



Delaware River Basin Commission

DELAWARE • NEW JERSEY
PENNSYLVANIA • NEW YORK
UNITED STATES OF AMERICA

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2023

**ZELENKOFKSKE AXELROD LLC
Jamison, Pennsylvania**

DELAWARE RIVER BASIN COMMISSION
YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Delaware River Basin Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware River Basin Commission (the "Commission") as of and for the year ended at June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission 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 opinions.

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 Commission's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's 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 auditor's report that includes our opinions. 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 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, 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 Commission'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 Commission'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, schedule of revenues, expenditures and changes in fund balances budget and actual, schedule of Commission's proportionate share of net pension liability and related ratios, schedule of the Commission's contributions pension plan, schedule of changes in net OPEB liability and related ratios, schedule of the Commission's contributions OPEB plan, and schedule of investment returns on OPEB plan on pages 5 through 9, and 44 through 50 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the



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methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying schedule of expenditures of federal awards, which is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance), statistical section and supplemental schedules are 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.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, statistical section and supplemental schedules 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 December 1, 2023 on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.



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Adoptions of Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, for the year ended June 30, 2023 the Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 91, *Conduit Debt Obligations*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology Arrangements*, and Statement No. 99, *Omnibus 2022*. Our opinions are not modified with respect to these matters.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 1, 2023

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2023

Who We Are

The Delaware River Basin Commission was formed in 1961 by compact agreement among the United States Government and the States of Delaware, New Jersey, New York and the Commonwealth of Pennsylvania (signatory parties) for the purpose of developing and implementing plans, policies and projects relating to the water resources of the Delaware River Basin. Commission programs include water quality protection, water supply allocation, regulatory review, water conservation initiatives, watershed planning, drought management, flood loss reduction and recreation.

Overview

Our discussion and analysis provide an overview of the Commission's financial activities for the fiscal year ending June 30, 2023. Please read it in conjunction with the Commission's financial statements.

Financial Highlights

- The Commission's governmental activities net position is a deficit of (\$177,801) as of June 30, 2023. Changes in general fund and special projects fund increased \$3,768,490 from a deficit of (\$3,946,291) as of June 30, 2022.
- The total cost of the Commission's governmental programs and projects was \$7,086,988.
- The Commission's business-type net position stands at \$21,939,068 as of June 30, 2023, an increase of \$750,888.

Using This Annual Report

This annual report consists of a series of financial statements. The *Statement of Net Position* (p. 10) and the *Statement of Activities* (p. 11) provide information about the activities of the Commission as a whole and present a long-term view of the Commission's finances.

Governmental Fund financial statements start at pages 12-14. These statements tell how governmental activities were financed in the short-term. Proprietary fund financial statements are on pages 15-17 and are reported on the full accrual basis of accounting.

Reporting the Commission as a Whole

The Statement of Net Position and the Statement of Activities-

One of the most important questions asked about the Commission's finances is, "Is the Commission better off or worse as a result of the year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the Commission in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in them. You can think of the Commission's net position - the difference between assets and liabilities - as one way to measure the Commission's financial health, or financial position. Over time the increases or decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating. The reader should consider other nonfinancial factors, however, such as the funding commitments of the States and Federal Government who contribute a significant portion of the funding for the Commission's governmental activities.

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2023

All references to government-wide statements include both governmental activities and business-type activities. In the *Statement of Net Position* and the *Statement of Activities*, we divide the Commission into two kinds of activities: governmental and business-type.

- *Governmental activities*-Most of the Commission's basic services are reported here including general government and administration, Water Resource Management, Science and Water Quality Management, Water Resource Operations and special projects. The signatory parties along with project-specific grants finance most of these activities.
- *Business-type activities*-The Commission provides water storage in two federal facilities at Beltzville and Blue Marsh Lakes. The Commission has agreed to reimburse the federal government for the construction costs of these facilities. Costs associated with the operation, maintenance and debt service for these facilities as well as conservation, demand and administrative costs are reported here. The Commission has a fee structure that is applied to certain post-compact surface water users in the basin.

Reporting the Commission's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the Commission as a whole. Some funds are required to be established by generally accepted accounting principles. However, the Commission establishes some funds to help it control and manage money for particular purposes such as special projects or to show that it is meeting legal responsibilities for using certain grants and other money.

The Commission's two kinds of funds-governmental and proprietary-use different accounting approaches.

Governmental funds-the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation schedule at the bottom of the fund financial statements.

Proprietary funds-the Commission levies a fee on various entities in the basin for their consumptive and non-consumptive use of surface water. These revenues are reported in the proprietary fund. Costs associated with water storage facilities, water conservation and demand activities and related administrative activities are also reported in the proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Commission's proprietary fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows.

The Commission as Trustee

Reporting the Commission's Fiduciary Responsibilities

The Commission is the trustee, or fiduciary, for its employees' retirement health care benefit plan. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Commission's fiduciary activities are reported in separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 18 and 19. We exclude these activities from the Commission's other financial statements because the Commission cannot use these

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2023

assets to finance its operations. The Commission is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Commission as a Whole

As of June 30, 2023, the net positions of the governmental and business-type activities total (\$177,801) and \$21,939,068 respectively. An increase of \$3,768,490 in net assets resulted from governmental activities as a result of a one-time federal signatory contribution and an increase in other income, and an increase of \$750,888 in net assets resulted from business activities for the fiscal year ending June 30, 2023.

Net position is classified into three categories: unrestricted, restricted and net investment in capital assets. For the year ending June 30, 2023, the governmental activities' equity invested in capital assets increased by \$274,645. This increase represents the difference between capitalized costs and depreciation charges during the fiscal year. General fund restricted net position stands at \$0, no change from the prior fiscal year. General fund committed net position stands at \$1,024,507, an increase of \$524,507 from the prior year. This is due to the database rebuild project, purchase of a new vehicle and the upcoming office improvements, offset by the completion of a new chiller and retirement payouts made during the year.

Governmental Activities

For the fiscal year ending June 30, 2023, revenues, excluding inter-fund transfers, increased by \$1,334,460, approximately 24.6% higher than the prior fiscal year. Project Review Fees were \$490,885, an increase of \$30,544. Annual Fee revenue was \$786,188, an increase of \$24,650. Signatory Contribution revenue increased \$715,000 from the prior year. Revenue from Special Projects was \$233,943 less than the prior fiscal year.

The cost of all governmental activities this year was \$5,147,646. The portion of this cost that was paid by signatory contributions was \$2,631,500 with the balance of costs being funded by grants, fees, miscellaneous income and interfund transfers.

Business-Type Activities

For the fiscal year ending June 30, 2023, water sales revenues increased \$271,494, 9.1%, to \$3,267,459. This is mainly due to a rate increase effective July 1, 2022. Operating expenses were \$1,296,827, down \$455,682 mainly due to higher contractual services. Net operating transfers out were \$2,159,625, up \$313,371 from fiscal 2022. Non-operating revenues and expenses were \$939,881, up \$4,073,406 from fiscal 2022 mainly due to investment gains and income. These items are responsible for net income of \$750,888 for the fiscal year ending June 30, 2023, \$4,487,211 more than fiscal 2022.

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2023

The Commission's Funds

For the fiscal year ending June 30, 2023 the Commission's governmental funds reported a combined total of \$7,250,751 in fund balance, an increase of \$1,829,148 from fiscal 2022.

The unassigned fund balance at June 30, 2023 is \$6,226,244, an increase of \$1,304,641. The following table compares the components of fund balance at June 30, 2023 and June 30, 2022:

	FY23	FY22	Change
Assigned for Vacation and Compensatory Time	265,552	300,000	(34,448)
Assigned for Complete Special Projects	758,955	200,000	558,955
Unassigned	6,226,244	4,921,603	1,304,641
Total Fund Balance	\$ 7,250,751	\$ 5,421,603	\$ 1,829,148

Special project revenues were \$1,993,408, \$233,943 less than fiscal 2022. PA Designated Use Grant expired in fiscal year 2021, resulting in a decrease of \$150,000 in fiscal 2022. In addition, NFWF DSS Grant was closed out during fiscal year 2023. Their revenue decreased \$84,903 from the prior year.

General Fund Budgetary Highlights

The budget for the fiscal year ending June 30, 2023 has not been amended since its original adoption. For fiscal 2023 the Commission reported a total favorable budget variance of \$2,029,148.

Notable revenue variances include a \$197,773 favorable variance in regulatory program fees.

Notable expense variances include favorable personal services and fringe benefits variances of \$541,050 and \$114,938 due to more grant work and delays in filling vacancies. The favorable expense variance in building and grounds of \$1,145,183 is due to building improvements that got delayed. Overall there is a favorable expense variance of \$1,978,466.

There is an unfavorable variance in transfers in of \$126,847. Transfers out were unfavorable by \$106,274. In total, net transfers were worse than budget by \$232,121.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the Commission reported \$3,134,961 in capital assets net of depreciation. Capital assets include equipment, furniture, building, building improvements, subscription-based information technology arrangements and the Commission's share of construction costs for two federal water storage facilities: Beltzville Lake and Bluemarsh Lake.

Debt

As of June 30, 2023, the Commission had \$17,560,925 in long-term debt outstanding. This can be broken down into seven categories:

- \$6,473,733 for loans due to the Army Corps of Engineers for construction of water storage facilities
- \$5,552,218 as a net pension liability plus \$1,704,204 in deferred inflows related to the pension liability (see footnote 6)
- \$473,929 for employees accrued leave time

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2023

- Net OPEB Liability of \$1,760,253 plus \$1,386,364 in deferred OPEB Inflows related to the OPEB liability (see footnote 7)
- \$9,038 for equipment leases
- Subscription liability of \$201,186 (see footnote 9)

Economic Conditions and Outlook

Significant factors that have had and will continue to have an impact on the financial resources available to the Commission are the level of signatory party contributions, the liability for pension benefits and the liability for other post-employment benefits.

Signatory party contributions represent a major source of funding for the Commission's governmental activities. The 100-year compact stipulates that the five signatory parties agree to support the Commission's annual budget. The federal government adhered to this legislative obligation for 36 years, paying its fair share of the Commission's annual operating budget.

A major issue has been the elimination of the federal signatory contribution in 1997. Since then, the federal government has provided a signatory contribution to the Commission only for the federal fiscal year ending September 30, 2009 and ending September 30, 2023. As of June 30, 2023, the cumulative federal shortfall totals \$17.1 million. For the fiscal year ending June 30, 2023 the Commission did not receive a signatory contribution from the federal government.

The Commission continues its efforts to restore and maintain federal funding, as well as full fair share of all of its signatory members.

For projects subject to regulatory review by both the DRBC and a basin state, the Commission has established a One Process/One Permit program to provide administrative agreement for the issuance of a single approval instrument, incorporating the applicable requirements of the two authorities.

To implement the One Process/One Permit program, the Commission entered into administrative agreements with the States of New Jersey and New York in March 2015 and March 2016, respectively.

The Commission had entered into administrative agreements with the State of Delaware and the Commonwealth of Pennsylvania in May 2013 and August 1976 respectively, that are not under the One Process/One Permit program.

Contacting the Commission

The financial report is designed to provide our customers, investors, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Delaware River Basin Commission's Director of Finance and Administration, P.O Box 7360, West Trenton, NJ 08628-0360.

