

# **NEW JERSEY WATER SUPPLY AUTHORITY**

A COMPONENT UNIT  
OF THE STATE OF NEW JERSEY



## **2025 ANNUAL REPORT**

AND THE

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEARS ENDED

JUNE 30, 2025 AND 2024



Government Finance Officers Association

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Presented to

**New Jersey Water Supply Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morrill*

Executive Director/CEO

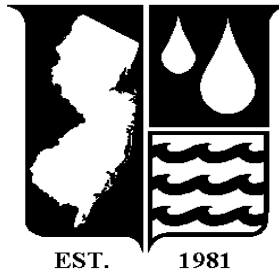
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FOR THE FISCAL YEARS ENDED  
JUNE 30, 2025 AND 2024

Prepared by:  
Finance and Accounting Staff

Marc Brooks  
Executive Director

# 2025 Annual Report

**Governor**  
Mikie Sherrill



## Authority Members

Ed Potosnak  
Acting Chair

Steven J. Picco  
Vice Chair  
Chair, Audit Committee

Robert J. Iacullo  
Treasurer  
Chair, Finance Committee  
Chair, Public Participation Committee

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

Ellsworth Havens  
Assistant Secretary  
Chair, Capital Projects Committee  
Chair, Insurance Committee

Kenneth Klipstein  
New Commissioner – not yet assigned to Committee(s)

## Staff

Marc Brooks, P.E.  
Executive Director

Jonathan Allen, Esq.  
Deputy Attorney General

## 2026 Monthly Meetings

The 2026 Monthly Meetings of the New Jersey Water Supply Authority are scheduled to be held beginning at 2:00 p.m. on the following Mondays:

January 5, 2026

February 2, 2026

March 2, 2026

April 6, 2026

May 4, 2026

June 1, 2026

July 6, 2025

August 3, 2026

September 14, 2026

October 5, 2026

November 2, 2026

December 7, 2026

Meetings may be held by video/teleconference or in person. Dial-in or location information will be provided on the Authority website in advance of the meeting. 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

*Photo by Mike Sellar, Facilities Manager, D&R Canal Field Office (Carnegie Lake Aqueduct)*

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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# **Introductory Section**

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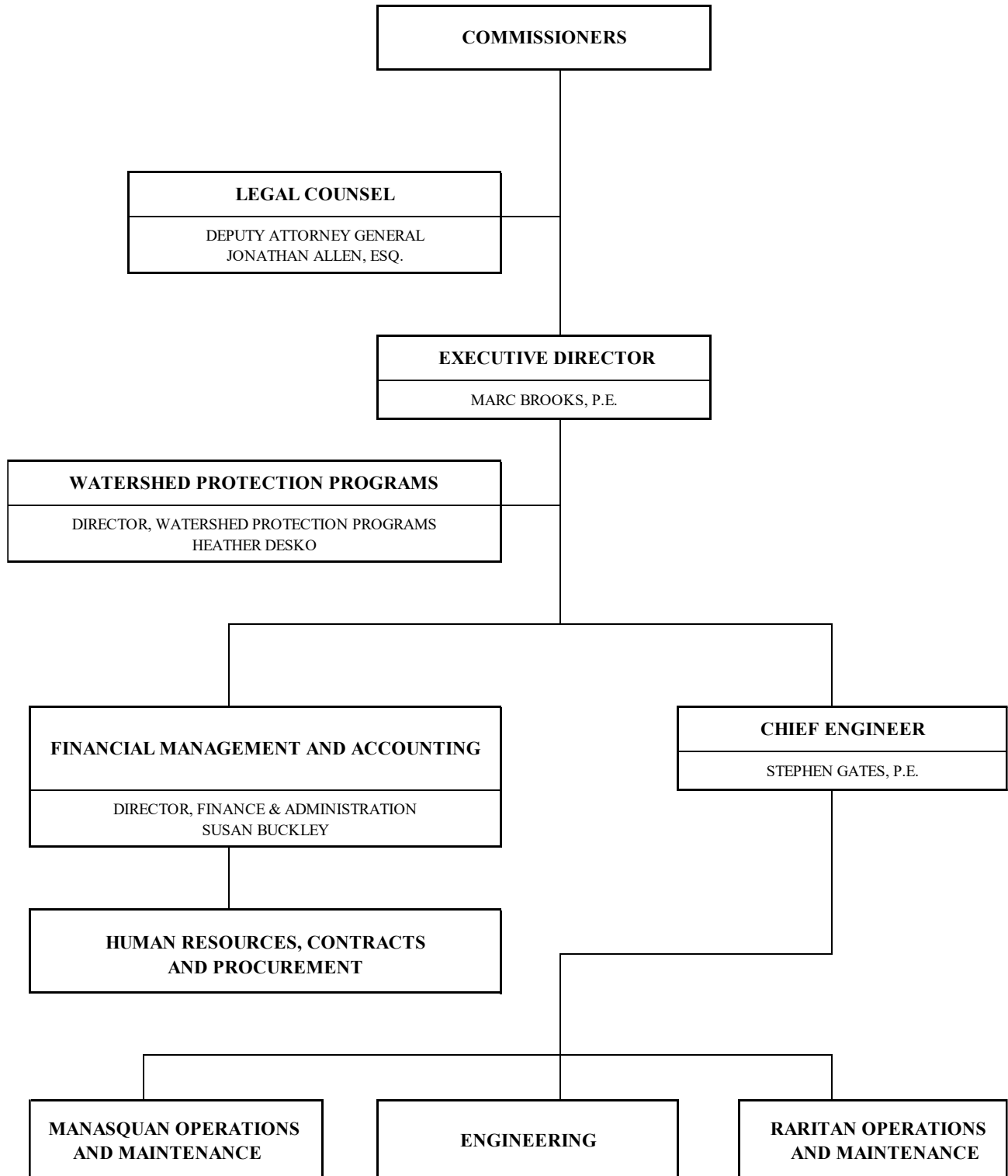
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Watershed Protection Programs Unit

Letter of Transmittal

# New Jersey Water Supply Authority

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# Letter to Governor and Legislature

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## NEW JERSEY WATER SUPPLY AUTHORITY

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Letter to Governor and Legislature

February 20, 2026

### **To the Honorable Mikie Sherrill, Governor and Members of the New Jersey Legislature**

I am pleased to submit the 44th 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 (NJDEP) 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 FY2025. The transformational Round Valley Dam Rehabilitation Project, by far the largest and most significant undertaking by the Authority at this reservoir since its construction in the early 1960s, has reached substantial completion. In 2024, the rehabilitation of the structures was sufficiently completed to allow pumping to refill the Round Valley Reservoir, which had been maintained at a lower elevation to allow the work on the downstream slopes of the dams to be completed safely. Our next major project, the Resource Preservation Foundation Grouting Project at Spruce Run Reservoir, broke ground in the summer of 2025. Most days there are four drill rigs on the dam crest drilling through the earthen embankment to target the limestone bedrock foundation where cementitious grout is being injected under pressure into anomalous features in the rock. The project is scheduled to continue into the first half of 2027.

Several other projects associated with the outlet structures at the Spruce Run Reservoir are in various stages of design. The “workhorse” of the Raritan System, Spruce Run Reservoir, is impounded by the Spruce Run Dam and Dikes A and B and provides stream flow regulation as well as recreation. The largest of those projects, the rehabilitation of the measuring weir, will likely initiate construction in 2026. The Spruce Run measuring weir is located downstream of the reservoir where Spruce Run (the creek) meets the South Branch of the Raritan River.

Other water supply projects are ongoing on the Delaware and Raritan Canal. Projects in various

stages of design include improvements near the Prallsville Lock and in the Upper Canal between Raven Rock and Prallsville.

The NJDEP has declared a drought warning for two consecutive years, in 2024 and now 2025. In 2024, Manasquan Reservoir and Spruce Run Reservoirs reached historic lows. The Manasquan Reservoir recovered during the winter months in time for the summer release season last year. Significant coordination between the NJDEP and all of the major water proprietors in New Jersey have been normal practice in the past two years.

In 2025, cyanobacterial blooms, also called harmful algal blooms (HABs), again impacted the Spruce Run Reservoir; however to a lesser degree than in previous years. Cyanobacteria are bacteria that occur naturally in water bodies and often result in a population explosion, or bloom, under suitable environmental conditions, such as high-nutrient (nitrogen and phosphorus) availability, low wind, warm water temperatures, and sunlight. Some HABs produce toxins that can be harmful to humans, livestock, and pets. The Authority continues to monitor and investigate the nuances of bloom dynamics within the Reservoir and its watershed. The Manasquan Reservoir experienced a bloom this season in October during drought watch conditions, necessitating a second successful treatment to mitigate the cyanobacteria's growth and reduce potential toxins. After several years of reservoir characterization efforts, staff continues to work with a team of highly qualified experts on a more proactive and long-term approach by finalizing a design for an aeration system to oxygenate bottom waters to both reduce the likelihood of HABs and ensure the reservoir's full safe yield is available.

No significant blooms have been observed in the Millstone River since the bloom that occurred in 2022. The Authority played a significant role in prevention by creating higher flows in the river. Higher flows were generated by implementing a new operational strategy where water was released from the Delaware and Raritan Canal at the Kingston Wastegate, just downstream of Carnegie Lake, instead of the customary location near the confluence of the Millstone and Raritan Rivers. Flow in that stretch of the river was increased by as much as 80% during the dry periods that have occurred in the river during the summer/fall of both 2024 and 2025. The higher upriver flows keep the water "moving", thus reducing the likelihood of bloom formation. There are too many variables to determine definitively that the Authority's operational change prevented any bloom formation. Nonetheless, the absence of significant blooms suggests that the continuance of the new operational protocol is prudent.

The Authority's watershed and engineering groups have continued coordination with NJDEP and our water purveyor customers, wastewater groups in the area and Princeton University, which owns Carnegie Lake, all of whom have a vested interest in the prevention of a recurrence of the 2022 Millstone River bloom. This coordination has been a notable success story.

The Authority operates three separate systems: the Raritan Basin System, the Manasquan Water Supply System, and the Manasquan Water Treatment Plant and Transmission System. Each system must generate sufficient revenue each year to cover its own operating expenses and debt service. Rates have been generally stable, and the Authority is in good financial health. Total net position was approximately \$180.2 million as of June 30, 2025, and has increased over June 30, 2024 and June 30, 2023. In fiscal year 2025, total assets and deferred outflows were \$450.7 million and total liabilities and deferred inflows were \$270.5 million.

The Authority received its 33rd consecutive Certificate of Achievement in Financial Reporting Award for its FY2024 annual report. The FY2025 report is currently being reviewed for this award.

Sincerely,

*Marc Brooks*

Marc Brooks  
Executive Director

## **Operations - Raritan System**

Operations and maintenance activities have been generally normal with some exceptions. The Raritan System entered 2025 somewhat stressed due to a lack of consistent, basin-wide rain events coupled with high customer demand during the previous year. Near average precipitation in the spring had Spruce Run Reservoir recover to nearly full pool by the beginning of release season in June. A pumping program to refill Round Valley Reservoir was initiated on April 4 and continued through June 20, transferring approximately 3.7 billion gallons and raising the reservoir 6.51 feet, to within 2.39 feet of full pool. This small amount of freeboard (difference in elevation between pool elevation and full pool mark) affords sufficient available storage to accommodate potential summer storms.

This year has been very similar to last year with respect to consistently dry summer, fall, and early winter conditions in conjunction with elevated customer demand, resulting in significant and regular reservoir releases later into the season than would normally be expected. While Spruce Run did not reach the historic low level that occurred on December 10, 2024, the combined system storage for the two reservoirs was lower this fall and winter than last. Reservoir recovery began earlier last year, and storage remains below where it was this time last year. NJDEP issued a statewide Drought Watch on October 1 which was upgraded to Drought Warning status, with associated reduced minimum passing flow requirements, on December 5.

Harmful Algae Bloom (HAB) conditions originating in Carnegie Lake continued to cause water quality concerns for customers with water intakes located at the confluence of the Millstone and Raritan Rivers (Confluence). To combat the exacerbation of those conditions in the stretch of the Millstone between Carnegie Lake and the Confluence, the Authority reinstated the alternate Canal operation that was first implemented in 2023. The Authority historically released excess Canal flow to the Millstone River at the Ten-Mile Wastegate, located near the Confluence. It is believed that a contributing factor to HAB conditions in the Millstone is low flows and near stagnant conditions, specifically between Carnegie Lake and the Confluence. By moving the release of excess Canal flows to a point further upstream (at Kingston Wastegate, just below Carnegie Lake), we are able to improve the flow conditions in the target stretch of the river to help mitigate some of the conditions that are conducive to HAB formation.

## **Round Valley Project and Dam Inspections**

At the recommendation of the Technical Review Board (TRB) and as a result of findings from their Potential Failure Mode Analysis (PFMA), the Authority procured a consultant to serve as the Engineer of Record to investigate, plan, design, and provide full time construction management services for improvements to the Round Valley North Dam, South Dam, and Dike to provide better filtration and control of naturally occurring seepage, improved security, and improved operational control and robustness of the infrastructure.

Previous annual reports contain details and timelines around construction activities. All critical project construction activities have been completed.

## South Branch Pumping Station - Rehabilitation of Four Pump Assemblies, Mechanical & Electrical Upgrades

The South Branch Pumping Station was constructed in 1965 as part of the Spruce Run/Round Valley Reservoirs Complex in the Raritan River Basin. It is located on the South Branch of the Raritan River, about three and a half miles downstream from the Spruce Run Reservoir. It is used to pump water from the South Branch to the Round Valley Reservoir. Ten pumps operated by 2,000 HP motors are each capable of pumping 40 million gallons per day, transferring water to the reservoir through a 3.2-mile long, 108-inch diameter force main.



South Branch Pump Station

A previous contract in 2015 refurbished two of the ten pumps. This initial contract served as a model to help refine the scope of future projects. In 2021, professional engineering services were procured for the rehabilitation of four additional pumps, as well as for other long-term mechanical, electrical, and control upgrades that are needed for the entire Pumping Station. These upgrades will ensure reliable operation well into the future. This project was designed, and the construction was phased to minimize the impact on pumping operations that refilled Round Valley Reservoir when the current embankment rehabilitation was complete.

Construction is anticipated to occur in multiple phases/contracts including:

- Refurbish four main pumps and motors
- Replacement of four traveling water screens – These remove debris from the river water before the pump intakes to prevent damage to the pumps and downstream equipment. Note that this work is completed.
- Electric system upgrades and repairs, control and monitoring sensor upgrades, and miscellaneous maintenance items to ensure long term operation of the station.
- Replacement of the Pump Station's two 7,500 kVA transformers – An RFP for consulting engineering services has been prepared and is expected to be advertised in the first quarter of 2026.

## Spruce Run Reservoir Dam Foundation Grouting Program

Construction of the Spruce Run Reservoir embankment dam, in the early 1960s, faced a major engineering problem: the subsurface rock intended as the foundation was comprised of the Kittatinny limestone formation. As such, the foundation rock includes broken and weathered features, water-bearing cavities and solution channels typical of limestone formations. To address these challenges, it was decided to construct a grout curtain, up to 100 feet in depth, along the axis of the embankment. In addition, considerable shallow blanket grouting was conducted in the worst cavernous zones to support the overlying earth fill. The intent of the grout curtain was to minimize seepage through the bedrock. Following the grouting program, embankment construction proceeded, and the dam and dikes were completed by mid-1964.

In the early 1980s, the Authority installed several instrumentation systems for the Spruce Run Dam in accordance with new recommendations of the dam's Phase I report. This included the installation of piezometers that monitor pore water pressure in the embankment's soil fill and rock foundation. Over the subsequent years, several of the piezometers have demonstrated trends that prompted further investigation.

In 2013, Authority staff considered it necessary to convene a technical review board (TRB) to discuss and study instrumentation trends at the Spruce Run Dam. As a result, TRB meetings were held in 2014 and 2017.

In 2014, the TRB members recommended implementation of interim risk reduction measures for the Spruce Run dam embankment. These measures included compilation of drilling and grouting data, side scan surveys of the upstream slope and reservoir bottom, video inspection of drains, creation of a comprehensive geologic map, compatibility evaluation of adjacent embankment zones, dye testing, thermal infrared photography, seep/springs measurement, and installation of additional piezometers. Authority staff subsequently fulfilled all recommendations from the 2014 TRB meetings.

The TRB reconvened in 2017 to discuss the Spruce Run embankments and to perform a Potential Failure Mode Analysis (PFMA). It was determined that trends in the dam's instrumentation provide evidence that the dam foundation's original grout curtain is slowly deteriorating with time. As such, it was the consensus of the TRB that re-grouting of the karst (limestone) foundation would be required, and that Authority staff should begin long-range planning for the work. Authority staff and members of the TRB continued reviewing the instrumentation readings over subsequent years. In September 2021, the TRB issued a report and recommended that the Authority proceed with the development of a complete set of design documents for the grouting program.

Following the TRB recommendation, the Authority procured the professional engineering services of a highly qualified engineering consultant that is responsible for design, permitting, and managing construction of a project to restore the grout curtain by drilling through the embankment and bedrock, then pumping grout under pressure to fill any fissures or voids in the rock. The project is being financed, in part, through the New Jersey Water Bank, a partnership between NJDEP and the New Jersey Infrastructure Bank. Additionally, the Authority applied for and was awarded an approximately \$22.5 million dollar grant through the Federal Emergency Management Agency's Building Resilient Infrastructure and Communities (BRIC) program.

A construction contract was awarded in December 2024 and Notice to Proceed issued on February 23, 2025. Mobilization occurred in March and we are approximately 45 percent of the way through the anticipated two-year contract term. The Contractor is generally on or ahead of schedule.

## Spruce Run Reservoir Multi-Disciplinary Project

The Spruce Run Reservoir is located approximately one mile north of the Town of Clinton. The reservoir is impounded by the Spruce Run Dam and Dikes A and B and provides stream flow regulation, raw water supply to residents of central New Jersey, and serves as a recreational resource. Spruce Run Dam is a Class I, high hazard, zoned earth embankment constructed at the former confluence of Spruce Run and Mulhockaway Creek. The reservoir is fed by two major and several minor streams, with a total drainage area of 41 square miles. A primary spillway is located at the west abutment of the dam with a crest elevation of 272.2 feet (NAVD88), which is the maximum operating pool level of the reservoir. Discharge from the reservoir is either from the primary spillway or from the outlet tower through twin 84-inch diameter pipelines which reduce to 48-inch diameter pipes at the downstream outlet vault.



Spruce Run Reservoir's Tower and Access Bridge



Spruce Run Reservoir's Outlet Vault

The combination of passive spillway overflow and active release from the vault travel over the flow measuring weir, which is a reinforced concrete structure that crosses the Spruce Run (the stream) downstream of the reservoir and upstream of the confluence with the South Branch of the Raritan River. The weir was constructed in the early 1960s, with the rest of Spruce Run Dam, to provide a pool that functions as a stilling basin or energy dissipator for the primary

spillway. The adjoining USGS gauging station on the west bank of the weir measures the total flow of water that is discharging from the Spruce Run Reservoir, including releases through the vault and/or overflow at the spillway.

The Authority's responsibility to ensure raw water delivery and safe operation of the dam requires the structural integrity and full operational capacity of the outlet works at all times. Many components of the outlet works date to the original construction of the dam in the early 1960s. With a service life of over 60 years, some of the outlet works equipment and structures have exceeded their anticipated design life and must be rehabilitated.

At the end of 2019, the Authority retained a professional engineering consultant to investigate, design, and provide construction management services for the following tasks:

- Rehabilitate the flow measuring weir – Design plans and specifications have been submitted to NJDEP Division of Dam Safety for permit review.
- Evaluate the existing primary spillway capacity – Updated hydrologic and hydraulic modeling studies for Spruce Run Reservoir were included in this analysis to aid in optimization of rapid drawdown and to verify the spillway capacity. Preliminary analysis of the spillway capacity suggests that the existing spillway may be undersized for the regulatory design storm. New Jersey Dam Safety regulations require large dams to be designed to safely pass the runoff from the Probable Maximum Precipitation (PMP) which is approximately 34 inches of rain in 24 hours. NJDEP re-evaluated the PMP based on state-specific conditions, and modest changes to the rainfall data resulted. The consultant is in the process of rerunning the hydraulic model with the revised PMP. Authority staff is preparing an RFP for consulting engineering services to design and bid the construction services for the replacement of the spillway. It is anticipated that these services will be bid in 2026. Regardless of potential changes to the PMP, it is likely that some improvements to the spillway capacity will be required, and the Authority has begun planning for that work.
- Improve the spillway discharge channel for conveyance, inspection and seepage monitoring – This work was completed in 2022, when all trees and herbaceous vegetation was cleared from the 14.2-acre spillway discharge channel. This work facilitated the monitoring of springs as recommended by the TRB and improved the channel's hydraulic capacity.
- Replace the outlet vault's Howell-Bunger fixed cone valves and actuators, the outlet tower hoist, and the roofs at both the outlet tower and the outlet vault – The Howell Bunger fixed cone valves and actuators are energy dissipating valves, located in the outlet vault, that provide relatively precise control over the releases from the reservoir. These valves are at the end of their design life and need to be replaced. Construction plans for the replacement of the valves and installation of hinged flanges on auxiliary emergency outlet pipes have been prepared and are under review by Authority staff.
- Install electrical actuators for the outlet tower sluice gates, a manual transfer switch for connection to a generator as necessary for emergency sluice gate and crane operation, equipment for remote reading of outlet releases, a hardened security gate at the vault, and various architectural improvements to the tower and vault buildings. This work is on hold until completion of the Spruce Run Dam Foundation Grouting Project.

The consultant has completed analyses, field investigations, lab testing, and a draft Schematic Design Report for other features that are included in the rehabilitation project. The work, which will be executed in stages, is expected to take several years to complete.

## **Spruce Run Administration Building Fuel Oil Underground Storage Tank**

The Authority maintained an underground storage tank (UST) at the Spruce Run Administration Building for heating oil to power the boiler, hot water heater, and emergency generator that service the building. The tank was of double-walled steel construction with a cathodic protection system to inhibit corrosion of the tank shell. On June 10, 2024, the routine triennial inspection revealed that the cathodic protection system tested outside of the specified values, indicating a failed system. There was no indication that the tank shell had failed or been compromised. Further, the tank passed the tightness test and maintained functional interstitial monitoring designed to detect if the tank shell has been compromised.

Staff notified NJDEP of the failed test on June 13, 2024, and was issued an Administrative Consent Order (ACO) with an associated compliance schedule to have a temporary above ground storage tank (AST) installed, the existing UST drained, and the tank registration updated to an “out of service” status by September 30, 2024. A temporary AST was procured and installed, and the UST was emptied and the registration status updated to “out of service”. In accordance with the ACO compliance schedule, the Authority retained a Licensed Site Remediation Specialist (LSRP) and obtained the NJDEP Intent to Close by December 31, 2024. The ACO further stipulated that the tank be removed and officially closed by June 30, 2025. Staff procured a professional services contract for an LSRP and supporting engineering services to satisfy NJDEP requirements. Concurrently, Authority engineering staff prepared plans and specifications and issued an invitation for bid for construction contractor services to remove the UST, which was advertised on October 17, 2024, with bids received on November 13, 2024. The tank was subsequently removed and the NJDEP registration status updated to “closed” as of January 10, 2025. The tank was found to be sound with no evidence of product leaks to the environment.

## **D & R Canal - Rehabilitation of the Upper Canal Embankment**

The right bank of the Canal from Raven Rock Lock to Prallsville Lock is a narrow embankment that separates the Canal from the Delaware River. Both sides of the trapezoidal embankment core wall are armored with dry-laid stone. In this section, the width of the embankment varies from 20 feet to 100 feet. The narrow nature of the embankment precludes access for vehicles and/or heavy machinery, providing significant maintenance challenges for the Authority. This section of the embankment overtops routinely, which causes erosion and could potentially lead to failure of the embankment. It appears that the embankment was designed with full knowledge of these high flows, keeping in mind that at the time, Canal operators had the “luxury” of being able to drain the Canal for maintenance each year.

High flows during rain events, specifically Tropical Storms Irene and Lee (2011), caused significant erosion at various locations on the embankment. After these storms, Authority staff made temporary emergency repairs to stabilize the affected areas and prevent a complete breach. In most cases, the size and shape of the original embankment was not maintained. It was the Authority’s intent to make final repairs in accordance with approved plans as soon as practicable.

