplemental Information

New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Combining Schedule of Net Assets

June 30, 2013

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$31,550,282	\$10,451,517	\$ -	\$ 42,001,799
Unbilled sales	968,323	-	-	968,323
Accounts receivable, less allowance for doubtful accounts of \$1,000	390,131	736,005	(146,625)	979,511
Interest receivable	97,224	21,771	-	118,995
Prepaid expenses and other current assets	795,010	223,470	-	1,018,480
Costs to be recovered from future revenue	1,764,791	1,121,687	-	2,886,478
Total current assets	<u>35,565,761</u>	<u>12,554,450</u>	<u>(146,625)</u>	<u>47,973,586</u>
Non-current assets:				
Restricted assets:				
Cash equivalents	20,060	2,110,819	-	2,130,879
Investments	4,864,180	7,676,664	-	12,540,844
Investments	4,615,934	1,035,326	-	5,651,260
Costs to be recovered from future revenue	(16,060,243)	15,614,806	-	(445,437)
Deferred issuance costs	8,571	332,943	-	341,514
Capital assets, net of accumulated depreciation of \$125,252,775 at June 30, 2013	83,213,060	60,287,214	-	143,500,274
Total non-current assets	<u>76,661,562</u>	<u>87,057,772</u>	<u>-</u>	<u>163,719,334</u>
Total assets	<u>\$112,227,323</u>	<u>\$99,612,222</u>	<u>\$(146,625)</u>	<u>\$211,692,920</u>
<b>Liabilities</b>				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 3,427,712	\$ 2,805,113	\$ -	\$ 6,232,825
Accounts payable	198,098	231,677	(146,625)	283,150
Accrued liabilities	1,340,806	1,009,630	-	2,350,436
Unearned revenue	-	2,544,814	-	2,544,814
Total current liabilities	<u>4,966,616</u>	<u>6,591,234</u>	<u>(146,625)</u>	<u>11,411,225</u>
Non-current liabilities:				
Long-term portion of bonds, notes and loans payable	12,615,028	66,654,951	-	79,269,979
Total liabilities	<u>17,581,644</u>	<u>73,246,185</u>	<u>(146,625)</u>	<u>90,681,204</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	67,170,320	16,390,334	-	83,560,654
Restricted for repayment of debt principal and interest	4,884,240	7,242,669	-	12,126,909
Unrestricted	22,591,119	2,733,034	-	25,324,153
Total net assets	<u>\$94,645,679</u>	<u>\$26,366,037</u>	<u>\$ -</u>	<u>\$121,011,716</u>



New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Combining Schedule of Revenue, Expenses  
and Changes in Net Assets

Year Ended June 30, 2013

	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenue:				
Water sales	\$15,552,494	\$ 7,877,531	\$ -	\$ 23,430,025
Reimbursement of operating expenses	-	-	2,495,982	2,495,982
Total operating revenue	<u>15,552,494</u>	<u>7,877,531</u>	<u>2,495,982</u>	<u>25,926,007</u>
Operating expenses:				
Payroll	5,492,338	776,587	844,596	7,113,521
Operations and maintenance (direct)	4,330,468	830,776	926,473	6,087,717
Operations and maintenance (general and administrative)	-	92,609	60,808	153,417
Fringe benefits	3,277,224	429,300	462,061	4,168,585
Headquarters overhead	(646,200)	570,400	75,800	-
Depreciation	2,626,819	1,642,134	-	4,268,953
Total operating expenses	<u>15,080,649</u>	<u>4,341,806</u>	<u>2,369,738</u>	<u>21,792,193</u>
Income from operations	<u>471,845</u>	<u>3,535,725</u>	<u>126,244</u>	<u>4,133,814</u>
Non-operating revenue:				
State of New Jersey – Grant Programs	212,023	-	-	212,023
Investment income	58,923	140,295	1,619	200,837
Rental income	32,931	-	-	32,931
Other income	6,711,618	126,570	-	6,838,188
Total non-operating revenue	<u>7,015,495</u>	<u>266,865</u>	<u>1,619</u>	<u>7,283,979</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	355,554	1,464,890	-	1,820,444
Amortization of issuance costs - D&R System Revenue Refunding Bonds, Series 1998	25,229	-	-	25,229
Amortization of issuance costs - Manasquan State Loan Notes	-	65,319	-	65,319
Costs to be recovered from future revenue	1,629,791	986,544	127,863	2,744,198
Total non-operating expenses	<u>2,010,574</u>	<u>2,516,753</u>	<u>127,863</u>	<u>4,655,190</u>
Change in net assets	5,476,766	1,285,837	-	6,762,603
Net assets, beginning of year	89,168,913	25,080,200	-	114,249,113
Net assets, end of year	<u>\$94,645,679</u>	<u>\$26,366,037</u>	<u>\$ -</u>	<u>\$121,011,716</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**  
Year Ended June 30, 2013

	Operating Fund				
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Reserve for O&M
Cash and investments - July 1, 2012	\$58,718	\$953,991	\$30,000	\$1,276,488	\$2,668,656
<b>Cash receipts:</b>					
Water sales operations and maintenance	9,636,022	-	-	-	-
Water sales debt service	2,648,589	-	-	-	-
Water sales capital fund	1,977,756	-	-	-	-
Water sales source water protection fund	988,880	-	-	-	-
Water sales overdrafts	180,279	-	-	-	-
Rental income	35,427	-	-	-	-
Manasquan reservoir support	-	-	-	-	215,928
Headquarters overhead	-	-	-	656,000	-
Disposition of property	-	-	-	-	1,620
Recycling revenue	-	-	-	-	-
Sale of investment securities	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-
Insurance reimbursement	-	-	-	-	23,796
Miscellaneous expense reimbursement	818	-	-	33,211	428,479
<b>Transfers:</b>					
Contributions from operating fund	-	9,325,750	3,327,621	(20,891,305)	-
Contributions to operating fund	-	-	-	3,472,656	-
Transfers for operations	(17,554,360)	-	-	17,554,360	-
Transfers for investments	-	-	-	-	-
Distribution from reserves to operations	2,034,965	16,365	-	-	-
Investment income	-	-	-	1,155	80,431
Per resolution, Section 603:					
Investment income, transfer from	222,897	-	-	(1,140)	(80,352)
Investment income, transfer to	(222,897)	-	-	209,362	3,139
Unrealized loss on fair value	-	-	-	-	(73,905)
<b>Total cash receipts</b>	(51,624)	9,342,115	3,327,621	1,034,299	599,136
<b>Total available cash and investments</b>	\$7,094	\$10,296,106	\$3,357,621	\$2,310,787	\$3,267,792



**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)**

Year Ended June 30, 2013

Operating Fund			Capital	Source Water	
Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Improvements Investments II	Protection Fund	Subtotal
\$1,102,390	\$3,874,645	\$623,423	\$579,656	\$3,453,854	\$14,621,821
-	-	-	-	-	9,636,022
-	-	-	-	-	2,648,589
-	-	-	-	-	1,977,756
-	-	-	-	-	988,880
-	-	-	-	-	180,279
-	-	-	-	-	35,427
-	-	-	-	-	215,928
-	-	-	-	-	656,000
-	-	-	-	-	1,620
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	6,710,045	-	6,733,841
-	-	-	-	982,501	1,445,009
-	-	150,000	-	900,000	(7,187,934)
-	(125,178)	-	(65,437)	(1,511,378)	1,770,663
-	-	-	-	-	-
-	-	-	-	-	0
-	-	(150,000)	-	(1,261,788)	639,542
37,101	106,319	922	3,302	4,808	234,038
(37,093)	(103,987)	-	-	-	325
-	10,125	-	-	-	(271)
(34,489)	(91,708)	-	-	-	(200,102)
(34,481)	(204,429)	922	6,647,910	(885,857)	19,775,612
\$1,067,909	\$3,670,216	\$624,345	\$7,227,566	\$2,567,997	\$34,397,433

