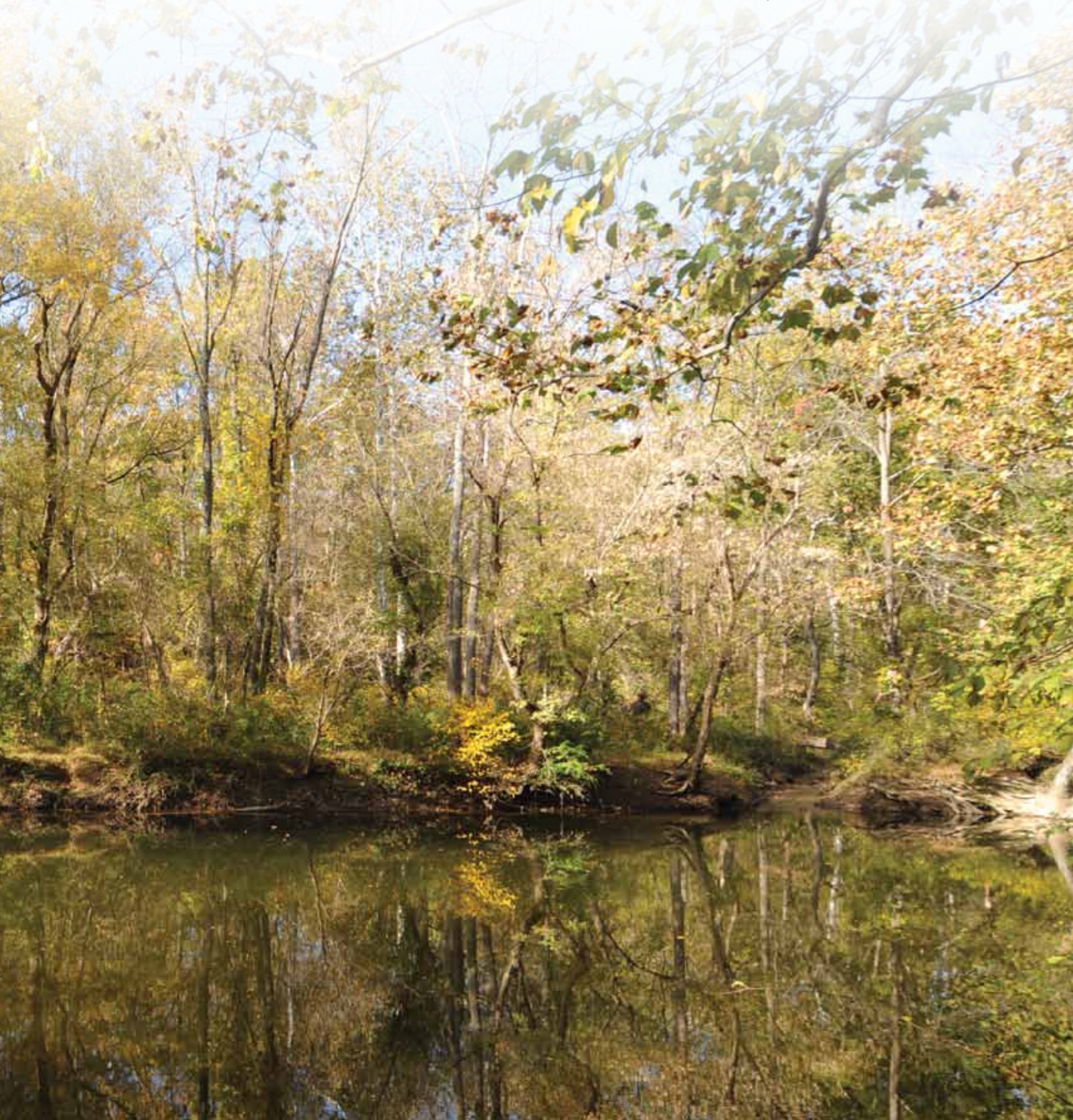


2011 Annual Report

Delaware Solid Waste Authority



Our Mission Statement...

To define, develop, and implement cost-effective plans and programs for solid waste management which best serve Delaware and protect our public health and environment.

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Chairman of the Board



Fiscal Year 2011 marked the fourth year in a row that saw the Authority's overall tonnage continue its significant decrease, this year down approximately 12.9% from FY 2010. This is cause for both longer-term optimism and bracing mid-term challenges.

On the happier note, the continuing development of recycling outlets throughout the State was a positive factor in the reduction of waste tonnage crossing over our landfill scales. At the same time, the extended economic malaise likewise contributed in great measure to this decrease, continuing a less heralded but generally consistent role as a leading indicator of economic difficulties ahead. Both factors meant challenging, disciplined and at times drastic cost-cutting, as well as strategic and tactical adjustments fraught with both human pain and creative collaboration to find new and sustainable efficiencies in fulfilling our legislative charter and mandates. We anticipated significant tonnage reductions, and excellent work by executive, middle-management and line staff facilitated the rigor needed to continue to meet our financial, contractual and legislative obligations.

In response to the foregoing, it was necessary to sharply increase our landfill tipping fees. However, we still remained effectively competitive with landfills in our surrounding Mid-Atlantic region. FY 2011 marked the beginning of the new 3-year term (2011-2013) of Discount Disposal Fee (DDF) contracts. Such sharp increase in fees required our senior management team and staff to engage our hauling customers in candid, ongoing discussions over the need for these new rates and the overall benefits of the new DDF contracts for all parties. We are pleased to report that nearly 100% of our previous DDF customers signed on to the new contracts.

Notwithstanding the above, as shown in the enclosed Financial Statements, overall financial results for FY 2011 were positive.

I cannot close without recognizing the remarkably smooth and successful transition of curbside recycling collection services from DSWA to the private sector and to municipalities in order to meet the mandates under the State's new Universal Recycling Law of 2010. DSWA's Recycling Group had grown from providing curbside collection services to one northern New Castle County neighborhood in 2005 to over 50,000 households statewide in 2010. As DSWA cut back its curbside service in stages until final termination April 1, 2011, the private sector and municipalities took over and expanded in an orderly manner delivering single-stream recycling services to virtually all single-family Delaware households as of September 15, 2011. This ultimately, however, resulted in a major downsizing of DSWA staff. The Board and executive management team want in particular to recognize those DSWA recycling employees who were so affected by these difficult adjustments. They provided first-rate services to our residential customers and set a lofty standard for the private sector and municipalities to match. With the sharply focused help of our Human Resources Group, most of these employees have moved into similar work in the private sector, and we wish them well.

We expect the next few years to continue to bring changes in recycling programs and waste quantities due to economic conditions, marketplace developments and public policy refinements. We feel confident that with its disciplined but creative initiatives and fiscally conservative approach, DSWA will continue to meet the challenges in the years ahead.

Sincerely,

Richard V. Pryor
DSWA Chairman of the Board

A large, stylized handwritten signature in grey ink, appearing to read "Richard V. Pryor".

DSWA Board of Directors



Ronald G. McCabe
Vice Chairman



Theodore W. Ryan



Timothy P. Sheldon



Tonda L. Parks



Gerard L. Esposito



Gregory V. Moore P.E.

Delaware Solid Waste Authority Executive Staff



Rick P. Watson,
P.E., BCEE
Chief Operating Officer



Anne M. Germain,
P.E., BCEE
*Chief of Engineering
and Technology*



Logan V. Miller,
P.E., BCEE
*Chief of Facilities
Management*



John J. Lechner
Chief Financial Officer



Chief Executive Officer

7
2011



This past fiscal year was again challenging for businesses due to the continuing erratic economy. Although the Delaware Solid Waste Authority (DSWA) is a public entity, we too had to cope with many of the same issues facing businesses in the private sector. DSWA receives no state or federal monies and we must survive on our business acumen and the revenues we predominantly derive through user fees for the services we provide to the general public. Also, as changes affect our business, so must we adapt our business to meet our legislative mandates. And change can be good!

In particular, the implementation of Governor Markell's new Universal Recycling Law provided DSWA with a fresh opportunity to expand our recycling role in Delaware. Although the Law required us to phase out our curbside recycling program in favor of the private sector and local governments to perform, we immediately envisioned developing our remaining resources to increase recycling

in Delaware. This manifested itself in the form of a Request for Proposals (RFP) in an attempt to attract recycling green businesses and jobs to Delaware at our premier recycling location in New Castle County.

The business concept is to develop a "Green Park" at our existing Delaware Recycling Center in New Castle, DE creating a partnering environment with recycling green businesses through space leasing and product royalty agreements. These businesses will augment the continuing DSWA programs at the location that is used to recycle electronic goods and single stream recyclables from our statewide drop off sites. The private sector interest in the RFP has been excellent and we are excited at the prospect

of developing a new revenue source to support the services we provide and to replace our curbside recycling program with an expanded one to process and market recyclables.

Another major milestone accomplished this fiscal year was the successful negotiation of an agreement with Cummins to beneficially use the landfill gas from our Cherry Island Landfill (CIL). The landfill gas from the CIL has the potential to generate the equivalent of about 13 MW of green power and is currently

being used at the Edgemoor power plant owned by Calpine. However, Calpine will cease using the landfill gas in Fall of 2011. Cummins can then purchase all of the available landfill gas from the CIL and construct the pipeline(s) and infrastructure to sell it to various nearby industries to produce green power and/or heat. The agreement will also provide DSWA with a share of the revenues derived from Cummins' landfill gas sales. The Cummins project will not only create green industry jobs during the construction and operation phases of the project, but will also help local Delaware industries to remain competitive by providing alternative cost-effective green energy.

I am especially pleased that DSWA has been able to continue to provide Delawareans with all of the solid waste management services and other recycling programs that were in effect last year, despite the down-turned economy. In fact, we expanded the availability of a weekly household hazardous waste (HHW) program in Kent County and were able to offer a few additional HHW events statewide. Our statewide recycling drop off program is extremely popular and we are committed to its continuation. Also, I wish to express my appreciation to our recycling personnel whose hard work and dedication made DSWA's curbside recycling program one of the most successful in the country.

Sincerely,

Pasquale S. Canzano P.E., BCEE
Chief Executive Officer

A large, stylized handwritten signature in grey ink that reads "Pasquale S. Canzano". The signature is fluid and cursive, with a long, sweeping underline.



Landfill Diversion Rates

9
2011

These tables represent the quantities of **recyclable materials that are diverted from DSWA landfills**. Materials like tires, white goods (appliances), yard waste, propane tanks and construction debris are diverted from landfills and recycled to help save valuable landfill space.