The Authority contracted with both engineering and cultural resources consultants to investigate and provide a design for rehabilitation of the embankment. In 2022, the engineering consultant amended the original schematic design report to include removal of most of the trees from the embankment. This revision was reviewed and approved by the D&R Canal Commission and

State Historic Preservation Office. The consultant is progressing toward final design and permitting. Construction is anticipated to begin in 2026 and last for two years.

## **D & R Canal - Rehabilitation of the Prallsville Culvert Pit and Miscellaneous Components**

The Prallsville Lock is located on the Delaware and Raritan Canal at Station 155+00. Upstream of the lock, situated at the confluence of the Canal and Wickecheoke Creek, there is a 196-foot-long concrete spillway known as the Prallsville Spillway. Between the spillway and lock, there is a stone masonry culvert that passes under the Canal to the Delaware River. The culvert's inlet is in a rectangular pit adjacent to the Canal that is about 65 feet long, 20 feet wide, and 18 feet deep. The pit has dry-laid stone masonry retaining walls and contains the outlet of another culvert, which passes under the Canal multi-use trail. Flow is conveyed from one culvert to the other along the pit bottom via open channel flow.

In September 2021, flooding associated with remnants of Hurricane Ida caused a partial collapse of the retaining wall at the southwest side of the pit, which is parallel to the Canal and located only 25 feet from its edge. Four non-operational sluice gates located at the Prallsville Spillway's downstream abutment were also damaged during the flooding.

The repair of this damage is expected to consist of connecting the two culverts within the pit with a precast concrete box culvert and filling the pit to grade, which will prevent future failures of the retaining wall, and more importantly, the Canal embankment it supports. The damaged sluice gates at the Prallsville Spillway's abutment will also be decommissioned as part of this project, as they are no longer functional or needed for operational control. The project will also incorporate repairs to some minor erosion damage at the spillway's abutment.



Existing condition of the Prallsville Culvert Pit.

In January 2023, the Authority awarded a contract for the required engineering services. The engineering consultant completed the schematic design report which was submitted to the Delaware and Raritan Canal Commission (DRCC) and State Historic Preservation Office (SHPO) for review and approval. The review by SHPO determined that the proposed undertaking constituted an encroachment on the historic property because the plans did not meet the Secretary of the Interior's Standards for the Treatment of Historic Properties.

As a result, SHPO recommended the project be presented to the NJ Historic Sites Council (HSC) for approval. The project was presented to the HSC on April 17, 2024, where it was recommended for approval with specific mitigative conditions. An RFP for construction services was advertised on January 5, 2026, with a bid opening scheduled for February 2026. Construction is anticipated to be completed this year.



Original sluice gate in dewatered lock



Replacement sluice gate

## Operations - Manasquan System

Raw water contracts were maintained at a total of 19.443 million gallons per day (MGD) in 2025. On November 17, 2024, NJDEP elevated the drought watch to a statewide drought warning due to prolonged below average precipitation that has stressed the state's water supply. In November 2024, the Manasquan Reservoir reached its lowest storage level since initial filling, resulting in the largest refill period on record. From December 2024 through April 2025, the Authority pumped over 2.3 billion gallons of water into the Manasquan reservoir. The NJDEP lifted the drought warning on June 11, 2025. However, on December 5, 2025, NJDEP again issued a statewide drought warning due to prolonged below average rainfall. The Manasquan

Reservoir has maintained below normal reservoir levels throughout the fall and early winter. Despite the challenging water supply conditions there was no interruption to raw water contract fulfillment.

Reservoir water quality was above normal during the first nine months of 2025, partly due to the October 2024 algaecide treatment. In October 2025, the reservoir was treated again to control rising algae populations and prevent winter carryover of algae into spring 2026. The Authority followed its Harmful Algae Bloom (HAB) Mitigation Plan throughout the year with good results, and no measurable toxins were detected in the water system.

## **Aeration System Design Development**

Professional engineering services, procured in 2023 for the Manasquan Reservoir aeration system, are currently progressing through the final design phase. Construction is expected to begin in early 2027. The aeration system will circulate and oxygenate water to prevent anoxic conditions, reduce nutrient buildup, and limit the development of harmful algal blooms (HABs), improving overall water quality.

## **Annual Dam Inspection**

In accordance with New Jersey Dam Safety regulations, an annual inspection of the Manasquan Dam was conducted in October 2025, with no issues observed. Staff continue to perform quarterly maintenance inspections to ensure ongoing safety and satisfactory dam performance. In 2024, eight new piezometer wells were installed in the dam embankment; in 2025, they were integrated into the automated data acquisition system and continue to show stable readings.

## **Operations - Manasquan Water Treatment Plant (“MWTP”)**

In 2025, the Manasquan WTP operated efficiently, treating an average of 2.98 MGD while consistently meeting all water quality regulations. Staff continued preventive maintenance and operational monitoring to ensure reliability and uninterrupted service. In 2025, efforts focused on rehabilitating the Granular Activated Carbon (GAC) contactors to extend their service life, anticipating their potential role in PFAS removal in accordance with NJDEP and EPA regulations. The Authority is evaluating the performance of the contactors while operating the three GAC skids in a lead-lag configuration, which is better suited for PFAS treatment. Additionally, the GAC media was upgraded to a carbon with improved PFAS removal characteristics. Consistent with the MWTP Asset Management Plan, improvements and upgrades to the plant processes were completed in 2025 including:

- Rehabilitation GAC skid no. 3
- PFAS treatment pilot study

## **Additional Improvements planned at the MWTP**

On April 10, 2024, the U.S. Environmental Protection Agency (EPA) announced its final National Primary Drinking Water Regulation (NPDWR) standards for six per- and polyfluoroalkyl substances (PFAS). PFAS compounds that will be federally regulated starting in 2031 have been detected at low levels in the Manasquan River. Engineers have conducted an 8-

month long PFAS pilot study to evaluate the effectiveness of PFAS treatment techniques at the Manasquan WTP. The pilot studied NORIT GAC 400 media and Purolite Purofine PFA694E AIX resin. Overall, the pilot study successfully demonstrated the effectiveness of a GAC-AIX series configuration for PFAS removal.

Authority staff are working with the Southeast Monmouth Municipal Utilities Authority (SMMUA) Board to develop a plant expansion and PFAS removal project. SMMUA's engineer has prepared a draft basis of design report, providing a 10% level design with technical evaluations, findings, and recommendations to increase plant capacity and meet upcoming PFAS regulations. The report builds on an April 2020 study entitled "Evaluation and Design of Increased Water Treatment Capacity at the Manasquan WTP". The Authority plans to issue an RFP for design engineering services in summer 2026.

## **Watershed Protection Programs Unit**

The New Jersey Water Supply Authority's Watershed Protection Programs Division administers a systematic source water protection program for the watersheds that the Authority and its customers rely upon for their water supply. The Division's primary objectives include the development and implementation of projects that afford protection to the quantity and quality of the source water in the Raritan and Manasquan River Basins and the Delaware & Raritan Canal and its tributaries for the benefit of the Authority and its customers. In 2025, the Watershed Office, in coordination with Authority Operations, partnered with landowners, farmers, government agencies, businesses, and not-for-profit organizations to implement a variety of cost-effective strategies, guided by the results of detailed watershed restoration and protection plans for priority sub-watersheds.

## **Watershed Planning**

Since 2019, New Jersey American Water Company ("NJAW") has partnered with the Authority's Watershed Protection office to develop a Watershed Control Plan ("WCP") to manage *Cryptosporidium* levels in the Raritan in accordance with USEPA's Surface Water Treatment Rules. The WCP was conditionally approved by NJDEP in 2022. In 2025, the Authority worked with NJAW to complete the WCP triennial update, as required by EPA regulations.

NJAW contracted USGS to conduct a trackdown study in the area of interest to identify specific sources and help target implementation activities. Initial results were received in 2025, and the scientific investigation report will be completed in 2026. Based on the initial results and additional reconnaissance sampling, the Peters Brook was identified as a potentially significant source watershed. A Phase II trackdown study focusing on that watershed began in 2025.

NJAW also contracted with the New Jersey Institute of Technology (NJIT) to develop a water quality model to assist in estimating *Cryptosporidium* loading and the reductions achieved by implementation projects. Preliminary results will be completed in early 2026.

Several of the Authority's programs support implementation of the WCP, including the agricultural cost-share program and riparian buffer needs assessment and implementation.

During 2025, the Authority worked with Rutgers Cooperative Extension (RCE) to complete a

draft of the NJDEP-funded Spruce Run and Mulhockaway Creek Watershed Restoration and Protection Plan. Staff presented the plan and its recommendations, including stormwater infrastructure improvements, agricultural practice implementation and septic system education, to the municipalities. The Authority will complete final revisions to the plan in 2026 and work with the municipalities to implement the recommendations.

Raritan Headwaters Association and Mount Olive Township received approval from NJDEP for the Watershed Restoration and Protection Plan for Budd Lake. RHA is leading implementation projects; several rain gardens were constructed during 2025.

RCE and RHA utilized funding from the Highlands Council to develop watershed restoration and protection plans for several subwatersheds in the Raritan Highlands; Authority staff provided technical review of these plans. These plans complement the Spruce Run and Mulhockaway Creek plan and the Budd Lake plan. Drafts of these plans were presented to the municipalities in late 2025.

### **Conservation Practice Implementation for Water Quality**

The Authority's Agricultural Cost-Share program has assisted more than 30 landowners by providing funds to match US Department of Agriculture – Natural Resources Conservation Service (USDA-NRCS) financial assistance. Our partner employee with USDA-NRCS, who is funded via a conservation technical assistance agreement, provides assistance to these and other landowners to install agricultural practices that protect and improve water quality. A portion of the cost-share funding comes from the Authority's source water protection fund to match USDA-NRCS and NJDEP funding.

Staff continue to develop pollutant load reduction estimates for specific grant projects and for the overall cost-share program.

### **Stewarding Watershed Lands for Source Water Protection**

The protection of natural lands supports source water protection by maintaining important elements of the water cycle, such as groundwater recharge, and by minimizing the accumulation and runoff of pollutants. In addition, proper stewardship of critical watershed lands can enhance water quality and quantity in perpetuity, preventing conversion to alternative land uses that pose greater threats to water resources.

To date, the Authority and its partners have participated in the preservation of more than 3,600 acres of critical watershed property, valued at more than \$70,000,000. In addition, the Authority holds conservation easements on 300 acres, valued at nearly \$2,600,000. The Authority has forged successful partnerships with more than 30 different entities, both for cost sharing and management responsibilities on preserved parcels.

In 2025, Authority staff monitored and/or stewarded 13 parcels, totaling about 1,300 acres. Stewardship activities on these properties were varied and included:

- Conducting stream visual assessments and macroinvertebrate sampling.

- Surveying and removing potentially hazardous trees within WSA-owned or co-owned properties.
- Collaborating with partnering organizations to produce/update maintenance and monitoring agreements.
- Reviewing and providing feedback on relevant Forest Stewardship Master Plans and preserve-specific Forest Stewardship Plans.
- Improving properties by addressing encroachments such as illegal dumping, hunting and cattle grazing.

Authority staff also developed a draft strategic plan to guide property stewardship over the next ten years that will incorporate deer management, invasive species control, and restoration.

## **Stormwater Management and Monitoring**

Staff plan to develop an implementation plan for the Cedar Grove Brook watershed. This will include additional investigation into potential alternatives for the Cedar Grove Brook weir project as well as stormwater basin retrofits and riparian buffer improvement projects. These projects will help reduce stormwater impacts to the Delaware and Raritan Canal. Delaware and Raritan Canal Commission Stormwater Mitigation funds may be allocated to this effort.

A similar implementation plan is underway for the Royce Brook watershed. This effort began in 2023 at a request from the DRCC to identify potential mitigation projects. Following the award of a \$12,500 American Water Charitable Foundation Water and Environment grant to the Native Plant Society of New Jersey-Somerset County Chapter for a reforestation and stormwater mitigation planting along the Royce Brook in Manville, NJ, the Watershed Division added approximately \$2,500 in plant material to further support the project, focusing on an eroding section of the Royce Brook near its confluence with an unnamed tributary.

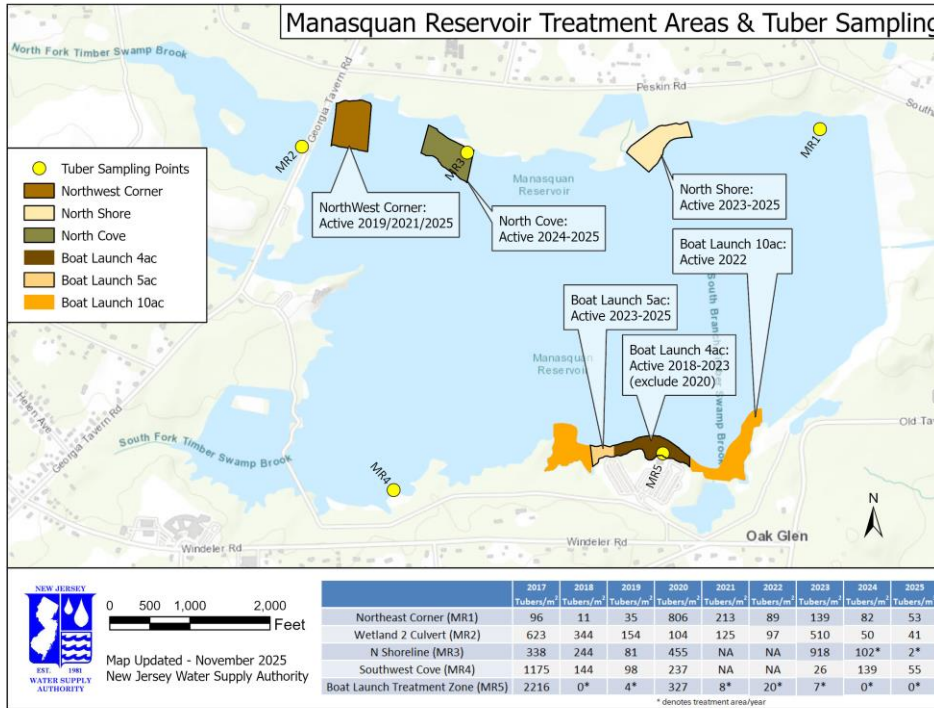
## **Aquatic Plant Management**

Aquatic plants, specifically several aggressive invasive aquatic plants, are creating operational and water quality challenges Authority-wide. Dense aquatic vegetation can cause a myriad of issues, including inhibiting water flow, obstructing intakes, impairing water quality, reducing dissolved oxygen, suppressing the desirable native aquatic plant community, altering sediment chemistry, and reducing water depth. The introduction and spread of aggressive invasive aquatic plants in our source water supply exacerbates these effects and necessitates thoughtful planning and management.

After the 2016 discovery of hydrilla in the Canal, the Authority engaged a qualified consultant in 2017 to assist the Authority in developing and implementing an Aquatic Plant Management Plan for the Delaware & Raritan Canal. The plan focuses on managing aquatic plants for the purpose of maintaining passing flow while protecting water quality for all water users. As recommended in the plan, after six years of low-dosage continuous herbicide treatments, no herbicide was applied in 2023 as neither hydrilla plants nor tubers had been seen since 2020. After several years of intensive monitoring, hydrilla was rediscovered in the Canal by Watershed staff in July of 2025. Staff completed a submerged aquatic vegetation survey in September to map the extent of the infestation. An RFP was advertised in December of 2025 soliciting proposals to restart the herbicide application and aquatic plant management program from 2026-2028 in order to

maintain passing flows.

The presence of multiple invasives, including the priority species hydrilla and fanwort, was confirmed in the Manasquan Reservoir in 2017. In response, the Authority hired a consultant in 2018 to prepare an Aquatic Plant and Cyanobacteria Management Plan for the Manasquan Reservoir. After three years of intensive data collection and analyses, the consultant submitted the final plan for long-term strategies for cyanobacteria and aquatic plant management.

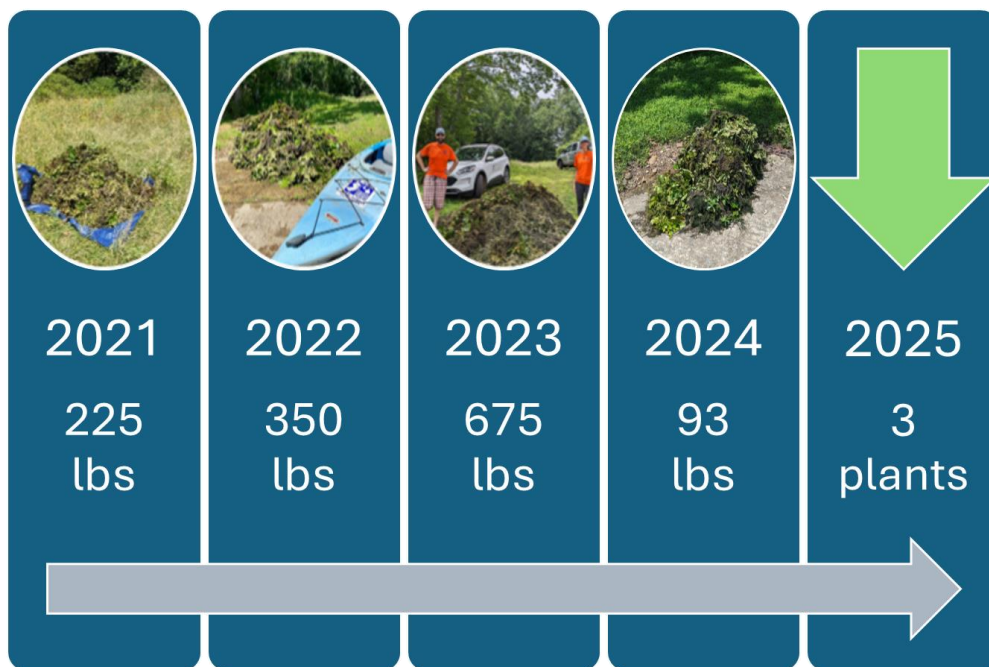


To combat the spread of hydrilla and evaluate the effectiveness of the herbicide fluridone, a pilot herbicide application began in 2018 at the Manasquan Reservoir Boat Launch. The pilot program has continued into 2025 and continues to suppress hydrilla growth and tuber production. A five-acre boat launch area has been treated each year except for 2020, when no treatment was conducted at the reservoir. Additional areas have been treated sporadically to measure effectiveness and herbicide spread from different areas of the Reservoir. A summary map of the treatment areas and tuber monitoring can be seen above, including marking the 20 acres spread across 4 treatment plots that were treated in 2025. The 2025 treatment was highly effective in decreasing hydrilla density. At the boat launch treatment area, tuber densities have decreased from a high of 2216 tubers/m<sup>2</sup> to 0 tubers/m<sup>2</sup> in 2025, while tubers at another monitoring site (MR3) have decreased from 918 tubers/m<sup>2</sup> in 2023 to 2 tubers/m<sup>2</sup> following treatment in 2024 and 2025.

The Watershed Division coordinates Aquatic Invasive Species Boat Steward programs at our reservoirs where seasonal boat stewards inspect launching and retrieving vessels on summer weekends and holidays for plants and organisms while conducting a public education survey. In 2025, this program was conducted for the seventh year at the Manasquan Reservoir in coordination with the Monmouth County Park System and the fifth year at the Spruce Run Reservoir in partnership with the State Park Service. A total of 1,010 surveys were completed

across the two launches. A total of 35 vessels were found with attached aquatic invasive plants including Eurasian water milfoil, curly-leaf pondweed, mudmat and hydrilla. The stewards continue to educate the public on best practices for cleaning their vessels to stop the spread of AIS between waterbodies. The program has led to the surveyed public reporting better boat cleaning habits, which is seen in fewer vessels found with attached aquatic invasive species.

Under an awarded Lakes Stormwater Management Grant from NJDEP, two “CD3 Wayside Solar” boat cleaning stations were procured in 2023, one each for the Manasquan Reservoir and Spruce Run Reservoir boat launches. The stations are designed to be used by boaters both entering and leaving the reservoir to ensure no aquatic invasive species are brought in or out of the reservoir. Each station is waterless, solar powered, and equipped with an air gun, wet/dry vacuum, grabber tool, plug wrench, and broom, all of which are tethered to the station. Now in its third season, the Spruce Run station totaled 268 uses for the season, an average of 1.5 per day. Use in 2024 and 2025 has been slightly lower than 2023, but this decrease in usage may be attributed to the lower water levels and decreased boating activity these past two years. The Spruce Run cleaning station is particularly popular with kayakers. The cleaning station at Manasquan Reservoir saw decreased usage compared to last year —112 total uses for an average of 0.8 per day in 2025, when it averaged 1.5 uses per day in 2024. This may be as a result of significantly less hydrilla on shorelines during the typical fall senescence, and aquatic plants in general were less dense than normal in the reservoir this year, potentially due to the herbicide treatment, climatic conditions, or because the reservoir was drawn down to much lower levels in 2024, affecting the 2025 growing season. At both reservoirs, the most popular tools on the cleaning stations are the air gun, the wet/dry vacuum, and the plug wrench.



Summary of Water Chestnut Removal at the South Branch Pumping Station

Watershed staff conducts an annual water chestnut pull at the South Branch Pumping Station to ensure the intakes are clear and that water can pass freely. This year staff collected only three water chestnut plants. The return on our investment of time to remain vigilant in managing this nuisance species is evident by this significant decrease in biomass.

Staff identified a new population of water chestnut upstream of the weir at Spruce Run Reservoir outlet. More than 75 pounds of water chestnut were pulled from the area upstream of the Spruce Run weir in 2025.



Water chestnut pull at the Spruce Run Weir



Water chestnut removal at the Spruce Run Weir

## Cyanobacteria Monitoring and Response (Harmful Algal Blooms)

In 2025, cyanobacterial blooms, also called Harmful Algal Blooms (“HABs”), affected Spruce Run Reservoir, Manasquan Reservoir and several other high profile water bodies in New Jersey. Cyanobacteria are bacteria that occur naturally in water bodies and can experience a population explosion, or bloom, under suitable environmental conditions, such as high nutrient (nitrogen and phosphorus) availability, low wind, warm water temperatures, and sunlight. Some cyanobacteria produce toxins that can be harmful to humans, livestock, and pets.

The Watershed Division has taken an active role in monitoring potential cyanobacteria blooms in cooperation with partners at the NJDEP, the USGS New Jersey Water Science Center, and the New Jersey Division of Parks and Forestry. Authority staff utilize a combination of hand-held, in-situ, and sensor data as well as NJDEP data collected via fixed-wing aircraft remote sensing as screening tools to identify the potential likelihood of HAB formation at Manasquan, Spruce Run, and Round Valley Reservoirs as well as the Millstone River and D&R Canal. In 2024, the Watershed Office’s laboratory became the second laboratory in New Jersey to be certified by the NJDEP Office of Quality Assurance for microcystin analysis in both non-potable and potable water. The laboratory also has the in-house capability to perform phytoplankton and cyanobacteria identification and enumeration.

Data collection for the Spruce Run Characterization project began in June, following the NJDEP Office of Quality Assurance’s approval of the Quality Assurance Project Plan. The project’s goal is to characterize the Spruce Run Reservoir’s physical and biological components, hydrology, and seasonal ambient water quality in order to make informed decisions on how to manage the internal pollutants in the reservoir to mitigate cyanobacterial blooms, and to prioritize watershed management project implementation to manage external pollutant sources. Every two weeks during the growing season and monthly during the winter, Authority staff, with the support of Raritan Headwaters Association’s science technicians, collected water samples and in-situ readings at six sites within the reservoir as well as the five tributaries that feed the reservoir and the outlet from the Spruce Run Reservoir. The drawdown of the reservoir limited the data collection in the reservoir to the Spruce Run Release Tower from mid-September through December 2025. NJWSA will generate baseline data, assess the quality of the reservoir based on the NJDEP’s surface water quality standards, and eventually conduct a trend analysis which will be incorporated into a Spruce Run Characterization Plan.



Staff collecting streamflow data in support of the Spruce Run Reservoir Characterization Project

NJDEP also collects data at the Spruce Run swim beach, boat rental dock, Carnegie Lake, and at the Manasquan Reservoir's I/O Tower through continuous, real-time water quality readers, which broadcast their readings online. The Authority, along with partners at USGS, NJDEP, and Montclair State University, were awarded a federally competitive Cooperative Matching Funds Grant to study the downstream fate and transport of cyanobacteria and cyanotoxins in the Raritan Basin for the years 2020 and 2021. This project combined continuous, real-time water quality data monitoring at multiple sites in the Raritan Basin, including a monitoring buoy in the middle of Spruce Run Reservoir, discrete sampling for phytoplankton community assemblages, four cyanotoxins (microcystins, cylindrospermopsin, anatoxin-a, and saxitoxin), nutrients, and other water quality data, and time-integrated toxin analysis through the use of an innovative technology called SPATT (Solid Phase Adsorption Toxin Tracking). A journal article was published in the scientific Journal *Heliyon* in January 2026 while a USGS Scientific Investigative Report is expected to be published in Spring 2026.

