



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, 2020

**ZELENKOFKSKE AXELROD LLC
Jamison, Pennsylvania**

DELAWARE RIVER BASIN COMMISSION
YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Delaware River Basin Commission

Report on the Financial Statements

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 ("Commission") as of and for the year ended at June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Delaware River Basin Commission
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Opinions

In our opinion, the 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, 2020, 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.

Adoptions of Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, for the year ended June 30, 2020 the Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinions are not modified with respect to these matters.

Other Matters

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 the Commission's contributions pension plan, schedule of Commission's proportionate share of net pension liability and related ratios, 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 4 through 8, and 43 through 49 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements. The statistical section and supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements.



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To the Commissioners
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The statistical section and supplemental schedules have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 21, 2020

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDING JUNE 30, 2020

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, 2020. Please read it in conjunction with the Commission's financial statements.

Financial Highlights

- The Commission's governmental activities net position is a deficit of \$8,129,875 as of June 30, 2020, an increase of \$327,809.
- The total cost of the Commission's governmental programs and projects was \$6,515,718.
- The Commission's business-type net position stands at \$22,145,570 as of June 30, 2020, an increase of \$848,798.

Using This Annual Report

This annual report consists of a series of financial statements. The *Statement of Net Position* (p. 9) and the *Statement of Activities* (p. 10) 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 11-13. These statements tell how governmental activities were financed in the short-term. Proprietary fund financial statements are on pages 14-16 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, 2020

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 17 and 18. 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, 2020

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, 2020, the net positions of the governmental and business-type activities total (\$8,129,875) and \$22,145,570 respectively. An increase of \$327,809 in net assets resulted from governmental activities, and an increase of \$848,798 in net assets resulted from business activities for the fiscal year ending June 30, 2020.

Net position is classified into three categories: unrestricted, restricted and net investment in capital assets. For the year ending June 30, 2020, the governmental activities' equity invested in capital assets decreased by \$133,443. This decrease 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.

Governmental Activities

For the fiscal year ending June 30, 2020, revenues, excluding inter-fund transfers, decreased by \$130,700, approximately 2.6% lower than the prior fiscal year. Project Review Fees were \$372,990, a decrease of \$90,586. Annual Fee revenue was \$744,550, a decrease of \$11,691. Signatory Contribution revenue decreased \$121,745 from the prior year. Revenue from Special Projects was \$86,182 more than the prior fiscal year.

The cost of all governmental activities this year was \$6,237,448. The portion of this cost that was paid by signatory contributions was \$1,594,755 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, 2020, water sales revenues decreased \$430,898, 13%, to \$2,872,561. This is mainly due to a decrease in water usage taken by some major power plants such as Exelon Generation and Monroe Energy. Operating expenses were \$1,216,464, down \$276,935 mainly due to decreased contractual services. Net operating transfers out were \$1,698,321, down \$152,406 from fiscal 2019. Non-operating revenues were \$891,022, down \$508,632 from fiscal 2019 mainly due to investment gains and income. These items are responsible for net income of \$848,798 for the fiscal year ending June 30, 2020, \$510,189 less than fiscal 2019.

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2020

The Commission's Funds

For the fiscal year ending June 30, 2020 the Commission's governmental funds reported a combined total of \$4,015,563 in fund balance, an increase of \$106,485 from fiscal 2019.

The unassigned fund balance at June 30, 2020 is \$3,715,563, an increase of \$106,485. The following table compares the components of fund balance at June 30, 2020 and June 30, 2019:

	FY20	FY19	Change
Committed for Early Retirement Liability	\$ 300,000	\$ 300,000	\$ -
Unassigned	<u>3,715,563</u>	<u>3,609,078</u>	<u>106,485</u>
 Total Fund Balance	 <u>\$ 4,015,563</u>	 <u>\$ 3,909,078</u>	 <u>\$ 106,485</u>

Special project revenues were \$2,004,338, \$86,182 higher than fiscal 2019. The 106, water pollution control grant had revenues of \$595,531, \$105,316 less than fiscal 2019. During the fiscal year 2020, the Commission was awarded with four new funds: NFWF Algal Composition and Dissolved Oxygen, NFWF Modernized Model, PA DECZ Sea Level Rise Study and PA Delaware Estuary Designated Use. The revenues from these four grants were \$26,976, \$13,528, \$42,679 and \$175,000, respectively. In addition, the Eutrophic Modeling grant had revenues of \$70,182, \$152,739 lower than the prior year.

General Fund Budgetary Highlights

The budget for the fiscal year ending June 30, 2020 has not been amended since its original adoption. For fiscal 2020 the Commission reported a total favorable budget variance of \$106,485.

Notable revenue variances include an unfavorable variance of \$715,000 in federal revenue, an unfavorable variance of \$676,000 in revenue from the Commonwealth of Pennsylvania, an unfavorable variance of \$121,745 in revenue from the State of New Jersey, a \$36,740 favorable variance in regulatory program fees, a favorable variance of \$37,870 in interest income and a \$40,648 favorable variance in other income.

Notable expense variances include favorable personal services and fringe benefits variances of \$674,017 and \$392,751 due to delays in filling vacancies. The favorable expense variance in building and grounds of \$193,523 is due to HVAC improvements that were not undertaken. Overall there is a favorable expense variance of \$1,923,706.

There is an unfavorable variance in transfers in of \$246,233. Transfers out were unfavorable by \$212,232. In total, net transfers were worse than budget by \$458,465.

There is a favorable variance in capital lease proceeds of \$38,731 due to a new capital lease for copiers.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2020, the Commission reported \$3,740,632 in capital assets net of depreciation. Capital assets include equipment, furniture, building, building improvements and the Commission's share of construction costs for two federal water storage facilities: Beltzville Lake and Bluemarsh Lake.

DELAWARE RIVER BASIN COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR FISCAL YEAR ENDING JUNE 30, 2020

Debt

As of June 30, 2020, the Commission had \$24,047,014 in long-term debt outstanding. This can be broken down into six categories:

- \$8,646,186 for loans due to the Army Corps of Engineers for construction of water storage facilities
- \$6,818,940 as a net pension liability plus \$3,740,902 in deferred inflows related to the pension liability (see footnote 6)
- \$98,218 due to the State of New Jersey for the early retirement program that was adopted September 25, 1991
- \$376,718 for employees accrued leave time
- Net OPEB Liability of \$4,332,483 (see footnote 7)
- \$33,567 for equipment leases

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. As of June 30, 2020, the cumulative federal shortfall totals \$15.7 million. For the fiscal year ending June 30, 2020 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, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

	Totals (Memorandum Only)			
	Governmental Activities	Business-Type Activities	June 30, 2020	June 30, 2019
Assets and Deferred Outflows of Resources:				
Cash and Cash Equivalents	\$ 3,721,001	\$ 1,617,793	\$ 5,338,794	\$ 4,345,694
Investments	1,992,720	26,448,649	28,441,369	27,949,348
Receivables (Net)				
Due From Other Governments	405,234	-	405,234	402,676
Interest	-	103,255	103,255	137,469
Water Supply Charges	-	761,899	761,899	899,132
Reimbursable Water Supply Storage Facility Costs	-	-	-	12,624
Other Assets	23,155	14,613	37,768	75,686
Capital Assets (Net)	1,117,772	2,622,860	3,740,632	4,270,827
Total Assets	<u>\$ 7,259,882</u>	<u>\$ 31,569,069</u>	<u>\$ 38,828,951</u>	<u>\$ 38,093,456</u>
Deferred Outflows of Resources				
Differences between expected and actual pension experiences	122,391	-	122,391	157,618
Changes in pension assumptions	680,896	-	680,896	1,361,963
Contributions subsequent to measurement	465,653	-	465,653	512,203
Changes in pension proportions	588,057	-	588,057	804,399
Deferred outflows of resources OPEB	37,568	-	37,568	-
Total Deferred Outflows of Resources	<u>\$ 1,894,565</u>	<u>\$ -</u>	<u>\$ 1,894,565</u>	<u>\$ 2,836,183</u>
Liabilities, Deferred Inflows of Resources and Net Position:				
Accounts Payable	\$ 403,069	\$ 379,382	\$ 782,451	\$ 539,953
Accrued Interest	-	291,344	291,344	100,430
Employee Compensation and Benefits	65,868	-	65,868	11,925
Advances	1,133,822	-	1,133,822	1,564,476
Deferred Revenue	387,322	-	387,322	378,873
Long Term Liabilities:				
Accrued Leave Time	367,052	9,666	376,718	297,831
Early Retirement Program	1,297	96,921	98,218	185,175
Net OPEB Liability	4,332,483	-	4,332,483	4,341,365
Net Pension Liability	6,818,940	-	6,818,940	8,265,170
Lease Obligation	33,567	-	33,567	6,826
Due to US Army Corps of Engineers				
Due within one year	-	957,368	957,368	558,577
Due in more than one year	-	7,688,818	7,688,818	8,266,456
Total Liabilities	<u>13,543,420</u>	<u>9,423,499</u>	<u>22,966,919</u>	<u>24,517,057</u>
Deferred Inflows of Resources				
Net Difference between projected and actual investment earnings on OPEB plan investments	-	-	-	9,822
Changes in pension assumptions	2,366,832	-	2,366,832	2,642,762
Differences between expected and actual pension experiences	30,123	-	30,123	42,618
Net Difference between projected and actual investment earnings on pension plan investments	107,640	-	107,640	77,528
Changes in pension proportions	1,236,307	-	1,236,307	800,764
Total Deferred Inflows of Resources	<u>3,740,902</u>	<u>-</u>	<u>3,740,902</u>	<u>3,573,494</u>
Net Position (Deficit)				
Net Investment in Capital Assets	1,084,206	(6,023,326)	(4,939,120)	(4,561,032)
Unrestricted (Deficit)	(9,214,081)	28,168,896	18,954,815	17,400,120
Total Net Position (Deficit)	<u>\$ (8,129,875)</u>	<u>\$ 22,145,570</u>	<u>\$ 14,015,695</u>	<u>\$ 12,839,088</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, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019)