Recycling Diversion Rates in Delaware

Year	2006	2007	2008	2009	2010
Diverted Recyclables (tons)	248,410.	323,396.	318,032.	323,637	359,147
Landfilled Municipal Solid Waste (MSW) (tons)	823,479.	794,984.	741,143.	668,353	706,368
Total MSW = Diverted Recyclables + Landfilled MSW (tons)	1,071,889.	1,118,380.	1,059,175.	991,990	1,065,515
Percent Diverted Recyclables	23.2%	28.9%	30.0%	32.6%	33.7%

Source 2010 RPAC annual report.



Landfill Diversion Rates

FY 2011

Material

Refrigerant White Goods

Non Refrigerant White
Goods

Tires

Yard Waste

Dry Wall

Propane Bottles

Metal shreds

Agricultural Plastic

TOTAL



Facility Recyclable Quantities Sent to Market by Material Type (in tons)

Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill	Pine Tree Corners Transfer Station	Milford Transfer Station	Route 5 Transfer Station	Total
36.64	29.76	41.69	37.37	10.65	34.97	191.08
80.53	43.11	324.38	62.88	23.80	121.89	656.59
279.82	346.34	352.08	40.67	21.85	17.37	1,058.13
2,740.63	603.50	903.29	373.90	255.09	1,373.64	6,250.05
20.89	110.02	724.76			61.20	916.87
4.16	0.56	1.62	0.12	0.14	0.71	7.31
		237.07				237.07
		33.78				33.78
3,162.67	1,133.29	2,618.67	514.94	311.53	1,609.78	9,350.88

FY 2011 - Facility Recyclable Quantities Used by Material Type (in tons)

Material	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill	Total
Alternative Materials Used For Soil Cover				
Clean Earth	280,271.00	-	-	280,271.00
Barrier	61,228.00	11,225.98	-	72,453.98
Recycled C&D	-		18,773.00	18,773.00
Total	341,499.00	11,225.98	18,773.00	371,497.98
Alternative Materials Used For Road Building				
Steel Slag	58,200.00	1,592.26	-	59,792.26
Recycled Concrete	-	12,450.74	342.48	12,793.22
Clean Earth Aggregate	8,790.31	-	-	8,790.31
Chipped Yardwaste	-	548.32	-	548.32
Total	66,990.31	14,591.32	342.48	81,924.11
Alternative Materials Used For Or Soil Amendment				
Dswa Made Compost	395.00	-	418.58	813.58
Dswa Yard Waste Mulch	-	-	765.39	765.39
Total	395.00	0.00	1,183.97	1,578.97
TOTALS	408,884.31	25,817.30	20,299.45	455,001.06



Curbside Recycling Single- Stream for FY 2011

County	Material	Tonnage
New Castle	Single-Stream	2,294
Kent & Sussex	Single-Stream	3,067
Total Statewide Single-Stream		5,361

Service Ceased Sept. 31, 2010



Recycling Programs

The cornerstone of DSWA operations are the recycling programs. Because of the new Delaware Universal Recycling Law, **this was the last year for the DSWA curbside collection of yard waste and single stream recycling.** Throughout the years, DSWA has provided award winning recycling programs to Delaware residents and will continue to provide and develop many other recycling programs into the future.

Curbside Recycling Single - Stream



Curbside Yard Waste Tonnage for Fiscal Year for FY 2011

County	Material	Quantity (tons)
New Castle	Yard Waste	680
Kent & Sussex	Yard Waste	119
Total Statewide Yard Waste		799



Curbside Recycling Yard Waste



Oil and Oil Filter Recycling

191,981 Gallons Of Oil Recycled!



Oil Filter Recycling Tonnage for FY 2011

Sources	Quantity (tons)
Drop-Off Centers	46
Businesses	185
Total Oil Filters Statewide	231



Drop-Off Center Recycling

15
2011

DSWA Statewide Drop-off Centers

Drop-Off Center Recycling Program for FY 2011

Item/Source	Tons
Single-Stream	17,003
Cardboard	2,113
Motor Oil	720
Oil Filters	46
Textiles	87
Totals	19,969



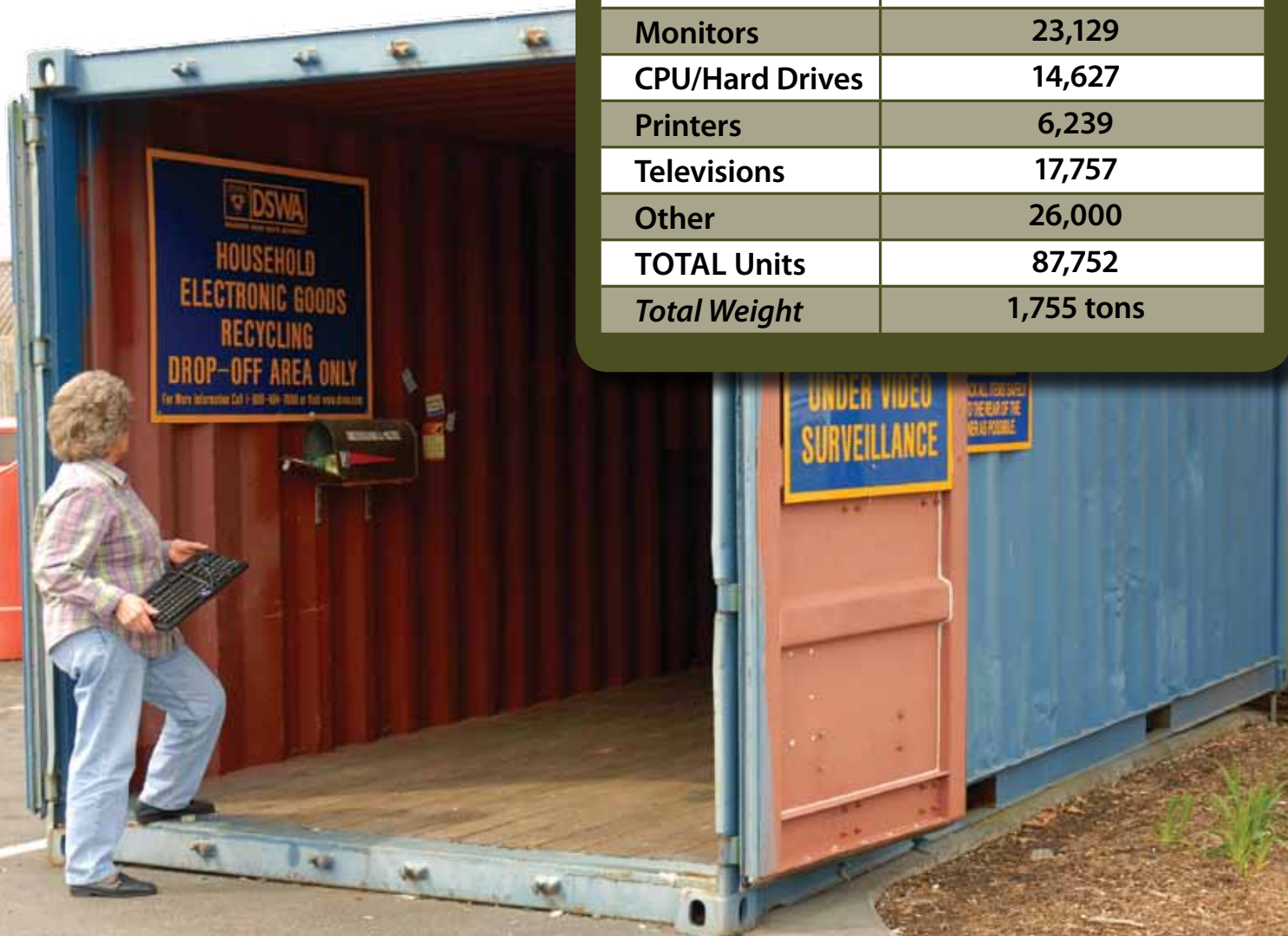
Electronic Goods Recycling

Facility Drop-off Centers



Electronic Goods Recycling Program for FY 2011

Devices	Total Units
Monitors	23,129
CPU/Hard Drives	14,627
Printers	6,239
Televisions	17,757
Other	26,000
TOTAL Units	87,752
<i>Total Weight</i>	1,755 tons





