

SJW CORP  
Form 10-Q  
August 06, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q  
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended June 30, 2014  
Commission file number 1-8966  
SJW Corp.  
(Exact name of registrant as specified in its charter)

California 77-0066628  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

110 West Taylor Street, San Jose, CA 95110  
(Address of principal executive offices) (Zip Code)  
408-279-7800  
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of July 25, 2014, there were 20,218,534 shares of the registrant's Common Stock outstanding.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

SJW Corp. and Subsidiaries

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
OPERATING REVENUE	\$70,356	74,230	\$124,952	124,369
OPERATING EXPENSE:				
Production Expenses:				
Purchased water	11,942	18,314	21,672	28,433
Power	2,623	1,777	4,112	2,662
Groundwater extraction charges	15,516	9,525	24,964	14,115
Other production expenses	3,001	2,882	5,863	5,595
Total production expenses	33,082	32,498	56,611	50,805
Administrative and general	9,510	10,085	18,960	21,579
Maintenance	3,573	3,433	6,847	6,633
Property taxes and other non-income taxes	2,575	2,534	5,379	5,083
Depreciation and amortization	9,495	8,743	18,980	17,559
Total operating expense	58,235	57,293	106,777	101,659
OPERATING INCOME	12,121	16,937	18,175	22,710
OTHER (EXPENSE) INCOME:				
Interest on long-term debt	(4,553	) (4,678	) (9,095	) (9,323
Mortgage and other interest expense	(401	) (278	) (729	) (655
Gain on sale of California Water Service Group stock	2,017	—	2,017	—
Gain on sale of real estate investment	273	—	273	1,063
Dividend income	42	61	105	123
Other, net	439	589	659	960
Income before income taxes	9,938	12,631	11,405	14,878
Provision for income taxes	3,092	5,191	3,653	6,121
NET INCOME	6,846	7,440	7,752	8,757
Other comprehensive income (loss), net of tax:				
Unrealized income (loss) on investment	41	(89	) 239	265
Reclassification adjustment for gain realized on sale of investments	(1,171	) —	(1,171	) —
COMPREHENSIVE INCOME	\$5,716	7,351	\$6,820	9,022
EARNINGS PER SHARE				
Basic	\$0.34	0.37	\$0.38	0.45
Diluted	\$0.34	0.37	\$0.38	0.45
DIVIDENDS PER SHARE	\$0.19	0.18	\$0.38	0.37
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	20,214,349	20,072,703	20,204,655	19,384,855
Diluted	20,398,002	20,266,480	20,391,692	19,581,515

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.



SJW Corp. and Subsidiaries  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (in thousands, except share and per share data)

	June 30, 2014	December 31, 2013
<b>ASSETS</b>		
Utility plant:		
Land	\$10,844	10,418
Depreciable plant and equipment	1,301,143	1,254,586
Construction in progress	36,817	30,846
Intangible assets	19,149	18,341
	1,367,953	1,314,191
Less accumulated depreciation and amortization	433,841	415,453
	934,112	898,738
Real estate investments	73,794	78,477
Less accumulated depreciation and amortization	10,807	10,658
	62,987	67,819
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	6,023	2,299
Accounts receivable:		
Customers, net of allowances for uncollectible accounts	17,157	14,496
Income tax	—	1,661
Other	850	476
Accrued unbilled utility revenue	19,646	17,556
Materials and supplies	1,113	1,045
Prepaid expenses	2,218	2,119
	47,007	39,652
<b>OTHER ASSETS:</b>		
Investment in California Water Service Group	6,271	8,885
Unamortized debt issuance, broker and reacquisition costs	5,438	5,176
Regulatory assets, net	84,831	83,543
Other	6,376	6,173
	102,916	103,777
	\$1,147,022	1,109,986

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

SJW Corp. and Subsidiaries  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (in thousands, except share and per share data)

