

**DELAWARE RIVER BASIN
COMMISSION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

June 30, 2025

DELAWARE RIVER BASIN COMMISSION

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Commissioners of
Delaware River Basin Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware River Basin Commission (the "Commission") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

The financial statements of the Commission as of and for the year ended June 30, 2024, were audited by other auditors whose report dated December 16, 2024, expressed an unmodified opinion on those financial statements, in accordance with accounting principles generally accepted in the United States of America. Comparative information is included in the basic financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; schedule of revenues, expenditures and changes in fund balances - budget and actual; schedule of Commission's proportionate share of the net pension liability and related ratios; schedule of Commission's contributions - pension plan; schedule of changes in net OPEB liability and related ratios; schedule of Commission's contributions - OPEB Plan; and schedule of investment returns - OPEB plan, as listed in table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Required Supplementary Information (Continued)

appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of expenditures of federal awards and the related notes to the schedule of expenditures of federal awards are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the statistical section and supplemental schedules, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, 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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by *Government Auditing Standards (Continued)*

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.

Mercadieu, P.C.

Certified Public Accountants

December 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DELAWARE RIVER BASIN COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

Who We Are

The Delaware River Basin Commission ("DRBC" or "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 ended June 30, 2025. Please read it in conjunction with the Commission's financial statements.

Financial Highlights

- The Commission's governmental activities net position is \$4,622,911 as of June 30, 2025, which was an increase of \$1,845,154 from \$2,777,757 as of June 30, 2024.
- The total cost of the Commission's governmental programs and projects was \$8,075,857.
- The Commission's business-type net position stands at \$26,459,787 as of June 30, 2025, an increase of \$2,224,299 from \$24,235,488 as of June 30, 2024.

Using This Annual Report

This annual report consists of a series of financial statements. The *Statement of Net Position* (p. 11) and the *Statement of Activities* (p. 12) 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 are at pages 13-15. These statements tell how governmental activities were financed in the short-term. Proprietary fund financial statements are on pages 16-18 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 positions and changes to them during the year. 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

DELAWARE RIVER BASIN COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

Reporting the Commission as a Whole (Continued)

The Statement of Net Position and the Statement of Activities (Continued)

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.

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, as described below.

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.

DELAWARE RIVER BASIN COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

Reporting the Commission's Most Significant Funds (Continued)

Fund Financial Statements (Continued)

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 19 and 20. We exclude these activities from the Commission's other financial statements because the Commission cannot use these 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, 2025, the net positions of the governmental and business-type activities total \$4,622,911 and \$26,459,787 respectively. An increase of \$1,845,154 in net position resulted from governmental activities, and an increase of \$2,224,299 in net position resulted from business activities for the fiscal year ended June 30, 2024.

Net position is classified into three categories: unrestricted, restricted and net investment in capital assets. For the year ended June 30, 2025, the governmental activities' equity invested in capital assets increased by \$408,172, mostly due to capitalized database rebuild and office improvement costs, offset by depreciation expense. The business-type activities' equity invested in capital assets increased \$368,233, mostly due to paydowns of bonds and notes payable to the U.S. Army Corp of Engineers, offset by depreciation expense.

Governmental activities' and business-type activities' restricted net positions both stand at \$0, no change from the prior fiscal year.

DELAWARE RIVER BASIN COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

Governmental Activities

For the fiscal year ended June 30, 2025, revenues, excluding inter-fund transfers, decreased by \$883,223, or 13.1%, from the prior fiscal year. Signatory Contribution revenue decreased \$715,000 (27.2%) from the prior year. Project review fees were \$584,382, an increase of \$126,549 (27.6%). Annual regulatory program fee revenue was \$872,478, an increase of \$20,881 (2.5%). Investment income was \$202,230, a slight decrease of \$1,028 (0.5%). Revenue from special projects was \$1,587,115, \$308,576 less than the prior fiscal year (16.3%).

The cost of all governmental activities this year was \$6,683,480. The portion of this cost that was paid by signatory contributions was \$1,916,500 with the balance of costs being funded by grants, fees, miscellaneous income and interfund transfers.

Business-Type Activities

For the fiscal year ended June 30, 2025, water sales revenues increased \$293,212, or 8.1%, to \$3,898,816. This is mainly due to a rate increase effective July 1, 2024. Operating expenses were \$1,554,321, up \$153,141 (10.9%), mainly due to higher contractual services. Net operating transfers out were \$2,653,871, up \$192,507 (7.8%) from fiscal 2024. Non-operating revenues were \$2,533,675, down \$19,685 (0.8%) from the prior fiscal year due to an increase in unrealized gain on investments, offset by decreases in interest income and realized gain on investments and an increase in interest expense. These items resulted in a net income of \$2,224,299 for the fiscal year ended June 30, 2025, \$72,121 (3.1%) less than fiscal year 2024.

The Commission's Funds

For the fiscal year ended June 30, 2025, the Commission's governmental funds reported a combined total of \$8,981,457 in fund balance, an increase of \$485,595 from fiscal year 2024.

The unassigned fund balance at June 30, 2025, is \$7,358,214, an increase of \$2,132. The following table compares the components of fund balance at June 30, 2025 and June 30, 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change \$</u>
Fund Balances			
Assigned			
Complete Special Projects	\$ 1,233,515	\$ 938,000	\$ 295,515
Vacation and Compensatory Time	389,728	201,780	187,948
Unassigned	<u>7,358,214</u>	<u>7,356,082</u>	<u>2,132</u>
Total Fund Balances	<u>\$ 8,981,457</u>	<u>\$ 8,495,862</u>	<u>\$ 485,595</u>

Special project fund revenues were \$1,587,115, \$308,576 less than fiscal year 2024. The NFWF DWCF 2022 Grant was almost completed in fiscal year 2024, resulting in a decrease of expenses and related revenues of \$193,706 in fiscal year 2025. The preceding unfavorability is also due to decreases in the Section 106 Water Pollution Control grant expenses and related revenues.

DELAWARE RIVER BASIN COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

General Fund Budgetary Highlights

The budget for the fiscal year ended June 30, 2025, has not been amended since its original adoption. For fiscal year 2025 the Commission reported a total favorable budget variance of \$1,460,795.

Notable revenue variances include an unfavorable variance of \$715,000 in federal contribution revenue, a \$279,582 favorable variance in regulatory program fees, and \$167,230 favorable variance in investment income.

Notable expense variances include favorable personal services and fringe benefits and other contributions variances of \$651,302 and \$138,706, respectively, due to more grant work and delays in filling vacancies. The favorable expense variance in special and contractual services of \$521,731 is due to delays in database rebuild project and USGS contract work. The favorable expense variance in building and grounds of \$892,654 is due to delays in building improvements. Overall, there is a favorable expense variance of \$2,311,580.

There is an unfavorable variance in operating transfers in of \$389,970. Operating transfers out were unfavorable by \$221,481. In total, net transfers were worse than budget by \$611,451.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the Commission reported \$3,360,080 in capital assets net of depreciation. Capital assets include equipment, furniture, building, building improvements, subscription-based information technology arrangements and the Commission's share of construction costs for two federal water storage facilities: Beltzville Lake and Blue Marsh Lake.

Debt

As of June 30, 2025, the Commission had \$13,559,454 in long-term liabilities outstanding. This can be broken down into six categories:

- \$528,235 for employees' accrued leave time (see footnote A)
- \$5,174,295 for loans due to the Army Corps of Engineers for construction of water storage facilities (see footnote E)
- \$5,667,080 as a net pension liability (see footnote F)
- \$1,990,487 as a net OPEB liability (see footnote G)
- \$175,285 in subscription liabilities (see footnote I)
- \$24,072 as an equipment lease liability (see footnote I)

DELAWARE RIVER BASIN COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) June 30, 2025

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 years ended September 30, 2009, September 30, 2023 and September 30, 2024. As of June 30, 2025, the cumulative federal shortfall totals \$17.8 million.

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, 2025

(With Comparative Totals as of June 30, 2024)

	Governmental Activities	Business-Type Activities	Totals	
			June 30, 2025	(Memorandum Only) June 30, 2024
Assets and Deferred Outflows of Resources				
Cash and Cash Equivalents	\$ 6,271,982	\$ 1,843,540	\$ 8,115,522	\$ 6,616,184
Investments	1,950,300	30,365,372	32,315,672	30,842,514
Receivables, net				
Due from Other Governments	-	-	-	816,924
Interest	-	132,262	132,262	146,698
Annual Fees Receivable, net	127,563	-	127,563	-
Water Supply Charges	-	990,594	990,594	1,215,477
Other Assets	577,231	-	577,231	266,231
Internal Balances	1,549,176	(1,549,176)	-	-
Prepaid Expenses	481,636	27,686	509,322	-
Capital Assets, net	2,263,742	1,096,338	3,360,080	3,244,307
Total Assets	<u>\$ 13,221,630</u>	<u>\$ 32,906,616</u>	<u>\$ 46,128,246</u>	<u>\$ 43,148,335</u>
Deferred Outflows of Resources				
Deferred Outflows of Resources for Pension	\$ 1,376,624	\$ -	\$ 1,376,624	\$ 1,402,997
Deferred Outflows of Resources for OPEB	1,330,424	-	1,330,424	930,242
Total Deferred Outflows of Resources	<u>\$ 2,707,048</u>	<u>\$ -</u>	<u>\$ 2,707,048</u>	<u>\$ 2,333,239</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Accounts Payable	\$ 753,024	\$ 1,181,029	\$ 1,934,053	\$ 1,472,128
Accrued Interest	7,552	81,839	89,391	100,450
Employee Compensation and Benefits	147,234	-	147,234	80,977
Advances	477,982	-	477,982	487,962
Deferred Revenue	451,273	-	451,273	436,595
Accrued Leave Time Current Portion	146,918	-	146,918	120,000
Lease Obligation Current Portion	5,664	-	5,664	1,291
Subscription Liability Current Portion	21,072	-	21,072	21,311
Long-Term Liabilities				
Accrued Leave Time	371,651	9,666	381,317	379,996
Net Pension Liability	5,667,080	-	5,667,080	5,831,800
Net OPEB Liability	1,990,487	-	1,990,487	1,739,387
Lease Obligation	18,408	-	18,408	-
Subscription Liability	154,213	-	154,213	176,766
Due to US Army Corps of Engineers				
Due Within One Year	-	683,169	683,169	660,620
Due in More Than One Year	-	4,491,126	4,491,126	5,174,296
Total Liabilities	<u>10,212,558</u>	<u>6,446,829</u>	<u>16,659,387</u>	<u>16,683,579</u>
Deferred Inflows of Resources				
Deferred Inflows of Resources for Pension	618,045	-	618,045	862,883
Deferred Inflows of Resources for OPEB	475,164	-	475,164	921,867
Total Deferred Inflows of Resources	<u>1,093,209</u>	<u>-</u>	<u>1,093,209</u>	<u>1,784,750</u>
Net Position (Deficit)				
Net Investment in Capital Assets	2,064,385	(4,077,957)	(2,013,572)	(2,789,977)
Unrestricted	2,558,526	30,537,744	33,096,270	29,803,222
Total Net Position (Deficit)	<u>\$ 4,622,911</u>	<u>\$ 26,459,787</u>	<u>\$ 31,082,698</u>	<u>\$ 27,013,245</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