DELAWARE RIVER BASIN COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	Totals (Memorandum Only)			
	Governmental	Business-Type	June 30,	June 30,
	Activities	Activities	2023	2022
Assets and Deferred Outflows of Resources:				
Cash and Cash Equivalents	\$ 4,319,952	\$ 1,300,670	\$ 5,620,622	\$ 3,892,511
Investments	1,967,149	27,182,656	29,149,805	28,844,847
Receivables (Net)				
Due From Other Governments	511,647	-	511,647	1,167,472
Interest	-	140,085	140,085	123,732
Water Supply Charges	-	784,725	784,725	739,885
Other Assets	282,964	23,777	306,741	73,013
Capital Assets (Net)	1,453,846	1,681,115	3,134,961	2,966,923
Total Assets	<u>8,535,558</u>	<u>31,113,028</u>	<u>39,648,586</u>	<u>37,808,383</u>
Deferred Outflows of Resources				
Deferred Outflows of Resources for Pension	1,274,714	-	1,274,714	1,359,269
Deferred Outflows of Resources for OPEB	783,821	-	783,821	902,977
Total Deferred Outflows of Resources	<u>\$ 2,058,535</u>	<u>\$ -</u>	<u>\$ 2,058,535</u>	<u>\$ 2,262,246</u>
Liabilities, Deferred Inflows of Resources and Net Position:				
Accounts Payable	\$ 753,867	\$ 306,261	\$ 1,060,128	\$ 1,288,756
Accrued Interest	8,257	104,939	113,196	117,681
Interfunds	(2,279,361)	2,279,361	-	-
Employee Compensation and Benefits	68,691	-	68,691	122,337
Advances	728,489	-	728,489	1,049,220
Deferred Revenue	414,425	-	414,425	385,244
Accrued Leave Time Current Portion	120,000	-	120,000	120,000
Lease Obligation Current Portion	7,746	-	7,746	-
Subscription Liability Current Portion	21,311	-	21,311	24,442
Long Term Liabilities:				
Accrued Leave Time	344,263	9,666	353,929	345,636
Net OPEB Liability	1,760,253	-	1,760,253	1,142,070
Net Pension Liability	5,552,218	-	5,552,218	4,772,765
Lease Obligation	1,292	-	1,292	-
Subscription Liability	179,875	-	179,875	-
Due to US Army Corps of Engineers				
Due Within One Year	-	638,818	638,818	617,735
Due in More Than One Year	-	5,834,915	5,834,915	6,473,734
Total Liabilities	<u>7,681,326</u>	<u>9,173,960</u>	<u>16,855,286</u>	<u>16,459,620</u>
Deferred Inflows of Resources				
Deferred Inflows of Resources for OPEB	1,386,364	-	1,386,364	2,781,598
Deferred Inflows of Resources for Pension	1,704,204	-	1,704,204	3,587,522
Total Deferred Inflows of Resources	<u>3,090,568</u>	<u>-</u>	<u>3,090,568</u>	<u>6,369,120</u>
Net Position (Deficit)				
Net Investment in Capital Assets	1,243,622	(4,792,618)	(3,548,996)	(4,148,988)
Unrestricted (Deficit)	(1,421,423)	26,731,686	25,310,263	21,390,877
Total Net Position (Deficit)	<u>\$ (177,801)</u>	<u>\$ 21,939,068</u>	<u>\$ 21,761,267</u>	<u>\$ 17,241,889</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Change in Net Position			
			Charges for Services/Usage	Operating Grants and Contributions	Governmental Activities	Business-type Activities	June 30, 2023	June 30, 2022
Primary government:								
General government	\$ 1,609,878	\$ (1,896,847)	\$ -	\$ -	\$ 286,969	\$ -	\$ 286,969	\$ 554,196
Water Resource Management	851,786	456,703	1,286,336	-	(22,153)	-	(22,153)	218,027
Science and Water Quality Management	513,015	275,064	-	-	(788,079)	-	(788,079)	(734,112)
Water Resource Operations	223,796	119,993	-	-	(343,789)	-	(343,789)	(357,845)
Special projects	1,949,171	1,045,087	-	1,993,408	(1,000,850)	-	(1,000,850)	(1,026,734)
Total Governmental Activities	5,147,646	-	1,286,336	1,993,408	(1,867,902)	-	(1,867,902)	(1,346,468)
Business-Type Activities:								
Water Supply Storage Facilities	1,535,708	-	3,267,459	-	-	1,731,751	1,731,751	984,044
Total Primary Government	<u>\$ 6,683,354</u>	<u>\$ -</u>	<u>\$ 4,553,795</u>	<u>\$ 1,993,408</u>	<u>(1,867,902)</u>	<u>1,731,751</u>	<u>(136,151)</u>	<u>(362,424)</u>
General revenues:								
Grants and contributions not restricted to special programs					2,631,500	-	2,631,500	1,916,500
Investment earnings					133,842	1,178,762	1,312,604	(2,849,449)
Miscellaneous income					711,425	-	711,425	31,157
Transfers					2,159,625	(2,159,625)	-	-
Total general revenues and transfers					<u>5,636,392</u>	<u>(980,863)</u>	<u>4,655,529</u>	<u>(901,792)</u>
Change in net position					3,768,490	750,888	4,519,378	(1,264,216)
Net Position (Deficit)-Beginning of Year					(3,946,291)	21,188,180	17,241,889	18,506,105
Net Position (Deficit)-End of Year					<u>\$ (177,801)</u>	<u>\$ 21,939,068</u>	<u>\$ 21,761,267</u>	<u>\$ 17,241,889</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	General Fund	Special Projects Fund	Totals (Memorandum Only)	
			June 30, 2023	June 30, 2022
Assets:				
Cash and Cash Equivalents	\$ 3,131,553	\$ 1,188,399	\$ 4,319,952	\$ 3,446,721
Investments	1,967,149	-	1,967,149	1,994,535
Accounts Receivable	148,597	363,050	511,647	1,167,472
Due From Other Funds	2,867,506	-	2,867,506	1,432,060
Other Assets	282,964	-	282,964	54,113
Total Assets	<u>\$ 8,397,769</u>	<u>\$ 1,551,449</u>	<u>\$ 9,949,218</u>	<u>\$ 8,094,901</u>
Liabilities and Fund Balances:				
Liabilities				
Accounts Payable	539,361	\$ 209,965	\$ 749,326	\$ 504,343
Employee Compensation and Benefits	73,232	-	73,232	122,337
Advances	-	728,489	728,489	1,049,220
Due To Other Funds	-	588,145	588,145	471,346
Deferred Revenue	414,425	-	414,425	385,244
Accrued Vacation and Sick Time	120,000	24,850	144,850	140,808
Total Liabilities	<u>1,147,018</u>	<u>1,551,449</u>	<u>2,698,467</u>	<u>2,673,298</u>
Fund Balances:				
Assigned:				
Complete Special Projects	758,955	-	758,955	300,000
Vacation and Compensatory Time	265,552	-	265,552	200,000
Unassigned	6,226,244	-	6,226,244	4,921,603
Total Fund Balances	<u>7,250,751</u>	<u>-</u>	<u>7,250,751</u>	<u>5,421,603</u>
Total Liabilities and Fund Balances	<u>\$ 8,397,769</u>	<u>\$ 1,551,449</u>	<u>\$ 9,949,218</u>	<u>\$ 8,094,901</u>
Governmental Fund Balance:			7,250,751	5,421,603
Total Net Position Reported for Governmental Activities in the Statement of Net Position is Different Because:				
Capital Assets used in Governmental Activities are Not Financial Resources and Therefore are Not Reported in the Funds.			1,453,846	993,419
Long-Term Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds.			(537,894)	(339,604)
Net OPEB Liability, net of related deferred inflows and outflows of resources			(2,362,796)	(3,020,691)
Net Pension Liability, net of related deferred inflows and outflows of resources			(5,981,708)	(7,001,018)
Total Net Position of Governmental Activities			<u>\$ (177,801)</u>	<u>\$ (3,946,291)</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	General Fund	Special Projects Fund	(Totals Memorandum Only)	
			June 30, 2023	June 30, 2022
Revenues:				
Signatory Party Contributions:				
State of Delaware	\$ 447,000	\$ -	\$ 447,000	\$ 447,000
State of New Jersey	893,000	-	893,000	893,000
State of New York	359,500	-	359,500	359,500
Commonwealth of Pennsylvania	217,000	164,992	381,992	349,999
Federal Government United States	715,000	767,498	1,482,498	648,706
Sale of Publications	521	-	521	576
Project Review Fees	490,885	-	490,885	-
Regulatory Program Fees	786,188	-	786,188	1,221,879
Investment Income	133,842	-	133,842	24,664
Compliance Revenue and Other Income	719,167	1,060,918	1,780,085	1,475,727
Total Revenues	<u>4,762,103</u>	<u>1,993,408</u>	<u>6,755,511</u>	<u>5,421,051</u>
Expenditures:				
Personnel Services	2,498,550	661,962	3,160,512	3,119,661
Special and Contractual Services	708,102	895,013	1,603,115	1,199,098
Other Services	293,501	14,785	308,286	253,273
Supplies and Materials	63,038	9,407	72,445	88,216
Buildings and Grounds	495,217	-	495,217	153,065
Communications	58,427	3,975	62,402	56,742
Travel	40,124	6,058	46,182	31,165
Maintenance, Replacements, Acquisitions and Rentals	61,820	6,477	68,297	118,133
Fringe Benefits and Other Contributions	1,230,495	318,677	1,549,172	1,512,113
Total Expenditures	<u>5,449,274</u>	<u>1,916,354</u>	<u>7,365,628</u>	<u>6,531,466</u>
Excess of Expenditures Over Revenues	<u>(687,171)</u>	<u>77,054</u>	<u>(610,117)</u>	<u>(1,110,415)</u>
Other Financing Sources (Uses):				
Proceeds from Subscription Based IT Arrangement	278,640	-	278,640	-
Gain on asset disposal	1,000	-	1,000	500
Operating Transfers In	2,705,453	468,774	3,174,227	2,973,305
Operating Transfers Out	(468,774)	(545,828)	(1,014,602)	(1,127,051)
Total Other Financing Sources, Net	<u>2,516,319</u>	<u>(77,054)</u>	<u>2,439,265</u>	<u>1,846,754</u>
Net Change in Fund Balances	1,829,148	-	1,829,148	736,339
Fund Balances-Beginning of Year	5,421,603	-	5,421,603	4,685,264
Fund Balances-End of Year	<u>\$ 7,250,751</u>	<u>\$ -</u>	<u>\$ 7,250,751</u>	<u>\$ 5,421,603</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	2023	2022
Net Change in Fund Balances - Governmental Funds	\$ 1,829,148	\$ 736,339
<p>The change in net position reported for governmental activities in the statement of activities is different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is amortized over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$152,696 exceeds purchases of capital assets of \$613,123 in the current period.</p>	460,427	(27,795)
<p>Repayments on a capital lease liability that are not reported in the Statement of Activities.</p>	15,404	15,403
<p>Proceeds from SBITA are not recorded as revenues at the governmental activities level</p>	(253,098)	
<p>Repayments on SBITA that are not reported in the Statement of Activities.</p>	43,655	-
<p>governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>	(4,251)	(15,429)
Effect of pension and OPEB adjustments	1,677,205	1,763,589
Changes in Net Position of Governmental Activities	\$ 3,768,490	\$ 2,472,107

