

# SUSQUEHANNA RIVER BASIN COMMISSION

Financial Statements and Single Audit Report

Year Ended June 30, 2024

SUSQUEHANNA RIVER BASIN COMMISSION  
YEAR ENDED JUNE 30, 2024  
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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Susquehanna River Basin Commission  
Harrisburg, Pennsylvania

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Susquehanna River Basin Commission (the "Commission"), as of and for the year ended June 30, 2024, and 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 accompanying financial statements 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, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, 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.

### ***Adoption of Governmental Accounting Standard Board Pronouncements***

As discussed in Note 1 to the financial statements, in 2024 the Commission adopted the required provisions of Governmental Accounting Standards Board's Statements GASB Statement No. 99, "*Omnibus 2022*" and GASB Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*". Our opinion is not modified with respect to these matters.

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of the Commission's proportionate share of the net pension liability, schedule of Commission contributions, and schedule of changes in the Net OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted



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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 accompanying schedule of expenditures of federal awards, 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), is presented for purposed of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC  
Harrisburg, Pennsylvania  
November 22, 2024

**SUSQUEHANNA RIVER BASIN COMMISSION**  
Management's Discussion and Analysis  
June 30, 2024

This section of the Susquehanna River Basin Commission's (the Commission) Annual Report presents management's discussion and analysis of the Commission's financial performance during the fiscal year ended June 30, 2024. The reader is encouraged to consider this information in conjunction with the Commission's fiscal year-end financial statements.

**Financial Highlights**

The assets and deferred outflows of resources of the Susquehanna River Basin Commission exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by \$82,233,214, which is an increase of \$916,006 over the previous year. The Commission's total assets increased by \$1,081,630 to a total of \$104,155,482 due to increases in the value of investments which were the result of unrealized investment gains. Total liabilities decreased by \$2,661,909 during the same period primarily due to decreases in accounts payable of \$638,953 and the net pension liability of \$1,029,375.

The Commission's total revenues increased by \$1,856,067 this past year. This increase was due primarily to increases in investment income. Total expenses increased by \$1,614,415. General government expenses increased by \$292,016 due to increases in personnel services and employee benefit costs. Other expenses decreased by \$114,321. Water Management and Sustainable Water Resources expenses increased by \$1,436,720 due to grant awards paid as part of the Consumptive Use Mitigation Grant program.

In 2020, the Commission adopted a Consumptive Use Mitigation Plan, which defines contemporary standards for planning and implementation of a cohesive network of mitigation projects. The policy also removes existing regulatory obstacles and expands the scope of mitigation alternatives, which enables project sponsors and the Commission to develop more physical consumptive use mitigation projects with tangible benefits. In 2022 the Commission launched a grant program (the Consumptive Use Mitigation Grant Program) which provides funding to project sponsors, non-governmental organizations and others who develop projects that support the goals of the Policy. Expenses associated with this new grant program totaled \$2,056,337 in 2023 and \$4,102,219 in 2024. The Commission intends to make additional grant awards in 2025.

In fiscal year 2025, the Commission will continue to pursue grant opportunities and coordinate our activities with our member jurisdictions and other federal, state and local agencies. The Commission will also conduct two of its own grant programs. In addition to the Consumptive Use Mitigation Grant Program, the Commission will also continue to award grants under the Stream and Watershed Enhancement Grant Program, which provides funding for community-based environmental and water resources projects or events that improve, restore or protect our local watersheds.

In 2023 the Commission executed a Memorandum of Understanding (MOU) with the Maryland Department of the Environment to administer and manage pay-for-success projects for the purpose of implementing the Conowingo Watershed Implementation Plan (CWIP). In the fall, 2023 the Commission began the process of soliciting, reviewing, assessing and selecting projects focused on reducing nutrients that flow into the Susquehanna River and ultimately into the Chesapeake Bay. In August, 2024 the Commission offered funding to seven projects totaling more than \$11 million. Nutrient reductions realized by these projects will be counted towards Maryland's Conowingo nitrogen nutrient load allocation.

**Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison schedule and post-employment benefits plan information) in addition to the basic financial statements themselves. These components are described on the following pages:

## SUSQUEHANNA RIVER BASIN COMMISSION

### Management's Discussion and Analysis

June 30, 2024

The fund financial statements include statements for three categories of activities – governmental, proprietary, and fiduciary. The Governmental Funds are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. The Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Proprietary Funds' principal ongoing operations. Proprietary Funds use the accrual basis of accounting. The Fiduciary Funds are used to account for resources held on behalf of other parties. Fiduciary Funds use the accrual basis of accounting.

The financial statements also include notes, which elaborate on some of the information in the financial statements that provide more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position and the statement of activities report information about the Commission as a whole and about its activities. These statements include all assets and liabilities of the Commission using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in it from year to year. You can think of the Commission's net position – the difference between assets and deferred outflows and liabilities and deferred inflows – as one way to measure the Commission's financial health or financial position. Over time, increases and decreases in the Commission net positions are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors such as changes in the Commission's federal and state grant programs and the condition of the Commission's capital assets, as well as other items, to assess the overall health of the Commission.

- Governmental Activities – Most of the Commission's basic services are reported here, including permitting and monitoring.
- Business-Type Activities – The Commission charges a consumptive water use fee which is used to finance the cost of water supply related projects.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 law or by bond covenants. However, the Commission may establish other funds to help it control and manage money for particular purposes or to show that it is setting aside money for larger capital improvement projects. The Commission has three kinds of funds.

**Governmental Fund** – Most of the Commission's basic services are reported in a Governmental Fund, which focuses on how money flows into and out of those funds and the balances left at year end that are available for spending. This fund is reported using the modified accrual method of 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 statement of activities) and Governmental Fund statements with a reconciliation following each Governmental Fund statement.

**Proprietary Funds** – When the Commission charges customers for the services it provides, these services are generally reported in Proprietary Funds.

**SUSQUEHANNA RIVER BASIN COMMISSION**  
Management's Discussion and Analysis  
June 30, 2024

*Fiduciary Funds* – The Commission is the Fiduciary for its Post-Employment Healthcare Benefit Trust the Conowingo WIP custodial funds. All of the Commission's fiduciary activities are reported in separate statements of fiduciary fund net position and changes in fiduciary net position of the fund financial statements only. We exclude these activities from the Commission's government-wide 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 purpose.

**The Commission as a Whole**

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Commission's governmental and business-type activities.

|  | Governmental<br>Activities<br>2024 | Governmental<br>Activities<br>2023 | Business-<br>Type Activities<br>2024 | Business-<br>Type Activities<br>2023 | Total<br>Primary<br>2024 | Total<br>Primary<br>2023 |
|--|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------|--------------------------|
| <b>Assets</b>  |                                    |                                    |                                      |                                      |                          |                          |
| Current Assets   | \$ 4,096,262                       | \$ 4,638,447                       | \$ 68,897,985                        | \$ 65,012,169                        | \$ 72,994,247            | \$ 69,650,616            |
| Other Assets   | 1,936,899                          | 2,888,705                          | 1,830,113                            | 1,665,578                            | 3,767,012                | 4,554,283                |
| Capital Asset, Net   | 9,034,954                          | 9,301,863                          | -                                    | -                                    | 9,034,954                | 9,301,863                |
| Water Storage Rights, Net  | -                                  | -                                  | 18,359,269                           | 19,567,090                           | 18,359,269               | 19,567,090               |
| <b>Total Assets</b>  | <b>15,068,115</b>                  | <b>16,829,015</b>                  | <b>89,087,367</b>                    | <b>86,244,837</b>                    | <b>104,155,482</b>       | <b>103,073,852</b>       |
| <b>Deferred Outflows of Resources</b>                                    |                                    |                                    |                                      |                                      |                          |                          |
| Prepaid Expense  | -                                  | 152,730                            | -                                    | 715,750                              | -                        | 868,480                  |
| Pension  | 3,249,329                          | 5,712,354                          | -                                    | -                                    | 3,249,329                | 5,712,354                |
| OPEB   | 142,134                            | 263,743                            | -                                    | -                                    | 142,134                  | 263,743                  |
| <b>Total Deferred Outflows of Resources</b>                              | <b>3,391,463</b>                   | <b>6,128,827</b>                   | <b>-</b>                             | <b>715,750</b>                       | <b>3,391,463</b>         | <b>6,844,577</b>         |
| <b>Total Assets and Deferred Outflows of Resources</b>                   | <b>\$18,459,578</b>                | <b>\$22,957,842</b>                | <b>\$89,087,367</b>                  | <b>\$86,960,587</b>                  | <b>\$107,546,945</b>     | <b>\$ 109,918,429</b>    |
| <b>Liabilities</b>   |                                    |                                    |                                      |                                      |                          |                          |
| Current Liabilities  | \$ 2,731,549                       | \$ 3,395,104                       | \$ 731,049                           | \$ 1,781,606                         | \$ 3,462,598             | \$ 5,176,710             |
| Long-Term Loan Payable   | -                                  | -                                  | -                                    | 825,607                              | -                        | 825,607                  |
| Long-Term Liabilities  | 19,493,792                         | 20,407,403                         | 791,421                              | -                                    | 20,285,213               | 20,407,403               |
| <b>Total Liabilities</b>   | <b>22,225,341</b>                  | <b>23,802,507</b>                  | <b>1,522,470</b>                     | <b>2,607,213</b>                     | <b>23,747,811</b>        | <b>26,409,720</b>        |
| <b>Deferred Inflows of Resources</b>                                     |                                    |                                    |                                      |                                      |                          |                          |
| Leases   | 814,973                            | 1,079,021                          | -                                    | -                                    | 814,973                  | 1,079,021                |
| Pension  | 18,120                             | 59,013                             | -                                    | -                                    | 18,120                   | 59,013                   |
| OPEB   | 732,827                            | 1,053,467                          | -                                    | -                                    | 732,827                  | 1,053,467                |
| <b>Total Deferred Inflows of Resources</b>                               | <b>1,565,920</b>                   | <b>2,191,501</b>                   | <b>-</b>                             | <b>-</b>                             | <b>1,565,920</b>         | <b>2,191,501</b>         |
| <b>Net Position</b>  |                                    |                                    |                                      |                                      |                          |                          |
| Net investment in Capital Assets   | 9,032,061                          | 9,301,863                          | 17,567,848                           | 18,630,569                           | 26,599,909               | 27,932,432               |
| Restricted   | 137,857                            | 117,505                            | -                                    | -                                    | 137,857                  | 117,505                  |
| Unrestricted (Deficit)   | (14,501,601)                       | (12,455,534)                       | 69,997,049                           | 65,722,805                           | 55,495,448               | 53,267,271               |
| <b>Total Net Position</b>  | <b>(5,331,683)</b>                 | <b>(3,036,166)</b>                 | <b>87,564,897</b>                    | <b>84,353,374</b>                    | <b>82,233,214</b>        | <b>81,317,208</b>        |
| <b>Total Net Position, Liabilities and Deferred Inflows of Resources</b> | <b>\$18,459,578</b>                | <b>\$22,957,842</b>                | <b>\$89,087,367</b>                  | <b>\$86,960,587</b>                  | <b>\$107,546,945</b>     | <b>\$ 109,918,429</b>    |

Total net position of the governmental activities amounts to (\$5,331,683) at June 30, 2024, a decrease of \$2,295,517 from the prior year. The decrease in Deferred Outflows of Resources related to Pension drove the change to the Commission's Unrestricted net position (deficit) – the part of the net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements – which amounts to a deficit of (\$14,504,494) at June 30, 2024 compared to a deficit of (\$12,455,534) at June 30, 2023.



**SUSQUEHANNA RIVER BASIN COMMISSION**  
Management's Discussion and Analysis  
June 30, 2024

Total net position of the business-type activities amounts to \$87,564,897 for the year ended June 30, 2024, an increase of \$3,211,523 from the prior year. Net investment in capital assets represents the Commission's investment in capital assets reduced by the amount of outstanding debt used to acquire those assets. Investment in Capital Assets includes an estimated valuation of \$16,487,812 for Water Storage Rights to 29,695 acre-feet of water supply storage at Cowanesque and Curwensville Lakes and an estimated valuation of \$1,871,457 for 1.304 acre-feet of water supply storage at Billmeyer Quarry. Net investment in capital assets decreased by \$1,207,821 due to depreciation of water storage assets. Unrestricted net position – the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$69,997,049 at June 30, 2024 compared to \$65,722,805 at June 30, 2023.

Governmental activities include the General Fund. Business-type activities are comprised of the operation of the Commission's Water Management and Sustainable Water Resources Funds.

|  | Governmental<br>Activities<br>2024 | Governmental<br>Activities<br>2023 | Business-<br>Type Activities<br>2024 | Business-<br>Type Activities<br>2023 | Total<br>Primary<br>2024 | Total<br>Primary<br>2023 |
|--|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------|--------------------------|
| <b>Revenues</b>                        |                                    |                                    |                                      |                                      |                          |                          |
| Charges for services                   | \$ 3,901,616                       | \$ 4,384,422                       | \$ 5,556,454                         | \$ 5,700,141                         | \$ 9,458,070             | \$ 10,084,563            |
| Operating grants                       | 2,718,358                          | 2,832,679                          | -                                    | -                                    | 2,718,358                | 2,832,679                |
| Contributions                          | 1,344,750                          | 1,344,750                          | -                                    | -                                    | 1,344,750                | 1,344,750                |
| Investment earnings                    | 601,308                            | 459,046                            | 6,678,538                            | 4,483,905                            | 7,279,846                | 4,942,951                |
| Miscellaneous                          | 59,473                             | 773                                | 201,286                              | -                                    | 260,759                  | 773                      |
| <b>Total Revenues</b>                  | <b>8,625,505</b>                   | <b>9,021,670</b>                   | <b>12,436,278</b>                    | <b>10,184,046</b>                    | <b>21,061,783</b>        | <b>19,205,716</b>        |
| <b>Expenses</b>                        |                                    |                                    |                                      |                                      |                          |                          |
| General government                     | \$ 10,444,927                      | \$ 10,152,911                      | -                                    | -                                    | \$ 10,444,927            | \$ 10,152,911            |
| Other                                  | 2,718,358                          | 2,832,679                          | -                                    | -                                    | 2,718,358                | 2,832,679                |
| Water management and sustainable water | -                                  | -                                  | 6,982,492                            | 5,545,772                            | 6,982,492                | 5,545,772                |
| <b>Total Expenses</b>                  | <b>13,163,285</b>                  | <b>12,985,590</b>                  | <b>6,982,492</b>                     | <b>5,545,772</b>                     | <b>20,145,777</b>        | <b>18,531,362</b>        |
| <b>Other Financing Sources</b>         |                                    |                                    |                                      |                                      |                          |                          |
| Transfers                              | 2,242,263                          | 3,348,362                          | (2,242,263)                          | (3,348,362)                          | -                        | -                        |
| <b>Total other financing sources</b>   | <b>2,242,263</b>                   | <b>3,348,362</b>                   | <b>(2,242,263)</b>                   | <b>(3,348,362)</b>                   | <b>-</b>                 | <b>-</b>                 |
| <b>Changes in net position</b>         | <b>(2,295,517)</b>                 | <b>(615,558)</b>                   | <b>3,211,523</b>                     | <b>1,289,912</b>                     | <b>916,006</b>           | <b>674,354</b>           |
| <b>Net Position, Beginning of Year</b> | <b>(3,036,166)</b>                 | <b>(2,420,608)</b>                 | <b>84,353,374</b>                    | <b>83,063,462</b>                    | <b>81,317,208</b>        | <b>80,642,854</b>        |
| <b>Net Position, End of Year</b>       | <b>\$ (5,331,683)</b>              | <b>\$ (3,036,166)</b>              | <b>\$ 87,564,897</b>                 | <b>\$ 84,353,374</b>                 | <b>\$ 82,233,214</b>     | <b>\$ 81,317,208</b>     |

The Commission's total revenues increased by \$1,856,067 this past year. This increase was due primarily to increases in investment earnings. Total expenses increased by \$1,614,415. General government expenses increased by \$292,016 due to increases in personnel services and employee benefit costs. Other expenses decreased by \$114,321. Water Management and Sustainable Water Resources expenses increased by \$1,436,720 due to grant awards paid as part of the Consumptive Use Mitigation Grant program.