(With Comparative Totals for the Year Ended June 30, 2024)

General Revenues
Grants and Contributions not Restricted to Special Programs
Investment Earnings
Miscellaneous Income
Gain on Asset Disposal
Transfers
Total General Revenues and Transfers
Changes in Net Position
Net Position - Beginning of Year
Net Position - End of Year

12

DELAWARE RIVER BASIN COMMISSION

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2025

(With Comparative Totals as of June 30, 2024)

	General Fund	Special Projects Fund	Totals	
			June 30, 2025	(Memorandum Only) June 30, 2024
Assets				
Cash and Cash Equivalents	\$ 5,072,473	\$ 1,199,509	\$ 6,271,982	\$ 4,897,635
Investments	1,950,300	-	1,950,300	1,936,586
Accounts Receivable	129,339	575,455	704,794	816,924
Due from Other Funds	2,513,186	-	2,513,186	3,490,873
Other Assets	481,636	-	481,636	263,768
Total Assets	10,146,934	1,774,964	11,921,898	11,405,786
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	446,970	306,054	753,024	699,357
Employee Compensation and Benefits	147,234	-	147,234	80,977
Advances	-	477,982	477,982	487,962
Due to Other Funds	-	964,010	964,010	1,057,631
Deferred Revenue	451,273	-	451,273	436,595
Accrued Vacation and Sick Time	120,000	26,918	146,918	147,402
Total Liabilities	1,165,477	1,774,964	2,940,441	2,909,924
Fund Balances				
Assigned				
Complete Special Projects	1,233,515	-	1,233,515	938,000
Vacation and Compensatory Time	389,728	-	389,728	201,780
Unassigned	7,358,214	-	7,358,214	7,356,082
Total Fund Balances	8,981,457	-	8,981,457	8,495,862
Total Liabilities and Fund Balances	\$ 10,146,934	\$ 1,774,964	\$ 11,921,898	\$ 11,405,786
Total Fund Balance			\$ 8,981,457	\$ 8,495,862
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.			2,263,742	1,855,581
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.			(6,622,288)	(7,573,686)
Total Net Position of Governmental Activities			\$ 4,622,911	\$ 2,777,757

DELAWARE RIVER BASIN COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

			Totals	
	General Fund	Special Projects Fund	June 30, 2025	(Memorandum Only) June 30, 2024
Revenues				
Signatory Party Contributions				
State of Delaware	\$ 447,000	\$ -	\$ 447,000	\$ 447,000
State of New Jersey	893,000	-	893,000	893,000
State of New York	359,500	-	359,500	359,500
Commonwealth of Pennsylvania	217,000	186,359	403,359	414,830
Federal Government United States	-	490,812	490,812	1,441,601
Sale of Publications	365	-	365	644
Project Review Fees	584,382	-	584,382	457,833
Regulatory Program Fees	872,478	-	872,478	851,597
Investment Income	202,230	-	202,230	203,258
Compliance Revenue and Other Income	711,693	909,944	1,621,637	1,688,723
Total Revenues	<u>4,287,648</u>	<u>1,587,115</u>	<u>5,874,763</u>	<u>6,757,986</u>
Expenditures				
Personnel Services	3,132,498	608,372	3,740,870	3,547,198
Special and Contractual Services	698,769	781,766	1,480,535	1,349,826
Other Services	317,711	7,541	325,252	312,837
Supplies and Materials	79,111	2,656	81,767	104,549
Buildings and Grounds	364,546	-	364,546	686,718
Communications	41,668	8,765	50,433	60,461
Travel	48,928	3,562	52,490	51,752
Maintenance, Replacements, Acquisitions and Rentals	100,595	7,305	107,900	151,178
Fringe Benefits and Other Contributions	1,578,594	293,470	1,872,064	1,730,716
Total Expenditures	<u>6,362,420</u>	<u>1,713,437</u>	<u>8,075,857</u>	<u>7,995,235</u>
Excess of Expenditures Over Revenues	<u>(2,074,772)</u>	<u>(126,322)</u>	<u>(2,201,094)</u>	<u>(1,237,249)</u>
Other Financing Sources (Uses)				
Proceeds from Lease Arrangement	28,320	-	28,320	-
Proceeds from Subscription Based IT Arrangement	-	-	-	20,995
Gain on Asset Disposal	4,498	-	4,498	1
Operating Transfers In	3,128,830	601,281	3,730,111	3,834,781
Operating Transfers Out	(601,281)	(474,959)	(1,076,240)	(1,373,417)
Total Other Financing Sources, Net	<u>2,560,367</u>	<u>126,322</u>	<u>2,686,689</u>	<u>2,482,360</u>
Net Change in Fund Balances	485,595	-	485,595	1,245,111
Fund Balances - Beginning of Year	8,495,862	-	8,495,862	7,250,751
Fund Balances - End of Year	<u>\$ 8,981,457</u>	<u>\$ -</u>	<u>\$ 8,981,457</u>	<u>\$ 8,495,862</u>

See notes to 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

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	2025	(Memorandum Only) 2024
Net Change in Fund Balances - Governmental Funds	\$ 485,595	\$ 1,245,111
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds reports 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 of \$255,645 exceeds acquisitions of non-lease and non-SBITA capital assets of \$630,988 in the current period.	375,343	401,736
Repayment of lease arrangement is an expenditure in the governmental funds, but the repayment reduces the long-term liability in the statement of net position and is not reported in the statement of activities.	5,599	7,746
Repayment of SBITA is an expenditure in the governmental funds, but the repayment reduces the long-term liability in the statement of net position and is not reported in the statement of activities.	28,371	(8,744)
Increase in compensated absences is recognized as an expense in the statement of activities, but is not currently due and payable in the governmental funds.	(28,724)	(23,515)
Proceeds from SBITA are not recorded as revenues at the governmental activities level.	-	11,418
Pension and OPEB adjustments are recorded in the statement of activates but not in the governmental funds.	978,970	1,321,806
Changes in net position of governmental activities	\$ 1,845,154	\$ 2,955,558

DELAWARE RIVER BASIN COMMISSION

STATEMENT OF NET POSITION - PROPRIETARY FUND

June 30, 2025

(With Comparative Totals as of June 30, 2024)

	Water Supply Storage Facilities	Totals	
		June 30, 2025	(Memorandum Only) June 30, 2024
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 1,843,540	\$ 1,843,540	\$ 1,718,549
Investments	30,365,372	30,365,372	28,905,928
Interest Receivable	132,262	132,262	146,698
Water Supply Charges Receivables, Net	990,594	990,594	1,215,477
Prepaid Expenses	27,686	27,686	2,463
Total Current Assets	<u>33,359,454</u>	<u>33,359,454</u>	<u>31,989,115</u>
Noncurrent Assets			
Land, Building and Improvements, Net	1,096,239	1,096,239	1,388,569
Furniture and Equipment, Net	99	99	157
Total Noncurrent Assets	<u>1,096,338</u>	<u>1,096,338</u>	<u>1,388,726</u>
Total Assets	<u>\$ 34,455,792</u>	<u>\$ 34,455,792</u>	<u>\$ 33,377,841</u>
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 1,181,029	\$ 1,181,029	\$ 772,771
Accrued Interest	81,839	81,839	91,758
Due to US Army Corps of Engineers	660,620	660,620	660,620
Due to Other Fund	1,549,176	1,549,176	2,433,242
Total Current Liabilities	<u>3,472,664</u>	<u>3,472,664</u>	<u>3,958,391</u>
Noncurrent Liabilities			
Accrued Vacation and Sick Time	9,666	9,666	9,666
Due to US Army Corps of Engineers	4,513,675	4,513,675	5,174,296
Total Noncurrent Liabilities	<u>4,523,341</u>	<u>4,523,341</u>	<u>5,183,962</u>
Total Liabilities	<u>7,996,005</u>	<u>7,996,005</u>	<u>9,142,353</u>
Net Position			
Net Investment in Capital Assets	(4,077,957)	(4,077,957)	(4,446,190)
Unrestricted	30,537,744	30,537,744	28,681,678
Total Net Position	<u>26,459,787</u>	<u>26,459,787</u>	<u>24,235,488</u>
Total Liabilities and Net Position	<u>\$ 34,455,792</u>	<u>\$ 34,455,792</u>	<u>\$ 33,377,841</u>

DELAWARE RIVER BASIN COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	Water Supply Storage Facilities	Totals (Memorandum Only)	
		June 30, 2025	June 30, 2024
Operating Revenue			
Charges for Services			
Water Supply Charges	\$ 3,898,816	\$ 3,898,816	\$ 3,605,604
Total Operating Revenue	3,898,816	3,898,816	3,605,604
Operating Expenses			
Special and Contractual Services	1,261,932	1,261,932	\$ 1,083,314
Other Services	-	-	25,477
Depreciation	292,389	292,389	292,389
Total Operating Expenses	1,554,321	1,554,321	1,401,180
Operating Income	2,344,495	2,344,495	2,204,424
Nonoperating Revenues (Expenses)			
Interest Income	733,767	733,767	823,659
Realized Gain on Sales of Investments	519,482	519,482	1,344,192
Unrealized Gain on Investments	1,518,228	1,518,228	603,156
Interest Expense	(237,802)	(237,802)	(217,647)
Total Nonoperating Revenues	2,533,675	2,533,675	2,553,360
Net Income Before Operating Transfers	4,878,170	4,878,170	4,757,784
Net Operating Transfers Out	(2,653,871)	(2,653,871)	(2,461,364)
Change in Net Position	2,224,299	2,224,299	2,296,420
Total Net Position - Beginning of Year	\$ 24,235,488	\$ 24,235,488	\$ 21,939,068
Total Net Position - End of Year	\$ 26,459,787	\$ 26,459,787	\$ 24,235,488