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	Business-Type		Totals	
	Activities		(Memorandum Only)	
	Enterprise Fund		June 30	June 30,
	Water Supply		2023	2022
	Storage Facilities			
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 1,300,670		\$ 1,300,670	\$ 445,790
Investments	27,182,656		27,182,656	26,850,312
Interest Receivable	140,085		140,085	123,732
Water Supply Charges Receivables (Net)	784,725		784,725	739,885
Prepaid Expenses	23,777		23,777	18,900
Total Current Assets	<u>29,431,913</u>		<u>29,431,913</u>	<u>28,178,619</u>
Noncurrent Assets:				
Land, Building and Improvements (Net)	1,680,899		1,680,899	1,973,230
Furniture and Equipment (Net)	216		216	274
Total Noncurrent Assets	<u>1,681,115</u>		<u>1,681,115</u>	<u>1,973,504</u>
Total Assets	<u>\$ 31,113,028</u>		<u>\$ 31,113,028</u>	<u>\$ 30,152,123</u>
Liabilities and Net Position				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 306,261		\$ 306,261	\$ 784,413
Accrued Interest	104,939		104,939	117,681
Due to US Army Corps of Engineers	638,818		638,818	617,735
Due to other fund	2,279,361		2,279,361	960,714
Total Current Liabilities	<u>3,329,379</u>		<u>3,329,379</u>	<u>2,480,543</u>
Noncurrent Liabilities:				
Accrued Vacation and Sick Time	9,666		9,666	9,666
Due to US Army Corps of Engineers	5,834,915		5,834,915	6,473,734
Total Noncurrent Liabilities	<u>5,844,581</u>		<u>5,844,581</u>	<u>6,483,400</u>
Total Liabilities	<u>9,173,960</u>		<u>9,173,960</u>	<u>8,963,943</u>
Net Position				
Net Investment in Capital Assets	(4,792,618)		(4,792,618)	(5,117,965)
Unrestricted	26,731,686		26,731,686	26,306,145
Total Net Position	<u>21,939,068</u>		<u>21,939,068</u>	<u>21,188,180</u>
Total Liabilities and Net Position	<u>\$ 31,113,028</u>		<u>\$ 31,113,028</u>	<u>\$ 30,152,123</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Business-Type		Totals (Memorandum Only)
	Activities		
	Enterprise Fund		
	Water Supply	June 30,	June 30,
	Storage Facility	2023	2022
Operating Revenue:			
Charges for Services:			
Water Supply Charges	\$ 3,267,459	\$ 3,267,459	\$ 2,995,965
Total Operating Revenue	<u>3,267,459</u>	<u>3,267,459</u>	<u>2,995,965</u>
Operating Expenses:			
Special and Contractual Services	977,779	977,779	1,434,970
Other Services	26,659	26,659	25,150
Depreciation	292,389	292,389	292,389
Total Operating Expenses	<u>1,296,827</u>	<u>1,296,827</u>	<u>1,752,509</u>
Operating Income	<u>1,970,632</u>	<u>1,970,632</u>	<u>1,243,456</u>
Nonoperating Revenues (Expenses):			
Interest Income	804,993	804,993	705,360
Realized Gain on Sales of Investments	446,627	446,627	832,913
Net Increase (Decrease) in Fair Value of Investments	(72,858)	(72,858)	(4,412,386)
Interest Expense	(238,881)	(238,881)	(259,412)
Total Nonoperating Revenues	<u>939,881</u>	<u>939,881</u>	<u>(3,133,525)</u>
Net Income Before Operating Transfers	2,910,513	2,910,513	(1,890,069)
Net Operating Transfers (Out)	<u>(2,159,625)</u>	<u>(2,159,625)</u>	<u>(1,846,254)</u>
Change in Net Position	750,888	750,888	(3,736,323)
Total Net Position - Beginning of Year	21,188,180	21,188,180	24,924,503
Total Net Position - End of Year	<u>\$ 21,939,068</u>	<u>\$ 21,939,068</u>	<u>\$ 21,188,180</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	Business-Type Activities	Totals (Memorandum Only)	
	Enterprise Fund	June 30,	June 30,
	Water Supply Storage Facilities	2023	2022
Cash Flows From Operating Activities:			
Cash Received from Water Supply Charges	\$ 3,222,619	\$ 3,222,619	\$ 3,008,827
Payments to Vendors and Suppliers	(1,461,422)	(1,461,422)	(1,360,020)
Net Cash Provided by Operations	<u>1,761,197</u>	<u>1,761,197</u>	<u>1,648,807</u>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers to Other Funds	<u>(2,159,625)</u>	<u>(2,159,625)</u>	<u>(1,846,254)</u>
Net Cash Used in Noncapital Financing Activities	<u>(2,159,625)</u>	<u>(2,159,625)</u>	<u>(1,846,254)</u>
Cash Flows from Capital and Related Financing Activities:			
Interest Paid	(271,731)	(271,731)	(271,731)
Interfund Payable	1,318,647	1,318,647	552,047
Principal Received	-	-	-
Principal Paid	<u>(589,412)</u>	<u>(589,412)</u>	<u>(589,412)</u>
Net Cash Used in Capital and Related Financing Activities	<u>457,504</u>	<u>457,504</u>	<u>(309,096)</u>
Cash Flows from Investing Activities:			
Interest Received	788,641	788,641	679,964
Sale (Purchase) of Investments, Net	7,163	7,163	(565,065)
Net Cash Provided by (Used in) Investing Activities	<u>795,804</u>	<u>795,804</u>	<u>114,899</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	854,880	854,880	(391,644)
Cash and Cash Equivalents-Beginning of Year	445,790	445,790	837,434
Cash and Cash Equivalents-End of Year	<u>\$ 1,300,670</u>	<u>\$ 1,300,670</u>	<u>\$ 445,790</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	<u>\$ 1,970,632</u>	<u>\$ 1,970,632</u>	<u>\$ 1,243,456</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Net Amortization	292,389	292,389	292,389
Changes in Operating Assets and Liabilities:			
Decrease in Accounts Receivable	(44,840)	(44,840)	12,862
(Increase) in Prepaid Expenses	(4,877)	(4,877)	6,250
Increase in Accounts Payable	(452,107)	(452,107)	93,850
Total Adjustments	<u>(209,435)</u>	<u>(209,435)</u>	<u>405,351</u>
Net Cash Provided by Operating Activities	<u>\$ 1,761,197</u>	<u>\$ 1,761,197</u>	<u>\$ 1,648,807</u>

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
 STATEMENTS OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2023
 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	Component Unit	
	OPEB Trust Fund	
	June 30, 2023	June 30, 2022
Assets		
Investments	4,430,998	\$ 3,995,699
Total Assets	\$ 4,430,998	\$ 3,995,699
Net Position Held in trust for OPEB Health Benefits	\$ 4,430,998	\$ 3,995,699

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Component Unit	
	OPEB Trust Fund	
	June 30, 2023	June 30, 2022
Additions		
Investment Income (Loss)	\$ 435,299	\$ (532,395)
Total Additions	435,299	(532,395)
Net Increase (Decrease)	435,299	(532,395)
Net Position Held in trust for OPEB health benefits		
Beginning of Year	3,995,699	4,528,094
End of Year	\$ 4,430,998	\$ 3,995,699

The accompanying notes are an integral part of the financial statements.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Delaware River Basin Commission (the "Commission") was formed in 1961 by agreement among the U.S. Government and the States of Delaware, New Jersey, New York, and the Commonwealth of Pennsylvania, for the purpose of developing and implementing plans, policies, and projects relating to the water resources of the Delaware River Basin.

The accompanying financial statements present the financial position of the Commission, the results of operations of the Commission and the various funds and fund types, and the cash flows of the proprietary fund. The financial statements are presented as of June 30, 2023 and for the year then ended.

A) Reporting Entity

Government accounting principles require the financial reporting entity to include the primary government, organizations for which the primary government is financially accountable and other organizations, for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Commission has one Fiduciary Component Unit.

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by signatory and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are financed by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Signatory revenues and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund, the proprietary fund, and the fiduciary fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Entity (Continued)

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 365 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred except debt service and net pension and OPEB liabilities, as under accrual accounting. Signatory revenues, operating grants, capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the Commission receives cash.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt issuance are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Commission reports the following governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from signatory revenues, state and federal grants, and fees for services. Many of the basic activities of the Commission are accounted for in this fund, including the daily operations of the Commission.
- The Special Projects Fund is used to account for specific revenue sources related to the provisions imposed by outside agencies or the Commission for services that are restricted to expenditures for those specified purposes.

The Commission's Water Supply Storage Facilities Fund is a proprietary fund. In the fund financial statements, the proprietary fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary fund is presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on its statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

The Commission's OPEB Trust Fund is a fiduciary fund component unit. The fiduciary fund is used to account for assets held by the Commission as trustee for and on behalf of individuals. The fiduciary fund consists of the Commission's OPEB plan for its employees. The Trust Fund is included in the financial reporting entity as a fiduciary fund because the Trust Fund is (1) considered to be a separate legal entity, (2) The Commission's Commissioners functions as the governing board of the Trust Fund, and (3) the Trust Fund imposes a financial burden on the Commission as it is legally obligating to make contributions to the Trust Fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than an expense.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Based on the accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Commission has opted to apply only the accounting and reporting pronouncements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989 for business-type activities and enterprise funds.

The Commission reports the following major proprietary fund:

- The Water Supply Storage Facilities Fund is used to account for the operations of the Water Storage Facility that is financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use unrestricted resources first, then restricted resources as they are needed for their intended purposes.

The financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

D) Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

The Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Due From (To) Other Funds."

DELAWARE RIVER BASIN COMMISSION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position (Continued)

3. Investments

Investments are reported at fair value based on quoted market prices.

4. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure and intangible assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Property, plant, equipment, infrastructure and intangible assets with initial, individual costs that equal or exceed \$500 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlay for capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following intended useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	40 to 60
Furniture and Equipment	3 to 20
Water Supply Storage Facilities	50

5. Allowance for Doubtful Accounts

Accounts receivable have been reported net of an allowance for doubtful accounts.

6. Accrued Vacation and Sick Time

The Commission had a liability of \$473,929 representing vacation and sick time earned by employees as of June 30, 2023. Of this amount, \$464,263 is reported as a liability of Governmental activities and \$9,666 is shown as a liability of Business-Type activities. In the government funds – balance sheet, liabilities of \$120,000 and \$24,850 were reflected in the General Fund and Special Projects Fund, respectively. In the Proprietary Fund Type Statements of Net Position, a liability of \$9,666 is reflected for its portion of accrued vacation and sick time.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position (Continued)

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

8. Advances

Advances reported in government-wide financial statements represent deferred revenues. The advances will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Advances reported in governmental fund financial statements represent deferred revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as advances. The Commission deems revenue received within 365 days of the year end to be available.

9. Net Position/Fund Balances

The government-wide and business-type activities fund financial statements utilize a net position presentation, classified as follows:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the Commission, not restricted for any project or other purpose.

The Commission has established a policy of classifying fund balances in accordance with GASB Statement No. 54 as follows:

- *Committed Fund Balance* – amounts constrained to specific purposes by the Commission itself, using the highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the highest level action to remove or change the constraint. The Commission does not have any of these funds.
- *Assigned Fund Balance* – amounts the Commission intends to use for a specific purpose. Presently amounts are assigned for compensatory time and vacation compensation.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position (Continued)

9. Net Position/Fund Balances (Continued)

- Unassigned Fund Balance – amounts that are available for any purpose. These amounts are reported only in the general fund.

Management of the Commission has the authority to express intended use of resources in the assignment of fund balance, whereas a Commission resolution is required to express intended use of resources that results in a commitment of fund balance.

10. Interfund Transactions

Quasi external transactions are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi external transactions and reimbursements, are recorded as transfers.

11. Deferred Inflows/Outflows of Resources

The Statement of Net Position reports separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then.

Deferred outflows and inflows of resources related to pension and OPEB are described further in Notes 6 and 7. The components of pension deferred outflows of resources are amortized into pension expense over a 6.44 year closed period, which reflects the weighted average remaining service life of all State of New Jersey Public Employees' Retirement System (PERS) members beginning the year in which the deferred amount occurs (current year). The components of deferred inflows, are amortized over a five-year closed period beginning the year in which the difference occurs (current year).

12. Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position (Continued)

13. OPEB

For purposes of measuring net OPEB liability, deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the OPEB Trust Fund and additions to/deductions from fiduciary net position have been determined based on an actuarial valuation. For this purpose, benefit payments (including refunds of employer contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

14. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

15. Adoption of Governmental Accounting Standards Board (GASB) Statements

The Commission adopted the provisions of GASB Statement No. 91 *Conduit Debt Obligations*.

The Commission adopted the provisions of GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

The Commission adopted the provisions of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*.

The Commission adopted the provisions of GASB Statement No. 99 *Omnibus 2022*.

The adoption of these GASB Statements did not result in modification of previously reported amounts.

16. Pending Governmental Accounting Standards Board (GASB) Statements

In June 2022 the GASB issued Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No 62*. The Commission is required to adopt Statement No. 100 for its fiscal year 2024 statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The Commission is required to adopt Statement No. 101 for its fiscal year 2025 statements.

The Commission has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 2: BUDGETS

The Commission's funds are under formal budgetary control as required by management of the Commission. The budget reflected in the financial statements was prepared generally on the same basis used to account for actual results and consists of those amounts contained in the formal budget, as approved and amended by the Delaware River Basin Board of Commissioners.

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS

The Commission has a written investment policy for the General Fund, Special Projects Fund, the Water Supply Storage Facilities Fund, and Integral Part Trust (for OPEBs). The policy provides guidance on the scope, general objectives, standards of care, safekeeping and custody, suitable and authorized investments, investment parameters, reporting and policy considerations, prohibited types of transactions and collateralization.

The policy provides for the General and Special Projects Funds the following authorized investments:

- A) U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value:
- B) Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1 or D-1);
- C) Investment grade obligations of the Compact Signatories; and
- D) Local government investment pools, either state administered or administered through joint power statutes and other intergovernmental agreement legislation.

The policy provides for the Water Supply Storage Facilities Fund that the target asset allocation will be 30% (+/-5%) allocated to equities and 70% (+/-5%) to fixed income securities and money market investments, and that the portfolio should be rebalanced to fall within the investment target at a minimum of every six (6) months.