During low-flow conditions in the summer of 2022, the Millstone River experienced an extensive HAB from Carnegie Lake in Princeton past the confluence with the Raritan River and beyond to New Brunswick (26+ miles). Starting in 2023, the Authority established a plan to shed excess water from the Delaware and Raritan Canal into the Millstone River at the Canal's Kingston Wastegate, instead of further down-canal at the Ten-Mile Wastegate. This additional approximately 23 MGD of water to the Millstone River throughout the summer and fall helped to disrupt stagnant areas which had allowed for in-stream growth of cyanobacteria. Watershed staff continued hosting the monthly HAB/Flow Meetings throughout the HAB season, which are attended by the Basin's water purveyors, sewerage authorities, Princeton University and NJDEP. All parties have agreed that the change in summer operations to supplement the Millstone River's flow had a positive impact in preventing the development of another Millstone River HAB during the drought years of 2024 and 2025. Again in 2025, the Watershed Office sent

weekly HAB updates and maintained an online dashboard that hosts real-time USGS data as well as NJDEP and NJWSA laboratory analysis related to HABs throughout the Basin.

Phytoplankton conditions at the Manasquan Reservoir were favorable throughout most of the spring and summer, as the late October 2024 chelated copper treatment had beneficial impacts on the phytoplankton community, which featured greater diversity throughout 2025. However, with decreasing flows in the Manasquan River, a predicted lack of rain, and assumed increased reliance on the Reservoir in the fall, another chelated copper treatment was conducted in order to safely deter the formation of a surface HAB, which is an annual occurrence in late October as the reservoir turns over. During this time, the Watershed staff worked with the Manasquan Operations team to implement the Manasquan Water Supply System's Cyanotoxin Management Plan, including increased cyanotoxin monitoring using the Watershed Office's in-house cyanotoxin analysis. The treatment proved effective with no significant bloom in November.

### **Per- and Polyfluoroalkyl Substances (PFAS)**

Per- and polyfluoroalkyl substances (PFAS), also known as “forever chemicals,” are a group of synthetic chemicals designed to repel water and oil, and resist heat and chemical reactions. PFAS have been found to be long-lasting in the environment and can present health risks with exposure over time. NJDEP has adopted drinking water standards for three PFAS and required quarterly monitoring since January 2021. In April 2024, the USEPA established more restrictive drinking water regulations for a total of six regulated PFAS compounds. Authority staff are participating in various NJDEP-led workgroups focused on monitoring and implementation strategies.

The Watershed Division began engaging with Raritan system purveyors regarding PFAS in the D&R Canal in late 2023. Authority staff coordinated meetings and data sharing with purveyors and NJDEP throughout 2024. In collaboration with the Delaware River Basin Commission, the Authority conducted a passive sampling project along the Canal's length in early spring 2024 to determine if a PFAS source could be identified within the Canal watershed. A draft report was sent to DRBC. Following their approval it will be made available to the public. Results indicate increased PFAS detections between the Trenton and Princeton areas. NJWSA staff and NJDEP coordinated additional sampling of the surrounding area. At this time, results are still pending analysis and QA/QC.

The Watershed Division also has partnered with the US Geological Survey to conduct a preliminary source track down of PFAS in the Manasquan Watershed in 2024. Preliminary results did not indicate any single point source. A second round of sampling was conducted in the summer and fall of 2025, with laboratory results still pending. Watershed staff continues to support Manasquan Water Treatment Plant staff by analyzing data to determine the effectiveness of PFAS removal in the treatment plant.

## River-Friendly Programs

The Watershed Office continues to work closely with Raritan Valley Community College to implement a suite of trainings in support of their River-Friendly Business program. During 2025, the River-Friendly Technical Advisory Committee certified seven schools. Staff worked with several facilities, including Neshanic Valley Golf Course and New Jersey American Water, to prepare their recertification materials and the Authority continued work on their own recertification efforts.

## AmeriCorps New Jersey Watershed Ambassador Program

AmeriCorps is a national service initiative with programs across the country. New Jersey's AmeriCorps Program, the NJ Watershed Ambassador Program hosted by NJDEP, is in its twenty-sixth year. Through this program, 20 watershed and three source water ambassadors are placed at host sites throughout New Jersey, serving the 20 watershed management areas (watershed ambassadors) and north, central and south regions (source water ambassadors). The Authority has served as a host agency for 22 years, initially hosting a watershed ambassador and now hosting the central region source water ambassador. The ambassadors work with stakeholders to provide education regarding watersheds and source water protection, conducting stream cleanups and implementing watershed restoration projects.

In 2025, the Authority also worked with the Watershed Management Area 8 Watershed Ambassador, who continued the reforestation work at the Hunterdon County-owned Melick's Bridge property and implemented a reforestation project at Round Valley Reservoir.

In February, the Authority hosted the monthly meeting for the Ambassador program which included staff presentations, tours of Spruce Run Reservoir and the South Branch Pump Station, and stewardship projects such as maintenance of the pollinator garden and cleanup of the reservoir shoreline.



AmeriCorps NJ Watershed Ambassadors posing during a litter cleanup at Spruce Run Reservoir.

## **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. The Authority's land acquisition program has been suspended temporarily; however, the Authority has committed over \$15 million since 2003 to purchase and preserve, along with its partners, nearly 4,000 acres within the Raritan and Manasquan Basins. The Authority also continues to contribute soft costs and stewardship expenses in order to assist project partners in closing open space parcels within the basin.

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 is used in support of water allocation permit applications and System operations.

During 2025, the Authority's operations continued to support the sustainability of the state's water resources through its operation of the reservoir systems; managing passing flow requirements at certain stations along the river system; with the implementation of a \$75 million Round Valley Reservoir Rehabilitation Project; and through continuous maintenance and dredging of the Delaware and Raritan Canal to ensure 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 2025, the Authority undertook several steps to implement cost savings and other measures in several areas. The Authority continued its close review of staffing levels, resulting in significant labor savings from careful management of staffing efforts for open positions. As normal vacancies occurred in staffing during 2025, the Authority promoted or hired personnel from outside the Authority at salaries which were lower than the departing incumbent. During FY2025, the Authority filled multiple vacancies that were primarily a result of retirements and promotions and realized approximately \$405,000 in turnover savings through exercising this diligence. Overall, FY2025 actual expenses were below budget by approximately 6%. Rates were further stabilized in FY2025 by the use of unanticipated revenue resulting from prior year surpluses, overdrafts and excess debt service coverage.



## Letter of Transmittal

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### NEW JERSEY WATER SUPPLY AUTHORITY

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Post Office Box 5196 • Clinton, NJ 08809 • (908) 638-6121  
www.njwsa.org Fax • (908) 638-5241

February 2, 2025

#### Formal Transmittal of the ACFR

#### *To the Commissioners of the New Jersey Water Supply Authority and citizens of the State of New Jersey*

The Annual Comprehensive Financial Report of the New Jersey Water Supply Authority ("Authority") for the year ended June 30, 2025 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 approximately 117 employees, consisting of approximately 90 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 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.

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. 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.

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, 2025, were \$424,107,940, an increase of 14.6 percent over the previous year's total of \$370,003,265. The increase is due primarily to an increase in accounts receivable in connection with a new loan from the New Jersey Infrastructure Bank (NJIB). Net capital assets increased by \$5,478,056 or 2.2 percent, from \$246,345,339 to \$251,823,395.

The total of cash, cash equivalents and investments for the Authority decreased \$1,525,107 or 1.3 percent, from \$115,716,135 to \$114,191,028. The change in this category is associated with normal fluctuations in cash. Current liabilities decreased \$1,241,911, or 7.2 percent, from \$17,257,449 to \$16,015,538 due primarily to a decrease in accounts payable and unearned revenue. Total non-current liabilities increased from \$191,653,605 to \$238,880,704 or 24.6 percent, also in connection with the NJIB loan. Total Operating Revenue increased by \$339,393 or 1.0 percent, from \$35,487,973 to \$35,827,366. Total Operating Expenses increased \$1,790,027, or 7.1 percent, from \$25,221,672 to \$27,011,699 due to an increase in operations and maintenance, salaries, and fringe benefits expenses. Non-operating Revenue increased \$2,241,404 or 37.1 percent, from \$6,043,604 to \$8,285,008, reflecting an increase in grant income. Non-operating expenses decreased \$1,052,163, or 40.0 percent, from \$2,662,387 to \$1,610,224, primarily due to a decrease in the interest component of debt service to the state of New Jersey.

### 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. Mercadien, P.C. was retained to perform an audit of the 2025 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 the Independent Auditors. Mercadien, P.C. reports directly to the Audit Committee of the Board of Commissioners. Mercadien, P.C. also issued, as part of the annual audit, a report on internal control and compliance.

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 Acknowledgements

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

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the New Jersey Water Supply Authority for its Annual Comprehensive Financial Report for 33 consecutive years through FY2024.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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. The Authority plans on submitting its FY2025 annual report for consideration for this same award.

### *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 2025, the Authority supplied water to 30 contractual customers of the Raritan Basin System, which provided water to approximately 1,500,000 people in central New Jersey, and 12 contractual customers of the Manasquan System, which provides water to approximately 250,000 people in the Monmouth County area. Two customers accounted for approximately 85 percent of total Raritan Basin System operating revenues. Two customers accounted for approximately 85 percent of total Manasquan System operating revenues.

The total sales base for the Raritan Basin decreased slightly to 182.308 million gallons per day for fiscal year 2025, and the total sales base for the Manasquan Reservoir System was 19.443 million gallons per day. We are expecting our major water customers in both Systems to continue to maintain their approximate 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.

*Marc Brooks*

Marc Brooks - Executive Director

*Susan Buckley*

Susan Buckley - Director, Finance & Administration

*Rita Shaw*

Rita Shaw - Controller

# 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

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

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
JUNE 30, 2025

## **INDEPENDENT AUDITORS' REPORT**

To the Commissioners of  
New Jersey Water Supply Authority

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the New Jersey Water Supply Authority (a component unit of the State of New Jersey) (the "Authority") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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 an opinion on the financial statements that comprise the Authority's basic financial statements. The other supplementary information, as listed in table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, 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 and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Mercadien, P.C.*

*Certified Public Accountants*

November 19, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2025

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 years ended June 30, 2025 and June 30, 2024. Please read it in conjunction with the Authority's basic financial statements and accompanying notes.

### FINANCIAL HIGHLIGHTS – FISCAL YEAR 2025

- Operating revenue for fiscal year 2025 was \$35.8 million, a 1.0% increase over fiscal year 2024, which was the result of a 1.6% increase in Raritan sales and a 1.0% decrease in Manasquan sales. In the Raritan Basin System, rates remained at \$365.00 per million gallons, and the sales base slightly decreased to 182.308 million gallons per day ("mgd"). In the Manasquan Reservoir System, rates remained at \$1,010.75 per million gallons, and the sales base remained at 19.443 mgd. Income from operations decreased 4.5% for the Raritan System and decreased 37.1% for the Manasquan System.
- Total operating expenses for fiscal year 2025 increased to \$27.0 million, which represents a 7.1% increase from fiscal year 2024. The increase was primarily due to an increase in pension and health care costs.
- Non-operating revenue increased 37.1% from \$6.0 million in fiscal year 2024 to \$8.3 million in 2025, due to an increase in grant related income.
- Non-operating expenses for fiscal year 2025 decreased 39.5%, related to a decrease in interest component of debt service to the State of New Jersey and a decrease in water treatment plant deferred revenue.
- Unrestricted cash and cash equivalents for fiscal year 2025 were \$58.3 million, an increase of 2.9% compared to fiscal year 2024. Restricted cash and cash equivalents increased to \$29.2 million, a 16.9% increase from fiscal year 2024 to 2025.
- Total liabilities for fiscal year 2025 increased by 22.0% from \$208.9 million to \$254.9 million due to an increase in long-term debt and an increase in net OPEB liability. In fiscal year 2025, net pension liability decreased by 8.3% and net OPEB liability increased by 14.5%.
- Deferred outflows of resources increased 12.9% in fiscal year 2025 from \$23.6 million to \$26.6 million, due to an increase in GASB 62 cost recovery and OPEB deferred outflows of resources.
- Deferred inflows of resources decrease of 21.7% in fiscal year 2025 from \$19.9 million to \$15.6 million, mainly due to a decrease in OPEB deferred inflows of resources.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2025

### FINANCIAL HIGHLIGHTS – FISCAL YEAR 2024

- Operating revenue for fiscal year 2024 was \$35.5 million, a 1.3% increase over fiscal year 2023, which was the result of a 2.1% increase in Raritan sales and a 0.8% decrease in Manasquan sales. In the Raritan Basin System, rates increased to \$365.00 (8.6%) per million gallons, and the sales base remained 182.339 million gallons per day (“mgd”). In the Manasquan Reservoir System, rates remained at \$1,010.75 per million gallons. The fiscal year 2024 sales base remained at 19.443 mgd. Income from operations decreased 10.0% for the Raritan System and decreased 25.3% for the Manasquan System.
- Total operating expenses for fiscal year 2024 increased to \$25.2 million, which represents a 13.4% increase from fiscal year 2023. The increase was primarily due to an increase in pension and health care costs.
- Non-operating revenue increased 42.2% from \$4.2 million in fiscal year 2023 to \$6.0 million in 2024, primarily because of an increase in investment and interest income.
- Non-operating expenses for fiscal year 2024 increased 103.9%, related to an increase in interest component of debt service to the State of New Jersey and the closing of the 2023 NJIB loans offset by a decrease in water treatment plant deferred revenue.
- Unrestricted cash and cash equivalents for fiscal year 2024 were \$56.7 million, an increase of 0.7% compared to fiscal year 2023. Restricted cash and cash equivalents increased by \$5.2 million from fiscal year 2023 to 2024.
- Total liabilities for fiscal year 2024 decreased by 0.8% from \$210.6 to \$208.9 million due to a decrease in long-term debt offset by an increase net OPEB liability. In fiscal year 2024, net pension liability decreased by \$0.9 million and net OPEB liability increased by \$2.9 million.
- Deferred outflows of resources increased in fiscal year 2024 from \$17.1 million to \$23.6 million (37.7%), primarily due to OPEB deferred outflows of resources.
- Deferred inflows of resources for fiscal year 2024 were \$19.9 million, an increase of 2.1% compared to fiscal year 2023 mainly due to an increase in OPEB deferred inflows of resources offset by decreases in the pension deferred inflows of resources.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2025

### 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 \$180.2 million as of June 30, 2025. In fiscal year 2025, total assets and deferred outflows increased 14.5% to \$450.7 million, primarily due to an increase in current assets. Total liabilities increased 22.0% to \$254.9 million, mainly due to an increase in non-current portion of bonds, notes and loans payable. The Authority's total net position was approximately \$164.7 million as of June 30, 2024. In fiscal year 2024, total assets and deferred outflows increased 3.2% to \$393.6 million, primarily due to an increase in capital assets. Total liabilities decreased 0.8% to \$208.9 million. Changes in assets, liabilities, and net position at June 30, 2025, 2024 and 2023 are summarized in the following table:



NEW JERSEY WATER SUPPLY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE AUTHORITY (CONTINUED)

	2025	2024*	2023*	Percentage Change 2025-2024	Percentage Change 2024-2023
<b>Assets and deferred outflows of resources</b>					
Current assets	\$ 145,649,484	\$ 89,618,558	\$ 93,979,815	62.52 %	(4.64) %
Capital assets, net	251,823,395	246,345,339	235,324,883	2.22	4.68
Other non-current assets	26,635,061	34,039,368	34,751,456	(21.75)	(2.05)
Total assets	424,107,940	370,003,265	364,056,154	14.62	1.63
Deferred outflows of resources	26,624,741	23,575,937	17,117,065	12.93	37.73
<b>Total assets and deferred outflows of resources</b>	<b>\$ 450,732,681</b>	<b>\$ 393,579,202</b>	<b>\$ 381,173,219</b>	14.52	3.25
<b>Liabilities, deferred inflows of resources, and net position</b>					
Current liabilities	\$ 16,015,538	\$ 17,257,449	\$ 17,128,163	(7.20)	0.75
Non-current liabilities	49,003,384	45,819,195	43,788,940	6.95	4.64
Non-current portion of bonds, notes and loans payable	189,877,320	145,834,410	149,640,545	30.20	(2.54)
Total liabilities	254,896,242	208,911,054	210,557,648	22.01	(0.78)
Deferred inflows of resources	15,621,113	19,943,273	19,538,214	(21.67)	2.07
Net investment in capital assets	82,224,191	121,421,129	107,893,356	(32.28)	12.54
Restricted for cash, investments, and unearned revenue	23,840,251	18,660,025	13,289,738	27.76	40.41
Unrestricted	74,150,884	24,643,721	29,894,263	200.89	(17.56)
Total net position	180,215,326	164,724,875	151,077,357	9.40	9.03
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 450,732,681</b>	<b>\$ 393,579,202</b>	<b>\$ 381,173,219</b>	14.52	3.25

\*Certain account balances have been reclassified to conform with current year presentation.



NEW JERSEY WATER SUPPLY AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2025

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 May 2024 and 2023 Authority meetings, respectively, based on anticipated operating expenses:

	<u>Rate Effective</u> <u>7/01/2024</u>	<u>Rate Effective</u> <u>7/01/2023</u>	<u>Percent</u> <u>Change</u>
Raritan Basin System	\$ 365.00/mg	\$ 365.00/mg	- %
Manasquan Water Supply System			
Initial users	\$1,010.75/mg	\$1,010.75/mg	- %
Delayed water users	\$1,124.67/mg	\$1,124.67/mg	- %

The Authority's total operating revenue for fiscal year 2025 was \$35.8 million, an increase of 1.0% from fiscal year 2024, due to a 1.6% increase in Raritan sales and a 1.0% decrease in Manasquan sales. The Authority's total operating expenses for fiscal year 2025 were \$27.0 million, an increase of 7.1% from fiscal year 2024, primarily due to an increase in pension and health care costs. The Authority's total operating revenue for fiscal year 2024 was \$35.5 million, an increase of 1.3% from fiscal year 2023, due to a 2.1% increase in Raritan sales and a 0.8% decrease in Manasquan sales. The Authority's total operating expenses for fiscal year 2024 were \$25.2 million, an increase of 13.4% from fiscal year 2023, primarily due to an increase in pension and health care costs. The following table summarizes the changes in revenue, expenses and net position between fiscal years 2025, 2024 and 2023:



NEW JERSEY WATER SUPPLY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

OPERATING ACTIVITIES (CONTINUED)

	2025	2024	2023	Percentage Change 2025-2024	Percentage Change 2024-2023
Operating revenues:					
Water sales	\$ 33,247,366	\$ 32,907,973	\$ 32,451,502	1.03 %	1.41 %
Reimbursement of operating expenses	2,580,000	2,580,000	2,580,000	-	-
Total operating revenues	<u>35,827,366</u>	<u>35,487,973</u>	<u>35,031,502</u>	0.96	1.30
Non-operating revenues:					
State of New Jersey - Grant Programs	2,721,622	204,269	820,500	1,232.37	(75.10)
Investment and interest income	3,530,298	3,803,981	1,349,747	(7.19)	181.83
Rental income	67,170	65,234	60,987	2.97	6.96
Other income	69,096	52,770	69,467	30.94	(24.04)
Recovery of deferred outflows of resources	1,896,822	1,917,350	1,949,277	(1.07)	(1.64)
Total non-operating revenues	<u>8,285,008</u>	<u>6,043,604</u>	<u>4,249,978</u>	37.09	42.20
Total revenues	<u>44,112,374</u>	<u>41,531,577</u>	<u>39,281,480</u>	6.21	5.73
Operating expenses:					
Payroll	8,855,683	8,730,087	8,312,516	1.44	5.02
Operations and maintenance	8,545,859	8,522,942	7,280,361	0.27	17.07
Fringe benefits	3,822,544	2,977,796	1,727,350	28.37	72.39
Depreciation	5,787,613	4,990,847	4,923,717	15.96	1.36
Total operating expenses	<u>27,011,699</u>	<u>25,221,672</u>	<u>22,243,944</u>	7.10	13.39
Non-operating expenses:					
Interest component of debt service to the					
State of New Jersey	2,160,084	2,865,636	665,889	(24.62)	330.35
SMMUA operations, net	(549,860)	(203,249)	639,952	(170.54)	(131.76)
Total non-operating expenses	<u>1,610,224</u>	<u>2,662,387</u>	<u>1,305,841</u>	(39.52)	103.88
Total Expenses	<u>28,621,923</u>	<u>27,884,059</u>	<u>23,549,785</u>	2.65	18.40
Changes in net position	<u>15,490,451</u>	<u>13,647,518</u>	<u>15,731,695</u>	13.50	(13.25)
Net position, beginning of year	<u>164,724,875</u>	<u>151,077,357</u>	<u>135,345,662</u>	9.03	11.62
Net position, end of year	<u>\$ 180,215,326</u>	<u>\$ 164,724,875</u>	<u>\$ 151,077,357</u>	9.40	9.03

CAPITAL ASSETS AND DEBT ADMINISTRATION

At June 30, 2025, the Authority had a total of \$251,823,395 invested in the Systems that it operates: \$209,208,722 invested in the Raritan Basin System, and \$42,614,673 invested in the Manasquan System. This total amount represents a 2.2% increase from last year. At June 30, 2024, the Authority had a total of \$246,345,339 in the Systems that it operates: \$202,011,572 invested in the Raritan Basin System, and \$44,333,767 invested in the Manasquan System. This total amount represents a 4.7% increase from the prior year.



NEW JERSEY WATER SUPPLY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

The following table summarizes the changes in capital assets, net of depreciation, between fiscal years 2025, 2024 and 2023:

	2025	2024	2023	Percentage Change 2025-2024	Percentage Change 2024-2023
Land and land rights	\$ 25,648,119	\$ 25,648,119	\$ 25,648,119	- %	- %
Dams	41,201,189	41,962,954	42,724,719	(1.82)	(1.78)
Building, structures and improvements	36,941,165	40,480,581	43,467,405	(8.74)	(6.87)
D&R Canal Dredging	38,824,633	39,618,322	-	(2.00)	100.00
Machinery and equipment	3,569,364	3,320,316	2,509,878	7.50	32.29
Leased equipment	4,842	14,527	24,212	(66.67)	(40.00)
Construction work in progress	105,634,083	95,300,520	120,950,550	10.84	(21.21)
Total capital assets	\$ 251,823,395	\$ 246,345,339	\$ 235,324,883	2.22	4.68

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

The following table summarizes the changes in capital debt between fiscal years 2025, 2024 and 2023:

	2025	2024	2023	Percentage Change 2025-2024	Percentage Change 2024-2023
Bonds payable	\$ 4,026,560	\$ 4,533,925	\$ 5,021,291	(11.19) %	(9.71) %
Notes payable	33,566,892	33,566,892	33,566,892	-	-
Loans payable	157,398,000	112,181,916	114,168,508	40.31	(1.74)
Total	\$ 194,991,452	\$ 150,282,733	\$ 152,756,691	29.75	(1.62)

At year end, the Authority had \$194,991,452 in bonds, notes and loans principal outstanding, compared to \$150,282,733 at June 30, 2024. This change represents an increase of 29.8%. The change in bonds, notes and loans principal outstanding at June 30, 2024, compared to the total of \$152,756,691 at June 30, 2023, represents a decrease of 1.6%, as shown in the above table.

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



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2025

### CURRENT AND NEW BUSINESS

During fiscal years 2025 and 2024, the Authority supplied water to 30 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 85% in 2025 and 2024 of total Raritan Basin System operating revenue. There was a slight decrease in the sales base of the Raritan Basin System from 182.339 mgd to 182.308 mgd due to the loss of a customer in fiscal year 2025. There is no expected change in the sales base of the Raritan Basin System of 182.308 mgd in fiscal year 2026. There were no changes to the Raritan Basin System water rates for fiscal year 2026.