DELAWARE RIVER BASIN COMMISSION

STATEMENT OF CASH FLOWS PROPRIETARY FUND

Year Ended June 30, 2025
(With Comparative Totals for Year Ended June 30, 2024)

	Water Supply Storage Facilities	Totals (Memorandum Only)	
		June 30, 2025	June 30, 2024
Cash Flows from Operating Activities			
Cash Received from Water Supply Charges	\$ 4,123,699	\$ 4,123,699	\$ 3,174,852
Payments to Vendors and Suppliers	(880,146)	(880,146)	(620,966)
Net Cash Provided by Operating Activities	3,243,553	3,243,553	2,553,886
Cash Flows from Noncapital Financing Activities			
Operating Transfers to Other Funds	(2,653,871)	(2,653,871)	(2,461,364)
Net Cash Used in Noncapital Financing Activities	(2,653,871)	(2,653,871)	(2,461,364)
Cash Flows from Capital and Related Financing Activities			
Interest Paid	(91,121)	(91,121)	(230,828)
Interfund Payable	(884,067)	(884,067)	153,881
Principal Paid	(460,903)	(460,903)	(630,314)
Net Cash Used in Capital and Related Financing Activities	(1,436,091)	(1,436,091)	(707,261)
Cash Flows from Investing Activities			
Interest Received	748,203	748,203	817,046
Sales of Investments, Net of Purchases	223,197	223,197	215,572
Net Cash Provided by (Used in) Investing Activities	971,400	971,400	1,032,618
Net Increase/(Decrease) in Cash and Cash Equivalents	124,991	124,991	417,879
Cash and Cash Equivalents - Beginning of Year	1,718,549	1,718,549	1,300,670
Cash and Cash Equivalents - End of Year	\$ 1,843,540	\$ 1,843,540	\$ 1,718,549
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 2,344,495	\$ 2,344,495	\$ 2,204,424
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Net Amortization	292,389	292,389	292,389
Changes in Operating Assets and Liabilities			
Decrease in Accounts Receivable	224,883	224,883	(430,752)
(Increase) in Prepaid Expenses	(25,223)	(25,223)	21,315
Increase in Accounts Payable	407,009	407,009	466,510
Total Adjustments	899,058	899,058	349,462
Net Cash Provided by Operating Activities	\$ 3,243,553	\$ 3,243,553	\$ 2,553,886

See notes to financial statements.

**DELAWARE RIVER BASIN COMMISSION
OPEB TRUST FUND**

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

(With Comparative Totals as of June 30, 2024)

	June 30, 2025	(Memorandum Only) June 30, 2024
Assets		
Investments	\$ 5,664,832	\$ 5,057,315
Total Assets	<u>\$ 5,664,832</u>	<u>\$ 5,057,315</u>
Net Position Held in Trust for OPEB Health Benefits	<u>\$ 5,664,832</u>	<u>\$ 5,057,315</u>

DELAWARE RIVER BASIN COMMISSION
OPEB TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	June 30, 2025	(Memorandum Only) June 30, 2024
Additions		
Investment Income	\$ 607,517	\$ 626,317
Total Additions	607,517	626,317
Net Increase	607,517	626,317
Net Position Held in Trust for OPEB Health Benefits:		
Beginning of Year	5,057,315	4,430,998
End of Year	\$ 5,664,832	\$ 5,057,315

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Delaware River Basin Commission ("DRBC" or "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, 2025, and for the year then ended.

Reporting Entity

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

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

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, as under accrual accounting. However, debt service expenditures are recorded only when a payment is due. 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. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The Special Projects Fund is used to account for specific revenue sources related to the provisions imposed by outside agencies of the Commission for services that are restricted to expenditures for those specified purposes.

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

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.

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

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, 2024, from which the summarized information was derived.

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position

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.

Investments

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

Allowance for Doubtful Accounts

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

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 "internal balances."

Capital Assets

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

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

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

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

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position (Continued)

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.

Accrued Vacation and Sick Time

The Commission had a liability of \$528,235 representing vacation and sick time earned by employees as of June 30, 2025. Of this amount, \$518,569 is reported as a liability of Governmental activities and \$9,666 is shown as a liability of Business-Type activities. In the governmental funds – balance sheet, liabilities of \$120,000 and \$26,918 were reflected in the General Fund and Special Projects Fund, respectively. In the Water Supplies Storage Facilities Fund statement of net position, a liability of \$9,666 is reflected for its portion of accrued vacation and sick time.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Respectively, these separate financial elements represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then, and an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has three items that qualify for reporting in this category, which are deferred amounts related to pensions and other post-employment benefits.

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.

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position (Continued)

Net Position/Fund Balances (Continued)

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

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.

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.

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Governmental Accounting Standards Board ("GASB") Statements

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

Pending GASB Statements

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

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

The GASB has issued Statement No. 105, "*Subsequent Events*." This statement is required to be adopted by the Commission for the year ending June 30, 2027. The Commission has not determined the effect of Statement No. 105 on the financial statements.

B. 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.

C. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

C. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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 months.

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

The following table shows the cash and investments of the Commission as of June 30, 2025, at fair value:

	General Fund	Special Projects Fund	Water Supply Storage Facilities Fund	OPEB Trust Fund	Totals
Cash and Cash Equivalents					
Cash on Hand	\$ 533	\$ -	\$ -	\$ -	\$ 533
Cash - Wells Fargo Bank	2,747,679	143,255	6,669	-	2,897,603
Cash Equivalents - New Jersey Cash Management Fund	2,324,261	1,056,253	7,608	-	3,388,122
Cash Equivalents - Trust Investment Services	-	-	1,631,179	-	1,631,179
Cash Equivalents - Wilmington Trust Company	-	-	198,085	-	198,085
Total Cash and Cash Equivalents	5,072,473	1,199,508	1,843,541	-	8,115,522
Investments					
Federal Obligations - Wells Fargo Investments	1,950,300	-	-	-	1,950,300
Federal Obligations - Trust Investment Services	-	-	2,955,913	-	2,955,913
Corporate Obligations - Trust Investment Services	-	-	5,604,322	-	5,604,322
Equities - Trust Investment Services	-	-	6,116,982	-	6,116,982
Subtotal Trust Investment Services	-	-	14,677,217	-	14,677,217
Federal Obligations - Wilmington Trust Company	-	-	6,411,812	-	6,411,812
Corporate Obligations - Wilmington Trust Company	-	-	2,611,621	-	2,611,621
Equities - Wilmington Trust Company	-	-	6,664,722	-	6,664,722
Subtotal Wilmington Trust Company	-	-	15,688,155	-	15,688,155
Government Securities - Vantagepoint OPEB Trust	-	-	-	1,926,043	1,926,043
Equities - Vantagepoint OPEB Trust	-	-	-	3,738,789	3,738,789
Subtotal Vantagepoint OPEB Trust	-	-	-	5,664,832	5,664,832
Total Investments	1,950,300	-	30,365,372	5,664,832	37,980,504
Total Cash, Cash Equivalents and Investments	\$ 7,022,773	\$ 1,199,508	\$ 32,208,913	\$ 5,664,832	\$ 46,096,026

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

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

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

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

C. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The following table shows the fair value of federal and corporate obligations held by maturity range as of June 30, 2025:

Maturity	Federal Obligations	Corporate Obligations	Totals
Less than 1 year	\$ 2,426,885	\$ 1,439,030	\$ 3,865,915
1 to 5 years	6,744,906	5,515,589	12,260,495
5 to 10 years	2,146,234	1,261,324	3,407,558
Total	<u>\$ 11,318,025</u>	<u>\$ 8,215,943</u>	<u>\$ 19,533,968</u>

The following table shows Standard & Poor's ratings of corporate obligations as of June 30, 2025:

Rating	Corporate Obligations	% of Total
A1	\$ 428,266	5.21%
A2	2,078,357	25.30%
A3	2,323,592	28.28%
AAA	122,532	1.49%
AA2	260,914	3.18%
AA3	516,598	6.29%
BAA1	1,418,129	17.26%
BAA2	1,067,555	12.99%
Totals	<u>\$ 8,215,943</u>	<u>100.00%</u>

Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission has no level 3 investments. The following table shows the valuation level inputs of investments by fund as of June 30, 2025:

Valuation Input	Water Supply			Total
	General Fund	Storage Facilities Fund	OPEB Trust Fund	
Level 1	\$ 1,950,300	\$ 20,934,081	\$ 5,664,832	\$ 28,549,213
Level 2	-	9,431,291	-	9,431,291
	<u>\$ 1,950,300</u>	<u>\$ 30,365,372</u>	<u>\$ 5,664,832</u>	<u>\$ 37,980,504</u>

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

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

- 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.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investments pools.

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

C. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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 tri-party collateralization agreement. As of June 30, 2025, the market value of the pledged collateral was \$2,286,070.

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, 2025, 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.

D. CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 1	\$ -	\$ -	\$ 1
Construction in Progress	13,100	477,645	(13,100)	477,645
Total Capital Assets not Being Depreciated	\$ 13,101	\$ 477,645	\$ (13,100)	\$ 477,646
Capital Assets Being Depreciated/Amortized				
Intangible Assets	299,636	4,498	-	304,134
Building and Improvements	2,895,489	98,469	-	2,993,958
Furniture and Equipment	2,119,623	96,294	(38,731)	2,177,186
Total Capital Assets Being Depreciated/Amortized	5,314,748	199,261	(38,731)	5,475,278
Less: Accumulated Depreciated for				
Intangible Assets	(57,955)	(30,751)	-	(88,706)
Building and Improvements	(1,767,434)	(107,049)	-	(1,874,483)
Furniture and Equipment	(1,646,879)	(117,845)	38,731	(1,725,993)
Total Accumulated Depreciation/Amortization	(3,472,268)	(255,645)	38,731	(3,689,182)
Total Capital Assets Being Depreciated/Amortized, Net	1,842,480	(56,384)	-	1,786,096
Governmental Activities Capital Assets, Net	\$ 1,855,581	\$ 421,261	\$ (13,100)	\$ 2,263,742

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

D. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Water Supply Storage Facilities				
Capital Assets Being Depreciated/Amortization				
Water Supply Storage Facilities	\$ 21,074,316	\$ -	\$ -	\$ 21,074,316
Furniture and Equipment	153,015	-	-	153,015
Total Capital Assets Being Depreciated	21,227,331	-	-	21,227,331
Less: Accumulated Depreciation for				
Water Supply Storage Facilities	(19,685,748)	(292,330)	-	(19,978,078)
Furniture and Equipment	(152,857)	(58)	-	(152,915)
Total Accumulated Depreciation	(19,838,605)	(292,388)	-	(20,130,993)
Business-Type Capital Assets Being Depreciated, Net	\$ 1,388,726	\$ (292,388)	\$ -	\$ 1,096,338

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
General Government	\$ 2,919,325	\$ 219,983	\$ (38,731)	\$ 3,100,577
Special Projects	552,943	35,662	-	588,605
Total Depreciation/Amortization Expense - Governmental Activities	\$ 3,472,268	\$ 255,645	\$ (38,731)	\$ 3,689,182
Business - Type Activities				
Water Supply Storage Facilities	\$ 19,838,605	\$ 292,388	\$ -	\$ 20,130,993
Total Depreciation Expense - Business - Type Activities	\$ 19,838,605	\$ 292,388	\$ -	\$ 20,130,993

E. LONG-TERM LIABILITIES

U.S. Army Corps of Engineers Bonds and Notes Payable - 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, 2025, was \$237,802. Water supply charges revenue and interest income are used to pay operating expenses and debt service.

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

Years Ending June 30,	Principal	Interest	Total Debt Service
2026	\$ 683,169	\$ 177,974	\$ 861,143
2027	706,487	154,655	861,142
2028	730,581	130,539	861,120
2029	457,017	105,599	562,616
2030	472,356	90,261	562,617
2031-2035	1,258,682	286,907	1,545,589
2036-2038	866,003	61,351	927,354
	<u>\$ 5,174,295</u>	<u>\$ 1,007,286</u>	<u>\$ 6,181,581</u>

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

E. 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	\$ 490,330	\$ 28,239	* \$ -	\$ 518,569	\$ 146,918
Lease Liability	1,291	28,320	(5,539)	24,072	5,664
Subscription Liability	198,077	4,498	(27,290)	175,285	21,072
Net Pension Liability	5,831,800	-	(164,720)	5,667,080	500,000
Net Other Post-Employment Benefits Liability	1,739,387	251,100	-	1,990,487	400,000
Total Other Liabilities	8,260,885	312,157	(197,549)	8,375,493	1,073,654
Governmental Activities Long-Term Liabilities	\$ 8,260,885	\$ 312,157	\$ (197,549)	\$ 8,375,493	\$ 1,073,654
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Bonds and Notes Payable					
Due to Army Corps of Engineers	\$ 5,834,916	\$ -	\$ (660,621)	\$ 5,174,295	\$ 683,169
Total Bonds and Notes Payable	5,834,916	-	(660,621)	5,174,295	683,169
Other Liabilities					
Compensated Absences	9,666	-	-	9,666	-
Total Other Liabilities	9,666	-	-	9,666	-
Business-Type Activities Long-Term Liabilities	\$ 5,844,582	\$ -	\$ (660,621)	\$ 5,183,961	\$ 683,169

* The change in the compensated absence liability is presented as a net change.

F. 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 defined-benefit plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

F. EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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, 2025, 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 year ended June 30, 2025, was \$567,507.

A special funding situation exists for the local employers of the Public Employees' Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by local employers under Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The state special funding situation pension expense of \$43,606,492 for the fiscal year ended June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ended June 30, 2024. The pension expense is deemed to be a state administrative expense due to the special funding situation. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Commission is \$0 and the total proportionate share of the employer pension benefit is \$18,271 for the June 30, 2024, measurement date.

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

F. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Benefits Provided (Continued)

service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires 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, 2025, the Commission reported a liability of \$5,667,080 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. 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 PERS during the measurement period July 1, 2023, through June 30, 2024. At the June 30, 2024, measurement date, the Commission's proportion was .0417063616%, which was an increase of .0014436587% from the previous year.

At June 30, 2025, 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	\$ 113,522	\$ 15,087
Changes in assumptions	7,040	64,478
Net difference between projected and actual investment earnings	-	262,767
Changes in proportions	688,550	275,713
Contributions subsequent to the measurement date	567,512	-
	<u>\$ 1,376,624</u>	<u>\$ 618,045</u>

The Commission reported \$567,512 of deferred outflows of resources related to pensions resulting from pension contributions after the measurement date, but before the end of the Commission's reporting period, as noted in the previous table. These deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, except for changes in proportion, will be recognized in pension expense as follows:

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

F. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

<u>Years Ending June 30,</u>	<u>Amortization</u>
2026	\$ (240,610)
2027	186,177
2028	(107,112)
2029	(61,835)
2030	1,610
	<u>\$ (221,770)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts will be recognized (amortized) by the Commission over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

Actuarial Assumptions

The total pension liability for the June 30, 2024, measurement was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate Price	2.75%
Inflation Rate Wage	3.25%
Salary Increases through 2026	2.75 - 6.55%
	based on years of service
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on amounts.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree Mortality Table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

F. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Discount Rate

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

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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%
	<u>100.00%</u>	

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

F. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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 the June 30, 2024, measurement date, 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:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
June 30, 2024, measurement date	<u>\$ 7,593,541</u>	<u>\$ 5,667,080</u>	<u>\$ 4,115,969</u>

G. RETIREMENT HEALTH CARE BENEFITS

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.

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

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

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

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

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

G. RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

In June 2015, the GASB issued Statement No. 75 ("GASB 75") requiring accounting and financial reporting for postemployment benefits ("OPEB"). The Commission adopted GASB 75 for the fiscal year ended June 30, 2018. The following disclosures are derived from the Plan's actuarial valuation as of June 30, 2024 (the most recent available), which was based on census data as of July 1, 2023.

As of July 1, 2023, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	31
Active plan members	<u>32</u>
Total	<u>63</u>

As of June 30, 2024, the Commission Integral Part Trust had assets valued at \$5,057,315.

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, 2025.

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

For the year ended June 30, 2025, the annual money-weighted return on investments, net of investment expense was 14.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The components of the net OPEB liability of the Plan at the June 30, 2024, measurement date were as follows:

Total Plan OPEB Liability	\$ 7,047,802
Plan Fiduciary Net Position	<u>5,057,315</u>
Plan's Net OPEB Liability	<u>\$ 1,990,487</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	71.76%
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Actuarial Assumptions and Methods Used in the July 1, 2025 Valuation:

Discount Rate	6.25%
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DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

G. RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Health Care Cost Trend Rates

Year	Pre-65 Medical	Post-65 Medical	Pre-65 Prescription Drug	Post-65 Prescription Drug	Medicare Part B
2023	10.23%	2.51%	27.55%	8.34%	5.92%
2024	10.61%	5.69%	19.07%	11.11%	5.44%
2025	6.62%	4.50%	8.37%	8.62%	5.00%
2026	6.37%	4.50%	8.12%	8.37%	5.00%
2027	6.12%	4.50%	7.87%	8.12%	5.00%
2028	5.87%	4.50%	7.62%	7.87%	5.00%
2029	5.62%	4.50%	7.37%	7.62%	5.00%
2030	5.37%	4.50%	7.12%	7.37%	5.00%
2031	5.12%	4.50%	6.87%	7.12%	5.00%
2032	4.87%	4.50%	6.62%	6.87%	5.00%
2033	4.62%	4.50%	6.37%	6.62%	5.00%
2034	4.50%	4.50%	6.12%	6.37%	5.00%
2035	4.50%	4.50%	5.87%	6.12%	5.00%
2036	4.50%	4.50%	5.62%	5.87%	5.00%
2037	4.50%	4.50%	5.37%	5.62%	5.00%
2038	4.50%	4.50%	5.12%	5.37%	5.00%
2039	4.50%	4.50%	4.87%	5.12%	5.00%
2040	4.50%	4.50%	4.62%	4.87%	5.00%
2041	4.50%	4.50%	4.50%	4.62%	5.00%
2042+	4.50%	4.50%	4.50%	4.50%	5.00%

Salary Increases 3.0%

Consumer Price Index (Inflation) 2.5%

Benefit Assumptions

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

Demographic Assumptions

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

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

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

G. RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

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

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

Participation Rate: 100% of future retirees.

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

Decrement Timing: Mid-year.

Actuarial Cost Method: Entry Age Normal Cost Method

The unfunded actuarial accrued liability is amortized as a level dollar amount using an open period of 10 years.