Additionally, the Commissioners have authorized the Executive Director to utilize the services of professional asset managers. The Commission has retained the firms of Truist Advisory Services and Wilmington Trust Investment Management, LLC. These firms are currently managing the assets of the Water Supply Storage Facilities Fund that are in the Commission's name and in the custody of National Financial Services – a wholly owned subsidiary of Fidelity Investments and Wilmington Trust Company, respectively, consistent with the Commission's investment policy.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The following table shows the cash and investments of the Commission as of June 30, 2023 at fair value:

	General Fund	Special Projects Fund	Water Supply Storage Facilities Fund	OPEB Trust Fund	Totals
Cash and Cash Equivalents:					
Cash on Hand	\$ 124	\$ -	\$ -	\$ -	\$ 124
Cash - Wells Fargo Bank	1,115,557	142,251	31,389	-	1,289,197
Cash Equivalents - New Jersey Cash Management Fund	2,015,872	1,046,148	6,891	-	3,068,911
Cash Equivalents - Truist Investment Services	-	-	298,101	-	298,101
Cash Equivalents - Wilmington Trust Company	-	-	964,289	-	964,289
Total Cash and Cash Equivalents	<u>3,131,553</u>	<u>1,188,399</u>	<u>1,300,670</u>	<u>-</u>	<u>5,620,622</u>
Investments:					
Federal Obligations - Wells Fargo Investments	1,967,149	-	-	-	1,967,149
Federal Obligations - Truist Investment Services	-	-	2,876,779	-	2,876,779
Corporate Obligations - Truist Investment Services	-	-	6,898,638	-	6,898,638
Equities - Truist Investment Services	-	-	3,989,201	-	3,989,201
Subtotal Truist Investment Services	<u>-</u>	<u>-</u>	<u>13,764,618</u>	<u>-</u>	<u>13,764,618</u>
Federal Obligations - Wilmington Trust Company	-	-	5,767,425	-	5,767,425
Corporate Obligations - Wilmington Trust Company	-	-	2,959,221	-	2,959,221
Equities - Wilmington Trust Company	-	-	4,691,392	-	4,691,392
Subtotal Wilmington Trust Company	<u>-</u>	<u>-</u>	<u>13,418,038</u>	<u>-</u>	<u>13,418,038</u>
Government Securities- Vantagepoint OPEB Trust	-	-	-	1,506,539	1,506,539
Equities - Vantagepoint OPEB Trust	-	-	-	2,924,459	2,924,459
Subtotal Vantagepoint OPEB Trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,430,998</u>	<u>4,430,998</u>
Total Investments	<u>1,967,149</u>	<u>-</u>	<u>27,182,656</u>	<u>4,430,998</u>	<u>33,580,803</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 5,098,702</u>	<u>\$ 1,188,399</u>	<u>\$ 28,483,326</u>	<u>\$ 4,430,998</u>	<u>\$ 39,201,425</u>

Cash held at Wells Fargo Bank was in the name of the Commission and secured by a tri-party collateralization agreement. The collateral is held by the Bank of New York and is not in the Commission's name.

The New Jersey Cash Management Fund is a pooled fund managed by the State of New Jersey and is neither insured by a third party or collateralized.

Truist Investment Services cash equivalents are invested in a short-term Federal Government obligations fund.

Wilmington Trust Company cash equivalents are invested in a short-term fund comprised of both federal and corporate securities of the highest rating.

The following table shows the fair value of federal, state, municipal and corporate obligations held by maturity range of June 30, 2023:

	Corporate Obligations	Federal Obligations	Total
Maturity:			
Less than 1 year	\$ 1,933,770	\$ 3,094,778	\$ 5,028,548
1 to 5 years	4,732,606	5,691,899	10,424,505
5 to 10 years	3,191,483	1,824,676	5,016,159
Totals	<u>\$9,857,859</u>	<u>\$10,611,353</u>	<u>\$20,469,212</u>

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

.NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

The following table displays the fair value of corporate obligations, by Standard & Poor's rating as of June 30, 2023:

Corporate Obligations		
A1	\$1,429,676	14.50%
A2	2,246,428	22.80%
A3	1,963,660	19.92%
AAA	117,675	1.19%
AA2	100,580	1.02%
AA3	328,498	3.33%
BAA1	2,500,187	25.36%
BAA2	877,224	8.90%
BAA3	293,931	2.98%
Totals	\$9,857,859	100.00%

Equity Investments held by Truist Investment Services, Wilmington Trust Company (for the Commission's account with Wilmington Trust Investment Management Company, LLC) and ICMA-RC are unsecured and subject to market risk.

Investment Interest Rate Risks – Interest rate risk is the risk that the value of the Commission's Investments in debt obligations will decline due to changes in interest rates. The Commission's investment policy seeks to minimize interest rate risk by:

- a) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- b) Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investments pools.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized. The Commission's investment policy seeks to minimize custodial credit risk by:

- a) Limiting investments to the safest types of securities.
- b) Pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisers with which the Commission will do business.
- c) Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The Commission maintains several bank accounts at Wells Fargo Bank. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Additionally, these accounts are secured by a \$2,000,000 tri-party collateralization agreement. At no time during the year did the combined total of all bank accounts held at Wells Fargo Bank exceed the sum total of the FDIC insurance required collateralization.

Concentration of Credit Risk – The Commission's investment policy seeks to limit the concentration of credit risk through diversification by:

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 3: CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

- a) Limiting investments to avoid over-concentration in securities from a specific issuer (excluding U.S. Treasury securities).
- b) Limiting investment in securities that have high credit risks.

As of June 30, 2023, the Commission does not have an investment in any one issuer that represents 5% or more of its net assets, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pool and other pooled investments.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 4: CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1	\$ -	\$ -	\$ 1
Construction in Progress	-	5,150	-	5,150
Total Capital Assets Not Being Depreciated:	<u>\$ 1</u>	<u>\$ 5,150</u>	<u>\$ -</u>	<u>\$ 5,151</u>
Capital Assets Being Depreciated/Amortized:				
Intangible Assets	\$ -	\$ 278,640	\$ -	\$ 278,640
Building & Improvements	2,433,201	12,285	-	2,445,486
Furniture & Equipment	1,723,648	317,048	(51,921)	1,988,775
Total Capital Assets Being Depreciated/Amortized	<u>4,156,849</u>	<u>607,973</u>	<u>(51,921)</u>	<u>4,712,901</u>
Less: Accumulated Depreciation for:				
Intangible Assets	-	(25,542)	-	(25,542)
Building & Improvements	(1,623,908)	(62,974)	-	(1,686,882)
Furniture & Equipment	(1,539,523)	(64,180)	51,921	(1,551,782)
Total Accumulated Depreciation/Amortization	<u>(3,163,431)</u>	<u>(152,696)</u>	<u>51,921</u>	<u>(3,264,206)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>993,418</u>	<u>455,277</u>	<u>-</u>	<u>1,448,695</u>
Governmental Activities Capital Assets, Net	<u>\$ 993,419</u>	<u>\$ 460,427</u>	<u>\$ -</u>	<u>\$ 1,453,846</u>
Water Supply Storage Facilities:				
Capital Assets Being Depreciated:				
Water Supply Storage Facilities	\$21,074,316	\$ -	\$ -	\$21,074,316
Furniture & Equipment	153,015	-	-	153,015
Total Capital Assets Being Depreciated	21,227,331	-	-	21,227,331
Less: Accumulated Depreciation for:				
Water Supply Storage Facilities	(19,101,086)	(292,331)	-	(19,393,417)
Furniture & Equipment	(152,741)	(58)	-	(152,799)
Total Accumulated Depreciation	<u>(19,253,827)</u>	<u>(292,389)</u>	<u>-</u>	<u>(19,546,216)</u>
Business-Type Capital Assets Being Depreciated Net	<u>\$ 1,973,504</u>	<u>\$ (292,389)</u>	<u>\$ -</u>	<u>\$ 1,681,115</u>

Depreciation/amortization expense was charged to functions/programs of the Commission as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
General Government	\$ 2,678,423	\$ 119,879	\$ (51,921)	\$ 2,746,381
Special Projects	485,008	32,817	-	517,825
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 3,163,431</u>	<u>\$ 152,696</u>	<u>\$ (51,921)</u>	<u>\$ 3,264,206</u>
Business-Type Activities:				
Water Supply Storage Facilities	<u>\$19,253,827</u>	<u>\$ 292,389</u>	<u>\$ -</u>	<u>\$19,546,216</u>
Total Depreciation Expense - Business-Type Activities	<u>\$19,253,827</u>	<u>\$ 292,389</u>	<u>\$ -</u>	<u>\$19,546,216</u>

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 5: LONG-TERM LIABILITIES

Amount Due to U.S. Army Corps of Engineers

The Commission has agreed to reimburse the U.S. Army Corps of Engineers for costs related to the construction of the water supply storage facilities at the Beltzville and Blue Marsh Water Supply Storage projects. Repayment of the Beltzville project's cost requires annual payments of \$253,499 continuing through 2030. Repayment of the Blue Marsh Project requires annual payments of \$607,643 through 2028, and thereafter \$309,118 annually through 2038. These payments include interest at an average rate of approximately 3%. Interest expense is recognized over the terms of the obligations. The Commission is responsible for a yearly pro rata share of operational, maintenance, and replacement costs of these projects. Interest expense for the year ended June 30, 2023 was \$238,881. Water supply charges revenue and interest income are used to pay operating expenses and debt service.

A summary of changes in long-term liability obligations is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Other Liabilities					
Compensated Absences	\$ 455,970	\$ 8,293	\$ -	\$ 464,263	\$ 120,000
Lease Obligations	24,442	-	(15,404)	9,038	7,746
Total Other Liabilities	<u>480,412</u>	<u>8,293</u>	<u>(15,404)</u>	<u>473,301</u>	<u>127,746</u>
Governmental Activities Long-Term Liabilities	<u>\$ 480,412</u>	<u>\$ 8,293</u>	<u>\$ (15,404)</u>	<u>\$ 473,301</u>	<u>\$ 127,746</u>
Business-Type Activities:					
Bonds and Notes Payable:					
Due to Army Corps of Engineers	\$7,091,469	\$ -	\$ (617,736)	\$6,473,733	\$ 638,818
Total Bonds and Notes Payable	<u>7,091,469</u>	<u>-</u>	<u>(617,736)</u>	<u>6,473,733</u>	<u>638,818</u>
Other Liabilities:					
Compensated Absences	9,666	-	-	9,666	-
Total Other Liabilities	<u>9,666</u>	<u>-</u>	<u>-</u>	<u>9,666</u>	<u>-</u>
Business-Type Activities Long-Term Liabilities	<u>\$7,101,135</u>	<u>\$ -</u>	<u>\$ (617,736)</u>	<u>\$6,483,399</u>	<u>\$ 638,818</u>

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

An analysis of debt service requirements to maturity on the Bonds and Notes Payable is as follows:

Fiscal Years Ending June 30	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2024	\$ 638,818	\$ 222,325	\$ 861,143
2025	660,620	200,522	861,142
2026	683,169	177,974	861,143
2027	706,487	154,655	861,142
2028	730,581	130,539	861,120
2029 - 2033	1,658,454	394,133	2,052,587
2034 - 2038	1,395,604	149,985	1,545,589
	<u>\$ 6,473,733</u>	<u>\$ 1,430,133</u>	<u>\$ 7,903,866</u>

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 6: EMPLOYEE RETIREMENT PLAN

General Information about the Pension Plan

The Commission participates in the State of New Jersey Public Employees' Retirement System (PERS), a cost-sharing, multi-employer, contributory, defined-benefit plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Pension vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits described in Note 7.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. 1994, and Chapter 115, P.L. 1997, and requires contributions by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation.

During the fiscal year ended June 30, 2021 members contributed at a uniform rate of 7.5% of base salary.

Employer contributions are actuarially determined by PERS. The Commission's contribution requirements for the years ended June 30, 2022, 2021, and 2020 were \$471,824, \$502,288 and \$465,653, respectively.

Contact information for PERS is as follows:

State of New Jersey
Department of the Treasury
Division of Pensions & Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
(609) 292-7524

Benefits Provided

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 6: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Benefits Provided Continued

prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age of their respective tier.

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

At June 30, 2022, the Commission reported a liability of \$5,552,218 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022. The Commission's proportion of the net pension liability was based on the ratio of the Commission's contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021 and 2020. At the June 30, 2022 measurement date, the Commission's proportion was .0367906687%, which was a decrease of .0034977322%, from the previous year.