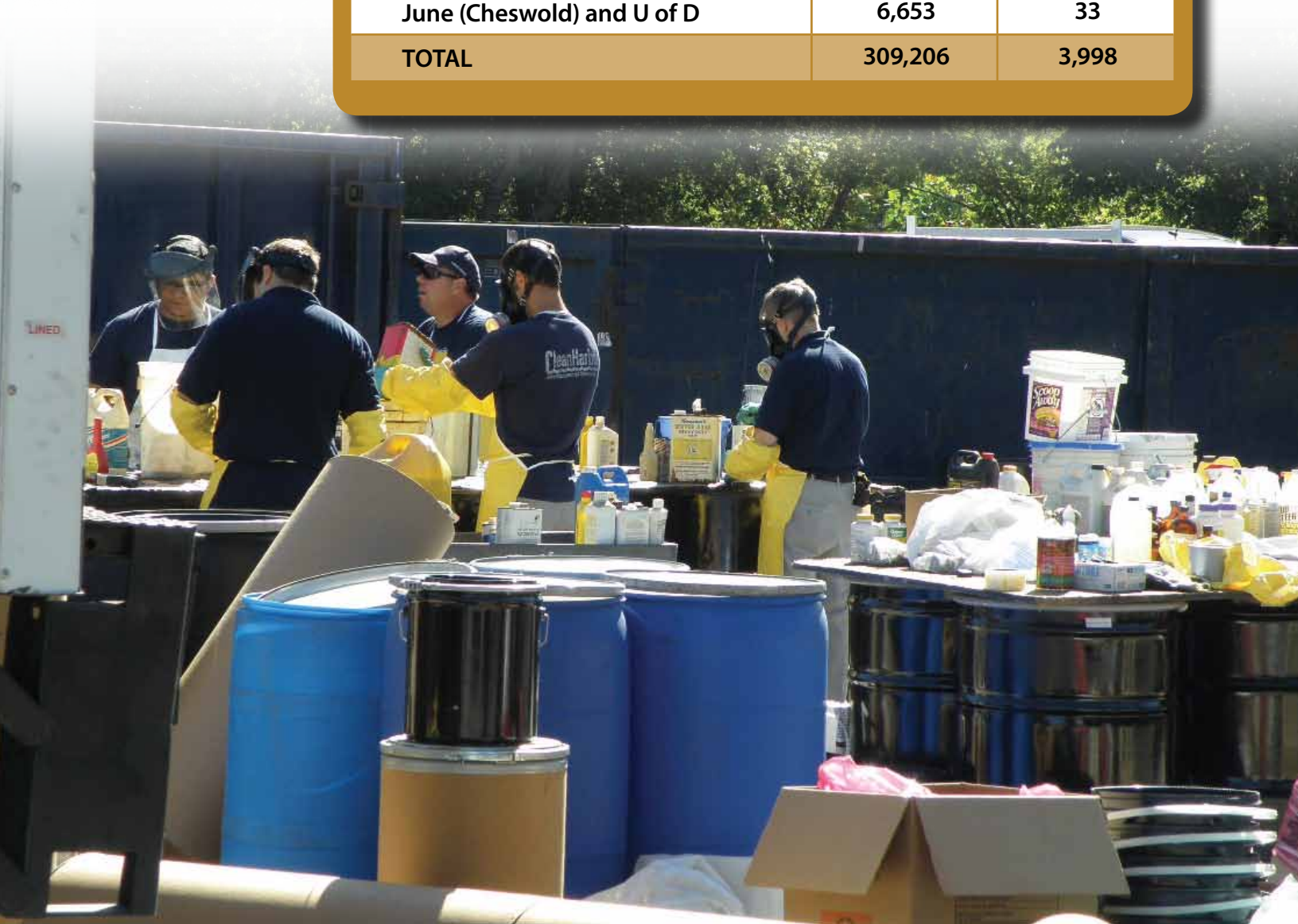
Collection Events



Household Hazardous Waste

Household Hazardous Waste Collection Events

HHW Events	Pounds	Vehicle Total
July 2010 (Pine Tree)	11,064	108
August (SSWMC)	16,342	100
September (Newark)	51,983	1,004
October (Cheswold)	16,647	242
November (Frawley – Wilm.)	49,474	842
December (Newark)	29,927	371
March 2011 (Frawley – Wilm.)	41,901	614
April (Pine Tree)	28,386	106
May (SSWMC) and Hockessin	56,829	578
June (Cheswold) and U of D	6,653	33
TOTAL	309,206	3,998



Household Hazardous Waste Collection Cheswold Pilot Program

Cheswold Pilot Program	Pounds	Vehicle Total
March 2011	5,280	81
April 2011	9,927	139
May 2011	13,601	175
June 2011	8,629	122
TOTAL	37,437	517

The Household Hazardous Waste Program at the **Cheswold Collection Station** started as a Pilot Program this year. The program offers residents the chance to dispose of Household Hazardous Waste every Friday, between the hours of 8am-2pm. Unlike the traditional HHW events Cheswold takes place every week and because of the location in the middle of the state, it makes it **easy for residents to use** when they just can't wait for the next scheduled event.

Household Hazardous Waste Collection



Landfill Gas

Category/Facility	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill
Landfill Gas (in million cubic feet)			
Collected	2,458	1,123	1,230
Flared	164	765	339
Beneficially Used	2,294	359	891
Energy Value of LFG in BTUs Captured and Sold (barrels of oil equivalency)	200,851	30,369	73,449

Our landfills use the latest technologies to control odors and turn landfill gas (LFG) into a clean-burning fuel.

DSWA collects the naturally occurring landfill gas (LFG) at all three of the Delaware landfills. Burning the landfill gas to make electricity is an **excellent source of green energy**. This year DSWA landfills saved the equivalency of 304,669 barrels of oil by burning LFG to produce electricity for Delaware homes.





2011

OPERATING REVENUES

Net user fees: solid waste
Landfill gas
Other income

TOTAL OPERATING REVENUES

OPERATING EXPENSES:

SALARIES AND RELATED COSTS
PROFESSIONAL FEES
Legal services
Auditing services
Computer services
Consulting engineering
Other professional services

Total Professional Services
TRAVEL
Mileage
Common carrier
Lodging, meals, parking, and registration
Conferences and registrations
Business meetings
Total Travel

SUPPLIES AND MATERIALS
Office and computer supplies
Maintenance and janitorial supplies
Safety supplies
Publications and subscriptions
Uniforms
Vehicle expense
Other supplies
Weight tickets and supplies
Total Supplies and Materials

UTILITIES
Electric
Water
Sewage
Fuel oil and gas
Telephone
Total Utilities
CONTRACTUAL SERVICES
Equipment rental and repair
Temporary services
Membership and dues
Printing
Insurance
Postage and fees
Hauling and treatment
Freight
Business process

Operating cost
Materials
Disposal costs
Pest control
Maintenance and repair
Services

Recovery services
Maintenance and repair
Services

CLOSURE

DELAWARE SOLID WASTE AUTHORITY SCHEDULES OF OPERATING REVENUES AND EXPENSES FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

DSWA

Fiscal Year 2011

	Landfill Operations	Transfer Station Operations	Collection Station Operations	Recycling Operations	Household Hazardous Waste Program	General Administration
Net user fees: solid waste	\$ 43,503,567	\$ 12,103,981	\$ -	\$ -	\$ -	\$ -
Landfill gas	4,623,551	12,103,981	107,400	954,997	-	-
Other income	3,639,171	-	107,400	54,997	-	-
TOTAL OPERATING REVENUES	51,766,289	24,207,962	214,800	1,010,494	16,818	3,771
OPERATING EXPENSES:						
SALARIES AND RELATED COSTS	449,968	3,400	1,250	3,699	-	323,600
PROFESSIONAL FEES	3,659	3,400	-	3,699	-	63,290
Legal services	462,321	-	-	-	-	4,040
Auditing services	331	-	-	-	-	37,182
Computer services	1,514	-	-	-	-	281,842
Consulting engineering	5,981	-	-	-	-	710,029
Other professional services	2,964	-	-	-	-	417
Total Professional Services	2,945	-	-	-	-	3,979
TRAVEL	13,735	14	-	3,434	-	22,122
Mileage	24,362	14	-	565	-	4,899
Common carrier	93,600	2,093	1,347	3,999	-	20,716
Lodging, meals, parking, and registration	25,855	1,414	345	5,069	-	52,133
Conferences and registrations	54	977	59	1,852	-	117,254
Business meetings	20,348	207	-	12,456	-	5,182
Total Travel	61,781	2,093	1,347	19,481	-	9,267
SUPPLIES AND MATERIALS	1,152,762	369	-	69	-	3,979
Office and computer supplies	1,634	620	-	27,193	-	4,073
Maintenance and janitorial supplies	1,380,396	5,680	22,288	305,667	-	54,140
Safety supplies	829,595	79,825	24,039	126,798	-	9,961
Publications and subscriptions	444	-	-	-	-	1
Uniforms	745,729	-	-	479,104	-	203,856
Vehicle expense	14,482	-	5,093	45,240	-	29,575
Other supplies	33,859	-	-	12,124	-	381
Total Supplies and Materials	1,624,109	7,460	2,171	31,558	-	733
UTILITIES	28,946	169	7,264	92,915	-	4,142
Electric	69,883	5,548	-	37,366	-	49,989
Water	422	-	-	330,855	-	84,820
Sewage	4,238	-	-	2,452	-	26,195
Fuel oil and gas	5,469	1,397	2,638	-	-	1,896
Telephone	6,465	-	156	-	-	95,140
Total Utilities	269,088	21,490	14,416	3,535	-	406,280
CONTRACTUAL SERVICES	1,864,528	101	12	7,000	-	12,264
Equipment rental and repair	10,825	-	-	1,374	-	47,227
Temporary services	67,841	-	-	8,912	-	20,194
Membership and dues	14,014	-	-	1,635	-	740,213
Printing	39,390	-	-	1,470,926	-	312,510
Insurance	1,700,290	3,512	2,604	5,227	-	1,864,528
Postage and fees	5,159,819	5,124,744	-	4,475	-	39,981
Hauling and treatment	39,603	1,896,133	-	171,684	-	72,428
Freight	47,056	2,309	-	413,330	-	199,847
Business process	9,376	471	442	26	-	58,697
Operating cost	953,150	1,995	-	-	-	7,009,901
Materials	210,692	-	-	-	-	1,700,316
Disposal costs	30,699	-	-	-	-	7,055,952
Pest control	730,371	26,021	-	-	-	93,870
Maintenance and repair	11,262,165	55,472	-	-	-	21
Services	7,139,362	-	-	-	-	-

DELAWARE SOLID WASTE AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

DELAWARE SOLID WASTE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Delaware Solid Waste Authority
Dover, Delaware

We have audited the accompanying statements of net assets of the Delaware Solid Waste Authority (the "DSWA") as of June 30, 2011 and 2010, and the related statements of revenues and expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the DSWA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delaware Solid Waste Authority as of June 30, 2011 and 2010, and the changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 7 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 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of operating revenues and expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Elko & Associates Ltd

September 14, 2011

Management's Discussion and Analysis

The Management of the Delaware Solid Waste Authority (DSWA) presents the readers of our financial statements the following overview and analysis of the financial activities of the DSWA for the fiscal years ended June 30, 2011 and 2010. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and notes to the financial statements.

The Reporting Entity

The DSWA is a body politic and corporate created in 1975 by an act of the Delaware Legislature and is a public instrumentality and political subdivision of the State of Delaware (the "State"). The DSWA is responsible for implementing solid waste disposal, recycling and resources recovery systems, facilities and services. Revenues generated by DSWA operations, primarily disposal fees, provide for the support of the DSWA and its operations on a self-sustaining basis. The State provides no revenues to the DSWA. In carrying out its mission, the DSWA utilizes private industry in the construction and operation of solid waste disposal and transfer facilities and the operation of various segments of its recycling programs. The DSWA is authorized to issue bonds to finance its activities.

The DSWA is governed by a seven member Board of Directors appointed by the Governor with the advice and consent of the Senate. The Chairman of the Board of Directors is designated by and serves at the pleasure of the Governor.

Budgetary and Accounting Controls

The DSWA adopts an annual operating budget as a financial plan for the year. Actual operating results are monitored on a monthly basis and compared to the adopted budget so that variances can be identified and analyzed. Budgetary compliance is reported to the Board of Directors on a monthly basis. The DSWA's accounting records are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. Current controls provide reasonable assurance that the DSWA's assets are properly recorded and protected and that the financial data may be used with confidence in the preparation of historical reports and projections. Accounting controls, which are reviewed regularly by staff, are maintained by segregation of duties and physical and data security systems in all areas of recordkeeping, billing, cash receipts, disbursements and purchasing authority.