The following presents the net OPEB liability of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.25%) or 1% higher (7.25%) than the current discount rate of 6.25%:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>5.25%</u>	<u>Discount Rate</u>	<u>7.25%</u>
	<u>6.25%</u>		
Commission's net OPEB liability	<u>\$ 2,900,067</u>	<u>\$ 1,990,487</u>	<u>\$ 1,221,937</u>

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 rate that is 1% lower and 1% higher than the current healthcare cost trend rates:

	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Commission's net OPEB liability	<u>\$ 1,134,239</u>	<u>\$ 1,990,487</u>	<u>\$ 3,017,602</u>

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

G. RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

For the year ended June 30, 2025, the Commission recognized OPEB expense of (\$595,785). At June 30, 2025, 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	\$ 159,040	\$ 182,824
Changes in assumptions	746,124	68,637
Net difference between projected and actual investment earnings	-	223,703
Contributions subsequent to the measurement date	425,260	-
	<u>\$ 1,330,424</u>	<u>\$ 475,164</u>

The Commission reported \$425,260 as deferred outflows of resources related to contributions after the measurement date. These will be recognized as a reduction of net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	Amortization
2026	\$ (155,651)
2027	244,308
2028	83,489
2029	122,601
2030	135,253
	<u>\$ 430,000</u>

H. 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	\$ 3,128,830	\$ 601,281
Special Projects Fund	601,281	474,959
Total Governmental Funds	<u>3,730,111</u>	<u>1,076,240</u>
Enterprise Fund		
Water Supply Storage Facilities Fund	-	2,653,871
Total	<u>\$ 3,730,111</u>	<u>\$ 3,730,111</u>

DELAWARE RIVER BASIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

I. SUBSCRIPTION AND LEASE LIABILITIES

Pertinent information regarding subscription liabilities is presented below:

Date of Issue	Initial Liability (including Additions)	Purpose	Outstanding Liability June 30, 2025	Asset Value June 30, 2025	Accumulated Amortization June 30, 2025
7/1/2022	\$ 304,134	Accounting Software	\$ 175,285	\$ 215,428	\$ 88,706

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Year	Principal	Interest	Total
2026	\$ 21,072	\$ 8,238	\$ 29,310
2027	23,440	7,248	30,688
2028	25,984	6,146	32,130
2029	28,715	4,925	33,640
2030	31,646	3,575	35,221
2031-2032	44,428	2,541	46,969
Total	\$ 175,285	\$ 32,673	\$ 207,958

The Commission has also capitalized a lease right-of-use asset and recognized a related lease liability for copiers. The remaining liability as of June 30, 2025, was \$24,072, to be paid off in equal monthly installments until fiscal year 2023. The Commission considers this to be immaterial with regard to GASB Statement No. 87, *Leases*, therefore the provisions included in this Statement were not implemented.

J. LITIGATION

The Commission is subject to litigation and threats of litigation arising out of its activities. In May 2016, a Pennsylvania company commenced a lawsuit seeking a declaration that the DRBC has no jurisdiction over natural gas activities the company allegedly intends to undertake. No damages are sought in the suit. After adopting a final regulation prohibiting high volume hydraulic fracturing ("HVHF") in the Basin, the Commission in April 2021, filed a motion to dismiss the case as moot. The matter was stayed, pending the outcome of challenges to DRBC's regulatory prohibition, which have since been dismissed. On February 3, 2025, the District Court lifted the stay and granted DRBC's motion to dismiss the case as moot. The time for the plaintiff to appeal has expired.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events that occurred after the statement of net position date through December 19, 2025, the date the financial statements were available to be issued. No events or items were noted that required disclosure other than the following:

Effective November 1, 2025, the Commission changed health insurance administrators from the New Jersey State Health Benefits Program. The new administrator is the Central Jersey Health Insurance Fund.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (MODIFIED ACCRUAL BASIS OF ACCOUNTING) GENERAL FUND Years Ended June 30, 2025 and 2024

	2025			2024		
	Original Budget	Actual	Variance Final to Actual Favorable (Unfavorable)	Original Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Revenues						
Signatory Party Contributions						
State of Delaware	\$ 447,000	\$ 447,000	\$ -	\$ 447,000	\$ 447,000	\$ -
State of New Jersey	893,000	893,000	-	893,000	893,000	-
State of New York	359,500	359,500	-	359,500	359,500	-
Commonwealth of Pennsylvania	893,000	217,000	(676,000)	893,000	217,000	(676,000)
United States	715,000	-	(715,000)	715,000	715,000	-
Sale of Publications	2,000	365	(1,635)	2,000	644	(1,356)
Project Review Fees	304,800	584,382	279,582	314,500	457,833	143,333
Regulatory Program Fees	853,200	872,478	19,278	837,700	851,597	13,897
Investment Income	35,000	202,230	167,230	35,000	203,258	168,258
Fines, Assessments and Other Income	57,300	711,693	654,393	56,400	717,463	661,063
Total Revenues	\$ 4,559,800	\$ 4,287,648	\$ (272,152)	\$ 4,553,100	\$ 4,862,295	\$ 309,195

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (MODIFIED ACCRUAL BASIS OF ACCOUNTING) GENERAL FUND (CONTINUED) Years Ended June 30, 2025 and 2024

	2025			2024		
	Original Budget	Actual	Variance Final to Actual Favorable (Unfavorable)	Original Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures						
Personal Services	\$ 3,783,800	\$ 3,132,498	\$ 651,302	\$ 3,516,600	\$ 2,815,691	\$ 700,909
Special and Contractual Services	1,220,500	698,769	521,731	923,200	389,666	533,534
Other Services	384,500	317,711	66,789	376,100	309,954	66,146
Supplies and Other Materials	70,000	79,111	(9,111)	70,000	86,747	(16,747)
Buildings and Grounds	1,257,200	364,546	892,654	1,545,700	686,718	858,982
Communications	54,500	41,668	12,832	62,600	51,599	11,001
Travel	107,000	48,928	58,072	107,000	48,483	58,517
Maintenance, Replacements, Acquisition and Rentals	79,200	100,595	(21,395)	79,200	142,123	(62,923)
Fringe Benefits and Other Contributions	1,717,300	1,578,594	138,706	1,577,400	1,375,110	202,290
Total Expenditures	8,674,000	6,362,420	2,311,580	8,257,800	5,906,091	2,351,709
Excess of Revenues Over (Under) Expenditures	(4,114,200)	(2,074,772)	2,039,428	(3,704,700)	(1,043,796)	2,660,904
Other Financing Sources (Uses)						
Gain on Asset Disposal	-	28,320	28,320	-	1	1
Proceeds from Subscription Based IT Arrangement	-	4,498	4,498	-	20,995	20,995
Operating Transfers In	3,518,800	3,128,830	(389,970)	3,496,100	3,051,346	(444,754)
Operating Transfers Out	(379,800)	(601,281)	(221,481)	(399,400)	(783,435)	(384,035)
Total Other Financing Sources (Uses)	3,139,000	2,560,367	(578,633)	3,096,700	2,288,907	(807,793)
Net Change in Fund Balances	(975,200)	485,595	1,460,795	(608,000)	1,245,111	1,853,111
Fund Balances - Beginning of Year	8,495,862	8,495,862	-	7,250,751	7,250,751	-
Fund Balances - End of Year	\$ 7,520,662	\$ 8,981,457	\$ 1,460,795	\$ 6,642,751	\$ 8,495,862	\$ 1,853,111

See independent auditors' report.

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

PERS - Last 10 Fiscal Years

	Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.0417063616%	0.0402627029%	0.0367906687%	0.0402884009%	0.0369238230%	0.0378441393%	0.0419775500%	0.0389675787%	0.0427852444%	0.0400999473%
Commission's proportionate share of net pension liability	\$ 5,667,080.00	\$ 5,631,800.00	\$ 5,552,218.00	\$ 4,772,765.00	\$ 6,021,310.00	\$ 6,818,940.00	\$ 8,265,170.00	\$ 9,071,029.00	\$ 12,671,762.00	\$ 9,001,635.00
Commission's covered-employee payroll	3,368,208.00	3,016,265.00	2,983,625.00	2,754,209.00	2,833,322.00	2,681,858.00	2,807,159.00	2,856,105.00	2,809,302.00	2,918,162.00
Commission's proportionate share of net pension liability as a % of payroll	168.25%	193.35%	186.09%	173.29%	212.52%	254.26%	294.43%	317.60%	451.06%	308.47%
Total pension liability	\$ 17,981,903.87	\$ 16,913,124.42	\$ 15,094,942.41	\$ 16,260,224.58	\$ 14,560,094.64	\$ 15,702,087.39	\$ 17,811,734.99	\$ 17,477,881.43	\$ 21,167,870.52	\$ 17,286,918.88
Plan fiduciary net position	12,314,824.36	11,081,323.93	9,542,724.04	11,487,459.50	8,538,784.73	8,883,147.59	9,546,564.63	8,406,851.97	8,496,108.31	8,285,284.26
Plan fiduciary net position as a % of total pension liability	68.48%	65.52%	63.22%	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%

Notes to the Required Supplementary Information

- There were no benefit changes.
- The discount rate changed from the measurement date of June 30, 2014, of 5.39% to 4.90% as of the measurement date of June 30, 2015.
- The discount rate changed from the measurement date of June 30, 2015, of 4.90% to 3.98% as of the measurement date of June 30, 2016.
- The discount rate changed from the measurement date of June 30, 2016, of 3.98% to 5.00% as of the measurement date of June 30, 2017.
- The discount rate changed from the measurement date of June 30, 2017, of 5.00% to 5.66% as of the measurement date of June 30, 2018.
- The discount rate changed from the measurement date of June 30, 2018, of 5.66% to 6.28% as of the measurement date of June 30, 2019.
- The discount rate changed from the measurement date of June 30, 2019, of 6.28% to 7.00% as of the measurement date of June 30, 2020.
- The discount rate of 7.00% as of the measurement date of June 30, 2021, was unchanged from the June 30, 2020, measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2022, was unchanged from the June 30, 2021, measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2023, was unchanged from the June 30, 2022, measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2024, was unchanged from the June 30, 2023, measurement date.