At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 40,073	\$ 35,339
Changes in Assumptions	17,203	831,387
Net Difference Between Projected and Actual		
Investment Earnings	229,801	-
Changes in Proportions	523,689	837,478
Contributions Subsequent to the Measurement Date	463,948	-
	\$ 1,274,714	\$ 1,704,204

The Commission reported \$463,948 as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	\$ (734,086)
2025	(373,992)
2026	(182,389)
2027	397,903
2028	(874)
	\$ (893,438)

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 6: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate Price	2.75%
Inflation Rate Wage	3.25%
Salary increases:	
Through 2026	2.75 – 6.55%
	based on years of service
Investment rate of return	7.00%

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 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.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with the New Jersey State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the NJ Directors of the Division of Investments and NJ Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.98%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US. treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 6: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. 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 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.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following represents the Commission's pro-rata share of the net pension liability as of June 30, 2022 and 2021 measurement dates, respectively, calculated using the discount rate described above as well as what the pro-rata share of the net pension 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:

	<u>At 1% decrease</u>	<u>At Current</u>	<u>Discount Rate</u>	<u>At 1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
June 30, 2022	\$ 5,607,740	\$ 5,552,218	\$ 5,552,218	\$ 5,496,696
June 30, 2021	\$ 4,820,493	\$ 4,772,765	\$ 4,772,765	\$ 4,725,037

NOTE 7: RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 6, the Commission provides retirement health care benefits in accordance with its policies and procedures to all employees with 25 or more years of service in PERS who retire from the Commission, employees who attain the age of 62 with 15 years of service and employees who retire on disability pensions. On July 20, 2005, the Commission adopted provisions of N.J.S.A.52:14-17.38 (Resolution 2005-14) under which public employers may agree to pay for State Health Benefit Programs coverage of certain retirees. Consistent with this provision, the Commission established classes of employees whose benefits will vary based on date of hire and years of credited service in PERS, as well as with the Commission. The adoption of these new provisions will have no impact on the benefits provided to retirees currently receiving said benefits or employees who earned benefits as provided for under the former rules prior to January 1, 2006.

DELAWARE RIVER BASIN COMMISSION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 7: RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

On June 30, 2021 Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	30
Active plan members	<u>31</u>
Total	<u><u>61</u></u>

On June 28, 2011, New Jersey Chapter 78, P.L. 2011 became effective. The law had no material effect on retirement health care benefits in the current year but impacted subsequent years, requiring employees to fund a portion of their health insurance premiums.

In July 2008 the Commission adopted a resolution for the minutes authorizing the procurement of actuarial services for the purpose of evaluating the cost of retirement health benefits of present and future retirees. Brown & Brown Consulting was hired to perform these services and in September 2008, issued the first actuarial valuation for the Commission's retiree health benefits program.

In 2009, the Commission opted for a funded plan and, as required, established an irrevocable trust to receive contributions to fund actuarially determined liabilities.

On October 22, 2009 the Commission adopted resolution 2009-9, authorizing the creation of an IRC Section 115 integral part trust and the utilization of an employer savings and investment program offered by ICMA Retirement Corporation. Also on October 22, 2009 the Commission adopted resolution 2009-10 to amend the Commission's investment policy to allow investment in an integral part trust for the exclusive purpose of funding postemployment health benefits.

On November 30, 2009 the Commission Integral Part Trust was established with ICMA Retirement Corporation.

In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 75 (GASB 75) requiring accounting and financial reporting for postemployment benefits. The Commission adopted GASB 75 for the fiscal year ended June 30, 2018.

On June 30, 2022 the Integral Part Trust had assets valued at \$3,995,699.

Investments: The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners. It is the policy of the Board of Commissioners to pursue an investment strategy that reduces risk through diversification of the portfolio by investing in several mutual funds. The following is the plan's target asset allocation as of June 30, 2022.

Asset Class	Target Allocation
Mutual Funds	<u>100%</u>
Total	<u><u>100%</u></u>

For the year ended June 30, 2022, the annual money-weighted return on investments, net of investment expense was -11.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note 3 to the financial statements for additional details on the plan's investments.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

The components of the net OPEB liability of the Plan at the June 30, 2022 measurement date were as follows:

Total Plan OPEB Liability	\$ 5,755,952
Plan Fiduciary Net Position	3,995,699
Plan's Net OPEB Liability	\$ 1,760,253

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability 69.4%

Actuarial Assumptions and Methods Used in the July 1, 2022 Valuation:

Economic Assumptions:

Discount Rate 6%

Health Care Cost Trend Rates

Year	Pre-65 Medical	Post-65 Medical	Pre-65 Prescription Drug	Post-65 Prescription Drug	Medicare Part B
2021	17.2%	5.3%	14.0%	6.1%	9.5%
2022	5.1%	4.5%	6.5%	6.5%	5.0%
2023	4.9%	4.5%	6.2%	6.2%	5.0%
2024	4.6%	4.5%	6.0%	5.0%	5.0%
2025	4.5%	4.5%	5.7%	5.7%	5.0%
2026	4.5%	4.5%	5.5%	5.5%	5.0%
2027	4.5%	4.5%	5.2%	5.2%	5.0%
2028	4.5%	4.5%	5.0%	5.0%	5.0%
2029	4.5%	4.5%	4.7%	4.7%	5.0%
2030 & Later	4.5%	4.5%	4.5%	4.5%	5.0%

Salary Increases 3.0%

Consumer Price Index (inflation) 2.5%

Benefit Assumptions:

Future retirees are assumed to remain in the same medical plan they were covered under while active. The Per Capita claims cost is based on retiree premiums in effect for the valuation year projected with a medical trend inflation rate of 3% to the valuation date.

Demographic Assumptions:

Mortality: U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male and Female Mortality Projected with Scale MP-2021.

Retirement Rates: Earlier of (i) age 65 with completion of 15 years of Commission service, or (ii) age 62 with completion of 10 years of Commission service with 25 years of PERS service.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Withdrawal: Turnover rates vary by age. Illustrative annual rates per 1000 are as follows:

<u>Years of Service</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
1	250	25	52.7
2	200	30	48.3
3	150	35	44.7
4	100	40	38.4
5	Age Rate	45	32.1
		50	15.2
		55	0
		60	0

Participation Rate: 100% of future retirees.

Spousal/Dependent Coverage: Future retirees will have spousal/dependent coverage upon retirement as they currently have. Current retiree spousal/dependent coverage information and spousal dates of births were provided by the Commission. Expenses: administrative expenses for reinsurance and medical and prescription drug costs are included in the above claims costs.

Decrement Timing: Mid-year.

Actuarial Cost Method: Entry Age Normal Cost Method

The unfunded actuarial accrued liability is amortized as a level dollar amount using an open period of 30 years.

The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current discount rate of 6.00%:

	<u>1% Decrease</u> <u>5.00%</u>	<u>Current Rate</u> <u>Discount Rate</u> <u>6.00%</u>	<u>1% Increase</u> <u>7.00%</u>
Commission's net OPEB liability	\$ 2,491,651	\$ 1,760,253	\$ 1,152,844

The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using healthcare trend rates that is 1% lower and 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1% Increase</u>
Commission's net OPEB liability	\$ 1,858,800	\$ 1,760,253	\$ 545,451

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the Commission recognized OPEB expense of (\$657,302). At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 1,386,364
Changes in Assumptions	157,145	-
Net Difference Between Projected and Actual Investment Earnings	245,708	-
Contributions Subsequent to Measurement	380,968	-
	\$ 783,821	\$ 1,386,364

The Commission reported \$380,968 as deferred outflows of resources related to contributions subsequent to the measurement date. This will be recognized as a reduction of net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	Amount
June 30,	
2024	\$ (446,977)
2025	(458,209)
2026	(239,142)
2027	160,817
2028	-
	\$ (983,511)

NOTE 8: OPERATING TRANSFERS

Interfund Transfers are executed as a result of the requirements for the General Fund to match a portion of the expenses of the other funds. Interfund operating transfers are as follows:

	Transfers From Other Funds	Transfers To Other Funds
Governmental Funds:		
General Fund	\$ 2,705,453	\$ 468,774
Special Projects Fund	468,774	545,828
Total Governmental Funds	3,174,227	1,014,602
Enterprise Fund:		
Water Supply Storage Facilities Fund	-	2,159,625
Total	\$ 3,174,227	\$ 3,174,227

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 9: SUBSCRIPTION LIABILITY

Pertinent information regarding subscription liabilities is presented below:

Governmental Activities:					
<u>Date of Issue</u>	<u>Initial Liability</u>	<u>Purpose</u>	<u>Outstanding Liability</u> <u>6/30/2023</u>	<u>Asset Value</u> <u>6/30/2023</u>	<u>Accumulated</u> <u>Amortization 6/30/2023</u>
7/1/2022	222,346	Accounting software	\$ 201,186	\$ 253,098	\$ 25,542

The future principal and interest subscription payments as of June 30, 2023 were as follows:

Governmental Activities			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,311	\$ 7,659	\$ 28,970
2025	22,313	6,604	28,917
2026	23,362	5,498	28,860
2027	24,460	4,341	28,801
2028	25,610	3,129	28,739
2029-2031	84,130	5,582	89,712
Total	\$ 201,186	\$32,813	\$ 233,999

NOTE 11: LITIGATION

The Commission is subject to litigation and threats of litigation arising out of its activities. In June of 2013 the Commission received notice from landowners asserting that they have been financially harmed as a result of the Commission's imposition of a moratorium on its consideration of natural gas well projects in shale formations in the Basin. The Commission believes the landowners' assertions are without merit, and if litigation is commenced, the Commission will vigorously defend. The amount or range of reasonably possible loss resulting from such litigation, if and when it is commenced, cannot reasonably be estimated at this time.

NOTE 12: SUBSEQUENT EVENTS

The Commission has evaluated subsequent events occurring after June 30, 2023 through the date of December 1, 2023, which is the date the financial statements were available to be issued.

Based on this evaluation, the Commission has determined that no subsequent events have occurred that require disclosures in the financial statements.

REQUIRED
SUPPLEMENTAL
INFORMATION

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS) GENERAL FUND
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Original Budget	Actual	Variance Final To Actual Favorable (Unfavorable)	Original Budget	Actual	Variance Final To Actual Favorable (Unfavorable)
Revenues:						
Signatory Party Contributions:						
State of Delaware	\$ 447,000	\$ 447,000	\$ -	\$ 447,000	\$ 447,000	\$ -
State of New Jersey	893,000	893,000	-	893,000	893,000	-
State of New York	359,500	359,500	-	359,500	359,500	-
Commonwealth of Pennsylvania	893,000	217,000	(676,000)	217,000	217,000	-
United States	715,000	715,000	-	715,000	-	(715,000)
Sale of Publications	2,000	521	(1,479)	2,000	576	(1,424)
Project Review Fees	309,400	490,885	181,485	308,200	460,341	152,141
Annual Fees	769,900	786,188	16,288	736,000	761,538	25,538
Interest Income	35,000	133,842	98,842	35,000	24,664	(10,336)
Fines, Assessments and Other Income	55,500	719,167	663,667	54,700	30,081	(24,619)
Total Revenues	<u>4,479,300</u>	<u>4,762,103</u>	<u>282,803</u>	<u>3,767,400</u>	<u>3,193,700</u>	<u>(573,700)</u>

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS) GENERAL FUND
YEARS ENDED JUNE 30, 2023 AND 2022
(CONTINUED)