During fiscal years 2025 and 2024, the Authority provided water to 12 contractual customers of the Manasquan Water Supply System, who provided water to approximately 250,000 people in the Monmouth County area. Two customers accounted for approximately 85% in 2025 and 2024 of the total Manasquan System operating revenue. There is no expected change in the sales base of the Manasquan Water Supply system of 19.443 mgd in fiscal year 2026. There were no changes to the Manasquan Water Supply System water rates for fiscal year 2026.

### 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. The Authority's overall financial position has improved; total net position has increased and the Authority continues to receive favorable bond ratings. 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).

## **BASIC FINANCIAL STATEMENTS**

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

**STATEMENTS OF NET POSITION**

	June 30,	
	2025	2024*
<b>Assets</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 58,324,520	\$ 56,674,754
Unbilled sales	2,028,029	2,155,595
Accounts receivable, less allowance for doubtful accounts of \$1,000 at June 30, 2025 and 2024	53,896,163	3,602,361
Interest receivable	282,844	437,999
Prepaid expenses and other current assets	1,886,481	1,745,836
Total unrestricted current assets	<u>116,418,037</u>	<u>64,616,545</u>
Restricted assets:		
Cash equivalents	29,231,447	25,002,013
Total current assets	<u>145,649,484</u>	<u>89,618,558</u>
Non-current assets:		
Investments	26,635,061	34,039,368
Capital assets, net	251,823,395	246,345,339
Total non-current assets	<u>278,458,456</u>	<u>280,384,707</u>
Total assets	<u>424,107,940</u>	<u>370,003,265</u>
Deferred outflows of resources:		
Cost recovery	6,382,192	4,500,748
Pension related	1,954,406	2,117,726
OPEB related	18,288,143	16,957,463
Total deferred outflows of resources	<u>26,624,741</u>	<u>23,575,937</u>
Total assets and deferred outflows of resources	<u>\$ 450,732,681</u>	<u>\$ 393,579,202</u>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 5,114,132	\$ 4,448,323
Accounts payable	2,159,164	3,019,385
Accrued liabilities	3,351,046	3,447,753
Unearned revenue	5,391,196	6,341,988
Total current liabilities	<u>16,015,538</u>	<u>17,257,449</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	189,877,320	145,834,410
Lease liability	5,164	15,207
Net pension liability	13,950,280	15,206,104
Net OPEB liability	35,047,940	30,597,884
Total non-current liabilities	<u>238,880,704</u>	<u>191,653,605</u>
Total liabilities	<u>254,896,242</u>	<u>208,911,054</u>
Deferred inflows of resources:		
Pension related	1,400,466	1,405,468
OPEB related	14,054,875	18,348,351
Gain on refunding	165,772	189,454
Total deferred inflows of resources	<u>15,621,113</u>	<u>19,943,273</u>
Total liabilities and deferred inflows of resources	<u>270,517,355</u>	<u>228,854,327</u>
<b>Net Position</b>		
Net investment in capital assets	82,224,191	121,421,129
Restricted for cash, investments, and unearned revenue	23,840,251	18,660,025
Unrestricted	74,150,884	24,643,721
Total net position	<u>180,215,326</u>	<u>164,724,875</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 450,732,681</u>	<u>\$ 393,579,202</u>

\*Certain account balances have been reclassified to conform with current year presentation.  
See notes to financial statements.

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

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>Years Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Operating revenues:		
Water sales	<b>\$ 33,247,366</b>	\$ 32,907,973
Reimbursement of operating expenses	<b>2,580,000</b>	2,580,000
Total operating revenues	<b><u>35,827,366</u></b>	<u>35,487,973</u>
Operating expenses:		
Payroll	<b>8,855,683</b>	8,730,087
Operations and maintenance	<b>8,545,859</b>	8,522,942
Fringe benefits	<b>3,822,544</b>	2,977,796
Depreciation	<b>5,787,613</b>	4,990,847
Total operating expenses	<b><u>27,011,699</u></b>	<u>25,221,672</u>
Income from operations	<b>8,815,667</b>	10,266,301
Non-operating revenues:		
State of New Jersey - Grant Programs	<b>2,721,622</b>	204,269
Investment and interest income	<b>3,530,298</b>	3,803,981
Rental income	<b>67,170</b>	65,234
Other income	<b>69,096</b>	52,770
Recovery of deferred outflows of resources	<b>1,896,822</b>	1,917,350
Total non-operating revenues	<b><u>8,285,008</u></b>	<u>6,043,604</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	<b>2,160,084</b>	2,865,636
SMMUA operations, net	<b>(549,860)</b>	(203,249)
Total non-operating expenses	<b><u>1,610,224</u></b>	<u>2,662,387</u>
Changes in net position	<b>15,490,451</b>	13,647,518
Net position, beginning of year	<b><u>164,724,875</u></b>	<u>151,077,357</u>
Net position, end of year	<b><u>\$ 180,215,326</u></b>	<u>\$ 164,724,875</u>

See notes to financial statements.

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

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$ 34,383,192	\$ 31,419,387
Cash received from reimbursable expenses	3,175,039	2,825,874
Cash received from rental income	43,735	40,665
Cash paid to or on behalf of employees	(14,676,152)	(14,425,113)
Cash paid to suppliers	(8,634,113)	(8,329,193)
Net cash provided by operating activities	<u>14,291,701</u>	<u>11,531,620</u>
<b>Cash flows from noncapital financing activities</b>		
Cash received for grant programs	680,935	86,087
Net cash provided by non-capital financing activities	<u>680,935</u>	<u>86,087</u>
<b>Cash flows from capital and related financing activities</b>		
Collections of NJIB receivables	495,050	11,777,115
Principal paid on bonds, notes and loans	(6,250,755)	(1,946,914)
Lease liability	(10,043)	(9,677)
Interest paid on bonds, notes and loans	(2,410,905)	(2,479,522)
Acquisition and construction of capital assets	(12,005,893)	(17,807,233)
Proceeds from sale of capital assets	(650)	49,814
Net cash used in capital and related financing activities	<u>(20,183,196)</u>	<u>(10,416,417)</u>
<b>Cash flows from investing activities</b>		
Sale of investment securities	55,350,715	25,845,000
Purchase of investment securities	(47,425,869)	(24,852,005)
Interest received on investments	3,685,453	3,651,526
Premium on matured investments	(520,539)	(280,907)
Net cash provided/(used) by investing activities	<u>11,089,760</u>	<u>4,363,614</u>
Net increase in cash and cash equivalents	5,879,200	5,564,904
Cash and cash equivalents, beginning of year	81,676,767	76,111,863
Cash and cash equivalents, end of year	<u>\$ 87,555,967</u>	<u>\$ 81,676,767</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 8,815,667	\$ 10,266,301
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	686,776	271,824
Depreciation	5,787,613	4,990,847
Increase (decrease) in cash from:		
Unbilled sales	127,566	(301,598)
Accounts receivable	1,138,422	(1,201,962)
Prepaid expenses and other current assets	(140,645)	15,039
Accounts payable	(21,584)	172,627
Accrued liabilities	(3,970)	21,157
Accrued payroll and taxes	173,462	202,268
Net pension liability	(1,097,506)	(1,387,819)
Net OPEB liability	(1,174,100)	(1,517,064)
Net cash provided by operating activities	<u>\$ 14,291,701</u>	<u>\$ 11,531,620</u>
<b>Non-cash investing activities</b>		
Increase in fair value of investments	<u>\$ 765,187</u>	<u>\$ 284,349</u>

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

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**A. ORGANIZATION AND OPERATIONS**

The New Jersey Water Supply Authority (the “Authority”), a component unit of the State of New Jersey (the “State”), consisting of the Spruce Run/Round Valley Reservoirs Complex, the Delaware and Raritan Canal Transmission Complex (the “Raritan Basin System”), and the Manasquan Reservoir Water Supply System (the “Manasquan System”), is a public body, corporate and politic, constituted as an instrumentality of the State, exercising public and essential governmental functions. The Authority was created by the New Jersey Water Supply Authority Act (the “Act”) on October 7, 1981, and in connection with the Act, all water supply facilities owned or operated by the State (*i.e.*, *Raritan Basin System*) were transferred or leased to the Authority. The Act empowers the Authority to acquire, finance, construct and operate water systems and issue bonds. Members of the Authority consist of the Commissioner of the New Jersey Department of Environmental Protection (“NJDEP”), an 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.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

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

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

In its accounting and financial reporting, the Authority follows the pronouncements of the GASB and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles (“GAAP”) are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants (“AICPA”) cleared by the GASB. Authoritative GAAP is incorporated periodically into the Codification of Governmental Accounting and Financial Reporting Standards (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or

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

**NOTES TO FINANCIAL STATEMENTS**

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other Statements, pronouncements and other literature of the Financial Accounting Standards Board (“FASB”), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks and articles.

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

**Revenues**

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 into operation the projects of the Authority. Effective July 1, 2023, the Authority modified the capital asset definition to an asset having an initial individual cost of \$5,000 (previously \$1,000) or more and an estimated useful life in excess of three years. Such expenditures include labor, materials, services and indirect costs. Normal maintenance and repair costs are charged to operations and maintenance expense. Improvements and replacements are capitalized. Interest earned on long-term debt proceeds used for capital asset construction and temporarily invested during the construction period is netted against interest cost. The excess, if any, is capitalized to construction work in progress, and the portion related to completed projects is expensed. The cost of capital assets retired, net of any gain or loss on the disposal of such capital assets, is offset to accumulated depreciation. The Authority also holds several restricted easements for utility access, conservation and water rights. These easements are recorded at the lower of cost or fair market value upon acquisition.

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

NOTES TO FINANCIAL STATEMENTS

---

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Investments**

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

**Accounts Receivable**

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

**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, which is included in accrued liabilities in the statements of net position. The net change in the liability during 2025 and 2024 was a decrease in the amount of \$30,294 and \$39,283, respectively.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

---

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Net Position**

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

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

**Deferred Inflows and Outflows of Resources**

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

*Deferred Inflows/Outflows of Resources – Cost Recovery*

The Authority's cost recovery rate model used to establish rates, fees and charges includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, and accrued sick pay, which are being classified as deferred outflows of resources. The deferred outflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the years ended June 30, 2025 and 2024, were determined as follows:

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows and Outflows of Resources (Continued)**

<b>Raritan Basin System</b>	<b>2025</b>	<b>2024</b>
Cost excluded from rate model:		
Depreciation of debt-financed capital assets		
recoverable from rate payers	<b>\$ 810,968</b>	\$ 811,496
Excess vacation expense over vacation paid	<b>11,973</b>	(41,749)
Accrued sick pay	<b>(29,078)</b>	(59,251)
	<b>793,863</b>	710,496
Cost included in rate model:		
Debt principal repayment	-	-
<b>Subtotal Raritan Basin System</b>	<b>793,863</b>	710,496
<b>Manasquan System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets		
recoverable from rate payers	<b>1,540,854</b>	1,540,854
Excess vacation expense over vacation paid	<b>450</b>	8,558
Accrued sick pay	<b>1,277</b>	2,983
	<b>1,542,581</b>	1,552,395
Cost included in rate model:		
Debt principal repayment	<b>(455,000)</b>	(435,000)
<b>Subtotal Manasquan System</b>	<b>1,087,581</b>	1,117,395
Total Raritan Basin and Manasquan	<b>1,881,444</b>	1,827,891
Balance, beginning of year	<b>4,500,748</b>	2,672,857
Balance, end of year	<b>\$ 6,382,192</b>	\$ 4,500,748

As shown in the statements of revenue, expenses and changes in net position for the year ended June 30, 2025, the deferred outflows of resources debit of \$1,896,822 does not include a credit balance of \$15,378 of accrued vacation and sick pay. The June 30, 2024, deferred outflows of resources debit balance of \$1,917,350 does not include a credit balance of \$89,459 of accrued vacation and sick pay.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows and Outflows of Resources (Continued)**

*Deferred Inflows/Outflows of Resources – Debt Refunding*

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

*Deferred Inflows/Outflows of Resources – Pensions & Other Post-retirement Benefits (OPEB)*

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

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

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

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statements of net position. These excess costs or billings will be recovered or recognized in future periods. As of June 30, 2025 and 2024, unearned revenue amounting to \$4,529,035 and \$5,078,895, respectively, was determined as follows:

	<u>2025</u>	<u>2024</u>
Reimbursement of operating expenses	\$ 2,654,241	\$ 2,679,065
Operating expenses	<u>3,204,101</u>	<u>2,882,314</u>
SMMUA operations, net	<u>(549,860)</u>	<u>(203,249)</u>
Unearned revenue balance, beginning of year	<u>5,078,895</u>	<u>5,282,144</u>
Unearned revenue balance, end of year	<u>\$ 4,529,035</u>	<u>\$ 5,078,895</u>

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

NOTES TO FINANCIAL STATEMENTS

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting for Southeast Monmouth Municipal Utilities Authority Agreement (Continued)**

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of June 30, 2025 and 2024, the amount included in unearned revenue was \$320,736 and \$356,440, respectively.

**Accounting for Watershed Protection Program**

For the fiscal years ended June 30, 2025 and 2024, the Authority received \$221,805 and \$86,087, respectively, from federal and/or state environmental agencies for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and these agencies and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of June 30, 2025, all of the funds received had been recognized as revenue.

**Accounting for Mitigation Funds**

During fiscal years ended June 30, 2025 and 2024, the Authority received \$0, respectively, for the costs associated with implementing water quality improvement projects for the Delaware and Raritan Canal. These funds are restricted to projects specifically identified by the D&R Canal Commission ("DRCC") and administered by the Authority and are recognized as revenue as the related costs are incurred. These funds are maintained in a separate mitigation account. As of June 30, 2025 and 2024, the balance of unearned revenue was \$541,425 and \$556,425, respectively.

**Accounting for FEMA Reimbursements**

The Authority received Federal Emergency Management Agency reimbursements for COVID-19 and the remnants of Hurricane Ida flooding in the amounts of \$0 and \$386, for the fiscal years ending June 30, 2025, and 2024, respectively. As of June 30, 2025 and 2024, the balance of unearned revenue was \$0 and \$350,228, respectively.

The Authority received Federal Emergency Management Agency reimbursements for the Building Resilient Infrastructure Communities (BRIC) program in the amounts of \$108,901 and \$0, for the fiscal years ending June 30, 2025 and 2024, respectively. These funds are restricted to be used on the Spruce Run Foundation Grouting Project and are recognized as revenue as the related expenses are incurred.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

**C. CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2025 and 2024, was as follows:

	<b>2025</b>			<b>2025</b>
	<b>Beginning</b>		<b>Retirements</b>	<b>Ending</b>
	<b>Balance</b>	<b>Additions</b>		<b>Balance</b>
Capital assets not being depreciated:				
Land	\$ 25,648,119	\$ -	\$ -	\$ 25,648,119
Construction work in progress	95,300,520	10,360,690	(27,127)	105,634,083
Total capital assets not being depreciated	<u>120,948,639</u>	<u>10,360,690</u>	<u>(27,127)</u>	<u>131,282,202</u>
Capital assets being depreciated:				
Dams	77,358,631	-	-	77,358,631
Building, structures and improvements	150,278,507	6,678	-	150,285,185
D & R canal dredging	60,844,736	-	-	60,844,736
Machinery and equipment	8,431,061	1,155,931	(338,010)	9,248,982
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	<u>296,951,673</u>	<u>1,162,609</u>	<u>(338,010)</u>	<u>297,776,272</u>
Less accumulated depreciation for:				
Dams	(35,395,677)	(761,765)	-	(36,157,442)
Building, structures and improvements	(109,797,926)	(3,546,094)	-	(113,344,020)
D & R canal dredging	(21,226,414)	(793,689)	-	(22,020,103)
Machinery and equipment	(5,110,745)	(676,380)	107,507	(5,679,618)
Leased equipment	(24,211)	(9,685)	-	(33,896)
Total accumulated depreciation	<u>(171,554,973)</u>	<u>(5,787,613)</u>	<u>107,507</u>	<u>(177,235,079)</u>
Total capital assets being depreciated, net	<u>125,396,700</u>	<u>(4,625,004)</u>	<u>(230,503)</u>	<u>120,541,193</u>
Total net investment in capital assets	<u>\$ 246,345,339</u>	<u>\$ 5,735,686</u>	<u>\$ (257,630)</u>	<u>\$ 251,823,395</u>

	<b>2024</b>			<b>2024</b>
	<b>Beginning</b>		<b>Retirements</b>	<b>Ending</b>
	<b>Balance</b>	<b>Additions</b>		<b>Balance</b>
Capital assets not being depreciated:				
Land	\$ 25,648,119	\$ -	\$ -	\$ 25,648,119
Construction work in progress	120,950,550	14,645,836	(40,295,866)	95,300,520
Total capital assets not being depreciated	<u>146,598,669</u>	<u>14,645,836</u>	<u>(40,295,866)</u>	<u>120,948,639</u>
Capital assets being depreciated:				
Dams	77,369,160	-	(10,529)	77,358,631
Building, structures and improvements	149,849,470	611,403	(182,366)	150,278,507
D & R canal dredging	21,160,274	39,684,462	-	60,844,736
Machinery and equipment	8,553,908	1,518,335	(1,641,182)	8,431,061
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	<u>256,971,550</u>	<u>41,814,200</u>	<u>(1,834,077)</u>	<u>296,951,673</u>
Less accumulated depreciation for:				
Dams	(34,644,441)	(761,766)	10,530	(35,395,677)
Building, structures and improvements	(106,382,065)	(3,572,726)	156,865	(109,797,926)
D & R canal dredging	(21,160,274)	(66,140)	-	(21,226,414)
Machinery and equipment	(6,044,030)	(580,530)	1,513,815	(5,110,745)
Leased equipment	(14,526)	(9,685)	-	(24,211)
Total accumulated depreciation	<u>(168,245,336)</u>	<u>(4,990,847)</u>	<u>1,681,210</u>	<u>(171,554,973)</u>
Total capital assets being depreciated, net	<u>88,726,214</u>	<u>36,823,353</u>	<u>(152,867)</u>	<u>125,396,700</u>
Total net investment in capital assets	<u>\$ 235,324,883</u>	<u>\$ 51,469,189</u>	<u>\$ (40,448,733)</u>	<u>\$ 246,345,339</u>

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

NOTES TO FINANCIAL STATEMENTS

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

1. Cash

As of June 30, 2025 and 2024, the Authority’s bank balances were \$89,337,576 and \$81,882,600, respectively, of which \$250,000 was covered through the FDIC. The remaining balances of \$89,087,576 and \$81,632,600 as of June 30, 2025 and 2024, respectively, were collateralized through an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh through TD Bank. The letter of credit covers up to a maximum of \$100,000,000 of Authority deposits and was renewed through March 30, 2026. The cash balance per the statements of net position is shown exclusive of outstanding checks totaling \$1,781,909 and \$206,133, respectively. The statements of net position amount includes petty cash totaling \$300 as of June 30, 2025 and 2024, respectively.

2. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. The Authority’s bank balances of \$89,337,576 and \$81,882,600 as of June 30, 2025 and 2024, respectively, were exposed to custodial credit risk as follows:

	<b>2025</b>	<b>2024</b>
Uninsured and uncollateralized	\$ -	\$ -

3. Investments and Cash Equivalents

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

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority has no level 3 investments.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

3. Investments and Cash Equivalents (Continued)

As of June 30, 2025, the Authority had the following investments, inclusive of interest receivable:

Investment Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
U.S. Treasury Notes	Level 1	\$ 12,162,256	\$ 12,162,256	\$ -
Money Market Funds	Level 1	24,316	24,316	-
Federal Agency Securities	Level 2	14,731,333	14,731,333	-
<b>Total</b>		<b>\$ 26,917,905</b>	<b>\$ 26,917,905</b>	<b>\$ -</b>

As of June 30, 2024, the Authority had the following investments, inclusive of interest receivable:

Investment Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
Certificates of Deposit	Level 2	\$ 8,409,114	\$ 8,409,114	\$ -
Federal Agency Securities	Level 2	25,708,253	25,708,253	-
Municipal Bonds	Level 2	360,000	360,000	-
<b>Total</b>		<b>\$ 34,477,367</b>	<b>\$ 34,477,367</b>	<b>\$ -</b>

4. Credit and Custodial Credit Risk

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

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

The Authority entered into an agreement with TD Bank to collateralize all deposits held at a market rate equal to 102% of the daily combined total of all deposits. As of June 30, 2025 and 2024, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the years ended June 30, 2025 and 2024, respectively:

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

5. Investment Income (Continued)

	<u>2025</u>	<u>2024</u>
Interest earned on cash accounts	\$ 2,020,849	\$ 2,158,700
Interest earned on investments	744,262	1,360,932
Gain in fair value of investments	765,187	284,349
	<u>\$ 3,530,298</u>	<u>\$ 3,803,981</u>

**E. BONDS, NOTES AND LOANS PAYABLE**

**Manasquan System**

1. 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 (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 5.9% and 6.2%, 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 Agreement.

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, 2025 and 2024.

On May 12, 2016, the Authority repaid the State of New Jersey \$78,651 for principal and all accrued interest on outstanding Current State Loan Notes and Completion Notes. At June 30, 2025 and 2024, the State Loan Notes and Completion Loan Notes are summarized as follows:

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Manasquan System (Continued)**

1. Notes Due to State of New Jersey (Continued)

<b>State Loan Notes</b>	<b>2025</b>	<b>2024</b>
Current Notes	\$ -	\$ -
Deferred Notes	<b>30,365,115</b>	30,365,115
<b>Completion Loan Notes</b>		
Current Notes	-	-
Deferred Notes	<b>3,201,777</b>	3,201,777
	<b>\$ 33,566,892</b>	\$ 33,566,892

2. 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 Loan Notes, the proceeds of which were used to construct the Manasquan Water Supply System. The Revenue Bonds, Series 2005, carried a bond yield of 3.95%, and were scheduled to mature in incremental annual principal amounts through 2031.

The property, and 100% of the revenue generated by the Debt Service Component of the Rate for both initial system customers and delayed water purchase customers of the Manasquan System, were pledged as collateral for the 2005 Bonds. The Debt Service Component of the Rate represents 120% of the principal and interest requirements. For the years ended June 30, 2025 and 2024, the Debt Service Component of the Rate generated was \$710,513 and \$712,459, respectively.

The Revenue Bonds, Series 2005, had a principal balance outstanding of \$26,105,000 at June 30, 2015. Those bonds maturing on or after August 1, 2016, were subject to redemption prior to their stated maturity dates at the option of the Authority. The last principal payment of \$2,940,000 was made on August 1, 2015. The remaining 2005 Bonds were redeemed on June 15, 2016, for \$23,596,126 including accrued interest.

3. Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016

On April 26, 2016, the Authority issued \$17,460,000 in Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016. The proceeds, together with other monies on deposit in the amount of \$6,340,964, were used to prepay \$23,242,358 in Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005 and Current Manasquan State Loan Notes and Completion Loan Notes.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

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**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Manasquan System (Continued)**

3. Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016 (Continued)

The Refunding Bonds, Series 2016, have a principal balance outstanding of \$3,660,000 and \$4,115,000 at June 30, 2025 and 2024, carry a bond yield of 1.6%, and mature in incremental annual principal amounts through 2031. Principal maturities for the years ended June 30, 2025 and 2024, were \$455,000 and \$435,000, respectively.

The property, and 100% of the revenue generated by the Debt Service Component of the Rate for both initial system customers and delayed water purchase customers of the Manasquan System, were pledged as collateral for the 2016 Bonds. The Debt Service Component of the Rate represents 120% of the principal and interest requirements. The pledged revenue will be unavailable for other purposes until August 1, 2031.

For the years ended June 30, 2025 and 2024, interest expense on the 2016 Bonds amounted to \$114,033 and \$136,826, respectively, and for each year the related interest income earned on the restricted investments account amounted to \$0.

The current refunding resulted in a difference between the par amount of the refunding bonds and the par amount of the refunded bonds of \$5,782,358. The net premium received on the refunding bonds was \$1,821,414, 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. Although the refunding resulted in an accounting gain of \$823,712, it was performed to reduce debt service by approximately \$5,269,268 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$2,999,861. The accounting gain, or deferred gain on the refunding, is reported as a deferred inflow of resources in the amount of \$165,772 and \$189,454 as of June 30, 2025 and 2024, respectively.

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

The Authority 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.

The following table summarizes the NJEIFP loan outstanding for the Manasquan Reservoir System, as of June 30, 2025:

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NOTES TO FINANCIAL STATEMENTS

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Manasquan System (Continued)**

**4. New Jersey Environmental Infrastructure Financing Program (“NJEIFP”) (Continued)**

NJEIFP Series	Date of Issuance	State Revolving Fund Original Principal	Percent	Trust Original Principal	Percent	Blended Interest Rate	Outstanding Principal (FY2025)	Outstanding Principal (FY2024)	Maturity
2012B	5/3/2012	\$ 2,312,250	76%	\$ 715,000	24%	0.80%	\$ 1,071,465	\$ 1,229,037	8/1/2031

**Raritan System**

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

The Authority obtained loans from 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.

