

Annual Report 2020

Delaware Solid Waste Authority



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BOARD OF DIRECTORS



Back Row: Timothy P. Sheldon, Vice Chairman; Tonda Parks; Gerard L. Esposito, Chairman of the Board;
A. Temple Carter III; Norman D. Griffiths
Front Row: William “Jack” Riddle; Michael R. Paraskewich, Jr., Ph.D, P.E.

The Board of Directors consists of seven members all working towards the mission of the Delaware Solid Waste Authority (DSWA). The Board of Directors takes this mission very seriously and is always looking for ways to improve within the organization. They set policies and make decisions regarding current operations, programs, and planning. All Board Members are appointed by the Governor and confirmed by the Senate for three-year terms and the Chairman serves at the pleasure of the Governor. Board members serve voluntarily and without pay. All members are Delaware residents and take an active role in their local communities and charity organizations. They are also active within DSWA by attending many DSWA sponsored events. The Board of Directors realizes the importance of these events in getting information about DSWA’s facilities and programs out to the public.

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

OUR MISSION

CHAIRMAN'S LETTER

As I reflect upon Fiscal Year 2020, I am delighted to report another year of great accomplishments for the Delaware Solid Waste Authority (DSWA). We faced several significant challenges and were able to overcome them while also maintaining a strong sustainable financial position as detailed in this report. The most significant challenge DSWA and everyone faced was the impact of the COVID-19 pandemic. DSWA met that challenge by providing all the vital solid waste and recycling services that Delawareans depend upon, and did so without interruption.

Under the COVID-19 pandemic situation, Solid Waste and Recycling Services were classified as essential on a national, state, and local level. Governor John Carney declared a State of Emergency on March 12, 2020 which shut down or severely limited the operation of all businesses including commercial, institutional and government-related. Residents spent most of their time at home generating more waste and recyclables than normal. Commercial waste generation reduced substantially. As an essential service provider, DSWA was tasked to figuring out how to continue operations in a safe manner for its employees and customers. Fortunately, the Management and the Human Resources team developed and implemented procedures based on guidance provided by the Governor's office and the Centers for Disease Control and Prevention and the Delaware Department of Public Health.

Protection measures for "frontline" employees who were in contact with customers was a priority. Acquisition of protective masks, hand sanitizer, and cleaning services was successfully done very quickly for all DSWA staff and facilities by the Human Resources group. The Administrative and Financial Services groups provided uninterrupted service through a combination of telecommuting and reduced in-office time. The Landfills, Transfer Stations, Collection Stations, and Recycling groups provided full service during this period. The only exception was the cancellation of Household Hazardous Waste and Paper Shredding Events for a short time from March 28, 2020 through May 14, 2020.

The Information Technology group did an excellent job setting up Zoom webinar meetings for all internal and external needs. DSWA Board and Committee meetings were conducted this way in conformance with the State's COVID-19 social distancing requirements.

The actions of DSWA's staff and Board of Directors this year showed all Delawareans our commitment to provide uninterrupted essential services under any conditions we face. I am so proud to be a part of this extraordinary organization which not only serves Delaware very well, but also provides a great example to the rest of the country of



Gerard L. Esposito, Chairman of the Board



CEO's REVIEW

Fiscal Year 2020 (July 1, 2019 -June 30, 2020) proved to be another all-around successful year for the Delaware Solid Waste Authority (DSWA). We continued to provide Delaware the essential solid waste disposal and recycling services we depend upon to protect our public health and environment, even during the COVID-19 pandemic. In addition, we were able to strengthen our financial position as detailed in the Financial Statements of this Annual Report. This was in spite of a small drop in Revenue Tons compared to FY2019 and extremely poor recycling markets.

The small drop in revenue tons was mainly due to two factors. First, in FY2019 there was a large one-time cleanup of a state site that brought in over 27,000 tons to our Southern Solid Waste Management Center. Second, there was a significant decline in Commercial Waste tons from the shutdown of many businesses during March-June 2020 due to the COVID-19 pandemic. This was somewhat offset by an increase in Residential Waste tons and an increase in Construction and Demolition Waste tons.