**Governmental Fund**

The Commission's Governmental Fund is the General Fund. Below is a revenue comparison of the General Fund for the past two fiscal years.

|                          | General Fund Revenues |                     |
|--------------------------|-----------------------|---------------------|
|                          | 2024                  | 2023                |
| Signatory parties        | \$ 1,344,750          | \$ 1,344,750        |
| Projects and programs    | 2,718,358             | 2,801,968           |
| Permit and compliance    | 4,073,459             | 4,384,422           |
| Interest and investments | 601,308               | 459,046             |
| Gain on Sale of Assets   | 5,500                 | 5,047               |
| Other                    | 53,973                | 13,252              |
| <b>Total</b>             | <b>\$ 8,797,348</b>   | <b>\$ 9,008,485</b> |

**SUSQUEHANNA RIVER BASIN COMMISSION**  
Management's Discussion and Analysis  
June 30, 2024

In fiscal year 2024, General Fund revenues decreased by \$211,137 as compared to fiscal year 2023. Permit and compliance fees revenue decreased by \$310,963 due to decreases in the number of approval by rule applications received and processed during the year.

|                              | General Fund Revenue |                     |                     |
|------------------------------|----------------------|---------------------|---------------------|
|                              | Final Budget         | Actual              | Variance            |
| Signatory parties            | \$ 1,344,750         | \$ 1,344,750        | \$ -                |
| Projects and programs        | 2,960,000            | 2,718,358           | (241,642)           |
| Permit and compliance fees   | 4,553,750            | 4,073,459           | (480,291)           |
| Investment and other revenue | 368,000              | 660,781             | 292,781             |
|                              | <b>\$ 9,226,500</b>  | <b>\$ 8,797,348</b> | <b>\$ (429,152)</b> |

Revenue received in fiscal year 2024 was \$449,152 less than budgeted amounts. Projects and programs revenue was \$241,642 less than budget due to delays in abandoned mine treatment plant grants. Permit and compliance fees revenue was \$480,291 less than budget due to a lower than projected volume of approval by rule applications. Investments and other revenue was \$292,781 more than budget due to better performance of stock market returns.

Below is an expenditure comparison of General Fund expenditures for the past two fiscal years.

|                                     | General Fund Expenditures |                      |
|-------------------------------------|---------------------------|----------------------|
|                                     | 2024                      | 2023                 |
| Personnel Services                  | \$ 4,848,361              | \$ 4,741,927         |
| Employee Benefit                    | 4,190,805                 | 4,025,072            |
| Special Contractual Services        | 671,093                   | 1,383,354            |
| Travel and Subsistence              | 34,459                    | 61,757               |
| Communications                      | 67,075                    | 64,388               |
| Postage and Freight                 | 12,427                    | 9,639                |
| Janitorial                          | 28,209                    | 25,927               |
| Utilities                           | 68,111                    | 82,577               |
| Rent                                | 40,686                    | 33,791               |
| Printing and Reproduction           | 30,673                    | 28,311               |
| Repairs and Maintenance             | 93,229                    | 66,053               |
| Software Purchase and Maintenance   | 183,584                   | 234,405              |
| Insurance                           | 148,985                   | 148,522              |
| Supplies                            | 324,859                   | 266,384              |
| Fees – Various                      | 238,592                   | 228,428              |
| Commission Meetings/Public Hearings | 10,311                    | 9,725                |
| Dues and Memberships                | 30,103                    | 29,028               |
| Staff Training                      | 52,655                    | 19,612               |
| Grant Awards                        | 100,496                   | 63,598               |
| Miscellaneous                       | 14,117                    | 29,854               |
| Capital Outlay                      | 246,598                   | 348,396              |
| <b>Total</b>                        | <b>\$ 11,435,428</b>      | <b>\$ 11,900,748</b> |

In fiscal year 2024, operating expenditures decreased by \$465,320. Expenses for special contractual services decreased by \$712,261 due to reduced engineering design costs for the Morris Run Active Treatment Plant grant.

**SUSQUEHANNA RIVER BASIN COMMISSION**

Management's Discussion and Analysis

June 30, 2024

|                                     | <b>General Fund Expenditures</b> |                      |                     |
|-------------------------------------|----------------------------------|----------------------|---------------------|
|                                     | <b>Final Budget</b>              | <b>Actual</b>        | <b>Variance</b>     |
| Personnel Services                  | \$ 5,055,000                     | \$ 4,848,361         | \$ 206,639          |
| Employee Benefit                    | 4,305,000                        | 4,190,805            | 114,195             |
| Special Contractual Services        | 1,518,500                        | 671,093              | 847,407             |
| Travel and Subsistence              | 55,000                           | 34,459               | 20,541              |
| Communications                      | 65,000                           | 67,075               | (2,075)             |
| Postage and Freight                 | 15,000                           | 12,427               | 2,573               |
| Janitorial                          | 30,000                           | 28,209               | 1,791               |
| Utilities                           | 75,000                           | 68,111               | 6,889               |
| Rent                                | 40,000                           | 40,686               | (686)               |
| Printing and Reproduction           | 25,000                           | 30,673               | (5,673)             |
| Advertising                         | 1,500                            | -                    | 1,500               |
| Repairs and Maintenance             | 121,500                          | 93,229               | 28,271              |
| Software Purchase and Maintenance   | 180,000                          | 183,584              | (3,584)             |
| Insurance                           | 155,000                          | 148,985              | 6,015               |
| Supplies                            | 215,000                          | 324,859              | (109,859)           |
| Fees – Various                      | 180,000                          | 238,592              | (58,592)            |
| Commission Meetings/Public Hearings | 30,000                           | 10,311               | 19,689              |
| Dues and Memberships                | 25,000                           | 30,103               | (5,103)             |
| Staff Training                      | 50,000                           | 52,655               | (2,655)             |
| Grant Awards                        | 270,000                          | 100,496              | 169,504             |
| Miscellaneous                       | 20,000                           | 14,117               | 5,883               |
| Capital Outlay                      | 360,000                          | 246,598              | 113,402             |
| <b>Total</b>                        | <b>\$ 12,791,500</b>             | <b>\$ 11,435,428</b> | <b>\$ 1,356,072</b> |

Expenditures for fiscal year 2024 were \$1,356,072 below budget. Personnel services were \$206,639 less than budget due to vacant positions. Employee benefits were \$114,195 less than budget due to lower than projected costs for health insurance premiums. Special contractual services were \$847,407 under budget due to delays in several projects.

**Business-Type Activities**

Below is a two-year revenue comparison for the Commission's business-type activities.

In fiscal year 2024, business-type activities revenues increased by \$2,394,536 as compared to 2023. Water management fees, which are fees paid by project sponsors for the consumptive use of water, decreased by \$322,488. Fines and Settlements paid for compliance violations increased by \$154,100. Operations and Maintenance revenue represents reimbursement for costs for the Cowanesque Water Supply Storage project and increased by \$191,801. Investment income increased by \$2,366,937 due to better stock market performance of Water Management Fund investments.

|                                | <b>Business - Type Activities Revenue</b> |                      |
|--------------------------------|---|----------------------|
|                                | <b>2024</b>                               | <b>2023</b>          |
| Water Management Fees          | \$ 4,230,394                              | \$ 4,552,882         |
| Fines / Settlements            | 167,100                                   | 13,000               |
| Operations and Maintenance     | 1,326,060                                 | 1,134,259            |
| Interest and Investment Income | 6,678,538                                 | 4,341,601            |
| Miscellaneous Income           | 34,186                                    | -                    |
| <b>Total</b>                   | <b>\$ 12,436,278</b>                      | <b>\$ 10,041,742</b> |

**SUSQUEHANNA RIVER BASIN COMMISSION**  
Management's Discussion and Analysis  
June 30, 2024

Below is a two-year expense comparison for the Commission's business-type activities.

|                                     | <b>Business - Type Activities Expense</b> |                     |
|-------------------------------------|---|---------------------|
|                                     | <b>2024</b>                               | <b>2023</b>         |
| Operations and maintenance          | \$ 1,427,035                              | \$ 2,216,868        |
| Interest expense                    | 25,830                                    | 29,096              |
| Other                               | 83,413                                    | 35,650              |
| Investment fees                     | 136,174                                   | 142,304             |
| Grant awards                        | 4,102,219                                 | 2,056,337           |
| Water storage rights - amortization | 1,207,821                                 | 1,207,821           |
| <b>Total</b>                        | <b>\$ 6,982,492</b>                       | <b>\$ 5,688,076</b> |

In fiscal year 2024, business-type activities expenses increased by \$1,294,416 when compared to 2023. Water Supply Storage Operations and Maintenance costs decreased by \$789,833 due to a \$972,250 decrease in payments made to a Billmeyer Quarry pumping contractor. Grant awards increased by \$2,045,882 due to payments made to grantees of the Commission's Consumptive Use Mitigation Grant Program.

**Capital Assets, Water Storage Rights, and Debt Administration**

**Capital Assets and Water Storage Rights**

As of June 30, 2024, the Commission had \$27,394,223 invested in a variety of capital assets (net of accumulated depreciation), as reflected in the following schedule.

|                            | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|----------------------------|------------------------------------|-------------------------------------|----------------------|
| Land                       | \$ 2,104,170                       | \$ -                                | \$ 2,104,170         |
| Land Improvements          | 19,000                             | -                                   | 19,000               |
| Buildings and improvements | 6,011,263                          | -                                   | 6,011,263            |
| Equipment                  | 900,521                            | -                                   | 900,521              |
| Water storage rights       | -                                  | 18,359,269                          | 18,359,269           |
| <b>Total</b>               | <b>\$ 9,034,954</b>                | <b>\$ 18,359,269</b>                | <b>\$ 27,394,223</b> |

Additional information on the Commission's capital assets can be found in Notes 3 and 4.

**Debt Administration**

At June 30, 2024, the Commission has \$791,421 of debt outstanding, which consists of payments owed to the Lancaster County Solid Waste Management Authority for the acquisition of water storage at Billmeyer Quarry. Additional information on the Commission's debt can be found in Note 6.

**Economic Factors and Next Year's Budget and Rates**

The Commission's approved budget for fiscal year 2025 includes General Fund revenue of \$10,037,500 and Water Management Fund revenue of \$7,340,000, for combined revenue of \$17,377,500. Budgeted General Fund expenses are \$13,300,500 and budgeted Water Management Fund expenses are \$15,682,000, for total expenses of \$28,982,500. The budget also includes the transfer of \$1,133,000 from the Sustainable Water Resource Fund into the General Fund to cover costs for otherwise unfunded expenses. The Commission anticipates using \$10,472,000 of Water Management Fund reserves in 2025 to fund its Consumptive Use Mitigation Grant Program.

This financial report is designed to provide a general overview of the Susquehanna River Basin Commission's finances. This financial report seeks to demonstrate the Commission's accountability for the money it receives and disburses. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Commission at 4423 North Front Street, Harrisburg, PA 17110.