In fiscal year 2018, the Authority borrowed \$49,548,569 from the New Jersey Infrastructure Bank (NJIB - formerly known as the New Jersey Environmental Infrastructure Trust) through an interim note to finance its Raritan Basin System Canal Dredging project. In fiscal year 2021 the interim note was converted to permanent long-term financing with the NJIB and the State for a total amount of \$35,684,438 at a blended interest rate of 0.41%. Actual project costs were lower than expected, causing the final loan amount to be lower than originally anticipated.

In fiscal year 2019, the Authority borrowed \$15,224,595 from the NJIB through an interim note to finance a portion of its Raritan Basin System Round Valley Refurbishment and Resource Preservation project. In fiscal year 2021, an additional \$59,775,405 interim financing was completed for the remainder of the project. In fiscal year 2024, the interim notes were converted to permanent long-term financing with the NJIB and the State for a total amount of \$75,000,000 at approximately 50% of market interest rate.

In fiscal year 2025, the Authority borrowed \$50,000,000 from the NJIB through an interim note to finance its Spruce Run Reservoir Structures Refurbishment and Resource Preservation Project.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Raritan System (Continued)**

**5. New Jersey Environmental Infrastructure Financing Program (“NJEIFP”) (Continued)**

The following table summarizes the NJEIFP/NJIB loans outstanding for the Raritan Basin System, as of June 30, 2025:

NJEIFP Series	Date of Issuance	State Revolving Fund Original Principal	Percent	Trust Original Principal	Percent	Blended Interest Rate	Outstanding Principal (FY2025)	Outstanding Principal (FY2024)	Maturity
2004A	11/4/2004	\$ 1,030,000	75%	\$ 1,030,000	25%	1.25%	\$ -	\$ 72,807	8/1/2024
2005A	11/10/2005	2,940,974	75%	1,050,000	25%	1.25%	80,000	155,000	8/1/2025
2006A	11/9/2006	2,099,363	75%	745,000	25%	1.26%	269,209	422,306	8/1/2026
2007A	11/8/2007	1,740,563	75%	620,000	25%	1.06%	396,641	521,888	8/1/2027
2008A	11/6/2008	1,152,000	64%	660,000	36%	1.74%	435,297	540,121	8/1/2028
2010A	3/10/2010	300,493	51%	290,000	49%	1.69%	154,731	189,010	8/1/2029
2010B	12/2/2010	1,064,338	52%	990,000	48%	1.87%	715,716	829,835	8/1/2030
2012A	5/3/2012	1,501,455	76%	465,000	24%	0.65%	728,968	830,313	8/1/2031
2021A	6/10/2021	27,724,230	77%	8,325,000	23%	0.41%	29,204,807	30,915,964	8/1/2040
2023A/C	12/15/2023	43,067,616	57%	32,674,957	43%	N/A	73,656,125	75,742,573	8/1/2053
S340421-04 (CLP)	3/6/2025	-	TBD	50,000,000	TBD	N/A	50,000,000	-	TBD
Total		\$ 82,621,032		\$ 96,849,957			\$ 155,641,494	\$ 110,219,817	

The following table summarizes the changes in bonds, notes and loans payable between fiscal years 2025, 2024 and 2023:

	Less Payments,				
	Fiscal Year 2024	Net of Amortization	Debt Issued	Fiscal Year 2025	Due Within One Year
Bonds payable	\$ 4,533,925	\$ 507,365	\$ -	\$ 4,026,560	\$ 475,000
Notes payable	33,566,892	-	-	33,566,892	-
Loans payable	112,181,916	4,783,916	50,000,000	157,398,000	4,639,132
Total	\$ 150,282,733	\$ 5,291,281	\$ 50,000,000	\$ 194,991,452	\$ 5,114,132

	Less Payments,				
	Fiscal Year 2023	Net of Amortization	Debt Issued	Fiscal Year 2024	Due Within One Year
Bonds payable	\$ 5,021,291	\$ 487,366	\$ -	\$ 4,533,925	\$ 455,000
Notes payable	33,566,892	-	-	33,566,892	-
Loans payable	114,168,508	2,729,165	742,573	112,181,916	3,993,323
Total	\$ 152,756,691	\$ 3,216,531	\$ 742,573	\$ 150,282,733	\$ 4,448,323

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

**NOTES TO FINANCIAL STATEMENTS**

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Raritan System (Continued)**

**5. New Jersey Environmental Infrastructure Financing Program (“NJEIFP”) (Continued)**

Principal and interest on aggregate maturities and bonds, notes and loans, net of unamortized bond premium, are as follows:

<b>Year Ending June 30,</b>	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Notes Payable Manasquan System</b>	<b>Manasquan System Revenue Bonds Series 2016</b>	<b>Totals</b>
2026	\$ 6,074,535	\$ 171,822	\$ -	\$ 575,213	\$ 6,821,570
2027	5,595,588	174,697	-	575,838	6,346,123
2028	5,842,659	172,672	-	578,137	6,593,468
2029	5,710,217	175,522	-	572,359	6,458,098
2030	5,580,987	173,272	-	570,762	6,325,021
2031-2035	26,895,517	258,155	-	1,136,672	28,290,344
2036-2040	26,563,742	-	-	-	26,563,742
2041-2045	18,219,142	-	-	-	18,219,142
2046-2050	16,691,080	-	-	-	16,691,080
2051-2055	12,997,182	-	-	-	12,997,182
Pending Project Completion	50,000,000	-	-	-	50,000,000
Deferred Portion	-	-	33,566,892	-	33,566,892
<b>Subtotal</b>	<b>180,170,649</b>	<b>1,126,140</b>	<b>33,566,892</b>	<b>4,008,981</b>	<b>218,872,662</b>
Less amounts representing interest	24,529,156	54,675	-	348,981	24,932,812
Plus unamortized bond premium	665,973	19,069	-	366,560	1,051,602
<b>Total</b>	<b>156,307,466</b>	<b>1,090,534</b>	<b>33,566,892</b>	<b>4,026,560</b>	<b>194,991,452</b>
Less:					
Current principal portion	4,481,560	157,572	-	475,000	5,114,132
<b>Non-current principal portion</b>	<b>\$ 151,825,906</b>	<b>\$ 932,962</b>	<b>\$ 33,566,892</b>	<b>\$ 3,551,560</b>	<b>\$ 189,877,320</b>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**F. 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"). PERS is administered by the State of New Jersey, Division of Pensions and Benefits ("Division"). The Authority has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements Nos. 68 and 71 require the Authority to report its share of the defined benefit pension liability and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the PERS. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Following is the total of the local portion of the System's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense and expenditures for the fiscal years ended June 30, 2025 and 2024.

	June 30, 2025	June 30, 2024
Net Pension Liabilities	\$ 13,950,280	\$ 15,206,104
Deferred Outflows of Resources	1,954,406	2,117,726
Deferred Inflows of Resources	1,400,466	1,405,468
Pension Expense	302,584	72,942
Contributions Made	1,396,995	1,403,124

*Plan Description and Benefits*

PERS is a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and benefits to plan members and their beneficiaries. 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.

For Tier 1, 2 or 3, the Annual Benefit equals 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). For Tier 4 or Tier 5, the Annual Benefit equals 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.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

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**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

*Contributions*

Employee contribution rates to PERS governed by P.L. 2011, C. 78, effective June 28, 2011, were increased from 5.5% of salary to 6.5% of salary, and a phase-in to 7.5% of salary over a seven-year period. Covered Authority employees are required by PERS to contribute 7.5% of their salaries. State statute requires the Authority to contribute an actuarially determined rate which includes the normal cost and the unfunded accrued liability. 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. In accordance with state statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of

*Contributions (Continued)*

Pensions and Benefits, the board of trustees, and the actuaries. Specific information on actuarial assumptions and rates of return can be found at

<https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-pers25.pdf>.

A special funding situation exists for the local employers of the Public Employees' Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by local employers under Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The state special funding situation pension expense of \$43,606,492, for the fiscal year ended June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ended June 30, 2024. The pension expense is deemed to be a state administrative expense due to the special funding situation. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Authority is \$0 and the total proportionate share of the employer pension benefit is \$44,976 for the June 30, 2024, measurement date.

The payroll for employees covered by PERS for the years ended June 30, 2025 and 2024 was \$8,519,973 and \$8,264,150, respectively. The Authority's total payroll for the years ended June 30, 2025 and 2024 was \$8,855,683 and \$8,730,087, respectively. The actuarial contribution requirements and the contributions made for the years ended June 30, 2025 and 2024 were \$2,035,994 and \$2,022,937, respectively, which consisted of \$1,396,995 and

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

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**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

\$1,403,124 respectively, from the Authority, and \$638,999 and \$619,813, from employees, respectively. As required by PERS, the employer and employee contributions represented 16.5% and 7.6% of covered payroll for the year ended June 30, 2025, and 17.1% and 7.6% of covered payroll for the year ended June 30, 2024, respectively. Contributions were made in accordance with the actuarial funding requirement.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for each group as of the June 30, 2024 and 2023, measurement dates, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2024 and 2023, respectively.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to total contributions to PERS during the measurement periods of July 1, 2023 to June 30, 2024, and July 1, 2022 to June 30, 2023, respectively.

At June 30, 2025 and 2024, the Authority reported a net pension liability of \$13,950,280 and \$15,206,104, respectively. The net pension liability was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Authority's proportionate share of the net pension liability as of June 30, 2025, was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarially determined. At June 30, 2025 and 2024, respectively, the Authority's proportionate share of the collective net pension liability was 0.1026658325% and 0.1049828195%, which were decreases of 0.0023169870% and .0017131966%, respectively, from the prior year proportionate shares. For the years ended June 30, 2025 and 2024, the Authority recognized PERS

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

pension expense of \$302,584 and \$72,942, respectively. The Authority reported deferred outflows and inflows of resources as follows:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Expected and Actual Experience	\$ 279,450	\$ 37,139	\$ 145,390	\$ 62,158
Change in Assumptions	17,331	158,722	33,405	921,555
Net Difference Between Projected and Actual Investment Earnings	-	646,836	70,026	-
Net Change in Proportions	260,630	557,769	465,781	421,755
Total Contributions and Proportionate Share of Contributions after the Measurement Date	1,396,995	-	1,403,124	-
	<u>\$ 1,954,406</u>	<u>\$ 1,400,466</u>	<u>\$ 2,117,726</u>	<u>\$ 1,405,468</u>

The Authority recognizes the \$1,396,995 and \$1,403,124 reported as deferred outflows of resources resulting from pension contributions after the measurement date, but before the end of the Authority's reporting period, as noted in the previous table, as a reduction of the PERS net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in PERS pension expense as follows:

Years Ending June 30,	Amortization
2026	\$ (914,675)
2027	707,748
2028	(407,183)
2029	(235,063)
2030	6,118
Total	<u>\$ (843,055)</u>

**Assumptions**

The collective pension liability for the June 30, 2024 and 2023, measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, which was rolled forward to June 30, 2024 and 2023, respectively. For both measurement dates, the actuarial valuations used an inflation rate of 2.75% on price and 3.25% on wage, projected salary increases of 2.75% to 6.55% based on years of service and an investment rate of return of 7.0%. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience

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**NOTES TO FINANCIAL STATEMENTS**

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**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

*Assumptions (Continued)*

deviates from these assumptions the emerging liability may be higher or lower than anticipated. The more the expectation deviates, the larger the impact on amounts.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement

*Mortality Rates (Continued)*

mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree Mortality Table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at the June 30, 2024 and 2023, measurement dates), is determined by the State Treasurer, after consultation with the directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of the June 30, 2024 and 2023, measurement dates, are summarized in the following tables:

Asset Class	June 30, 2024		Asset Class	June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return		Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%	U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	8.85%	Non-U.S. developed markets equity	12.75%	9.22%
International Small Cap Equity	1.25%	8.85%	International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	10.66%	Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.40%	Private equity	13.00%	12.50%
Real estate	8.00%	10.95%	Real estate	8.00%	8.58%
Real assets	3.00%	8.20%	Real assets	3.00%	8.40%
High yield	4.50%	6.74%	High yield	4.50%	6.97%
Private credit	8.00%	8.90%	Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.37%	Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.57%	Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.57%	U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	7.10%	Risk mitigation strategies	3.00%	6.21%
	<u>100.00%</u>			<u>100.00%</u>	

*Sensitivity of the Authority's Proportionate Share of the PERS Local Share Net Pension Liability to Changes in the Discount Rate*

The following presents the Authority's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00% as of the June 30, 2024 and 2023, measurement dates, as well as what the PERS net pension liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

*Sensitivity of the Authority's Proportionate Share of the PERS Local Share Net Pension Liability to Changes in the Discount Rate (Continued)*

	At 1% Decrease	At Current	At 1% Increase
	(6.00%)	Discount Rate (7.00%)	(8.00%)
June 30, 2024, measurement	<u>\$18,536,492</u>	<u>\$13,950,280</u>	<u>\$10,047,439</u>
June 30, 2023, measurement	<u>\$19,795,112</u>	<u>\$15,206,104</u>	<u>\$11,300,251</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

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**F. EMPLOYEE BENEFITS (CONTINUED)**

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

On July 1, 2017, The Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense based on the ratio of plan members of an individual employer to the total members of the plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

*Plan Description and Benefits*

The Authority provides post-employment healthcare benefits (including Medicare Part B reimbursement) and prescription drug coverage through participation in the New Jersey State Health Benefits Program. The plan is a cost-sharing multiple employer defined benefit other post-employment benefit (OPEB) plan that provides medical and prescription drug coverage to retirees and their covered dependents. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division of Pension and Benefits. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a state

*Plan Description and Benefits (Continued)*

or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

Following is the total of the local portion of the System’s OPEB liabilities, deferred outflows of resources, and deferred inflows of resources related to OPEB and the OPEB expense and expenditures for the fiscal years ended June 30, 2025 and 2024.

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions – Health Care Benefits  
(Continued)**

*Retirees and Employees Covered by the OPEB Plan*

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net OPEB Liabilities	\$ 35,047,940	\$ 30,597,884
Deferred Outflows of Resources	14,364,164	16,957,463
Deferred Inflows of Resources	14,054,875	18,348,351
OPEB (Benefit) Expense	213,034	(151,226)
Contributions Made	3,923,979	3,441,675

At June 30, 2025, total plan members covered by the benefit terms were: 186

Retirees currently receiving benefits: 70

The Authority's contributions to the Plan for the years ended June 30, 2025 and 2024, were \$3,923,979 and \$3,441,675, respectively.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

GASB Statement No. 75, Reporting for the Post-employment Benefits Other Than Pensions, requires participating employers recognize their proportionate share of the collective net OPEB liability, collected deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The Authority's net OPEB liability of \$35,047,940 as of June 30, 2025, was measured as of June 30, 2024. The Authority's net OPEB liability of \$30,597,884 as of June 30, 2024, was measured as of June 30, 2023. The Authority has fully recognized this liability in the statements of net position as of June 30, 2025 and 2024, in accordance with GASB 75. The Authority's proportionate share of the collective net OPEB liability as of June 30, 2024 and 2023, was .195739% and .203897%, respectively, which were a decrease of 0.008158% and an increase of .032610%, respectively, from the prior year proportionate shares.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)*

The components of the Authority's net OPEB liability as of June 30, 2025 and 2024, are as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total OPEB liability	\$ 34,740,262	\$ 30,359,400
Plan Fiduciary Net Position (Deficit)	(307,678)	(238,484)
Net OPEB Liability	<u>\$ 35,047,940</u>	<u>\$ 30,597,834</u>
Plan Fiduciary Net Position as a % of total OPEB liability	(0.89%)	(0.79%)

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions – Health Care Benefits  
(Continued)**

For the years ended June 30, 2025 and 2024, the Authority recognized OPEB expense of \$213,034 and benefit of \$151,226, respectively. At June 30, 2025 and 2024, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Expected and Actual Experience	\$ 1,774,931	\$ 5,938,327	\$ 1,411,017	\$ 8,309,385
Change in Assumptions	5,859,352	5,817,737	3,963,574	8,649,042
Net Difference Between Projected and Actual Investment Earnings	-	15,865	-	5,049
Net Change in Proportions	6,729,881	2,282,946	8,141,197	1,384,875
Authority Contributions After the Measurement Date	3,923,979	-	3,441,675	-
	<u>\$ 18,288,143</u>	<u>\$ 14,054,875</u>	<u>\$ 16,957,463</u>	<u>\$ 18,348,351</u>

The Authority recognizes the \$3,923,979 and \$3,441,675, respectively, as deferred outflows of resources resulting from OPEB contributions after the measurement date, but before the end of the Authority’s reporting period, as noted in the previous table, as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	Amortization
2026	\$ 164,454
2027	70,803
2028	12,167
2029	64,867
2030	41,326
Thereafter	(44,328)
Total	<u>\$ 309,289</u>

*Actuarial Methods and Assumptions*

The net OPEB liabilities as of the June 30, 2024 and 2023, measurement dates were determined by actuarial valuations as of June 30, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively. The actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases*	
PERS	
Rate for all future years	2.75 - 6.55%

\* Salary increases are based on years of service within the respective plan.

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions – Health Care Benefits (Continued)**

Actuarial assumptions used in the July 1, 2023, valuation were based on the results of the PERS experience studies prepared for July 1, 2018 to June 30, 2021.

One-hundred percent of active members are considered to participate in the Plan upon retirement.

*Mortality Rates*

Pre-retirement, post-retirement and disabled retiree mortality rates were based on the Pub-2010 General Classification Headcount Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.5% long-term trend rate after nine years. For Medicare Part B reimbursement, the trend rate is 5.00%.

*Discount Rate*

The discount rates for June 30, 2024 and 2023, were 3.93% and 3.65%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the Authority’s net OPEB liability as of June 30, 2024 and 2023, measurement dates, calculated using the discount rate as disclosed above as well as what the Authority’s net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
June 30, 2024, measurement	<u>\$40,827,073</u>	<u>\$35,047,940</u>	<u>\$30,419,368</u>
	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
June 30, 2023, measurement	<u>\$35,442,102</u>	<u>\$30,597,884</u>	<u>\$26,701,457</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions – Health Care Benefits  
(Continued)**

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents the net OPEB liability as of June 30, 2024 and 2023, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
June 30, 2024, measurement	<u>\$29,643,403</u>	<u>\$35,047,940</u>	<u>\$41,996,655</u>
		<u>Healthcare Cost Trend Rate</u>	
June 30, 2023, measurement	<u>\$26,004,601</u>	<u>\$30,597,884</u>	<u>\$36,478,690</u>

**G. MAJOR WATER CUSTOMERS**

During fiscal years 2025 and 2024, the Authority supplied water to approximately 30 customers of the Raritan Basin System and 12 customers of the Manasquan System.

*Revenue*

During fiscal years 2025 and 2024, two customers accounted for approximately 85% of total Raritan Basin System operating revenue. During fiscal years 2025 and 2024, two customers accounted for approximately 85% of the total Manasquan System operating revenue.

*Accounts Receivable*

During fiscal years 2025 and 2024, two customers accounted for approximately 85% and 92%, respectively, of total Raritan Basin System water sales accounts receivable. During fiscal years 2025 and 2024, two customers accounted for approximately 87% and 92%, respectively, of the total Manasquan System water sales accounts receivable.

**H. 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  
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**NOTES TO FINANCIAL STATEMENTS**

**I. INSURANCE REIMBURSEMENTS**

During the fiscal year ended June 30, 2025, the Authority recognized impairment losses for damage to machinery and equipment caused by an accident. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, insurance recoveries during the fiscal year ended June 30, 2025, were used to offset the amount of loss that was recognized. During the fiscal year ended June 30, 2025, an insurance recovery payment in the amount of \$206,247 was received and recorded as revenues. There were no such insurance recoveries in fiscal year ended June 30, 2024.

**J. COMMITMENTS AND CONTINGENCIES**

**Commitments**

*Construction Projects*

The Authority had several outstanding or planned construction projects as of June 30, 2025. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
RV Reservoir Structures Refurbishment and Resource Preservation Project	\$84,295,007	\$7,645,254
Spruce Run Dam Foundation Grouting Design & Inspection	46,171,774	41,434,846
Rehabilitation of Pumps 4,5,7, & 8 at the South Branch Pumping Station	5,065,467	2,659,391
RV & SR Embankment Study - CIP	2,728,725	246,086
Multidisciplinary Project for SR Structure Rehab	964,000	607,400
Aquatic Plant Management D&R Canal	887,497	58,250
CIP Stabilization of Canal @ Station 156 & 207	621,394	126,814
Design of an Aeration System to Improve Water Quality at the MRS	506,742	222,446
Rehab of the Prallsville Culvert Pit and Misc Comp	390,324	221,846
Reconstruction of Various Embankments between Raven Rock & Prallsville Lock	360,876	109,575
Rehab Six Mile Run Culvert - CIP	264,839	10,692
Manasquan Reservoir System Aquatic Plant and Cyanobacteria Management Plan	239,420	19,716
Manasquan Reservoir Herbicide & Algeacide Treatment	223,669	203,723
	<u>\$142,719,734</u>	<u>\$53,566,039</u>

*Operating Leases*

Lease	Commencement Date	Payment Terms	Annual Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2025
Various Copier Leases	01/01/22-12/31/25	48 Months	\$ 10,440	3.73%	\$ 38,738	\$ 5,164

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

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**J. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Commitments (Continued)**

The Authority has entered into leases for various copy machines. The interest rates on the leases are fixed based on an assumed incremental borrowing rate of 3.75% at lease commencement. All lease agreements contain a purchase option at the end of the lease term which the Authority does not expect to exercise; accordingly, the right-of-use assets are amortized at the useful life of the asset, which is four years for all leases.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 5,164	\$ 56	\$ 5,220
	<u>\$ 5,164</u>	<u>\$ 56</u>	<u>\$ 5,220</u>

**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.

**K. 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 statements of net position, due to certain transactions between segments being eliminated. Summary financial information for the operating segments is presented below:

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NOTES TO FINANCIAL STATEMENTS

**K. INFORMATION BY BUSINESS SEGMENT (CONTINUED)**

	<u>June 30, 2025</u>		<u>June 30, 2024*</u>	
	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>
<b>Condensed statement of net position</b>				
<b>Assets and deferred outflows of resources:</b>				
Current assets	\$ 83,870,001	\$ 32,755,714	\$ 35,018,399	\$ 29,814,160
Restricted cash	23,829,382	5,402,065	18,944,442	6,057,571
Capital assets	209,208,722	42,614,673	202,011,572	44,333,767
Other non-current assets	24,989,376	1,645,685	32,415,010	1,624,358
Deferred outflows of resources	8,932,065	17,692,676	7,369,611	16,206,326
Total assets and deferred outflows of resources	<u>\$ 350,829,546</u>	<u>\$ 100,110,813</u>	<u>\$ 295,759,034</u>	<u>\$ 98,036,182</u>
<b>Liabilities and deferred inflows of resources:</b>				
Current liabilities	\$ 9,768,476	\$ 6,454,740	\$ 10,393,909	\$ 7,079,554
Non-current liabilities	189,862,304	49,018,400	143,035,639	48,617,966
Deferred inflows of resources	11,996,435	3,624,678	15,494,897	4,448,376
Total liabilities and deferred inflows of resources	<u>211,627,215</u>	<u>59,097,818</u>	<u>168,924,445</u>	<u>60,145,896</u>
<b>Net Position:</b>				
Net investment in capital assets	52,897,276	29,326,915	91,068,830	30,352,299
Restricted for cash, investments and unearned revenue	23,287,957	552,294	18,037,789	622,236
Unrestricted	63,017,098	11,133,786	17,727,970	6,915,751
Total net position	<u>139,202,331</u>	<u>41,012,995</u>	<u>126,834,589</u>	<u>37,890,286</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 350,829,546</u>	<u>\$ 100,110,813</u>	<u>\$ 295,759,034</u>	<u>\$ 98,036,182</u>

\* Certain account balances have been reclassified to conform with current year presentation.