Extremely poor recycling markets have been the norm for the past few years. FY2020 saw them decline further. Especially hard hit was mixed paper, where instead of receiving revenue, we had to pay to get it to the market. Mixed paper was also the largest quantity of material we marketed.

FY2020 was the fourth year of our five (5) year Discount Disposal Fee (DDF) contract system which substantially reduced our tipping fees from the previous contract. Tipping fees net of rebate were \$68.00/ton at our Landfills and \$76.50/ton at our Transfer Stations for FY2020. This compares to \$80.50/ton at our Landfill and \$84.50/ton at our Transfer Stations for Fiscal Year 2016.

DSWA puts great emphasis on maintaining and improving its infrastructure to optimize its operation, useful life and cost-effectiveness. During FY2020, the following are examples of infrastructure improvement projects that were completed:

1. Cleaning and restoring drainage ditches at the Jones Crossroads Landfill site to keep them functioning properly.
2. Installing chain-link fencing around the perimeter of Sandtown Landfill borrow pit to keep it secure.

One infrastructure improvement project was scheduled for March 2020, but had to be rescheduled for September 2020 due to pandemic restrictions. This project was the renovation of the concrete tip floor of Building Number 2 at the Pine Tree Corners Transfer Station.

The following activity on construction projects took place in FY2020:

1. Construction resumed and was nearing completion for the Newark Recycling Center.
2. Design of the following projects neared completion:
 - a. Transfer Trailer storage buildings for Milford and Route 5 Transfer Stations
 - b. DSWA Dover Administration Building
 - c. Sound mitigation berm for the Route 5 Transfer Station
3. Selection of Design and Construction Inspection Firms for:
 - a. Capping of Area A/B at the Sandtown Landfill
 - b. Partial Capping of Area F at the Sandtown Landfill

Administratively, there were significant undertakings too. The Human Resources Manual was completely updated and received Board approval for the changes. The Special Waste Policy was also updated and received Board approval for those changes.

The enactment in 1975 of Title 7, Chapter 64 of the Delaware Code made the DSWA responsible for developing, adopting, and implementing a Statewide Solid Waste Management Plan for Delaware. DSWA last adopted a Statewide Plan in April 2010 for a ten-year period. During FY2020 a new ten-year plan was drafted and was ready for public input before final adoption.

I am so very proud of our staff's performance during this past year's challenges, especially those brought upon us by the COVID-19 pandemic. We were able to quickly and effectively make changes to our operations which kept our employees and customers safe. In addition, we are very fortunate to have a supportive and engaged Board of Directors who have helped us navigate through this very unusual year.

Richard P. Watson

Richard P. Watson P.E., BCEE | Chief Executive Officer



Recycling Diversion Rates in Delaware

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Diverted Recyclables (tons)	359,147	401,883	405,953	450,499	472,344	499,363	541,234	520,110	442,158	461,230
Landfilled Municipal Solid Waste (MSW) (tons)	706,368	672,761	607,539	623,463	658,788	673,058	675,721	686,919	732,614	730,578
Total MSW = Diverted Recyclables + Landfilled MSW (tons)	1,065,515	1,074,492	1,013,492	1,073,962	1,131,132	1,172,421	1,216,955	1,207,029	1,174,771	1,191,808
PERCENT DIVERTED RECYCLABLES	33.7%	37.4%	40.1%	41.9%	41.8%	42.6%	44.5%	43.1%	37.6%	39%



DSWA Recycling

SINGLE-STREAM RECYCLING FOR FY 2020 TONS RECEIVED

	Delaware Recycling Center	Milford Transfer Station	Rt. 5 Transfer Station	Total
Total Material Received (tons)	63,889	17,626	26,968	108,483

DROP-OFF CENTER PROGRAM

Item/Source	Tons	Sent To
Motor Oil	477	Heritage-Crystal Clean
Oil Filters	13	Heritage-Crystal Clean
Household Batteries	58	Call2Recycle
Polystyrene Foam	6	Dart Container
Single-Stream	975*	Republic Services
Totals	1,529	

*Total represents tons collected at the Milford Transfer Station, RT5 Transfer Station, Bridgeville Collection Station, and Ellendale Collection Station.