	June 30, 2014	December 31, 2013
<b>CAPITALIZATION AND LIABILITIES</b>		
<b>CAPITALIZATION:</b>		
Shareholders' equity:		
Common stock, \$0.521 par value; authorized 36,000,000 shares; issued and outstanding 20,218,534 shares on June 30, 2014 and 20,169,211 on December 31, 2013	\$10,531	10,505
Additional paid-in capital	64,178	63,017
Retained earnings	244,377	244,266
Accumulated other comprehensive income	2,454	3,387
Total shareholders' equity	321,540	321,175
Long-term debt, less current portion	334,684	334,997
	656,224	656,172
<b>CURRENT LIABILITIES:</b>		
Line of credit	52,000	22,400
Current portion of long-term debt	569	554
Accrued groundwater extraction charges and purchased water	10,606	7,116
Purchased power	1,292	665
Accounts payable	12,589	12,587
Accrued interest	5,368	5,369
Accrued property taxes and other non-income taxes	774	1,618
Accrued payroll	3,105	3,198
Income tax payable	170	—
Other current liabilities	5,584	5,688
	92,057	59,195
DEFERRED INCOME TAXES	140,071	140,736
UNAMORTIZED INVESTMENT TAX CREDITS	1,345	1,375
ADVANCES FOR CONSTRUCTION	71,008	70,043
CONTRIBUTIONS IN AID OF CONSTRUCTION	134,909	132,260
DEFERRED REVENUE	1,312	1,213
POSTRETIREMENT BENEFIT PLANS	44,663	43,496
OTHER NONCURRENT LIABILITIES	5,433	5,496
COMMITMENTS AND CONTINGENCIES	—	—
	\$1,147,022	1,109,986

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

SJW Corp. and Subsidiaries  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (UNAUDITED)  
 (in thousands)

	Six months ended June 30,	
	2014	2013
<b>OPERATING ACTIVITIES:</b>		
Net income	\$7,752	8,757
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,772	18,338
Deferred income taxes	404	4,200
Share-based compensation	451	589
Gain on sale of real estate investment	(273)	(1,063)
Gain on sale of California Water Service Group stock	(2,017)	—
Changes in operating assets and liabilities:		
Accounts receivable and accrued unbilled utility revenue	(5,125)	(11,711)
Accounts payable, purchased power and other current liabilities	489	2,266
Accrued groundwater extraction charges and purchased water	3,490	5,319
Tax receivable and accrued taxes	1,228	(144)
Other current asset and liabilities related to balancing and memorandum accounts	(188)	—
Postretirement benefits	1,167	3,398
Regulatory asset related to balancing and memorandum accounts	(1,107)	(1,811)
Other changes, net	(1,024)	(1,099)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>25,019</b>	<b>27,039</b>
<b>INVESTING ACTIVITIES:</b>		
Additions to utility plant:		
Company-funded	(48,155)	(35,684)
Contributions in aid of construction	(4,482)	(4,631)
Additions to real estate investments	—	(3,453)
Payments for business/asset acquisition and water rights	(807)	(1,569)
Cost to retire utility plant, net of salvage	(575)	(1,170)
Proceeds from sale of real estate investment	4,281	8,831
Proceeds from sale of California Water Service Group stock	3,056	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(46,682)</b>	<b>(37,676)</b>
<b>FINANCING ACTIVITIES:</b>		
Borrowings from line of credit	35,000	13,300
Repayments of line of credit	(5,400)	(28,600)
Repayments of long-term borrowings	(298)	(5,150)
Dividends paid	(7,579)	(7,086)
Issuance of common stock, net of issuance costs	—	35,894
Exercise of stock options and similar instruments	484	366
Tax benefits realized from share options exercised	309	95
Receipts of advances and contributions in aid of construction	3,941	4,348
Refunds of advances for construction	(1,070)	(1,047)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>25,387</b>	<b>12,120</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,724</b>	<b>1,483</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>2,299</b>	<b>2,522</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$6,023</b>	<b>4,005</b>
Cash paid during the period for:		

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Interest	\$10,551	10,487
Income taxes	1,900	1,260
Supplemental disclosure of non-cash activities:		
Increase in accrued payables for construction costs capitalized	(452	) 6,560
Utility property installed by developers	3,242	(112 )
Increase in real estate investments due to accrued tenant improvements	11	583
Accrued intangible assets and other charges related to water supply project in Texas	—	2,218

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

SJW CORP. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014

(in thousands, except share and per share data)

Note 1. General

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of the results for the interim periods.