**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)**  
Year Ended June 30, 2013

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Water Reuse & Recycling Fund
Cash and investments - July 1, 2012	\$14,621,821	\$382,822	\$542,624	\$1,199,061	\$0
<b>Cash receipts:</b>					
Water sales operations and maintenance	9,636,022	-	-	-	-
Water sales debt service	2,648,589	-	-	-	-
Water sales capital fund	1,977,756	-	-	-	-
Water sales source water protection fund	988,880	-	-	-	-
Water sales overdrafts	180,279	-	-	-	-
Rental income	35,427	-	-	-	-
Manasquan reservoir support	215,928	-	-	-	-
Headquarters overhead	656,000	-	-	-	-
Disposition of property	1,620	-	-	-	-
Recycling revenue	-	-	-	-	-
Sale of investment securities	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-
Insurance reimbursement	6,733,841	-	-	-	-
Miscellaneous expense reimbursement	1,445,009	-	-	-	-
<b>Transfers:</b>					
Contributions from operating fund	(7,187,934)	277,200	720,000	-	-
Contributions to operating fund	1,770,663	-	-	(20,151)	-
Transfers for operations	-	-	-	-	-
Transfers for investments	-	-	-	-	-
Distribution from reserves to operations	639,542	-	-	-	-
Investment income	234,038	294	436	1,768	-
Per resolution, Section 603:					
Investment income, transfer from	325	-	-	-	-
Investment income, transfer to	(271)	-	-	-	-
Unrealized loss on fair value	(200,102)	-	-	-	-
<b>Total cash receipts</b>	<b>19,775,612</b>	<b>277,494</b>	<b>720,436</b>	<b>(18,383)</b>	<b>-</b>
<b>Total available cash and investments</b>	<b>\$34,397,433</b>	<b>\$660,316</b>	<b>\$1,263,060</b>	<b>\$1,180,678</b>	<b>\$0</b>



**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)**  
Year Ended June 30, 2013

Capital Improvement Fund	D & R Mitigation Fund	Employment Benefit Funds	1998 Bonds Debt Service Account	1998 Bonds Debt Service Reserve	Rate Stabilization Fund	Totals
\$12,937,133	\$20,033	\$555,340	\$101,193	\$2,741,705	\$2,038,623	\$35,140,355
-	-	-	-	-	-	9,636,022
-	-	-	-	-	-	2,648,589
-	-	-	-	-	-	1,977,756
-	-	-	-	-	-	988,880
-	-	-	-	-	-	180,279
-	-	-	-	-	-	35,427
-	-	20,173	-	-	-	236,101
-	-	-	-	-	-	656,000
-	-	-	-	-	-	1,620
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	6,733,841
-	-	-	-	-	-	1,445,009
2,057,520	-	856,449	2,580,000	-	696,765	-
(1,133,976)	-	(616,536)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(16,365)	-	-	(623,177)	-
21,071	27	996	52	270	70	259,022
-	-	-	-	(271)	(54)	-
271	-	-	-	-	-	-
-	-	-	-	-	-	(200,102)
944,886	27	244,717	2,580,052	(1)	73,604	24,598,444
\$13,882,019	\$20,060	\$800,057	\$2,681,245	\$2,741,704	\$2,112,227	\$59,738,799

**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)**

Year Ended June 30, 2013

	Operating Fund				
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Reserve for O&M
Total available cash and investments	\$7,094	\$10,296,106	\$3,357,621	\$2,310,787	\$3,267,792
<b>Cash disbursements:</b>					
Payroll	-	-	3,327,621	-	-
Fringe benefits	-	41,604	-	900,200	-
Employee deferred comp. and credit union	-	555,245	-	223,045	-
Operations and maintenance	-	9,097,992	-	-	-
Prepaid insurance	-	-	-	-	-
Miscellaneous disbursements	46	-	-	-	-
Watershed Management Fund	-	-	-	-	-
Capital improvements:					
Capital assets	-	-	-	-	-
New five-year construction project	-	-	-	-	-
Purchase of investment securities	-	-	-	-	-
Principal on 1981 bonds	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-
Principal on 1998 revenue bonds	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-
Principal on NJEIT revenue bonds	-	-	-	-	-
Interest on NJEIT revenue bonds	-	-	-	-	-
<b>Total cash disbursements</b>	46	9,694,841	3,327,621	1,123,245	-
<b>Cash and investments - June 30, 2013</b>	<b>\$7,048</b>	<b>\$601,265</b>	<b>\$30,000</b>	<b>\$1,187,542</b>	<b>\$3,267,792</b>
<b>Summary of cash and investments:</b>					
Cash	\$7,048	\$601,265	\$30,000	\$ -	\$ -
Short-term investments	-	-	-	1,187,542	1,615,171
Long-term investments	-	-	-	-	1,652,621
Restricted investments (current)	-	-	-	-	-
<b>Total cash and investments</b>	<b>\$7,048</b>	<b>\$601,265</b>	<b>\$30,000</b>	<b>\$1,187,542</b>	<b>\$3,267,792</b>



**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)**  
Year Ended June 30, 2013

Operating Fund						
Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	Subtotal	
\$1,067,909	\$3,670,216	\$624,345	\$7,227,566	\$2,567,997	\$34,397,433	
-	-	-	-	-	3,327,621	
-	-	-	-	-	941,804	
-	-	-	-	-	778,290	
-	-	-	-	-	9,097,992	
-	-	-	-	-	-	
-	-	-	-	833,299	833,345	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	833,299	14,979,052	
\$1,067,909	\$3,670,216	\$624,345	\$7,227,566	\$1,734,698	\$19,418,381	
\$ -	\$ -	\$ -	\$ -	\$ -	\$638,313	
296,686	1,478,126	624,345	7,227,566	1,734,698	14,164,134	
771,223	2,192,090	-	-	-	4,615,934	
-	-	-	-	-	-	
\$1,067,909	\$3,670,216	\$624,345	\$7,227,566	\$1,734,698	\$19,418,381	

**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)**  
Year Ended June 30, 2013

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Water Reuse & Recycling Fund
Total available cash and investments	\$34,397,433	\$660,316	\$1,263,060	\$1,180,678	\$0
<b>Cash disbursements:</b>					
Payroll	3,327,621	-	-	-	-
Fringe benefits	941,804	-	-	-	-
Employee deferred comp. and credit union	778,290	-	-	-	-
Operations and maintenance	9,097,992	-	-	-	-
Prepaid insurance	-	-	-	-	-
Miscellaneous disbursements	833,345	-	-	-	-
Watershed Management Fund	-	-	-	-	-
Capital improvements:					
Capital assets	-	-	-	-	-
New five-year construction project	-	-	-	-	-
Purchase of investment securities	-	-	-	-	-
Principal on 1981 bonds	-	-	-	-	-
Interest on 1981 bonds	-	-	-	-	-
Principal on 1998 revenue bonds	-	-	-	-	-
Interest on 1998 revenue bonds	-	-	-	-	-
Principal on NJEIT revenue bonds	-	254,361	520,395	-	-
Interest on NJEIT revenue bonds	-	42,983	175,346	-	-
<b>Total cash disbursements</b>	<b>14,979,052</b>	<b>297,344</b>	<b>695,741</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - June 30, 2013</b>	<b>\$19,418,381</b>	<b>\$362,972</b>	<b>\$567,319</b>	<b>\$1,180,678</b>	<b>\$0</b>
<b>Summary of cash and investments:</b>					
Cash	\$638,313	\$ -	\$ -	\$ -	\$ -
Short-term investments	14,164,134	362,972	567,319	1,180,678	-
Long-term investments	4,615,934	-	-	-	-
Restricted investments (current)	-	-	-	-	-
<b>Total cash and investments</b>	<b>\$19,418,381</b>	<b>\$362,972</b>	<b>\$567,319</b>	<b>\$1,180,678</b>	<b>\$0</b>



**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)**  
Year Ended June 30, 2013

Capital Improvement Fund	D & R Mitigation Fund	Employment Benefit Funds	1998 Bonds Debt Service Account	1998 Bonds Debt Service Reserve	Rate Stabilization Fund	Totals
\$13,882,019	\$20,060	\$800,057	\$2,681,245	\$2,741,704	\$2,112,227	\$59,738,799
-	-	-	-	-	-	3,327,621
-	-	-	-	-	-	941,804
-	-	-	-	-	-	778,290
-	-	-	-	-	-	9,097,992
-	-	45,210	-	-	-	878,555
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,465,000	-	-	2,465,000
-	-	-	205,996	-	-	205,996
-	-	-	-	-	-	774,756
-	-	-	-	-	-	218,329
-	-	45,210	2,670,996	-	-	18,688,343
\$13,882,019	\$20,060	\$754,847	\$10,249	\$2,741,704	\$2,112,227	\$41,050,456
\$ -	\$ -	\$39,756	\$ -	\$ -	\$ -	\$678,069
13,882,019	20,060	715,091	-	-	-	30,892,273
-	-	-	-	-	-	4,615,934
-	-	-	10,249	2,741,704	2,112,227	4,864,180
\$13,882,019	\$20,060	\$754,847	\$10,249	\$2,741,704	\$2,112,227	\$41,050,456