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF COMMISSION'S CONTRIBUTIONS - PENSION PLAN STATE OF NEW JERSEY PUBLIC EMPLOYEES' RETIREMENT SYSTEM

	PERS - Last 10 Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 567,507.00	\$ 538,122.00	\$ 463,948.00	\$ 471,824.00	\$ 502,288.00	\$ 465,653.00	\$ 512,203.00	\$ 417,541.00	\$ 360,993.00	\$ 380,098.00
Contributions in relation to the contractually required contribution	567,507.00	538,122.00	463,948.00	471,824.00	502,288.00	465,653.00	512,203.00	417,541.00	360,993.00	380,098.00
Commission's covered-employee payroll	3,522,421.00	3,368,208.00	3,016,265.00	2,983,625.00	2,754,209.00	2,833,322.00	2,681,858.00	2,807,159.00	2,856,105.00	2,809,302.00
Contributions as a % of covered-employee payroll	16.11%	15.98%	15.38%	15.81%	18.24%	16.43%	19.10%	14.87%	12.64%	13.53%

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS*

	June 30, 2024 Measurement Date	June 30, 2023 Measurement Date	June 30, 2022 Measurement Date	June 30, 2021 Measurement Date	June 30, 2020 Measurement Date	June 30, 2019 Measurement Date	June 30, 2018 Measurement Date	June 30, 2017 Measurement Date
Total OPEB Liability								
Service Cost	\$ 103,095	\$ 112,353	\$ 109,081	\$ 162,270	\$ 157,544	\$ 116,776	\$ 113,375	\$ 113,375
Interest	378,035	339,717	335,107	401,236	389,468	517,051	500,974	355,883
Amortization	-	-	-	-	-	-	-	383,200
Actuarial Assumption Changes	811,533	104,771	-	(343,177)	907,627	-	-	-
Actuarial Demographic (Gain) or Loss	-	238,560	-	(914,120)	(2,094,727)	-	-	-
Benefit Payments	(415,246)	(380,968)	(358,400)	(351,365)	(360,607)	(409,031)	(363,324)	(381,053)
Net Change in Total OPEB Liability	877,417	414,433	85,788	(1,045,156)	(1,000,695)	224,796	251,025	471,405
Total OPEB Liability, Beginning	6,170,385	5,755,952	5,670,164	6,715,320	7,716,015	7,491,219	7,240,194	6,768,789
Total OPEB Liability, Ending (a)	\$ 7,047,802	\$ 6,170,385	\$ 5,755,952	\$ 5,670,164	\$ 6,715,320	\$ 7,716,015	\$ 7,491,219	\$ 7,240,194
Plan Fiduciary Net Position								
Contributions								
Employer	\$ 415,246	\$ 380,968	\$ 358,400	\$ 395,506	\$ 395,506	\$ 477,194	\$ 113,870	\$ 194,400
Benefit Payments	(415,246)	(380,968)	(358,400)	(351,365)	(360,607)	(409,031)	-	-
Net Investment Income (Loss)	626,317	435,299	(532,395)	954,270	111,252	165,515	211,953	293,884
Net Change in Plan Fiduciary Net Position	626,317	435,299	(532,395)	998,411	146,151	233,678	325,823	488,284
Plan Fiduciary Net Position, Beginning	4,430,998	3,995,699	4,528,094	3,529,683	3,383,532	3,149,854	2,824,031	2,335,747
Plan Fiduciary Net Position, Ending (b)	\$ 5,057,315	\$ 4,430,998	\$ 3,995,699	\$ 4,528,094	\$ 3,529,683	\$ 3,383,532	\$ 3,149,854	\$ 2,824,031
Net OPEB Liability, Ending (a) - (b)	\$ 1,990,487	\$ 1,739,387	\$ 1,760,253	\$ 1,142,070	\$ 3,185,637	\$ 4,332,483	\$ 4,341,365	\$ 4,416,163
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	71.76%	71.81%	69.42%	79.86%	52.56%	43.85%	42.05%	39.00%
Covered Payroll	\$ 3,406,582	\$ 3,068,488	\$ 3,030,286	\$ 2,801,732	\$ 2,945,853	\$ 2,688,770	\$ 2,786,936	\$ 2,954,742
Net OPEB Liability as a Percentage of Covered Payroll	58.43%	56.69%	58.09%	40.76%	108.14%	161.13%	155.78%	149.46%

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

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF COMMISSION'S CONTRIBUTIONS - OPEB PLAN

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018		
Contractually Required Contribution	\$ 391,675	\$ 342,229	\$ 198,596	\$ 198,596	\$ 395,506	\$ 395,506	\$ 477,194	\$ 477,194		
Contributions in Relation to the Contractually Required Contribution	425,260	415,346	380,968	358,400	395,506	395,506	488,270	466,118		
Contribution Deficiency (Excess)	\$ (33,585)	\$ (73,117)	\$ (182,372)	\$ (159,804)	\$ -	\$ -	\$ (11,076)	\$ 11,076		
Commission's Covered Payroll	\$ 3,614,229	\$ 3,406,582	\$ 3,068,488	\$ 3,030,263	\$ 2,801,732	\$ 2,945,853	\$ 2,688,770	\$ 2,786,936		
Contributions as a Percentage of Covered Payroll	11.77%	12.19%	12.42%	11.83%	14.12%	13.43%	18.16%	16.73%		

Notes to Schedule

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar amount
Amortization period	10 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	7.50%
Salary increases	3.00%
Investment rate of return	6.00%
Retirement age	65
Mortality	U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male and Female Mortality Projected with Scale MP-2021.

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

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF INVESTMENT RETURNS - OPEB PLAN

	Last 10 Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018		
Annual Money-Weighted Rate of Return, Net of Investment Expense	14.10%	10.90%	-11.80%	-12.50%	26.70%	3.30%	5.25%	7.50%		

*The Commission adopted GASB 75 on a prospective basis in fiscal year 2018; therefore only eight 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

	Fiscal Years Ended June 30,					
	2025	2024	2023	2022	2021	2020
Governmental Activities						
Net Investment in Capital Assets	\$ 2,064,385	\$ 1,656,213	\$ 1,243,622	\$ 968,977	\$ 981,370	\$ 1,084,206
Restricted	-	-	-	-	-	-
Unrestricted	2,558,526	1,121,544	(1,421,423)	(4,915,268)	(7,399,768)	(9,214,081)
Total Governmental Activities						
Net Position	\$ 4,622,911	\$ 2,777,757	\$ (177,801)	\$ (3,946,291)	\$ (6,418,398)	\$ (8,129,875)
Business-Type Activities						
Net Investment in Capital Assets	\$ (4,077,957)	\$ (4,446,190)	\$ (4,792,618)	\$ (5,117,965)	\$ (5,422,925)	\$ (6,023,326)
Unrestricted	30,537,744	28,681,678	26,731,686	26,306,145	30,347,428	28,168,896
Total Business-Type Activities						
Net Position	\$ 26,459,787	\$ 24,235,488	\$ 21,939,068	\$ 21,188,180	\$ 24,924,503	\$ 22,145,570
Commission-Wide						
Net Investment in Capital Assets	\$ (2,013,572)	\$ (2,789,977)	\$ (3,548,996)	\$ (4,148,988)	\$ (4,441,555)	\$ (4,939,120)
Restricted	-	-	-	-	-	-
Unrestricted	33,096,270	29,803,222	25,310,263	21,390,877	22,947,660	18,954,815
Total Commission						
Net Position	\$ 31,082,698	\$ 27,013,245	\$ 21,761,267	\$ 17,241,889	\$ 18,506,105	\$ 14,015,695

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING) LAST SIX FISCAL YEARS

	Fiscal Years Ended June 30,				
	2025	2024	2023	2022	2021
Expenses					
Governmental Activities					
General Government	\$ 2,562,545	\$ 2,354,459	\$ 1,609,878	\$ 1,388,496	\$ 1,740,821
Water Resource Management	964,118	895,903	851,786	639,326	539,575
Water Resource Operations	948,791	583,154	513,015	467,536	193,145
Science and Water Quality Management	465,527	314,127	223,796	227,902	332,016
Special Projects	1,742,499	2,116,150	1,949,171	2,072,438	2,167,379
Total Governmental Activities	\$ 6,683,480	\$ 6,263,793	\$ 5,147,646	\$ 4,795,698	\$ 4,972,936
Business-Type Activities					
Water Supply Storage Facilities	1,792,123	1,618,827	1,535,708	2,011,921	1,947,603
Total Business-Type Activities	1,792,123	1,618,827	1,535,708	2,011,921	1,947,603
Total Primary Government	\$ 8,475,603	\$ 7,882,620	\$ 6,683,354	\$ 6,807,619	\$ 6,920,539
Program Revenues					
Governmental Activities					
Charges for Services					
Regulatory Program Fees	\$ 1,457,860	\$ 1,314,309	\$ 1,286,336	\$ 1,221,879	\$ 1,164,429
Operating Grants and Contributions	1,587,115	1,895,691	1,993,408	2,227,351	1,934,693
Total Business-Type Activities	3,044,975	3,210,000	3,279,744	3,449,230	3,099,122
Program Revenue					
Business-Type Activities					
Charges for Services					
Water Supply Storage Facilities	3,898,816	3,605,604	3,267,459	2,995,965	2,902,694
Total Business-Type Activities	3,898,816	3,605,604	3,267,459	2,995,965	2,902,694
Program Revenue	\$ 6,943,791	\$ 6,815,604	\$ 6,547,203	\$ 6,445,195	\$ 6,001,816
Total Commission Program Revenues					

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING) (CONTINUED) LAST SIX FISCAL YEARS

	Fiscal Years Ended June 30,					
	2025	2024	2023	2022	2021	2020
Net (Expenses)/Revenue						
Government Activities	\$ (3,638,505)	\$ (3,053,793)	\$ (1,867,902)	\$ (1,346,468)	\$ (1,873,814)	\$ (3,051,725)
Business-Type Activities	2,106,693	1,986,777	1,731,751	984,044	955,091	1,390,531
Total Commission-Wide Net Expense	<u>\$ (1,531,812)</u>	<u>\$ (1,067,016)</u>	<u>\$ (136,151)</u>	<u>\$ (362,424)</u>	<u>\$ (918,723)</u>	<u>\$ (1,661,194)</u>
General Revenues and Other Changes in Net Position						
Governmental Activities						
Grants and Contributions Net						
Restricted to Special Programs	\$ 1,916,500	\$ 2,631,500	\$ 2,631,500	\$ 1,916,500	\$ 1,716,500	\$ 1,594,755
Investment Earnings	202,230	203,258	133,842	24,664	20,129	72,870
Miscellaneous Income	711,058	713,228	711,425	31,157	48,969	13,588
Gain on Asset Disposal	-	1	-	-	-	-
Transfers	2,653,871	2,461,364	2,159,625	1,846,254	1,799,693	1,698,321
Total Government Activities	<u>5,483,659</u>	<u>6,009,351</u>	<u>5,636,392</u>	<u>3,818,575</u>	<u>3,585,291</u>	<u>3,379,534</u>
Business-Type Activities						
Investments Earnings	2,771,477	2,771,007	1,178,762	(2,874,113)	3,623,535	1,156,588
Transfers	(2,653,871)	(2,461,364)	(2,159,625)	(1,846,254)	(1,799,693)	(1,698,321)
Total Business-Type Activities	<u>117,606</u>	<u>309,643</u>	<u>(980,863)</u>	<u>(4,720,367)</u>	<u>1,823,842</u>	<u>(541,733)</u>
Total Commission-Wide	<u>\$ 5,601,265</u>	<u>\$ 6,318,994</u>	<u>\$ 4,655,529</u>	<u>\$ (901,792)</u>	<u>\$ 5,409,133</u>	<u>\$ 2,837,801</u>
Changes in Net Position						
Governmental Activities	\$ 1,845,154	\$ 2,955,558	\$ 3,768,490	\$ 2,472,107	\$ 1,711,477	\$ 327,809
Business-Type Activities	2,224,299	2,296,420	750,888	(3,736,323)	2,778,933	848,798
Total Commission-Wide	<u>\$ 4,069,453</u>	<u>\$ 5,251,978</u>	<u>\$ 4,519,378</u>	<u>\$ (1,264,216)</u>	<u>\$ 4,490,410</u>	<u>\$ 1,176,607</u>