The unaudited interim financial information has been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission (the "SEC"). The Notes to Consolidated Financial Statements in SJW Corp.'s 2013 Annual Report on Form 10-K should be read with the accompanying unaudited condensed consolidated financial statements.

Water sales are seasonal in nature and influenced by weather conditions. The timing of precipitation and climatic conditions can cause seasonal water consumption by customers to vary significantly. Due to the seasonal nature of the water business, the operating results for interim periods are not indicative of the operating results for a 12-month period. Revenue is generally higher in the warm, dry summer months when water usage and sales are greater, and lower in the winter months when cooler temperatures and increased rainfall curtail water usage and sales. Our service area in California is in the midst of a record drought. In response to this, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take necessary actions to prepare for drought conditions.

The Santa Clara Valley Water District ("SCVWD"), San Jose Water Company's water wholesaler, has set a target of a 20% reduction for water use in 2014 in accordance with its adopted water shortage contingency plan and recommended that its retail water and municipal customers implement mandatory measures to meet the target. Effective March 31, 2014, San Jose Water Company received approval from the California Public Utilities Commission ("CPUC") for a Mandatory Conservation Revenue Adjustment Memorandum Account ("MCRAMA") to track any revenue shortfall and a Mandatory Conservation Memorandum Account ("MCMA") to track operational and administrative costs associated with the implementation of the 20% conservation goal. San Jose Water Company will record the impact of the MCRAMA and MCMA regulatory accounts once probability of recovery can be determined and collection can be assured within 24 months of the year-end the revenue is recorded. For further discussion, please see Note 11.

Basic earnings per share is calculated using income available to common shareholders, divided by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated using income available to common shareholders divided by the weighted average number of shares of common stock including both shares outstanding and shares potentially issuable in connection with stock options, deferred restricted common stock awards under SJW Corp.'s Long-Term Incentive Plan (as amended, the "Incentive Plan") and shares potentially issuable under the Employee Stock Purchase Plan ("ESPP"). For the three months ended June 30, 2014 and 2013, 680 and 799 anti-dilutive restricted common stock units were excluded from the dilutive earnings per share calculation, respectively. For the six months ended June 30, 2014 and 2013, 1,129 and 1,145 anti-dilutive restricted common stock units were excluded from the dilutive earnings per share calculation, respectively.

A portion of depreciation expense is allocated to administrative and general expense. For the three months ended June 30, 2014 and 2013, the amounts allocated to administrative and general expense were \$396 and \$395, respectively. For the six months ended June 30, 2014 and 2013, the amounts allocated to administrative and general expense were \$792 and \$779, respectively.

Note 2. Equity Plans

SJW Corp. accounts for share-based compensation based on the grant date fair value of the awards issued to employees in accordance with Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 718 - "Compensation - Stock Compensation," which requires the measurement and recognition of



compensation expense based on the estimated fair value for all share-based payment awards.

The Incentive Plan allows SJW Corp. to provide employees, non-employee board members or the board of directors of any parent or subsidiary, consultants, and other independent advisors who provide services to the company or any parent or subsidiary the opportunity to acquire an equity interest in SJW Corp. The types of awards included in the Incentive Plan are restricted stock awards, restricted stock units, performance shares, or other share-based awards. As of June 30, 2014, the remaining shares available for issuance under the Incentive Plan were 1,110,805, and 309,516 shares were issuable upon the exercise of outstanding options, restricted stock units, and deferred restricted stock units. In addition, shares are issued to employees under the ESPP. SJW Corp. also had a Dividend Reinvestment and Stock Purchase Plan (“DRSPP”) which allowed

## SJW CORP. AND SUBSIDIARIES

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

JUNE 30, 2014

(in thousands, except share and per share data)

eligible participants to buy shares and reinvest cash dividends in SJW Corp. common stock. The DRSP was terminated effective as of April 14, 2014.

The compensation costs charged to income are recognized on a straight-line basis over the requisite service period. A summary of compensation costs charged to income, proceeds from the exercise of stock options and similar instruments, and the tax benefit realized from stock options and similar instruments exercised, that were recorded to additional paid-in capital and common stock, by award type, are presented below for the three and six months ended June 30, 2014 and 2013.