**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**  
Year Ended June 30, 2013

	Operating Fund				Reserve for O&M
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	
Cash and investments - July 1, 2012	\$114,893	\$1,028,179	\$20,000	\$2,447,398	\$1,328,814
<b>Cash receipts:</b>					
Water sales operations and maintenance	2,586,342	-	-	-	-
Water sales debt service	4,876,396	-	-	-	-
Source water protection	112,106	-	-	-	-
Water sales overdrafts NJEIT	264,719	-	-	-	-
NJ-American pumping costs	11,526	-	-	-	213,896
Headquarters overhead	-	-	-	-	-
Reimbursement of WTP capital expenses	-	-	-	-	-
Disposition of assets	-	-	-	-	-
Sale of investment securities	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-
Miscellaneous reimbursement	-	-	-	86,962	11,691
<b>Transfers:</b>					
Contributions from operating fund	-	6,731,999	1,044,024	(13,330,675)	-
Contributions to operating fund	-	-	-	4,149,321	(300,000)
Transfers for operations	(7,590,530)	-	-	7,590,530	-
Distribution from reserves to operations	(271,900)	173,570	-	271,900	-
Investment income	-	-	-	915	22,370
Per resolution, Section 603:					
Investment income, transfer from	53,377	-	-	(935)	(22,384)
Investment income, transfer to	(53,377)	-	-	53,009	-
Unrealized (loss)gain on fair value	-	-	-	-	(19,708)
<b>Total cash receipts</b>	(11,341)	6,905,569	1,044,024	(1,178,973)	(94,135)
<b>Total cash and investments</b>	\$103,552	\$7,933,748	\$1,064,024	\$1,268,425	\$1,234,679



**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)**  
Year Ended June 30, 2013

Self- Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
\$270,373	\$1,856,924	\$29,937	\$1,268,656	\$482,477	\$165,295	\$93,306	\$9,106,252
-	-	-	-	-	-	-	2,586,342
-	-	-	-	-	-	-	4,876,396
-	-	-	-	-	-	-	112,106
-	-	-	-	-	-	-	264,719
-	-	-	-	-	-	-	225,422
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,993,916	-	-	3,240	-	-	3,095,809
-	120,000	-	112,645	-	-	10,000	(5,312,007)
-	(1,950,422)	-	(15,593)	(23,812)	-	-	1,859,494
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	173,570
10,961	3,730	41	1,959	16,544	1,991	81	58,592
(10,962)	-	-	-	(16,425)	(1,987)	(89)	595
-	-	-	-	-	-	-	(368)
(10,370)	-	-	-	(15,477)	(1,815)	-	(47,370)
(10,371)	1,167,224	41	99,011	(35,930)	(1,811)	9,992	7,893,300
\$260,002	\$3,024,148	\$29,978	\$1,367,667	\$446,547	\$163,484	\$103,298	\$16,999,552

**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)**  
Year Ended June 30, 2013

	Water Treatment Plant/Transmission System						
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve
Cash and investments - July 1, 2012	\$9,106,252	\$208,791	\$380,528	\$9,486	\$98,424	\$253,176	\$88,156
<b>Cash receipts:</b>							
Water sales operations and maintenance	2,586,342	-	-	-	-	-	-
Water sales debt service	4,876,396	-	-	-	-	-	-
Source water protection	112,106	-	-	-	-	-	-
Water sales overdrafts NJEIT	264,719	-	-	-	-	-	-
NJ-American pumping costs	225,422	-	-	-	-	-	-
Headquarters overhead	-	-	2,495,982	-	-	-	-
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-
Sale of investment securities	-	-	-	-	-	-	-
Nonrefundable bid deposits	-	-	-	-	-	-	-
Miscellaneous reimbursement	3,095,809	-	62,866	-	-	-	5,496,510
<b>Transfers:</b>							
Contributions from operating fund	(5,312,007)	5,420,000	(5,426,311)	-	-	-	-
Contributions to operating fund	1,859,494	-	2,639,655	-	-	-	(4,031,772)
Transfers for operations	-	-	-	-	-	-	-
Distribution from reserves to operations	173,570	-	(559)	-	-	-	-
Investment income	58,592	-	248	13	66	307	985
Per resolution, Section 603:							
Investment income, transfer from	595	-	-	(12)	(56)	(300)	-
Investment income, transfer to	(368)	-	368	-	-	-	-
Unrealized (loss)gain on fair value	(47,370)	-	-	-	-	-	-
<b>Total cash receipts</b>	<b>7,893,300</b>	<b>5,420,000</b>	<b>(227,751)</b>	<b>1</b>	<b>10</b>	<b>7</b>	<b>1,465,723</b>
<b>Total cash and investments</b>	<b>\$16,999,552</b>	<b>\$5,628,791</b>	<b>\$152,777</b>	<b>\$9,487</b>	<b>\$98,434</b>	<b>\$253,183</b>	<b>\$1,553,879</b>



**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)**  
Year Ended June 30, 2013

NJEIF Debt Service Fund	2005 Debt Service Account	2005 Debt Service Reserve	Debt Service Account	Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
\$199,965	\$3,497,373	\$3,621,681	\$21,716	\$6,696	\$149,589	\$378,574	\$183,134	\$18,203,541
-	-	-	-	-	-	-	-	2,586,342
-	-	-	-	-	-	-	-	4,876,396
-	-	-	-	-	-	-	-	112,106
-	-	-	-	-	-	-	-	264,719
-	-	-	-	-	-	-	-	225,422
-	-	-	-	-	-	-	-	2,495,982
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	8,655,185
265,987	4,235,813	-	5,065	1,268	-	576,003	234,182	-
-	-	(130,000)	-	-	-	(337,377)	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(173,011)	-
243	138	128,003	1	1	146	272	269	189,284
-	-	-	-	-	-	(227)	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(47,370)
266,230	4,235,951	(1,997)	5,066	1,269	146	238,671	61,440	19,358,066
\$466,195	\$7,733,324	\$3,619,684	\$26,782	\$7,965	\$149,735	\$617,245	\$244,574	\$37,561,607

**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)**  
Year Ended June 30, 2013

	Operating Fund				
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Reserve for O&M
Total available cash and investments	\$103,552	\$7,933,748	\$1,064,024	\$1,268,425	\$1,234,679
<b>Cash disbursements:</b>					
Payroll	-	-	1,044,024	-	-
Fringe benefits	-	1,945,584	-	(1,504,514)	-
Employee deferred comp. and credit union	-	-	-	168,119	-
Operations and maintenance	-	3,536,707	-	604,408	-
NJ-American pumping costs	-	-	-	-	-
Prepaid insurance	-	-	-	-	-
Headquarters overhead	-	-	-	580,200	-
Capital assets reservoir	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-
Purchase of investment securities	-	-	-	-	-
Principal on bonds	-	-	-	-	-
Interest on bonds	-	-	-	-	-
<b>Total cash disbursements</b>	-	5,482,291	1,044,024	(151,787)	-
<b>Cash and investments - June 30, 2013</b>	<b>\$103,552</b>	<b>\$2,451,457</b>	<b>\$20,000</b>	<b>\$1,420,212</b>	<b>\$1,234,679</b>
<b>Summary of cash and investments:</b>					
Cash (Manasquan)	\$103,552	\$2,451,457	\$20,000	\$ -	\$ -
Cash (Water Treatment Plant/TS)	-	-	-	-	-
Short-term investments	-	-	-	1,420,212	793,163
Short-term investments (WTP/TS)	-	-	-	-	-
Long-term investments	-	-	-	-	441,516
Restricted investments (current)	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-
<b>Total cash and investments</b>	<b>\$103,552</b>	<b>\$2,451,457</b>	<b>\$20,000</b>	<b>\$1,420,212</b>	<b>\$1,234,679</b>