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

NOTES TO FINANCIAL STATEMENTS

**K. INFORMATION BY BUSINESS SEGMENT (CONTINUED)**

	Year Ended June 30, 2025		Year Ended June 30, 2024	
	Raritan Basin System	Manasquan Reservoir System	Raritan Basin System	Manasquan Reservoir System
<b>Condensed statement of revenue, expenses and changes in net position</b>				
Total operating revenues	\$ 25,831,062	\$ 7,416,304	\$ 25,414,904	\$ 7,493,069
Operating expenses	13,748,189	4,271,796	13,718,617	3,629,894
Depreciation	3,904,283	1,883,330	3,132,045	1,858,802
Operating income	8,178,590	1,261,178	8,564,242	2,004,373
Non-operating revenues	6,298,619	1,912,148	4,039,375	1,905,164
Non-operating expenses	2,109,467	50,617	2,790,210	75,426
Changes in net position	12,367,742	3,122,709	9,813,407	3,834,111
Net position, beginning of year	126,834,589	37,890,286	117,021,182	34,056,175
Net position, end of year	<u>\$ 139,202,331</u>	<u>\$ 41,012,995</u>	<u>\$ 126,834,589</u>	<u>\$ 37,890,286</u>
<b>Condensed statement of cash flows</b>				
Net cash provided by:				
Operating activities	\$ 11,401,711	\$ 2,889,990	\$ 8,181,490	\$ 3,350,130
Non-capital financing activities	680,935	-	86,087	-
Capital and related financing activities	(18,682,142)	(1,501,054)	(8,800,936)	(1,615,481)
Investing activities	10,210,321	879,439	3,470,976	892,638
Net increase in cash and cash equivalents	3,610,825	2,268,375	2,937,617	2,627,287
Beginning cash and cash equivalent balances	48,093,911	33,582,856	45,156,294	30,955,569
Ending cash and cash equivalent balances	<u>\$ 51,704,736</u>	<u>\$ 35,851,231</u>	<u>\$ 48,093,911</u>	<u>\$ 33,582,856</u>

**L. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

The GASB has issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62." This statement was adopted by the Authority for year ended June 30, 2024. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 101, "Compensated Absences." This statement was adopted by the Authority for year ended June 30, 2024. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 102, "Certain Risk Disclosure." This statement was adopted by the Authority for the year ended June 30, 2025. The adoption of this statement had no effect on previously reported amounts.

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

NOTES TO FINANCIAL STATEMENTS

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**M. PENDING GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

The GASB has issued Statement No. 103, *“Financial Reporting Model Improvements”* This statement is required to be adopted by the Authority for the year ending June 30, 2026. The Authority has not determined the effect of Statement No. 103 on the financial statements.

The GASB has issued Statement No. 104, *“Disclosure of Certain Capital Assets.”* This statement is required to be adopted by the Authority for the year ending June 30, 2026. The Authority has not determined the effect of Statement No. 104 on the financial statements.

**REQUIRED SUPPLEMENTARY SCHEDULES (UNAUDITED)**

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

**SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (NPL)  
DETERMINED AS OF JUNE 30, 2024, PERS MEASUREMENT DATE**

<b>Fiscal Year</b>	<b>Authority's Proportion</b>	<b>Authority's Proportionate Share</b>	<b>Authority's Covered Payroll</b>	<b>Authority's Proportionate Share of NPL as a % of Covered Payroll</b>	<b>PERS Local Fiduciary Net Position as a % of Total Pension Liability</b>
2025	0.10%	\$ 13,950,280	\$ 8,264,150	169%	68.22%
2024	0.10%	\$ 15,206,104	\$ 7,927,695	192%	65.23%
2023	0.11%	\$ 16,101,898	\$ 8,048,394	200%	68.63%
2022	0.10%	\$ 12,251,099	\$ 7,796,833	157%	84.48%
2021	0.11%	\$ 17,210,868	\$ 7,691,681	224%	58.32%
2020	0.10%	\$ 18,808,879	\$ 7,636,273	246%	56.27%
2019	0.10%	\$ 19,884,740	\$ 7,351,319	270%	45.37%
2018	0.10%	\$ 23,038,776	\$ 7,002,687	329%	47.58%
2017	0.10%	\$ 29,886,847	\$ 6,949,632	430%	40.14%
2016	0.10%	\$ 21,534,789	\$ 6,808,193	316%	47.94%

**SCHEDULE OF CONTRIBUTIONS**

<b>Fiscal Year</b>	<b>Required Contribution</b>	<b>Contributions Recognized by PERS</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2025	\$ 1,396,995	\$ 1,396,995	\$ -	\$ 8,519,973	16.40%
2024	\$ 1,403,124	\$ 1,403,124	\$ -	\$ 8,264,150	16.98%
2023	\$ 1,345,488	\$ 1,345,488	\$ -	\$ 7,927,695	16.97%
2022	\$ 1,211,114	\$ 1,211,114	\$ -	\$ 8,048,394	15.05%
2021	\$ 1,154,559	\$ 1,154,558	\$ 1	\$ 7,796,833	14.81%
2020	\$ 1,015,378	\$ 1,015,374	\$ 4	\$ 7,691,681	13.20%
2019	\$ 1,004,540	\$ 1,004,540	\$ -	\$ 7,636,273	13.15%
2018	\$ 916,857	\$ 916,857	\$ -	\$ 7,351,319	12.47%
2017	\$ 896,476	\$ 896,476	\$ -	\$ 7,002,687	12.80%
2016	\$ 823,798	\$ 823,798	\$ -	\$ 6,949,632	11.85%

See independent auditors' report.

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

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**

<b>Fiscal Year</b>	<b>Beginning Balance Total Net Pension Liability</b>	<b>Difference Between Expected and Actual Experience</b>	<b>Change in Assumptions</b>	<b>Difference Between Expected and Actual Earnings</b>	<b>Change in Proportion and Actual Less Proportionate Share</b>	<b>Other Changes and Reclassifications</b>	<b>Ending Balance Total Net Pension Liability</b>
2025	\$ 15,206,104	\$ 159,079	\$ 746,759	\$ (716,862)	\$ (341,165)	\$ (1,103,635)	\$ 13,950,280
2024	\$ 16,101,898	\$ 69,502	\$ 1,473,053	\$ (596,417)	\$ (511,749)	\$ (1,330,183)	\$ 15,206,104
2023	\$ 12,251,099	\$ (91,783)	\$ 1,936,464	\$ 3,893,704	\$ 348,687	\$ (2,236,273)	\$ 16,101,898
2022	\$ 17,210,868	\$ 105,513	\$ (4,297,667)	\$ (3,227,261)	\$ 207,088	\$ 2,252,558	\$ 12,251,099
2021	\$ 18,808,879	\$ 252,517	\$ (6,648,013)	\$ 588,281	\$ 885,389	\$ 3,323,815	\$ 17,210,868
2020	\$ 19,884,740	\$ 254,506	\$ (4,650,366)	\$ (296,905)	\$ 932,879	\$ 2,684,025	\$ 18,808,879
2019	\$ 23,038,776	\$ 276,673	\$ (3,081,406)	\$ (186,520)	\$ 346,971	\$ (509,754)	\$ 19,884,740
2018	\$ 29,886,847	\$ 542,484	\$ 17,016	\$ 156,878	\$ (73,348)	\$ (7,491,101)	\$ 23,038,776
2017	\$ 21,534,789	\$ 555,805	\$ 6,190,858	\$ 1,139,613	\$ 304,163	\$ 161,619	\$ 29,886,847
2016	\$ 18,141,342	\$ 513,147	\$ 1,739,535	\$ 735,251	\$ (206,140)	\$ 611,654	\$ 21,534,789

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

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
STATE HEALTH BENEFIT LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN  
DETERMINED AS OF JUNE 30, 2024, OPEB MEASUREMENT DATE**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's proportion of the total OPEB liability	0.1957390%	0.2038970%	0.1712870%	0.1724330%	0.1669870%	0.1591680%	0.1680130%	0.1639400%	1.7379600%
Authority's proportionate share of the total OPEB liability (asset)	\$ 35,047,940	\$ 30,597,884	\$ 27,662,158	\$ 31,037,563	\$ 29,968,511	\$ 21,561,010	\$ 26,321,955	\$ 33,469,644	\$ 37,744,085
Authority's covered payroll	\$ 8,519,973	\$ 8,186,836	\$ 7,927,695	\$ 8,048,394	\$ 7,796,833	\$ 7,691,681	\$ 7,636,273	\$ 7,351,319	\$ 7,002,687
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	411.4%	373.7%	348.9%	385.6%	384.4%	280.3%	344.7%	455.3%	539.0%
Plan fiduciary net position as a percentage of the total OPEB liability	(0.89%)	(0.79%)	(0.36%)	0.28%	0.92%	1.98%	1.97%	1.03%	1.69%

*The OPEB schedules are intended to show information for ten years. The State of New Jersey has issued nine years of OPEB information to the Authority. Additional years' information will be displayed as it becomes available.*

**OTHER SUPPLEMENTARY INFORMATION**

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

**COMBINING SCHEDULE OF NET POSITION  
JUNE 30, 2025**

	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Elimination Entries</b>	<b>Combined Total</b>
<b>Assets</b>				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 27,875,354	\$ 30,449,166	\$ -	\$ 58,324,520
Unbilled sales	2,028,029	-	-	2,028,029
Accounts receivable, less allowance for doubtful accounts of \$1,000 at June 30, 2025	52,265,751	1,838,090	(207,678)	53,896,163
Interest receivable	262,004	20,840	-	282,844
Prepaid expenses and other current assets	1,438,863	447,618	-	1,886,481
Total unrestricted assets	<u>83,870,001</u>	<u>32,755,714</u>	<u>(207,678)</u>	<u>116,418,037</u>
Restricted assets:				
Cash equivalents	23,829,382	5,402,065	-	29,231,447
Total current assets	<u>107,699,383</u>	<u>38,157,779</u>	<u>(207,678)</u>	<u>145,649,484</u>
Non-current assets:				
Investments	24,989,376	1,645,685	-	26,635,061
Capital assets net of accumulated depreciation of \$177,235,079 at June 30, 2025	209,208,722	42,614,673	-	251,823,395
Total non-current assets	<u>234,198,098</u>	<u>44,260,358</u>	<u>-</u>	<u>278,458,456</u>
Total assets	<u>341,897,481</u>	<u>82,418,137</u>	<u>(207,678)</u>	<u>424,107,940</u>
Deferred outflows of resources				
Cost recovery	(6,652,837)	13,035,029	-	6,382,192
Pension related	1,517,010	437,396	-	1,954,406
OPEB related	14,067,892	4,220,251	-	18,288,143
Total deferred outflows of resources	<u>8,932,065</u>	<u>17,692,676</u>	<u>-</u>	<u>26,624,741</u>
Total assets and deferred outflows of resources	<u>\$ 350,829,546</u>	<u>\$ 100,110,813</u>	<u>\$ (207,678)</u>	<u>\$ 450,732,681</u>
<b>Liabilities</b>				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 4,481,560	\$ 632,572	\$ -	\$ 5,114,132
Accounts payable	1,969,954	396,888	(207,678)	2,159,164
Accrued liabilities	2,775,537	575,509	-	3,351,046
Unearned revenue	541,425	4,849,771	-	5,391,196
Total current liabilities	<u>9,768,476</u>	<u>6,454,740</u>	<u>(207,678)</u>	<u>16,015,538</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	151,825,906	38,051,414	-	189,877,320
Non-current lease liability	3,980	1,184	-	5,164
Net pension liability	10,828,207	3,122,073	-	13,950,280
Net OPEB liability	27,204,211	7,843,729	-	35,047,940
Total non-current liabilities	<u>189,862,304</u>	<u>49,018,400</u>	<u>-</u>	<u>238,880,704</u>
Total liabilities	<u>199,630,780</u>	<u>55,473,140</u>	<u>(207,678)</u>	<u>254,896,242</u>
Deferred inflows of resources				
Pension related	1,087,041	313,425	-	1,400,466
OPEB related	10,909,394	3,145,481	-	14,054,875
Gain on refunding	-	165,772	-	165,772
Total deferred inflows of resources	<u>11,996,435</u>	<u>3,624,678</u>	<u>-</u>	<u>15,621,113</u>
<b>Net position</b>				
Net investment in capital assets	52,897,276	29,326,915	-	82,224,191
Restricted for cash, investments and unearned revenue	23,287,957	552,294	-	23,840,251
Unrestricted	63,017,098	11,133,786	-	74,150,884
Total net position	<u>139,202,331</u>	<u>41,012,995</u>	<u>-</u>	<u>180,215,326</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 350,829,546</u>	<u>\$ 100,110,813</u>	<u>\$ (207,678)</u>	<u>\$ 450,732,681</u>

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

**COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2025**

	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan Water Treatment Plant</b>	<b>Combined Total</b>
Operating revenue:				
Water sales	\$ 25,831,062	\$ 7,416,304	\$ -	\$ 33,247,366
Reimbursement of operating expenses	-	-	2,580,000	2,580,000
Total operating revenue	<u>25,831,062</u>	<u>7,416,304</u>	<u>2,580,000</u>	<u>35,827,366</u>
Operating expenses:				
Payroll	6,816,587	1,064,113	974,983	8,855,683
Operations and maintenance (direct)	5,413,140	1,602,946	1,369,922	8,386,008
Operations and maintenance (general and administrative)	-	95,354	64,497	159,851
Fringe benefits	2,451,462	704,383	666,699	3,822,544
Headquarters overhead	(933,000)	805,000	128,000	-
Depreciation	3,904,283	1,883,330	-	5,787,613
Total operating expenses	<u>17,652,472</u>	<u>6,155,126</u>	<u>3,204,101</u>	<u>27,011,699</u>
Income (loss) from operations	<u>8,178,590</u>	<u>1,261,178</u>	<u>(624,101)</u>	<u>8,815,667</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	2,721,622	-	-	2,721,622
Investment and interest income	2,633,944	822,113	74,241	3,530,298
Rental income	67,170	-	-	67,170
Other income	64,915	4,181	-	69,096
Recovery of deferred outflows of resources	810,968	1,085,854	-	1,896,822
Total non-operating revenue	<u>6,298,619</u>	<u>1,912,148</u>	<u>74,241</u>	<u>8,285,008</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	2,109,467	50,617	-	2,160,084
SMMUA operations, net	-	-	(549,860)	(549,860)
Total non-operating expenses	<u>2,109,467</u>	<u>50,617</u>	<u>(549,860)</u>	<u>1,610,224</u>
Changes in net position	12,367,742	3,122,709	-	15,490,451
Net position, beginning of year	126,834,589	37,890,286	-	164,724,875
Net position, end of year	<u>\$ 139,202,331</u>	<u>\$ 41,012,995</u>	<u>\$ -</u>	<u>\$ 180,215,326</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, 2025**

	Operating Fund											Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/SR Investments	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	
Cash and investments - July 1, 2024	\$ 153,489	\$ 2,418,543	\$ 177,800	\$ 6,264,297	\$ 3,807,284	\$ 921,119	\$ 4,801,838	\$ 19,945,862	\$ 718,553	\$ 5,963,122	\$ 4,200,742	\$ 49,372,649
Cash receipts:												
Water sales operations and maintenance	14,047,227	-	-	-	-	-	-	-	-	-	-	14,047,227
Water sales NJEIFP	7,588,478	-	-	-	-	-	-	-	-	-	-	7,588,478
Water sales capital fund	2,297,426	-	-	-	-	-	-	-	-	-	-	2,297,426
Water sales source water protection fund	1,392,381	-	-	-	-	-	-	-	-	-	-	1,392,381
Water sales overdrafts	1,752,548	-	-	-	-	-	-	-	-	-	-	1,752,548
Rental income	43,737	-	-	-	-	-	-	-	-	-	-	43,737
Manasquan reservoir support	115,583	-	-	-	-	-	-	-	-	-	-	115,583
Headquarters overhead	-	-	-	924,250	-	-	-	-	-	-	-	924,250
Disposition of property	324,930	-	-	-	-	-	-	-	-	-	-	324,930
Recycling revenue	455	-	-	-	-	-	-	-	-	-	-	455
Investment securities	5,940,228	-	-	-	33,039	16,652	70,244	2,618,864	-	62,875	-	8,741,902
Grant Programs	270,289	60,418	-	-	-	-	-	-	-	-	-	330,707
Insurance reimbursement	9,071	-	-	-	-	-	-	-	-	-	-	9,071
Miscellaneous	912,857	2,051	-	-	-	-	-	-	-	-	-	914,908
Transfers:												
Contributions from operating fund	-	22,542,713	4,223,661	(53,669,037)	-	-	195,766	-	150,000	-	523,960	(26,032,937)
Contributions to operating fund	-	-	-	14,155,416	-	-	(463,111)	-	(90,438)	-	(454,560)	13,147,307
Transfers for operations	(34,894,676)	-	-	34,894,676	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	27,717	-	(16,068)	-	-	16,068	-	-	-	(200,000)	(172,283)
Investment income	20,607	57,663	-	62,026	34,671	3,668	32,444	-	19,604	1,013	102,811	334,507
Per resolution, Section 603:												
Investment income, transfer from	125,807	-	-	(62,026)	(34,672)	(3,701)	(8,469)	-	-	(16,939)	-	-
Investment income, transfer to	(100,367)	-	-	-	100,367	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	11,482	3,474	(5,011)	150,704	-	79,570	-	240,219
Total cash receipts	(153,419)	22,690,562	4,223,661	(3,710,763)	144,887	20,093	(162,069)	2,769,568	79,166	126,519	(27,789)	26,000,416
Total available cash and investments	\$ 70	\$ 25,109,105	\$ 4,401,461	\$ 2,553,534	\$ 3,952,171	\$ 941,212	\$ 4,639,769	\$ 22,715,430	\$ 797,719	\$ 6,089,641	\$ 4,172,953	\$ 75,373,065

**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, 2025**

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Cash and investments - July 1, 2024	\$ 49,372,649	\$ 362,654	\$ 710,022	\$ 1,476,463	\$ 6,108,467	\$ 592,866	\$ 18,244,550	\$ 1,589,145	\$ 90,506	\$ 1,961,597	\$ 80,508,919
Cash receipts:											
Water sales operations and maintenance	14,047,227	-	-	-	-	-	-	-	-	-	14,047,227
Water sales NJEFP	7,588,478	-	-	-	-	-	-	-	-	-	7,588,478
Water sales capital fund	2,297,426	-	-	-	-	-	-	-	-	-	2,297,426
Water sales source water protection fund	1,392,381	-	-	-	-	-	-	-	-	-	1,392,381
Water sales overdrafts	1,752,548	-	-	-	-	-	-	-	-	-	1,752,548
Rental income	43,737	-	-	-	-	-	-	-	-	-	43,737
Manasquan reservoir support	115,583	-	-	-	-	-	-	-	-	-	115,583
Headquarters overhead	924,250	-	-	-	-	-	-	-	-	-	924,250
Disposition of property	324,930	-	-	-	-	-	-	-	-	-	324,930
Recycling revenue	455	-	-	-	-	-	-	-	-	-	455
Investment securities	8,741,902	-	-	-	-	-	-	-	-	-	8,741,902
Grant Programs	330,707	-	-	-	-	-	-	-	-	-	330,707
Insurance reimbursement	9,071	-	-	-	-	-	-	-	-	-	9,071
Miscellaneous	914,908	-	-	-	-	-	-	-	-	12,863	927,771
Transfers:											
Contributions from operating fund	(26,032,937)	115,121	691,994	-	9,322,328	-	7,973,339	150,000	6,561,420	1,218,735	-
Contributions to operating fund	13,147,307	-	-	-	(8,948,691)	(15,000)	-	-	(3,092,070)	(1,091,546)	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	(172,283)	-	-	-	-	-	-	-	200,000	(27,717)	-
Investment income	334,507	6,647	10,769	37,282	207,250	14,174	458,072	41,795	40,824	53,126	1,204,446
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	240,219	-	-	-	-	-	-	-	-	-	240,219
Total cash receipts	26,000,416	121,768	702,763	37,282	580,887	(826)	8,431,411	191,795	3,710,174	165,461	39,941,131
Total available cash and investments	\$ 75,373,065	\$ 484,422	\$ 1,412,785	\$ 1,513,745	\$ 6,689,354	\$ 592,040	\$ 26,675,961	\$ 1,780,940	\$ 3,800,680	\$ 2,127,058	\$ 120,450,050

**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, 2025**

	Operating Fund											
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/SR Investments	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	Subtotal
Total available cash and investments	\$ 70	\$ 25,109,105	\$ 4,401,461	\$ 2,553,534	\$ 3,952,171	\$ 941,212	\$ 4,639,769	\$ 22,715,430	\$ 797,719	\$ 6,089,641	\$ 4,172,953	\$ 75,373,065
Cash disbursements:												
Payroll	-	-	4,223,461	-	-	-	-	-	-	-	-	4,223,461
Fringe benefits	-	47,575	-	1,807,276	-	-	-	-	-	-	-	1,854,851
Employee deferred compensation and credit union	-	2,092,297	-	(112,163)	-	-	-	-	-	-	-	1,980,134
Operations and maintenance	-	19,795,300	-	(1,775,630)	-	-	-	-	-	-	-	18,019,670
Prepaid insurance	-	2,803,240	-	-	-	-	-	-	-	-	-	2,803,240
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	-	-	-
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:												
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-	-
Maturity of investments securities	-	-	-	-	(45,175)	(3,856)	(4,943)	2,339,016	-	5,911,644	-	8,196,686
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJIB loans	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	24,738,412	4,223,461	(80,517)	(45,175)	(3,856)	(4,943)	2,339,016	-	5,911,644	-	37,078,042
Cash and investments - June 30, 2025	\$ 70	\$ 370,693	\$ 178,000	\$ 2,634,051	\$ 3,997,346	\$ 945,068	\$ 4,644,712	\$ 20,376,414	\$ 797,719	\$ 177,997	\$ 4,172,953	\$ 38,295,023
Summary of cash and investments:												
Cash	\$ 70	\$ 370,693	\$ 178,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,763
Short-term investments	-	-	-	2,634,051	1,447,988	181,682	1,137,642	-	797,719	79,099	4,172,953	10,451,134
Long-term investments	-	-	-	-	2,549,358	763,386	3,507,070	18,070,664	-	98,898	-	24,989,376
Restricted cash equivalents (current)	-	-	-	-	-	-	-	2,305,750	-	-	-	2,305,750
Restricted cash equivalents (long-term)	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 70	\$ 370,693	\$ 178,000	\$ 2,634,051	\$ 3,997,346	\$ 945,068	\$ 4,644,712	\$ 20,376,414	\$ 797,719	\$ 177,997	\$ 4,172,953	\$ 38,295,023

**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, 2025**

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$ 75,373,065	\$ 484,422	\$ 1,412,785	\$ 1,513,745	\$ 6,689,354	\$ 592,040	\$ 26,675,961	\$ 1,780,940	\$ 3,800,680	\$ 2,127,058	\$ 120,450,050
Cash disbursements:											
Payroll	4,223,461	-	-	-	-	-	-	-	-	-	4,223,461
Fringe benefits	1,854,851	-	-	-	-	-	-	-	-	-	1,854,851
Employee deferred compensation and credit union	1,980,134	-	-	-	-	-	-	-	-	-	1,980,134
Operations and maintenance	18,019,670	-	-	-	-	-	-	-	-	-	18,019,670
Prepaid insurance	2,803,240	-	-	-	-	-	-	-	-	-	2,803,240
Miscellaneous disbursements	-	-	-	-	-	-	-	-	-	69,134	69,134
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:	-	-	-	-	-	-	-	-	-	-	-
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Maturity of investments securities	8,196,686	-	-	-	-	-	-	-	-	-	8,196,686
Principal on NJEIT bonds	-	147,807	632,912	-	-	-	3,055,033	-	-	-	3,835,752
Interest, Fees, and Credits on NJIB loans	-	(173)	42,248	-	-	-	2,730,935	-	-	-	2,773,010
Total cash disbursements	37,078,042	147,634	675,160	-	-	-	5,785,968	-	-	69,134	43,755,938
Cash and investments - June 30, 2025	\$ 38,295,023	\$ 336,788	\$ 737,625	\$ 1,513,745	\$ 6,689,354	\$ 592,040	\$ 20,889,993	\$ 1,780,940	\$ 3,800,680	\$ 2,057,924	\$ 76,694,112
Summary of cash and investments:											
Cash	\$ 548,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,763
Short-term investments	10,451,134	336,788	737,625	1,513,745	6,689,354	-	-	1,780,940	3,800,680	2,016,325	27,326,591
Long-term investments	24,989,376	-	-	-	-	-	-	-	-	-	24,989,376
Restricted cash equivalents (current)	2,305,750	-	-	-	-	592,040	20,889,993	-	-	41,599	23,829,382
Restricted cash equivalents (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 38,295,023	\$ 336,788	\$ 737,625	\$ 1,513,745	\$ 6,689,354	\$ 592,040	\$ 20,889,993	\$ 1,780,940	\$ 3,800,680	\$ 2,057,924	\$ 76,694,112