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, 2020	June 30, 2019
Primary government:								
General government	\$ 2,588,651	\$ (1,790,696)	\$ -	\$ -	\$ (797,955)	\$ -	\$ (797,955)	\$ (572,664)
Water Resource Management	719,673	353,189	1,181,385	-	108,523	-	108,523	7,562
Science and Water Quality Management	533,477	261,811	-	-	(795,288)	-	(795,288)	(1,063,415)
Water Resource Operations	249,852	122,618	-	-	(372,470)	-	(372,470)	(401,878)
Special projects	2,145,795	1,053,078	-	2,004,338	(1,194,535)	-	(1,194,535)	(990,534)
Total Governmental Activities	6,237,448	-	1,181,385	2,004,338	(3,051,725)	-	(3,051,725)	(3,020,929)
Business-Type Activities:								
Water Supply Storage Facilities	1,482,030	-	2,872,561	-	-	1,390,531	1,390,531	1,451,795
Total Primary Government	<u>\$ 7,719,478</u>	<u>\$ -</u>	<u>\$ 4,053,946</u>	<u>\$ 2,004,338</u>	<u>(3,051,725)</u>	<u>1,390,531</u>	<u>(1,661,194)</u>	<u>(1,569,134)</u>
General revenues:								
Grants and contributions not restricted to special programs					1,594,755	-	1,594,755	1,716,500
Investment earnings					72,870	1,156,588	1,229,458	1,839,165
Miscellaneous income					13,588	-	13,588	32,348
Transfers					1,698,321	(1,698,321)	-	-
Total general revenues and transfers					<u>3,379,534</u>	<u>(541,733)</u>	<u>2,837,801</u>	<u>3,588,013</u>
Change in net position					<u>327,809</u>	<u>848,798</u>	<u>1,176,607</u>	<u>2,018,879</u>
Net Position (Deficit)-Beginning of Year					<u>(8,457,684)</u>	<u>21,296,772</u>	<u>12,839,088</u>	<u>10,820,209</u>
Net Position (Deficit)-End of Year					<u>\$ (8,129,875)</u>	<u>\$ 22,145,570</u>	<u>\$ 14,015,695</u>	<u>\$ 12,839,088</u>

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

DELAWARE RIVER BASIN COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

			Totals (Memorandum Only)	
	General Fund	Special Projects Fund	June 30, 2020	June 30, 2019
Assets:				
Cash and Cash Equivalents	\$ 2,672,073	\$ 1,048,928	\$ 3,721,001	\$ 3,687,305
Investments	1,992,720	-	1,992,720	1,986,693
Accounts Receivable	99,577	305,657	405,234	402,676
Due From Other Funds	66,218	-	66,218	357,432
Other Assets	16,855	6,300	23,155	61,360
Total Assets	\$ 4,847,443	\$ 1,360,885	\$ 6,208,328	\$ 6,495,466
Liabilities and Fund Balances:				
Liabilities				
Accounts Payable	195,383	\$ 207,686	\$ 403,069	\$ 495,260
Employee Compensation and Benefits	65,868	-	65,868	11,925
Advances	63,307	1,070,515	1,133,822	1,564,476
Due To Other Funds	-	66,218	66,218	-
Deferred Revenue	387,322	-	387,322	378,873
Accrued Vacation and Sick Time	120,000	16,466	136,466	135,854
Total Liabilities	831,880	1,360,885	2,192,765	2,586,388
Fund Balances:				
Committed:				
Early Retirement	300,000	-	300,000	300,000
Unassigned	3,715,563	-	3,715,563	3,609,078
Total Fund Balances	4,015,563	-	4,015,563	3,909,078
Total Liabilities and Fund Balances	\$ 4,847,443	\$ 1,360,885		
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.			1,117,772	1,224,475
Long-Term Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds.			(265,450)	(247,391)
Difference Between Expected and Actual Pension Experiences			92,268	115,000
Changes in Pension Assumptions			680,896	1,361,963
Contributions subsequent to measurement			465,653	512,203
Changes in Pension Proportion			588,057	804,399
Changes in OPEB deferred inflows			37,568	-
OPEB Liability			(4,332,483)	(4,341,365)
Net Pension Liability			(6,818,940)	(8,265,170)
Difference Between Projected and Actual OPEB Investment Earnings			-	(9,822.00)
Difference Between Projected and Actual Investment Earnings-Pension			(107,640)	(77,528)
Change in Pension Assumptions			(2,366,832)	(2,642,762)
Change in Pension Proportions			(1,236,307)	(800,764)
Total Net Position of Governmental Activities			\$ (8,129,875)	\$ (8,457,684)

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

DELAWARE RIVER BASIN COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	General Fund	Special Projects Fund	(Totals Memorandum Only)	
			June 30, 2020	June 30, 2019
Revenues				
Signatory Party Contributions:				
State of Delaware	\$ 447,000	\$ -	\$ 447,000	\$ 447,000
State of New Jersey	571,255	-	571,255	693,000
State of New York	359,500	-	359,500	359,500
Commonwealth of Pennsylvania	217,000	148,619	365,619	348,435
Federal Government United States	-	595,531	595,531	700,847
Sale of Publications	874	-	874	1,268
Regulatory Program Fees	1,117,540	-	1,117,540	1,219,817
Investment Income	72,870	-	72,870	81,246
Compliance Revenue and Other Income	94,774	1,260,188	1,354,962	1,146,523
Total Revenues	2,880,813	2,004,338	4,885,151	4,997,636
Expenditures:				
Personnel Services	2,320,483	676,382	2,996,865	2,947,585
Special and Contractual Services	290,940	1,040,673	1,331,613	1,604,657
Other Services	208,948	15,708	224,656	224,761
Supplies and Materials	55,373	24,783	80,156	94,306
Buildings and Grounds	149,677	-	149,677	161,496
Communications	79,986	-	79,986	60,044
Travel	37,194	831	38,025	63,747
Maintenance, Replacements, Acquisitions and Rentals	68,344	2,423	70,767	64,886
Fringe Benefits and Other Contributions	1,195,749	348,224	1,543,973	1,667,447
Total Expenditures	4,406,694	2,109,024	6,515,718	6,888,929
Excess of Expenditures Over Revenues	(1,525,881)	(104,686)	(1,630,567)	(1,891,293)
Other Financing Sources (Uses):				
Capital lease proceeds	38,731	-	38,731	-
Operating Transfers In	2,234,467	665,971	2,900,438	2,557,054
Operating Transfers (Out)	(640,832)	(561,285)	(1,202,117)	(706,327)
Total Other Financing Sources - Net	1,632,366	104,686	1,737,052	1,850,727
Net Change in Fund Balances	106,485	-	106,485	(40,566)
Fund Balances-Beginning of Year	3,909,078	-	3,909,078	3,949,644
Fund Balances-End of Year	\$ 4,015,563	\$ -	\$ 4,015,563	\$ 3,909,078

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, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	2020	2019
Net Change in Fund Balances - Governmental Funds	\$ 106,485	\$ (40,566)
<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 \$164,958 exceeds purchases of capital assets of \$58,255 in the current period.</p>	(106,703)	(70,351)
Repayments on a capital lease liability that are not reported in the Statement of Activities.	7,936	11,089
Capital lease proceeds	(38,731)	-
Gains or losses on capital leases	4,054	-
<p>Repayment of compensated absences is an expenditure in the 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>	(78,276)	41,801
<p>Repayment of the liability for early retirement is an expenditure in the 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>	86,957	76,697
Effect of pension and OPEB adjustments	346,087	641,222
Changes in Net Position of Governmental Activities	\$ 327,809	\$ 659,892