**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)**  
 Year Ended June 30, 2013

Self- Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
\$260,002	\$3,024,148	\$29,978	\$1,367,667	\$446,547	\$163,484	\$103,298	\$16,999,552
-	-	-	-	-	-	-	1,044,024
-	-	-	-	-	-	-	441,070
-	-	-	-	-	-	-	168,119
-	-	-	-	-	-	-	4,141,115
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	580,200
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	6,374,528
\$260,002	\$3,024,148	\$29,978	\$1,367,667	\$446,547	\$163,484	\$103,298	\$10,625,024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,575,009
-	-	-	-	-	-	-	-
37,686	3,024,148	29,978	1,367,667	113,884	124,653	103,298	7,014,689
-	-	-	-	-	-	-	-
222,316	-	-	-	332,663	38,831	-	1,035,326
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$260,002	\$3,024,148	\$29,978	\$1,367,667	\$446,547	\$163,484	\$103,298	\$10,625,024

**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)**  
Year Ended June 30, 2013

	Water Treatment Plant/Transmission System						
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve
Total available cash and investments	\$16,999,552	\$5,628,791	\$152,777	\$9,487	\$98,434	\$253,183	\$1,553,879
<b>Cash disbursements:</b>							
Payroll	1,044,024	-	-	-	-	-	-
Fringe benefits	441,070	-	-	-	-	-	-
Employee deferred comp. and credit union	168,119	-	-	-	-	-	-
Operations and maintenance	4,141,115	5,483,971	-	-	-	-	-
NJ-American pumping costs	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-
Headquarters overhead	580,200	-	75,800	-	-	-	-
Capital assets reservoir	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	25,961
Purchase of investment securities	-	-	-	-	-	-	-
Principal on bonds	-	-	-	-	-	-	-
Interest on bonds	-	-	-	-	-	-	-
<b>Total cash disbursements</b>	<b>6,374,528</b>	<b>5,483,971</b>	<b>75,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,961</b>
<b>Cash and investments - June 30, 2013</b>	<b>\$10,625,024</b>	<b>\$144,820</b>	<b>\$76,977</b>	<b>\$9,487</b>	<b>\$98,434</b>	<b>\$253,183</b>	<b>\$1,527,918</b>
<b>Summary of cash and investments:</b>							
Cash (Manasquan)	\$2,575,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Water Treatment Plant/TS)	-	144,820	-	-	-	-	-
Short-term investments	7,014,689	-	-	-	-	-	-
Short-term investments (WTP/TS)	-	-	76,977	9,487	98,434	253,183	1,527,918
Long-term investments	1,035,326	-	-	-	-	-	-
Restricted investments (current)	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-
<b>Total cash and investments</b>	<b>\$10,625,024</b>	<b>\$144,820</b>	<b>\$76,977</b>	<b>\$9,487</b>	<b>\$98,434</b>	<b>\$253,183</b>	<b>\$1,527,918</b>



**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)**  
Year Ended June 30, 2013

NJEIF Debt Service	2005 Debt Service Account	2005 Debt Service Reserve	Debt Service Account	Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
\$466,195	\$7,733,324	\$3,619,684	\$26,782	\$7,965	\$149,735	\$617,245	\$244,574	\$37,561,607
-	-	-	-	-	-	-	-	1,044,024
-	-	-	-	-	-	-	-	441,070
-	-	-	-	-	-	-	-	168,119
-	-	-	-	-	-	-	-	9,625,086
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	656,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	25,961
-	-	-	-	-	-	-	-	-
117,572	2,525,000	-	2,398	-	-	-	-	2,644,970
35,762	1,641,125	-	5,164	-	-	-	-	1,682,051
153,334	4,166,125	-	7,562	-	-	-	-	16,287,281
\$312,861	\$3,567,199	\$3,619,684	\$19,220	\$7,965	\$149,735	\$617,245	\$244,574	\$21,274,326
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
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# Statistical Section

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## FINANCIAL TREND DATA

*These schedules contain trend information on the Authority's financial performance over time.*

Summary of Financial Information.....	2004- 2013
Summary of Raritan Basin System Water Use Contracts .....	2004- 2013
Summary of Manasquan Water Supply System Water Use Contracts .....	2004- 2013

## DEBT CAPACITY DATA

*The schedules present information on the Authority's current levels of outstanding debt and the ability to issue debt in the future.*

Raritan Basin System Revenue Bond Coverage .....	2004- 2013
Manasquan System Revenue Bond Coverage .....	2004- 2013

## REVENUE CAPACITY DATA

*These schedules contain information on the Authority's most significant revenue source.*

Raritan Basin System Water Charges .....	1999- 2014
Manasquan Water Supply System Water Charges .....	1999- 2014

## OPERATING INFORMATION

*These schedules contain operational and infrastructure data in relation to the services the Authority provides.*

Spruce Run Rain Gauge .....	2004- 2013
West Windsor Rain Gauge .....	2004- 2013
Spruce Run Reservoir Storage .....	2004- 2013
Round Valley Reservoir Storage .....	2004- 2013
Manasquan System Rainfall .....	2004- 2013
Manasquan Reservoir Storage Data.....	2004- 2013

## DEBT, ECONOMIC AND DEMOGRAPHIC INFORMATION

Bonds, Notes and Loans Payable .....	2013
Ten Largest State of New Jersey Employers .....	2002-2011
State of New Jersey Population and Employment Trends .....	2002-2011



**New Jersey Water Supply Authority**  
**SUMMARY OF FINANCIAL INFORMATION 2004 - 2013**

	2004	2005	2006	2007	2008
<b>REVENUE AND EXPENSES</b>					
Water sales	\$20,258,371	\$22,037,389	\$23,249,130	\$22,508,685	\$23,466,842
Reimbursement of operating exp	\$1,578,686	\$1,723,723	\$1,844,055	\$2,100,466	\$2,377,166
Total operating revenues	21,837,057	23,761,112	25,093,185	24,609,151	25,844,008
Operating expense	17,905,912	18,461,671	18,911,050	21,299,226	20,849,880
Income from operations	3,931,145	5,299,441	6,182,135	3,309,925	4,994,128
Nonoperating revenues	584,425	3,020,168	2,456,177	3,947,914	4,841,828
Nonoperating expenses	4,715,508	5,151,673	5,460,653	3,692,672	4,562,451
Change in net position	(199,938)	3,167,936	3,177,659	3,565,167	5,273,505
Net position, beginning of year	94,439,339	94,239,401	97,407,337	100,584,996	104,150,163
Net position, end of year	94,239,401	97,407,337	100,584,996	104,150,163	109,423,668
<b>ASSETS</b>					
Current assets	27,718,480	29,835,264	37,416,567	37,981,903	40,411,128
Noncurrent assets	183,664,331	181,818,542	176,312,628	177,020,383	177,459,476
Total assets	211,382,811	211,653,806	213,729,195	215,002,286	217,870,604
<b>LIABILITIES</b>					
Current liabilities	9,066,943	9,878,233	10,231,778	9,613,559	8,881,283
Noncurrent liabilities	108,076,467	104,368,236	102,912,421	101,238,564	99,565,653
Total liabilities	117,143,410	114,246,469	113,144,199	110,852,123	108,446,936
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	36,025,900	37,445,316	36,451,123	38,594,390	43,790,111
Restricted for repayment debt principal and interest	11,089,206	12,045,911	11,900,344	12,388,041	12,082,047
Unrestricted	47,124,295	47,916,110	52,233,529	53,167,732	53,551,510
Total net position	\$94,239,401	\$97,407,337	\$100,584,996	\$104,150,163	\$109,423,668