Cash Management

Wilmington Trust Company under an Investment Management Agreement that includes the State of Delaware, Delaware State Housing Authority and the Delaware Transportation Trust manages the DSWA's Operations Cash and Cash Reserves. The majority of funds are invested in United States Government Backed Fixed Income Securities, AA or better Corporate Securities and U.S. Government Sub Agency Securities. A Repurchase Agreement Account is maintained to provide daily liquidity for DSWA's Disbursement Account. Current safekeeping and delivery arrangements are felt by management to provide appropriate security for the DSWA's investments.

Risk Management

The DSWA maintains a comprehensive package of property and liability insurance relevant to its operations. For Worker's Compensation Insurance, the DSWA participates in the State of Delaware's plan. Since, by law, the DSWA can sue and be sued, it purchases Employers Liability Coverage under an endorsement to its General Liability Policy on the open market. A safety program including safety regulations, first aid training, and driver safety classes is actively administered and enforced to minimize exposures and manage incidents.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the DSWA's basic financial statements. Since the DSWA is engaged only in business type activities, its basic financial statements are comprised of only two components: 1) Enterprise Fund Financial Statements and 2) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Enterprise Fund Financial Statements are designed to provide readers with a broad overview of the DSWA's finances in a manner similar to a private sector business.

The Statement of Net Assets presents information on the DSWA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the DSWA is improving or deteriorating.

The Statement of Revenues and Expenses and Changes in Net Assets presents information showing how the DSWA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The basic Enterprise Fund Financial Statements can be found on pages 8 through 12 of this report.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 through 25 of this report.

The Statement of Cash Flows presents the change in the DSWA's cash and cash equivalents during the period being reported. This information can assist the user of the report in determining how the DSWA financed its activities and how it met its cash requirements.

Financial Highlights

- The DSWA's assets exceeded its liabilities (net assets) by approximately \$161.6 million and \$144.6 million at the close of fiscal years 2011 and 2010, respectively. This represents an increase of approximately \$17 million (11.8%) in net assets in 2011 over the previous year.
- Total operating revenue increased by approximately \$13 million or 25.4% more than the previous year. Net user fees reported in this item are net of the Discount Disposal Fee Programs rebates of approximately \$4.2 million in 2011 and \$8.2 million in 2010 (see Note 9).

- In fiscal year 2011, the DSWA entered into new three-year DDF contracts. 95% of licensed collectors signed up. The new tonnage rates are: fiscal year 2011 at \$80 per ton, fiscal year 2012 at \$82 per ton, and fiscal year 2013 at \$84 per ton. Each year allows for rebates of \$8 per ton for landfill usage and \$4 per ton for transfer station usage.
- Total operating expenses for 2011 decreased by \$2.5 million or 5% from the previous year.
- Operating income for 2011 was \$16.3 million versus the prior year operating income of \$0.8 million.
- Total net nonoperating revenues for 2011 were \$2.7 million compared to \$2.6 million in 2010.
- DSWA issued Revenue Bonds in December 2006 to finance the expansion of the Cherry Island Landfill and provide for the design of future cells at the Sandtown Landfill and the Jones Crossroads Landfill. These bonds were issued for \$95.7 million with final maturity in 2026. In June 2010, an additional bond series was issued to finance the construction of new landfill cells at Sandtown and Jones Crossroads. The issue was split into the 2010 Series "A" Tax Exempt Bonds with a principal of \$24,625,000 maturing in 2018 and the 2010 Series "B" Taxable Build America Bonds with principal of \$18,855,000, maturing in 2022 (see Note 6).

Summary of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of DSWA's financial position. The DSWA's net assets increased during fiscal year 2011 by \$16,969,135, increased by \$1,751,684 for 2010, and decreased by \$3,326,281 for 2009. A condensed summary of DSWA's net assets for the three years being reported is presented below:

	Net Assets		
	2011	2010	2009
Current and Other Assets	\$ 135,303,621	\$ 159,297,372	\$ 129,997,469
Capital Assets	218,032,088	181,666,463	174,168,257
Total Assets	353,335,709	340,963,835	304,165,726
Current Liabilities	27,451,058	26,050,516	26,000,345
Long-Term Obligations	164,282,612	170,280,415	135,284,161
Total Liabilities	191,733,670	196,330,931	161,284,506
Net Assets:			
Invested in Capital Assets	137,547,836	127,253,577	126,128,200
Unrestricted	22,979,276	16,716,079	16,096,950
Restricted	1,074,927	663,248	656,070
Total Net Assets	\$ 161,602,039	\$ 144,632,904	\$ 142,881,220

Net assets invested in capital assets represents the DSWA's investment in capital assets (e.g., land, land improvements, buildings and equipment). The DSWA uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. The DSWA is bound by the provisions of the Indentures under the issuance of the 2006 Series and 2010 Series A & Series B Solid Waste System Revenue Bonds that established various funds administered by the Trustee and certain funds to be administered by DSWA. The unrestricted funds administered by DSWA can be used to fund Capital Improvement Projects and other operating costs. Restricted net assets are limited to outside third-party restrictions and represent the net assets that have been legally identified for specific purposes.

Summary of Revenues and Expenses and Changes in Net Assets

Summary of revenues and expenses and changes in net assets for the years ended June 30, 2011, 2010, and 2009 is presented below:

	Change in Net Assets		
	2011	2010	2009
Operating Revenues			
Net User Fees: Solid Waste	\$ 56,014,983	\$ 44,446,275	\$ 46,685,691
L/F Gas Marketing Income	4,623,544	3,545,163	3,975,930
Marketing Income Recyclables	2,954,997	2,622,399	2,027,699
Other Income	542,638	522,446	384,944
Total Operating Revenues	64,136,162	51,136,283	53,074,264
Operating Expenses			
Salaries and Related Costs	10,078,534	10,643,804	11,771,157
Contractual Services	23,040,833	25,223,513	23,529,322
Depreciation	7,378,058	8,520,155	9,585,079
Landfill Closure	2,076,127	15,525	1,973,287
Other Expenses	5,240,448	5,904,188	6,792,331
Total Operating Expenses	47,814,000	50,307,185	53,651,176
Operating Income (Loss)	16,322,162	829,098	(576,912)
Net Nonoperating Revenues	2,678,802	2,646,735	2,692,640
Income Before Special Items	19,000,964	3,475,833	2,115,728
Special Items - Impairment Loss	(2,031,829)	(1,724,149)	(4,492,009)
Contract Termination	-	-	(950,000)
Increase (Decrease) in Net Assets	16,969,135	1,751,684	(3,326,281)
Net Assets - Beginning of Year	144,632,904	142,881,220	146,207,501
Net Assets - End of Year	\$ 161,602,039	\$ 144,632,904	\$ 142,881,220

Capital Asset Activity

The following provides a summary of the significant changes in capital assets for the year ended June 30, 2011 and a description of the major items affecting the year-end balances (see Note 4 - Capital Assets).

- Construction in Progress

Increases: Jones Crossroads Landfill: Cell 5 Expansion - \$14,013,504, Cell Capping - \$327,784.
 Cherry Island Landfill: Landfill Expansion - \$14,308,518, Landfill Gas Header - \$906,110.
 Sandtown Landfill: Area F Expansion - \$9,969,324, LFG Horizontal Trench - \$216,627, Cell Capping - \$499,982.
 Pine Tree Transfer Station - Site Improvements - \$590,921.
- Depreciable Capital Assets

Increases: Vehicles - \$48,718, Building Improvements - \$88,751, Heavy Construction Equipment and Processing Equipment - \$827,682.

Decreases: Vehicles sold or traded-in - \$2,066,565, Retirement depreciable assets - Equipment - \$1,199,226, Retirement due to Impairment - \$3,155,179.

Review of Operations

Landfill Operations. During the fiscal year 2011, the Delaware Solid Waste Authority's (DSWA's) three operating landfills managed the safe disposal or recycling of 752,159 tons of waste compared to 864,029 tons during the previous year. Of the total waste received, dry waste, which includes construction and demolition waste, of 66,247 tons was received in fiscal year 2011 as compared to 113,664 tons in the previous year. 18,773 tons of the dry waste received during fiscal year 2011 were recycled into an alternate material used for soil cover at the landfills. In addition, 1,058 tons of tires were recycled as either tire derived fuel or consumer products. A total of 8,377 tons of yard waste were recycled as mulch or compost or used in road construction. Of this total, 6,250 tons were sent to the market and 2,127 tons were used as alternative material for soil amendment at the landfills. The user fee for solid waste and dry waste was \$80.00 per ton at the landfills and transfer stations versus \$61.50 per ton for solid waste at the landfills and transfer stations, and \$42.00 per ton for dry waste at the Sandtown and Jones Crossroads landfill, in the previous five years.

Transfer Stations. During the fiscal year 2011, the DSWA's Pine Tree Corners, Milford and Route 5 Transfer Stations received and transferred 160,883 tons of solid waste. Pine Tree Corners Transfer Station and Milford Transfer Station sent their waste to the Sandtown Landfill for disposal. The Route 5 Transfer Station sent its waste to the Jones Crossroads Landfill for disposal.

Collection Stations. The DSWA's five collection stations located in Kent and Sussex Counties continued to provide disposal services to residents for bagged household waste and yard waste at the rate of \$1/bag. A total of 58,972 customers disposed 88,440 bags of household waste and 6,349 bags of yard waste during fiscal year 2011.

Recycling. During the fiscal year 2011, the DSWA's Drop Off Center Program collected 19,969 tons of recyclables from its 180 sites. The Oil Filter Program marketed 231 tons of oil filters collected statewide. The Electronic Goods Program collected 1,755 tons of electronic goods for recycling. The number of Residential Curbside Recycling Collection Program subscribers decreased from 42,242 on July 1, 2010, to zero on April 1, 2011. DSWA terminated its Residential Curbside Recycling Collection Program as mandated in the new Universal Recycling Law passed in the spring of 2010. The Household Hazardous Waste Program conducted ten regularly scheduled events and two special collection events in various locations statewide. Over 309,206 pounds of material were collected and recycled or safely disposed.