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Net Position  
June 30, 2024

|   | Governmental<br><u>Activities</u> | Business-Type<br><u>Activities</u> | <u>Total</u>          |
|---|-----------------------------------|------------------------------------|-----------------------|
| <b>Assets</b>   |                                   |                                    |                       |
| Cash and Cash Equivalents (Note 2)                                    | \$ 302,883                        | \$ 2,538,390                       | \$ 2,841,273          |
| Cash and Cash Equivalents – Restricted (Note 2)                       | 137,857                           | -                                  | 137,857               |
| Investments (Note 2)  | 3,655,522                         | 66,359,595                         | 70,015,117            |
| Due (to) from Other Funds (Note 9)                                    | 18,197                            | (18,197)                           | -                     |
| Accounts Receivable   | 1,071,701                         | 1,138,611                          | 2,210,312             |
| Lease Receivable (Note 5)   | 838,756                           | -                                  | 838,756               |
| Security Deposits   | 8,245                             | -                                  | 8,245                 |
| Prepaid Expenses  | -                                 | 709,699                            | 709,699               |
| Capital Assets Not Being Depreciated (Note 4)                         | 2,104,170                         | -                                  | 2,104,170             |
| Capital Assets Being Depreciated, Net (Note 4)                        | 6,930,784                         | -                                  | 6,930,784             |
| Water Storage Rights, Net (Note 3)                                    | -                                 | 18,359,269                         | 18,359,269            |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Assets  | 15,068,115                        | 89,087,367                         | 104,155,482           |
| <b>Deferred Outflows of Resources</b>                                 |                                   |                                    |                       |
| Deferred Outflows – Pension (Note 10)                                 | 3,249,329                         | -                                  | 3,249,329             |
| Deferred Outflows – OPEB (Note 11)                                    | 142,134                           | -                                  | 142,134               |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Deferred Outflows of Resources                                  | 3,391,463                         | -                                  | 3,391,463             |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Assets and Deferred Outflows of Resources                       | <u>\$ 18,459,578</u>              | <u>\$ 89,087,367</u>               | <u>\$ 107,546,945</u> |
| <b>Liabilities</b>  |                                   |                                    |                       |
| Accounts Payable  | \$ 916,473                        | \$ 731,049                         | \$ 1,647,522          |
| Accrued Payroll   | 13,592                            | -                                  | 13,592                |
| Unearned Revenue  | 1,801,484                         | -                                  | 1,801,484             |
| Loans Payable – Current Portion (Note 6)                              | -                                 | 114,279                            | 114,279               |
| Lease Payable – Current Portion (Note 5)                              | 1,332                             | -                                  | 1,332                 |
| Lease Payable (Note 5)  | 1,561                             | -                                  | 1,561                 |
| Long-Term Loan Payable – Billmeyer (Note 6)                           | -                                 | 677,142                            | 677,142               |
| Post-Employment Healthcare Benefit Liability (Note 11)                | 1,460,282                         | -                                  | 1,460,282             |
| Accrued Sick Leave (Note 8)   | 353,886                           | -                                  | 353,886               |
| Accrued Vacation (Note 8)   | 655,061                           | -                                  | 655,061               |
| Net Pension Liability (Note 10)                                       | 17,021,670                        | -                                  | 17,021,670            |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Liabilities   | \$ 22,225,341                     | \$ 1,522,470                       | \$ 23,747,811         |
| <b>Deferred Inflows of Resources</b>                                  |                                   |                                    |                       |
| Leases (Note 5)   | 814,973                           | -                                  | 814,973               |
| Deferred Inflows – Pension (Note 10)                                  | 18,120                            | -                                  | 18,120                |
| Deferred Inflows – OPEB (Note 11)                                     | 732,827                           | -                                  | 732,827               |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Deferred Inflows of Resources                                   | 1,565,920                         | -                                  | 1,565,920             |
| <b>Net Position</b>   |                                   |                                    |                       |
| Net Investment in Capital Assets                                      | 9,032,061                         | 17,567,848                         | 26,599,909            |
| Restricted  | 137,857                           | -                                  | 137,857               |
| Unrestricted (Deficit)  | (14,501,601)                      | 69,997,049                         | 55,495,448            |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Net Position  | (5,331,683)                       | 87,564,897                         | 82,233,214            |
|   | <hr/>                             | <hr/>                              | <hr/>                 |
| Total Liabilities, Deferred Inflows of Resources,<br>and Net Position | <u>\$ 18,459,578</u>              | <u>\$ 89,087,367</u>               | <u>\$ 107,546,945</u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Activities  
For the Year Ended June 30, 2024

| Functions/Programs                                     | Expenses             | Program Revenues                |                                    | Net (Expense) Revenue and Changes In Net Position |                          |                       |
|--|----------------------|---------------------------------|------------------------------------|---|--------------------------|-----------------------|
|  |                      | Charges for Services            | Operating Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total                 |
| Governmental Activities:                               |                      |                                 |                                    |   |                          |                       |
| General/Administration                                 | \$ 10,444,927        | \$ 3,901,616                    | \$ -                               | \$ (6,543,311)                                    | \$ -                     | \$ (6,543,311)        |
| Chesapeake Bay   | 731,873              | -                               | 731,873                            | -   | -                        | -                     |
| EPA Water Quality                                      | 688,091              | -                               | 688,091                            | -   | -                        | -                     |
| AMD – Morris Run, Bear Creek                           | 865,662              | -                               | 865,662                            | -   | -                        | -                     |
| Remote W/Q Monitoring Network                          | 130,000              | -                               | 130,000                            | -   | -                        | -                     |
| USACE MIPR Projects                                    | 12,500               | -                               | 12,500                             | -   | -                        | -                     |
| Conowingo WIP  | 230,694              | -                               | 230,694                            | -   | -                        | -                     |
| Other Projects   | 59,538               | -                               | 59,538                             | -   | -                        | -                     |
| Total Governmental Activities                          | <u>13,163,285</u>    | <u>3,901,616</u>                | <u>2,718,358</u>                   | <u>(6,543,311)</u>                                | <u>-</u>                 | <u>(6,543,311)</u>    |
| Business-Type Activities:                              |                      |                                 |                                    |   |                          |                       |
| Water Management and Sustainable Water Resources Funds | <u>6,982,492</u>     | <u>5,556,454</u>                | <u>-</u>                           | <u>-</u>  | <u>(1,426,038)</u>       | <u>(1,426,038)</u>    |
| Total Primary Government                               | <u>\$ 20,145,777</u> | <u>\$ 9,458,070</u>             | <u>\$ 2,718,358</u>                | <u>\$ (6,543,311)</u>                             | <u>\$ (1,426,038)</u>    | <u>\$ (7,969,349)</u> |
|  |                      | General Revenues:               |                                    |   |                          |                       |
|  |                      | Signatory Contributions         |                                    | 1,344,750   | -                        | 1,344,750             |
|  |                      | Investment Earnings             |                                    | 601,308   | 6,678,538                | 7,279,846             |
|  |                      | Miscellaneous                   |                                    | 53,973  | 201,286                  | 255,259               |
|  |                      | Gain on Sale of Capital Assets  |                                    | 5,500   | -                        | 5,500                 |
|  |                      | Fund Transfers                  |                                    | 2,242,263   | (2,242,263)              | -                     |
|  |                      | Total General Revenues          |                                    | <u>4,247,794</u>                                  | <u>4,637,561</u>         | <u>8,885,355</u>      |
|  |                      | Changes in Net Position         |                                    | (2,295,517)                                       | 3,211,523                | 916,006               |
|  |                      | Net Position, Beginning of Year |                                    | <u>(3,036,166)</u>                                | <u>84,353,374</u>        | <u>81,317,208</u>     |
|  |                      | Net Position, End of Year       |                                    | <u>\$ (5,331,683)</u>                             | <u>\$ 87,564,897</u>     | <u>\$ 82,233,214</u>  |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Balance Sheet – Governmental Fund – General Fund  
June 30, 2024

|  |                            |
|--|----------------------------|
| Assets   |                            |
| Cash and Cash Equivalents (Note 2)                                     | \$ 302,883                 |
| Cash and Cash Equivalents – Restricted (Note 2)                        | 137,857                    |
| Investments (Note 2)   | 3,655,522                  |
| Due From Other Funds (Note 9)  | 18,197                     |
| Accounts Receivable  |                            |
| Contracts  | 891,009                    |
| Other  | 180,692                    |
| Security Deposits  | 8,245                      |
| Lease Receivable (Note 5)  | <u>838,756</u>             |
| Total Assets   | <u><u>\$ 6,033,161</u></u> |
|  |                            |
| Liabilities  |                            |
| Accounts Payable   | \$ 916,473                 |
| Accrued Salaries and Taxes   | 13,592                     |
| Unearned Revenue   | <u>1,801,484</u>           |
| Total Liabilities  | <u>\$ 2,731,549</u>        |
|  |                            |
| Deferred Inflows of Resources  |                            |
| Leases (Note 5)  | <u>814,973</u>             |
| Total Deferred Inflows of Resources                                    | <u>814,973</u>             |
|  |                            |
| Fund Balances  |                            |
| Assigned   | 2,995,000                  |
| Restricted   |                            |
| Program Purposes   | 137,857                    |
| Unassigned (Deficit)   | <u>(646,218)</u>           |
| Total Fund Balances  | <u>2,486,639</u>           |
| Total Liabilities, Deferred Inflows<br>of Resources, and Fund Balances | <u><u>\$ 6,033,161</u></u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
 Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position  
 June 30, 2024

|  |                              |
|--|------------------------------|
| <b>Total Fund Balance – Governmental Fund</b>  | <b>\$ 2,486,639</b>          |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>  |                              |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements. The cost of assets is \$15,314,898, and accumulated depreciation is \$6,279,944.</p> | 9,034,954                    |
| <p>Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.</p>   |                              |
| Vacation and Sick Leave  | (1,008,947)                  |
| Financed Purchases   | (2,893)                      |
| Net OPEB Liability and Deferrals   | (2,050,975)                  |
| Net Pension Liability and Deferrals  | <u>(13,790,461)</u>          |
| <b>Total Net Position of Governmental Activities</b>   | <b><u>\$ (5,331,683)</u></b> |



SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Fund – General Fund  
For the Year Ended June 30, 2024

|   |                  |
|---|------------------|
| Revenues                                    |                  |
| Signatory Parties                           |                  |
| Maryland                                    | \$ 346,000       |
| New York                                    | 259,000          |
| Pennsylvania                                | 739,750          |
| Projects and Programs                       |                  |
| Chesapeake Bay                              | 731,873          |
| EPA Water Quality                           | 688,091          |
| AMD – Morris Run, Hawk Run                  | 865,662          |
| Continuous Instream Monitoring Network      | 130,000          |
| USACE MIPR Projects                         | 12,500           |
| Conowingo WIP                               | 230,694          |
| Other Projects                              | 59,538           |
| Other Revenue                               |                  |
| Permit Application Fees                     | 1,252,660        |
| NOI Permit Fees                             | 740,150          |
| Compliance Monitoring Fees                  | 1,993,331        |
| Special Project Review Fees                 | 87,318           |
| Net Realized/Unrealized Loss on Investments | 356,707          |
| Interest, Dividend and Rental Income        | 244,601          |
| Miscellaneous                               | <u>53,973</u>    |
| Total Revenues                              | <u>8,791,848</u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Fund – General Fund (Continued)  
For the Year Ended June 30, 2024

|   |                            |
|---|----------------------------|
| Expenditures                              |                            |
| Personnel Services                        | 4,848,361                  |
| Employee Benefits                         | 4,190,805                  |
| Special Contractual Services              | 671,093                    |
| Travel and Subsistence                    | 34,459                     |
| Communications                            | 67,075                     |
| Postage and Freight                       | 12,427                     |
| Janitorial                                | 28,209                     |
| Utilities                                 | 68,111                     |
| Rent                                      | 40,686                     |
| Printing and Reproduction                 | 30,673                     |
| Repairs and Maintenance                   | 93,229                     |
| Software Maintenance                      | 183,584                    |
| Insurance                                 | 148,985                    |
| Supplies                                  | 324,859                    |
| Fees – Various                            | 238,592                    |
| Commission Meetings/Public Hearings       | 10,311                     |
| Dues and Memberships                      | 30,103                     |
| Staff Trainings                           | 52,655                     |
| Grant Awards                              | 100,496                    |
| Miscellaneous                             | 14,117                     |
| Capital Outlay                            | <u>246,598</u>             |
| Total Expenditures                        | <u>11,435,428</u>          |
| Deficiency of Revenues under Expenditures | <u>(2,643,580)</u>         |
| Other Financing Sources                   |                            |
| Gain on Sale of Assets                    | 5,500                      |
| Transfers In                              | <u>2,242,263</u>           |
| Total Other Financing Sources             | <u>2,247,763</u>           |
| Net Change in Fund Balances               | (395,817)                  |
| Fund Balances, Beginning of Year          | <u>2,882,456</u>           |
| Fund Balances, End of Year                | <u><u>\$ 2,486,639</u></u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2024

**Net Change in Fund Balances – Governmental Fund** \$ (395,817)

Amounts reported for governmental activities in the  
Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However,  
in the Statement of Activities the cost of these assets is allocated over  
estimated useful lives as depreciation expense. This is the amount that  
capital outlay exceeds depreciation in the current period.

|   |                |           |
|---|----------------|-----------|
| Less: Depreciation and Amortization Expense | (489,813)      |           |
| Capital Outlays                             | <u>246,598</u> | (243,215) |

|  |  |          |
|--|--|----------|
| The net effect of the disposal of capital assets and adjustments is to decrease net<br>position. |  | (23,694) |
|--|--|----------|

|  |  |           |
|--|--|-----------|
| Revenues in the Statement of Activities that do not provide current financial<br>resources are not reported as revenue in the governmental funds. The<br>change in unavailable revenue in the Statement of Net Position<br>increases/decreases revenue in the Statement of Activities. |  | (171,843) |
|--|--|-----------|

|   |  |           |
|---|--|-----------|
| The governmental fund reports certain assets as an expenditure;<br>however, these payments are reported as additions to certain assets on<br>the Statement of Net Position of the government-wide statements. |  | (152,730) |
|---|--|-----------|

|  |  |       |
|--|--|-------|
| The governmental fund reports debt principal as an expenditure, but the<br>repayment reduces long-term liabilities on the Statement of Net Position. |  | 1,029 |
|--|--|-------|

Some expenses reported in the Statement of Activities do not require the use  
of current financial resources and, therefore, are not reported as  
expenditures in the governmental fund.

|   |                |                    |
|---|----------------|--------------------|
| Accrued Vacation and Accrued Sick Time  | (26,801)       |                    |
| Net Pension Liability   | 1,029,375      |                    |
| Net OPEB Liability  | (88,720)       |                    |
| Pension Deferred Outflows of Resources, Net of<br>Deferred Inflows of Resources                         | (2,422,132)    |                    |
| Post-Employment Healthcare Plan Deferred Outflows of<br>Resources, Net of Deferred Inflows of Resources | <u>199,031</u> | <u>(1,309,247)</u> |