Landfill Gas Utilization

LFG	Beneficially Used	Flared	Collected	Energy Derived from Beneficially Used Gas			GHG Reduced
	(MMSCF)	(MMSCF)	(MMSCF)	(MMBTU)	(KwH) ^a	(# homes powered) ^b	(MTCO ₂ E) ^c
CIL	878	768	1,646	468,073	40,006,270	3,534	344,843
CSWMC	550	103	653	272,908	25,080,567	2,216	128,094
SSWMC	713	95	808	294,042	26,556,625	2,346	151,537
Total	2,141	966	3,107	1,035,023	91,643,462	8,096	624,474

a - estimated value

b - determined by USEPA 2014 LMOP LFG Energy Benefits Calculator

c - metric tons of carbon dioxide equivalents per year reduced thru LFG collection

Landfill gas (LFG) is a product of the decomposition of waste that occurs naturally in a landfill. It contains approximately 50% methane, which is the main component of natural gas. DSWA collects and utilizes the energy capacity of the LFG at all three of our active landfill facilities. In New Castle County the Cherry Island Landfill (CIL) collects approximately 3,000 cubic feet of LFG per minute. More than half of the LFG collected is utilized by Cummins Power Generation to generate power for the Croda Atlas Point Facility and the City of Wilmington's Wastewater Treatment Plant. In Kent County the Central Solid Waste Management Center (CSWMC) collects approximately 1,380 cubic feet of LFG per minute. In Sussex County the Southern Solid Waste Management Center (SSWMC) collects approximately 1,790 cubic feet of LFG per minute. LFG collected at the CSWMC and SSWMC facilities is utilized by Ameresco Delaware Energy, LLC. Ameresco uses engines to generate electricity for Delaware homes and businesses. Ameresco has 5 MW of energy generating capacity at each facility.

LFG is a valuable source of green energy for the State of Delaware. Use of LFG to generate electricity diverts the use of fossil fuel energy sources including coal, natural gas and oil. The carbon dioxide generated from utilizing LFG is considered "biogenic," which means that it is carbon neutral so it does not contribute to climate change. LFG is a source of green energy that is available at DSWA facilities. DSWA is committed to continued public/private partnerships that will utilize LFG to produce green energy for Delaware.



Recovered Resource Quantities Sent To Market By Material

FY 2020

Material	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill	Pine Tree Cor-ners Transfer Station	Milford Transfer Station	Rt. 5 Transfer Station	Total
(TONS) Sent to Market	CIL	CSWMC	SSWMC	PTCTS	MTS	RT 5 TS	TOTAL
Refrigerant White Goods	150.24	61.16	103.87	122.08	35.43	86.08	558.86
Non Refrigerant White Goods	206.51	164.37	532.76	320.27	87.41	437.27	1,748.59
Tires	549.78	779.05	1,636.01	94.25	41.56	37.96	3,138.61
Dry Wall	64.86	50.58	1,148.18	8.28	26.41	135.75	1,434.06
Propane Bottles	3.68	1.19	2.67	2.22	2.91	1.37	14.04
Mattresses	67.03	9.24	59.65	-	-	-	135.92
TOTAL (TONS)	1,042.10	1,065.59	3,483.14	547.10	193.72	698.43	7,030.08

Recovered Resource Quantities Used by Material FY 2020

	Cherry Island Landfill	Sandtown Landfill	Jones Crossroads Landfill	Total
Materials (Tons Material Used)				
Alternative Materials Used For Soil Cover				
Clean Earth	383,458.00	-	-	383,458.00
Barrier	35,238.00	-	-	35,238.00
Total	418,696.00	0.00	0.00	418,696.00
Alternative Materials Used For Road Building				
Steel Slag	21,124.00	-	-	21,124.00
Clean Earth Aggregate	19,416.00	-	-	19,416.00
Chipped Yardwaste	-	5,065.30	-	5,065.30
Recycled Asphalt	13,256.00	-	-	13,256.00
Recycled Concrete	-	10,238.10	-	10,238.10
Total	53,796.00	15,303.40	0.00	69,099.40
Alternative Materials Used for Soil Amendment				
Yard Waste	1,848.00	-	4,313.00	6,161.00
Total	1,848.00	0.00	4,313.00	6,161.00
TOTALS	474,340.00	15,303.40	4,313.00	493,956.40