	2023			2022		
	Original Budget	Actual	Variance Final To Actual Favorable (Unfavorable)	Original Budget	Actual	Variance Final To Actual Favorable (Unfavorable)
Expenditures						
Personal Services	\$ 3,039,600	\$ 2,498,550	\$ 541,050	\$ 2,879,300	\$ 2,299,531	\$ 579,769
Special and Contractual Services	544,400	429,462	114,938	951,500	415,909	535,591
Other Services	289,100	293,501	(4,401)	229,300	242,696	(13,396)
Supplies and Other Materials	70,000	63,038	6,962	70,000	77,387	(7,387)
Buildings and Grounds	1,640,400	495,217	1,145,183	406,700	151,112	255,588
Communications	57,400	58,427	(1,027)	72,300	50,548	21,752
Travel	87,000	40,124	46,876	81,000	23,458	57,542
Maintenance, Replacements, Acquisitions and Rentals	124,900	61,820	63,080	86,900	117,966	(31,066)
Fringe Benefits and Other Contributions	1,296,300	1,230,495	65,805	1,451,500	1,114,889	336,611
Total Expenditures	7,149,100	5,170,634	1,978,466	6,228,500	4,493,496	1,735,004
Excess of Revenues Over (Under) Expenditures	(2,669,800)	(408,531)	2,261,269	(2,461,100)	(1,299,796)	1,161,304
Other Financing Sources (Uses)						
Gain on asset disposal	-	1,000	1,000	-	500	500
Operating Transfers In	2,832,300	2,705,453	(126,847)	2,967,300	2,504,470	(462,830)
Operating Transfers Out	(362,500)	(468,774)	(106,274)	(506,200)	(468,835)	37,365
Total Other Financing Sources (Uses)	2,469,800	2,237,679	(232,121)	2,461,100	2,036,135	(424,965)
Net Change in Fund Balances	(200,000)	1,829,148	2,029,148	-	736,339	736,339
Fund Balances-Beginning of Year	5,421,603	5,421,603	-	4,685,264	4,685,264	-
Fund Balances-End of Year	\$ 5,221,603	\$ 7,250,751	\$ 2,029,148	\$ 4,685,264	\$ 5,421,603	\$ 736,339

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
STATE OF NEW JERSEY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last 10 Fiscal Years*
(Dollar Amounts in Thousands)

Measurement Date, June 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commission's proportion of the net pension liability	0.0367906687%	0.0402884009%	0.0369238230%	0.0378441393%	0.0419775500%	0.0389675787%	0.0427852444%	0.0400999473%	0.0431396436%
Commission's proportionate share of the net pension liability	\$ 5,552,218	\$ 4,772,765	\$ 6,021,310	\$ 6,818,940	\$ 8,265,170	\$ 9,071,029	\$ 12,671,762	\$ 9,001,635	\$ 8,076,921
Commission's covered payroll	\$ 2,983,625	\$ 2,754,209	\$ 2,833,322	\$ 2,681,858	\$ 2,807,159	\$ 2,856,105	\$ 2,809,302	\$ 2,918,162	\$ 2,952,152
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	186.09%	173.29%	212.52%	254.26%	294.43%	317.60%	451.06%	308.47%	273.59%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	70.33%	58.32%	43.73%	40.39%	36.78%	31.20%	47.93%	52.08%

*The amounts presented for the fiscal year were determined as of the calendar year-end (12/31) that occurred within the fiscal year. The Commission adopted GASB 68 on a prospective basis in fiscal year 2015; therefore only nine years are presented in the above schedule.

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF COMMISSION'S CONTRIBUTIONS PENSION PLAN
STATE OF NEW JERSEY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

	Last 10 Fiscal Years*								
	(Dollar Amounts in Thousands)								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 463,948	\$ 471,824	\$ 502,288	\$ 465,653	\$ 512,203	\$ 417,541	\$ 360,993	\$ 380,098	\$ 344,752
Contributions in relation to the contractually required contribution	<u>(463,948)</u>	<u>(471,824)</u>	<u>(502,288)</u>	<u>(465,653)</u>	<u>(512,203)</u>	<u>(417,541)</u>	<u>(360,993)</u>	<u>(380,098)</u>	<u>(344,752)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered payroll	\$ 3,016,265	\$ 2,983,625	\$ 2,754,209	\$ 2,833,322	\$ 2,681,858	\$ 2,807,159	\$ 2,856,105	\$ 2,809,302	\$ 2,918,162
Contributions as a percentage of covered payroll	15.38%	15.81%	18.24%	16.43%	19.10%	14.87%	12.64%	13.53%	11.81%

*The Commission adopted GASB 68 on a prospective basis in fiscal year 2015; therefore only nine years are presented in the above schedule.

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	June 30, 2022 Measurement Date	June 30, 2021 Measurement Date	June 30, 2020 Measurement Date	June 30, 2019 Measurement Date	June 30, 2018 Measurement Date	June 30, 2017 Measurement Date
TOTAL OPEB LIABILITY						
Service cost	\$ 109,081	\$ 162,270	\$ 157,544	\$ 116,776	\$ 113,375	\$ 113,375
Interest	335,107	401,236	389,468	517,051	500,974	355,883
Amortization	-	-	-	-	-	383,200
Actuarial assumption changes	-	(343,177)	907,627	-	-	-
Actuarial demographic (gain) or loss	-	(914,120)	(2,094,727)	-	-	-
Benefit payments	(358,400)	(351,365)	(360,607)	(409,031)	(363,324)	(381,053)
NET CHANGE IN TOTAL OPEB LIABILITY	85,788	(1,045,156)	(1,000,695)	224,796	251,025	471,405
Total OPEB liability, beginning	5,670,164	6,715,320	7,716,015	7,491,219	7,240,194	6,768,789
TOTAL OPEB LIABILITY, ENDING (a)	\$ 5,755,952	\$ 5,670,164	\$ 6,715,320	\$ 7,716,015	\$ 7,491,219	\$ 7,240,194
PLAN FIDUCIARY NET POSITION						
Contributions						
Employer	\$ 358,400	\$ 395,506	\$ 395,506	\$ 477,194	\$ 113,870	\$ 194,400
Benefit payments	(358,400)	(351,365)	(360,607)	(409,031)	-	-
Net investment income (loss)	(532,395)	954,270	111,252	165,515	211,953	293,884
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(532,395)	998,411	146,151	233,678	325,823	488,284
Plan fiduciary net position, beginning	4,528,094	3,529,683	3,383,532	3,149,854	2,824,031	2,335,747
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ 3,995,699	\$ 4,528,094	\$ 3,529,683	\$ 3,383,532	\$ 3,149,854	\$ 2,824,031
NET OPEB LIABILITY, ENDING (a)-(b)	\$ 1,760,253	\$ 1,142,070	\$ 3,185,637	\$ 4,332,483	\$ 4,341,365	\$ 4,416,163
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	69.42%	79.86%	52.56%	43.85%	42.05%	39.00%
COVERED PAYROLL	\$ 3,030,263	\$ 2,801,732	\$ 2,945,853	\$ 2,688,770	\$ 2,786,936	\$ 2,954,742
NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	58.09%	40.76%	108.14%	161.13%	155.78%	149.46%

*The Commission adopted GASB 75 on a prospective basis in fiscal year 2018; therefore only six years are presented in the above schedule.

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF COMMISSION'S CONTRIBUTIONS
OPEB PLAN

	Last 10 Fiscal Years*					
	(Dollar Amounts in Thousands)					
	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 198,596	\$ 198,596	\$ 395,506	\$ 395,506	\$ 477,194	\$ 477,194
Contributions in relation to the contractually required contribution	<u>380,968</u>	<u>358,400</u>	<u>395,506</u>	<u>395,506</u>	<u>488,270</u>	<u>466,118</u>
Contribution deficiency (excess)	<u>\$ (182,372)</u>	<u>\$ (159,804)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,076)</u>	<u>\$ 11,076</u>
Commission's covered payroll	\$ 3,068,488	\$ 3,030,263	\$ 2,801,732	\$ 2,945,853	\$ 2,688,770	\$ 2,786,936
Contributions as a percentage of covered payroll	12.42%	11.83%	14.12%	13.43%	18.16%	16.73%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar amount
Amortization Period	30 years
Asset Valuation Method	Market value
Inflation	2.50%
Healthcare Cost Trend Rates	7.50%
Salary Increases	3.00%
Investment Rate of Return	6.00%
Retirement Age	65
Mortality	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male and Female Mortality Projected with Scale MP-2021.

*The Commission adopted GASB 75 on a prospective basis in fiscal year 2018; therefore only six years are presented in the above schedule.

DELAWARE RIVER BASIN COMMISSION
 SCHEDULE OF INVESTMENT RETURNS
 OPEB PLAN

	Last 10 Fiscal Years*					
	2023*	2022*	2021*	2020*	2019*	2018*
Annual money-weighted rate of return, net of investment expense	-11.80%	-12.50%	26.70%	3.30%	5.25%	7.50%

*The Commission adopted GASB 75 on a prospective basis in fiscal year 2018; therefore only six years are presented in the above schedule.

STATISTICAL
SECTION
UNAUDITED

DELAWARE RIVER BASIN COMMISSION
NET POSITION (DEFICIT) BY COMPONENT
(ACCRUAL BASIS OF ACCOUNTING)
LAST SIX FISCAL YEARS - UNAUDITED

	Fiscal Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Government-wide Activities						
Net Investment in Capital Assets	\$ 1,243,622	\$ 968,977	\$ 981,370	\$ 1,084,206	\$ 1,217,649	\$ 1,276,910
Restricted	-	-	-	-	-	-
Unrestricted	(1,421,423)	(4,915,268)	(7,399,768)	(9,214,081)	(9,675,333)	(10,394,486)
Total Governmental Activities Net Position	<u>\$ (177,801)</u>	<u>\$ (3,946,291)</u>	<u>\$ (6,418,398)</u>	<u>\$ (8,129,875)</u>	<u>\$ (8,457,684)</u>	<u>\$ (9,117,576)</u>
Business-Type Activities						
Net Investment in Capital Assets	\$ (4,792,618)	\$ (5,117,965)	\$ (5,422,925)	\$ (6,023,326)	\$ (5,778,681)	\$ (6,100,775)
Unrestricted	26,731,686	26,306,145	30,347,428	28,168,896	27,075,453	26,038,560
Total Business-Type Activities Net Position	<u>\$ 21,939,068</u>	<u>\$ 21,188,180</u>	<u>\$ 24,924,503</u>	<u>\$ 22,145,570</u>	<u>\$ 21,296,772</u>	<u>\$ 19,937,785</u>
Commission-Wide						
Net Investment in Capital Assets	\$ (3,548,996)	\$ (4,148,988)	\$ (4,441,555)	\$ (4,939,120)	\$ (4,561,032)	\$ (4,823,865)
Restricted	-	-	-	-	-	-
Unrestricted	25,310,263	21,390,877	22,947,660	18,954,815	17,400,120	15,644,074
Total Commission Net Position	<u>\$ 21,761,267</u>	<u>\$ 17,241,889</u>	<u>\$ 18,506,105</u>	<u>\$ 14,015,695</u>	<u>\$ 12,839,088</u>	<u>\$ 10,820,209</u>

DELAWARE RIVER BASIN COMMISSION
 CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)
 LAST SIX FISCAL YEARS - UNAUDITED

	Fiscal Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Expenses:						
Primary Government:						
General Government	\$ 1,609,878	\$ 1,388,496	\$ 1,740,821	\$ 2,588,651	\$ 2,279,239	\$ 2,942,273
Water Resource Management	851,786	639,326	539,575	719,673	866,377	994,062
Water Resource Operations	513,015	467,536	193,145	533,477	282,418	371,985
Science and Water Quality Management	223,796	227,902	332,016	249,852	739,166	754,676
Special Projects	1,949,171	2,072,438	2,167,379	2,145,795	2,021,271	1,393,521
Total Government Activities	<u>5,147,646</u>	<u>4,795,698</u>	<u>4,972,936</u>	<u>6,237,448</u>	<u>6,188,471</u>	<u>6,456,517</u>
Business-Type Activities:						
Water Supply Storage Facilities	1,535,708	2,011,921	1,947,603	1,482,030	1,851,664	1,175,513
Total Business-Type Activities	<u>1,535,708</u>	<u>2,011,921</u>	<u>1,947,603</u>	<u>1,482,030</u>	<u>1,851,664</u>	<u>1,175,513</u>
Total Primary Government	<u>\$ 6,683,354</u>	<u>\$ 6,807,619</u>	<u>\$ 6,920,539</u>	<u>\$ 7,719,478</u>	<u>\$ 8,040,135</u>	<u>\$ 7,632,030</u>
Program Revenues:						
Government Activities:						
Charges for Services:						
Regulatory Program Fees	\$ 1,286,336	\$ 1,221,879	\$ 1,164,429	\$ 1,181,385	\$ 1,249,386	\$ 1,377,686
Operating Grants and Contributions	1,993,408	2,227,351	1,934,693	2,004,338	1,918,156	1,164,090
Total Government Activities Program Revenue	<u>3,279,744</u>	<u>3,449,230</u>	<u>3,099,122</u>	<u>3,185,723</u>	<u>3,167,542</u>	<u>2,541,776</u>
Business-Type Activities:						
Charges for Services:						
Water Supply Storage Facilities	3,267,459	2,995,965	2,902,694	2,872,561	3,303,459	3,195,232
Total Business-Type Activities Program Revenue	<u>3,267,459</u>	<u>2,995,965</u>	<u>2,902,694</u>	<u>2,872,561</u>	<u>3,303,459</u>	<u>3,195,232</u>
Total Commission Program Revenues	<u>\$ 6,547,203</u>	<u>\$ 6,445,195</u>	<u>\$ 6,001,816</u>	<u>\$ 6,058,284</u>	<u>\$ 6,471,001</u>	<u>\$ 5,737,008</u>