**Change in Net Position of Governmental Activities** \$ (2,295,517)

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Net Position – Proprietary Funds  
June 30, 2024

|   | Water<br>Management<br><u>Fund</u> | Sustainable<br>Water Resources<br><u>Fund</u> | <u>Total</u>                    |
|---|------------------------------------|---|---------------------------------|
| <b>Current Assets</b>                                     |                                    |   |                                 |
| Cash and Cash Equivalents (Note 2)                        | \$ 1,866,873                       | \$ 671,517                                    | \$ 2,538,390                    |
| Investments (Note 2)                                      | 57,382,414                         | 8,977,181                                     | 66,359,595                      |
| Receivables   | 1,138,611                          | -   | 1,138,611                       |
| Prepaid Expenses  | <u>709,699</u>                     | <u>-</u>                                      | <u>709,699</u>                  |
| <br>Total Current Assets                                  | <br><u>61,097,597</u>              | <br><u>9,648,698</u>                          | <br><u>70,746,295</u>           |
| <br>Water Storage Rights, Net (Note 3)                    | <br><u>18,359,269</u>              | <br><u>-</u>                                  | <br><u>18,359,269</u>           |
| <br>Total Assets  | <br><u><u>\$ 79,456,866</u></u>    | <br><u><u>\$ 9,648,698</u></u>                | <br><u><u>\$ 89,105,564</u></u> |
| <br><b>Current Liabilities</b>                            |                                    |   |                                 |
| Accounts Payable  | \$ 731,049                         | \$ -  | \$ 731,049                      |
| Due To (From) Other Funds (Note 9)                        | (278,974)                          | 297,171                                       | 18,197                          |
| Loan Payable – Current Portion (Note 6)                   | <u>114,279</u>                     | <u>-</u>                                      | <u>114,279</u>                  |
| <br>Total Current Liabilities                             | <br><u>566,354</u>                 | <br><u>297,171</u>                            | <br><u>863,525</u>              |
| <br>Loan Payable – Billmeyer – Long-Term Portion (Note 6) | <br><u>677,142</u>                 | <br><u>-</u>                                  | <br><u>677,142</u>              |
| <br>Total Liabilities                                     | <br><u>1,243,496</u>               | <br><u>297,171</u>                            | <br><u>1,540,667</u>            |
| <br><b>Net Position</b>                                   |                                    |   |                                 |
| Investment in Capital Assets, Net of Related Debt         | 17,567,848                         | -   | 17,567,848                      |
| Unrestricted  | <u>60,645,522</u>                  | <u>9,351,527</u>                              | <u>69,997,049</u>               |
| <br>Total Net Position                                    | <br><u>78,213,370</u>              | <br><u>9,351,527</u>                          | <br><u>87,564,897</u>           |
| <br>Total Liabilities and Net Position                    | <br><u><u>\$ 79,456,866</u></u>    | <br><u><u>\$ 9,648,698</u></u>                | <br><u><u>\$ 89,105,564</u></u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds  
For the Year Ended June 30, 2024

|  | Water<br>Management<br><u>Fund</u> | Sustainable<br>Water Resources<br><u>Fund</u> | <u>Total</u>         |
|--|------------------------------------|---|----------------------|
| Operating Revenues                                   |                                    |   |                      |
| Water Management Fees                                | \$ 4,230,394                       | \$ -  | \$ 4,230,394         |
| Operating and Maintenance Fees – Cowanesque (Note 3) | 1,326,060                          | -   | 1,326,060            |
| Fines and Settlements                                | -                                  | 167,100                                       | 167,100              |
| Miscellaneous Revenue                                | 34,186                             | -   | 34,186               |
|  | <u>5,590,640</u>                   | <u>167,100</u>                                | <u>5,757,740</u>     |
| Total Operating Revenues                             |                                    |   |                      |
| Operating Expenses                                   |                                    |   |                      |
| Operations & Maintenance (Note 3)                    | 1,427,035                          | -   | 1,427,035            |
| Miscellaneous  | 83,413                             | -   | 83,413               |
| Grant Awards   | 4,102,219                          | -   | 4,102,219            |
| Water Storage Rights – Amortization Expense (Note 3) | 1,207,821                          | -   | 1,207,821            |
|  | <u>6,820,488</u>                   | <u>-</u>                                      | <u>6,820,488</u>     |
| Total Operating Expenses                             |                                    |   |                      |
| Operating Income                                     | <u>(1,229,848)</u>                 | <u>167,100</u>                                | <u>(1,062,748)</u>   |
| Non-Operating Revenues (Expenses)                    |                                    |   |                      |
| Realized/Unrealized Gain on Investments              | 3,912,722                          | 739,891                                       | 4,652,613            |
| Investment Earnings                                  | 1,741,258                          | 284,667                                       | 2,025,925            |
| Investment Fees                                      | (112,086)                          | (24,088)                                      | (136,174)            |
| Interest Expense (Note 7)                            | (25,830)                           | -   | (25,830)             |
|  | <u>5,516,064</u>                   | <u>1,000,470</u>                              | <u>6,516,534</u>     |
| Total Non-Operating Revenues (Expenses)              |                                    |   |                      |
| Income Before Fund Transfers                         | 4,286,216                          | 1,167,570                                     | 5,453,786            |
| Transfers Out  | <u>(1,142,707)</u>                 | <u>(1,099,556)</u>                            | <u>(2,242,263)</u>   |
| Changes in Net Position                              | 3,143,509                          | 68,014  | 3,211,523            |
| Net Position, Beginning of Year                      | <u>75,069,861</u>                  | <u>9,283,513</u>                              | <u>84,353,374</u>    |
| Net Position, End of Year                            | <u>\$ 78,213,370</u>               | <u>\$ 9,351,527</u>                           | <u>\$ 87,564,897</u> |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Cash Flows – Proprietary Funds  
For the Year Ended June 30, 2024

|  | Water<br>Management<br>Fund | Sustainable<br>Water Resources<br>Fund | Total               |
|--|-----------------------------|--|---------------------|
| Cash Flows from Operating Activities:  |                             |  |                     |
| Receipts from Customers, Users and Miscellaneous   | \$ 6,211,090                | \$ 167,100                             | \$ 6,378,190        |
| Payments to Project Partners   | <u>(5,612,667)</u>          | <u>-</u>                               | <u>(5,612,667)</u>  |
| Net Cash and Cash Equivalents Provided by Operating Activities   | <u>598,423</u>              | <u>167,100</u>                         | <u>765,523</u>      |
| Cash Flows from Non-Capital Financing Activities:  |                             |  |                     |
| Transfers Out  | <u>(1,142,707)</u>          | <u>(1,099,556)</u>                     | <u>(2,242,263)</u>  |
| Net Cash and Cash Equivalents Used by Non-Capital Financing Activities                                       | <u>(1,142,707)</u>          | <u>(1,099,556)</u>                     | <u>(2,242,263)</u>  |
| Cash Flows from Capital Financing Activities   |                             |  |                     |
| Principal Payment on Long-Term Debt  | (110,914)                   | -                                      | (110,914)           |
| Payments for Interest Expense  | <u>(25,830)</u>             | <u>-</u>                               | <u>(25,830)</u>     |
| Net Cash and Cash Equivalents Used by Capital Financing Activities   | <u>(136,744)</u>            | <u>-</u>                               | <u>(136,744)</u>    |
| Cash Flows from Investing Activities:  |                             |  |                     |
| Proceeds from Sale/Purchases of Investments (Net)  | (1,843,029)                 | 877,605                                | (965,424)           |
| Interest and Dividend Income   | <u>1,741,258</u>            | <u>284,667</u>                         | <u>2,025,925</u>    |
| Net Cash and Cash Equivalents Provided (Used) by Investing Activities  | <u>(101,771)</u>            | <u>1,162,272</u>                       | <u>1,060,501</u>    |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (782,799)                   | 229,816                                | (552,983)           |
| Cash and Cash Equivalents, Beginning of Year   | <u>2,649,672</u>            | <u>441,701</u>                         | <u>3,091,373</u>    |
| Cash and Cash Equivalents, End of Year   | <u>\$ 1,866,873</u>         | <u>\$ 671,517</u>                      | <u>\$ 2,538,390</u> |
| Reconciliation of Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities         |                             |  |                     |
| Operating Income   | \$ (1,229,848)              | \$ 167,100                             | \$ (1,062,748)      |
| Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities: |                             |  |                     |
| Amortization   | 1,207,821                   | -                                      | 1,207,821           |
| Changes in Assets and Liabilities:   |                             |  |                     |
| Decrease in Due From Other Funds   | 364,018                     | -                                      | 364,018             |
| Decrease in Prepaid Expenses   | 6,051                       | -                                      | 6,051               |
| Increase in Accounts Payable   | <u>250,381</u>              | <u>-</u>                               | <u>250,381</u>      |
| Net Cash and Cash Equivalents Provided by Operating Activities   | <u>\$ 598,423</u>           | <u>\$ 167,100</u>                      | <u>\$ 765,523</u>   |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Fiduciary Fund Net Position – Fiduciary Fund  
June 30, 2024

|   | <u>Investment<br/>Trust</u> | <u>Custodial<br/>Fund</u> |
|---|-----------------------------|---------------------------|
| <b>Assets</b>                               |                             |                           |
| Cash (Note 2)                               | \$ 13,207                   | \$ 485,362                |
| Investments (Note 2)                        | 1,480,225                   | 1,207,843                 |
| Total Assets                                | \$ 1,493,432                | \$ 1,693,205              |
| <b>Liabilities</b>                          |                             |                           |
| Accounts Payable                            | \$ 98,488                   | \$ 79,589                 |
| Unearned Revenue                            | -                           | 1,613,616                 |
| Total Liabilities                           | 98,488                      | 1,693,205                 |
| <b>Net Position</b>                         |                             |                           |
| Reserved for Employees' Healthcare Benefits | 1,394,944                   | -                         |
| Total Liabilities and Net Position          | \$ 1,493,432                | \$ 1,693,205              |

The Accompanying Notes are an Integral Part of the Financial Statements

SUSQUEHANNA RIVER BASIN COMMISSION  
Statement of Changes in Fiduciary Fund Net Position – Fiduciary Fund  
For the Year Ended June 30, 2024

|                                 | <u>Investment<br/>Trust</u> | <u>Custodial<br/>Fund</u> |
|---------------------------------|-----------------------------|---------------------------|
| Additions                       |                             |                           |
| Administrative Fees             | \$ -                        | \$ 261,384                |
| Investment Income               | <u>115,473</u>              | <u>54,448</u>             |
| Total Additions                 | <u>115,473</u>              | <u>315,832</u>            |
| Deductions                      |                             |                           |
| Benefits                        | 92,288                      | -                         |
| Administrative Expenses         | 8,631                       | 230,694                   |
| Professional Services           | <u>-</u>                    | <u>1,340</u>              |
| Total Deductions                | <u>100,919</u>              | <u>232,034</u>            |
| Net Decrease                    | 14,554                      | 83,798                    |
| Net Position, Beginning of Year | <u>1,380,390</u>            | <u>(83,798)</u>           |
| Net Position, End of Year       | <u><u>\$ 1,394,944</u></u>  | <u><u>\$ -</u></u>        |

The Accompanying Notes are an Integral Part of the Financial Statements



SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2024

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Susquehanna River Basin Commission (the Commission) was created by the Susquehanna River Basin Compact (the Compact) to develop and effectuate plans, policies, and projects relating to the water resources of the Susquehanna River Basin. The Compact was approved by the four signatory parties: the States of Maryland and New York, the Commonwealth of Pennsylvania, and the United States Government.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

Consistent with the guidance contained in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the criteria used by the Commission to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Commission reviews the applicability of the following criteria.

The Commission is financially accountable for:

- Organizations that make up the legal Commission entity.
- Legally separate organizations if the Commission officials appoint a voting majority of the organization's governing body and the Commission is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Commission as defined below:

*Impose Its Will* – If the Commission can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

*Financial Benefit or Burden* – Exists if the Commission (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

- Organizations that are fiscally dependent on the Commission. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Commission.

Based on the foregoing criteria, the Commission has no component units that are required to be included in the Commission's financial statements.

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 government as a whole. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues and other non-exchange revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are affected 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. Other items not properly included among program revenues are reported instead as general revenues.

The accounts of the Commission are organized on the fund basis, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The Commission's Governmental Fund is the General Fund. Its Proprietary Funds are the Water Management Fund and the Sustainable Water Resources Fund, and its Fiduciary Funds are Defined Benefit Post-Employment Healthcare Plan and the Conowingo Watershed Implementation Plan.

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 the liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, charges for services, licenses, 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.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

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

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 current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current 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 are recorded as an other financing source rather than a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims for judgments, are recorded only when payment is due.

The Commission reports the following major governmental fund:

- The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Commission’s enterprise funds are proprietary funds. In the fund financial statements, a 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 their balance sheet. The proprietary fund type operating statement presents increases (revenues) and decreases (expenses) in total net position.

The Commission reports the following major proprietary funds:

- Water Management Fund and Sustainable Water Resources Fund – The Commission currently charges entities using water that results in an evaporation process or that is not returned directly back into the water system. The fee charged for such use is currently \$0.33 per 1,000 gallons consumed. The money received under this agreement was internally designated by the Commissioners to be separate and used for research and development of water resource-related projects. The Sustainable Water Resources Fund represents fines and settlements related to non-compliance with the Commission’s requirements in administering its water resource regulatory authority for water usage. General fund surpluses are also transferred to this fund.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

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

Fiduciary funds are used to account for assets held by the Commission in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include the OPEB fund and the Conowingo Watershed Implementation Plan, a Custodial fund. The OPEB fund is accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. The OPEB fund's financial statements are prepared using the accrual basis of accounting.

Assets, Liabilities, and Net Position or Fund Balances

Cash and Cash Equivalents

The Commission considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value for all mutual funds and equity securities held by the Commission. All cash and money market funds are recorded at cost, which approximates fair value.

GASB 72 requires an establishment of a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets and liabilities
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

For investments with quoted market prices in active markets, the Commission uses the quoted market prices as fair values and includes those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value of investments that are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Commission's own determinations of the assumptions that a market participant would use in pricing the asset.

Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible changes in risks in the near term would materially affect investment assets reported in the Statement of Net Position, Statement of Activities, Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Assets, Liabilities, and Net Position or Fund Balances (continued)

Accounts Receivable

All accounts receivable are shown net of an allowance for uncollectibles, as applicable. Accounts receivable are continually evaluated for collectability and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. No allowance was deemed necessary at June 30, 2024.

Unearned Revenues

The Commission recognizes revenue received for application and modification fees when an application is approved, denied, or rescinded. Unearned revenue represents fees paid for applications or modifications which are awaiting action by the Commission.

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 either "due to/from other funds" (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets, Water Storage Rights, and Depreciation

In the government-wide financial statements and proprietary fund types in the fund financial statements, the Commission reports capital assets and water storage rights at historical cost or estimated historical cost. Capital assets and water storage rights include land, improvements, easements, buildings, building improvements, vehicles, machinery, equipment infrastructure, and all other tangible or intangible assets that are used in operations and that have useful lives extending beyond a single reporting period. The Commission's policy is to capitalize assets, or groups of assets with costs in excess of \$5,000. Depreciation and amortization of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

|                            |             |
|----------------------------|-------------|
| Land Improvements          | 5 Years     |
| Buildings and Improvements | 20-50 Years |
| Equipment                  | 2-15 Years  |

Maintenance and repairs of capital assets are expensed when incurred.

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Assets, Liabilities, and Net Position or Fund Balances (continued)

Long-Lived Assets

Long-lived assets, other than those held for sale, are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Management has concluded that no impairment reserves are required at June 30, 2024.

