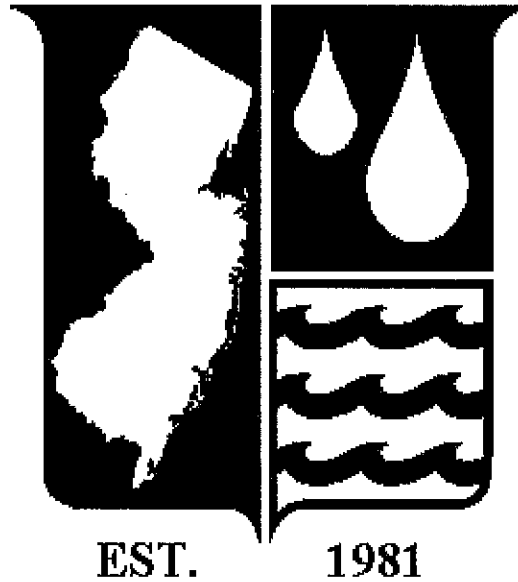


**NEW JERSEY WATER SUPPLY AUTHORITY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**(A Component Unit of the State of New Jersey)**

**MARCH 31, 2014 AND JUNE 30, 2013**

**(UNAUDITED)**

# NEW JERSEY WATER SUPPLY AUTHORITY

## INDEX

<u>DESCRIPTION</u>	<u>PAGE NUMBER</u>
Statement of Net Position as of March 31, 2014 and June 30, 2013	1
Statements of Revenues, Expenses, and Changes in Net Position for the Nine Months Ended March 31, 2014 and 2013	2
Statements of Cash Flows for the Nine Months Ended March 31, 2014 and 2013	3
Notes to Financial Statements	4-11
Supplemental Information	
Combining Statement of Net Position as of March 31, 2014	13
Combining Statement of Revenues, Expenses and Changes in Net Position for the Nine Months Ended March 31, 2014	14
Raritan Basin System Statement of Changes in Cash and Investments by Fund for the Nine Months Ended March 31, 2014	15-18
Manasquan Water Supply System Statement of Changes in Cash and Investments by Fund for the Nine Months Ended March 31, 2014	19-22

New Jersey Water Supply Authority

Statement of Net Position

Unaudited

	March 31, 2014	June 30, 2013
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$38,110,137	\$42,001,799
Unbilled sales	1,381,795	968,323
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2014 and June 30, 2013	1,671,664	979,511
Interest receivable	132,876	118,995
Prepaid expenses and other current assets	1,448,260	1,018,480
Costs to be recovered from future revenues	707,258	2,886,478
Total current assets	<u>43,451,990</u>	<u>47,973,586</u>
Non-current assets:		
Restricted assets:		
Cash equivalents	3,239,603	2,130,879
Investments	6,651,733	12,540,844
Investments	12,658,605	5,651,260
Costs to be recovered from future revenues	(445,437)	(445,437)
Deferred issuance cost	307,322	341,514
Capital assets, net	141,678,507	143,500,274
Total non-current assets	<u>164,090,333</u>	<u>163,719,334</u>
Total assets	<u>207,542,323</u>	<u>211,692,920</u>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	0	6,232,825
Accounts payable	1,411,724	283,150
Accrued liabilities	2,509,183	2,350,436
Unearned revenue	2,600,485	2,544,814
Total current liabilities	<u>6,521,392</u>	<u>11,411,225</u>
Non-current liabilities:		
Long-term portion of bonds, notes and loans payable	79,165,624	79,269,979
Total liabilities	<u>85,687,016</u>	<u>90,681,204</u>
<b>Net Position</b>		
Invested in capital assets, net of related debt	88,076,067	83,560,654
Restricted for repayment of debt principal and interest	7,290,851	12,126,909
Unrestricted	26,488,389	25,324,153
Total net position	<u>\$121,855,307</u>	<u>\$121,011,716</u>

See accompanying notes.

New Jersey Water Supply Authority

Statements of Revenues, Expenses and Changes in Net Position

Unaudited

	Nine months ended March 31,	
	2014	2013
Operating revenues:		
Water sales	\$17,449,487	\$17,630,052
Reimbursement of operating expenses	1,939,637	1,856,463
Total operating revenues	<u>19,389,124</u>	<u>19,486,515</u>
Operating expenses:		
Payroll	5,353,624	5,386,532
Operations and maintenance	3,759,572	4,119,434
Fringe benefits	3,168,893	3,154,791
Depreciation	3,260,267	3,200,103
Total operating expenses	<u>15,542,356</u>	<u>15,860,860</u>
Income from operations	3,846,768	3,625,655
Non-operating revenues:		
State of New Jersey - Grant Programs	28,170	98,845
Investment income	447,529	308,711
Rental income	54,588	25,461
Other income	30,478	5,425,177
Total non-operating revenues	<u>560,765</u>	<u>5,858,194</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	1,189,337	1,379,907
Amortization of issuance costs - D & R System Revenue Refunding Bonds, Series 1998	6,434	18,939
Amortization of issuance costs - Manasquan State Loan Notes	49,034	49,034
Reduction in costs to be recovered from future revenues	2,319,137	2,076,028
Total non-operating expenses	<u>3,563,942</u>	<u>3,523,908</u>
Change in net position	843,591	5,959,941
Net position, beginning of year	121,011,716	114,249,113
Net position, end of year	<u>\$121,855,307</u>	<u>\$120,209,054</u>

See accompanying notes.