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

DELAWARE RIVER BASIN COMMISSION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2020
 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

	Business-Type Activities		Totals	
	Enterprise Fund	(Memorandum Only)		
	Water Supply Storage Facilities	June 30 2020	June 30, 2019	
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 1,617,793	\$ 1,617,793	\$ 658,389	
Investments	26,448,649	26,448,649	25,962,655	
Interest Receivable	103,255	103,255	137,469	
Water Supply Charges Receivables (Net)	761,899	761,899	899,132	
Reimbursable Water Supply Storage Facility Costs	-	-	12,624	
Prepaid Expenses	14,613	14,613	14,326	
Total Current Assets	<u>28,946,209</u>	<u>28,946,209</u>	<u>27,684,595</u>	
Noncurrent Assets:				
Land, Building and Improvements (Net)	2,622,468	2,622,468	3,043,955	
Furniture and Equipment (Net)	392	392	2,397	
Total Noncurrent Assets	<u>2,622,860</u>	<u>2,622,860</u>	<u>3,046,352</u>	
Total Assets	<u>\$ 31,569,069</u>	<u>\$ 31,569,069</u>	<u>\$ 30,730,947</u>	
Liabilities and Net Position				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 379,382	\$ 379,382	\$ 44,693	
Accrued Interest	291,344	291,344	100,430	
Due to US Army Corps of Engineers	957,368	957,368	558,577	
Due to other fund	-	-	357,432	
Total Current Liabilities	<u>1,628,094</u>	<u>1,628,094</u>	<u>1,061,132</u>	
Noncurrent Liabilities:				
Accrued Vacation and Sick Time	9,666	9,666	9,666	
Early Retirement Program	96,921	96,921	96,921	
Due to US Army Corps of Engineers	7,688,818	7,688,818	8,266,456	
Total Noncurrent Liabilities	<u>7,795,405</u>	<u>7,795,405</u>	<u>8,373,043</u>	
Total Liabilities	<u>9,423,499</u>	<u>9,423,499</u>	<u>9,434,175</u>	
Net Position				
Net Investment in Capital Assets	(6,023,326)	(6,023,326)	(5,778,681)	
Unrestricted	28,168,896	28,168,896	27,075,453	
Total Net Position	<u>22,145,570</u>	<u>22,145,570</u>	<u>21,296,772</u>	
Total Liabilities and Net Position	<u>\$ 31,569,069</u>	<u>\$ 31,569,069</u>	<u>\$ 30,730,947</u>	

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

DELAWARE RIVER BASIN COMMISSION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2020
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Business-Type Activities	Totals	
	Enterprise Fund	(Memorandum Only)	
	Water Supply Storage Facility	June 30, 2020	June 30, 2019
Operating Revenue:			
Charges for Services:			
Water Supply Charges	\$ 2,872,561	\$ 2,872,561	\$ 3,303,459
Total Operating Revenue	<u>2,872,561</u>	<u>2,872,561</u>	<u>3,303,459</u>
Operating Expenses:			
Special and Contractual Services	792,972	792,972	1,070,916
Depreciation	<u>423,492</u>	<u>423,492</u>	<u>422,483</u>
Total Operating Expenses	<u>1,216,464</u>	<u>1,216,464</u>	<u>1,493,399</u>
Operating Income:	<u>1,656,097</u>	<u>1,656,097</u>	<u>1,810,060</u>
Nonoperating Revenues (Expenses):			
Interest Income	631,551	631,551	623,139
Realized Gain on Sales of Investments	304,620	304,620	93,710
Net Increase in Fair Value of Investments	220,417	220,417	1,041,070
Interest Expense	<u>(265,566)</u>	<u>(265,566)</u>	<u>(358,265)</u>
Total Nonoperating Revenues	<u>891,022</u>	<u>891,022</u>	<u>1,399,654</u>
Net Income Before Operating Transfers	2,547,119	2,547,119	3,209,714
Net Operating Transfers (Out)	<u>(1,698,321)</u>	<u>(1,698,321)</u>	<u>(1,850,727)</u>
Change in Net Position	848,798	848,798	1,358,987
Total Net Position - Beginning of Year	<u>21,296,772</u>	<u>21,296,772</u>	<u>19,937,785</u>
Total Net Position - End of Year	<u>\$ 22,145,570</u>	<u>\$ 22,145,570</u>	<u>\$ 21,296,772</u>

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

DELAWARE RIVER BASIN COMMISSION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019)

	Business-Type Activities	Totals	
	Enterprise Fund	(Memorandum Only)	
	Water Supply Storage Facilities	June 30, 2020	June 30, 2019
Cash Flows From Operating Activities:			
Cash Received from Water Supply Charges	\$ 3,009,794	\$ 3,009,794	\$ 3,154,327
Payments to Vendors and Suppliers	(458,569)	(458,569)	(1,055,068)
Net Cash Provided by Operations	<u>2,551,225</u>	<u>2,551,225</u>	<u>2,099,259</u>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers to Other Funds	(1,698,321)	(1,698,321)	(1,850,727)
Net Cash Used in Noncapital Financing Activities	<u>(1,698,321)</u>	<u>(1,698,321)</u>	<u>(1,850,727)</u>
Cash Flows from Capital and Related Financing Activities:			
Interest Paid	(74,652)	(74,652)	(415,091)
Interfund Payable	(357,432)	(357,432)	357,432
Principal Received	12,624	12,624	16,410
Principal Paid	(178,847)	(178,847)	(744,577)
Net Cash Used in Capital and Related Financing Activities	<u>(598,307)</u>	<u>(598,307)</u>	<u>(785,826)</u>
Cash Flows from Investing Activities:			
Interest Received	665,764	665,764	621,411
Sale (Purchase) of Investments, Net	39,043	39,043	(602,795)
Net Cash Provided by Investing Activities	<u>704,807</u>	<u>704,807</u>	<u>18,616</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	959,404	959,404	(518,678)
Cash and Cash Equivalents-Beginning of Year	658,389	658,389	1,177,067
Cash and Cash Equivalents-End of Year	<u>\$ 1,617,793</u>	<u>\$ 1,617,793</u>	<u>\$ 658,389</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 1,656,097	\$ 1,656,097	\$ 1,810,060
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Net Amortization	423,492	423,492	422,483
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	137,233	137,233	(149,132)
Decrease (Increase) in Prepaid Expenses	(286)	(286)	(14,326)
(Decrease) in Accounts Payable	334,689	334,689	30,174
Total Adjustments	<u>895,128</u>	<u>895,128</u>	<u>289,199</u>
Net Cash Provided by Operating Activities	<u>\$ 2,551,225</u>	<u>\$ 2,551,225</u>	<u>\$ 2,099,259</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, 2020
 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

	OPEB Trust Fund	
	June 30, 2020	June 30, 2019
Assets		
Investments	\$ 3,529,683	\$ 3,383,532
Total Assets	\$ 3,529,683	\$ 3,383,532
Net Position Held in trust for OPEB Health Benefits	\$ 3,529,683	\$ 3,383,532

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, 2020
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	OPEB Trust Fund	
	June 30, 2020	June 30, 2019
Additions		
Investment Income	\$ 111,252	\$ 165,515
Employer Contributions	34,899	68,163
Total Additions	\$ 146,151	\$ 233,678
Net Increase	146,151	233,678
Net Position Held in trust for OPEB health benefits		
Beginning of Year	3,383,532	3,149,854
End of Year	\$ 3,529,683	\$ 3,383,532

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

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020 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. Based on these criteria, the Commission has no component units and the reporting entity is composed solely of the primary government.

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, 2020

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, 2020

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 Enterprise 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. 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 Commission excludes these activities from the government-wide financial statements because those assets cannot be used to finance operations.

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, 2020

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, 2018, 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. Receivables and Payables

· 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, 2020

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 and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Property, plant, equipment and infrastructure 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
Machinery 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 \$376,718 representing vacation and sick time earned by employees as of June 30, 2020. Of this amount, \$367,052 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 \$16,466 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, 2020

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. Presently amounts are committed for early retirement liabilities.
- *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, 2020

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, 2020

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. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Agency postponed the adoption of certain accounting standards due to adoption of GASB Statement No. 95.

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

16. Pending Governmental Accounting Standards Board (GASB) Statements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Commission is required to adopt Statement No. 84 for its fiscal year 2021 financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Commission is required to adopt Statement No. 87 for its fiscal year 2022 financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The Commission is required to adopt Statement No. 89 for its fiscal year 2022 financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The Commission is required to adopt Statement No. 90 for its fiscal year 2021 statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The Commission is required to adopt Statement No. 91 for its fiscal year 2023 statements.