**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, 2025**

	Operating Fund													Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self - Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Capital Improvement Fund	Sediment Reserve	
Cash and investments - July 1, 2024	\$ 53,176	\$ 2,524,640	\$ 55,872	\$ 5,494,606	\$ 1,589,234	\$ 215,618	\$ 3,882,909	\$ 30,404	\$ 1,179,413	\$ 651,189	\$ 153,232	\$ 12,440,936	\$ 286,325	\$ 28,557,554
Cash receipts:														
Water sales operations and maintenance	3,127,835	-	-	-	-	-	-	-	-	-	-	-	-	3,127,835
Water sales capital fund	3,158,171	-	-	-	-	-	-	-	-	-	-	-	-	3,158,171
Water sales debt service	710,999	-	-	-	-	-	-	-	-	-	-	-	-	710,999
Source water protection	105,275	-	-	-	-	-	-	-	-	-	-	-	-	105,275
Water sales debt service NJEIT	174,967	-	-	-	-	-	-	-	-	-	-	-	-	174,967
Water sales overdrafts	91,760	-	-	-	-	-	-	-	-	-	-	-	-	91,760
NJ-American pumping costs	253,524	-	-	-	-	-	-	-	-	-	-	-	-	253,524
Headquarters overhead	-	-	-	(393,750)	-	-	-	-	-	-	-	-	-	(393,750)
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	3,334	-	-	-	-	-	-	-	-	-	-	-	-	3,334
Reimbursement from/(to) Raritan Basin	25,990	-	-	-	-	-	-	-	-	-	-	-	-	25,990
Sale/Transfer for investment securities	18,344	-	-	-	17,126	1,781	-	-	-	6,891	1,187	-	-	45,329
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	35,579	-	-	334	-	-	-	-	-	-	-	-	-	35,913
Transfers:														
Contributions from operating fund	-	1,655,937	1,200,419	(9,061,463)	-	-	120,000	-	106,525	62,635	-	3,201,855	30,000	(2,684,092)
Contributions to operating fund	-	-	-	3,091,708	-	-	-	-	(476,198)	(51,791)	-	-	(17,000)	2,546,719
Transfers for operations	(7,780,436)	-	-	7,780,436	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	-	5,399	-	-	-	-	-	-	-	-	-	-	-	5,399
Investment income	3,632	38,653	-	151,364	14,562	743	101,197	1	27,556	5,883	403	361,913	6,644	712,551
Per resolution, Section 603:														
Investment income, transfer from	200,115	-	-	(151,363)	(23,531)	(2,524)	-	-	-	(5,953)	(1,591)	-	(6,644)	8,509
Investment income, transfer to	(182,224)	-	-	182,224	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	3,059	(197)	-	-	-	1,568	-	-	-	4,430
Total cash receipts	(53,135)	1,699,989	1,200,419	1,599,490	11,216	(197)	221,197	1	(342,117)	19,233	(1)	3,563,768	13,000	7,932,863
Total cash and investments	\$ 41	\$ 4,224,629	\$ 1,256,291	\$ 7,094,096	\$ 1,600,450	\$ 215,421	\$ 4,104,106	\$ 30,405	\$ 837,296	\$ 670,422	\$ 153,231	\$ 16,004,704	\$ 299,325	\$ 36,490,417

**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, 2025**

	Water Treatment Plant/Transmission System												Totals	
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
Cash and investments - July 1, 2024	\$ 28,557,554	\$ (3,123)	\$ 2,776,372	\$ 9,480	\$ 99,506	\$ 256,799	\$ 151,265	\$ 186,754	\$ 572,546	\$ 1,746,553	\$ 260,725	\$ 41,197	\$ 551,586	\$ 35,207,214
Cash receipts:														
Water sales operations and maintenance	3,127,835	-	-	-	-	-	-	-	-	-	-	-	-	3,127,835
Water sales capital fund	3,158,171	-	-	-	-	-	-	-	-	-	-	-	-	3,158,171
Water sales debt service	710,999	-	-	-	-	-	-	-	-	-	-	-	-	710,999
Source water protection	105,275	-	-	-	-	-	-	-	-	-	-	-	-	105,275
Water sales debt service NJEIT	174,967	-	-	-	-	-	-	-	-	-	-	-	-	174,967
Water sales overdrafts	91,760	-	-	-	-	-	-	-	-	-	-	-	-	91,760
NJ-American pumping costs	253,524	-	-	-	-	-	-	-	-	-	-	-	-	253,524
Headquarters overhead	(393,750)	-	2,580,000	-	-	-	-	-	-	-	-	-	-	2,186,250
Reimbursement of WTP capital expenses	-	-	47,974	-	-	-	-	-	-	-	-	-	-	47,974
Disposition of assets	3,334	-	-	-	-	-	-	-	-	-	-	-	-	3,334
Reimbursement from/(to) Raritan Basin	25,990	-	-	-	-	-	-	-	-	-	-	-	-	25,990
Sale/Transfer for investment securities	45,329	-	-	-	-	-	-	-	-	-	-	-	-	45,329
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	35,913	-	1,416	-	-	-	-	-	-	-	-	-	-	37,329
Transfers:														
Contributions from operating fund	(2,684,092)	2,200,000	(2,227,488)	-	-	-	-	177,041	587,088	-	-	1,616,920	330,531	-
Contributions to operating fund	2,546,719	(800,000)	(895,845)	-	-	-	(25,171)	-	-	-	-	(824,500)	(1,203)	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	5,399	-	-	-	-	-	-	-	-	-	-	-	(5,399)	-
Investment income	712,551	1,188	63,035	-	1,548	5,579	2,890	2,851	-	-	5,749	8,509	12,502	816,402
Per resolution, Section 603:														
Investment income, transfer from	8,509	-	8,098	-	(1,816)	(6,282)	-	-	-	-	-	(8,509)	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	4,430	-	-	-	-	-	-	-	-	-	-	-	-	4,430
Total cash receipts	7,932,863	1,401,188	(422,810)	-	(268)	(703)	(22,281)	179,892	587,088	-	5,749	792,420	336,431	10,789,569
Total cash and investments	\$ 36,490,417	\$ 1,398,065	\$ 2,353,562	\$ 9,480	\$ 99,238	\$ 256,096	\$ 128,984	\$ 366,646	\$ 1,159,634	\$ 1,746,553	\$ 266,474	\$ 833,617	\$ 888,017	\$ 45,996,783

**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, 2025**

	Operating Fund													Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self - Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Capital Improvement Fund	Sediment Reserve	
Total available cash and investments	\$ 41	\$ 4,224,629	\$ 1,256,291	\$ 7,094,096	\$ 1,600,450	\$ 215,421	\$ 4,104,106	\$ 30,405	\$ 837,296	\$ 670,422	\$ 153,231	\$ 16,004,704	\$ 299,325	\$ 36,490,417
Cash disbursements:														
Payroll	-	-	1,200,291	-	-	-	-	-	-	-	-	-	-	1,200,291
Fringe benefits	-	1,791,661	-	(1,806,942)	-	-	-	-	-	-	-	-	-	(15,281)
Employee deferred compensation and credit union	-	6,549	-	252,959	-	-	-	-	-	-	-	-	-	259,508
Operations and maintenance	-	1,842,403	-	1,612,738	-	-	-	-	-	-	-	-	-	3,455,141
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	506,087	-	-	-	-	-	-	-	-	-	-	-	506,087
Headquarters overhead	-	-	-	402,500	-	-	-	-	-	-	-	-	-	402,500
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments securities	-	-	-	-	(2,988)	(699)	-	-	-	(3,248)	(751)	-	-	(7,686)
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJB loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	4,146,700	1,200,291	461,255	(2,988)	(699)	-	-	-	(3,248)	(751)	-	-	5,800,560
Cash and investments - June 30, 2025	\$ 41	\$ 77,929	\$ 56,000	\$ 6,632,841	\$ 1,603,438	\$ 216,120	\$ 4,104,106	\$ 30,405	\$ 837,296	\$ 673,670	\$ 153,982	\$ 16,004,704	\$ 299,325	\$ 30,689,857
Cash (Manasquan)	\$ 41	\$ 77,929	\$ 56,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,970
Short-term investments	-	-	-	6,632,841	604,939	67,960	4,104,106	30,405	837,296	273,254	54,794	16,004,704	299,325	28,909,624
Long-term investments	-	-	-	-	998,499	148,160	-	-	-	400,129	98,897	-	-	1,645,685
Restricted cash equivalents (current)	-	-	-	-	-	-	-	-	-	287	291	-	-	578
Restricted cash equivalents (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 41	\$ 77,929	\$ 56,000	\$ 6,632,841	\$ 1,603,438	\$ 216,120	\$ 4,104,106	\$ 30,405	\$ 837,296	\$ 673,670	\$ 153,982	\$ 16,004,704	\$ 299,325	\$ 30,689,857

**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, 2025**

	Water Treatment Plant/Transmission System													Totals
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	
Total available cash and investments	\$ 36,490,417	\$ 1,398,065	\$ 2,353,562	\$ 9,480	\$ 99,238	\$ 256,096	\$ 128,984	\$ 366,646	\$ 1,159,634	\$ 1,746,553	\$ 266,474	\$ 833,617	\$ 888,017	\$ 45,996,783
Cash disbursements:														
Payroll	1,200,291	-	-	-	-	-	-	-	-	-	-	-	-	1,200,291
Fringe benefits	(15,281)	140	-	-	-	-	-	-	-	-	-	-	312,678	297,537
Employee deferred compensation and credit union	259,508	-	-	-	-	-	-	-	-	-	-	-	3,384	262,892
Operations and maintenance	3,455,141	1,343,031	-	-	-	-	-	-	-	-	-	-	-	4,798,172
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	506,087	-	162,892	-	-	-	-	-	-	-	-	-	-	668,979
Headquarters overhead	402,500	-	128,000	-	-	-	-	-	-	-	-	-	-	530,500
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	(7,686)	-	-	-	-	-	-	-	-	-	-	-	-	(7,686)
Principal on bonds	-	-	-	-	-	-	-	157,572	455,000	-	-	-	-	612,572
Interest, Fees, and Credits on NJB loans and bonds	-	-	-	-	-	-	-	13,148	111,664	11,798	-	-	-	136,610
Total cash disbursements	5,800,560	1,343,171	290,892	-	-	-	-	170,720	566,664	11,798	-	-	316,062	8,499,867
Cash and investments - June 30, 2025	\$ 30,689,857	\$ 54,894	\$ 2,062,670	\$ 9,480	\$ 99,238	\$ 256,096	\$ 128,984	\$ 195,926	\$ 592,970	\$ 1,734,755	\$ 266,474	\$ 833,617	\$ 571,955	\$ 37,496,916
Cash (Manasquan)	\$ 133,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,970
Short-term investments	28,909,624	-	-	-	-	-	-	-	-	-	-	833,617	571,955	30,315,196
Long-term investments	1,645,685	-	-	-	-	-	-	-	-	-	-	-	-	1,645,685
Restricted cash equivalents (current)	578	54,894	2,062,670	9,480	99,238	256,096	128,984	195,926	592,970	1,734,755	266,474	-	-	5,402,065
Restricted cash equivalents (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 30,689,857	\$ 54,894	\$ 2,062,670	\$ 9,480	\$ 99,238	\$ 256,096	\$ 128,984	\$ 195,926	\$ 592,970	\$ 1,734,755	\$ 266,474	\$ 833,617	\$ 571,955	\$ 37,496,916

# 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.....	2016 - 2025
Summary of Raritan Basin System Water Use Contracts .....	2016 - 2025
Summary of Manasquan Water Supply System Water Use Contracts .....	2016 - 2025

## 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 .....	2016 - 2025
Manasquan System Revenue Bond Coverage .....	2016 - 2025

## REVENUE CAPACITY DATA

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

Raritan Basin System Water Charges .....	2016 - 2025
Manasquan Water Supply System Water Charges .....	2016 - 2025

## OPERATING INFORMATION

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

Spruce Run Rain Gauge .....	2016 - 2025
West Windsor Rain Gauge .....	2016 - 2025
Spruce Run Reservoir Storage .....	2016 - 2025
Round Valley Reservoir Storage .....	2016 - 2025
Manasquan System Rainfall .....	2016 - 2025
Manasquan Reservoir Storage Data.....	2016 - 2025

## DEBT, ECONOMIC AND DEMOGRAPHIC INFORMATION

Bonds, Notes and Loans Payable .....	2016 - 2025
Ten Largest State of New Jersey Employers .....	2014 - 2023
State of New Jersey Population and Employment Trends .....	2014 - 2023

**New Jersey Water Supply Authority**  
**Summary of Financial Information 2016 – 2025**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUE AND EXPENSES</b>				
Water sales	\$25,199,424	\$25,394,799	\$30,030,868	\$30,060,964
Reimbursement of operating exp	<u>\$2,642,400</u>	<u>\$2,642,400</u>	<u>\$2,642,400</u>	<u>\$2,642,400</u>
Total operating revenues	27,841,824	28,037,199	32,673,268	32,703,364
Operating expense	<u>21,413,585</u>	<u>24,686,037</u>	<u>25,036,260</u>	<u>22,836,854</u>
Income from operations	6,428,239	3,351,162	7,637,008	9,866,510
Non-operating revenues	1,186,165	2,906	559,918	1,281,332
Non-operating expenses	<u>2,101,399</u>	<u>(2,025,379)</u>	<u>1,017,778</u>	<u>1,317,829</u>
Change in net position	5,513,005	5,379,447	7,179,148	9,830,013
GASB 75 adjustment		(37,744,085)		
Net position, beginning of year	<u>108,095,742</u>	<u>113,608,747</u>	<u>81,244,109</u>	<u>88,423,257</u>
Net position, end of year	113,608,747	81,244,109	88,423,257	98,253,270
<b>ASSETS</b>				
Current assets, unrestricted	46,612,558	49,025,001	100,119,822	103,682,146
Current assets, restricted	7,032,591	9,427,648	15,609,357	23,143,255
Non-current assets	<u>151,909,258</u>	<u>150,570,753</u>	<u>155,152,378</u>	<u>164,010,183</u>
Total assets	205,554,407	209,023,402	270,881,557	290,835,584
Deferred outflows of resources	3,646,920	9,612,405	7,402,086	6,967,231
<b>LIABILITIES</b>				
Current liabilities	6,027,320	8,585,118	16,190,347	15,069,049
Non-current liabilities	<u>86,489,391</u>	<u>128,466,486</u>	<u>162,703,934</u>	<u>163,293,861</u>
Total liabilities	92,516,711	137,051,604	178,894,281	178,362,910
Deferred Inflows of Resources	3,075,869	340,094	10,966,105	21,186,635
<b>NET POSITION</b>				
Net investment in capital assets	98,890,303	61,887,512	59,275,272	58,476,549
Restricted for repayment debt principal and interest	3,876,937	7,262,065	13,434,461	19,997,698
Unrestricted	<u>10,841,507</u>	<u>12,094,532</u>	<u>15,713,524</u>	<u>19,779,023</u>
Total net position	\$113,608,747	\$81,244,109	\$88,423,257	\$98,253,270

**New Jersey Water Supply Authority  
Summary of Financial Information 2016 – 2025**

2020	2021*	2022*	2023	2024	2025
\$30,230,221	\$30,100,645	\$30,775,239	\$32,451,502	\$32,907,973	\$33,247,366
<u>\$2,640,312</u>	<u>\$2,609,112</u>	<u>\$2,580,000</u>	<u>\$2,580,000</u>	<u>\$2,580,000</u>	<u>\$2,580,000</u>
32,870,533	32,709,757	33,355,239	35,031,502	35,487,973	35,827,366
<u>21,685,312</u>	<u>18,703,742</u>	<u>21,139,334</u>	<u>22,243,944</u>	<u>25,221,672</u>	<u>27,011,699</u>
11,185,221	14,006,015	12,215,905	12,787,558	10,266,301	8,815,667
1,668,682	(333,666)	2,436,323	4,249,978	6,043,604	8,285,008
<u>1,552,707</u>	<u>1,213,468</u>	<u>1,319,913</u>	<u>1,305,841</u>	<u>2,662,387</u>	<u>1,610,224</u>
11,301,196	12,458,881	13,332,315	15,731,695	13,647,518	15,490,451
<u>98,253,270</u>	<u>109,554,466</u>	<u>122,013,347</u>	<u>135,345,662</u>	<u>151,077,357</u>	<u>164,724,875</u>
109,554,466	122,013,347	135,345,662	151,077,357	164,724,875	180,215,326
91,018,051	110,844,492	95,979,383	74,156,241	64,616,545	116,418,037
29,004,232	31,950,166	35,629,870	19,823,574	25,002,013	29,231,447
<u>181,337,043</u>	<u>207,987,954</u>	<u>223,816,244</u>	<u>270,076,339</u>	<u>280,384,707</u>	<u>278,458,456</u>
301,359,326	350,782,612	355,425,497	364,056,154	370,003,265	424,107,940
5,787,217	14,418,801	14,333,722	17,117,065	23,575,937	26,624,741
19,623,499	15,808,252	15,857,254	17,128,163	17,257,449	16,015,558
<u>152,932,482</u>	<u>203,690,065</u>	<u>196,177,942</u>	<u>193,429,485</u>	<u>191,653,605</u>	<u>238,880,704</u>
172,555,981	219,498,317	212,035,196	210,557,648	208,911,054	254,896,262
25,036,096	23,689,749	22,378,361	19,538,214	19,943,273	15,621,113
87,368,795	73,667,713	93,104,101	107,918,240	121,436,336	82,224,191
24,965,590	27,135,716	30,166,251	13,289,738	18,660,025	23,840,251
<u>(2,779,919)</u>	<u>21,209,918</u>	<u>12,075,310</u>	<u>29,869,379</u>	<u>24,628,514</u>	<u>74,150,884</u>
\$109,554,466	\$122,013,347	\$135,345,662	\$151,077,357	\$164,724,875	\$180,215,326

\* Certain balances have been reclassified or restated to conform to current year presentation.

**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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
UNITED WATER LAMBERTVILLE, INC	0.490	0.490	0.490	0.490	0.490
MERCER COUNTY PARK - GOLF	0.067	0.067	0.067	0.067	0.067
TRENTON COUNTRY CLUB	0.126	0.126	0.126	0.126	0.126
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
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
DUKE FARMS	0.000	0.000	0.000	0.000	0.000
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	0.041	0.041	0.041	0.041	0.041
HUNTERDON COUNTY (HERON GLEN GOLF)	0.079	0.079	0.079	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)	0.142	0.142	0.142	0.142	0.142
TRUMP NATIONAL GOLF CLUB	0.170	0.170	0.170	0.170	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	0.035	0.035	0.035	0.035	0.035
ROXITICUS GOLF CLUB	0.046	0.046	0.046	0.046	0.046
HAMILTON 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	0.025	0.025
STONEBRIDGE COMMUNITY ASSOC	0.081	0.081	0.081	0.081	0.081
VILLAGE GRANDE @ BEAR CREEK	0.074	0.074	0.074	0.074	0.074
EASTERN CONCRETE MATERIALS	0.023	0.023	0.023	0.023	0.023
HUNTERDON MEDICAL CENTER	0.031	0.031	0.031	0.031	0.031
PRINCETON UNIVERSITY OPERATIONS	0.027	0.027	0.027	0.027	0.027
RENAISSANCE AT MONROE CONDOMINIUM ASSOC.		0.014	0.014	0.014	0.014
<b>SYSTEM TOTAL</b>	<b>182.339</b>	<b>182.353</b>	<b>182.353</b>	<b>182.353</b>	<b>182.353</b>

**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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
UNITED WATER LAMBERTVILLE, INC	0.490	0.490	0.490	0.490	0.490
MERCER COUNTY PARK COMMISSION	0.067	0.067	0.067	0.067	0.067
TRENTON COUNTRY CLUB	0.126	0.126	0.126	0.126	0.126
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
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
DUKE FARMS	0.000	0.000	0.000	0.000	0.000
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	0.041	0.041	0.041	0.041	0.041
HUNTERDON COUNTY (HERON GLEN GOLF)	0.079	0.079	0.079	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)	0.142	0.142	0.142	0.142	0.142
TRUMP NATIONAL GOLF CLUB	0.170	0.170	0.170	0.170	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	0.035	0.035	0.035	0.035	0.035
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	0.025	0.025
STONEBRIDGE COMMUNITY ASSOC	0.081	0.081	0.081	0.081	0.081
VILLAGE GRANDE@ BEAR CREEK	0.074	0.074	0.074	0.074	0.074
EASTERN CONCRETE MATERIALS	0.023	0.023	0.023	0.023	0.023
HUNTERDON MEDICAL CENTER	0.031	0.031	0.031	0.031	
PRINCETON UNIVERSITY OPERATIONS	0.027	0.027	0.027	0.027	0.027
RENAISSANCE AT MONROE CONDOMINIUM ASSOC.					
<b>SYSTEM TOTAL</b>	<b>182.339</b>	<b>182.339</b>	<b>182.339</b>	<b>182.339</b>	<b>182.308</b>

**New Jersey Water Supply Authority  
Manasquan Water Supply System  
Summary of Water Use Contracts  
Daily Contract in Million Gallons Per Day – MGD**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
WALL TOWNSHIP	2.00	2.00	2.00	2.00	2.00
BOROUGH OF AVON	0.126	0.126	0.126	0.126	0.126
SHORELANDS WATER COMPANY	2.007	2.007	2.007	2.007	2.007
NEW JERSEY AMERICAN WATER	12.5	12.5	12.5	12.5	12.5
BOROUGH OF RED BANK	0.548	0.548	0.548	0.548	0.548
BOROUGH OF SEA GIRT	0.04	0.04	0.04	0.04	0.04
BOROUGH OF SPRING LAKE	0.31	0.31	0.31	0.31	0.31
BOROUGH OF SPRING LAKE HEIGHTS	0.386	0.386	0.386	0.386	0.386
BOROUGH OF BELMAR	0.288	0.288	0.288	0.288	0.288
BOROUGH OF BRIELLE	0.45	0.45	0.45	0.45	0.45
BOROUGH OF KEYPORT	0.356	0.356	0.356	0.356	0.356
BOROUGH OF MATAWAN	0.332	0.332	0.332	0.332	0.332
BOROUGH OF LAKE COMO	0.100	0.100	0.100	0.100	0.100
	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
WALL TOWNSHIP	2.00	2.00	2.00	2.00	2.00
BOROUGH OF AVON	0.126	0.126	0.126	0.126	0.126
SHORELANDS WATER COMPANY	2.007	2.007	2.007	2.007	2.007
NEW JERSEY AMERICAN WATER	12.5	12.5	12.5	12.5	12.5
BOROUGH OF RED BANK	0.548	0.548	0.548	0.548	0.548
BOROUGH OF SEA GIRT	0.04	0.04	0.04	0.04	0.04
BOROUGH OF SPRING LAKE	0.31	0.31	0.31	0.31	0.31
BOROUGH OF SPRING LAKE HEIGHTS	0.386	0.386	0.386	0.386	0.386
BOROUGH OF BELMAR	0.288	0.288	0.288	0.288	0.288
BOROUGH OF BRIELLE	0.45	0.45	0.45	0.45	0.45
BOROUGH OF KEYPORT	0.356	0.356	0.356	0.356	0.356
BOROUGH OF MATAWAN	0.332	0.332	0.332	0.332	0.332
BOROUGH OF LAKE COMO	0.100	0.100	0.100	0.100	0.100
	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</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\*<sup>1</sup>  
Series 1998, D&R System Revenue Refunding Bond Coverage**

Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Payments	Coverage
2021 <sup>2</sup>					
2020 <sup>2</sup>					
2019 <sup>2</sup>					
2018 <sup>2</sup>					
2017 <sup>2</sup>					
2016 <sup>2</sup>					
2015 <sup>2</sup>					
2014	\$17,584,676	\$12,099,450	\$5,485,226	\$2,669,875	2.05
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

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.

Note 2. The last principal payment of \$2,600,000 was made on November 1, 2013.