New Jersey Water Supply Authority

Statements of Cash Flows

Unaudited

	Nine months ended March 31,	
	2014	2013
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$16,622,882	\$17,586,352
Cash received from reimbursable expenses	1,957,939	7,270,264
Cash received from rental income	33,406	33,021
Cash paid to or on behalf of employees	(7,820,791)	(8,643,715)
Cash paid to suppliers	(3,415,255)	(3,131,326)
Net cash provided by operating activities	<u>7,378,181</u>	<u>13,114,596</u>
<b>Cash flows from noncapital financing activities</b>		
Cash received for grant programs	28,170	98,845
Net cash provided by noncapital financing activities	<u>28,170</u>	<u>98,845</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from Borrowing	0	0
Principal paid on bonds, notes and loans	(6,457,064)	(5,300,733)
Interest paid on bonds, notes and loans	(1,694,607)	(1,859,430)
Acquisition and construction of capital assets	(1,366,892)	596,162
Proceeds from sale of capital assets	13,860	675
Net cash used in capital and related financing activities	<u>(9,504,703)</u>	<u>(6,563,326)</u>
<b>Cash flows from investing activities</b>		
Sale of investment securities	2,238,092	9,093,182
Purchase of investment securities	(3,356,326)	(8,140,113)
Interest received on investments	433,648	376,169
Net cash provided by investing activities	<u>(684,586)</u>	<u>1,329,238</u>
Net increase in cash and cash equivalents	(2,782,938)	7,979,353
Cash and cash equivalents, beginning of year	44,132,678	35,066,623
Cash and cash equivalents, end of year	<u>\$41,349,740</u>	<u>\$43,045,976</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>		
Income from operations	\$3,846,768	\$3,625,655
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Non-cash items expensed to operations and maintenance	54,588	0
Cash received for operating activity shown in other income	16,618	5,449,963
Depreciation	3,260,267	3,200,103
Increase (decrease) in cash from:		
Unbilled sales	(413,472)	(201,881)
Accounts receivable	(752,313)	(171,200)
Prepaid expenses	(429,780)	(483,335)
Accounts payable	1,117,126	1,822,825
Accrued liabilities	5,923	(829)
Accrued payroll and taxes	672,456	(126,705)
Net cash provided by operating activities	<u>\$7,378,181</u>	<u>\$13,114,596</u>
<b>Non cash investing activities</b>		
Increase (decrease) in fair value of investments	<u>(\$109,275)</u>	<u>(\$57,543)</u>

See accompanying notes.

# New Jersey Water Supply Authority

## Notes to Financial Statements

March 31, 2014

### 1. Organization and Operations

The New Jersey Water Supply Authority (the "Authority"), a component Unit of the State of New Jersey (the "State"), consisting of the Spruce Run/Round Valley Reservoirs Complex, the Delaware and Raritan Canal Transmission Complex ( the "Raritan Basin System") and the Manasquan Reservoir Water Supply System (the "Manasquan System"), is a public body, corporate and politic, constituted as an instrumentality of the State of New Jersey, exercising public and essential governmental functions. The Authority was created by the New Jersey Water Supply Authority Act (the "Act") on October 7, 1981, and in connection with the Act, all water supply facilities owned or operated by the State (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 (ex officio member) and six public members appointed by the Governor upon the advise and consent of the New Jersey Senate. The public members represent the agricultural community, industrial water users, residential water users, private watershed associations, public finance, and water resource management and distribution. The Authority prepares an annual budget that is used to establish rates and as a management tool, but it does not constitute a legal budget or establish spending limitations.

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

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

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

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principals 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 Practical Bulletins, if applicable and cleared by GASB; Implementation Guides published by the GASB; AICPA pronouncements that are not specifically applicable to state and governmental entities; Financial Accounting Standards Board ("FASB") Statements and Interpretations; 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

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

Other significant accounting policies are:

**Revenue**

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

**Capital Assets**

Capital assets are stated at original cost and consists 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 estimate 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 costs. 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 asset is offset to accumulated depreciation. The Authority also holds several restricted easements for utility access, conservation and water rights. These easements are recorded at the lower of cost or fair market value upon acquisition.

**Depreciation**

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

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

**Cash and Cash Equivalents**

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

New Jersey Water Supply Authority

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investments**

Short-term investments and restricted investments 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 collectibility. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. At March 31, 2014 and 2013, accounts receivable included amounts due from the New Jersey Environmental Infrastructure Financing Program ("NJEIFP") for \$0 and \$0, respectively.

During fiscal years 2014 and 2013, respectively, two customers accounted for approximately 84% of total Raritan Basin System accounts receivable and five customers accounted for approximately 88% of the Manasquan Reservoir 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 to a maximum of \$15,000. A liability is accrued in the financial statements when incurred.

**Use of Estimates**

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

**Income Taxes**

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

**Net Position**

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

- *Invested in Capital Assets, Net of Related Debt* - This reflects the net position of the Authority that are invested in capital assets, net of related debt. This indicates that the net position are not accessible for other purposes.