Compensated Absences

All compensated absences are accrued when incurred in the government-wide and enterprise fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Under terms of the Commission's employment agreement, employees are granted vacation and sick leave in varying amounts. Salaried employees may accumulate up to 45 vacation days, which are payable by the Commission at the time of severance. Employees commencing employment prior to July 1, 2011 are permitted to accumulate a maximum of 90 sick days which are payable upon retirement at 40% of the vested balance. Vested balances in excess of 90 days (to the prior maximum of 180 days) as of June 30, 2011 have been grandfathered and remain payable unless used in the course of employment. Employees hired after July 1, 2011 are not eligible to accrue vested sick leave benefits.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Assets, Liabilities, and Net Position or Fund Balances (continued)

Leases

The Commission determines if an arrangement is or contains a lease at inception of the contract. The lease assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the lease. Lease assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Commission leases generally do not provide an implicit rate, the Commission's incremental borrowing rate at commencement date is used to determine the present value of future payments. The lease asset also includes any lease payments made and excludes lease incentives and any initial direct costs incurred. The Commission's operating lease assets and operating lease liabilities are calculated including options to extend the lease when it is reasonably certain that the Commission will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. A lease asset and liability are not recognized for short-term leases with an initial term of twelve months or less and a lease expense is recognized for these leases on a straight-line basis over the lease term.

Fund Balance Classifications

A description of the fund balance classifications used by the Commission for its Government Wide and General Fund follows:

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – 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 this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Commission, which is not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified as follows:

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Commission classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Assets, Liabilities, and Net Position or Fund Balances (continued)

Fund Balance Classifications (continued)

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors, or laws and regulations of other governments, or amounts constrained by law through constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Commission through formal action of the highest level of decision-making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – includes fund balance amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes.

Approval of an official motion at a formal meeting by the Commissioners is required to establish, modify, or rescind committed fund balance. The Commissioners have the authority to express intended uses of resources that result in assigned fund balance.

When an expenditure is incurred for purposes for which more than one classification of fund balance is available, it is the Commission's policy to use fund balances in the following order: committed, assigned, and unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Commission's policy is to spend resources in the following order:

1.      Restricted
2.      Unrestricted

Unless the Commissioners specifically approves the use of committed resources, or the Commissioners or the authorized body or official specifically approves the use of assigned resources, the Commission's policy is to spend unrestricted resources in the following order:

1.      Committed
2.      Assigned
3.      Unassigned

The Commission does not have a formal minimum fund balance policy.

The Commission's assigned fund balances were as follows: working capital of \$2,225,000, retiree payouts of \$285,000 and pension contributions of \$485,000.



SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Assets, Liabilities, and Net Position or Fund Balances (continued)

Deferred Inflows / Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has two items that qualify for reporting in this category: deferred outflows related to pensions and other postemployment benefits (OPEB). Deferred outflows related to pensions are described further in Note 10. Deferred outflows related to OPEB are described further in Note 11. The components of deferred outflows are amortized into pension or OPEB expense for the pension and OPEB plan over the remaining service life of participants, beginning the year in which the deferred amount occurs (current year).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) 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: deferred inflows related to pensions, OPEB and leases. Deferred inflows related to pensions are further described in Note 10. Deferred inflows related to OPEB are further described in Note 11. Deferred inflows related to leases are further described in Note 5. The annual difference between the projected and actual earnings on investments for the Pension and OPEB plans are amortized over a five-year closed period beginning the year in which the difference occurs (current year). Lease-related amounts are recognized at the inception of the lease. The deferred inflow of resources is recorded in amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before commencement of the lease term that relate to future periods, less any incentives paid to, or on behalf of the lessee at or before commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets

Restricted assets represent cash and cash equivalent balances for program purposes. As of June 30, 2024, the restricted cash balance was \$137,857.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

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

Adoption of Governmental Accounting Standards

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The adoption of the required provisions of this GASB Statement had no effect on previously reported amounts.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". The adoption of this GASB Statement had no effect on previously reported amounts.

Pending Changes in Accounting Principles

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

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures". The Commission is required to adopt the provisions of Statement No. 102 for its fiscal year 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". The Commission is required to adopt the provisions of Statement No. 103 for its fiscal year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets". The Commission is required to adopt the provisions of Statement No. 104 for its fiscal year 2026 financial statements.

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

NOTE 2            DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to them.

All Commission deposits are either insured or collateralized. All deposits that exceed the Federal depository insurance coverage level are collateralized under the Pooling Method but not under the Commission's name.

Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities maintained in conformity with Act 72 of 1971. Act 72 of 1971 is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis; and authorizing the appointment of custodians to act as pledgers of the assets.

SUSQUEHANNA RIVER BASIN COMMISSION  
 NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
 JUNE 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Bank balances with financial institutions totaled \$3,597,694, at June 30, 2024. Of the Commission's bank balances, \$1,947,058 was exposed to custodial credit risk, but was collateralized by the pledging bank's trust department as permitted by Act 72 or In for the year ended June 30, 2024.

Cash and cash equivalents exposed to credit risk were as follows at June 30, 2024:

|  |              |
|--|--------------|
| Collateral held by the pledging bank under Act 72            |              |
| but not in the Commission's name                             | \$ 1,947,058 |
| Insured by Federal Deposit Insurance Corporation and InfraFi |              |
| Network Deposits   | 1,650,636    |
|  | 3,597,694    |
| Less: Outstanding Checks                                     | (119,995)    |
| Total Deposits   | \$ 3,477,699 |
| Reconciliation to the Financial Statements:                  |              |
| Cash and Cash Equivalents                                    |              |
| Governmental Funds   | \$ 440,740   |
| Proprietary Funds  | 2,538,390    |
| Fiduciary Funds  | 498,569      |
|  | 498,569      |
| Total  | \$ 3,477,699 |

Custodial Credit Risk

Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Commission does not have a formal investment policy for custodial credit risk. The Commission's investments cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

Foreign Currency Risk

The Commission's investment policy limits investment in foreign equity securities to 30% of portfolio value. Investments in foreign fixed income securities are not specifically limited.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

The Commission records investments at their fair market value. Cash, cash equivalents, and investments are composed of the following at June 30, 2024:

|              | <u>Cash and Cash<br/>Equivalents</u> | <u>Investments</u>       | <u>Total Cash, Cash<br/>Equivalents, and<br/>Investments</u> |
|--------------|--------------------------------------|--------------------------|--|
| Governmental | \$ 440,740                           | \$ 3,655,522             | \$ 4,096,262   |
| Proprietary  | 2,538,390                            | 66,359,595               | 68,897,985   |
| Fiduciary    | <u>498,569</u>                       | <u>2,688,068</u>         | <u>3,186,637</u>   |
| <br>Total    | <br><u>\$ 3,477,699</u>              | <br><u>\$ 72,703,185</u> | <br><u>\$ 76,180,884</u>                                     |

The Commission had the following investments with the following average maturities at June 30, 2024:

| <u>Investment Type</u>    | <u>Total<br/>Fair Value</u> | <u>No Stated<br/>Maturity<sup>(1)</sup></u> | <u>Less Than<br/>1 Year</u> | <u>1 to 5<br/>Years</u> | <u>5 to 10<br/>Years</u> | <u>Greater Than<br/>10 Years</u> |
|---------------------------|-----------------------------|---|-----------------------------|-------------------------|--------------------------|----------------------------------|
| <i>Governmental Funds</i> |                             |   |                             |                         |                          |                                  |
| Stocks and ETFs           | \$ 865,104                  | \$ 865,104                                  | \$ -                        | \$ -                    | \$ -                     | \$ -                             |
| Fixed Income              | 170,094                     | -   | 170,094                     | -                       | -                        | -                                |
| Equity Mutual Funds       | <u>2,620,324</u>            | <u>2,620,324</u>                            | <u>-</u>                    | <u>-</u>                | <u>-</u>                 | <u>-</u>                         |
| Total Governmental Funds  | <u>3,655,522</u>            | <u>3,485,428</u>                            | <u>170,094</u>              | <u>-</u>                | <u>-</u>                 | <u>-</u>                         |
| <i>Proprietary Funds</i>  |                             |   |                             |                         |                          |                                  |
| Stocks and ETFs           | 33,142,577                  | 33,142,577                                  | -                           | -                       | -                        | -                                |
| Fixed Income              | 6,319,068                   | -   | 5,637,334                   | 681,734                 | -                        | -                                |
| Equity Mutual Funds       | <u>26,897,950</u>           | <u>26,897,950</u>                           | <u>-</u>                    | <u>-</u>                | <u>-</u>                 | <u>-</u>                         |
| Total Proprietary Funds   | <u>66,359,595</u>           | <u>60,040,527</u>                           | <u>5,637,334</u>            | <u>681,734</u>          | <u>-</u>                 | <u>-</u>                         |
| <i>Fiduciary Funds</i>    |                             |   |                             |                         |                          |                                  |
| Stocks and ETFs           | 604,483                     | 604,483                                     | -                           | -                       | -                        | -                                |
| Fixed Income              | 1,613,095                   | -   | 1,613,095                   | -                       | -                        | -                                |
| Equity Mutual Funds       | <u>470,490</u>              | <u>470,490</u>                              | <u>-</u>                    | <u>-</u>                | <u>-</u>                 | <u>-</u>                         |
| Total Fiduciary Funds     | <u>2,688,068</u>            | <u>1,074,973</u>                            | <u>1,613,095</u>            | <u>-</u>                | <u>-</u>                 | <u>-</u>                         |
| Total Investments         | <u>\$ 72,703,185</u>        | <u>\$ 64,600,928</u>                        | <u>\$ 7,420,523</u>         | <u>\$ 681,734</u>       | <u>\$ -</u>              | <u>\$ -</u>                      |

<sup>(1)</sup> Maturity data is not available for certain funds with diversified holdings.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

The Commission has the following investments with the following fair value measurements as of June 30, 2024:

|                                 | Total<br>6/30/2024   | Fair Value Measurements Using  |   |  |
|---------------------------------|----------------------|--|---|--|
|                                 |                      | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by Fair Value Level |                      |  |   |  |
| Equity Securities               |                      |  |   |  |
| Stocks and ETFs                 | \$ 34,612,164        | \$ 34,612,164  | \$ -  | \$ -   |
| Fixed Income                    | 7,932,163            | 7,932,163  | -   | -  |
| Equity Mutual Funds             | <u>30,158,858</u>    | <u>30,158,858</u>  | <u>-</u>  | <u>-</u>   |
| Total Equity Securities         | <u>72,703,185</u>    | <u>72,703,185</u>  | <u>-</u>  | <u>-</u>   |
| Total Investments               |                      |  |   |  |
| by Fair Value Level             | <u>\$ 72,703,185</u> | <u>\$ 72,703,185</u>   | <u>\$ -</u>   | <u>\$ -</u>  |

Interest Rate Credit Risk

As a means of managing its exposure to fair value losses arising from increasing interest rates, the Commission's investment policy restricts the duration of short-term fixed income securities to a maximum of three years.

Concentration of Credit Risk

The Commission places a limit on the amount the Commission may invest in any one company's stock at 3% of the total non-fiduciary portfolio, and no more than 20% of the total non-fiduciary portfolio shall be invested in any one industry sector. At year-end there were no investments in any one issuer greater than 3% and no more than 20% of the total non-fiduciary portfolio invested in any one industry sector.

NOTE 3 WATER STORAGE RIGHTS

On June 30, 1986, the Commission entered into a contract with the Department of the Army Corps of Engineers, for the inclusion of 24,335 acre-feet of additional water supply storage as an additional use at the Cowanesque Reservoir, Tioga County, Pennsylvania. The reformulation construction phase was completed in 1990 at a total cost of approximately \$16,500,000. The contract provides for the repayment to the Federal Government of \$39,414,000 of the original project construction costs with interest at 7.69%, amortized over a 50-year period. However, the debt repayment was completed during the year ended June 30, 2005. The Commission is required to pay the Army Corps of Engineers a prorated share of the annual operations and maintenance cost of the project. The prorated share of annual operations and maintenance cost for the year ended June 30, 2024 amounted to \$1,326,060. The Commission now has a permanent right for the use of an additional 24,335 acre-feet of supply storage.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 3 WATER STORAGE RIGHTS (CONTINUED)

On September 30, 1994, the Commission entered into a contract with the Department of the Army Corps of Engineers, for the inclusion of 5,360 acre-feet of additional water supply storage at Curwensville Lake, Clearfield County, Pennsylvania. The reformulation construction phase was completed at a total allocated cost to the Commission of approximately \$4,878,000. The contract provides for the repayment to the Federal Government of \$4,878,000 of the original project construction costs. However, the debt repayment was completed during the year ended June 30, 2018. The Commission is also required to pay the Army Corps of Engineers a prorated share of the annual operations and maintenance cost of the project. The prorated share of annual operations and maintenance cost for the year ended June 30, 2024 amounted to \$58,360. The Commission now has a permanent right for the use of an additional 5,360 acre-feet of supply storage.

On December 6, 2018, the Commission entered into a contract with the Lancaster County Solid Waste Management Authority (Authority) for the purchase of storage capacity of approximately 425,000,000 gallons of water at the former Billmeyer Limestone and Dolomite Quarry (Quarry). The contract provides for the payment to the Authority of \$2,291,585 with interest at 3.00% over a 29-year period. The Commission now has a right for the use of the 425,000,000 gallons of water stored in the Quarry.

|                                    | Balance<br><u>July 1, 2023</u> | <u>Additions</u>      | <u>Deletions</u> | Balance<br><u>June 30, 2024</u> |
|------------------------------------|--------------------------------|-----------------------|------------------|---------------------------------|
| Cowanesque Water Storage Rights    | \$ 36,528,466                  | \$ -                  | \$ -             | \$ 36,528,466                   |
| Curwensville Water Storage Rights  | 4,878,000                      | -                     | -                | 4,878,000                       |
| Billmeyer Water Storage Rights     | <u>2,291,585</u>               | <u>-</u>              | <u>-</u>         | <u>2,291,585</u>                |
| <br>Total Water Storage Rights     | <u>43,698,051</u>              | <u>-</u>              | <u>-</u>         | <u>43,698,051</u>               |
| <br>Less: Accumulated Amortization | <u>24,130,961</u>              | <u>1,207,821</u>      | <u>-</u>         | <u>25,338,782</u>               |
| <br>Water Storage Rights, Net      | <u>\$ 19,567,090</u>           | <u>\$ (1,207,821)</u> | <u>\$ -</u>      | <u>\$ 18,359,269</u>            |

Amortization expense included in the government-wide Statement of Activities for the year ended June 30, 2024 was \$1,207,821.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 4 CAPITAL ASSETS

A summary of capital asset activity follows for the year ended June 30, 2024:

|  | Balance<br><u>July 1, 2023</u> | <u>Additions</u>    | <u>Deletions</u>   | <u>Adjustments</u> | Balance<br><u>June 30, 2024</u> |
|--|--------------------------------|---------------------|--------------------|--------------------|---------------------------------|
| Capital Assets Not Being Depreciated       |                                |                     |                    |                    |                                 |
| Land                                       | \$ 2,104,170                   | \$ -                | \$ -               | \$ -               | \$ 2,104,170                    |
| Total Capital Assets Not Being Depreciated | <u>2,104,170</u>               | <u>-</u>            | <u>-</u>           | <u>-</u>           | <u>2,104,170</u>                |
| Capital Assets Being Depreciated           |                                |                     |                    |                    |                                 |
| Land Improvements                          | 95,000                         | -                   | -                  | -                  | 95,000                          |
| Buildings and Improvements                 | 7,976,182                      | -                   | -                  | 10,000             | 7,986,182                       |
| Equipment                                  | 4,999,787                      | 246,598             | (139,750)          | 22,911             | 5,129,546                       |
| Total Capital Assets Being Depreciated     | <u>13,070,969</u>              | <u>246,598</u>      | <u>(139,750)</u>   | <u>32,911</u>      | <u>13,210,728</u>               |
| Less: Accumulated Depreciation             |                                |                     |                    |                    |                                 |
| Land Improvements                          | 57,000                         | 19,000              | -                  | -                  | 76,000                          |
| Buildings and Improvements                 | 1,796,679                      | 177,645             | -                  | 595                | 1,974,919                       |
| Equipment                                  | 4,019,597                      | 293,168             | (105,868)          | 22,128             | 4,229,025                       |
| Total – Accumulated Depreciation           | <u>5,873,276</u>               | <u>489,813</u>      | <u>(105,868)</u>   | <u>22,723</u>      | <u>6,279,944</u>                |
| Capital Assets Being Depreciated, Net      | <u>7,197,693</u>               | <u>(243,215)</u>    | <u>(33,882)</u>    | <u>10,188</u>      | <u>6,930,784</u>                |
| Capital Assets, Net                        | <u>\$ 9,301,863</u>            | <u>\$ (243,215)</u> | <u>\$ (33,882)</u> | <u>\$ 10,188</u>   | <u>\$ 9,034,954</u>             |

Depreciation expense included in the government-wide Statement of Activities under general administration was \$489,813 for the year ended June 30, 2024.