**New Jersey Water Supply Authority**  
**SUMMARY OF FINANCIAL INFORMATION 2004- 2013**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$22,975,438	\$23,031,803	\$24,095,286	\$23,513,508	\$23,430,025
<u>\$2,512,417</u>	<u>\$2,589,276</u>	<u>\$2,501,135</u>	<u>\$2,434,806</u>	<u>\$2,495,982</u>
25,487,855	25,621,079	26,596,421	25,948,314	25,926,007
<u>20,862,953</u>	<u>19,802,840</u>	<u>20,649,747</u>	<u>23,918,001</u>	<u>21,792,193</u>
4,624,902	5,818,239	5,946,674	2,030,313	4,133,814
795,191	681,411	632,306	2,884,459	7,283,979
<u>4,568,128</u>	<u>4,796,487</u>	<u>4,525,435</u>	<u>4,698,000</u>	<u>4,655,190</u>
851,965	1,703,163	2,053,545	216,772	6,762,603
<u>109,423,668</u>	<u>110,275,633</u>	<u>111,978,796</u>	<u>114,032,341</u>	<u>114,249,113</u>
110,275,633	111,978,796	114,032,341	114,249,113	121,011,716
39,944,371	33,994,171	36,101,110	43,454,301	47,973,586
<u>174,633,772</u>	<u>177,515,802</u>	<u>174,004,657</u>	<u>166,188,362</u>	<u>163,719,334</u>
214,578,143	211,509,973	210,105,767	209,642,663	211,692,920
8,818,939	9,381,563	9,510,372	9,817,272	11,411,225
<u>95,483,571</u>	<u>90,149,614</u>	<u>86,563,054</u>	<u>85,576,278</u>	<u>79,269,979</u>
104,302,510	99,531,177	96,073,426	95,393,550	90,681,204
47,277,890	75,184,140	77,691,938	78,090,867	83,560,654
12,447,252	12,006,417	12,011,721	11,924,238	12,126,909
<u>50,550,491</u>	<u>24,788,239</u>	<u>24,328,682</u>	<u>24,234,008</u>	<u>25,324,153</u>
\$110,275,633	\$111,978,796	\$114,032,341	\$114,249,113	\$121,011,716

New Jersey Water Supply Authority  
RARITAN BASIN SYSTEM  
SUMMARY OF WATER USE CONTRACTS  
DAILY CONTRACT IN MILLION GALLONS PER DAY - MGD

<u>WATER USER</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
UNITED WATER LAMBERTVILLE, INC	0.200	0.490	0.490	0.490	0.490
MERCER COUNTY PARK COMMISSION	0.100	0.132	0.132	0.132	0.132
TRENTON COUNTRY CLUB	0.250	0.250	0.250	0.250	0.250
MERCER COUNTY PARK COMMISSION	0.135				
PRINCETON UNIVERSITY	0.500	0.500	0.500	0.500	0.500
NORTH BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
SELODY SOD FARMS, INC.	0.100	0.025	0.025	0.025	0.025
NEW JERSEY AMERICAN WATER	124.100	124.100	124.100	124.100	124.100
EAST BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
NEW BRUNSWICK, CITY OF	10.500	10.500	10.500	10.500	10.500
MIDDLESEX WATER COMPANY	27.000	27.000	27.000	27.000	27.000
ROYCE BROOK GOLF CLUB	0.536	0.536	0.536	0.536	0.536
FLEMINGTON FILM PRODUCTS	0.012				
DUKE FARMS	0.058	0.058	0.058	0.058	0.058
BOROUGH OF GLEN GARDNER			0.008	0.008	0.008
RIDGE AT BACK BROOK		0.111	0.111	0.111	0.111
ROXBURY WATER COMPANY		0.074	0.074	0.074	0.074
HUNTERDON COUNTY (HERON GLEN GOLF)		0.261	0.261	0.261	0.261
RARITAN VALLEY COUNTRY CLUB		0.012	0.012	0.012	0.012
EAST WINDSOR MUA		0.011	0.011	0.011	0.011
SOMERSET CTY (NESCHANIC VALLEY GOLF)		0.116	0.116	0.116	0.116
TRUMP NATIONAL GOLF CLUB		0.080	0.080	0.080	0.080
MORRIS COUNTY MUA		0.079	0.079	0.079	0.079
APPLIED WATER MGMT (MT. OLIVE TWP)		0.010	0.010	0.010	0.010
WASHINGTON TOWNSHIP MUA				0.025	0.025
ROXITICUS GOLF CLUB				0.046	0.046
HAMILTON GOLF CLUB					
SPRINGDALE GOLF CLUB					
NJ DEPT OF CORRECTIONS					
STONEBRIDGE COMMUNITY ASSOC					
<b>SYSTEM TOTAL</b>	<u>179.491</u>	<u>180.345</u>	<u>180.353</u>	<u>180.424</u>	<u>180.424</u>



New Jersey Water Supply Authority  
RARITAN BASIN SYSTEM  
SUMMARY OF WATER USE CONTRACTS  
DAILY CONTRACT IN MILLION GALLONS PER DAY - MGD

<u>WATER USER</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
UNITED WATER LAMBERTVILLE, INC	0.490	0.490	0.490	0.490	0.490
MERCER COUNTY PARK COMMISSION	0.132	0.132	0.132	0.132	0.132
TRENTON COUNTRY CLUB	0.126	0.126	0.126	0.126	0.126
MERCER COUNTY PARK COMMISSION					
PRINCETON UNIVERSITY	0.150	0.150	0.150	0.150	0.150
NORTH BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
SELODY SOD FARMS, INC.	0.025				
NEW JERSEY AMERICAN WATER	126.600	126.600	126.600	126.600	126.600
EAST BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
NEW BRUNSWICK, CITY OF	10.500	10.500	10.500	10.500	10.500
MIDDLESEX WATER COMPANY	27.000	27.000	27.000	27.000	27.000
ROYCE BROOK GOLF CLUB	0.165	0.165	0.165	0.165	0.165
FLEMINGTON FILM PRODUCTS					
DUKE FARMS	0.058	0.075	0.075	0.075	0.075
BOROUGH OF GLEN GARDNER	0.008	0.008	0.008	0.008	0.008
RIDGE AT BACK BROOK	0.111	0.111	0.111	0.111	0.111
ROXBURY WATER COMPANY	0.074	0.074	0.074	0.074	0.074
HUNTERDON COUNTY (HERON GLEN GOLF)	0.261	0.261	0.066	0.079	0.079
RARITAN VALLEY COUNTRY CLUB	0.012	0.012	0.012	0.012	0.012
EAST WINDSOR MUA	0.011	0.011	0.011	0.011	0.011
SOMERSET CTY (NESCHANIC VALLEY GOLF)	0.116	0.116	0.142	0.142	0.142
TRUMP NATIONAL GOLF CLUB	0.080	0.080	0.080	0.080	0.170
MORRIS COUNTY MUA	0.079	0.079	0.079	0.079	0.079
APPLIED WATER MGMT (MT. OLIVE TWP)	0.010	0.010	0.010	0.010	0.010
WASHINGTON TOWNSHIP MUA	0.025	0.025	0.025	0.025	0.025
ROXITICUS GOLF CLUB	0.046	0.046	0.046	0.046	0.046
HAMILTON FARM GOLF CLUB	0.138	0.138	0.138	0.138	0.138
SPRINGDALE GOLF CLUB	0.098	0.098	0.098	0.098	0.098
NJ DEPT OF CORRECTIONS		0.025		0.025	0.025
STONEBRIDGE COMMUNITY ASSOC					0.081
<b>SYSTEM TOTAL</b>	<u>182.315</u>	<u>182.332</u>	<u>182.138</u>	<u>182.176</u>	<u>182.347</u>