New Jersey Water Supply Authority

Notes to Financial Statements (continued)

- *Restricted Net Position* - This represents the net position that are not accessible for general use because their use is subject to restrictions enforceable by third parties.
- *Unrestricted Net Position* - This represents the net position that are 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. In accordance with FASB Statement No. 71, 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 nine months ended March 31, 2014 and the year ended June 30, 2013, were determined as follows:

	March 31, 2014	June 30, 2013
<b>Raritan Basin System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$626,407	\$835,209
Excess vacation expense over vacation paid	(17,301)	(16,178)
	<u>609,106</u>	<u>819,031</u>
Cost included in rate model:		
Debt principal repayment	(1,950,000)	(2,465,000)
	<u>(1,340,894)</u>	<u>(1,645,969)</u>
<b>Manasquan System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	1,155,641	1,540,854
Excess vacation expense over vacation paid	2,939	(2,874)
	<u>1,158,580</u>	<u>1,537,980</u>
Cost included in rate model:		
Debt principal repayment	(1,996,906)	(2,527,398)
	<u>(838,326)</u>	<u>(989,418)</u>
Total Raritan Basin and Manasquan	<u>(2,179,220)</u>	<u>(2,635,387)</u>
Balance, beginning of year	2,441,041	5,076,428
Balance, end of year	<u>\$261,821</u>	<u>\$2,441,041</u>

As shown in the statement of revenue, expenses and changes in net position for the nine months ended March 31, 2014 and the year ended June 30, 2013 respectively, the cost to be recovered from future revenues of \$2,319,137 and 2,076,028 includes a debit balance of \$154,279 and a debit balance of \$113,777 of Manasquan Water Treatment Plant deferred revenue, which is not part of the rate model, and does not include a debit balance of \$14,362 and a debit balance of \$19,052 of accrued vacation.

New Jersey Water Supply Authority  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Accounting for Southeast Monmouth Municipal Utilities Authority Agreement**

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

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of March 31, 2014 and 2013, unearned revenue amounting to \$1,546,490 and \$1,378,125, respectively, was determined as follows:

	2014	2013
Reimbursement of operating expenses	\$1,941,311	\$1,857,567
Operating expenses	1,787,032	1,743,790
Unearned revenue	154,279	113,777
Balance, beginning of year	1,392,211	1,264,348
Balance, end of year	\$1,546,490	\$1,378,125

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 March 31, 2014 and 2013, the amount included in unearned revenue was \$1,053,995 and \$976,812, respectively.

**Accounting for Watershed Protection Program**

For the nine months ended March 31, 2014 and 2013, the Authority received \$113,047 and \$98,845, respectively, from the New Jersey Department of Environmental Protection for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and NJDEP and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of March 31, 2014, all the funds received had been recognized as revenue.

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

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

New Jersey Water Supply Authority  
Notes to Financial Statements (continued)

**3. Capital Assets**

Capital assets activity for the nine months ended March 31, 2014 and the year ended June 30, 2013, was as follows:

	2014 Beginning Balance	Additions	Retirements	2014 Ending Balance
Capital assets not being depreciated:				
Land	\$25,553,880	\$ -	\$ -	\$25,553,880
Construction work in progress	8,267,082	1,272,697	-	9,539,779
Total capital assets not being depreciated	<u>33,820,962</u>	<u>1,272,697</u>	<u>-</u>	<u>35,093,659</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	130,138,986	26,453	-	130,165,439
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,263,667	139,350	(37,615)	6,365,402
Total capital assets being depreciated	<u>234,932,087</u>	<u>165,803</u>	<u>(37,615)</u>	<u>235,060,275</u>
Less accumulated depreciation for:				
Dams	(26,770,161)	(598,496)	-	(27,368,657)
Building, structures and improvements	(72,041,815)	(2,429,292)	-	(74,471,107)
D & R canal dredging	(21,160,273)	-	-	(21,160,273)
Machinery and equipment	(5,280,526)	(232,479)	37,615	(5,475,390)
Total accumulated depreciation	<u>(125,252,775)</u>	<u>(3,260,267)</u>	<u>37,615</u>	<u>(128,475,427)</u>
Total capital assets being depreciated, net	<u>109,679,312</u>	<u>(3,094,464)</u>	<u>0</u>	<u>106,584,848</u>
Total capital assets, net	<u>\$143,500,274</u>	<u>(\$1,821,767)</u>	<u>\$0</u>	<u>\$141,678,507</u>
	2013 Beginning Balance	Additions	Retirements	2013 Ending Balance
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	<u>33,906,234</u>	<u>4,221,247</u>	<u>(4,306,519)</u>	<u>33,820,962</u>
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	<u>231,310,346</u>	<u>3,874,902</u>	<u>(253,161)</u>	<u>234,932,087</u>
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	<u>(121,227,894)</u>	<u>(4,268,953)</u>	<u>244,072</u>	<u>(125,252,775)</u>
Total capital assets being depreciated, net	<u>110,082,452</u>	<u>(394,051)</u>	<u>(9,089)</u>	<u>109,679,312</u>
Total capital assets, net	<u>\$143,988,686</u>	<u>\$3,827,196</u>	<u>(\$4,315,608)</u>	<u>\$143,500,274</u>

New Jersey Water Supply Authority

Notes to Financial Statements (continued)

**4. Cash and Investments**

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

The Authority's bond resolutions limit the investment of restricted assets to obligations of the U.S. Government or its agencies, investments in certain certificate of deposit of commercial banks which are members of the Federal Reserve System, investments in the State of New Jersey Cash Management Fund and direct and general obligations of any State which meets the minimum requirements of the resolution.

a. Cash

As of March 31, 2014 and June 30, 2013, the Authority's bank balance was \$7,487,990 and 4,483,866, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$7,237,990 and \$4,233,866 as of March 31, 2014 and June 30, 2013, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$1,868,490 and \$1,086,268, respectively. The statement of net position amount includes petty cash totaling \$300 as of March 31, 2014 and June 30, 2013, respectively.

b. Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority has a deposit policy for custodial credit risk. The Authority's bank balance of \$7,487,990 and \$4,483,866 as of March 31, 2014, and June 30, 2013, respectively, was exposed to custodial credit risk as follows:

	March 31, 2014	June 30, 2013
Uninsured and uncollateralized	<u>\$0</u>	<u>\$0</u>

c. Investments and Cash Equivalents

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

As of March 31, 2014 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	\$42,381,673	\$42,381,673	\$ -
U.S. Agencies (FNMA)	12,791,481	-	12,791,481
<b>Total</b>	<b>\$55,173,154</b>	<b>\$42,381,673</b>	<b>\$12,791,481</b>

New Jersey Water Supply Authority

Notes to Financial Statements (continued)

**4. Cash and Investments (continued)**

d. Investment Income

The following comprises investment income of \$447,529 and \$308,711 for the nine months ended March 31, 2014 and 2013, respectively:

	<u>2014</u>	<u>2013</u>
Interest earned on bank accounts and certificates of deposit	163,460	162,963
Interest earned on securities	393,344	203,291
Increase (decrease) in fair value of securities	<u>(109,275)</u>	<u>(57,543)</u>
	<u>\$447,529</u>	<u>\$308,711</u>

**5. Major Water Customers**

During fiscal years 2014 and 2013, the Authority supplied water to approximately 27 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2014 and 2013, 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.

**6. Risk Management**

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

## Supplemental Information

New Jersey Water Supply Authority

Combining Schedule of Net Position

March 31, 2014

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Elimination Entries	Combined Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$28,352,423	\$11,757,714	\$ -	\$38,110,137
Unbilled sales	1,381,795		-	1,381,795
Accounts receivable, less allowance for doubtful accounts of \$1,000 at March 31, 2014	1,077,435	758,236	(164,007)	1,671,664
Interest receivable	123,692	9,184	-	132,876
Prepaid expenses and other current assets	1,127,182	321,078	-	1,448,260
Costs to be recovered from future revenues	423,897	283,361	-	707,258
<b>Total current assets</b>	<b>30,486,424</b>	<b>13,129,573</b>	<b>(164,007)</b>	<b>43,451,990</b>
Non-current assets:				
Restricted assets:				
Cash equivalents	1,129,525	2,110,078	-	3,239,603
Investments	0	6,651,733	-	6,651,733
Investments	11,629,096	1,029,509	-	12,658,605
Costs to be recovered from future revenues	(16,060,243)	15,614,806	-	(445,437)
Deferred issuance cost	2,137	305,185	-	307,322
Capital assets net of accumulated depreciation of \$128,475,427 at March 31, 2014	82,480,619	59,197,888	-	141,678,507
<b>Total non-current assets</b>	<b>79,181,134</b>	<b>84,909,199</b>	<b>0</b>	<b>164,090,333</b>
<b>Total assets</b>	<b>\$109,667,558</b>	<b>\$98,038,772</b>	<b>(\$164,007)</b>	<b>\$207,542,323</b>
<b>Liabilities</b>				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$0	\$0	\$ -	\$0
Accounts payable	475,066	1,100,665	(164,007)	1,411,724
Accrued liabilities	1,936,649	572,534	-	2,509,183
Unearned revenue	0	2,600,485	-	2,600,485
<b>Total current liabilities</b>	<b>2,411,715</b>	<b>4,273,684</b>	<b>(164,007)</b>	<b>6,521,392</b>
Non-current liabilities:				
Long-term portion of bonds, notes and loans payable	12,608,334	66,557,290	-	79,165,624
<b>Total liabilities</b>	<b>15,020,049</b>	<b>70,830,974</b>	<b>(164,007)</b>	<b>85,687,016</b>
<b>Net Position</b>				
Invested in capital assets, net of related debt	69,872,285	18,203,782	-	88,076,067
Restricted for repayment of debt principal and interest	1,129,525	6,161,326	-	7,290,851
Unrestricted	23,645,699	2,842,690	-	26,488,389
<b>Total net position</b>	<b>\$94,647,509</b>	<b>\$27,207,798</b>	<b>\$0</b>	<b>\$121,855,307</b>