In January of 2020, the GASB issued statement No. 92, *Omnibus 2020*. Sections of this Statement are required to be adopted in two phases by the Commission for the Commission's June 30, 2023 financial statements. The effect of the implementation of this Statement has not yet been determined.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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

In March of 2020, the GASB issued statement No. 93, *Replacement of Interbank Offered Rates*. Sections of this Statement are required to be adopted in two phases by the Commission for the year ending June 30, 2022 and 2033. The effect of the implementation of this Statement has not yet been determined.

In March of 2020, the GASB issued statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement is required to be adopted by the Commission for the year ending June 30, 2024. The effect of the implementation of this Statement has not yet been determined.

In May of 2020, the GASB issued statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement is required to be adopted by the Commission for the year ending June 30, 2024. The effect of the implementation of this Statement has not yet been determined.

In June of 2020, the GASB issued statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement is required to be adopted by the Commission for the year ending June 30, 2023. The effect of the implementation of this Statement has not yet been determined.

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

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);

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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

C) Investment grade obligations of the Compact Signatories:

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 Sterling Advisors 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 Susquehanna Trust & Investment Company and Wilmington Trust Company, respectively, consistent with the Commission's investment policy.

The following table shows the cash and investments of the Commission as of June 30, 2020 at fair value:

	General Fund	Special Projects Fund	Water Supply Storage Facilities Fund	OPEB Trust Fund	Totals
Cash and Cash Equivalents:					
Cash on Hand	\$ 704	\$ -	\$ -	\$ -	\$ 704
Cash - Wells Fargo Bank	267,957	6,343	265,858	-	540,158
Cash Equivalents - New Jersey Cash Management Fund	2,403,412	1,042,585	6,630	-	3,452,627
Cash Equivalents - Sterling Advisors	-	-	444,231	-	444,231
Cash Equivalents - Wilmington Trust Company	-	-	901,074	-	901,074
Total Cash and Cash Equivalents	<u>2,672,073</u>	<u>1,048,928</u>	<u>1,617,793</u>	<u>-</u>	<u>5,338,794</u>
Investments:					
Federal Obligations - Wells Fargo Investments	1,992,720	-	-	-	1,992,720
Federal Obligations - Sterling Advisors	-	-	4,604,990	-	4,604,990
Corporate Obligations - Sterling Advisors	-	-	3,936,820	-	3,936,820
Municipal Obligations - Sterling Advisors	-	-	443,690	-	443,690
Equities - Sterling Advisors	-	-	4,376,042	-	4,376,042
Subtotal Sterling Advisors	-	-	<u>13,361,542</u>	-	<u>13,361,542</u>
Federal Obligations - Wilmington Trust Company	-	-	6,872,405	-	6,872,405
Corporate Obligations - Wilmington Trust Company	-	-	2,054,759	-	2,054,759
Equities - Wilmington Trust Company	-	-	4,159,943	-	4,159,943
Subtotal Wilmington Trust Company	-	-	<u>13,087,107</u>	-	<u>13,087,107</u>
Government Securities- Vantagepoint OPEB Trust	-	-	-	1,201,615	1,201,615
Equities - Vantagepoint OPEB Trust	-	-	-	2,328,068	2,328,068
Subtotal Vantagepoint OPEB Trust	-	-	-	<u>3,529,683</u>	<u>3,529,683</u>
Total Investments	<u>1,992,720</u>	<u>-</u>	<u>26,448,649</u>	<u>3,529,683</u>	<u>31,971,052</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 4,664,793</u>	<u>\$ 1,048,928</u>	<u>\$ 28,066,442</u>	<u>\$ 3,529,683</u>	<u>\$ 37,309,846</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.

Sterling Advisors (Branch Bank & Trust Company) cash equivalents are invested in a short-term Federal Government obligations fund.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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

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, 2020:

	Municipal Obligations	Corporate Obligations	Federal Obligations	Total
Maturity:				
Less than 1 year	\$ 251,295	\$ 1,069,786	\$ 1,146,606	\$ 2,467,687
1 to 5 years	192,395	3,413,722	9,563,757	13,169,874
5 to 10 years	-	1,488,056	2,759,752	4,247,808
10 to 15 years	-	20,015	-	20,015
Totals	<u>\$ 443,690</u>	<u>\$ 5,991,579</u>	<u>\$ 13,470,115</u>	<u>\$ 19,905,384</u>

The following table displays the fair value of corporate obligations, by Standard & Poor's rating as of June 30, 2020:

Corporate Obligations		
A1	\$ 697,828	11.65%
A2	1,647,496	27.50%
A3	981,399	16.38%
AA1	160,687	2.68%
AA2	82,287	1.37%
AA3	305,711	5.10%
BAA1	1,027,139	17.14%
BAA2	750,290	12.52%
BAA3	15,517	0.26%
BA1	57,453	0.96%
WR	15,339	0.26%
N/A	250,433	4.18%
Totals	<u>\$5,991,579</u>	<u>100.00%</u>

Equity Investments held by Branch Bank & Trust Company (for the Commission's account with Sterling Advisors), 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.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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

- 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 depositary 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:

- 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, 2020, 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, 2020

NOTE 4: CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1	\$ -	\$ -	\$ 1
Total Capital Assets Not Being Depreciated:	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Capital Assets Being Depreciated:				
Building & Improvements	\$ 2,433,201	\$ -	\$ -	\$ 2,433,201
Furniture & Equipment	1,614,244	58,255	(55,447)	1,617,052
Total Capital Assets Being Depreciated	<u>4,047,445</u>	<u>58,255</u>	<u>(55,447)</u>	<u>4,050,253</u>
Less: Accumulated Depreciation for:				
Building & Improvements	(1,435,020)	(64,772)	-	(1,499,792)
Furniture & Equipment	(1,387,951)	(100,186)	55,447	(1,432,690)
Total Accumulated Depreciation	<u>(2,822,971)</u>	<u>(164,958)</u>	<u>55,447</u>	<u>(2,932,482)</u>
Total Capital Assets Being Depreciated, Net	<u>1,224,474</u>	<u>(106,703)</u>	<u>-</u>	<u>1,117,771</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,224,475</u>	<u>\$ (106,703)</u>	<u>\$ -</u>	<u>\$ 1,117,772</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	(18,030,361)	(421,487)	-	(18,451,848)
Furniture & Equipment	(150,618)	(2,006)	-	(152,624)
Total Accumulated Depreciation	<u>(18,180,979)</u>	<u>(423,493)</u>	<u>-</u>	<u>(18,604,472)</u>
Business-Type Capital Assets Being Depreciated Net	<u>\$ 3,046,352</u>	<u>\$ (423,493)</u>	<u>\$ -</u>	<u>\$ 2,622,859</u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
General Government	\$ 2,447,088	\$ 125,813	\$ (55,447)	\$ 2,517,454
Special Projects	375,883	39,145	-	415,028
Total Depreciation Expense - Governmental Activities	<u>\$ 2,822,971</u>	<u>\$ 164,958</u>	<u>\$ (55,447)</u>	<u>\$ 2,932,482</u>
Business-Type Activities:				
Water Supply Storage Facilities	\$18,180,979	\$ 423,493	\$ -	\$18,604,472
Total Depreciation Expense - Business-Type Activities	<u>\$18,180,979</u>	<u>\$ 423,493</u>	<u>\$ -</u>	<u>\$18,604,472</u>

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020 was \$265,566. Water supply charges revenue and interest income are used to pay operating expenses and debt service.

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Other Liabilities					
Compensated Absences	\$ 288,165	\$ 78,887	\$ -	\$ 367,052	\$ 120,000
Early Retirement	88,254	-	(86,957)	1,297	1,297
Lease Obligations	6,826	38,731	(11,990)	33,567	8,392
Total Other Liabilities	383,245	117,618	(98,947)	401,916	129,689
Governmental Activities Long-Term Liabilities	\$ 383,245	\$117,618	\$ (98,947)	\$ 401,916	\$ 129,689
Business-Type Activities:					
Bonds and Notes Payable:					
Due to Army Corps of Engineers	\$8,825,033	\$ -	\$(178,847)	\$8,646,186	\$ 957,368
Total Bonds and Notes Payable	8,825,033	-	(178,847)	8,646,186	957,368
Other Liabilities:					
Compensated Absences	9,666	-	-	9,666	-
Early Retirement	96,921	-	-	96,921	-
Total Other Liabilities	106,587	-	-	106,587	-
Business-Type Activities Long-Term Liabilities	\$8,931,620	\$ -	\$ (178,847)	\$8,752,773	\$ 957,368

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
2021	\$ 957,368	\$ 511,418	\$ 1,468,786
2022	597,350	263,793	861,143
2023	617,735	243,407	861,142
2024	638,818	222,325	861,143
2025	660,620	200,522	861,142
2026 - 2030	3,049,610	659,027	3,708,637
2031 - 2035	1,258,682	286,907	1,545,589
2036 - 2038	866,003	61,350	927,353
	\$ 8,646,186	\$ 2,448,749	\$ 11,094,935

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 Comprehensive Annual Financial Report (CAFR) 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 8.