**Manasquan Water Supply System  
Series 2005, Manasquan System Revenue Bond Coverage\*<sup>1</sup>**

Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Payments	Coverage
2025	\$9,328,452	\$4,271,796	\$5,056,656	\$578,463	8.74
2024	\$9,398,233	\$3,629,894	\$5,768,339	\$580,713	9.93
2023	\$9,046,777	\$3,017,407	\$6,029,370	\$581,963	10.36
2022	\$7,385,748	\$2,626,795	\$4,758,953	\$582,213	8.17
2021	\$7,448,897	\$2,620,677	\$4,828,220	\$3,446,338	1.40
2020	\$7,815,996	\$2,809,333	\$5,006,663	\$3,445,963	1.45
2019	\$7,838,524	\$3,026,023	\$4,812,501	\$3,443,937	1.40
2018	\$7,686,455	\$3,146,165	\$4,540,290	\$3,454,588	1.31
2017	\$8,075,400	\$3,171,399	\$4,904,001	\$718,532	6.83
2016	\$8,519,609	\$3,032,555	\$5,487,054	\$3,969,827	1.38

Note 1. Section 712 of the Manasquan Reservoir System Bond Resolution, adopted June 6, 2005, as supplemented by the Second Supplemental Bond Resolution, adopted April 4, 2016, requires that the Net Revenues in each fiscal year be at least 120% of the Debt Service on the 2005 and 2016 Bonds for the twelve-month period in such 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**

<u>EFFECTIVE DATE</u>	<u>7/1/2016</u>	<u>7/1/2017</u>	<u>7/1/2018</u>	<u>7/1/19</u>	<u>7/1/2020</u>
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RATE PER MGD	\$253.00	\$336.00	\$336.00	\$336.00	\$336.00
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<u>EFFECTIVE DATE</u>	<u>7/1/21</u>	<u>7/1/22</u>	<u>7/1/23</u>	<u>7/1/24</u>	<u>7/1/25</u>
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RATE PER MGD	\$336.00	\$336.00	\$365.00	\$365.00	\$365.00
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**New Jersey Water Supply Authority  
Manasquan Water Supply System  
Water Charges Per Million Gallons of Raw Water Daily**

<u>EFFECTIVE DATE</u>	<u>7/01/2016</u>	<u>7/01/2017</u>	<u>7/01/2018</u>	<u>7/01/2019</u>	<u>7/01/2020</u>
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RATE PER MGD	\$1,104.58	\$1,043.35	\$1,043.35	\$1,043.35	\$1,010.75
(Delayed Contracts)	\$1,238.04	\$1,137.76	\$1,137.76	\$1,137.76	\$1,124.67

<u>EFFECTIVE DATE</u>	<u>7/01/2021</u>	<u>7/01/2022</u>	<u>7/01/2023</u>	<u>7/01/2024</u>	<u>7/01/2025</u>
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RATE PER MGD	\$1,010.75	\$1,010.75	\$1,010.75	\$1,010.75	\$1,010.75
(Delayed Contracts)	\$1,124.67	\$1,124.67	\$1,124.67	\$1,124.67	\$1,124.67

**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
2025	0.36	2.83	3.31	3.43	7.62	2.71	3.21	1.40	1.96	2.86	2.13	3.25	35.07
2024	6.37	1.55	7.01	4.79	4.24	3.67	2.65	6.42	0.86	0.01	3.23	4.83	45.63
2023	4.96	1.26	2.50	5.46	0.83	7.24	5.93	5.32	6.05	1.32	3.32	9.83	54.02
2022	2.94	3.06	2.88	6.37	5.65	3.19	1.14	3.84	5.54	6.09	3.37	4.50	48.57
2021	1.86	4.98	3.68	2.18	4.14	2.67	6.98	7.69	8.35	5.29	1.14	1.92	50.88
2020	2.58	2.80	3.40	5.00	2.62	1.77	3.69	7.27	5.18	3.82	5.86	4.05	48.04
2019	5.27	2.93	4.51	4.39	10.29	7.15	8.19	5.40	1.23	6.99	2.73	4.95	64.03
2018	2.99	6.64	4.78	5.95	5.66	3.38	9.47	9.83	9.52	4.11	12.77	8.58	83.68
2017	3.32	1.87	4.91	2.66	5.15	3.08	7.88	4.87	2.47	5.76	1.52	1.44	44.93
2016	2.03	4.60	1.11	1.66	4.07	3.03	7.00	2.98	1.74	0.53	3.02	3.25	35.02
2015	2.38	0.86	3.91	2.03	2.38	5.98	2.02	0.78	2.76	3.37	1.66	4.23	32.36
TOTAL	35.06	33.38	42.00	43.92	52.65	43.87	58.16	55.80	45.66	40.15	40.75	50.83	542.23
AVERAGE	3.19	3.03	3.82	3.99	4.79	3.99	5.29	5.07	4.15	3.65	3.70	4.62	49.29
MAXIMUM	6.37	6.64	7.01	6.37	10.29	7.24	9.47	9.83	9.52	6.99	12.77	9.83	83.68
MINIMUM	0.36	0.86	1.11	1.66	0.83	1.77	1.14	0.78	0.86	0.01	1.14	1.44	32.36

**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
2025	0.48	3.31	4.50	2.55	8.41	2.53	5.89	0.53	2.97	2.73	2.37	3.54	39.81
2024	5.83	1.78	7.84	4.38	2.91	2.42	3.22	6.74	0.75	0.00	3.31	4.62	43.80
2023	4.83	1.76	2.98	5.70	0.93	4.42	9.40	4.06	6.97	1.75	3.06	8.41	54.27
2022	3.74	2.28	2.90	5.29	6.87	2.75	0.82	2.47	3.87	7.14	3.63	4.94	46.70
2021	1.80	3.75	3.42	2.41	4.53	2.09	6.66	7.20	9.99	5.31	0.78	1.56	49.50
2020	2.20	2.80	4.04	4.88	2.20	2.31	7.40	6.37	5.20	5.45	4.86	3.98	51.69
2019	4.34	3.38	3.93	4.84	7.57	4.61	5.46	2.66	1.21	6.46	2.17	5.57	52.20
2018	2.89	7.05	4.80	4.74	5.98	3.99	6.03	4.57	8.39	2.16	8.88	6.56	66.04
2017	4.35	1.38	3.74	3.86	6.59	5.16	5.41	7.90	2.69	4.94	1.68	1.60	49.30
2016	2.21	5.30	2.29	1.49	3.83	1.82	9.42	1.11	2.10	2.18	3.78	3.30	38.83
TOTAL	32.67	32.79	40.44	40.14	49.82	32.10	59.71	43.61	44.14	38.12	34.52	44.08	492.14
AVERAGE	3.27	3.28	4.04	4.01	4.98	3.21	5.97	4.36	4.41	3.81	3.45	4.41	49.21
MAXIMUM	5.83	7.05	7.84	5.70	8.41	5.16	9.42	7.90	9.99	7.14	8.88	8.41	66.04
MINIMUM	0.48	1.38	2.29	1.49	0.93	1.82	0.82	0.53	0.75	0.00	0.78	1.56	38.83

**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
2025	4.20	4.04	4.85	5.86	7.53	9.81	10.58	10.22	7.35	5.26	4.08	3.75
2024	11.10	11.09	10.47	11.09	11.00	11.00	10.08	8.05	7.84	5.14	3.70	3.54
2023	6.53	8.44	9.19	10.10	10.98	11.06	11.07	10.98	10.99	10.83	10.82	10.87
2022	10.69	10.06	10.67	11.20	11.06	11.04	10.40	8.10	4.90	3.92	4.60	5.10
2021	11.08	10.90	11.14	11.09	10.99	11.06	10.70	10.60	11.79	10.96	11.06	10.85
2020	10.20	10.31	10.33	11.03	11.23	10.98	10.53	9.45	10.01	9.40	9.20	10.01
2019	11.20	11.10	11.00	10.60	10.70	11.10	11.00	11.00	10.30	9.40	9.40	9.50
2018	5.60	6.00	7.90	9.90	11.10	11.00	11.00	10.90	10.90	10.50	10.30	11.10
2017	4.10	4.90	5.30	6.60	8.10	9.30	9.80	10.40	10.40	8.10	6.24	6.08
2016	5.30	6.00	8.20	8.90	9.30	9.80	7.80	7.00	6.20	4.90	3.70	3.72
AVERAGE	8.00	8.28	8.91	9.64	10.20	10.62	10.30	9.67	9.07	7.84	7.31	7.45
MAXIMUM	11.20	11.10	11.14	11.20	11.23	11.10	11.07	11.00	11.79	10.96	11.06	11.10
MINIMUM	4.10	4.04	4.85	5.86	7.53	9.30	7.80	7.00	4.90	3.92	3.70	3.54

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
2025	48.75	48.65	48.77	49.05	50.25	52.44	53.65	53.64	52.77	51.37	49.49	48.20
2024	39.95	42.02	46.46	50.65	53.89	54.11	54.32	53.85	53.65	52.86	50.77	49.38
2023	31.17	31.49	31.58	33.91	36.39	36.32	36.50	36.36	36.37	36.54	36.43	36.91
2022	36.20	36.20	36.37	36.53	36.40	36.50	36.15	34.75	32.27	30.69	30.93	30.91
2021	36.39	36.30	36.55	36.44	36.30	36.44	36.33	36.30	36.20	36.20	36.33	36.20
2020	36.55	36.55	36.70	36.60	36.40	36.55	36.50	36.55	36.40	36.43	36.52	36.36
2019	47.40	47.70	47.14	47.50	47.80	47.80	47.30	46.60	45.40	41.10	37.90	35.86
2018	42.10	41.30	41.70	42.00	44.70	47.00	47.00	47.00	47.00	47.20	47.20	47.70
2017	36.20	36.90	37.40	38.70	40.40	42.60	43.00	43.10	42.80	42.60	42.65	42.51
2016	44.30	44.50	44.90	45.00	45.00	45.70	45.60	44.30	43.40	39.40	37.04	35.92
AVERAGE	39.90	40.16	40.76	41.64	42.75	43.55	43.64	43.25	42.63	41.44	40.53	40.00
MAXIMUM	48.75	48.65	48.77	50.65	53.89	54.11	54.32	53.85	53.65	52.86	50.77	49.38
MINIMUM	31.17	31.49	31.58	33.91	36.30	36.32	36.15	34.75	32.27	30.69	30.93	30.91

MAXIMUM CAPACITY 55.0 BG

**New Jersey Water Supply Authority  
Manasquan Water System Rainfall (inches)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2025	0.61	3.31	5.43	3.20	5.55	2.00	6.81	1.52	5.35	5.79	2.38	3.50
2024	6.64	2.15	9.42	3.89	3.49	3.70	0.99	4.41	1.52	0.00	2.60	4.11
2023	3.28	1.77	3.75	9.16	1.23	1.94	6.69	5.20	11.44	2.34	1.85	9.59
2022	4.90	3.15	2.98	5.08	5.06	3.73	1.49	2.73	1.98	8.57	3.13	5.63
2021	2.62	5.42	5.55	2.75	4.32	2.61	8.32	5.91	3.74	6.60	0.74	1.21
2020	2.60	2.90	4.11	4.88	1.61	4.97	4.97	5.15	2.15	7.16	5.88	4.55
2019	4.23	3.43	4.20	4.55	6.29	5.35	5.36	3.48	1.23	4.80	1.56	7.07
2018	3.31	7.63	7.20	4.01	10.34	2.89	6.16	7.02	8.00	6.37	9.30	6.12
2017	5.01	1.22	7.68	3.96	8.07	2.31	4.13	4.17	2.49	5.98	2.52	1.36
2016	2.15	3.81	1.94	2.15	3.42	1.54	7.59	0.58	4.49	3.58	2.93	3.63
TOTAL	35.35	34.79	52.26	43.63	49.38	31.04	52.51	40.17	42.39	51.19	32.89	46.77
AVERAGE	3.54	3.48	5.23	4.36	4.94	3.10	5.25	4.02	4.24	5.12	3.29	4.68
MAXIMUM	6.64	7.63	9.42	9.16	10.34	5.35	8.32	7.02	11.44	8.57	9.30	9.59
MINIMUM	0.61	1.22	1.94	2.15	1.23	1.54	0.99	0.58	1.23	0.00	0.74	1.21

NOTE: The Manasquan System started operations July 1, 1990

**New Jersey Water Supply Authority  
Manasquan Water Reservoir Storage Data  
Billion Gallons**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2025	2.78	3.03	3.61	4.50	4.50	4.53	4.28	3.84	3.40	3.07	3.11	3.43
2024	4.13	4.31	4.57	4.56	4.48	4.47	4.10	3.66	3.20	2.73	2.37	2.44
2023	4.51	4.59	4.58	4.59	4.60	4.48	4.25	3.95	3.73	3.87	3.88	3.97
2022	4.36	4.46	4.56	4.61	4.56	4.51	4.20	3.69	3.16	3.14	3.41	3.80
2021	4.53	4.48	4.57	4.54	4.56	4.58	4.46	4.21	4.01	3.91	4.15	4.33
2020	4.55	4.48	4.50	4.54	4.52	4.44	4.22	3.94	3.65	3.50	3.73	4.24
2019	4.53	4.49	4.61	4.55	4.61	4.58	4.44	4.35	4.17	3.98	4.08	4.17
2018	4.17	4.64	4.66	4.64	4.62	4.59	4.43	4.54	4.58	4.58	4.55	4.53
2017	4.37	4.61	4.56	4.62	4.60	4.54	4.34	4.14	4.00	3.76	4.00	4.05
2016	4.44	4.60	4.58	4.60	4.58	4.38	4.02	3.71	3.19	3.02	3.01	3.52
AVERAGE	4.23	4.37	4.48	4.57	4.56	4.51	4.27	4.00	3.71	3.56	3.63	3.85
MAXIMUM	4.55	4.64	4.66	4.64	4.62	4.59	4.46	4.54	4.58	4.58	4.55	4.53
MINIMUM	2.78	3.03	3.61	4.50	4.48	4.38	4.02	3.66	3.16	2.73	2.37	2.44

MAXIMUM CAPACITY 4.7 BG

**New Jersey Water Supply Authority  
Bonds, Notes and Loans Payable**

Fiscal Year Ending	Revenue Bonds	Deferred Notes to the State of New Jersey	Loans to the State of New Jersey and NJEIT	Total Bonds, Notes and Loans Payable	Outstanding Debt to Total Personal Income Ratio <sup>1</sup>	Outstanding Debt Per Capita Ratio <sup>2</sup>	Combined County Personal Income
2025	\$4,026,560	\$33,566,892	\$157,398,000	\$194,991,452	0.084%	\$76.22	232,923,142,000
2024	\$4,533,925	\$33,566,892	\$112,181,916	\$150,282,733	0.065%	\$58.75	232,923,142,000
2023	\$5,021,291	\$33,566,892	\$114,168,508	\$152,756,691	0.066%	\$59.71	232,923,142,000
2022	\$5,488,656	\$33,566,892	\$116,982,962	\$156,038,510	0.071%	\$61.13	219,364,059,000
2021	\$5,936,022	\$33,566,892	\$119,872,023	\$159,374,937	0.075%	\$62.32	212,140,379,000
2020	\$9,355,100	\$33,566,892	\$73,907,816	\$116,829,808	0.059%	\$47.67	197,377,930,000
2019	\$12,619,179	\$33,566,892	\$74,976,680	\$121,162,751	0.064%	\$49.33	188,942,893,000
2018	\$15,748,257	\$33,566,892	\$60,811,617	\$110,126,766	0.060%	\$44.68	184,797,567,000
2017	\$18,802,335	\$33,566,892	\$12,318,018	\$64,687,245	0.037%	\$25.94	175,303,322,000
2016	\$19,281,414	\$33,566,892	\$13,382,948	\$66,231,254	0.040%	\$26.74	163,575,071,406

**State of New Jersey Ten Largest Employers  
2023 as Compared To 2014**

<b>2023 RANK</b>	<b>EMPLOYER</b>	<b>NEW JERSEY EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL NEW JERSEY EMPLOYMENT</b>
1	New Jersey State Government	60,954	1.3%
2	Amazon	58,000	1.3%
3	Wakefern Food Corporation (ShopRite)	30,000	0.6%
4	Wal-Mart Stores, Inc.	24,030	0.5%
5	United Parcel Service (UPS)	19,826	0.4%
6	Johnson & Johnson	17,331	0.4%
7	Public Service Electric and Gas Company	12,525	0.3%
8	Bank of America	11,000	0.2%
9	Caesar's Entertainmnet	7,426	0.2%
10	Merck	6,000	0.1%
		247,092	5.3%

<b>2014 RANK</b>	<b>EMPLOYER</b>	<b>NEW JERSEY EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL NEW JERSEY EMPLOYMENT</b>
1	New Jersey State Government	66,018	1.5%
2	Wakefern Food Corporation (ShopRite)	40,000	0.9%
3	Wal-Mart Stores, Inc.	18,593	0.4%
4	Verizon Communications	15,400	0.4%
5	United Parcel Service (UPS)	15,000	0.4%
6	Johnson & Johnson	14,500	0.3%
7	United Continental Holdings (formerly Continenal Airlines)	13,600	0.3%
8	The Home Depot	12,100	0.3%
9	Bank of America	11,000	0.3%
10	Public Service Electric and Gas Company	8,944	0.2%
		215,155	5.0%

Note: taken from state of New Jersey CAFR Statistical Section

**State of New Jersey  
Population and Employment Trends  
(Expressed in Thousands)**

YEAR	NEW JERSEY POPULATION <sup>1</sup>	CIVILIAN LABOR FORCE <sup>2</sup>	RESIDENT EMPLOYMENT <sup>2</sup>	RESIDENT UNEMPLOYMENT <sup>2</sup>	NEW JERSEY UNEMPLOYMENT RATE (%) <sup>2</sup>	UNITED STATES UNEMPLOYMENT RATE (%) <sup>3</sup>
2014	9,034	4,583	4,274	308	6.7	5.7
2015	9,077	4,604	4,342	262	5.7	5.0
2016	9,120	4,623	4,394	228	4.9	4.8
2017	9,175	4,615	4,406	209	4.5	4.2
2018	9,219	4,605	4,420	185	4.0	3.8
2019	9,259	4,688	4,526	162	3.5	3.6
2020	9,272	4,637	4,200	438	9.4	6.7
2021	9,269	4,649	4,338	311	6.7	4.2
2022	9,261	4,737	4,554	183	3.9	3.6
2023	9,291	4,830	4,616	214	4.4	3.8

**Notes:**

<sup>1</sup> New Jersey Population data for 2020 and 2021 has been revised to reflect seasonally adjusted data.

<sup>2</sup> Civilian Labor Force, Resident Employment and Unemployment data for 2013 through 2021 has been revised to reflect seasonally adjusted data.

**Sources:**

United States Department of Labor, Bureau of Labor Statistics.

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 Millions Except as Indicated)**

YEAR	NEW JERSEY POPULATION (Thousands) <sup>1</sup>	ASSESSED VALUATION OF PROPERTY (\$)	TRUE VALUATION OF PROPERTY (\$)	PERSONAL INCOME(\$) <sup>2</sup>	PER CAPITA INCOME (\$Thousands) <sup>3</sup>
2014	9,034	971,600	1,158,322	509,358	56.4
2015	9,077	983,032	1,164,399	530,303	58.4
2016	9,120	981,731	1,183,048	545,302	59.8
2017	9,175	1,000,760	1,207,591	566,237	61.7
2018	9,219	1,017,307	1,238,936	591,910	64.2
2019	9,259	1,063,181	1,281,169	625,170	67.5
2020	9,272	1,086,003	1,319,216	653,080	70.4
2021	9,269	1,117,743	1,349,649	704,936	76.1
2022	9,261	1,136,035	1,428,475	719,974	77.7
2023	9,291	1,195,141	1,578,052	762,803	82.1

**Notes:**

<sup>1</sup> New Jersey Population data for 2021 and 2022 has been revised to reflect seasonally adjusted data.

<sup>2</sup> Personal Income data for 2014 through 2022 has been revised.

<sup>3</sup> Per Capita Income equals Personal Income divided by New Jersey Population. Data for 2014 through 2022 has been revised.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Commissioners of**

**New Jersey Water Supply Authority**

We have audited, 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, the financial statements of the business-type activities of the New Jersey Water Supply Authority (a component unit of the State of New Jersey) (the "Authority"), as of and for the year ended June 30, 2025, and the related notes to financial statements, which comprise the Authority's basic financial statements, and have issued our report thereon dated November 19, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mercadien, P.C.*  
*Certified Public Accountants*

November 19, 2025

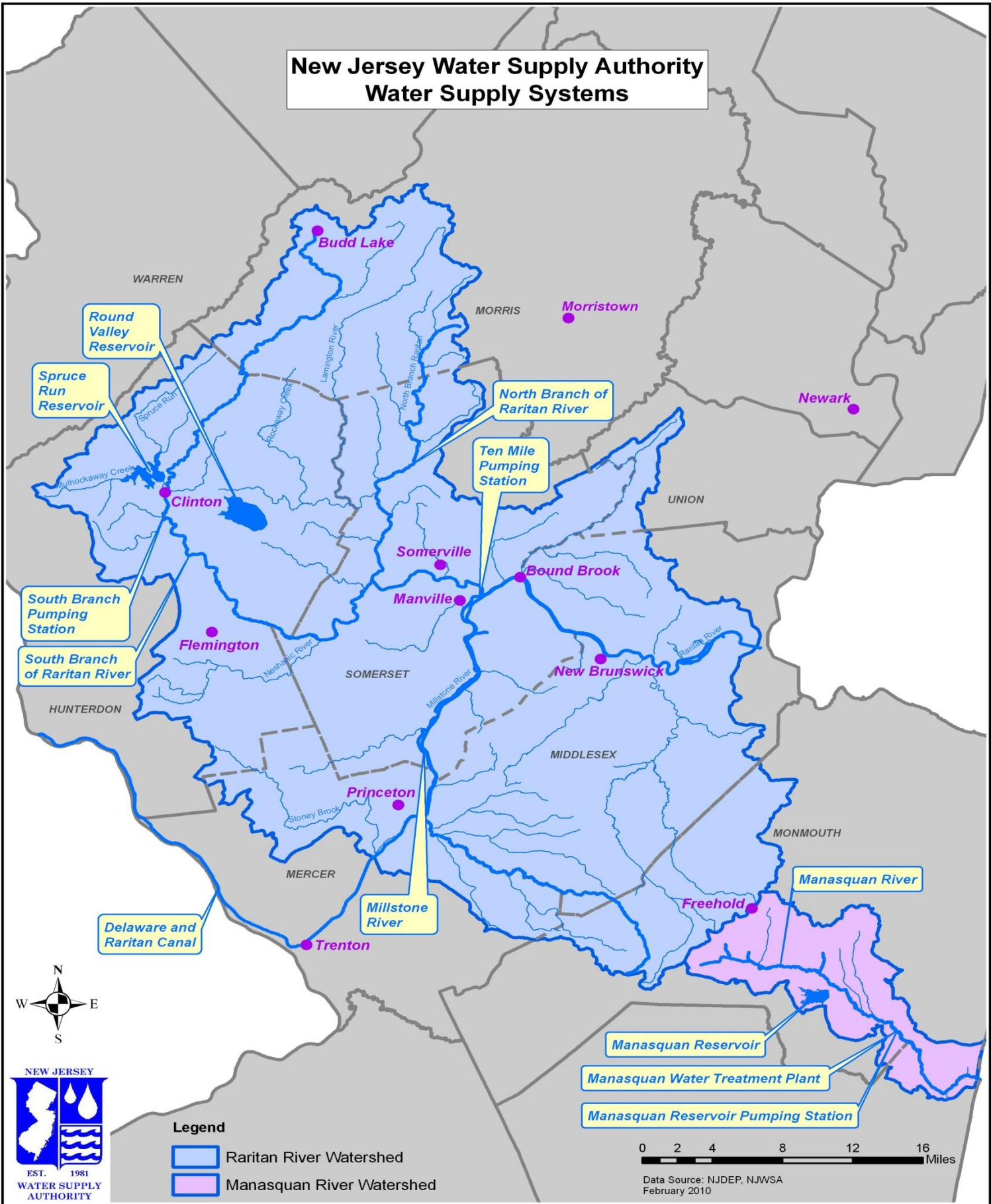
## SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

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None reported.

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# New Jersey Water Supply Authority Water Supply Systems



**Legend**

- Raritan River Watershed
- Manasquan River Watershed

0 2 4 8 12 16 Miles  
Data Source: NJDEP, NJWSA  
February 2010

New Jersey Water Supply Authority  
1851 Highway 31  
PO Box 5196  
Clinton, NJ 08809