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

March 31, 2014

Unaudited

	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
<b>Operating Revenues:</b>				
Water Sales	\$11,546,440	\$5,903,047	\$ -	\$17,449,487
Reimbursement of operating expenses			1,939,637	1,939,637
<b>Total operating revenues</b>	<u>11,546,440</u>	<u>5,903,047</u>	<u>1,939,637</u>	<u>19,389,124</u>
<b>Operating Expenses:</b>				
Payroll	4,098,535	585,029	670,060	5,353,624
Operations and maintenance (direct)	2,360,160	666,506	629,887	3,656,553
Operations and maintenance (general and administrative)		60,010	43,009	103,019
Fringe benefits	2,478,062	320,029	370,802	3,168,893
Headquarters overhead	(555,074)	481,800	73,274	0
Depreciation	2,014,500	1,245,767	-	3,260,267
<b>Total operating expenses</b>	<u>10,396,183</u>	<u>3,359,141</u>	<u>1,787,032</u>	<u>15,542,356</u>
<b>Income from operations</b>	<u>1,150,257</u>	<u>2,543,906</u>	<u>152,605</u>	<u>3,846,768</u>
<b>Non-operating revenues:</b>				
State of New Jersey - Grant Programs	28,170	-	-	28,170
Investment income	282,132	163,723	1,674	447,529
Rental income	54,588	0	-	54,588
Other income	4,660	25,818	-	30,478
<b>Total non-operating revenues</b>	<u>369,550</u>	<u>189,541</u>	<u>1,674</u>	<u>560,765</u>
<b>Non-operating expenses:</b>				
Interest component of debt service to the State of New Jersey	187,950	1,001,387	-	1,189,337
Amortization of issuance costs - D & R System Revenue Refunding Bonds, Series 1998	6,434	-	-	6,434
Amortization of issuance costs - Manasquan State Loan Notes		49,034	-	49,034
Costs to be recovered from future revenue	1,323,593	841,265	154,279	2,319,137
<b>Total non-operating expenses</b>	<u>1,517,977</u>	<u>1,891,686</u>	<u>154,279</u>	<u>3,563,942</u>
<b>Changes in net position</b>	<u>1,830</u>	<u>841,761</u>	<u>0</u>	<u>843,591</u>
Net position, beginning of year	94,645,679	26,366,037	-	121,011,716
<b>Net position, end of year</b>	<u>\$94,647,509</u>	<u>\$27,207,798</u>	<u>\$0</u>	<u>\$121,855,307</u>



New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Schedule of Changes in Cash and Investments  
Raritan Basin System  
For the nine months ended March 31, 2014

	Operating Fund										Subtotal
	Revenue Fund	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	
Cash and Investments - July 1, 2013	\$7,048	\$601,265	\$30,000	\$1,187,542	\$3,267,792	\$1,067,909	\$3,670,216	\$624,345	\$7,227,566	\$1,734,698	\$19,418,381
<b>Cash receipts:</b>											
Water sales operations and maintenance	7,362,789										7,362,789
Water sales debt service	2,031,484										2,031,484
Water sales capital fund	1,421,236										1,421,236
Water sales source water protection fund	1,096,195										1,096,195
Water sales overdrafts	8,662										8,662
Rental income	34,312										34,312
Manasquan reservoir support					215,883						215,883
Headquarters overhead				537,074							537,074
Disposition of property							42,584				42,584
Recycling revenue											-
Sale of investment securities											-
Nonrefundable bid deposits											-
Insurance reimbursement											-
Miscellaneous expense reimbursement	1,221,681				188,103						1,409,784
<b>Transfers:</b>											
Contributions from operating fund		10,100,644	2,424,983	(16,854,657)				100,000		424,000	(3,805,030)
Contributions to operating fund				2,008,721			(34,576)			(20,544)	1,953,601
Transfers for operations	(15,281,720)			15,281,720							-
Transfers for investments											-
Distribution from reserves to operations	2,108,553	8,118									2,116,671
Investment income				1,353	80,872	37,044	95,743	778	158,883	2,353	377,026
<b>Per resolution, Section 603:</b>											
Investment income, transfer from	368,266			(885)	(80,197)	(36,950)	(93,863)		(156,250)		121
Investment income, transfer to	(368,266)				274,331		93,863				(72)
Unrealized gain/(loss) on fair value					(7,328)	(3,419)	(11,311)		(81,401)		(103,459)
<b>Total cash receipts</b>	3,192	10,108,762	2,424,983	973,326	671,664	(3,325)	92,440	100,778	(78,768)	405,809	14,698,861
<b>Total available cash and investments</b>	\$10,240	\$10,710,027	\$2,454,983	\$2,160,868	\$3,939,456	\$1,064,584	\$3,762,656	\$725,123	\$7,148,798	\$2,140,507	\$34,117,242

**New Jersey Water Supply Authority**  
**A Component Unit of the State of New Jersey**  
**Schedule of Changes in Cash and Investments**  
**Raritan Basin System (continued)**  
**For the nine months ended March 31, 2014**

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Water Reuse & Recycling Fund	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Rate Stabilization Fund	Employment Benefit Funds	1998 Bonds Debt Service Account	1998 Bonds Debt Service Reserve	Rate Stabilization Fund	Totals
<b>Total cash and investments</b>	\$19,418,381	\$362,972	\$567,319	\$1,180,678	\$0	\$13,882,019	\$20,060	\$0	\$0	\$754,847	\$10,249	\$2,741,704	\$2,112,227	\$41,050,456
<b>Cash receipts:</b>														
Water sales operations and maintenance	7,362,789													7,362,789
Water sales debt service	2,031,484													2,031,484
Water sales capital fund	1,421,236													1,421,236
Water sales source water protection fund	1,096,195													1,096,195
Water sales overdrafts	8,662													8,662
Rental income	34,312													34,312
Manasquan reservoir support	215,883													215,883
Headquarters overhead	537,074													537,074
Disposition of property	42,584													42,584
Recycling revenue	-													-
Sale of investment securities	-													-
Nonrefundable bid deposits	-													-
Insurance reimbursement	-													-
Miscellaneous expense reimbursement	1,409,784													1,409,784
<b>Transfers:</b>														
Contributions from operating fund	(3,805,030)	176,000	464,000			1,404,929		1,108,874	85,777	651,227	2,659,626	(2,741,747)	(3,656)	-
Contributions to operating fund	1,953,601					(1,297,888)				(655,713)				-
Transfers for operations	-													-
Transfers for investments	-													-
Distribution from reserves to operations	2,116,671									(8,118)			(2,108,553)	-
Investment income	377,026	176	288	1,420		17,537	23	568	23	1,047		115	31	398,254
<b>Per resolution, Section 603:</b>														
Investment income, transfer from	121											(72)	(49)	-
Investment income, transfer to	(72)					72								-
Unrealized gain/(loss) on fair value	(103,459)													(103,459)
<b>Total cash receipts</b>	14,698,861	176,176	464,288	1,420	-	124,650	23	1,109,442	85,800	(11,557)	2,659,626	(2,741,704)	(2,112,227)	14,454,798
<b>Total available cash and investments</b>	\$34,117,242	\$539,148	\$1,031,607	\$1,182,098	\$0	\$14,006,669	\$20,083	\$1,109,442	\$85,800	\$743,290	\$2,669,875	\$0	\$0	\$55,505,254