**New Jersey Water Supply Authority  
MANASQUAN WATER SUPPLY SYSTEM  
SUMMARY OF WATER USE CONTRACTS  
DAILY CONTRACT IN MILLION GALLONS PER DAY - MGD**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
WALL TOWNSHIP	2.300	2.275	2.275	2.275	2.275
BOROUGH OF AVON	0.142	0.142	0.142	0.142	0.142
SHORELANDS WATER COMPANY	1.900	1.900	1.900	1.927	1.928
NEW JERSEY AMERICAN WATER	11.000	12.500	12.500	12.500	12.500
BOROUGH OF RED BANK	0.778	0.778	0.778	0.778	0.778
BOROUGH OF SEA GIRT	0.075	0.075	0.075	0.075	0.075
BOROUGH OF SPRING LAKE	0.310	0.310	0.310	0.310	0.310
BOROUGH OF SPRING LAKE HEIGHTS	0.450	0.425	0.425	0.425	0.425
BOROUGH OF BELMAR	0.650	0.650	0.650	0.650	0.650
BOROUGH OF BRIELLE	0.400	0.450	0.450	0.450	0.450
BOROUGH OF KEYPORT	0.458	0.458	0.458	0.458	0.458
BOROUGH OF MATAWAN	0.469	0.469	0.469	0.469	0.469
BOROUGH OF LAKE COMO	0.100	0.100	0.100	0.100	0.100
	<u>19.032</u>	<u>20.532</u>	<u>20.532</u>	<u>20.559</u>	<u>20.560</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
WALL TOWNSHIP	2.275	2.275	2.275	2.275	2.275
BOROUGH OF AVON	0.142	0.142	0.142	0.142	0.142
SHORELANDS WATER COMPANY	1.928	1.928	1.928	1.928	1.928
NEW JERSEY AMERICAN WATER	12.500	12.500	12.500	12.500	12.500
BOROUGH OF RED BANK	0.778	0.778	0.778	0.778	0.778
BOROUGH OF SEA GIRT	0.075	0.075	0.075	0.075	0.075
BOROUGH OF SPRING LAKE	0.310	0.310	0.310	0.310	0.310
BOROUGH OF SPRING LAKE HEIGHTS	0.425	0.425	0.425	0.425	0.425
BOROUGH OF BELMAR	0.650	0.650	0.650	0.650	0.650
BOROUGH OF BRIELLE	0.450	0.450	0.450	0.450	0.450
BOROUGH OF KEYPORT	0.458	0.458	0.458	0.458	0.458
BOROUGH OF MATAWAN	0.469	0.469	0.469	0.469	0.469
BOROUGH OF LAKE COMO	0.100	0.100	0.100	0.100	0.100
	<u>20.560</u>	<u>20.560</u>	<u>20.560</u>	<u>20.560</u>	<u>20.560</u>

NOTE: The Manasquan System started operations July 1,1990.

**NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM**

**SERIES 1988, D & R SYSTEM REVENUE BOND COVERAGE\*  
SERIES 1998, D & R SYSTEM REVENUE REFUNDING BOND COVERAGE**

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Payments</u>	<u>Coverage</u>
2013	\$17,504,982	\$11,677,600	\$5,827,382	\$2,670,997	2.18
2012	\$17,799,191	\$11,935,100	\$5,864,091	\$2,680,266	2.19
2011	\$18,055,011	\$11,765,800	\$6,289,211	\$2,688,219	2.34
2010	\$17,968,946	\$11,678,300	\$6,290,646	\$2,698,931	2.33
2009	\$17,796,183	\$11,642,975	\$6,153,208	\$2,702,738	2.28
2008	\$18,213,509	\$11,627,200	\$6,586,309	\$2,711,294	2.43
2007	\$17,212,347	\$10,645,350	\$6,566,997	\$2,712,575	2.42
2006	\$17,058,438	\$9,672,400	\$7,386,038	\$2,716,950	2.72
2005	\$16,411,434	\$9,811,800	\$6,599,634	\$2,727,325	2.42
2004	\$15,097,578	\$9,328,400	\$5,769,178	\$2,728,966	2.11

Note 1. Section 713 of the Delaware & Raritan Canal - Spruce Run/Round Valley Reservoirs System Bond Resolution, adopted November 17, 1988, requires that the Net Revenues in each fiscal year be at least 120% of the Debt Service on the 1988 bonds for the twelve-month period in such fiscal year.

**MANASQUAN RESERVOIR SYSTEM**

**SERIES 2005, MANASQUAN SYSTEM REVENUE BOND COVERAGE\***

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Payments</u>	<u>Coverage</u>
2013	\$8,174,391	\$2,862,600	\$5,311,791	\$4,080,204	1.300
2012	\$8,210,668	\$2,866,100	\$5,344,568	\$4,071,454	1.310
2011	\$7,976,636	\$2,956,600	\$5,020,036	\$3,809,328	1.320
2010	\$7,785,670	\$2,823,200	\$4,962,470	\$3,816,713	1.300
2009	\$7,452,307	\$2,700,800	\$4,751,507	\$3,807,244	1.250
2008	\$7,793,042	\$2,589,700	\$5,203,342	\$4,218,907	1.230
2007	\$7,125,334	\$1,874,412	\$5,250,922	\$4,205,323	1.250
2006	\$7,581,966	\$2,515,900	\$5,066,066	\$4,198,013	1.207
2005	\$7,515,228	\$2,380,100	\$5,135,128	\$4,199,978	1.223
2004	\$7,022,230	\$1,957,433	\$5,064,797	\$4,177,707	1.212

Note 1. Section 712 of the Manasquan Reservoir System Bond Resolution, adopted June 6, 2005, requires that the Net Revenues in each fiscal year be at least 120% of the Debt Service on the 2005 Bonds for the twelve-month period in such fiscal year.

\* Numbers to calculate bond coverage were extracted from the corresponding budget for the applicable fiscal year.



New Jersey Water Supply Authority  
**DELAWARE AND RARITAN CANAL - SPRUCE RUN/ROUND VALLEY RESERVOIRS SYSTEM**  
**WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY**

EFFECTIVE DATE	7/1/98	7/1/99	7/1/00	7/1/01	7/1/02	7/1/03	7/1/04	7/1/05
RATE PER MGD	\$211.16	\$205.00	\$205.00	\$205.00	\$205.00	\$210.00	\$215.00	\$215.00

EFFECTIVE DATE	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12	7/1/13
RATE PER MGD	\$228.00	\$228.00	\$231.00	\$231.00	\$231.00	\$231.00	\$231.00	\$231.00

New Jersey Water Supply Authority  
**MANASQUAN WATER SUPPLY SYSTEM**  
**WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY**

EFFECTIVE DATE	7/01/98	7/01/99	7/01/00	7/01/01	7/01/02	7/01/03	7/01/04	7/01/05
RATE PER MGD	\$832.92	\$695.31	\$728.81	\$797.92	\$794.97	\$794.97	\$921.64	\$895.01
(Delayed Contracts)				\$1,035.50	\$1,047.96	\$1,065.45	\$1,186.00	\$1,164.26

EFFECTIVE DATE	7/01/06	7/01/07	7/01/08	7/01/09	7/01/10	7/01/11	7/01/12	7/01/13
RATE PER MGD	\$833.27	\$846.06	\$884.11	\$980.05	\$980.48	\$1,015.90	\$1,015.90	\$1,015.90
(Delayed Contracts)	\$1,074.02	\$1,081.96	\$1,079.80	\$1,175.03	\$1,167.98	\$1,168.71	\$1,168.49	\$1,168.49

NOTE: The Manasquan System started operations July 1, 1990.

**New Jersey Water Supply Authority  
RARITAN BASIN SYSTEM  
SPRUCE RUN RAIN GAUGE (INCHES)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2013	2.67	1.65	2.08	2.16	6.27	10.40	5.85	3.79	3.94	0.79	2.77	3.66	46.03
2012	2.99	0.94	0.84	2.86	3.67	3.88	1.78	2.80	4.34	2.68	0.73	4.58	32.09
2011	0.87	2.93	6.97	6.48	4.38	2.62	4.19	14.21	13.49	1.63	4.90	4.09	66.76
2010	2.30	1.90	7.40	3.10	3.60	3.50	8.20	1.30	3.30	4.30	1.94	2.52	43.36
2009	1.93	0.52	1.43	2.70	4.73	6.58	8.69	7.62	2.73	4.66	0.91	5.85	48.35
2008	1.60	4.45	5.97	2.23	3.87	1.93	4.89	2.46	7.94	3.90	2.96	5.54	47.74
2007	3.28	1.03	2.99	9.59	1.57	3.73	6.67	4.56	0.98	7.56	2.84	4.83	49.63
2006	5.46	1.42	0.89	4.30	3.21	8.02	4.16	1.71	3.81	5.22	4.72	1.80	44.72
2005	3.80	2.50	3.70	4.90	1.10	1.50	2.00	2.40	0.30	13.30	4.27	3.11	42.88
2004	1.80	2.60	2.50	2.70	2.80	2.90	6.70	1.50	7.70	0.80	5.20	2.40	39.60
TOTAL	26.70	19.94	34.77	41.02	35.20	45.06	53.13	42.35	48.53	44.84	31.24	38.38	461.16
AVERAGE	2.67	1.99	3.48	4.10	3.52	4.51	5.31	4.24	4.85	4.48	3.12	3.84	46.12
MAXIMUM	5.46	4.45	7.40	9.59	6.27	10.40	8.69	14.21	13.49	13.30	5.20	5.85	66.76
MINIMUM	0.87	0.52	0.84	2.16	1.10	1.50	1.78	1.30	0.30	0.79	0.73	1.80	32.09