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, 2020 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, 2020, 2019, and 2018 were \$465,653, \$512,203 and \$417,541, 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, 2020

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, 2020, the Commission reported a liability of \$6,818,940 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, 2018 and rolled forward to June 30, 2019. 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, 2019 and 2018. At the June 30, 2019 measurement date, the Commission's proportion was .03784414%, which was an decrease of .07982169%, from the previous year.

At June 30, 2020, 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	\$ 122,391	\$ 30,123
Changes in Assumptions	680,896	2,366,832
Net Difference Between Projected and Actual Investment Earnings	-	107,640
Changes in Proportions	588,057	1,236,307
Contributions Subsequent to the Measurement Date	465,653	-
	<u>\$ 1,856,997</u>	<u>\$ 3,740,902</u>

The Commission reported \$465,653 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 20, 2020. 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
2021	\$ (271,925)
2022	(882,119)
2023	(787,681)
2024	(369,857)
2025	(37,976)
	<u>\$ (2,349,558)</u>

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 6: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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	2.00 – 6.00%
Thereafter	3.00 – 7.00%
	based on years of service
	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-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
US. treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

DELAWARE RIVER BASIN COMMISSION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2020

NOTE 6: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and 2018, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 will be made based on 100% of actuarially determined contributions. Based on these assumptions, the plan's fiduciary net position was projected to be available to make future benefit payments through 2057. Therefore the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining 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, 2019 and 2018 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 Discount Rate</u>	<u>At 1% Increase</u>
	<u>(5.28%)</u>	<u>(6.28%)</u>	<u>(7.28%)</u>
	<u>(4.66%)</u>	<u>(5.66%)</u>	<u>(6.66%)</u>
June 30, 2019	\$ 6,887,129	\$ 6,818,940	\$ 6,750,751
June 30, 2018	\$ 8,347,822	\$ 8,265,170	\$ 8,182,518

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, 2020

NOTE 7: RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

On June 30, 2019 Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	25
Active plan members	<u>36</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 Delaware River Basin 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, 2019 the Integral Part Trust had assets valued at \$3,383,532.

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, 2019.

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

For the year ended June 30, 2019, the annual money-weighted return on investments, net of investment expense was 7.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note 2 to the financial statements for additional details on the plan's investments.

DELAWARE RIVER BASIN COMMISSION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2020

NOTE 7: RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

The components of the net OPEB liability of the Plan at the June 30, 2019 measurement date were as follows:

Total Plan OPEB Liability	\$ 7,716,015
Plan Fiduciary Net Position	3,383,532
Plan's Net OPEB Liability	\$ 4,332,483

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability 43.9%

Actuarial Assumptions and Methods Used in the July 1, 2017 Valuation:

Economic Assumptions:

Discount Rate 7%

Health Care Cost Trend Rates

<u>Year</u>	<u>Pre-65 Medical and Prescription Drugs</u>	<u>Post-65 Medical and Prescription Drugs</u>	<u>Medicare Part B</u>
2017	2.90%	0.00%	5.00%
2018	7.50%	6.50%	5.00%
2019	7.00%	6.00%	5.00%
2020	6.50%	5.50%	5.00%
2021	6.00%	5.00%	5.00%
2022	5.50%	4.50%	5.00%
2023 & Later	5.00%	4.50%	5.00%

Salary Increases 3%

Social Security Taxable Wage Base 3%

Consumer Price Index (inflation) 3%

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: Sex-distinct RP-2014 White-Collar Employees and Healthy Annuitant Tables (headcount-weighted) and projected with scale MP-2017.

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, 2020

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>
		25	52.7
1	250	30	48.3
2	200	35	44.7
3	150	40	38.4
4	100	45	32.1
5	Age rate	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 (3.10%) or 1% higher (5.10%) than the current discount rate of 4.10%:

	<u>1% Decrease</u> <u>3.10%</u>	<u>Current Rate</u> <u>Discount Rate</u> <u>4.10%</u>	<u>1% Increase</u> <u>5.10%</u>
Commission's net OPEB liability	5,334,156	4,332,483	3,503,883

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	3,421,028	4,332,483	5,575,540

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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, 2020, the Commission recognized OPEB expense of \$455,931. At June 30, 2020, 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	\$ -	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings	37,568	-
	\$ 37,568	\$ -

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2021	\$ 8,778
2022	8,778
2023	8,780
2024	11,232
2025	-
	\$ 37,568

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	\$ 2,234,467	\$ 640,832
Special Projects Fund	665,971	561,285
Total Governmental Funds	2,900,438	1,202,117
Enterprise Fund:		
Water Supply Storage Facilities Fund	-	1,698,321
Total	\$ 2,900,438	\$ 2,900,438

DELAWARE RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

NOTE 9: EARLY RETIREMENT PROGRAM

On September 25, 1991, the Delaware River Basin Commission adopted Resolution 91-7. This resolution authorized the Commission to participate in the State of New Jersey Early Retirement Incentive Program. As of June 30, 2020, certain employees have exercised their option to retire utilizing the Early Retirement Incentive Program. Based on information provided to the Commission, the present value of the estimated additional pension liability for these employees totals \$98,218 at June 30, 2020, of which \$1,297 has been recorded in Governmental Activities, and \$96,921 has been recorded in the Business-Type Activities. This additional liability is to be paid over a period of 25 years. Payments made for this program during the year ended June 30, 2020 were \$86,957.

NOTE 10: FEDERAL CONTRIBUTION

The Energy and Appropriations Bill (P.L. 104-206) eliminated federal funding for the Delaware River Basin Commission for the federal fiscal year 1997 (October 1, 1997 through September 1, 1998). The federal government has not provided a contribution since 2009. The Commission continues its efforts to restore federal funding.

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 moratorium continues pending completion of natural gas rulemaking. 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, 2020 through the date of December 21, 2020, which is the date the financial statements were available to be issued.

Several months prior to year-end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of schools, local stores and businesses, which has resulted in significant job losses. Due to the temporary closure of all nonessential businesses, revenues are projected to be significantly decreased and governments at different levels are responding to the emergency in various ways. Federal programs and stimulus have mitigated the impact to some degree. Decreased state and local revenue in fiscal year 2021 could result in less unrestricted and restricted grant funding that is relied upon by the Commission to carry out its mission. Grant funding available from Federal sources and any adjustments to funding at the state and local level which will impact the Commission at an extent yet to be determined.

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, 2020 AND 2019

	2020			2019		
	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	693,000	571,255	(121,745)	693,000	693,000	-
State of New York	359,500	359,500	-	359,500	359,500	-
Commonwealth of Pennsylvania	893,000	217,000	(676,000)	434,000	217,000	(217,000)
United States	715,000	-	(715,000)	715,000	-	(715,000)
Sale of Publications	2,000	874	(1,126)	1,500	1,268	(232)
Project Review Fees	306,000	372,990	66,990	713,200	463,576	(249,624)
Annual Fees	774,800	744,550	(30,250)	759,700	756,241	(3,459)
Interest Income	35,000	72,870	37,870	40,000	81,246	41,246
Fines, Assessments and Other Income	53,000	94,774	41,774	33,500	60,649	27,149
Total Revenues	4,278,300	2,880,813	(1,397,487)	4,196,400	3,079,480	(1,116,920)

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS) GENERAL FUND
YEARS ENDED JUNE 30, 2020 AND 2019
(CONTINUED)

	2020			2019		
	Original Budget	Actual	Variance Final To Actual Favorable (Unfavorable)	Original Budget	Actual	Variance Final To Actual Favorable (Unfavorable)
Expenditures						
Personal Services	\$ 2,994,500	\$ 2,320,483	\$ 674,017	\$ 2,846,800	\$ 2,544,887	\$ 301,913
Special and Contractual Services	837,200	290,940	546,260	376,000	289,750	86,250
Other Services	227,000	208,948	18,052	219,200	215,576	3,624
Supplies and Other Materials	81,500	55,373	26,127	81,000	65,961	15,039
Buildings and Grounds	343,200	149,677	193,523	500,400	161,470	338,930
Communications	69,500	79,986	(10,486)	32,000	58,195	(26,195)
Travel	76,000	37,194	38,806	109,000	59,638	49,362
Maintenance, Replacements, Acquisitions and Rentals	113,000	68,344	44,656	136,500	63,849	72,651
Fringe Benefits and Other Contributions	1,588,500	1,195,749	392,751	1,649,000	1,439,834	209,166
Total Expenditures	6,330,400	4,406,694	1,923,706	5,949,900	4,899,160	1,050,740
Excess of Revenues Over (Under) Expenditures	(2,052,100)	(1,525,881)	526,219	(1,753,500)	(1,819,680)	(66,180)
Other Financing Sources (Uses)						
Capital Lease Proceeds	-	38,731	38,731	-	-	-
Operating Transfers In	2,480,700	2,234,467	(246,233)	2,129,800	2,164,341	34,541
Operating Transfers Out	(428,600)	(640,832)	(212,232)	(376,300)	(385,227)	(8,927)
Total Other Financing Sources (Uses)	2,052,100	1,632,366	(419,734)	1,753,500	1,779,114	25,614
Net Change in Fund Balances	-	106,485	106,485	-	(40,566)	(40,566)
Fund Balances-Beginning of Year	3,909,078	3,909,078	-	3,949,644	3,949,644	-
Fund Balances-End of Year	\$ 3,909,078	\$ 4,015,563	\$ 106,485	\$ 3,949,644	\$ 3,909,078	\$ (40,566)