DELAWARE RIVER BASIN COMMISSION
CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)
LAST SIX FISCAL YEARS - UNAUDITED
(CONTINUED)

	Fiscal Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Net (Expense)/Revenue:						
Governmental Activities	\$ (1,867,902)	\$ (1,346,468)	\$ (1,873,814)	\$ (3,051,725)	\$ (3,020,929)	\$ (3,914,741)
Business-Type Activities	1,731,751	984,044	955,091	1,390,531	1,451,795	2,019,719
Total Commission-Wide Net Expense	<u>\$ (136,151)</u>	<u>\$ (362,424)</u>	<u>\$ (918,723)</u>	<u>\$ (1,661,194)</u>	<u>\$ (1,569,134)</u>	<u>\$ (1,895,022)</u>
General Revenues and Other Changes in Net Position:						
Governmental Activities:						
Grants and Contributions Net						
Restricted to Special Programs	2,631,500	1,916,500	1,716,500	1,594,755	1,716,500	1,716,500
Investment Earnings	133,842	24,664	20,129	72,870	81,246	43,656
Miscellaneous Income	711,425	31,157	48,969	13,588	32,348	31,767
Transfers	2,159,625	1,846,254	1,799,693	1,698,321	1,850,727	2,029,346
Total Governmental Activities	<u>5,636,392</u>	<u>3,818,575</u>	<u>3,585,291</u>	<u>3,379,534</u>	<u>3,680,821</u>	<u>3,821,269</u>
Business-Type Activities:						
Investment Earnings	1,178,762	(2,874,113)	3,623,535	1,156,588	1,757,919	697,001
Transfers	(2,159,625)	(1,846,254)	(1,799,693)	(1,698,321)	(1,850,727)	(2,029,346)
Total Business-Type Activities	<u>(980,863)</u>	<u>(4,720,367)</u>	<u>1,823,842</u>	<u>(541,733)</u>	<u>(92,808)</u>	<u>(1,332,345)</u>
Total Commission-Wide	<u><u>\$ 4,655,529</u></u>	<u><u>\$ (901,792)</u></u>	<u><u>\$ 5,409,133</u></u>	<u><u>\$ 2,837,801</u></u>	<u><u>\$ 3,588,013</u></u>	<u><u>\$ 2,488,924</u></u>
Changes in Net Position:						
Governmental Activities	\$ 3,768,490	\$ 2,472,107	\$ 1,711,477	\$ 327,809	\$ 659,892	(93,472)
Cumulative Changes	-	-	-	-	-	(4,433,042)
Subtotal Governmental Activities	<u>\$ 3,768,490</u>	<u>\$ 2,472,107</u>	<u>\$ 1,711,477</u>	<u>\$ 327,809</u>	<u>\$ 659,892</u>	<u>\$ (4,526,514)</u>
Business-Type Activities	<u>750,888</u>	<u>(3,736,323)</u>	<u>2,778,933</u>	<u>848,798</u>	<u>1,358,987</u>	<u>687,374</u>
Total Commission	<u><u>\$ 4,519,378</u></u>	<u><u>\$ (1,264,216)</u></u>	<u><u>\$ 4,490,410</u></u>	<u><u>\$ 1,176,607</u></u>	<u><u>\$ 2,018,879</u></u>	<u><u>\$ (3,839,140)</u></u>

DELAWARE RIVER BASIN COMMISSION
 FUND BALANCES - GOVERNMENTAL FUNDS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 LAST SIX FISCAL YEARS - UNAUDITED

	Fiscal Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
General Fund:						
Committed/Assigned	\$ 1,024,507	\$ 500,000	\$ -	\$ 300,000	\$ 300,000	\$ 361,534
Unassigned	<u>6,226,244</u>	<u>4,921,603</u>	<u>4,685,264</u>	<u>3,715,563</u>	<u>3,609,078</u>	<u>3,588,110</u>
Total General Fund	<u>\$ 7,250,751</u>	<u>\$ 5,421,603</u>	<u>\$ 4,685,264</u>	<u>\$ 4,015,563</u>	<u>\$ 3,909,078</u>	<u>\$ 3,949,644</u>
All Other Governmental Funds:						
Unreserved, Reported In:						
Special Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELAWARE RIVER BASIN COMMISSION
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN YEARS - UNAUDITED

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Signatory Party Contributions:										
State of Delaware	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 468,456
State Of New Jersey	893,000	893,000	693,000	571,255	693,000	693,000	693,000	694,505	698,113	704,926
State of New York	359,500	359,500	359,500	359,500	359,500	359,500	359,500	359,500	359,500	246,000
Commonwealth of Pennsylvania	381,992	349,999	353,634	365,619	348,435	332,437	552,372	548,320	549,780	1,141,837
United States	1,482,498	648,706	681,560	595,531	700,847	503,237	432,401	869,793	859,461	681,780
Sale of Publications	521	576	919	874	1,268	1,012	1,726	2,707	2,778	2,444
Regulatory Program Fees	1,277,073	1,221,879	1,164,429	1,117,540	1,219,817	1,275,464	1,182,934	839,249	598,629	491,844
Investment Income	133,842	24,664	20,129	72,870	81,246	44,914	23,429	13,975	-	-
Compliance Revenue and Other Income	1,780,085	1,475,727	1,164,549	1,354,962	1,146,523	677,135	781,364	727,441	696,287	837,510
Total Revenues	6,755,511	5,421,051	4,884,720	4,885,151	4,997,636	4,333,699	4,473,726	4,502,490	4,211,548	4,574,797
Expenditures:										
Personnel Services	3,160,512	3,119,661	2,887,136	2,996,865	2,947,585	2,999,831	3,080,695	2,961,430	3,011,603	3,133,111
Special and Contractual Services	1,324,475	1,199,098	1,166,778	1,331,613	1,604,657	1,086,958	1,127,070	1,023,993	955,814	1,087,400
Other Services	308,286	253,273	227,595	224,656	224,761	228,870	160,977	168,348	165,871	153,532
Supplies and Materials	72,445	88,216	51,056	80,156	94,306	92,138	87,504	58,183	47,237	67,254
Buildings and Grounds	495,217	153,065	125,599	149,677	161,496	220,557	304,624	236,561	202,329	271,377
Communications	62,402	56,742	69,393	79,986	60,044	45,035	39,603	34,748	26,274	27,439
Travel	46,182	31,165	7,314	38,025	63,747	79,962	51,155	59,165	61,060	62,849
Maintenance, Replacements										
Acquisitions and Rentals	68,297	118,133	59,043	70,767	64,886	80,661	63,937	199,693	145,549	109,320
Fringe Benefits and Other Contributions	1,549,172	1,512,113	1,443,771	1,543,973	1,667,447	1,662,838	1,793,466	1,717,912	1,762,944	1,768,082
Total Expenditures	7,086,988	6,531,466	6,037,685	6,515,718	6,888,929	6,496,850	6,709,031	6,460,033	6,378,681	6,680,364
Excess/(Deficiency) of Revenues										
Over/(Under) Expenditures	(331,477)	(1,110,415)	(1,152,965)	(1,630,567)	(1,891,293)	(2,163,151)	(2,235,305)	(1,957,543)	(2,167,133)	(2,105,567)
Other Financing Sources/(Uses):										
Capital Lease Proceeds	-	-	22,973	38,731	-	-	-	-	-	-
Gain on Asset Disposal	1,000	500	-	-	-	-	-	-	-	-
Operating Transfers In	3,174,227	2,973,305	3,185,258	2,900,438	2,557,054	2,286,782	2,942,275	2,793,991	2,262,609	2,619,017
Operating Transfer (Out)	(1,014,602)	(1,127,051)	(1,385,565)	(1,202,117)	(706,327)	(257,436)	(1,081,835)	(891,097)	(336,139)	(753,083)
Total Other Financing Sources and Uses	2,160,625	1,846,754	1,822,666	1,737,052	1,850,727	2,029,346	1,860,440	1,902,894	1,926,470	1,865,934
Net Change in Fund Balances	\$ 1,829,148	\$ 736,339	\$ 669,701	\$ 106,485	\$ (40,566)	\$ (133,805)	\$ (374,865)	\$ (54,649)	\$ (240,663)	\$ (239,633)

DELAWARE RIVER BASIN COMMISSION
 OUTSTANDING DEBT BY TYPE
 LAST TEN YEARS - UNAUDITED

Fiscal Year Ended June 30,	Business-Type Activities Due to U.S. Army Corps of Engineers	Government Fund Type Capital Lease	Total
2023	\$ 6,473,733	\$ 9,038	\$ 6,482,771
2022	7,091,469	24,442	7,115,911
2021	7,688,818	39,845	7,728,663
2020	8,646,186	33,567	8,679,753
2019	8,825,033	6,826	8,831,859
2018	9,569,610	17,915	9,587,525
2017	9,887,503	29,007	9,916,510
2016	10,583,426	40,094	10,623,520
2015	11,065,397	51,183	11,116,580
2014	11,531,473	-	11,531,473

SUPPLEMENTAL
SCHEDULES
UNAUDITED

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF ACTIVE SPECIAL PROJECTS - UNAUDITED
THROUGH JUNE 30, 2023

	USGS Monitors 301	PEMA Middle Delaware 321	Groundwater Pennsylvania Protected Area 302	Port Jarvis Ice Flow Maintenance Project 303	NFWF Microplastics 304_MIC	NFWF Algal Composition and Dissolved Oxygen 304_ALG	NFWF DSS 304_DWCF-20	Wm. Penn Foundation Outreach 312_OUT	NFWF DWCF 304_DWCF-21	NFWF DWCF 304_DWCF-22	Page Total
Cumulative Expenditures from Date of Inception Through 6/30/2022	\$ 5,140,489	\$ -	\$ 7,334,464	\$ 10,503	\$ 60,305	\$ 78,522	\$ 122,209	\$ 530,000	\$ 356,974	\$ 221,046	13,854,512
Current Fiscal Year											
Expenditures and Encumbrances:											
Personal Services	-	373	71,674	-	-	2,372	21,286	-	50,959	153,562	300,226
Special and Contractual Services	173,099	-	-	-	-	15,662	29,113	-	39,430	-	257,304
Supplies, Materials and Equipment	-	-	55	115	-	-	101	-	298	5,183	5,752
Travel and Communications	-	-	-	-	-	-	-	-	3,112	(40)	3,072
Fringe Benefits	-	183	33,193	-	-	1,072	10,112	-	25,010	75,367	144,937
Transfers and Refunds	-	313	60,070	-	149	(8,774)	17,179	(14,400)	23,343	131,420	209,300
Total Current Fiscal Year	173,099	869	164,992	115	149	10,332	77,791	(14,400)	142,152	365,492	920,591
Total Expenditures from Date of Inception Through June 30, 2023	5,313,588	869	7,499,456	10,618	60,454	88,854	200,000	515,600	499,126	586,538	14,775,103
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
Total Funding Awarded for Project	5,356,378	150,000	7,575,645	106,158	60,454	88,854	200,000	515,600	499,126	866,938	15,419,153
Funding Available to Complete Project	\$ 42,790	\$ 149,131	\$ 76,189	\$ 95,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,400	\$ 644,050

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF ACTIVE SPECIAL PROJECTS - UNAUDITED
THROUGH JUNE 30, 2023
(CONTINUED)