**New Jersey Water Supply Authority  
RARITAN BASIN SYSTEM  
WEST WINDSOR RAIN GAUGE (INCHES)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2013	3.15	2.59	3.06	2.40	3.48	10.78	5.70	4.87	2.37	0.87	3.83	3.88	46.98
2012	3.51	1.73	1.58	2.94	5.58	3.82	4.94	4.93	2.36	5.30	1.42	4.99	43.10
2011	1.06	2.88	5.93	6.87	5.14	3.42	4.56	17.31	9.11	1.00	3.49	4.22	64.99
2010	2.70	2.90	10.30	3.20	3.00	2.20	2.70	2.60	2.90	4.80	2.31	2.97	42.58
2009	2.57	0.50	1.25	3.17	6.58	8.09	7.46	8.90	2.10	5.76	1.60	6.21	54.19
2008	2.59	5.95	5.20	2.58	4.76	2.65	5.38	2.04	8.85	4.02	3.62	6.17	53.81
2007	3.24	2.02	4.24	11.56	2.60	4.64	4.17	3.84	1.50	5.58	2.45	5.84	51.68
2006	6.20	1.40	1.30	3.67	3.76	9.30	2.90	1.00	3.76	8.04	5.40	2.52	49.25
2005	4.20	2.80	3.70	4.80	1.80	3.80	4.70	1.80	2.40	11.40	3.50	3.50	48.40
2004	2.00	3.00	2.80	4.20	2.30	1.70	8.00	2.20	6.60	1.80	5.30	3.30	43.20
TOTAL	31.22	25.77	39.36	45.39	39.00	50.40	50.51	49.49	41.95	48.57	32.92	43.60	498.18
AVERAGE	3.12	2.58	3.94	4.54	3.90	5.04	5.05	4.95	4.20	4.86	3.29	4.36	49.82
MAXIMUM	6.20	5.95	10.30	11.56	6.58	10.78	8.00	17.31	9.11	11.40	5.40	6.21	64.99
MINIMUM	1.06	0.50	1.25	2.40	1.80	1.70	2.70	1.00	1.50	0.87	1.42	2.52	42.58

**New Jersey Water Supply Authority  
RARITAN BASIN SYSTEM  
SPRUCE RUN RESERVOIR STORAGE  
BILLION GALLONS**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2013	7.8	8.5	9.2	9.8	10.6	11.0	10.9	10.7	10.6	9.8	8.3	8.1
2012	9.9	10.2	10.1	10.5	11.0	11.0	10.9	9.2	8.0	6.4	6.3	6.4
2011	8.2	8.3	9.9	10.8	11.0	11.0	11.0	10.0	11.0	11.2	10.8	9.9
2010	10.7	10.5	10.7	11.2	11.0	11.0	10.5	9.3	7.9	6.1	7.4	8.2
2009	9.5	10.1	10.0	10.6	10.7	11.1	11.1	11.1	10.7	10.4	10.8	10.7
2008	9.7	10.0	10.6	10.3	11.0	11.0	10.6	9.2	7.6	6.4	7.1	9.5
2007	11.1	11.0	10.1	11.0	11.0	11.0	10.6	10.0	9.6	7.2	7.2	7.9
2006	10.9	11.1	11.0	11.0	10.8	11.0	11.0	11.0	9.1	9.8	10.7	11.0
2005	11.1	11.1	11.0	11.1	11.1	10.9	10.3	9.7	8.2	8.1	9.2	10.9
2004	11.0	10.2	11.0	11.0	11.0	11.0	10.7	10.9	9.2	9.4	8.9	10.2
AVERAGE	10.0	10.1	10.4	10.7	10.9	11.0	10.8	10.1	9.2	8.5	8.7	9.3
MAXIMUM	11.1	11.1	11.0	11.2	11.1	11.1	11.1	11.1	11.0	11.2	10.8	11.0
MINIMUM	7.8	8.3	9.2	9.8	10.6	10.9	10.3	9.2	7.6	6.1	6.3	6.4

MAXIMUM CAPACITY 11.0 BG

**New Jersey Water Supply Authority  
RARITAN BASIN SYSTEM  
ROUND VALLEY RESERVOIR STORAGE  
BILLION GALLONS**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2013	51.6	51.7	51.7	51.8	51.8	52.1	52.7	53.1	53.2	53.0	52.6	52.6
2012	52.6	52.7	52.7	52.7	52.8	53.2	52.9	51.5	51.6	51.5	51.7	52.6
2011	48.1	48.2	48.4	48.9	51.2	52.0	52.0	51.0	51.6	52.1	52.3	48.1
2010	54.7	54.8	55.0	55.1	54.8	55.1	54.6	53.4	50.5	48.4	48.2	54.4
2009	51.2	51.3	51.3	51.5	52.8	53.8	54.1	54.4	54.6	54.7	54.5	51.3
2008	53.4	53.4	53.9	54.4	54.5	54.6	54.5	53.5	51.1	51.0	56.1	53.1
2007	53.1	53.2	53.1	53.5	54.3	54.3	54.4	54.5	54.2	53.5	53.2	53.1
2006	49.1	49.5	49.5	49.4	50.6	52.1	52.6	52.9	52.7	52.7	52.8	49.1
2005	55.0	55.0	55.0	55.2	55.0	54.9	54.5	54.3	51.2	48.9	49.1	54.9
2004	53.8	53.8	54.0	54.1	54.7	54.8	55.0	55.3	55.0	55.0	54.7	53.4
AVERAGE	52.26	52.36	52.46	52.66	53.25	53.69	53.74	53.39	52.56	52.08	52.51	52.26
MAXIMUM	55.0	55.0	55.0	55.2	55.0	55.1	55.0	55.3	55.0	55.0	56.1	54.9
MINIMUM	48.1	48.2	48.4	48.9	50.6	52.0	52.0	51.0	50.5	48.4	48.2	48.1

MAXIMUM CAPACITY 55.0 BG



**New Jersey Water Supply Authority  
MANASQUAN SYSTEM RAINFALL  
INCHES**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2013	2.66	3.65	3.08	2.17	4.24	9.29	4.31	3.55	1.92	1.06	2.61	5.01
2012	2.48	1.45	1.48	2.87	4.30	5.03	3.21	5.75	5.79	5.01	1.87	7.71
2011	4.26	2.39	5.00	5.13	3.38	2.71	3.71	17.87	5.62	4.51	3.33	4.51
2010	2.52	3.85	10.47	2.51	3.58	1.17	5.88	0.97	3.99	4.23	1.98	4.75
2009	4.00	0.47	2.13	6.04	3.48	6.83	5.42	3.67	5.89	4.83	2.51	10.47
2008	2.31	4.30	3.55	2.46	4.54	4.37	3.77	1.79	6.93	1.81	5.08	6.91
2007	3.37	2.17	4.12	9.60	1.39	5.91	5.69	2.96	0.38	4.20	2.01	5.91
2006	5.48	1.34	1.25	3.89	3.40	5.89	3.45	2.92	7.93	5.74	6.60	2.21
2005	3.07	2.19	4.06	4.14	2.71	4.13	4.44	1.71	1.99	15.60	3.77	3.97
2004	1.18	2.97	4.27	6.92	2.04	2.44	6.41	5.86	5.58	2.84	4.22	3.85
TOTAL	31.33	24.78	39.41	45.73	33.06	47.77	46.29	47.05	46.02	49.83	33.98	55.30
AVERAGE	3.13	2.48	3.94	4.57	3.31	4.78	4.63	4.71	4.60	4.98	3.40	5.53
MAXIMUM	5.48	4.30	10.47	9.60	4.54	9.29	6.41	17.87	7.93	15.60	6.60	10.47
MINIMUM	1.18	0.47	1.25	2.17	1.39	1.17	3.21	0.97	0.38	1.06	1.87	2.21