**New Jersey Water Supply Authority**  
**A Component Unit of the State of New Jersey**  
**Schedule of Changes in Cash and Investments**  
**Raritan Basin System (continued)**  
**For the nine months ended March 31, 2014**

	Revenue Fund	Operating Fund						Pumping Reserve	Capital Improvements II	Source Water Protection Fund	Subtotal
		Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve				
<b>Total available cash and investments</b>	\$10,240	\$10,710,027	\$2,454,983	\$2,160,868	\$3,939,456	\$1,064,584	\$3,762,656	\$725,123	\$7,148,798	\$2,140,507	\$34,117,242
<b>Cash disbursements:</b>											
Payroll			2,424,983								2,424,983
Fringe benefits		24,231		683,428							707,659
Employee deferred compensation and credit union		468,424		190,968							659,392
Operations and maintenance		8,804,380									8,804,380
Prepaid insurance											-
Miscellaneous disbursements											-
Watershed Management Fund											-
<b>Capital improvements:</b>											
Capital assets											-
New five year construction project											-
Purchase of investments securities									39,142		39,142
Principal on 1981 bonds											-
Interest on 1981 bonds											-
Principal on 1998 bonds											-
Interest on 1998 revenue bonds											-
Principal on NJEIT bonds											-
Interest on NJEIT revenue bonds											-
<b>Total cash disbursements</b>	-	9,297,035	2,424,983	874,396	-	-	-	-	39,142	-	12,635,566
<b>Cash and investments - March 31, 2014</b>	\$10,240	\$1,412,992	\$30,000	\$1,286,472	\$3,939,456	\$1,064,584	\$3,762,656	\$725,123	\$7,109,656	\$2,140,507	\$21,481,686
<b>Summary of cash and investments:</b>											
Cash	\$10,240	\$1,412,992	\$30,000								\$1,453,232
Short-term investments				\$1,286,472	\$2,294,162	\$296,780	\$1,581,877	\$725,123	\$74,437	\$2,140,507	8,399,358
Long-term investments					1,645,294	767,804	2,180,779		7,035,219		11,629,096
Restricted Investments (current)											-
Restricted Investments (long-term)											-
<b>Total cash and investments</b>	\$10,240	\$1,412,992	\$30,000	\$1,286,472	\$3,939,456	\$1,064,584	\$3,762,656	\$725,123	\$7,109,656	\$2,140,507	\$21,481,686

New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Schedule of Changes in Cash and Investments  
Raritan Basin System (continued)  
For the nine months ended March 31, 2014

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Water Reuse & Recycling Fund	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Rate Stabilization Fund	Employment Benefit Funds	1998 Bonds Debt Service Account	1998 Bonds Debt Service Reserve	Rate Stabilization Fund	Totals
<b>Total available cash and Investments</b>	\$34,117,242	\$539,148	\$1,031,607	\$1,182,098	\$0	\$14,006,669	\$20,083	\$1,109,442	\$85,800	\$743,290	\$2,669,875	\$0	\$0	\$55,505,254
<b>Cash disbursements:</b>														
Payroll	2,424,983													2,424,983
Fringe benefits	707,659													707,659
Employee deferred compensation and credit union	659,392													659,392
Operations and maintenance	8,804,380													8,804,380
Prepaid insurance	-													-
Miscellaneous disbursements	-									33,119				33,119
Watershed Management Fund	-													-
<b>Capital Improvements:</b>														
Capital assets	-													-
New five year construction project	-													-
Purchase of Investments securities	39,142													39,142
Principal on 1981 bonds	-													-
Interest on 1981 bonds	-													-
Principal on 1998 bonds	-										2,600,000			2,600,000
Interest on 1998 revenue bonds	-										69,875			69,875
Principal on NJEIT bonds	-	292,983	534,727											827,710
Interest on NJEIT revenue bonds	-	50,621	177,329											227,950
<b>Total cash disbursements</b>	12,635,566	343,604	712,056	-	-	-	-	-	-	33,119	2,669,875	-	-	16,394,210
<b>Cash and Investments - March 31, 2014</b>	\$21,481,686	\$195,544	\$319,551	\$1,182,098	\$0	\$14,006,669	\$20,083	\$1,109,442	\$85,800	\$710,171	\$0	\$0	\$0	\$39,111,044
<b>Summary of cash and Investments:</b>														
Cash	\$1,453,232									\$40,777				\$1,494,009
Short-term Investments	8,399,358	\$195,544	\$319,551	\$1,182,098	\$0	\$14,006,669	\$20,083	\$1,109,442	\$85,800	669,394				25,987,939
Long-term Investments	11,629,096													11,629,096
Restricted Investments (current)	-										\$0	\$0	\$0	-
Restricted Investments (long-term)	-													-
<b>Total cash and Investments</b>	\$21,481,686	\$195,544	\$319,551	\$1,182,098	\$0	\$14,006,669	\$20,083	\$1,109,442	\$85,800	\$710,171	\$0	\$0	\$0	\$39,111,044