	Three months ended		Six months ended	
	June 30,	2013	June 30,	2013
	2014		2014	2013
Adjustments to additional paid-in capital and common stock for:				
Compensation costs charged to income:				
ESPP	\$—	—	\$72	58
Restricted stock and deferred restricted stock	207	242	379	531
Total compensation costs charged to income	\$207	242	\$451	589
Excess tax benefits realized from share options exercised and stock issuance:				
Stock options	\$—	—	\$59	—
Restricted stock and deferred restricted stock	251	65	250	95
Total excess tax benefits realized from share options exercised and stock issuance	\$251	65	\$309	95
Proceeds from the exercise of stock options and similar instruments:				
Stock options	\$—	—	\$44	—
DRSP	8	21	34	38
ESPP	—	—	406	328
Total proceeds from the exercise of stock options and similar instruments	\$8	21	\$484	366

## Stock Options

No options were granted during the three and six months ended June 30, 2014 and 2013.

As of June 30, 2014, there were no unrecognized compensation costs related to stock options.

## Stock, Restricted Stock and Deferred Restricted Stock

On January 2, 2014, restricted stock units covering an aggregate of 21,790 shares of common stock of SJW Corp. were granted to certain executives of SJW Corp. and its subsidiaries. The units vest in three equal successive installments upon completion of each year of service with no dividend equivalent rights. Share-based compensation expense based on a grant date fair value of \$26.80 per unit is being recognized over the service period beginning in 2014.

On January 31, 2014, restricted stock units covering an aggregate of 3,845 shares of common stock of SJW Corp. were granted to an executive of SJW Corp. and its subsidiaries. The units vest in three equal successive installments upon completion of each year of service with no dividend equivalent rights. Share-based compensation expense based on a grant date fair value of \$26.39 per unit is being recognized over the service period beginning in 2014.

On April 30, 2014, restricted stock units covering an aggregate of 9,002 shares of common stock of SJW Corp. were granted to the non-employee board members of SJW Corp. The units vest upon continuous board service through the day immediately preceding the date of the next annual shareholder meeting with no dividend equivalent rights. Share-based compensation expense based on grant date fair value of \$26.48 per unit is being recognized over the service period beginning in 2014.

As of June 30, 2014, the total unrecognized compensation costs related to restricted and deferred restricted stock plans amounted to \$1,163. This cost is expected to be recognized over a remaining weighted-average period of 1.22 years.

#### Dividend Equivalent Rights

Under the Incentive Plan, certain holders of options, restricted stock, and deferred restricted stock awards may have the right to receive dividend equivalent rights (“DERs”) each time a dividend is paid on common stock after the grant date. Stock compensation on DERs is recognized as a liability and recorded against retained earnings on the date dividends are issued. For the three and six months ended June 30, 2014, \$29 and \$62, respectively, related to DERs was recorded against retained

## SJW CORP. AND SUBSIDIARIES

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

JUNE 30, 2014

(in thousands, except share and per share data)

earnings and was accrued as a liability. For the three and six months ended June 30, 2013, \$31 and \$65, respectively, related to DERs was recorded against retained earnings and was accrued as a liability.

## Employee Stock Purchase Plan

The ESPP allows eligible employees to purchase shares of SJW Corp.'s common stock at 85% of the fair value of shares on the purchase date. Under the ESPP, employees can designate up to a maximum of 10% of their base compensation for the purchase of shares of common stock, subject to certain restrictions. A total of 270,400 shares of common stock have been reserved for issuance under the ESPP.

After considering estimated employee terminations or withdrawals from the plan before the purchase date, SJW Corp.'s recorded expenses were \$39 and \$75 for the three and six months ended June 30, 2014, respectively, and \$37 and \$58 for the three and six months ended June 30, 2013, respectively, related to the ESPP.

The total unrecognized compensation costs related to the semi-annual offering period that ends July 31, 2014 for the ESPP is approximately \$13. This cost is expected to be recognized during the third quarter of 2014.