Major Operational Changes. The downward trend in tonnage deliveries continued through fiscal year 2011 from the 2010 fiscal year (i.e., fiscal year 2011 was 12.9% lower than fiscal year 2010, which was 6.3% lower than fiscal year 2009). In response to the related tonnage reduction, the following cost cutting and revenue-enhancing changes were made during the 2011 fiscal year:

- The operating budget was adjusted to support a waste stream range of 750,000 to 775,000 tons, rather than the budgeted 835,000 tons.
- The Residential Curbside Recycling Collection Program was eliminated as of April 1, 2011.
- The policy continued to not accept Construction and Demolition (C&D) waste at any of the DSWA Transfer Stations. Customers must deliver C&D waste directly to DSWA's landfills.
- Several capital improvement projects were postponed to future periods.
- A reduction in the total number of employees was affected via a combination of attrition, reorganization of activities and some layoffs due to the elimination of the Residential Curbside Recycling Collection Program.

Implementation of the above-described operational changes had a significant positive impact on operational efficiencies and cost savings/revenue enhancements.

Plans for the Future. During the several years leading up to the recently ended national recession, the State of Delaware was experiencing consistent economic growth throughout the state. A growth in population, construction of new housing and commercial development had caused a significant increase in the solid waste stream managed by DSWA. From the mid-point of 2007 through June 30, 2011, the impact of the slowdown of the national economy has been reflected in a dramatic reduction in Delaware's solid waste quantities, the primary source of revenue for the DSWA. In response, DSWA began and continues programs to reduce costs and increase revenues. It is anticipated that the solid waste tonnage will continue to regress due to a combination of the current national economic situation and the strong effort to increase recycling. DSWA has taken, and will continue to take, a conservative approach when developing future budgets.

The DSWA will continue to closely monitor the waste and recyclables it receives to make changes to its operations and fees as necessary to carry out its mission. Several Capital Improvement Projects have been deferred until we experience improved economic times. Nonetheless, the absolutely necessary construction projects will move forward, including the expansion projects at the Cherry Island Landfill, the Sandtown Landfill and the Jones Crossroads Landfill. All three of these expansion projects are scheduled for completion during fiscal year 2012.

This financial report is designed to provide its readers with an overview of the DSWA finances and to show DSWA's accountability for safeguarding the funds it receives and disburses in the course of conducting its business. If you have any questions concerning this report or need additional financial information, please contact:

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Respectfully submitted,

John J. Lechner

John J. Lechner
Chief Financial Officer

DELAWARE SOLID WASTE AUTHORITY
STATEMENTS OF NET ASSETS

	JUNE 30,	
	2011	2010
ASSETS		
CURRENT ASSETS		
Unrestricted Current Assets:		
Cash and cash equivalents - Note 2	\$ 581,692	\$ 192,096
Investments - Note 3	11,315,009	12,135,222
Accounts receivable (net of allowance for doubtful accounts of \$100,000)	6,561,800	4,821,738
Interest receivable	489,694	444,947
Prepayments and miscellaneous receivables	535,266	139,860
Total Unrestricted Current Assets	19,483,461	17,733,863
Restricted Current Assets:		
Investments - Note 3	67,177,760	100,538,201
Total Current Assets	86,661,221	118,272,064
NONCURRENT ASSETS		
Unrestricted Noncurrent Assets:		
Investments - Note 3	10,944,522	10,093,069
Capital Assets - Note 4		
Land	24,743,347	24,743,347
Land improvements	147,030,532	146,600,837
Buildings	42,010,857	41,922,106
Equipment and furniture	16,900,397	18,149,725
Vehicles	2,777,977	4,658,232
Total	233,463,110	236,074,247
Less: Accumulated depreciation	151,129,745	148,094,064
	82,333,365	87,980,183
Construction in progress - Note 4	135,698,723	93,686,280
Total Capital Assets	218,032,088	181,666,463
Other Assets - Note 1		
Bond issuance costs, net of accumulated amortization of \$222,302 and \$163,773, respectively - Note 6	825,988	976,330
Total Other Assets	825,988	976,330
Restricted Noncurrent Assets:		
Investments - Note 3	36,871,890	29,955,909
Total Noncurrent Assets	266,674,488	222,691,771
TOTAL ASSETS	\$ 353,335,709	\$ 340,963,835

The accompanying Notes are an integral part of these statements.

	JUNE 30,	
	2011	2010
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 10,845,120	\$ 4,265,454
Contracts payable, including retainage	2,211,944	3,398,683
Refundable security deposits	70,091	75,191
Accrued compensation	1,231,060	1,177,418
Current portion of bonds payable - Note 6	7,494,512	7,068,087
Accrual for landfill closure and post closure care costs - Note 5	525,200	525,000
Contract rebate payable - Note 9	4,208,165	8,208,638
Total Current Liabilities	26,586,092	24,718,471
CURRENT LIABILITIES (Payable From Restricted Assets)		
Arbitrage payable - Note 11	864,966	1,332,045
NONCURRENT LIABILITIES		
Bonds payable - Note 6	118,771,031	126,374,901
Accrued landfill closure and post closure care costs - Note 5	45,511,581	43,905,514
Total Noncurrent Liabilities	164,282,612	170,280,415
Total Liabilities	191,733,670	196,330,931
NET ASSETS		
Invested in capital assets, net of related debt and accumulated depreciation	137,547,836	127,253,577
Unrestricted	22,979,276	16,716,079
Restricted	1,074,927	663,248
Total Net Assets	161,602,039	144,632,904
TOTAL LIABILITIES AND NET ASSETS	\$ 353,335,709	\$ 340,963,835

The accompanying Notes are an integral part of these statements.

DELAWARE SOLID WASTE AUTHORITY
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

	FOR THE YEARS ENDED JUNE 30,	
	2011	2010
OPERATING REVENUES		
Net user fees: solid waste	\$ 56,014,983	\$ 44,446,275
Landfill gas	4,623,544	3,545,163
Other income	3,497,635	3,144,845
Total Operating Revenues	64,136,162	51,136,283
OPERATING EXPENSES		
Salaries and related costs	10,078,534	10,643,804
Professional services	1,181,099	1,265,302
Travel	69,881	66,526
Supplies and materials	2,093,075	2,860,939
Utilities	1,896,393	1,711,421
Contractual services	23,040,833	25,223,513
Closure and post closure care of landfills	2,076,127	15,525
Depreciation expense	7,378,058	8,520,155
Total Operating Expenses	47,814,000	50,307,185
OPERATING INCOME	16,322,162	829,098
NONOPERATING REVENUES (EXPENSES)		
Net investment income	2,392,721	3,876,486
Bond interest and related expenses	(1,098,788)	(1,763,007)
Other nonoperating revenue - net	1,384,869	533,256
Net Nonoperating Revenues	2,678,802	2,646,735
INCOME BEFORE SPECIAL ITEMS	19,000,964	3,475,833
SPECIAL ITEMS		
Impairment loss	(2,031,829)	(1,724,149)
INCREASE IN NET ASSETS	16,969,135	1,751,684
NET ASSETS - BEGINNING OF YEAR	144,632,904	142,881,220
NET ASSETS - END OF YEAR	\$ 161,602,039	\$ 144,632,904

The accompanying Notes are an integral part of these statements.

DELAWARE SOLID WASTE AUTHORITY
STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED JUNE 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 50,310,942	\$ 43,384,389
Cash paid to suppliers	(23,358,214)	(33,685,096)
Cash paid to employees	(10,024,892)	(10,774,361)
Landfill gas marketing revenues	4,186,544	3,545,163
Other operating revenues	3,497,635	3,144,845
Net Cash Provided by Operating Activities	24,612,015	5,614,940
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	2,172,775	3,209,576
(Increase) decrease in investments	26,149,275	(30,271,895)
Other investing income (expense)	568,774	(143,071)
Net Cash Provided by (Used in) Investing Activities	28,890,824	(27,205,390)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of bonds	-	43,351,728
Payments for debt service requirements	(6,615,000)	(3,550,000)
Interest paid on bonds	(5,751,756)	(4,322,837)
Cash payments for capital assets	(41,906,684)	(15,746,708)
Proceeds from sale of capital assets	1,160,197	885,102
Net Cash Provided by (Used in) Capital and Related Financing Activities	(53,113,243)	20,617,285
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	389,596	(973,165)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	192,096	1,165,261
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 581,692</u>	<u>\$ 192,096</u>

The accompanying Notes are an integral part of these statements.

DELAWARE SOLID WASTE AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

	FOR THE YEARS ENDED JUNE 30,	
	2011	2010
OPERATING INCOME	\$ 16,322,162	\$ 829,098
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	7,378,058	8,520,155
(Increase) decrease in accounts receivable	(1,740,062)	295,963
(Increase) decrease in prepayments and miscellaneous receivables	(395,406)	62,617
Increase (decrease) in accounts payable	6,579,666	(1,613,525)
Decrease in contracts payable	(1,186,739)	(410,750)
Increase (decrease) in refundable security deposits	(5,100)	2,000
Increase (decrease) in accrual for compensation	53,642	(130,557)
Decrease in leases	-	(6,509)
Increase (decrease) in accrued closure and post closure care of landfills	1,606,267	(511,086)
Decrease in contract rebate payable	(4,000,473)	(516,952)
Decrease in deferred revenue	-	(905,514)
Total Adjustments	8,289,853	4,785,842
Net Cash Provided by Operating Activities	\$ 24,612,015	\$ 5,614,940

**SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND
RELATED FINANCING ACTIVITIES**

Amortization of bond issue costs	\$ 58,529	\$ 46,727
Net accretion of premium/discount on bonds	578,870	480,873
Gain on disposition of capital assets	(906,199)	(662,390)
Impairment loss	2,031,829	1,724,149
Unrealized gain (loss) on investments	(120,202)	505,279
Realized loss on sale of investments	(143,743)	(14,890)
Capitalized interest	4,122,826	2,218,514

The accompanying Notes are an integral part of these statements.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - Summary of Significant Accounting Policies

(A) Reporting Entity

The Delaware Solid Waste Authority (the "DSWA") is a body politic and corporate constituting a public instrumentality of the State of Delaware established and organized in 1975 under Delaware Code, Title 7, Chapter 64.

The DSWA has been designated by the State of Delaware, under this act, as the sole entity, governmental or private, with the responsibility for planning and implementing solid waste and resource recovery programs and facilities throughout Delaware in accordance with the Statewide Plan for Solid Waste Management.

The DSWA is governed by a Board of Directors consisting of seven directors, who are appointed by the Governor with the advice and consent of the Senate.

Currently, the DSWA operates solid waste management facilities in each of Delaware's three counties and it has consolidated the financing and operation of its solid waste disposal facilities into a unitary Statewide system.