New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Schedule of Changes in Cash and Investments  
Manasquan Water Supply System  
For the nine months ended March 31, 2014

	Revenue Fund	Operating Fund			Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund									
<b>Cash and Investments - July 1, 2013</b>	\$103,552	\$2,451,457	\$20,000	\$1,420,212	\$1,234,679	\$260,002	\$3,024,148	\$29,978	\$1,367,667	\$446,547	\$163,484	\$103,298	\$10,625,024
<b>Cash receipts:</b>													
Water sales operations and maintenance	1,978,020												1,978,020
Water sales debt service	3,634,277												3,634,277
Source water protection	83,467												83,467
Water sales debt service NJEIT	142,392												142,392
Water sales overdrafts													-
NJ-American pumping costs				166,378									166,378
Headquarters overhead													-
Reimbursement of WTP capital expenses													-
Disposition of assets													-
Reimbursement from Raritan Basin													-
Sale of investments securities													-
Nonrefundable bid deposits													-
Miscellaneous reimbursement	835,541			17,511		36,399			13,590				903,041
<b>Transfers:</b>													
Contributions from operating fund		2,022,553	795,450	(6,573,761)		90,000		84,426			7,500		(3,573,832)
Contributions to operating fund				2,033,717	(1,722)	(62,615)		(5,295)	(72,513)				1,891,572
Transfers for operations	(4,400,445)			4,400,445									-
Distribution from reserves to operations	(239,630)	192,389		239,630									192,389
<b>Investment income</b>				1,314	22,014	11,042	3,742	34	1,699	16,480	2,019	72	58,416
<b>Per resolution, Section 603:</b>													
Investment income, transfer from	52,592			(666)	(21,650)	(11,028)			(16,425)	(1,992)	(51)		580
Investment income, transfer to	(52,592)			1,831	33,925				16,425				(411)
Unrealized gain/(loss) on fair value				(1,954)	(1,152)				(2,103)	(608)			(5,817)
<b>Total cash receipts</b>	2,033,622	2,214,942	795,450	102,310	214,502	(1,136)	67,526	34	80,830	(44,546)	(581)	7,521	5,470,472
<b>Total cash and investments</b>	\$2,137,174	\$4,666,399	\$815,450	\$1,522,522	\$1,449,181	\$258,864	\$3,091,674	\$30,012	\$1,448,497	\$402,001	\$162,903	\$110,819	\$16,095,496

New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Schedule of Changes in Cash and Investments  
Manasquan Water Supply System (continued)  
For the nine months ended March 31, 2014

	Water Treatment Plant/Transmission System											General Reserve Fund	Employment Benefit Funds	Totals		
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2005 Debt Service Account	2005 Debt Service Reserve	2006 Debt Service Account				2006 Debt Service Reserve	Rebate Fund
<b>Cash and investments - July 1, 2013</b>	\$10,625,024	\$144,820	\$76,977	\$9,487	\$98,434	\$253,183	\$1,527,918	\$312,861	\$3,567,199	\$3,619,684	\$19,220	\$7,965	\$149,735	\$617,245	\$244,574	\$21,274,326
<b>Cash receipts:</b>																
Water sales operations and maintenance	1,978,020															1,978,020
Water sales debt service	3,634,277															3,634,277
Source water protection	83,467															83,467
Water sales debt service NJEIT	142,392															142,392
Water sales overdrafts	-															-
NJ-American pumping costs	166,378															166,378
Headquarters overhead	-		1,939,637													1,939,637
Reimbursement of WTP capital expenses	-															-
Disposition of assets	-															-
Reimbursement from Raritan Basin	-															-
Sale of investments securities	-															-
Nonrefundable bid deposits	-															-
Miscellaneous reimbursement	903,041		25,477				2,387,294									3,315,812
<b>Transfers:</b>																
Contributions from operating fund	(3,573,832)	3,150,000	(3,501,859)				400,000	158,079	3,179,501		3,800	951			183,360	-
Contributions to operating fund	1,891,572		2,195,200				(3,382,789)			(128,000)				(576,003)		-
Transfers for operations	-															-
Distribution from reserves to operations	192,389		(502)												(191,887)	-
Investment income	58,416		216	10	66	260	1,122	274	199	122,666	2		130	140	300	183,801
<b>Per resolution, Section 603:</b>																
Investment income, transfer from	580			(13)	(74)	(323)									(170)	-
Investment income, transfer to	(411)		411													-
Unrealized gain/(loss) on fair value	(5,817)															(5,817)
<b>Total cash receipts</b>	<b>5,470,472</b>	<b>3,150,000</b>	<b>658,580</b>	<b>(3)</b>	<b>(8)</b>	<b>(63)</b>	<b>(594,353)</b>	<b>158,353</b>	<b>3,179,700</b>	<b>(5,334)</b>	<b>3,802</b>	<b>951</b>	<b>130</b>	<b>(576,033)</b>	<b>(8,227)</b>	<b>11,437,967</b>
<b>Total cash and investments</b>	<b>\$16,095,496</b>	<b>\$3,294,820</b>	<b>\$735,557</b>	<b>\$9,484</b>	<b>\$98,426</b>	<b>\$253,120</b>	<b>\$933,565</b>	<b>\$471,214</b>	<b>\$6,746,899</b>	<b>\$3,614,350</b>	<b>\$23,022</b>	<b>\$8,916</b>	<b>\$149,865</b>	<b>\$41,212</b>	<b>\$236,347</b>	<b>\$32,712,293</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)**  
**For the nine months ended March 31, 2014**