On April 30, 2014, SJW Corp.'s shareholders approved the 2014 Employee Stock Purchase Plan ("2014 ESPP"). Under the 2014 ESPP, 400,000 shares of SJW Corp.'s common stock were reserved for issuance. The remaining available shares for issuance from the predecessor ESPP will not be transferred to the 2014 ESPP. The first offering period for the 2014 ESPP commenced on August 1, 2014.

## Dividend Reinvestment and Stock Purchase Plan

SJW Corp. adopted the DRSP effective April 19, 2011. The DRSP offered shareholders the ability to reinvest cash dividends in SJW Corp. common stock and also purchase additional shares of SJW Corp. common stock. A total of 3,000,000 shares of common stock were reserved for issuance under the DRSP. For the three and six months ended June 30, 2014, 276 and 1,151 shares, respectively, have been issued under the DRSP. For the three and six months ended June 30, 2013, 825 and 1,444 shares, respectively, have been issued under the DRSP.

SJW Corp. terminated the DRSP effective as of April 14, 2014. On April 16, 2014, SJW Corp. filed a Post-Effective Amendment No. 1 to the registration statement on Form S-3 (file no. 333-172048) with the SEC to deregister the 2,993,744 remaining shares of SJW Corp.'s common stock that were available for issuance under the DRSP at the time of its termination.

## Note 3. Real Estate Investments

The major components of real estate investments as of June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014	December 31, 2013
Land	\$17,297	18,892
Buildings and improvements	56,168	59,256
Intangibles	329	329
Subtotal	73,794	78,477
Less: accumulated depreciation and amortization	10,807	10,658
Total	\$62,987	67,819

Depreciation and amortization is computed using the straight-line method over the estimated life of the respective assets, ranging from 5 to 39 years.

On June 30, 2014, SJW Land Company sold its retail building located in El Paso, Texas for \$4,450. SJW Corp. recognized a pre-tax gain on the sale of real estate investment of \$273, after selling expenses of \$169.

On February 1, 2013, SJW Land Company sold its warehouse building located in Windsor, Connecticut for \$9,200.

The Company recognized a pre-tax gain on the sale of real estate investment of \$1,063, after selling expenses of \$369.



## SJW CORP. AND SUBSIDIARIES

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

JUNE 30, 2014

(in thousands, except share and per share data)

## Note 4. Income Taxes

SJW Corp. accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Measurement of the deferred tax assets and liabilities is at enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

In the second quarter of 2014, SJW Corp. recorded \$880 in State of California enterprise zone sales and use taxes credits related to tax years 2008 through 2012.

## Note 5. Defined Benefit Plan

San Jose Water Company sponsors a noncontributory defined benefit pension plan for its eligible employees. Employees hired before March 31, 2008 are entitled to receive retirement benefits using a formula based on the employee's three highest years of compensation (whether or not consecutive). For employees hired on or after March 31, 2008, benefits are determined using a cash balance formula based upon compensation credits and interest credits for each employee. Officers hired before March 31, 2008 are eligible to receive additional retirement benefits under the Executive Supplemental Retirement Plan, and officers hired on or after March 31, 2008 are eligible to receive additional retirement benefits under the Cash Balance Executive Supplemental Retirement Plan. Both plans are non-qualified plans in which only officers and other designated members of management may participate. The Company also provides health care and life insurance benefits for retired employees under the San Jose Water Company Social Welfare Plan. The components of net periodic benefit costs for San Jose Water Company's pension plan, its Executive Supplemental Retirement Plan, Cash Balance Executive Supplemental Retirement Plan and Social Welfare Plan for the three and six months ended June 30, 2014 and 2013 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$1,051	1,239	\$2,111	2,478
Interest cost	1,652	1,475	3,303	2,950
Other cost	625	1,208	1,256	2,416
Expected return on assets	(1,674	) (1,380	) (3,341	) (2,760
	\$1,654	2,542	\$3,329	5,084

## SJW CORP. AND SUBSIDIARIES

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

JUNE 30, 2014

(in thousands, except share and per share data)

The following tables summarize the fair values of plan assets by major categories as of June 30, 2014 and December 31, 2013:

Asset Category	Benchmark	Fair Value Measurements at June 30, 2014			
		Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents Actively Managed (a):		\$6,337	\$6,337	\$—	\$—