(B) Basis of Presentation

The DSWA operates as an enterprise activity and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recognized when incurred. The DSWA follows all applicable pronouncements of the Governmental Accounting Standards Board (GASB) and those of the Financial Accounting Standards Board (FASB) issued before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

The DSWA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing goods in connection with the DSWA's principal ongoing operations. The principal operating revenues of the DSWA are charges to residents and customers for waste disposal and collection of recyclables and the revenues from the sale of processed recyclable materials. Operating expenses include the cost of waste disposal, recyclable collection and processing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(C) Cash and Cash Equivalents

The DSWA's cash and cash equivalents consist of cash on hand and demand deposits.

For purposes of determining cash equivalents, the DSWA has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

(D) Restricted Assets

Restricted assets of the DSWA represent bond proceeds restricted for construction, and other amounts legally required by the DSWA's bond covenants and trust indenture to be set aside for debt service, customer deposits, operations, renewal and replacement and capital improvements. Restricted resources are used first to fund expenses incurred for restricted purposes.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - Summary of Significant Accounting Policies - continued

(E) Capital Assets

Capital assets, which include property, plant and equipment are reported in the financial statements. Capital assets are defined by the DSWA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at their historical costs.

The costs of normal maintenance and repairs that do not add value to the assets or materially extend the assets' lives, are not capitalized.

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

Depreciation is computed over the estimated useful lives of the assets using the straight-line method and is charged to operating expenses. The following useful lives are used to compute depreciation:

Land improvements	3 - 20 years
Buildings	5 - 40 years
Equipment and furniture	3 - 20 years
Vehicles	3 - 5 years

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity. Total depreciation expense for the years ended June 30, 2011 and 2010 was \$7,378,058 and \$8,520,155, respectively.

(F) Other Significant Accounting Policies

Accounts receivable are shown net of an allowance for the estimated portion that is not expected to be collected. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(G) Other Assets

Bond issuance costs, net of accumulated amortization, is reported in other assets. Bond issuance costs are amortized on a straight-line basis over the term of the bonds.

(H) Compensated Absences

Vacation and sick leave pay are recorded as an expense when earned by the DSWA's employees. As of June 30, 2011 and 2010, accrued vacation and sick leave aggregated \$828,525 and \$765,530, respectively; this resulted in a net increase of \$62,995 which is reflected in salaries and related costs in the current year. Accrued vacation and sick leave are based on the following criteria.

Employees' unused vacation leave is accumulated to a maximum of two years earned. Upon retirement or termination, employees are paid for all unused accumulated vacation leave at their final rate of pay. The accrued liability is based upon the full amount of accumulated vacation leave.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - Summary of Significant Accounting Policies - continued

Employees' unused accumulated sick leave can be used up to the total amount accumulated for future sickness. In the event of termination due to lack of work, employees hired after January 1, 1992 will be paid at the rate of one day for every two days accumulated to the maximum of 90 days at their final rate of pay. In the event of death, employees hired after January 1, 1992 will be paid at the rate of one day for each day accumulated to the maximum of 90 days at their final rate of pay. In the event of termination or death, employees hired before January 1, 1992 will be paid for every day accumulated with no limitation, at their final rate of pay. Upon retirement, payment shall be made at the rate of one day per each day of unused sick leave accumulated to the maximum of 90 days for all employees despite their hire date. Upon voluntary termination, the employee will forfeit all accumulated sick leave. The DSWA has consistently accrued sick leave for only those employees for whom retirement is impending. The accrued liability is based upon the sick leave that would be paid upon impending retirement only.

(I) Use of 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 amounts of assets and liabilities and disclosures 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 the estimates.

(J) Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation and reduced by the net bonds payable (bonds payable less unspent bond proceeds).

Unrestricted net assets represent the net assets available to finance future operations or available to be returned through reduced tip fees or rebates. The Board of Directors of the DSWA may designate unrestricted net assets for special purposes.

Restricted net assets are limited to outside third-party restrictions and represent the net assets that have been legally identified for specific purposes.

(K) Closure and Post Closure Obligations

The DSWA records all estimated closure costs for existing cells as a liability. Upon final closure of the landfill site, the DSWA is then responsible, under current Federal regulations, for maintaining the closed site for the following thirty years.

NOTE 2 - Cash and Cash Equivalents

The DSWA follows the "Statement of Objectives and Guidelines for the Investments of the State of Delaware", of the State's Cash Management Policy Board (the Board). The Board, created by State law, establishes policies for, and the terms, conditions, and other matters relating to, the investment of all money belonging to the State with certain limited exceptions. The State's Cash Management Policy is available on the Internet at:

http://treasurer.delaware.gov/information/documents/CMPBInvestmentGuidelines_2010-05.pdf.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 2 - Cash and Cash Equivalents - continued

Custodial credit risk is the risk that in the event of a bank failure, the DSWA's deposits may not be returned to it. In accordance with the State's Cash Management Policy, the DSWA deposits its funds with financial institutions that comply with the requirements of Delaware Statutes and have been designated as a qualified public depository by the State Treasurer. Under the Statute, banks who hold public deposits and who do not meet the financial criteria outlined in Section V of the State of Delaware's Cash Management Policy, must pledge collateral with a fair value equal to a percentage of the average daily balance of all government deposits in excess of federal deposit insurance. As of June 30, 2011, the DSWA's bank balances were not exposed to custodial credit risk.

NOTE 3 - Investments

In accordance with the DSWA's investment policy, investment purchases are limited to U.S. Government Securities, U.S. Government Agency Securities, Mortgage-Backed Securities and Corporate Debt Instruments with a rating of AA or better at the time of purchase. As of June 30, 2011, the DSWA was in compliance with the investment policy.

Custodial credit risk is the risk that, in the event of a bank failure, the DSWA's investment securities may not be recovered. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the DSWA, and are held by either the bank or the bank's trust department or agent but not in the DSWA's name. As of June 30, 2011, none of DSWA's investment securities were deemed subject to custodial credit risk.

The following summarizes the credit quality distribution of securities with credit exposure as a percentage of total investments as of June 30:

		<u>2011</u>	<u>2010</u>
Mutual Funds	AAA	8%	1%
Mutual Funds	A+	7%	5%
Corporate Obligations	AAA	1%	-%
Corporate Obligations	AA+	1%	-%
Corporate Obligations	AA	5%	4%
Corporate Obligations	AA-	4%	4%
Corporate Obligations	A+	1%	3%
Corporate Obligations	A	1%	2%
Corporate Obligations	A1+	22%	42%
Corporate Obligations	A1	16%	15%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Wilmington U.S. Government Mutual Funds have a weighted average maturity of less than one year, resulting in minimal interest rate risk. The investment in U.S. Treasury Obligations, U.S. Government Agency Bonds and Notes and Corporate Bonds and Notes is subject to interest rate risk as a function of the length of time to maturity. The scheduled maturities of investments at June 30, 2011 are summarized below.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 3 - Investments - continued

Credit risk is the risk that an issuer will not fulfill its obligations while concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. As indicated above in Note 2, the DSWA follows the "Statement of Objectives and Guidelines for the Investments of the State of Delaware", of the State's Cash Management Policy Board (the Board). The policy addresses credit risk as well as concentration of credit risk by not only limiting allowable investments but also by limiting the maximum amount that may be invested in any one issuer, except for investments in U.S. Government Securities which are not limited. The DSWA does not have more than 5 percent of its total investments, as of June 30, 2011, invested in any one company's corporate bonds and notes. As of June 30, 2010, the DSWA had more than 5 percent of its investments in MetLife and Societe Generale corporate bonds and notes. These investments are 5.72% and 6.11%, respectively, of the DSWA's total investments as of June 30, 2010.

DSWA's investments are reported at fair value based on quoted market prices. The net change in the fair value of the DSWA's investments for the years ended June 30, 2011 and 2010 resulted in unrealized (loss)/gain of \$(120,202) and \$505,279, respectively, and is included in net investment income. The calculation of the net change in the fair value of investments is independent of the calculation of realized gains and losses. The realized gains and losses are computed as the difference between the proceeds of the sale and the cost of the investments sold. Realized gains and losses of the current period include unrealized amounts from prior periods. Realized losses for the years ended June 30, 2011 and 2010 were \$143,743 and \$14,890, respectively.

It is the DSWA's policy generally to hold investments until maturity.

The DSWA's investments are summarized as follows:

	2011		2010	
	Fair Value/ Carrying Value	Cost	Fair Value/ Carrying Value	Cost
U.S. Treasury Obligations	\$ 6,716,155	\$ 5,076,588	\$ 5,414,956	\$ 4,864,590
U.S. Government Agency Bonds and Notes	37,250,028	36,982,951	29,891,274	29,404,106
Wilmington U.S. Government Mutual Funds	18,756,504	18,756,504	9,563,247	9,563,247
Corporate Bonds and Notes	63,586,494	64,677,011	107,852,924	107,954,129
Total Investments	<u>\$ 126,309,181</u>	<u>\$ 125,493,054</u>	<u>\$ 152,722,401</u>	<u>\$ 151,786,072</u>

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 3 - Investments - continued

The investments mature as follows:

	Total	2012	2013	2014	2015-2021
U.S. Treasury Obligations	\$ 6,716,155	\$ 2,827,384	\$ 2,332,350	\$ 763,236	\$ 793,185
U.S. Government Agency Bonds and Notes	37,250,028	4,489,094	6,711,070	5,510,195	20,539,669
Wilmington U.S. Government Mutual Funds	18,756,504	18,756,504	-	-	-
Corporate Bonds and Notes	63,586,494	52,419,786	4,693,232	3,466,384	3,007,092
	<u>\$ 126,309,181</u>	<u>\$ 78,492,768</u>	<u>\$ 13,736,652</u>	<u>\$ 9,739,815</u>	<u>\$24,339,946</u>

NOTE 4 - Capital Assets

A summary of changes in capital assets for the year ended June 30, 2011 is as follows:

	July 1, 2010	Additions	Transfers	Sales/ Retirements	June 30, 2011
Capital assets not being depreciated:					
Construction in progress	\$ 93,686,280	\$ 45,056,517	\$ (2,836,842)	\$ (207,232)	\$ 135,698,723
Land	24,743,347	-	-	-	24,743,347
Total capital assets not being depreciated	<u>118,429,627</u>	<u>45,056,517</u>	<u>(2,836,842)</u>	<u>(207,232)</u>	<u>160,442,070</u>
Depreciable capital assets:					
Land improvements	146,600,837	7,840	2,819,842	(2,397,987)	147,030,532
Less: accumulated depreciation	(113,194,135)	(3,278,646)	17,000	840,259	(115,615,522)
Buildings	41,922,106	88,751	-	-	42,010,857
Less: accumulated depreciation	(20,202,285)	(1,572,973)	-	-	(21,775,258)
Equipment and furniture	18,149,725	827,682	(120,592)	(1,956,418)	16,900,397
Less: accumulated depreciation	(10,927,596)	(2,014,643)	120,325	1,657,641	(11,164,273)
Vehicles	4,658,232	48,718	137,592	(2,066,565)	2,777,977
Less: accumulated depreciation	(3,770,048)	(511,796)	(137,325)	1,844,477	(2,574,692)
Depreciable assets, net of accumulated depreciation	<u>63,236,836</u>	<u>(6,405,067)</u>	<u>2,836,842</u>	<u>(2,078,593)</u>	<u>57,590,018</u>
Capital assets, net	<u>\$ 181,666,463</u>	<u>\$ 38,651,450</u>	<u>\$ -</u>	<u>\$ (2,285,825)</u>	<u>\$ 218,032,088</u>

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 4 - Capital Assets - continued

The status of the DSWA's construction in progress at June 30, 2011 is as follows:

	<u>Expected Completion Date</u>	<u>Costs to Date</u>	
Landfills:			
<u>Cherry Island</u>			
Landfill Expansion Design	FY 2012	\$ 106,030,414	
Office Expansion	On-hold	<u>37,728</u>	
Total			\$ 106,068,142
 <u>Sandtown</u>			
Area F	FY 2012		12,120,209
 <u>Jones Crossroads</u>			
Cell III/IV Capping	Ongoing	65,652	
Cell I/II Capping	Ongoing	169,518	
Landfill Expansion Cell 5	FY 2012	<u>17,071,307</u>	
Total			17,306,477
 <u>Pine Tree Corners Transfer Station</u>			
Concrete Repair (Bldg 1)	FY 2012		187,342
<u>DRC</u>			
Entrance modification	Ongoing		<u>16,553</u>
 Total Construction In Progress			<u><u>\$ 135,698,723</u></u>

NOTE 5 - Landfill Closure and Post Closure Care Costs

On October 9, 1991, the U.S. Environmental Protection Agency issued its rule, "Solid Waste Disposal Facility Criteria". This rule establishes closure requirements, location restrictions, operating criteria, design criteria, groundwater monitoring and corrective action requirements, post closure care requirements and financial assurance requirements for Municipal Solid Waste Landfills. State governments are primarily responsible for establishing state legislation and related permit programs to implement and enforce the EPA rule and have been given flexibility to tailor requirements to accommodate the wide variety of local conditions that exist.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 5 - Landfill Closure and Post Closure Care Costs - continued

In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on the estimated future closure costs that will be incurred near or at the date of closure and the estimated post closure care costs at each site for thirty years after closure. The DSWA reports a portion of these closure and post closure care costs as an operating expense each year based on landfill capacity used during the year. Accrued landfill closure and post closure care costs of \$46,036,781 as of June 30, 2011 and \$44,430,514 as of July 1, 2010, represent the cumulative amount reported based on the estimated percentage of landfill capacity used as of those dates. The DSWA will recognize the remaining estimated cost of closure and post closure care of \$109,457,895 as the remaining estimated capacity is filled. The estimated total current cost of the landfill closure and post closure care of \$155,494,676 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2011. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or in landfill laws and regulations. The following is a summary of selected information related to the DSWA's landfills as of June 30, 2011:

Landfill	Estimated Capacity Used	Cumulative Remaining Life	Accrued Costs	Costs to be Recognized in the Future
Cherry Island	45.32%	36 years	\$ 21,776,273	\$ 18,846,142
Sandtown	20.13%	67 years	7,428,946	46,445,969
Jones Crossroads	15.53%	71 years	14,469,062	44,165,784
Pigeon Point	100.00%	Closed 1985	2,362,500	-
Total			<u>\$ 46,036,781</u>	<u>\$ 109,457,895</u>

During fiscal year 2006, the DSWA received a permit from Delaware Department of Natural Resources and Environmental Control (DNREC) for expanding the Cherry Island Landfill. The permit requires some waste to be disposed at an alternate DSWA facility and prohibits landfilling yard waste at this facility. In addition, the DSWA is allowed to fill bench areas and expand the landfill elevation.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 5 - Landfill Closure and Post Closure Care Costs - continued

A summary of the current year expenditures and accruals is as follows:

	Total	Cherry Island	Sandtown	Jones Crossroads	Pigeon Point
Balance of accrual, July 1, 2010	\$ 44,430,514	\$ 20,818,370	\$ 6,760,257	\$ 13,964,387	\$ 2,887,500
Current year expenditures:					
Closure costs	-	-	-	-	-
Post closure costs	(469,860)	-	-	-	(469,860)
Net accrual	43,960,654	20,818,370	6,760,257	13,964,387	2,417,640
Balance of accrual, June 30, 2011	46,036,781	21,776,273	7,428,946	14,469,062	2,362,500
Net closure and post closure care costs recognized in current year	\$ 2,076,127	\$ 957,903	\$ 668,689	\$ 504,675	\$ (55,140)

Included in the computation of Landfill Closure and Post Closure Care Costs as of June 30, 2011, are closure costs for: (1) Pine Tree Corners Transfer Station of \$10,100 (2) Cheswold Collection Station of \$1,900 (3) Milford Transfer Station of \$11,100 (4) Ellendale, Long Neck, Omar, and Bridgeville Collection Stations, each totaling \$1,900 (5) DRC Transfer Station of \$14,300 and (6) Route 5 Transfer Station of \$11,100.

NOTE 6 - Bonds Payable

The proceeds from periodic debt issuances may only be used for the specific purpose for which the money was raised, which is generally to finance expenditures for landfill construction and development. Proceeds from the bond issues are held in trust until such time as the DSWA incurs qualified expenditures. Premium and discounts on bonds payable are amortized over the life of the related debt issues and reported as a component of interest expense.

On December 20, 2006, the DSWA issued \$95,715,000 of tax exempt special revenue bonds secured by the pledged revenues of the DSWA for the purpose of financing the expansion of the DSWA's Cherry Island Landfill and various other projects as described in the DSWA's capital improvement program. The bonds carry interest rates of 3.5% to 5% and mature between June 1, 2008 and June 1, 2026.

On June 23, 2010, the DSWA issued \$43,480,000 of special revenue bonds secured by the pledged revenues of the DSWA for the purpose of financing the expansion of the DSWA's Sandtown and Jones Crossroads Landfills and various other projects as described in the DSWA's capital improvement program. The bonds were delivered in two series:

Tax Exempt Series "A" bonds carry interest rates of 2.0% to 3.5% and mature between June 1, 2011 and June 1, 2018.

Taxable Build America Bonds (BAB's) Series "B" carry interest rates of 4.42% to 5.37% and mature between June 1, 2016 and June 1, 2022. The DSWA will receive an annual subsidy from the IRS of 35% of the interest cost for each year outstanding.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 6 - Bonds Payable - continued

Revenue bonds payable by the DSWA at June 30 are summarized as follows:

	<u>2011</u>	<u>2010</u>
Series 2006	\$ 81,855,000	\$ 85,530,000
Series 2010 "A"	21,685,000	24,625,000
Series 2010 "B"	<u>18,855,000</u>	<u>18,855,000</u>
Total Principal	122,395,000	129,010,000
Unamortized premium	3,401,031	3,979,902
Accrued interest	<u>469,512</u>	<u>453,086</u>
 Total Bonds Payable	 <u><u>\$ 126,265,543</u></u>	 <u><u>\$ 133,442,988</u></u>

The debt service requirements on the Series 2006 and Series 2010 bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 7,025,000	\$ 5,634,151	\$ 12,659,151
2013	7,295,000	5,363,425	12,658,425
2014	7,600,000	5,056,061	12,656,061
2015	7,910,000	4,749,562	12,659,562
2016	7,275,000	4,460,513	11,735,513
2017-2021	46,915,000	16,665,423	63,580,423
2022-2026	<u>38,375,000</u>	<u>5,508,410</u>	<u>43,883,410</u>
	<u><u>\$ 122,395,000</u></u>	<u><u>\$ 47,437,545</u></u>	<u><u>\$ 169,832,545</u></u>

The total interest expense incurred on the DSWA bond debt for the years ended June 30, 2011 and 2010 was \$5,741,955 and \$4,415,668, respectively. The total interest capitalized and included in Construction in progress on the Statements of Net Assets for the years ended June 30, 2011 and 2010 was \$4,122,826 and \$2,218,514, respectively.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 7 - Deferred Revenues

On February 1, 1990, the DSWA entered into an agreement with the Delmarva Power Company (Delmarva) which allowed Delmarva to dispose fly ash at the DSWA's designated landfill areas. In exchange for this right, the DSWA received 37.73 acres of land adjacent to the Cherry Island Landfill. This land was independently appraised at \$864,250 and has been capitalized and included in the DSWA's property, plant and equipment at that value. This agreement was subsequently assigned by Delmarva to Conectiv Delmarva Generation, LLC (Conectiv). Deferred revenue for the future disposal fees of this fly ash was recorded on the books and records of the DSWA equal to the capitalized value of the property received in exchange. The DSWA recognizes income each year based on the actual wet tons actually received. As of June 30, 2010, Conectiv terminated this ash agreement due to its pending sale to Calpine Corporation, who did not want to acquire the rights to this agreement; the remaining balance of the deferred disposal fees in the amount of \$788,260 was recognized as Operating Revenues - Net User Fees during year ended June 30, 2010.

NOTE 8 - Pension Plan

Plan Description: All full-time or regular part-time employees of the DSWA are required to participate in the Delaware Public Employees' Retirement System (the "System") administered by the Delaware Board of Pension Trustees. The System is a cost-sharing, multiple-employer, defined benefit public employee retirement system that provides retirement, death and disability benefits to plan members and beneficiaries. Pension benefits of the System are established by Delaware Statutes, Chapter 55, Title 29, and may be amended by the Delaware Legislature.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Office of Pensions, McArdle Building, 860 Silver Lake Blvd., Suite 1, Dover, Delaware 19904-2402, by visiting the web site at www.delawarepensions.com or by calling 1-800-722-7300.