NOTE 5 LEASES

The Commission, as a lessee, has entered into lease agreements involving copier equipment. The term of the lease is 5 years and the Commission utilized an incremental borrowing rate of 4%. The total costs of the lease assets are recorded as \$15,564, less accumulated amortization of \$14,423. Total amortization expense totaled \$5,242 as of June 30, 2024. These lease assets are included in capital assets. The future lease payments under lease agreements are as follows:

| Fiscal Year | <u>Principal</u> | <u>Interest</u> | <u>Total Lease Payments</u> |
|-------------|------------------|-----------------|-----------------------------|
| 2025        | \$ 1,224         | \$ 108          | \$ 1,332                    |
| 2026        | 1,284            | 49              | 1,333                       |
| 2027        | <u>225</u>       | <u>3</u>        | <u>228</u>                  |
| Total       | <u>\$ 2,733</u>  | <u>\$ 160</u>   | <u>\$ 2,893</u>             |

The Commission is a lessor for noncancellable lease of property with lease terms through 2033. The lease is for a term of 12 years with payments ranging from \$8,043 to \$9,807. The lease has an interest rate of 3%. For the year ending June 30, 2024, the Commission recognized \$90,552 in lease revenue released from the Deferred Inflows of Resources related to the office lease on the Statement of Changes in Net Position. The Commission recognized interest revenue of \$18,461 for the year ending June 30, 2024. The balance of the lease receivable was \$838,756 as of June 30, 2024.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 6 LOAN PAYABLE

The following is a summary of the changes in long-term loan payable for the year ended June 30, 2024:

|  | <u>Balance</u><br><u>July 1, 2023</u> | <u>Additions</u> | <u>Deletions</u>    | <u>Balance</u><br><u>June 30, 2024</u> | <u>Current</u><br><u>Portion</u> |
|--|---------------------------------------|------------------|---------------------|--|----------------------------------|
| Business-Type Activities:  |                                       |                  |                     |  |                                  |
| Lancaster County Solid Waste Management Authority Water Storage Agreement Loan issued December 2018, fixed interest rate of 3.00%, | <u>\$ 902,335</u>                     | <u>\$ -</u>      | <u>\$ (110,914)</u> | <u>\$ 791,421</u>                      | <u>\$ 114,279</u>                |
| Total  | <u>\$ 902,335</u>                     | <u>\$ -</u>      | <u>\$ (110,914)</u> | <u>\$ 791,421</u>                      | <u>\$ 114,279</u>                |

Aggregate maturities required on long-term debt are as follows at June 30, 2024:

|           | <u>Principal</u>  | <u>Interest</u>   | <u>Total Debt Service</u> |
|-----------|-------------------|-------------------|---------------------------|
| 2025      | \$ 114,279        | \$ 22,465         | \$ 136,744                |
| 2026      | 117,746           | 18,998            | 136,744                   |
| 2027      | 68,287            | 15,624            | 83,911                    |
| 2028      | 16,530            | 14,548            | 31,078                    |
| 2029      | 17,031            | 14,047            | 31,078                    |
| 2030-2034 | 93,227            | 62,163            | 155,390                   |
| 2035-2039 | 108,253           | 47,137            | 155,390                   |
| 2040-2044 | 125,702           | 29,688            | 155,390                   |
| 2045-2049 | <u>130,366</u>    | <u>9,485</u>      | <u>139,851</u>            |
| Total     | <u>\$ 791,421</u> | <u>\$ 234,155</u> | <u>\$ 1,025,576</u>       |

Interest paid on this loan payable was \$25,830 for the year ended June 30, 2024.

NOTE 7 LINE OF CREDIT

In April of 2020, the Commission obtained a \$1,000,000 line of credit available at First National Bank. The Line carries interest at a fixed rate of 8.25%. The outstanding balance on the line of credit was \$0 at June 30, 2024. On September 30, 2024, the line of credit was closed.

NOTE 8 LONG-TERM LIABILITIES

The following represents changes in long-term liabilities, other than the long-term loan payable:

|                          | <u>Balance</u><br><u>July 1, 2023</u> | <u>Additions</u>    | <u>Deletions</u>      | <u>Balance</u><br><u>June 30, 2024</u> |
|--------------------------|---------------------------------------|---------------------|-----------------------|--|
| Governmental Activities: |                                       |                     |                       |  |
| Accrued Vacation         | \$ 632,383                            | \$ 655,061          | \$ (632,383)          | \$ 655,061                             |
| Accrued Sick Leave       | 349,763                               | 353,886             | (349,763)             | 353,886                                |
| Net OPEB Liability       | 1,371,562                             | 88,720              | -                     | 1,460,282                              |
| Net Pension Liability    | <u>18,051,045</u>                     | <u>-</u>            | <u>(1,029,375)</u>    | <u>17,021,670</u>                      |
| Total                    | <u>\$ 20,404,753</u>                  | <u>\$ 1,097,667</u> | <u>\$ (2,011,521)</u> | <u>\$ 19,490,899</u>                   |

Maturity of the liabilities stated above is subject to future events and conditions, and accordingly, the Commission considers there to be no material current maturities.



SUSQUEHANNA RIVER BASIN COMMISSION  
 NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
 JUNE 30, 2024

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Activities between funds that are representative of a lending/borrowing arrangement that are outstanding at the end of the period are referred to as “due to/from other funds” in the fund financial statements. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as due to/from other funds. The purpose of the interfund transfer balances in the fund financial statement is to show all assets and liabilities of the major funds and the aggregate nonmajor funds.

Interfund balances consisted of the following at June 30, 2024:

|                                  | <u>Due From</u> | <u>Due To</u> |
|----------------------------------|-----------------|---------------|
| Governmental Fund – General Fund | \$ 18,197       | \$ -          |
| Water Management Fund            | 278,974         | -             |
| Sustainable Water Resources Fund | -               | 297,171       |
| Total                            | \$ 297,171      | \$ 297,171    |

This balance resulted from the timing difference between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made

Interfund transfers consisted of the following during the year ended June 30, 2024:

|   | <u>Transfers In</u> | <u>Transfers Out</u> |
|---|---------------------|----------------------|
| Governmental Fund – General Fund                    | \$ 2,242,263        | \$ -                 |
| Proprietary Fund – Water Management Fund            | -                   | 1,142,707            |
| Proprietary Fund – Sustainable Water Resources Fund | -                   | 1,099,556            |
| Total   | \$ 2,242,263        | \$ 2,242,263         |

Transfers from the Water Management Fund to the General Fund are to reimburse certain expenses related to ongoing projects paid by the General Fund on behalf of the Water Management Fund.

Transfers from the Sustainable Water Resources Fund supported projects and activities that the Commission finds necessary to support its mission which do not have funding available through other sources. Examples are upgrades to the Commission’s continuous in-stream monitoring network, funding for the Water Level Grant program, climate change and environmental justice research, costs for the ongoing technical support for small public water suppliers and other small project sponsors, and costs for legacy mining feasibility studies and restoration projects.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 10      DEFINED BENEFIT PENSION PLAN

Plan Description

Commission employees are provided with pensions through the Commonwealth of Pennsylvania State Employees' Retirement System (SERS or the Plan), a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth of Pennsylvania (the Commonwealth) to provide pension benefits for employees of state government and certain independent agencies. SERS issues a publicly available financial report that can be obtained at [www.SERS.pa.gov](http://www.SERS.pa.gov).

Benefits Provided

SERS provides retirement, death, and disability benefits. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Member retirement benefits are determined by taking years of credited services, multiplied by final average salary, multiplied by 2%, multiplied by class of service multiplier. According to the State Employees' Retirement Code, all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Contributions

Section 5507 of the SERC (71 Pa. C.S. §5507) requires the Commission and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. However, Act 2010-120 imposes rate increase collars (limits on annual rate increases) on employer contributions. In FY 2017-18, the Commonwealth paid the full actuarially required rate after being collared in previous years due to Act 2010-120.

Most active Commission members contribute at a rate of 6.25% of their gross pay. The average rate of employer contribution was 33.27% of covered payroll for the fiscal year ended June 30, 2024. Contributions to the pension plan from the Commission were \$1,894,287 for the year ended June 30, 2024.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 10      DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2024, the Commission reported a liability of \$17,021,670 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The allocation percentage assigned to each employer in the Plan is based on a projected-contribution method. This method applies the most recently calculated contribution rates for the fiscal year ending June 30, 2024, from the December 31, 2023 funding valuation, to the expected funding payroll for the allocation of the December 31, 2022 amounts, and the contribution rates for the fiscal year ending June 30, 2024 from the December 31, 2023 funding valuation to the expected funding payroll for the allocation of the December 31, 2022 net pension liability. At December 31, 2023, the Commission's proportion was 0.081%, which was an increase of 0.002% from its proportion measured as of December 31, 2022.

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.50%                                       |
| Salary Increases          | Average of 4.55%, Range of 3.30% - 6.95%    |
| Investment Rate of Return | 6.875%, Net of Expenses Including Inflation |

Mortality rates were based on the RP-2000 Combined Mortality Table, with adjustments for actual plan experience and future improvement.

Actuarial Assumptions (continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2019. As a result of the 2020 actuarial experience study, recommendations were made with respect to the actuarial assumptions and methods. The board approved the continuation of the assumed rate of return and inflation assumptions that were adopted, pursuant to the 19th Investigation of Actuarial Experience, at the SERS Board meeting in July 2021.

The long-term expected rate of return on pension plan investments 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.

SUSQUEHANNA RIVER BASIN COMMISSION  
 NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
 JUNE 30, 2024

NOTE 10      DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Commission recognized pension expense of \$2,448,933 for the year ended June 30, 2024. The Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024.

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences Between Projected and Actual Experience                                 | \$ 343,270                                | \$ 18,120                                |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments | 1,148,913                                 | -  |
| Changes in Assumptions  | 285,887                                   | -  |
| Changes in Proportion   | 490,947                                   | -  |
| Commission Contributions Subsequent to the Measurement Date                         | <u>980,312</u>                            | <u>-</u>                                 |
| <br>Total   | <br><u>\$ 3,249,329</u>                   | <br><u>\$ 18,120</u>                     |

An amount of \$980,312 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ended December 31:

|      |                         |
|------|-------------------------|
| 2025 | \$ 903,882              |
| 2026 | 1,377,412               |
| 2027 | (53,393)                |
| 2028 | <u>22,996</u>           |
|      | <br><u>\$ 2,250,897</u> |

The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 5.2-year closed period for December 31, 2023, which reflects the weighted average remaining service life of all SERS members, beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on SERS investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 10      DEFINED BENEFIT PENSION PLAN (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table at December 31, 2023:

| <u>Asset Class</u>                     | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--|--------------------------|---|
| Private Equity                         | 16.00%                   | 6.00%   |
| Real Estate                            | 7.00%                    | 4.80%   |
| U.S. Equity                            | 31.00%                   | 4.85%   |
| International Developed Markets Equity | 14.00%                   | 4.75%   |
| Emerging Markets Equity                | 5.00%                    | 4.95%   |
| Fixed Income – Core                    | 22.00%                   | 1.75%   |
| Inflation Protection (TIPS)            | 3.00%                    | 1.50%   |
| Cash                                   | 2.00%                    | 0.25%   |

Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, SERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active SERS members. Therefore, the long-term expected rate of return on SERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|  | 1% Decrease<br><u>(5.875%)</u> | Discount Rate<br><u>(6.875%)</u> | 1% Increase<br><u>(7.875%)</u> |
|--|--------------------------------|----------------------------------|--------------------------------|
| Commission's Proportionate Share of<br>the Net Pension Liability | <u>\$ 22,337,983</u>           | <u>\$ 17,021,670</u>             | <u>\$ 12,532,216</u>           |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued SERS financial report.

SUSQUEHANNA RIVER BASIN COMMISSION  
 NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
 JUNE 30, 2024

NOTE 11 POST EMPLOYMENT HEALTHCARE PLAN

Plan Description and Contribution Information

*Plan Administration.* The financial statements for the Susquehanna River Basin Commission Post-Employment Benefits Plan (SRBCBPB) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Plan Membership.* The Plan's membership consisted of the following at July 1, 2023, the date of the latest actuarial valuation:

|                      |                      |
|----------------------|----------------------|
| Active Participants  | 13                   |
| Retired Participants | <u>17</u>            |
| <br>Total            | <br><u><u>30</u></u> |

*Benefits Provided.* All employees hired on or prior to December 5, 2006, will be eligible for coverage upon retirement after 10 years of credited commission service, and either superannuation retirement within the Pennsylvania State Employees Retirement System or other retirement with a minimum of 25 years of credited service within the Pennsylvania State Employees Retirement System.