	PPL Ash Spill Settlement 309	Sec. 106 Water Pollution Control Grant 310	WPF Our Shared Waters II 312_OSW	PA DECZM Sea Level Rise 313	PACZM PFAS Year2 316_B	PEMA Flood Mitigation 315	PACZM PFAS Year1 316	ANS Lower Basin Assessment 317	PDE BIL Enhanced Toxics & Ecs Monitoring 322_TOX	Nutrient Monitoring of Discharges 9907	WPF Novel Bacteria Monitoring 320	Totals
Cumulative Expenditures from Date of Inception Through 6/30/2022	\$ 388,492	\$ 824,590	\$ 166,755	\$ 101,098	\$ -	\$ 114,503	\$ 49,576	\$ 20,000	\$ -	\$ 71,588	\$ 32,332	\$ 15,623,446
Current Fiscal Year:												
Expenditures and Encumbrances:												
Personal Services	7,259	273,493	42,006	3,224	2,491	11,193	3,999	1,827	239	-	16,005	661,962
Special and Contractual Services	52,665	476,622	53,633	-	-	(10)	15,400	-	-	-	39,400	895,014
Supplies, Materials and Equipment	13	15,229	9,675	-	-	-	-	-	-	-	-	30,669
Travel and Communications	82	5,191	1,688	-	-	-	-	-	-	-	-	10,033
Fringe Benefits	3,563	130,384	20,782	1,601	1,223	5,328	1,986	897	118	-	7,855	318,674
Transfers and Refunds	6,139	(133,421)	34,861	(30,923)	(3,714)	8,986	(20,415)	1,531	200	-	4,508	77,052
Total Current Fiscal Year	69,721	767,498	162,645	(26,098)	-	25,497	970	4,255	557	-	67,768	1,993,404
Total Expenditures from Date of Inception Through June 30, 2023	458,213	1,592,088	329,400	75,000	-	140,000	50,546	24,255	557	71,588	100,100	17,616,850
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Total Funding Awarded for Project	952,150	1,991,000	329,400	75,000	50,000	140,000	50,546	30,000	100,000	75,000	100,100	19,312,349
Funding Available to Complete Project	\$ 493,937	\$ 398,912	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 5,745	\$ 99,443	\$ 3,412	\$ -	\$ 1,695,499

DELAWARE RIVER BASIN COMMISSION
GENERAL FUND EXPENDITURES -
BY CATEGORY AND OBJECT UNAUDITED
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
(MODIFIED ACCRUAL BASIS)

	<u>2023</u>	<u>2022</u>
Personnel Services	\$ 2,498,550	\$ 2,299,531
Special and Contractual Services:		
Auditing	16,750	16,750
Computer and Financial	311,697	16,002
All Other Special and Contractual Services	<u>379,655</u>	<u>383,157</u>
Total Special and Contractual Services	<u>708,102</u>	<u>415,909</u>
Other Services:		
Insurance	200,450	177,509
Memberships	27,131	23,720
All Other	<u>65,920</u>	<u>41,467</u>
Total Other Services	<u>293,501</u>	<u>242,696</u>
Supplies and Materials:		
Office	<u>63,038</u>	<u>77,387</u>
Total Supplies and Materials	<u>63,038</u>	<u>77,387</u>
Buildings and Grounds	<u>495,217</u>	<u>151,112</u>
Communications:		
Postage	2,958	3,495
Telephone and Other	<u>55,469</u>	<u>47,053</u>
Total Communications	<u>58,427</u>	<u>50,548</u>
Travel:		
Travel	31,204	15,997
Commission Meeting Expense	<u>8,920</u>	<u>7,461</u>
Total Travel	<u>40,124</u>	<u>23,458</u>
Maintenance, Replacements, Acquisitions and Rentals:		
Office Equipment	3,228	4,587
Vehicular Equipment	58,113	113,018
Office Equipment Rental	<u>479</u>	<u>361</u>
Total Maintenance, Replacements, Acquisitions and Rentals	<u>61,820</u>	<u>117,966</u>
Fringe Benefits and Other Contributions:		
Employees' Retirement	671,878	693,044
Social Security	181,338	226,602
Health and Dental Benefits	355,615	163,133
Unemployment Compensation	4,268	8,942
Long-Term Disability	12,761	13,491
Other Fringes	<u>4,635</u>	<u>9,677</u>
Total Fringe Benefits and Other Contributions	<u>1,230,495</u>	<u>1,114,889</u>
Total General Fund Expenditures	<u>\$ 5,449,274</u>	<u>\$ 4,493,496</u>

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF CHANGES IN SPECIAL PROJECTS
ADVANCE/(RECEIVABLE) BALANCE - BY PROJECT - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023

Advances:	Project	Balance July 1, 2022	Cash Receipts	Transfers	Expenditures	Balance June 30, 2023
301	USGS Monitors	\$ 44,609	\$ 171,280	\$ -	\$ (173,099)	\$ 42,790
302	Groundwater-PA Protected Area	87,182	154,000	(60,070)	(104,922)	76,190
303	Upper Delaware Ice Jam	92,226	3,428	-	(115)	95,539
309	PPL Ash Spill	563,658	-	(6,139)	(63,582)	493,937
312_OSW	WPF Our Shared Waters II	148,246	-	(20,462)	(127,784)	-
315	PEMA Flood Mitigation	25,497	-	(8,986)	(16,511)	-
320	WPF Novel Bacteria Monitoring	67,768	-	(4,508)	(63,260)	-
9906	Flow and Temperature Modeling	16,622	-	-	-	16,622
9907	Nutrient Monitoring of Discharges	3,412	-	-	-	3,412
	Total Advances	<u>\$ 1,049,220</u>	<u>\$ 328,708</u>	<u>\$ (100,165)</u>	<u>\$ (549,273)</u>	<u>\$ 728,490</u>

Accounts Receivable:

310	Water Pollution Control Grant	\$ (290,323)	\$ 922,375	\$ 133,421	\$ (900,919)	\$ (135,446)
304_MIC	NFWF Microplastics	(36,781)	36,930	(149)	-	-
304_ALG	NFWF Algal Composition and Dissolved Oxygen	(18,591)	18,591	8,774	(19,106)	(10,332)
304_DSS	NFWF DSS	(6,579)	6,579	-	-	-
304_DWCF-20	NFWF DWCF 2020	(16,011)	25,012	(17,179)	(60,612)	(68,790)
304_DWCF-21	NFWF DWCF 2021	(356,974)	479,009	(23,343)	(118,809)	(20,117)
304_DWCF-22	NFWF DWCF 2022	(221,046)	464,824	(131,420)	(234,072)	(121,714)
313	PA Sea Level Rise Study	(26,096)	-	30,923	(4,827)	-
314	PA Designated Use	(35,048)	35,048	-	-	-
316	PACZM PFAS Year 1	(15,975)	15,975	20,415	(21,385)	(970)
316_B	PACZM PFAS Year 2	-	-	3,714	(3,714)	-
317	ANS Lower Basin Assessment	(20,000)	20,000	(1,531)	(2,724)	(4,255)
318	PDE Technical Report	(5,000)	5,000	-	-	-
321	PEMA Middle Delay	-	-	(313)	(556)	(869)
322_TOX	PDE BIL - Enhanced Toxics & ECs monitoring Yr1-2	-	-	(200)	(357)	(557)
	Total Accounts Receivable	<u>\$ (1,048,424)</u>	<u>\$ 2,029,343</u>	<u>\$ 23,112</u>	<u>\$ (1,367,081)</u>	<u>\$ (363,050)</u>

SINGLE
AUDIT
SUPPLEMENT



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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*

Independent Auditor's Report

To the Commissioners
Delaware River Basin Commission

We have audited, in accordance with the 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware River Basin Commission ("the Commission") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which December 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 determination of financial statement amounts. 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*.



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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 1, 2023



Zelenkofske Axlerod LLC

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Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

To the Commissioners
Delaware River Basin Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Delaware River Basin Commission's (the "Commission") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2023. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.



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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Zelenkofske Axlerod LLC

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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 1, 2023

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Source</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>	<u>Total Received For The Year</u>	<u>Accrued (Unearned) Revenue at 7/1/2022</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Unearned) Revenue at 6/30/2023</u>	<u>Passed Through to Subrecipients</u>
U.S. Environmental Protection Agency										
Water Pollution Control State, Interstate, and Tribal Program Support	Direct	66.419	N/A	1/1/21-12/31/22	\$ 922,375	\$ 290,323	\$ 767,498	\$ 767,498	* \$ 135,446	\$ -
Total U.S. Environmental Protection Agency					<u>922,375</u>	<u>290,323</u>	<u>767,498</u>	<u>767,498</u>	<u>135,446</u>	<u>-</u>
U.S. Department of the Interior										
NFWF-USFWS Conservation Partnership	Direct	15.663	N/A	3/1/19-12/31/21	36,930	36,781	149	149	-	-
NFWF-USFWS Conservation Partnership	Direct	15.663	N/A	9/1/19-9/30/22	18,591	18,591	10,332	10,332	10,332	-
NFWF-USFWS Conservation Partnership	Direct	15.663	N/A	9/2/19-3/31/22	6,579	6,579	-	-	-	-
Total NFWF-USFWS Conservation Partnership					<u>62,100</u>	<u>61,951</u>	<u>10,481</u>	<u>10,481</u>	<u>10,332</u>	<u>-</u>
Adaptive Science	Direct	15.670	N/A	7/1/20-1/31/23	25,012	16,011	77,791	77,791	68,790	-
Adaptive Science	Direct	15.670	N/A	1/1/21-12/31/22	479,009	356,974	142,152	142,152	20,117	-
Adaptive Science	Direct	15.670	N/A	4/1/21-6/30/24	464,824	221,046	365,492	365,492	121,714	-
Total Adaptive Science					<u>968,845</u>	<u>594,031</u>	<u>585,435</u>	<u>585,435</u>	<u>210,621</u>	<u>-</u>
Total U.S. Department of the Interior					<u>1,030,945</u>	<u>655,982</u>	<u>595,916</u>	<u>595,916</u>	<u>220,953</u>	<u>-</u>
Passed Through Pennsylvania Department of Environmental Protection:										
Coastal Zone Management Administration Awards	Indirect	11.419	C990002595	10/1/20-3/31/23	15,975	15,975	970	970	970	-
Total Passed Through Pennsylvania Department of Environmental Protection:					<u>15,975</u>	<u>15,975</u>	<u>970</u>	<u>970</u>	<u>970</u>	<u>-</u>
Passed Through Pennsylvania Emergency Management Agency										
Pre-Disaster Mitigation (PDM) Competitive Grants	Indirect	97.047	4100088976	7/1/20-12/31/22	-	(12,748)	12,748	12,748	-	-
Flood Mitigation Assistance	Indirect	97.029	4100088977	7/1/20-12/31/22	-	(12,749)	12,749	12,749	-	-
Total Passed Through Pennsylvania Emergency Management Agency					<u>-</u>	<u>(25,497)</u>	<u>25,497</u>	<u>25,497</u>	<u>-</u>	<u>-</u>
Passed Through PDE:										
Enhanced Monitoring for Toxics and Emerging Contaminants in The Delaware Estuary Tributaries	Indirect	66.456	506-01	6/19/23-5/25/24	-	-	557	557	557	-
Total Passed Through PDE:					<u>-</u>	<u>-</u>	<u>557</u>	<u>557</u>	<u>557</u>	<u>-</u>
Total Federal Awards					<u>\$ 1,969,295</u>	<u>\$ 936,783</u>	<u>\$ 1,390,438</u>	<u>\$ 1,390,438</u>	<u>\$ 357,926</u>	<u>\$ -</u>

* Program tested as major

DELAWARE RIVER BASIN COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE A SCOPE OF THIS SCHEDULE

The federal programs as listed in the schedule of expenditures of federal awards are accounted for by the Commission in the Special Projects Fund for U.S. Environmental Protection Agency.

NOTE B BASIS OF ACCOUNTING

The Commission uses the modified accrual method of recording transactions. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

NOTE C INDIRECT COST RATES

The Commission has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D RISK-BASED AUDIT APPROACH

The 2023 threshold for determining Type A programs is \$750,000. One type A program was audited as major.

The amount expended under programs audited as major federal programs for the year ended June 30, 2023, totaled \$767,498 or 55.20% of total federal awards.

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ___ no X
- Significant deficiencies identified that are not considered to be material weakness(es)?
Yes _____ none reported X

Noncompliance material to financial statements noted? Yes ___ No X

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ___ no X
- Significant deficiencies identified that are not considered to be material weakness(es)?
Yes ___ none reported X

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes ___ no X

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
66.419	Water Pollution Control State, Interstate, and Tribal Program Support

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No _____

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

None to be reported.

III. Findings and questioned costs for federal awards.

None to be reported.

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

No prior year findings were reported.