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

**FUND BALANCES – GOVERNMENTAL FUNDS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST SIX FISCAL YEARS**

	Fiscal Years Ended June 30,					
	2025	2024	2023	2022	2021	2020
General Fund						
Committed/Assigned	\$ 1,623,243	\$ 1,139,780	\$ 1,024,507	\$ 500,000	\$ -	\$ 300,000
Unassigned	7,358,214	7,356,082	6,226,244	4,921,603	4,685,264	3,715,563
Total Commission-Wide net Expense	<u>\$ 8,981,457</u>	<u>\$ 8,495,862</u>	<u>\$ 7,250,751</u>	<u>\$ 5,421,603</u>	<u>\$ 4,685,264</u>	<u>\$ 4,015,563</u>
All Other Governmental Funds						
Unreserved, Reported in						
Special Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELAWARE RIVER BASIN COMMISSION

**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	Fiscal Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Signatory Party Contributions										
State of Delaware	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000	\$ 447,000
State of New Jersey	893,000	893,000	893,000	893,000	893,000	571,255	693,000	693,000	693,000	694,505
State of New York	359,500	359,500	359,500	359,500	359,500	359,500	359,500	359,500	359,500	359,500
Commonwealth of Pennsylvania	403,359	414,830	381,992	349,999	353,634	365,619	348,435	332,437	552,372	548,320
United States	490,812	1,441,601	1,482,498	648,706	681,560	595,531	700,847	503,237	432,401	869,793
Sales of Publications	365	644	521	576	919	874	1,268	1,012	1,726	2,707
Regulatory Program Fees	1,456,860	1,309,430	1,277,073	1,221,879	1,164,429	1,117,540	1,219,817	1,275,464	1,182,934	839,249
Investment Income	202,230	203,258	133,842	24,664	20,129	72,870	81,246	44,914	23,429	13,975
Compliance Revenue and Other Income	1,621,637	1,688,723	1,780,085	1,475,727	1,164,549	1,354,962	1,146,523	677,135	781,364	727,441
Total Revenues	5,874,763	6,757,986	6,755,511	5,421,051	4,884,720	4,885,151	4,997,636	4,333,699	4,473,726	4,502,490
Expenditures										
Personnel Services	3,740,870	3,547,198	3,160,512	3,119,661	2,887,136	2,996,865	2,947,585	2,999,831	3,080,695	2,961,430
Special and Contractual Services	1,480,535	1,349,826	1,603,115	1,199,098	1,166,778	1,331,613	1,604,657	1,086,958	1,127,070	1,023,993
Other Services	325,252	312,837	308,286	253,273	227,595	224,656	224,761	228,870	160,977	168,348
Supplies and Materials	81,767	104,549	72,445	88,216	51,056	80,156	94,306	92,138	87,504	58,183
Buildings and Grounds	364,546	686,718	495,217	153,065	125,599	149,677	161,496	220,557	304,624	236,561
Communications	50,433	60,461	62,402	56,742	69,393	79,986	60,044	45,035	39,603	34,748
Travel	52,490	51,752	46,182	31,165	7,314	38,025	63,747	79,962	51,155	59,165
Maintenance, Replacements										
Acquisitions and Rentals	107,900	151,178	68,297	118,133	59,043	70,767	64,886	80,661	63,937	199,693
Fringe Benefits and Other Contributions	1,872,064	1,730,716	1,549,172	1,512,113	1,443,771	1,543,973	1,667,447	1,662,838	1,793,466	1,717,912
Total Expenditures	8,075,857	7,995,235	7,365,628	6,531,466	6,037,685	6,515,718	6,888,929	6,496,850	6,709,031	6,460,033
Excess of Expenditures over Revenues	(2,201,094)	(1,237,249)	(610,117)	(1,110,415)	(1,152,965)	(1,630,567)	(1,891,293)	(2,163,151)	(2,235,305)	(1,957,543)
Other Financing Sources/(Uses)										
Proceeds from Lease Arrangement	28,320	-	-	-	22,973	38,731	-	-	-	-
Proceeds from Subscription										
Based IT Arrangement	4,498	20,995	278,640	-	-	-	-	-	-	-
Gain on Asset Disposal	-	1	1,000	500	-	-	-	-	-	-
Operating Transfers In	3,730,111	3,834,781	3,174,227	2,973,305	3,185,258	2,900,438	2,557,054	2,286,782	2,942,275	2,793,991
Operating Transfers (Out)	(1,076,240)	(1,373,417)	(1,014,602)	(1,127,051)	(1,385,565)	(1,202,117)	(706,327)	(257,436)	(1,081,835)	(891,097)
Total Other Financing Sources/(Uses)	2,686,689	2,482,360	2,439,265	1,846,754	1,822,666	1,737,052	1,850,727	2,029,346	1,860,440	1,902,894
Net Change in Fund Balance	\$ 485,595	\$ 1,245,111	\$ 1,829,148	\$ 736,339	\$ 669,701	\$ 106,485	\$ (40,566)	\$ (133,805)	\$ (374,865)	\$ (54,649)

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

OUTSTANDING DEBT BY TYPE LAST TEN YEARS – UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities	Business-Type Activities	Total
	Lease Liability	Due to U.S. Army Corps of Engineers	
2025	\$ 24,072	\$ 5,174,295	\$ 5,198,367
2024	1,291	5,834,916	5,836,207
2023	9,038	6,473,733	6,482,771
2022	24,442	7,091,469	7,115,911
2021	39,845	7,688,818	7,728,663
2020	33,567	8,646,186	8,679,753
2019	6,826	8,825,033	8,831,859
2018	17,915	9,569,610	9,587,525
2017	29,007	9,887,503	9,916,510
2016	40,094	10,583,426	10,623,520

See independent auditors' report.

**SUPPLEMENTAL SCHEDULES
(UNAUDITED)**

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF ACTIVE SPECIAL PROJECTS

Through June 30, 2025

	USGS Monitors 301	Groundwater Pennsylvania Protected Area 302	Port Jarvis Ice Flow Maintenance Project 303	NFWF DWCF 304_DWCF-22	NFWF DWCF 304_DWCF-23	PPL Ash Spill Settlement 309	Sec. 106 Water Pollution Control Grant 310	PACZM PFAS Year 2 316_B	Page Total
Cumulative Expenditures from Date of Inception through June 30, 2024	\$ 5,493,336	\$ 7,697,287	\$ 10,618	\$ 780,244	\$ 19,442	\$ 663,009	\$ 990,215	\$ 29,133	\$ 15,683,284
Current Fiscal Year									
Expenditures and Encumbrances									
Personal Services	-	94,747	-	50,257	95,762	2,426	216,919	10,206	470,317
Special and Contractual Services	186,026	-	-	5,920	60,839	20,825	338,268	4,000	615,878
Supplies, Materials and Equipment	-	-	-	323	7,263	-	2,298	-	9,884
Travel and Communications	-	-	-	28	481	28	9,988	194	10,719
Fringe Benefits	-	47,652	-	25,147	47,916	1,214	101,780	5,107	228,816
Transfers and Refunds	-	43,959	-	(81,675)	76,264	(40,891)	(178,437)	(15,312)	(196,092)
Total Current Fiscal Year	186,026	186,358	-	-	288,525	(16,398)	490,816	4,195	1,139,522
Total Expenditures from Date of Inception through June 30, 2025	5,679,362	7,883,645	10,618	780,244	307,967	646,611	1,481,031	33,328	16,822,806
Capital Expenditures	-	-	-	-	-	-	-	6,600	6,600
Total Funding Awarded for Project	5,726,128	7,883,645	116,263	866,938	498,186	952,150	1,965,000	50,000	18,058,310
Funding Available to Complete Project	\$ 46,766	\$ -	\$ 105,645	\$ 86,694	\$ 190,219	\$ 305,539	\$ 483,969	\$ 10,072	\$ 1,228,904

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF ACTIVE SPECIAL PROJECTS (CONTINUED)

Through June 30, 2025

	PEMA Middle Delaware 321	PDE BIL Enhanced Nutrient Monitoring 322 ENMOM	PDE BIL Enhanced Estuary Eutrophication Model Phase 1 322 EUMDL	PDE BIL Enhanced Toxics and Ecs Monitoring Year 1-2 322_TOX	PDE BIL Enhanced Toxics and Ecs Monitoring 322_WWIMP	ANS Lower Basin Assessment 323	ANS Lower Basin Assessment 324	NJDEP Bacteria Monitoring 325	Nutrient Monitoring of Discharges 9907	Total
Cumulative Expenditures from Date of Inception through June 30, 2024	\$ 63,358	\$ 18,869	\$ 35,099	\$ 57,115	\$ 36,941	\$ 15,650	\$ 113,087	\$ -	\$ 71,588	\$ 16,094,991
Current Fiscal Year										
Expenditures and Encumbrances										
Personal Services	11,932	16,300	32,956	8,691	-	7,878	60,298	-	-	608,372
Special and Contractual Services	-	21,346	-	28,109	13,059	1,999	62,815	38,560	-	781,766
Supplies, Materials and Equipment	-	152	-	-	-	80	786	-	-	10,902
Travel and Communications	-	573	-	-	-	11	1,024	-	-	12,327
Fringe Benefits	5,971	8,156	15,664	4,162	-	3,772	26,929	-	-	293,470
Transfers and Refunds	5,066	9,604	16,281	1,923	-	(9,390)	46,286	-	-	(126,322)
Total Current Fiscal Year	22,969	56,131	64,901	42,885	13,059	4,350	198,138	38,560	-	1,580,515
Total Expenditures from Date of Inception through June 30, 2025	86,327	75,000	100,000	100,000	50,000	20,000	311,225	38,560	71,588	17,675,506
Capital Expenditures	-	-	-	-	-	-	-	-	-	6,600
Total Funding Awarded for Project	200,000	75,000	100,000	100,000	50,000	20,000	311,225	38,560	75,000	19,028,095
Funding Available to Complete Project	\$ 113,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,412	\$ 1,345,989