For retirees who retire before July 1, 2020, benefits include full paid medical, prescription drug, dental, and vision coverage for both the employee and spouse. Upon reaching eligibility for Medicare, the employee and spouse will each receive full paid dental and vision coverage and an amount equal to the cost of a Medicare Advantage Plan, which will continue until the death of the employee. The amount allocated for coverage may increase in future years. Surviving spouses of retired employees will be responsible for obtaining health insurance at their own expense.

For post July 1, 2020 retirees, COBRA benefits will run concurrently with the benefits under this plan, if the employee qualifies for and elects to receive COBRA benefits. Subsequent to COBRA, retirees are eligible for reimbursement for premiums paid for individual insurance covering retiree and the retirees spouse pertaining to medical, dental and vision coverage. The spouse is covered as long as they are not eligible for coverage elsewhere. Prior to Medicare eligibility, the maximum reimbursement the retiree can receive is equal to the amount paid for the employer's portion of premiums paid to active employees. Once the retiree or spouse is eligible for Medicare, the Plan will reimburse the retiree for cost of a Medicare Advantage Plan, if available.

*Contributions.* The contribution requirements of plan members and the Commission are established and may be amended by the Commission. The Commission did not make a contribution to SRBCBPB in the 2024 fiscal year. There were no contributions from plan members receiving benefits for the year ended June 30, 2024.

SUSQUEHANNA RIVER BASIN COMMISSION  
 NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
 JUNE 30, 2024

NOTE 11 POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

*Investment policy.* The Commission's policy in regard to the allocation of invested assets is established and may be amended by the Commissioner, by a majority vote. It is the policy of the Commissioner to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct assets classes. The following is the SRBCPBP's asset allocation policy as of June 30, 2024:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|--------------------|--------------------------|
| Equity             | 30%                      |
| Bonds              | 70%                      |

*Rate of return.* For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 8.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the SRBCPBP as of June 30, 2024, were as follows:

|                             |                     |
|-----------------------------|---------------------|
| Total OPEB Liability        | \$ 2,956,956        |
| Plan Fiduciary Net Position | <u>1,496,674</u>    |
| Net OPEB Liability          | <u>\$ 1,460,282</u> |

|  |        |
|--|--------|
| Plan Fiduciary Net Position as a<br>Percentage of the Total OPEB Liability | 50.62% |
|--|--------|

*Actuarial Assumptions and Other Inputs.* The net OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                     |   |
|-------------------------------------|---|
| Valuation Date                      | July 1, 2023  |
| Actuarial cost method               | Entry Age Normal Cost Method  |
| Asset valuation method              | Equal to the Market Value of Assets   |
| Projected annual salaries increases | 5.00%   |
| Mortality tables                    | RP-2014 Total Mortality Table with Scale MP-2021  |
| Healthcare cost trend rate          | 7.00% 2024, with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model. |

The actuarial assumptions used in the July 1, 2024 valuation were based on past experience under the plan and reasonable future expectations which represents the best estimate of anticipated experience under the plan. A recent actuarial experience study was not performed.

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 11 POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns before inflation, net of OPEB plan investment expense) 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 rates of return by the target asset allocation percentage. SRBCBPB's expected future real rates of return by asset class is as shown below. Best estimates of arithmetical real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

| <u>Asset Class</u> | <u>Expected Real<br/>Rate of Return</u> |
|--------------------|---|
| Equity             | 5.0%                                    |
| Bonds              | 4.2%                                    |

*Discount rate.* The discount rate used to measure the total OPEB liability was 4.35%. The projection of cash flows used to determine the discount rate assumed that the Commission contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the SRBCBPB's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate changed from 4.26% to 4.35%.

Changes in the Commission's net OPEB liability for the plan as of June 30, 2024 was as follows:

|                           | <u>Increase (Decrease)</u>      |  |                               |
|---------------------------|---------------------------------|--|-------------------------------|
|                           | <u>Total OPEB<br/>Liability</u> | <u>Plan Fiduciary<br/>Net Position</u> | <u>Net OPEB<br/>Liability</u> |
|                           | (a)                             | (b)                                    | (a) - (b)                     |
| Balances at June 30, 2023 | \$ 2,843,525                    | \$ 1,471,963                           | \$ 1,371,562                  |
| Service Cost              | 92,185                          | -                                      | 92,185                        |
| Interest Cost             | 122,533                         | -                                      | 122,533                       |
| Changes for Assumptions   | (18)                            | -                                      | (18)                          |
| Benefit Payments          | (101,269)                       | (101,269)                              | -                             |
| Net Investment Income     | -                               | 128,870                                | (128,870)                     |
| Administrative Expense    | -                               | (2,890)                                | 2,890                         |
| Net Changes               | <u>113,431</u>                  | <u>24,711</u>                          | <u>88,720</u>                 |
| Balances at June 30, 2024 | <u>\$ 2,956,956</u>             | <u>\$ 1,496,674</u>                    | <u>\$ 1,460,282</u>           |



SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 11 POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* 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-percentage point lower (3.35%) or 1-percentage higher (5.35%) than the current discount rate:

|                                 | 1% Decrease<br>(3.35%) | Discount Rate<br>(4.35%) | 1% Increase<br>(5.35%) |
|---------------------------------|------------------------|--------------------------|------------------------|
| Commission's Net OPEB Liability | \$ 1,845,030           | \$ 1,460,282             | \$ 1,125,812           |

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.* 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 healthcare cost trend rate that is 1-percentage point lower or 1-percentage higher than the current discount rate:

|                                 | 1% Trend<br>Decrease<br>(6.00%) | Trend Rate<br>Assumption<br>7.00% | 1% Trend<br>Increase<br>(8.00%) |
|---------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Commission's Net OPEB Liability | \$ 1,023,696                    | \$ 1,460,282                      | \$ 1,968,527                    |

For the year ended June 30, 2024, the Commission recognized OPEB expense of (\$110,311). At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Projected and Actual Experience                           | \$ -                                 | \$ 210,032                          |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | 90,702                               | 85,139                              |
| Changes in Assumptions  | 51,432                               | 437,656                             |
| Total   | \$ 142,134                           | \$ 732,827                          |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ended June 30:

|       |              |
|-------|--------------|
| 2025  | \$ (281,748) |
| 2026  | (281,673)    |
| 2027  | (15,693)     |
| 2028  | (11,579)     |
| Total | \$ (590,693) |

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)  
JUNE 30, 2024

NOTE 12      RISK MANAGEMENT

The Commission is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. No settlement exceeded insurance coverage since the Commission's creation.

NOTE 13      SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 22, 2024, which is the date the financial statements were available to be issued.

# REQUIRED SUPPLEMENTRY INFORMATION

SUSQUEHANNA RIVER BASIN COMMISSION  
 Budgetary Comparison Schedule – General Fund –  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis  
 For the Year Ended June 30, 2024

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) |
|---|----------------------------|-------------------------|------------------|--|
| Revenues                                |                            |                         |                  |  |
| Signatory Parties                       |                            |                         |                  |  |
| Maryland                                | \$ 493,000                 | \$ 346,000              | \$ 346,000       | \$ -                                   |
| New York                                | 248,250                    | 259,000                 | 259,000          | -                                      |
| Pennsylvania                            | 739,750                    | 739,750                 | 739,750          | -                                      |
| Federal                                 | 493,000                    | -                       | -                | -                                      |
| Projects and Programs                   |                            |                         |                  |  |
| Chesapeake Bay                          | 889,000                    | 845,000                 | 731,873          | (113,127)                              |
| EPA Water Quality                       | 695,000                    | 695,000                 | 688,091          | (6,909)                                |
| AMD – Morris Run, Bear Creek            | 206,000                    | 1,015,000               | 865,662          | (149,338)                              |
| Continuous In-Stream Monitoring Network | 130,000                    | 130,000                 | 130,000          | -                                      |
| USACE MIPR Projects                     | 65,000                     | 65,000                  | 12,500           | (52,500)                               |
| Conowingo Administrative Fee            | -                          | 220,000                 | 230,694          | 10,694                                 |
| Other Projects                          | 15,000                     | 10,000                  | 59,538           | 49,538                                 |
| Other Revenue                           |                            |                         |                  |  |
| Permit Application Fees                 | 1,085,000                  | 1,313,750               | 1,252,660        | (61,090)                               |
| NOI Permit Fees                         | 980,000                    | 981,000                 | 740,150          | (240,850)                              |
| Compliance Monitoring Fees              | 1,975,000                  | 2,025,000               | 1,993,331        | (31,669)                               |
| Special Project Review Fees             | 190,000                    | 234,000                 | 87,318           | (146,682)                              |
| Net Realized/Unrealized Loss on         |                            |                         |                  |  |
| Investments                             | 275,000                    | 250,000                 | 356,707          | 106,707                                |
| Interest and Dividend Income            | 10,000                     | 10,000                  | 244,601          | 234,601                                |
| Miscellaneous                           | 105,000                    | 108,000                 | 53,973           | (54,027)                               |
|   | <u>8,594,000</u>           | <u>9,246,500</u>        | <u>8,791,848</u> | <u>(454,652)</u>                       |
| Total Revenues                          | <u>8,594,000</u>           | <u>9,246,500</u>        | <u>8,791,848</u> | <u>(454,652)</u>                       |

SUSQUEHANNA RIVER BASIN COMMISSION  
 Budgetary Comparison Schedule – General Fund –  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budgetary Basis (Continued)  
 For the Year Ended June 30, 2024

|  | <u>Original</u><br><u>Budget</u> | <u>Final</u><br><u>Budget</u> | <u>Actual</u>           | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------------------------|-------------------------------|-------------------------|--|
| Expenditures                                     |                                  |                               |                         |  |
| Personnel Services                               | 5,125,000                        | 5,055,000                     | 4,848,361               | 206,639                                |
| Employee Benefit                                 | 4,314,500                        | 4,305,000                     | 4,190,805               | 114,195                                |
| Special Contractual Services                     | 941,500                          | 1,518,500                     | 671,093                 | 847,407                                |
| Travel and Subsistence                           | 40,000                           | 55,000                        | 34,459                  | 20,541                                 |
| Communications                                   | 60,000                           | 65,000                        | 67,075                  | (2,075)                                |
| Postage and Freight                              | 15,000                           | 15,000                        | 12,427                  | 2,573                                  |
| Janitorial                                       | 30,000                           | 30,000                        | 28,209                  | 1,791                                  |
| Utilities  | 75,000                           | 75,000                        | 68,111                  | 6,889                                  |
| Rent   | 35,000                           | 40,000                        | 40,686                  | (686)                                  |
| Printing and Reproduction                        | 30,000                           | 25,000                        | 30,673                  | (5,673)                                |
| Advertising                                      | 1,500                            | 1,500                         | -                       | 1,500                                  |
| Repairs and Maintenance                          | 116,500                          | 121,500                       | 93,229                  | 28,271                                 |
| Software Purchase and Maintenance                | 165,000                          | 180,000                       | 183,584                 | (3,584)                                |
| Insurance  | 155,000                          | 155,000                       | 148,985                 | 6,015                                  |
| Supplies   | 235,000                          | 215,000                       | 324,859                 | (109,859)                              |
| Fees – Various                                   | 180,000                          | 180,000                       | 238,592                 | (58,592)                               |
| Commission Meetings/Public Hearings              | 25,000                           | 30,000                        | 10,311                  | 19,689                                 |
| Dues and Memberships                             | 25,000                           | 25,000                        | 30,103                  | (5,103)                                |
| Staff Training                                   | 50,000                           | 50,000                        | 52,655                  | (2,655)                                |
| Grant Awards                                     | 140,000                          | 270,000                       | 100,496                 | 169,504                                |
| Miscellaneous                                    | -                                | 20,000                        | 14,117                  | 5,883                                  |
| Capital Outlay                                   | <u>275,000</u>                   | <u>360,000</u>                | <u>246,598</u>          | <u>113,402</u>                         |
| <br>Total Expenditures                           | <br><u>12,034,000</u>            | <br><u>12,791,500</u>         | <br><u>11,435,428</u>   | <br><u>1,356,072</u>                   |
| <br>Deficiency of Revenues Under<br>Expenditures | <br><u>(3,440,000)</u>           | <br><u>(3,545,000)</u>        | <br><u>(2,643,580)</u>  | <br><u>(1,810,724)</u>                 |
| <br>Other Financing Sources (Uses)               |                                  |                               |                         |  |
| Gain on Sale of Assets                           | -                                | -                             | 5,500                   | 5,500                                  |
| Transfers in                                     | <u>3,440,000</u>                 | <u>3,545,000</u>              | <u>2,242,263</u>        | <u>(1,302,737)</u>                     |
| <br>Total Other Financing Sources                | <br><u>3,440,000</u>             | <br><u>3,545,000</u>          | <br><u>2,247,763</u>    | <br><u>(1,297,237)</u>                 |
| <br>Net Changes in Fund Balance                  | <br><u>\$ -</u>                  | <br><u>\$ -</u>               | <br><u>\$ (395,817)</u> | <br><u>\$ (395,817)</u>                |

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2024

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Formal budgetary integration is employed as a management control device during the year for the General Fund.
2. The Commission approves the budget appropriation. The Director of Administration and Finance, and Executive Director are authorized to transfer budget amounts between departments. However, within any fund, the Commission's members must approve any revisions that alter the total appropriations of any fund.
3. Unused appropriations for the above annually budgeted funds lapse at the end of the year except for the unexpended balance of such appropriations where contracts are in course of construction at the end of the year.
4. The budget amounts shown in the required supplementary information are the final authorized amounts as approved by the Commission.