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>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	0.0378441393%	0.0419775500%	0.0389675787%	0.0427852444%	0.0400999473%	0.0431396436%
Commission's proportionate share of the net pension liability	\$ 6,818,940	\$ 8,265,170	\$ 9,071,029	\$ 12,671,762	\$ 9,001,635	\$ 8,076,921
Commission's covered payroll	\$ 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	254.26%	294.43%	317.60%	451.06%	308.47%	273.59%
Plan fiduciary net position as a percentage of the total pension liability	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 six years are presented in the above schedule.

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

Last 10 Fiscal Years*
(Dollar Amounts in Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 465,653	\$ 512,203	\$ 417,541	\$ 360,993	\$ 380,098	\$ 344,752
Contributions in relation to the contractually required contribution	<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>					
Commission's covered payroll	\$ 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	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 six 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, 2019 Measurement Date	June 30, 2018 Measurement Date	June 30, 2017 Measurement Date
TOTAL OPEB LIABILITY			
Service cost	\$ 116,776	\$ 113,375	\$ 113,375
Interest	517,051	500,974	355,883
Amortization	-	-	383,200
Benefit payments	<u>(409,031)</u>	<u>(363,324)</u>	<u>(381,053)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	224,796	251,025	471,405
Total OPEB liability, beginning	<u>7,491,219</u>	<u>7,240,194</u>	<u>6,768,789</u>
TOTAL OPEB LIABILITY, ENDING (a)	<u>\$ 7,716,015</u>	<u>\$ 7,491,219</u>	<u>\$ 7,240,194</u>
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 68,163	\$ 113,870	\$ 194,400
Net investment income (loss)	<u>165,515</u>	<u>211,953</u>	<u>293,884</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	233,678	325,823	488,284
Plan fiduciary net position, beginning	<u>3,149,854</u>	<u>2,824,031</u>	<u>2,335,747</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 3,383,532</u>	<u>\$ 3,149,854</u>	<u>\$ 2,824,031</u>
NET OPEB LIABILITY, ENDING (a)-(b)	<u>\$ 4,332,483</u>	<u>\$ 4,341,365</u>	<u>\$ 4,416,163</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	<u>43.85%</u>	<u>42.05%</u>	<u>39.00%</u>
COVERED PAYROLL	<u>\$ 2,688,770</u>	<u>\$ 2,786,936</u>	<u>\$ 2,954,742</u>
NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>147.50%</u>	<u>152.30%</u>	<u>149.46%</u>

*The Commission adopted GASB 75 on a prospective basis in fiscal year 2018; therefore only three 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)		
	2020	2019	2018
Contractually required contribution	\$ 395,506	\$ 477,194	\$ 477,194
Contributions in relation to the contractually required contribution	395,506	488,270	466,118
Contribution deficiency (excess)	\$ -	\$ (11,076)	\$ 11,076
Commission's covered payroll	\$ 2,945,853	\$ 2,688,770	\$ 2,786,936
Contributions as a percentage of covered payroll	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	3.00%
Healthcare Cost Trend Rates	7.50%
Salary Increases	3.00%
Investment Rate of Return	7.00%
Retirement Age	65
Mortality	RP-2014 White Collar Generational Tables Using Scale MP-2017

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

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN

	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
Annual money-weighted rate of return, net of investment expense	3.30%	5.25%	7.50%

*The Commission adopted GASB 75 on a prospective basis in fiscal year 2018; therefore only three 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,					
	2020	2019	2018	2017	2016	2015
Government-wide Activities						
Net Investment in						
Capital Assets	\$ 1,084,206	\$ 1,217,649	\$ 1,276,910	\$ 1,309,088	\$ 1,297,686	\$ 1,225,993
Restricted	-	-	-	16,879	8,232	8,013
Unrestricted	(9,214,081)	(9,675,333)	(10,394,486)	(5,917,029)	(4,894,193)	(4,812,105)
Total Governmental Activities						
Net Position	<u>\$ (8,129,875)</u>	<u>\$ (8,457,684)</u>	<u>\$ (9,117,576)</u>	<u>\$ (4,591,062)</u>	<u>\$ (3,588,275)</u>	<u>\$ (3,578,099)</u>
Business-Type Activities						
Net Investment in						
Capital Assets	\$ (6,023,326)	\$ (5,778,681)	\$ (6,100,775)	\$ (5,992,734)	\$ (6,255,056)	\$ (6,289,341)
Unrestricted	28,168,896	27,075,453	26,038,560	25,243,145	24,243,915	23,655,228
Total Business-Type Activities						
Net Position	<u>\$ 22,145,570</u>	<u>\$ 21,296,772</u>	<u>\$ 19,937,785</u>	<u>\$ 19,250,411</u>	<u>\$ 17,988,859</u>	<u>\$ 17,365,887</u>
Commission-Wide						
Net Investment in						
Capital Assets	\$ (4,939,120)	\$ (4,561,032)	\$ (4,823,865)	\$ (4,683,646)	\$ (4,957,370)	\$ (5,063,348)
Restricted	-	-	-	16,879	8,232	8,013
Unrestricted	18,954,815	17,400,120	15,644,074	19,326,116	19,349,722	18,843,123
Total Commission						
Net Position	<u>\$ 14,015,695</u>	<u>\$ 12,839,088</u>	<u>\$ 10,820,209</u>	<u>\$ 14,659,349</u>	<u>\$ 14,400,584</u>	<u>\$ 13,787,788</u>

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

	Fiscal Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Expenses:						
Primary Government:						
General Government	\$ 2,588,651	\$ 2,279,239	\$ 2,942,273	\$ 3,394,181	\$ 2,585,242	\$ 2,631,032
Water Resource Management	719,673	866,377	994,062	1,038,948	1,159,005	608,925
Water Resource Operations	533,477	282,418	371,985	351,817	477,538	1,025,312
Science and Water Quality Management	249,852	739,166	754,676	785,545	462,150	401,471
Special Projects	2,145,795	2,021,271	1,393,521	1,766,458	1,731,624	1,738,325
Total Government Activities	<u>6,237,448</u>	<u>6,188,471</u>	<u>6,456,517</u>	<u>7,336,949</u>	<u>6,415,559</u>	<u>6,405,065</u>
Business-Type Activities:						
Water Supply Storage Facilities	1,482,030	1,851,664	1,175,513	1,474,321	1,720,829	1,304,051
Total Business-Type Activities	<u>1,482,030</u>	<u>1,851,664</u>	<u>1,175,513</u>	<u>1,474,321</u>	<u>1,720,829</u>	<u>1,304,051</u>
Total Primary Government	<u><u>\$ 7,719,478</u></u>	<u><u>\$ 8,040,135</u></u>	<u><u>\$ 7,632,030</u></u>	<u><u>\$ 8,811,270</u></u>	<u><u>\$ 8,136,388</u></u>	<u><u>\$ 7,709,116</u></u>
Program Revenues:						
Government Activities:						
Charges for Services:						
Regulatory Program Fees	\$ 1,181,385	\$ 1,249,386	\$ 1,377,686	\$ 1,239,611	\$ 839,249	\$ 598,629
Operating Grants and Contributions	2,004,338	1,918,156	1,164,090	1,213,656	1,477,078	1,479,024
Total Government Activities Program Revenue	<u>3,185,723</u>	<u>3,167,542</u>	<u>2,541,776</u>	<u>2,453,267</u>	<u>2,316,327</u>	<u>2,077,653</u>
Business-Type Activities:						
Charges for Services:						
Water Supply Storage Facilities	2,872,561	3,303,459	3,195,232	3,495,596	3,482,420	3,557,378
Total Business-Type Activities Program Revenue	<u>2,872,561</u>	<u>3,303,459</u>	<u>3,195,232</u>	<u>3,495,596</u>	<u>3,482,420</u>	<u>3,557,378</u>
Total Commission Program Revenues	<u><u>\$ 6,058,284</u></u>	<u><u>\$ 6,471,001</u></u>	<u><u>\$ 5,737,008</u></u>	<u><u>\$ 5,948,863</u></u>	<u><u>\$ 5,798,747</u></u>	<u><u>\$ 5,635,031</u></u>