Funding Policy: Plan members are required to contribute 3% of their annual salary which exceeds \$6,000 per calendar year. The DSWA is required to contribute at an actuarially determined rate, which was 17.20%, 15.27% and 15.87% of annual covered payroll for the years ended June 30, 2011, 2010 and 2009, respectively. The contribution requirements for plan members and participating governments are established by State statute. The DSWA's contributions to the System for the years ended June 30, 2011, 2010 and 2009 were \$1,091,219, \$1,082,961 and \$1,176,097, respectively, and were equal to the required contributions for each year.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 9 - Contract Rebate Payable

The DSWA offers a Differential Disposal Fee Program to all customers who enter into a contract with the DSWA to bring all of their solid waste or dry waste which has been collected in the State of Delaware to the DSWA facilities in accordance with the contract. The program began on July 1, 2005 and ran through June 30, 2010. The program offered rebates of \$10.00/ton and \$13.50/ton. The "at the gate fee" for all dry waste delivered to designated facilities was \$42.00/ton.

Effective July 1, 2010, the DSWA offers a new program, the Discount Disposal Fee Program, to all customers who enter into a contract with the DSWA to bring all of their solid waste or dry waste which has been collected in the State of Delaware to the DSWA's facilities in accordance with the contract. The program will run through June 30, 2013. The program offers rebates of \$8.00/ton and \$4.00/ton for deliveries to the landfills or transfer stations, respectively.

For the program years ended June 30, 2011 and 2010, four hundred and thirteen (413) and three hundred and seventy three (373) participants received rebates totaling \$4,208,165 and \$8,208,638, respectively.

NOTE 10 - Risk Management

The DSWA is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The DSWA purchases commercial insurance in the open market from insurance companies with an A.M. Best rating of A-size VII or higher for all insurable risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11 - Commitments and Contingencies

Arbitrage: The Tax Reform Act of 1986 requires the DSWA to rebate the earnings on the investment of revenue bond proceeds, in excess of their yield, to the Federal Government. Of the rebate, 90 percent is due and payable five years from the date bonds were issued and at five-year intervals thereafter. The remaining 10 percent is payable 60 days after they are retired. As of June 30, 2011, the DSWA is contingently liable for arbitrage rebate currently computed to total \$864,966.

Litigation: The DSWA makes significant estimates in determining the amount of Unreserved Net Assets needed for the protection of the DSWA, the DSWA's assets, employees and bondholders in the event of litigation because of the nature of the DSWA's operations. Although the DSWA has endeavored to estimate an adequate amount for this self-insurance, it is not determinable whether or not the DSWA's assets would be sufficient in the event of such litigation.

DELAWARE SOLID WASTE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 11 - Commitments and Contingencies - continued

Contract Commitments: The DSWA has several uncompleted construction contracts for landfill development and improvements to the solid waste system. The construction is being funded primarily from existing renewal and replacement funds. At June 30, 2011, the uncompleted contracts are summarized as follows:

	Contract Amount	Approved Payments	Retainage Payable	Remaining Contract Commitment
Cherry Island Landfill	\$ 96,568,912	\$ 91,770,485	\$ 1,033,681	\$ 4,798,427
Sandtown Landfill	15,651,694	10,785,282	476,739	4,866,412
Jones Crossroads Landfill	19,043,834	15,099,225	701,524	3,944,609
	<u>\$ 131,264,440</u>	<u>\$ 117,654,992</u>	<u>\$ 2,211,944</u>	<u>\$ 13,609,448</u>

In addition to the construction contract commitments, the DSWA also has operations contracts for various facilities and programs. The facilities include the Cherry Island and Sandtown Landfills and the Pine Tree, Milford and Route 5 Transfer Stations. The future estimated cost of these commitments as of June 30, 2011 is \$33,358,255, which relates to contracts expiring through June 2014. The DSWA's contracts include termination for convenience clauses which allows the DSWA to cancel the contracts at any time.

The DSWA and the city of Wilmington negotiated a Restated Sludge Agreement that provides for a ten-year period beyond 2003, during which time the City will not be charged service fees for stabilized sludge that is utilized by the DSWA for landfill operations.

NOTE 12 - Impaired Long-Lived Assets

During the fiscal year 2010, certain landfill gas system equipment located at the Cherry Island Landfill was abandoned. The net carrying value of the equipment equaled \$1,724,149. During fiscal year 2011, the DSWA incurred an impairment loss of \$2,031,829 for assets abandoned that were primarily associated with curbside recycling operations which ceased in April 2011. The net carrying value of the assets for the years ended June 30, 2011 and 2010 are reflected as an impairment loss on the Statements of Revenues and Expenses and Changes in Net Assets.

DELAWARE SOLID WASTE AUTHORITY
SCHEDULES OF OPERATING REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	Landfill Operations	Transfer Station Operations	Collection Station Operations	Recycling Operations	Household Hazardous Waste Program	General & Administrative	2011 Total	2010 Total
OPERATING REVENUES								
Net user fees: solid waste	\$ 43,503,567	\$ 12,403,981	\$ 107,435	\$ -	\$ -	\$ -	\$ 56,014,983	\$ 44,446,275
Landfill gas	4,623,544	-	-	-	-	-	4,623,544	3,545,163
Other income	512,590	30,803	-	2,954,997	-	(755)	3,497,635	3,144,845
TOTAL OPERATING REVENUES	48,639,701	12,434,784	107,435	2,954,997	-	(755)	64,136,162	51,136,283
OPERATING EXPENSES:								
SALARIES AND RELATED COSTS	3,750,979	374,250	154,922	2,010,423	16,818	3,771,142	10,078,534	10,643,804
PROFESSIONAL SERVICES								
Legal services	8,694	-	-	-	-	323,670	332,364	443,399
Auditing services	-	-	-	-	-	63,290	63,290	71,228
Computer services	-	-	-	-	-	4,045	4,045	1,519
Consulting engineer	449,968	-	-	-	-	37,182	487,150	598,217
Other professional services	3,659	3,400	1,650	3,699	-	281,842	294,250	150,939
Total Professional Services	462,321	3,400	1,650	3,699	-	710,029	1,181,099	1,265,302
TRAVEL								
Mileage	331	-	-	-	-	417	748	328
Common carrier	1,514	-	-	-	-	3,979	5,493	3,511
Lodging, meals, parking and tolls	5,981	-	-	3,434	-	22,122	31,537	14,985
Conferences and registrations	2,964	-	-	-	-	4,899	7,863	9,617
Business meetings	2,945	14	-	565	-	20,716	24,240	38,085
Total Travel	13,735	14	-	3,999	-	52,133	69,881	66,526
SUPPLIES AND MATERIALS								
Office and computer supplies	24,362	2,093	1,347	5,069	-	117,254	150,125	140,164
Maintenance and janitorial supplies	93,600	1,414	345	1,852	-	5,182	102,393	124,423
Safety supplies	25,855	977	59	12,456	-	9,267	48,614	43,871
Publications and subscriptions	54	-	-	69	-	3,979	4,102	2,118
Uniforms	20,348	207	-	27,193	-	4,073	51,821	80,298
Vehicle expense	61,781	-	-	305,667	-	54,140	421,588	410,087
Other supplies	1,152,762	369	22,288	126,798	-	9,961	1,312,178	2,057,615
Weighttickets and supplies	1,634	620	-	-	-	-	2,254	2,363
Total Supplies and Materials	1,380,396	5,680	24,039	479,104	-	203,856	2,093,075	2,860,939
UTILITIES								
Electric	829,595	79,825	5,093	45,240	-	29,575	989,328	912,850
Water	444	-	-	12,124	-	381	12,949	19,589
Sewage	745,729	-	-	-	-	733	746,462	636,586
Fuel oil and gas	14,482	-	-	3,993	-	4,142	22,617	22,504
Telephone	33,859	7,460	2,171	31,558	-	49,989	125,037	119,892
Total Utilities	1,624,109	87,285	7,264	92,915	-	84,820	1,896,393	1,711,421
CONTRACTUAL SERVICES								
Equipment rental and repair	28,946	169	-	37,366	2,452	26,195	95,128	87,059
Temporary services	69,883	5,548	-	330,855	-	-	406,286	116,978
Membership and dues	422	-	-	-	-	11,842	12,264	19,437
Printing	4,238	-	2,638	2,896	-	37,455	47,227	9,114
Advertising	5,469	1,397	156	3,535	-	9,637	20,194	25,980
Insurance	6,465	-	-	(45)	-	733,793	740,213	645,473
Permits and fees	269,088	21,490	14,416	7,000	-	516	312,510	358,748
Leachate hauling and treatment	1,864,528	-	-	-	-	-	1,864,528	2,751,176
Postage and freight	10,825	101	12	1,374	-	27,619	39,931	44,867
Surveying	67,841	-	-	112	-	4,475	72,428	63,000
Public awareness	14,014	-	-	8,912	5,227	171,694	199,847	218,678
Site security	39,390	3,512	2,604	335	-	12,856	58,697	69,130
Contractors' operating cost	-	5,124,744	-	1,470,926	413,331	-	7,009,001	7,402,314
Landfill materials	1,700,290	-	-	26	-	-	1,700,316	1,679,779
Contractors' disposal costs	5,159,819	1,896,133	-	-	-	-	7,055,952	8,008,701
Janitorial services and pest control	39,603	2,309	442	23,388	-	28,128	93,870	106,537
Automotive rental and repair	47,056	471	-	153,530	-	40,712	241,769	261,637
Landscaping services	9,376	1,995	11,092	24,099	-	4,192	50,754	55,786
Hauling services	-	-	51,757	-	-	-	51,757	47,829
Methane gas recovery	953,150	-	-	-	-	-	953,150	876,639
Other contractual services	210,692	26,021	12,035	41,507	2,195	357,613	650,063	670,725
C&D processing	30,699	-	-	-	-	-	30,699	26,498
General maintenance and repair	730,371	55,472	32,547	171,024	1,898	342,937	1,334,249	1,677,428
Total Contractual Services	11,262,165	7,139,362	127,699	2,276,840	425,103	1,809,664	23,040,833	25,223,513
CLOSURE AND POST CLOSURE CARE OF LANDFILLS								
	2,076,127	-	-	-	-	-	2,076,127	15,525
DEPRECIATION EXPENSE	4,484,477	1,393,005	43,562	1,299,928	8,958	148,128	7,378,058	8,520,155
TOTAL OPERATING EXPENSES	25,054,309	9,002,996	359,136	6,166,908	450,879	6,779,772	47,814,000	50,307,185
MANAGEMENT OPERATIONS DISTRIBUTION								
	4,444,560	1,030,673	6,781	1,298,513	-	(6,780,527)	-	-

Credits**Copywriter**

Michael Parkowski

Photography and Design

Debra Hougaard

Photography

Dick Dubroff, Final Focus

Geosynte

Karl Richeson Photography

Land & Mapping Services

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