	Revenue Fund	Operating Fund			Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund									
<b>Total available cash and investments</b>	\$2,137,174	\$4,666,399	\$815,450	\$1,522,522	\$1,449,181	\$258,864	\$3,091,674	\$30,012	\$1,448,497	\$402,001	\$162,903	\$110,819	\$16,095,496
<b>Cash disbursements:</b>													
Payroll			795,450										795,450
Fringe benefits		1,506,158		(1,157,568)									348,590
Employee deferred compensation and credit union				136,297									136,297
Operations and maintenance		1,367,566		474,139									1,841,695
NJ-American pumping costs													-
Prepaid insurance													-
Headquarters overhead				463,800									463,800
Capital assets reservoir													-
Capital improvement program (reservoir)													-
Purchase of investments securities													-
Principal on bonds													-
Interest on bonds													-
<b>Total cash disbursements</b>	-	2,873,714	795,450	(83,332)	-	-	-	-	-	-	-	-	3,585,832
<b>Cash and investments - March 31, 2014</b>	\$2,137,174	\$1,792,685	\$20,000	\$1,805,854	\$1,449,181	\$258,864	\$3,091,674	\$30,012	\$1,448,497	\$402,001	\$162,903	\$110,819	\$12,509,664
<b>Summary of cash and investments:</b>													
Cash (Manasquan)	\$2,137,174	\$1,792,685	\$20,000										\$3,949,859
Cash (Water Treatment Plant/TS)													-
Short-term investments				\$1,805,854	\$1,009,619	\$37,700	\$3,091,674	\$30,012	\$1,448,497	\$71,441	\$124,680	\$110,819	7,530,296
Short-term investments (Water Treatment Plant/TS)													-
Long-term investments					439,582	221,164				330,560	38,223		1,029,509
Restricted investments (current)													-
Restricted investments (long-term)													-
<b>Total cash and investments</b>	\$2,137,174	\$1,792,685	\$20,000	\$1,805,854	\$1,449,181	\$258,864	\$3,091,674	\$30,012	\$1,448,497	\$402,001	\$162,903	\$110,819	\$12,509,664

New Jersey Water Supply Authority  
A Component Unit of the State of New Jersey  
Schedule of Changes in Cash and Investments  
Manasquan Water Supply System (continued)  
For the nine months ended March 31, 2014

	Water Treatment Plant/Transmission System														Totals	
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2005 Debt Service Account	2005 Debt Service Reserve	2006 Debt Service Account	2006 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
<b>Total available cash and investments</b>	\$16,095,496	\$3,294,820	\$735,557	\$9,484	\$98,426	\$253,120	\$933,565	\$471,214	\$6,746,899	\$3,614,350	\$23,022	\$8,916	\$149,865	\$41,212	\$236,347	\$32,712,293
<b>Cash disbursements:</b>																
Payroll	795,450															795,450
Fringe benefits	348,590															348,590
Employee deferred compensation and credit union	136,297															136,297
Operations and maintenance	1,841,695	3,118,888														4,960,583
NJ-American pumping costs	-															-
Prepaid insurance	-															-
Headquarters overhead	463,800		73,274													537,074
Capital assets reservoir	-															-
Capital improvement program (reservoir)	-						22,732									22,732
Purchase of investments securities	-															-
Principal on bonds	-							142,572	2,660,000		2,541					2,805,113
Interest on bonds	-							40,903	1,511,500		5,017					1,557,420
<b>Total cash disbursements</b>	<b>3,585,832</b>	<b>3,118,888</b>	<b>73,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,732</b>	<b>183,475</b>	<b>4,171,500</b>	<b>-</b>	<b>7,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,163,259</b>
Cash and investments - March 31, 2014	\$12,509,664	\$175,932	\$662,283	\$9,484	\$98,426	\$253,120	\$910,833	\$287,739	\$2,575,399	\$3,614,350	\$15,464	\$8,916	\$149,865	\$41,212	\$236,347	\$21,549,034
<b>Summary of cash and investments:</b>																
Cash (Manasquan)	\$3,949,859															\$3,949,859
Cash (Water Treatment Plant/TS)	-	\$175,932														175,932
Short-term investments	7,530,296													\$41,212	\$236,347	7,807,855
Short-term investments (Water Treatment Plant/TS)	-		\$662,283	\$9,484	\$98,426	\$253,120	\$910,833									1,934,146
Long-term investments	1,029,509															1,029,509
Restricted investments (current)	-							\$287,739	\$2,575,399	\$3,614,350	\$15,464	\$8,916	\$149,865			6,651,733
Restricted investments (long-term)	-															-
<b>Total cash and investments</b>	<b>\$12,509,664</b>	<b>\$175,932</b>	<b>\$662,283</b>	<b>\$9,484</b>	<b>\$98,426</b>	<b>\$253,120</b>	<b>\$910,833</b>	<b>\$287,739</b>	<b>\$2,575,399</b>	<b>\$3,614,350</b>	<b>\$15,464</b>	<b>\$8,916</b>	<b>\$149,865</b>	<b>\$41,212</b>	<b>\$236,347</b>	<b>\$21,549,034</b>