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

	Fiscal Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenue:						
Governmental Activities	\$ (3,051,725)	\$ (3,020,929)	\$ (3,914,741)	\$ (4,883,682)	\$ (4,099,232)	\$ (4,327,412)
Business-Type Activities	1,390,531	1,451,795	2,019,719	2,021,275	1,761,591	2,253,327
Total Commission-Wide Net Expense	<u>\$ (1,661,194)</u>	<u>\$ (1,569,134)</u>	<u>\$ (1,895,022)</u>	<u>\$ (2,862,407)</u>	<u>\$ (2,337,641)</u>	<u>\$ (2,074,085)</u>
General Revenues and Other Changes in Net Position:						
Governmental Activities:						
Grants and Contributions Net						
Restricted to Special Programs	1,594,755	1,716,500	1,716,500	1,933,500	1,933,500	1,933,500
Investment Earnings	72,870	81,246	43,656	23,429	13,975	-
Miscellaneous Income	13,588	32,348	31,767	63,526	238,687	186,306
Transfers	1,698,321	1,850,727	2,029,346	1,860,440	1,902,894	1,926,470
Total Governmental Activities	<u>3,379,534</u>	<u>3,680,821</u>	<u>3,821,269</u>	<u>3,880,895</u>	<u>4,089,056</u>	<u>4,046,276</u>
Business-Type Activities:						
Investment Earnings	1,156,588	1,757,919	697,001	1,100,717	764,275	408,301
Transfers	(1,698,321)	(1,850,727)	(2,029,346)	(1,860,440)	(1,902,894)	(1,926,470)
Total Business-Type Activities	<u>(541,733)</u>	<u>(92,808)</u>	<u>(1,332,345)</u>	<u>(759,723)</u>	<u>(1,138,619)</u>	<u>(1,518,169)</u>
Total Commission-Wide	<u>\$ 2,837,801</u>	<u>\$ 3,588,013</u>	<u>\$ 2,488,924</u>	<u>\$ 3,121,172</u>	<u>\$ 2,950,437</u>	<u>\$ 2,528,107</u>
Changes in Net Position:						
Governmental Activities	\$ 327,809	\$ 659,892	(93,472)	(1,002,787)	(10,176)	(281,136)
Cumulative Changes	-	-	(4,433,042)	-	-	(8,675,327)
Subtotal Governmental Activities	<u>\$ 327,809</u>	<u>\$ 659,892</u>	<u>\$ (4,526,514)</u>	<u>\$ (1,002,787)</u>	<u>\$ (10,176)</u>	<u>\$ (8,956,463)</u>
Business-Type Activities	<u>848,798</u>	<u>1,358,987</u>	<u>687,374</u>	<u>1,261,552</u>	<u>622,972</u>	<u>735,158</u>
Total Commission	<u>\$ 1,176,607</u>	<u>\$ 2,018,879</u>	<u>\$ (3,839,140)</u>	<u>\$ 258,765</u>	<u>\$ 612,796</u>	<u>\$ (8,221,305)</u>

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

	Fiscal Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
General Fund:						
Committed/Assigned	\$ 300,000	\$ 300,000	\$ 361,534	\$ 518,466	\$ 711,393	\$ 847,323
Unassigned	3,715,563	3,609,078	3,588,110	3,564,983	3,746,921	3,665,640
Total General Fund	\$ 4,015,563	\$ 3,909,078	\$ 3,949,644	\$ 4,083,449	\$ 4,458,314	\$ 4,512,963
All Other Governmental Funds:						
Unreserved, Reported In:						
Special Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Signatory Party Contributions:										
State of Delaware	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 468,456	\$ 520,830	\$ 465,593	\$ 127,000
State Of New Jersey	571,255	693,000	693,000	693,000	694,505	698,113	704,926	893,000	903,500	893,000
State of New York	359,500	359,500	359,500	359,500	359,500	359,500	246,000	246,000	365,500	370,505
Commonwealth of Pennsylvania	365,619	348,435	332,437	552,372	548,320	549,780	1,141,837	1,105,089	686,411	1,075,016
United States	595,531	700,847	503,237	432,401	869,793	859,461	681,780	984,514	692,322	887,067
Sale of Publications	874	1,268	1,012	1,726	2,707	2,778	2,444	2,775	3,450	2,604
Regulatory Program Fees	1,117,540	1,219,817	1,275,464	1,182,934	839,249	598,629	491,844	780,282	954,518	448,296
Investment Income	72,870	81,246	44,914	23,429	13,975	-	-	59	1,366	108,599
Compliance Revenue and Other Income	1,354,962	1,146,523	677,135	781,364	727,441	696,287	837,510	939,369	293,152	362,961
Total Revenues	4,885,151	4,997,636	4,333,699	4,473,726	4,502,490	4,211,548	4,574,797	5,471,918	4,365,812	4,275,048
Expenditures:										
Personnel Services	2,996,865	2,947,585	2,999,831	3,080,695	2,961,430	3,011,603	3,133,111	3,185,201	3,254,446	3,200,330
Special and Contractual Services	1,331,613	1,604,657	1,086,958	1,127,070	1,023,993	955,814	1,087,400	1,324,809	1,176,378	1,258,916
Other Services	224,656	224,761	228,870	160,977	168,348	165,871	153,532	139,841	140,884	169,136
Supplies and Materials	80,156	94,306	92,138	87,504	58,183	47,237	67,254	64,757	55,422	57,534
Buildings and Grounds	149,677	161,496	220,557	304,624	236,561	202,329	271,377	250,725	186,302	175,127
Communications	79,986	60,044	45,035	39,603	34,748	26,274	27,439	23,755	20,134	26,147
Travel	38,025	63,747	79,962	51,155	59,165	61,060	62,849	32,529	46,018	66,133
Maintenance, Replacements										
Acquisitions and Rentals	70,767	64,886	80,661	63,937	199,693	145,549	109,320	100,683	139,677	81,939
Fringe Benefits and Other Contributions	1,543,973	1,667,447	1,662,838	1,793,466	1,717,912	1,762,944	1,768,082	1,788,616	1,709,443	1,684,286
Total Expenditures	6,515,718	6,888,929	6,496,850	6,709,031	6,460,033	6,378,681	6,680,364	6,910,916	6,728,704	6,719,548
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,630,567)	(1,891,293)	(2,163,151)	(2,235,305)	(1,957,543)	(2,167,133)	(2,105,567)	(1,438,998)	(2,362,892)	(2,444,500)
Other Financing Sources/(Uses):										
Capital Lease Proceeds	38,731	-	-	-	-	-	-	-	-	-
Operating Transfers In	2,900,438	2,557,054	2,286,782	2,942,275	2,793,991	2,262,609	2,619,017	2,952,197	2,384,568	2,215,026
Operating Transfer (Out)	(1,202,117)	(706,327)	(257,436)	(1,081,835)	(891,097)	(336,139)	(753,083)	(847,222)	(450,138)	(501,334)
Total Other Financing Sources and Uses	1,737,052	1,850,727	2,029,346	1,860,440	1,902,894	1,926,470	1,865,934	2,104,975	1,934,430	1,713,692
Net Change in Fund Balances	\$ 106,485	\$ (40,566)	\$ (133,805)	\$ (374,865)	\$ (54,649)	\$ (240,663)	\$ (239,633)	\$ 665,977	\$ (428,462)	\$ (730,808)

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

Fiscal Year Ended June 30,	Business-Type Activities <u>Due to U.S. Army Corps of Engineers</u>	Government Fund Type <u>Capital Lease</u>	<u>Total</u>
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
2013	11,810,071	-	11,810,071
2012	12,418,024	-	12,418,024
2011	12,678,838	-	12,678,838