NOTE: The Manasquan System started operations July 1, 1990

**New Jersey Water Supply Authority  
MANASQUAN RESERVOIR STORAGE DATA  
BILLION GALLONS**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2013	4.57	4.61	4.58	4.52	4.59	4.35	4.21	3.88	3.69	3.47	3.42	4.33
2012	4.59	4.51	4.56	4.56	4.56	4.39	4.08	4.85	3.83	3.66	3.92	4.49
2011	4.26	4.37	4.48	4.56	4.56	4.49	4.32	4.15	3.98	3.95	4.39	4.13
2010	4.60	4.58	4.64	4.60	4.58	4.32	3.92	3.52	3.03	3.18	3.23	3.48
2009	4.60	4.63	4.61	4.63	4.62	4.59	4.51	4.42	4.26	4.44	4.47	4.65
2008	4.24	4.55	4.58	4.61	4.60	4.49	4.19	3.84	3.49	3.42	3.43	3.90
2007	4.57	4.45	4.55	4.61	4.44	4.19	4.12	4.04	3.81	3.43	3.26	3.49
2006	4.62	4.60	4.57	4.56	4.56	4.56	4.54	4.14	4.21	4.40	4.42	4.29
2005	4.55	4.46	4.57	4.66	4.62	4.55	4.52	4.24	3.71	3.63	4.17	4.29
2004	4.24	4.37	4.58	4.60	4.61	4.53	4.37	4.31	4.18	4.36	4.33	4.52
AVERAGE	4.48	4.51	4.57	4.59	4.57	4.45	4.28	4.14	3.82	3.79	3.90	4.16
MAXIMUM	4.62	4.63	4.64	4.66	4.62	4.59	4.54	4.85	4.26	4.44	4.47	4.65
MINIMUM	4.24	4.37	4.48	4.52	4.44	4.19	3.92	3.52	3.03	3.18	3.23	3.48

MAXIMUM CAPACITY 4.7 BG

NEW JERSEY WATER SUPPLY AUTHORITY

BONDS, NOTES AND LOANS PAYABLE

Raritan Basin System Debt as of June 30, 2013

D&R System Revenue Refunding Bonds, Series 1998

Principal Outstanding \$ 2,600,000

NJ Environmental Infrastructure Financing Program

Principal Outstanding \$13,333,182

Manasquan Reservoir System Debt as of June 30, 2013

Manasquan Reservoir Water Supply System State Loan Notes

Principal Outstanding \$ 85,445

Deferred Principal Outstanding \$ 33,566,892

Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005

Principal Outstanding \$ 31,560,000

NJ Environmental Infrastructure Financing Program

Principal Outstanding \$ 2,909,678

NEW JERSEY WATER SUPPLY AUTHORITY  
TEN LARGEST STATE OF NEW JERSEY EMPLOYERS  
2011 AS COMPARED TO 2002

2011 RANK	EMPLOYER	NEW JERSEY EMPLOYEES	PERCENTAGE OF TOTAL NEW JERSEY EMPLOYMENT
1	New Jersey State Government	69,901	1.7%
2	Wakefern Food Corporation (ShopRite)	35,952	0.9
3	Wal-Mart Stores, Inc.	17,888	0.4
4	Verizon Communications	15,800	0.4
5	United Parcel Service (UPS)	14,788	0.4
6	Johnson & Johnson	13,500	0.3
7	United Continental Holdings (formerly Continental Airlines)	13,440	0.3
8	Caesars Entertainment Corporation (formerly Harrah's Entertainment, L.L.C.)	13,065	0.3
9	The Great Atlantic & Pacific Tea Company (A&P)	12,373	0.3
10	Bank of America	12,000	0.3
		218,707	5.3%

2002 RANK	EMPLOYER	NEW JERSEY EMPLOYEES	PERCENTAGE OF TOTAL NEW JERSEY EMPLOYMENT
1	New Jersey State Government	72,823	1.8%
2	Wakefern Food Corporation (ShopRite)	31,800	0.8
3	United Parcel Service (UPS)	18,000	0.4
4	Verizon Communications	17,151	0.4
5	American Telephone & Telegraph (AT&T)	16,000	0.4
6	Park Place Entertainment	15,840	0.4
7	Trump Hotel & Casino Resorts	14,204	0.4
8	Pathmark Stores, Inc.	13,500	0.3
9	Home Depot	12,500	0.3
10	Merck & Company, Inc.	12,434	0.3
		224,252	5.5%

Notes:

Aggregate New Jersey resident employment for Calendar Year 2011 and 2002 totaled 4.132 million and 4.092 million, respectively. New Jersey State Government data excludes State authorities, colleges and universities. New Jersey Business' Top 100 Employers data derived from annual questionnaires submitted by private sector respondents, excluding government, higher education institutions, and non-profit hospitals.

Sources:

Saliba, G.N. (2012, August). 40<sup>th</sup> annual top 100 employers. New Jersey Business, 58(8), 24-33.  
Saliba, G.N. (2003, May). 31<sup>st</sup> annual top 100 employers. New Jersey Business, 49(5), 59-66.  
Data reprinted with permission from the New Jersey Business and Industry Association.

New Jersey Department of the Treasury, Office of Management and Budget.  
New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.



NEW JERSEY WATER SUPPLY AUTHORITY  
STATE OF NEW JERSEY POPULATION AND EMPLOYMENT TRENDS  
(EXPRESSED IN THOUSANDS)

YEAR	NEW JERSEY POPULATION	CIVILIAN LABOR FORCE	RESIDENT EMPLOYMENT	RESIDENT UNEMPLOYMENT	NEW JERSEY UNEMPLOYMENT RATE	UNITED STATES UNEMPLOY MENT RATE
2002	8,544	4,343	4,091	252	5.8%	5.8%
2003	8,583	4,344	4,089	255	5.9	6.0
2004	8,612	4,347	4,134	213	4.9	5.5
2005	8,622	4,404	4,208	196	4.5	5.1
2006	8,624	4,465	4,257	208	4.7	4.6
2007	8,636	4,457	4,266	191	4.3	4.6
2008	8,663	4,509	4,261	248	5.5	5.8
2009	8,708	4,548	4,140	408	9.1	9.3
2010	8,733	4,553	4,116	437	9.6	9.6
2011	8,821	4,556	4,132	424	9.3	8.9

Notes:

New Jersey Population data for 2002 through 2010 has been revised.

Resident Employment, Resident Unemployment and Civilian Labor Force data for 2008 through 2010 has been revised.

New Jersey Unemployment Rate data for 2010 has been revised.

Sources:

United States Census Bureau, Population Division.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

STATE OF NEW JERSEY  
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL AND PER CAPITA INCOME  
(EXPRESSED IN THOUSANDS EXCEPT AS INDICATED)

YEAR	NEW JERSEY POPULATION*	ASSESSED VALUATION OF PROPERTY	TRUE VALUATION OF PROPERTY	PERSONAL INCOME (MILLION)**	PER CAPITA INCOME*
2002	8,544	\$524,816,215	\$720,179,653	\$341,558	\$39,976
2003	8,583	567,908,706	820,922,044	347,692	40,507
2004	8,612	606,248,658	937,193,205	365,260	42,415
2005	8,622	664,530,816	1,079,838,476	379,650	44,034
2006	8,624	743,219,514	1,235,285,449	411,429	47,709
2007	8,636	833,112,487	1,326,296,906	436,120	50,500
2008	8,663	891,585,206	1,355,003,641	454,206	52,428
2009	8,708	957,324,378	1,331,603,905	433,835	49,822
2010	8,733	981,864,678	1,341,214,326	450,004	51,530
2011	8,821	986,325,995	1,235,474,241	469,115	53,181

\*Data for 2002 through 2010 has been revised.

\*\*Data for 2008 through 2010 has been revised.

Sources:

United States Census Bureau, Population Division.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

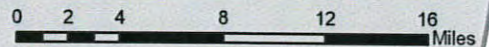


# New Jersey Water Supply Authority Water Supply Systems



### Legend

- Raritan River Watershed
- Manasquan River Watershed



Data Source: NJDEP, NJWSA  
February 2010



New Jersey Water Supply Authority  
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