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

GENERAL FUND EXPENDITURES – BY CATEGORY AND OBJECT (MODIFIED ACCRUAL BASIS)

For the Years Ended June 30, 2025 and 2024

	2025	2024
Personnel Services	\$ 3,132,498	\$ 2,815,691
Special and Contractual Services		
Auditing	17,500	17,500
Computer and Financial	460,185	14,726
All Other Special and Contractual Services	221,084	357,440
Total Special and Contractual Services	698,769	389,666
Other Services		
Insurance	226,947	207,296
Memberships	30,153	25,315
All Other	60,611	77,343
Total Other Services	317,711	309,954
Supplies and Materials		
Office	79,111	86,747
Total Supplies and Materials	79,111	86,747
Buildings and Grounds	364,546	686,718
	364,546	686,718
Communications		
Postage	3,256	3,565
Telephone and Other	38,412	48,034
Total Communications	41,668	51,599
Travel		
Travel	41,398	39,346
Commission Meeting Expense	7,530	9,137
Total Travel	48,928	48,483
Maintenance, Replacements, Acquisitions and Rentals		
Office Equipment	683	134,607
Vehicular Equipment	1,853	6,298
Office Equipment Rental	2,826	1,218
Lease Payments	5,539	-
Equipment Acquisition	89,694	-
Total Maintenance, Replacements, Acquisitions and Rentals	100,595	142,123
Fringe Benefits and Other Contributions		
Employees' Retirement	837,575	758,579
Social Security	227,072	203,334
Health and Dental Benefits	487,499	393,329
Unemployment Compensation	5,188	4,915
Short-Term Disability	4,940	-
Long-Term Disability	13,569	9,817
Other Fringes	2,751	5,136
Total Fringe Benefits and Other Contributions	1,578,594	1,375,110
Total General Fund Expenditures	\$ 6,362,420	\$ 5,906,091

See independent auditors' report.

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF CHANGES IN SPECIAL PROJECTS ADVANCE/(RECEIVABLE) BALANCE – BY PROJECT

For the Year Ended June 30, 2025

Advances	Project	Balance July 1, 2024	Cash Receipts	Transfers	Expenditures	Balance June 30, 2025
301	USGS Monitors	\$ 45,612	\$ 187,180	\$ -	\$ (186,027)	\$ 46,765
302	Groundwater-PA Protected Area	32,359	154,000	(43,959)	(142,400)	-
303	Upper Delaware Ice Jam	100,815	4,829	-	-	105,644
309	PPL Ash Spill	289,141	-	40,891	(24,493)	305,539
9906	Flow and Temperature Modeling	16,622	-	-	-	16,622
9907	Nutrient Monitoring of Discharges	3,412	-	-	-	3,412
	Total Advances	<u>\$ 487,961</u>	<u>\$ 346,009</u>	<u>\$ (3,068)</u>	<u>\$ (352,920)</u>	<u>\$ 477,982</u>
Accounts Receivables						
310	Water Pollution Control Grant	\$ (252,955)	\$ 619,418	\$ 178,437	\$ (669,249)	\$ (124,349)
304_DWCF-20	NJWF DWCF 2020	(68,790)	-	-	-	(68,790)
304_DWCF-21	NFWF DWCF 2021	(20,117)	20,117	-	-	-
304_DWCF-22	NFWF DWCF 2022	-	-	81,675	(81,675)	-
304_DWCF-23	NFWF DWCF 2023	(16,287)	68,747	(76,264)	(212,261)	(236,065)
316_B	PACZM PFAS Year 2	(29,133)	33,327	15,312	(26,106)	(6,600)
321	PEM Middle Delay	(63,358)	-	(5,066)	(17,903)	(86,327)
322_ENMON	PDE BIL - Enhanced Nutrient Monitoring	(16,788)	40,850	(9,604)	(46,527)	(32,069)
322_EUM-PH1	PDE BIL - Enhanced Estuary Eutrophication Model Phase 1	(35,099)	82,458	(16,281)	(48,620)	(17,542)
322_TOX	PDE BIL - Enhanced Toxics & Ecs monitoring Yr 1-2	(21,988)	61,160	(1,923)	(40,962)	(3,713)
322_WWIMP	PDE BIL - Evaluation of Funding Source-WW Improvement Financing Study	(28,033)	41,092	-	(13,059)	-
323	ANSDU PA Project	(15,650)	20,000	9,390	(13,740)	-
324	PA Delaware Estuary Bacteria Monitoring and Assessment	(113,087)	311,225	(46,286)	(151,852)	-
	Total Accounts Receivable	<u>\$ (681,285)</u>	<u>\$ 1,298,394</u>	<u>\$ 129,390</u>	<u>\$ (1,321,954)</u>	<u>\$ (575,455)</u>

See independent auditors' report.

SUPPLEMENTARY INFORMATION

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Source	Federal Assistance Listing Number	Pass-Through Grantor Number	Grant Period	Total Received for the Year	Accrued (Unearned) Revenue at July 1, 2024	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2025	Passed Through to Subrecipients
U.S. Environmental Protection Agency										
Water Pollution Control State, Interstate and Tribal Program Support	Direct	66.419	N/A	1/1/23-12/31/24	\$ 558,266	\$ 252,955	\$ 305,311	\$ 305,311	\$ -	-
Water Pollution Control State, Interstate and Tribal Program Support	Direct	66.419	N/A	1/1/25-12/31/25	61,152	-	185,501	185,501	124,349	-
Total U.S. Environmental Protection Agency					619,418	252,955	490,812	490,812	124,349	-
U.S. Department of the Interior										
Adaptive Science	Direct	15.670	N/A	7/1/20-6/31/24	-	68,790	-	-	68,790	-
Adaptive Science	Direct	15.670	N/A	10/1/23-9/30/25	68,747	16,287	288,525	288,525	236,065	-
Total U.S. Department of the Interior					68,747	85,077	288,525	288,525	304,855	-
Passed Through Pennsylvania Department of Environmental Protection										
Coastal Zone Management Administration Awards	Indirect	11.419	C990003630	10/1/22-8/31/24	33,327	29,133	10,795	10,795	6,600	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	Indirect	66.805	4100098183	3/1/24-12/31/24	311,225	113,087	198,138	198,138	-	-
Total Passed Through Pennsylvania Department of Environmental Protection					344,552	142,220	208,933	208,933	6,600	-
Passed Through Pennsylvania Emergency Management Agency										
Pre-Disaster Mitigation (PDM) Competitive Grants	Indirect	97.047	4100097256	3/2/23-3/1/26	-	63,358	22,969	22,969	86,327	-
Total Passed Through Pennsylvania Emergency Management Agency					-	63,358	22,969	22,969	86,327	-
Passed through PDE										
Enhanced Monitoring for Toxics and Emerging Contaminants in the Delaware										
Estuary Tributaries	Indirect	66.456	509-01	1/1/24-6/30/25	40,850	16,788	56,131	56,131	32,069	-
Estuary Tributaries	Indirect	66.456	507-01/ 507-02	1/1/24-12/31/25	82,458	35,099	64,901	64,901	17,542	-
Estuary Tributaries	Indirect	66.456	506-01	6/19/23-12/19/24	61,160	21,988	42,885	42,885	3,713	-
Estuary Tributaries	Indirect	66.456	509-01	2/1/24-12/31/24	41,092	28,033	13,059	13,059	-	-
Total Passed through PDE					225,560	101,908	176,976	176,976	53,324	-
Total Federal Awards					\$ 1,258,277	\$ 645,518	\$ 1,188,215	\$ 1,188,215	\$ 575,455	\$ -

See independent auditors' report and notes to schedule of expenditures of federal awards.

DELAWARE RIVER BASIN COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B. Significant Accounting Policy

The Commission recognizes grant revenue when earned on an accrual basis; that is, activities prerequisite to obtaining benefits have been completed, such as complying with the terms and conditions of the grant agreement.

C. Indirect Cost Rate

The Commission does not have an indirect cost allocation plan nor does it use the de minimis indirect cost rate of 10%.

D. Relationship to Basic Financial Statements

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

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ____ No X
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes ____ None reported X

Noncompliance material to financial statements noted? Yes ____ No X

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ____ No X
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes ____ None reported X

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

Any audit findings disclosed that are required in accordance
With 2 CFR Section 200.516(a)? Yes ____ No X

Identification of major program:

Federal Assistance Listing Number

66.419

Name of Federal Program

Water Pollution Control State,
Interstate, and Tribal Program Support

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

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

DELAWARE RIVER BASIN COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2025

Section II - Financial Statement Findings

None reported.

Section III – Federal Awards Findings and Questioned Costs

None reported.

Section IV - Summary Schedule of Prior Year Audit Findings

None reported.

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

To the Commissioners of
Delaware River Basin Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Delaware River Basin Commission (the "Commission"), as of and for the year then ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Report on Compliance and Other Matters (Continued)

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

Mercedien, P.C.
Certified Public Accountants

December 19, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Commissioners of
Delaware River Basin Commission

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Delaware River Basin Commission's (the "Commission") compliance with the types of compliance requirements identified as subject to audit in the Federal Grant Compliance Supplement, that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2025. The Commission's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (CONTINUED)

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM
GUIDANCE (CONTINUED)**

Report on Internal Control Over Compliance (Continued)

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

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

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

Mercadieu, P.C.
Certified Public Accountants

December 19, 2025