SUPPLEMENTAL
SCHEDULES
UNAUDITED

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF ACTIVE SPECIAL PROJECTS - UNAUDITED
THROUGH JUNE 30, 2020

	USGS Monitors 310	FE Walter Re-evaluation Study 310A	USACE Planning Assistance to States	Groundwater Pennsylvania Protected Area 315	Port Jarvis Ice Flow Maintenance Project 320	NFWF Microplastics 321	NFWF Algal Composition and Dissolved Oxygen 321A	NFWF DSS 321B	Eutrophic Modeling 323	Wastewater Treatment Structure 324N	Wastewater Treatment Structure 324O	Page Total
Cumulative Expenditures from Date of Inception Through 6/30/2019	\$ 4,582,575	\$ -	\$ -	\$ 6,916,212	\$ 10,503	\$ 1,026	\$ -	\$ -	\$ 341,215	\$ 59,571	\$ 4,606	\$ 11,915,708
Current Fiscal Year												
Expenditures and Encumbrances:												
Personal Services	-	41,478	12,366	62,959	-	5,782	20,025	11,803	11,704	13,059	27,845	207,021
Special and Contractual Services	197,143	25,000	-	270	-	-	7,015	-	68,881	138,232	23,503	460,044
Supplies, Materials and Equipment	-	-	-	-	-	808	-	-	-	-	-	808
Travel and Communications	-	139	-	-	-	20	-	-	-	-	-	159
Fringe Benefits	-	21,373	6,372	32,127	-	2,979	10,319	6,082	6,031	6,729	14,349	106,361
Transfers and Refunds	-	(87,990)	(18,738)	53,263	-	(2,368)	(10,383)	(4,357)	(16,434)	(3,582)	(20,271)	(110,860)
Total Current Fiscal Year	197,143	-	-	148,619	-	7,221	26,976	13,528	70,182	154,438	45,426	663,533
Total Expenditures from Date of Inception Through June 30, 2020	4,779,718	-	-	7,064,831	10,503	8,247	26,976	13,528	411,397	214,009	50,032	12,579,241
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Total Funding Awarded for Project	4,828,938	-	-	7,112,845	102,479	60,454	88,854	128,750	462,500	275,000	60,000	13,119,820
Funding Available to Complete Project	\$ 49,220	\$ -	\$ -	\$ 48,014	\$ 91,976	\$ 52,207	\$ 61,878	\$ 115,222	\$ 51,103	\$ 60,991	\$ 9,968	\$ 540,579

DELAWARE RIVER BASIN COMMISSION
SCHEDULE OF ACTIVE SPECIAL PROJECTS - UNAUDITED
THROUGH JUNE 30, 2020
(CONTINUED)

	Nutrient Monitoring of Discharges 327A	PA Water Planning 353	PPL Ash Spill Settlement 361	Sec. 106 Water Pollution Control Grant 362	NJ Del Estuary Designated Use 371	WPF Outreach 376	PA DECZM Sea Level Rise 377	PA Designated Use 378	PEMA Flood Mitigation	Nutrient Expert Panel 384	Totals
Cumulative Expenditures from Date of Inception Through 6/30/2019	\$ 71,588	\$ 997,444	\$ 217,862	\$ 163,793	\$ -	\$ 216,917	\$ -	\$ -	\$ -	\$ 22,733	\$ 13,606,045
Current Fiscal Year:											
Expenditures and Encumbrances:											
Personal Services	-	43,866	4,098	259,652	35,838	28,357	18,074	74,146	5,333	-	676,385
Special and Contractual Services	-	-	90,586	325,255	53,234	127,262	-	-	-	-	1,056,381
Supplies, Materials and Equipment	-	280	-	23,273	464	-	-	-	-	-	24,825
Travel and Communications	-	-	33	25	318	295	-	-	-	-	830
Fringe Benefits	-	22,604	2,111	133,799	18,467	14,612	9,314	38,208	2,748	-	348,224
Transfers and Refunds	-	33,426	3,301	(146,472)	5,932	27,539	15,291	62,646	4,511	-	(104,686)
Total Current Fiscal Year	-	100,176	100,129	595,532	114,253	198,065	42,679	175,000	12,592	-	2,001,959
Total Expenditures from Date of Inception Through June 30, 2020	71,588	1,097,620	317,991	759,325	114,253	414,982	42,679	175,000	12,592	22,733	15,608,004
Capital Expenditures	-	2,380	-	-	-	-	-	-	-	-	2,380
Total Funding Awarded for Project	75,000	1,100,000	952,150	1,266,000	150,000	530,000	75,000	175,000	200,000	22,733	17,665,703
Funding Available to Complete Project	\$ 3,412	\$ -	\$ 634,159	\$ 506,675	\$ 35,747	\$ 115,018	\$ 32,321	\$ -	\$ 187,408	\$ -	\$ 2,055,319

DELAWARE RIVER BASIN COMMISSION
GENERAL FUND EXPENDITURES -
BY CATEGORY AND OBJECT UNAUDITED
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
(MODIFIED ACCRUAL BASIS)

	<u>2020</u>	<u>2019</u>
Personnel Services	\$ 2,320,483	\$ 2,544,887
Special and Contractual Services:		
Auditing	15,725	21,980
Computer and Financial	14,504	19,058
All Other Special and Contractual Services	<u>260,711</u>	<u>248,712</u>
Total Special and Contractual Services	<u>290,940</u>	<u>289,750</u>
Other Services:		
Insurance	166,736	171,578
Memberships	23,577	16,902
All Other	<u>18,635</u>	<u>27,096</u>
Total Other Services	<u>208,948</u>	<u>215,576</u>
Supplies and Materials:		
Vehicular	-	874
Office	<u>55,373</u>	<u>65,087</u>
Total Supplies and Materials	<u>55,373</u>	<u>65,961</u>
Buildings and Grounds	<u>149,677</u>	<u>161,470</u>
Communications:		
Postage	1,519	2,786
Telephone and Other	<u>78,467</u>	<u>55,408</u>
Total Communications	<u>79,986</u>	<u>58,194</u>
Travel:		
Travel	22,456	35,895
Commission Meeting Expense	<u>14,738</u>	<u>23,743</u>
Total Travel	<u>37,194</u>	<u>59,638</u>
Maintenance, Replacements, Acquisitions and Rentals:		
Office Equipment	63,813	56,211
Vehicular Equipment	2,153	2,235
Computers	-	1,226
Office Equipment Rental	<u>2,378</u>	<u>4,176</u>
Total Maintenance, Replacements, Acquisitions and Rentals	<u>68,344</u>	<u>63,848</u>
Fringe Benefits and Other Contributions:		
Employees' Retirement	362,289	442,728
Social Security	168,413	185,503
Health and Dental Benefits	641,851	789,672
Unemployment Compensation	6,398	8,349
Long-Term Disability	10,075	10,701
Other Fringes	<u>6,723</u>	<u>2,883</u>
Total Fringe Benefits and Other Contributions	<u>1,195,749</u>	<u>1,439,836</u>
Total General Fund Expenditures	<u>\$ 4,406,694</u>	<u>\$ 4,899,160</u>

DELAWARE RIVER BASIN COMMISSION
 CHANGES IN SPECIAL PROJECTS
 ADVANCE/(RECEIVABLE) BALANCE - BY PROJECT - UNAUDITED
 FOR THE YEAR ENDED JUNE 30, 2020

Advances:	Project	Balance July 1, 2019	Cash Receipts	Transfers	Expenditures	Balance June 30, 2020
310	USGS Monitors	\$ 49,498	\$ 196,865	\$ -	\$ (197,143)	\$ 49,220
315	Groundwater - PA	42,833	153,800	(53,263)	(95,356)	48,014
320	Upper Delaware Ice Jam	90,566	1,410	-	-	91,976
322	Flow and Temp. Modeling	16,622	-	-	-	16,622
323	Eutrophic Modeling	121,285	-	16,434	(86,616)	51,103
324N	Evaluate Wastewater Infrastructure	215,429	-	3,582	(158,020)	60,991
327A	Nutrient Monitoring Of Discharges	3,412	-	-	-	3,412
353	PA Water Planning	102,556	-	(33,426)	(69,130)	-
361	PPL Ash Spill	734,288	-	(3,301)	(96,828)	634,159
376	WPF Outreach	113,083	200,000	(27,539)	(170,526)	115,018
	Total Advances	\$ 1,489,572	\$ 552,075	\$ (97,513)	\$ (873,619)	\$ 1,070,515
Accounts Receivable:						
362	Water Pollution Control Grant	\$ (163,793)	\$ 518,483	\$ 146,472	\$ (742,003)	\$ (240,841)
321	NFWF Microplastics	(1,026)	8,114	2,368	(9,589)	(133)
321A	NFWF Algal Composition and Dissolved Oxygen	-	13,490	10,383	(37,359)	(13,486)
321B	NFWF DSS	-	4,701	4,357	(17,885)	(8,827)
324O	PA Coastal Zone Management	(4,605)	32,496	20,271	(65,697)	(17,535)
371	NJ Del Estuary Designated Use	(150,000)	264,253	(5,932)	(108,321)	-
376	WPF Outreach	-	1,350	-	(2,150)	(800)
377	PA Sea Level Rise Study	-	31,236	(15,291)	(27,388)	(11,443)
379	PEMA Flood Mitigation	-	-	(4,511)	(8,081)	(12,592)
	Total Accounts Receivable	\$ (319,424)	\$ 874,123	\$ 158,117	\$ (1,018,473)	\$ (305,657)



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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 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 Delaware River Basin Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Delaware River Basin Commission's financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delaware River Basin 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 Delaware River Basin Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Delaware River Basin 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delaware River Basin 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*.

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 21, 2020