SUSQUEHANNA RIVER BASIN COMMISSION  
Schedule of the Commission's Proportionate Share of the Net Pension Liability  
For the Last Ten Years  
For the Year Ended June 30, 2024

|   | <u>2024</u>          | <u>2023</u>          | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>         |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Commission's Proportion of the Net Pension Liability  | 0.081%               | 0.079%               | 0.074%               | 0.074%               | 0.073%               | 0.071%               | 0.071%               | 0.069%               | 0.066%               | 0.064%              |
| Commission's Proportionate Share of the Net Pension Liability   | <u>\$ 17,021,670</u> | <u>\$ 18,051,045</u> | <u>\$ 10,830,937</u> | <u>\$ 12,734,080</u> | <u>\$ 13,223,615</u> | <u>\$ 14,853,187</u> | <u>\$ 12,331,940</u> | <u>\$ 13,299,490</u> | <u>\$ 12,020,636</u> | <u>\$ 9,556,824</u> |
| Commission's Covered-Employee Payroll   | <u>\$ 5,609,658</u>  | <u>\$ 5,341,387</u>  | <u>\$ 4,903,791</u>  | <u>\$ 4,902,209</u>  | <u>\$ 4,735,677</u>  | <u>\$ 4,652,680</u>  | <u>\$ 4,548,106</u>  | <u>\$ 4,388,113</u>  | <u>\$ 4,260,921</u>  | <u>\$ 3,990,940</u> |
| Commission's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll | 303.44%              | 337.95%              | 220.87%              | 259.76%              | 279.23%              | 319.24%              | 271.14%              | 303.08%              | 282.11%              | 239.46%             |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                    | 65.30%               | 61.53%               | 56.39%               | 56.39%               | 56.39%               | 56.39%               | 62.97%               | 57.80%               | 58.90%               | 64.80%              |

SUSQUEHANNA RIVER BASIN COMMISSION  
Schedule of Commission Contributions  
For the Last Ten Years  
For the Year Ended June 30, 2024

|   | <u>2024</u>         | <u>2023</u>         | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>         | <u>2015</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Contractually Required Contribution                                     | \$ 1,894,287        | \$ 1,745,531        | \$ 1,616,702        | \$ 1,684,057        | \$ 1,501,489        | \$ 1,468,432        | \$ 1,427,135        | \$ 1,199,492        | \$ 988,414          | \$ 743,951          |
| Contributions in Relation to the Contractually<br>Required Contribution | <u>1,894,287</u>    | <u>1,745,531</u>    | <u>1,616,702</u>    | <u>1,684,057</u>    | <u>1,501,489</u>    | <u>1,468,432</u>    | <u>1,427,135</u>    | <u>1,199,492</u>    | <u>988,414</u>      | <u>743,951</u>      |
| Contribution Deficiency (Excess)  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |
| Commission's Covered Employee Payroll                                   | <u>\$ 5,609,658</u> | <u>\$ 5,341,387</u> | <u>\$ 4,903,791</u> | <u>\$ 4,902,209</u> | <u>\$ 4,735,677</u> | <u>\$ 4,652,680</u> | <u>\$ 4,548,106</u> | <u>\$ 4,388,113</u> | <u>\$ 4,260,921</u> | <u>\$ 3,990,940</u> |
| Contributions as a Percentage of Covered<br>Employee Payroll            | 33.77%              | 32.68%              | 32.97%              | 34.35%              | 31.71%              | 31.56%              | 31.38%              | 27.34%              | 23.20%              | 18.64%              |



SUSQUEHANNA RIVER BASIN COMMISSION  
Schedule of Changes in the Net OPEB Liability and Related Ratios  
For the Last Ten Years\*  
For the Year Ended June 30, 2024

|   | <u>2024</u>         | <u>2023</u>         | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability  |                     |                     |                     |                     |                     |                     |                     |
| Service Costs   | \$ 92,185           | \$ 93,577           | \$ 146,879          | \$ 188,575          | \$ 173,248          | \$ 73,482           | \$ 69,865           |
| Interest Costs  | 122,533             | 136,508             | 101,356             | 136,099             | 133,755             | 159,377             | 162,598             |
| Changes in Benefit Terms  | -                   | -                   | -                   | (971,784)           | -                   | -                   | -                   |
| Differences Between Expected and Actual Experiences                     | -                   | (370,044)           | -                   | (125,052)           | -                   | 377,350             | -                   |
| Changes for Assumptions   | (18)                | (103,818)           | (964,325)           | 257,161             | 77,061              | 1,439,237           | (161,991)           |
| Benefit Payments  | <u>(101,269)</u>    | <u>(100,934)</u>    | <u>(114,085)</u>    | <u>(116,522)</u>    | <u>(107,596)</u>    | <u>(118,827)</u>    | <u>(129,315)</u>    |
| Net Change in OPEB Liability  | 113,431             | (344,711)           | (830,175)           | (631,523)           | 276,468             | 1,930,619           | (58,843)            |
| Total OPEB Liability – Beginning  | <u>2,843,525</u>    | <u>3,188,236</u>    | <u>4,018,411</u>    | <u>4,649,934</u>    | <u>4,373,466</u>    | <u>2,442,847</u>    | <u>2,501,690</u>    |
| Total OPEB Liability – Ending (a)                                       | <u>\$ 2,956,956</u> | <u>\$ 2,843,525</u> | <u>\$ 3,188,236</u> | <u>\$ 4,018,411</u> | <u>\$ 4,649,934</u> | <u>\$ 4,373,466</u> | <u>\$ 2,442,847</u> |
| Plan Fiduciary Net Position   |                     |                     |                     |                     |                     |                     |                     |
| Contributions – Employer  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Contributions – Plan Member   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Net Investment Income (Loss)  | 128,870             | 92,157              | (142,662)           | 211,641             | 35,932              | 117,318             | 63,276              |
| Benefit Payments  | (101,269)           | (100,934)           | (107,948)           | (111,255)           | (107,596)           | (318,015)           | -                   |
| Administrative Expenses   | (2,890)             | (2,847)             | (3,265)             | (3,268)             | (3,405)             | (1,940)             | (3,820)             |
| Other   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Net Change in Plan Fiduciary Net Position                               | 24,711              | (11,624)            | (253,875)           | 97,118              | (75,069)            | (202,637)           | 59,456              |
| Plan Fiduciary Net Position – Beginning                                 | <u>1,471,963</u>    | <u>1,483,587</u>    | <u>1,737,462</u>    | <u>1,640,344</u>    | <u>1,715,413</u>    | <u>1,918,050</u>    | <u>1,858,594</u>    |
| Plan Fiduciary Net Position – Ending (b)                                | <u>\$ 1,496,674</u> | <u>\$ 1,471,963</u> | <u>\$ 1,483,587</u> | <u>\$ 1,737,462</u> | <u>\$ 1,640,344</u> | <u>\$ 1,715,413</u> | <u>\$ 1,918,050</u> |
| Commission's Net OPEB Liability – Ending (a) - (b)                      | <u>\$ 1,460,282</u> | <u>\$ 1,371,562</u> | <u>\$ 1,704,649</u> | <u>\$ 2,280,949</u> | <u>\$ 3,009,590</u> | <u>\$ 2,658,053</u> | <u>\$ 524,797</u>   |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 50.62%              | 51.77%              | 46.53%              | 43.24%              | 35.28%              | 39.22%              | 78.52%              |
| Covered Employee Payroll  | \$ 1,297,372        | \$ 1,297,372        | \$ 1,304,911        | \$ 1,304,911        | \$ 1,321,474        | \$ 1,321,474        | \$ 1,223,001        |
| Net OPEB Liability as a Percentage of Covered Employee Payroll          | 112.56%             | 105.72%             | 130.63%             | 174.80%             | 227.74%             | 201.14%             | 42.91%              |

\* Information for years prior to June 30, 2018 is not available.

SUSQUEHANNA RIVER BASIN COMMISSION  
Schedule of Investment Returns  
For the Year Ended June 30, 2024

|                                      | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return | 8.75%       | 6.21%       | -8.21%      | 12.90%      | 2.09%       | 6.12%       | 3.40%       |

\* Information for years prior to June 30, 2018 is not available.

# OTHER SUPPLEMENTRY INFORMATION

SUSQUEHANNA RIVER BASIN COMMISSION  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

| Federal Grantor / Pass Through<br>Grantor / Program Title                                   | Federal<br>ALN | Agency or<br>Pass-Through<br>Number | Accrued<br>(Deferred)<br>Revenue at<br>July 1, 2023 | Total<br>Received<br>for the Year | Federal<br>Award<br>Expended | Accrued<br>(Deferred)<br>Revenue at<br>June 30, 2024 |
|---|----------------|-------------------------------------|---|-----------------------------------|------------------------------|--|
| <b>U.S. Department of the Interior</b>  |                |                                     |   |                                   |                              |  |
| Passed through the Commonwealth of Pennsylvania,<br>Department of Environmental Protection: |                |                                     |   |                                   |                              |  |
| Abandoned Mine Land Reclamation Program (3813)  | 15.252         | ME4100086761                        | \$ 488,375  | \$ 897,815                        | \$ 797,733                   | \$ 388,293   |
| Osceola Mills Treatment Develop. AMD 17(1082)102.2  | 15.252         | C990003945                          | -   | 12,667                            | 55,964                       | 43,297   |
| Sub-Total #15.252   |                |                                     | <u>488,375</u>                                      | <u>910,482</u>                    | <u>853,697</u> *             | <u>431,590</u>                                       |
| Passed through the Commonwealth of Pennsylvania,<br>Department of Environmental Protection: |                |                                     |   |                                   |                              |  |
| Chesapeake Bay Midpoint Assessment  | 66.466         | ME4100097046                        | 56,032  | 164,951                           | 129,685                      | 20,766   |
| Enhanced CB Monitoring  | 66.466         | ME4100089415                        | 174,887   | 174,887                           | -                            | -  |
| T-3 C/B NTN QW Collection   | 66.466         | ME4100096303                        | -   | 292,005                           | 389,340                      | 97,335   |
| Chesapeake Bay Non-Tidal Monitoring in the<br>Susquehanna River Basin SNAP                  | 66.466         | ME4100096303                        | 16,983  | 16,983                            | -                            | -  |
| T-1 SNAP Reporting  | 66.466         | ME4100096303                        | -   | 10,000                            | 10,000                       | -  |
| Chesapeake Bay Non-Tidal Monitoring in the<br>Susquehanna River Basin TMDL                  | 66.466         | ME4100086499                        | 37,687  | 37,687                            | -                            | -  |
| T-2 TMDL & Advanced Restoration   | 66.466         | ME4100096303                        | -   | 93,391                            | 119,548                      | 26,157   |
| T-4 Monitoring, Assessment and TMDL Support and<br>Development                              | 66.466         | ME4100096303                        | -   | -                                 | 83,300                       | 83,300   |
| Sub-Total #66.466   |                |                                     | <u>285,589</u>                                      | <u>789,904</u>                    | <u>731,873</u>               | <u>227,558</u>                                       |
| Water Pollution Control State, Interstate, and Tribal<br>Program Support                    | 66.419         | I-00399117-2                        | <u>182,260</u>                                      | <u>734,358</u>                    | <u>688,091</u> *             | <u>135,993</u>                                       |
| Total U.S. Department of the Interior   |                |                                     | <u>956,224</u>                                      | <u>2,434,744</u>                  | <u>2,273,661</u>             | <u>795,141</u>                                       |

See notes to Schedule of Expenditures of Federal Awards

SUSQUEHANNA RIVER BASIN COMMISSION  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2024

| Federal Grantor / Pass Through<br><u>Grantor / Program Title</u>                 | Federal<br><u>ALN</u> | Agency or<br>Pass-Through<br><u>Number</u> | Accrued<br>(Deferred)<br>Revenue at<br><u>July 1, 2023</u> | Total<br>Received<br><u>for the Year</u> | Federal<br>Award<br><u>Expended</u> | Accrued<br>(Deferred)<br>Revenue at<br><u>June 30, 2024</u> |
|--|-----------------------|--|--|--|-------------------------------------|---|
| <b>U.S. Department of Homeland Security</b>                                      |                       |  |  |  |                                     |   |
| Passed through the Commonwealth of Pennsylvania,<br>Emergency Management Agency: |                       |  |  |  |                                     |   |
| Flood Mitigation Assistance  | 97.029                | FMA-PL-03-PA-2019-017                      | <u>34,219</u>  | <u>61,784</u>                            | <u>47,573</u>                       | <u>20,008</u>   |
| Total U.S. Department of Homeland Security                                       |                       |  | <u>34,219</u>  | <u>61,784</u>                            | <u>47,573</u>                       | <u>20,008</u>   |
| Total Federal Awards Expended  |                       |  | <u>\$ 990,443</u>  | <u>\$ 2,496,528</u>                      | <u>\$ 2,321,234</u>                 | <u>\$ 815,149</u>   |

\* - Denotes program tested as major

See notes to Schedule of Expenditures of Federal Awards

SUSQUEHANNA RIVER BASIN COMMISSION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: REPORTING ENTITY

Susquehanna River Basin Commission (the "Commission") is the reporting entity for financial reporting purposes as defined in Note 1B to the Commission's basic financial statements. For purposes of preparing the schedules of expenditures of federal awards, the Commission's reporting entity is the same that was used for financial reporting.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of the Commission and is presented using the accrual basis of accounting, which is described in Note 1 to the Commission's basic financial statements. The Commission did not use the 10% de minimis indirect cost rate.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2024 threshold for determining Type A and Type B programs is \$750,000.

The following Type A programs audited as major:

|        |   |
|--------|---|
| 15.252 | Abandoned Mine Land Reclamation Grants                                |
| 66.419 | Water Pollution Control State, Interstate, and Tribal Program Support |

The amount expended under the program audited as a major federal program for the year ended June 30, 2024, totaled \$1,541,788 or 66.4% of total federal awards expended.



# Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Susquehanna River Basin Commission  
Harrisburg, Pennsylvania

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Susquehanna River Basin Commission (the "Commission"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 22, 2024.

### **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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that have not been identified.

### **Report on Compliance and Other Matters**

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



# *Zelenkofske Axlerod LLC*

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Board of Commissioners  
Susquehanna River Basin Commission

## **Purpose of this Report**

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

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
November 22, 2024





# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Susquehanna River Basin Commission  
Harrisburg, Pennsylvania

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Susquehanna River Basin Commission's (the "Commission") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2024. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.



# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Board of Commissioners  
Susquehanna River Basin Commission

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

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

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

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

### ***Report on Internal Control Over Compliance***

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

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

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.



# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Board of Commissioners  
Susquehanna River Basin Commission

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

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
November 22, 2024

SUSQUEHANNA RIVER BASIN COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS:

*Financial Statements*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes  X  no
  
- Significant Deficiency(s) identified that are not considered to be material weaknesses?  
\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_ yes  X  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ yes  X  no
  
- Significant Deficiency(s) identified that are not considered to be material weaknesses?  
\_\_\_ yes  X  none reported

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

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

Identification of major programs:

| <u>AL Number(s)</u> | <u>Name of Federal Program or Cluster</u>                             |
|---------------------|---|
| 15.252              | Abandon Mine Land Reclamation   |
| 66.419              | Water Pollution Control State, Interstate, and Tribal Program Support |

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

Auditee qualified as low-risk auditee? \_\_\_ yes  X  no

SUSQUEHANNA RIVER BASIN COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS

None.

SUSQUEHANNA RIVER BASIN COMMISSION  
 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 2024

| <u>Program</u>                                     | <u>Prior Year Finding</u> | <u>Description</u>                                    | <u>Current Year Status</u> |
|--|---------------------------|---|----------------------------|
| Commission   | 2023-001                  | Inadequate Controls over Year End Process - Reporting | Resolved                   |
| ALN 15.252 Abandoned Mine Land Reclamation Program | 2023-002                  | Activities Allowed or Unallowed                       | Resolved                   |