Electronics Recycling

Special Saturday Collections	
Locations (FY 2020)	Pounds Collected
July 2019- St. Anne's School	19,267
July 2019 -Milford Transfer Station	15,500
August 2019-Mt. Pleasant Elementary School	27,526
September 2019-Hocker's Store	17,050
October 2019- Frawley Stadium	26,304
October 2019- Long Neck	8,866
November 2019- Glasgow High School	29,693
March 2020 - Fenwick Island	Canceled
April 2020 – St. Anne's School	Canceled
April 2020 – Mt. Pleasant	Canceled
April 2020 – Blue Hen Corporate Center	Canceled
May 2020 – North Star Elementary	37,941
June 2020 – Delaware City	16,355
June 2020 – Woodbridge	8,887
Total	207,389

DSWA is able to provide Special Saturday Collection Events as well as weekly collections statewide. These services are provided free of charge to all Delaware Residents.

In addition, free electronics recycling services are provided to governmental offices, non-profits and schools. Recycling electronic goods removes potentially hazardous materials from the waste stream and saves landfill space.

Primary Devices Collected	Number Collected
CPU/Laptops/Servers	9,537
Monitors	5,884
Televisions	22,513
Total Items	37,934



FY 20 Electronic Goods Collection Totals	
Material Collection Point	Pounds Collected
Saturday Collection Events	207,389
Weekly/Monthly Collection	1,489,545
Government Offices Collection	380,724
Non-profits Collections	25,310
School Collection	330,080
TOTAL	2,433,048
TOTAL COST	\$649,562.24

Document Shredding



Special Saturday Document Shredding Events	
Locations (FY 2020)	Pounds Collected
July 2019- St. Anne's School	11,540
July 2019 -Milford Transfer Station	7,000
August 2019-Mt. Pleasant Elementary School	16,800
September 2019-Hocker's Store	10,000
October 2019- Frawley Stadium	16,600
October 2019- Long Neck	6,200
November 2019- Glasgow High School	6,120
March 2020 - Fenwick Island	Canceled
April 2020 – St. Anne's School	Canceled
April 2020 – Mt. Pleasant	Canceled
April 2020 – Blue Hen Corporate Center	Canceled
May 2020 – North Star Elementary	21,940
June 2020 – Delaware City	15,220
June 2020 – Woodbridge	5,600
TOTALS	117,020

DSWA offers document shredding at all Saturday Collection Events throughout the year, as well as special monthly events at DSWA facilities.

Monthly Facility Document Shredding Events Pounds Collected By Location				
Date (FY 2020)	SSWMC (1st Monday)	Cheswold Collection (1st Friday)	DRC (1st Saturday)	Total
July 2019	1,500	4,440	34,375	40,315
August 2019	5,300	7,760	18,140	31,200
September 2019	4,500	7,320	16,940	28,760
October 2019	3,500	6,540	16,900	26,940
November 2019	3,700	6,100	18,980	28,780
December 2019	4,000	7,200	15,380	26,580
January 2020	4,200	6,760	8,480	19,440
February 2020	5,280	8,700	5,440	19,420
March 2020	5,000	8,480	12,080	25,560
April 2020	0	0	0	0
May 2020	0	0	0	0
June 2020	10,000	13,140	17,320	40,460
TOTAL POUNDS	46,980	76,440	164,035	287,455

FY 20 Document Shredding Collection Totals	
Material Collection Point	Pounds Collected
Saturday Collection Events	117,020
Monthly Facility Shredding Events	287,455
TOTAL	404,475
TOTAL COST	\$62,549.02

Household Hazardous Waste Collection

Special Saturday Collection Events		
Event (FY 2020)	Pounds Collected	Cost Per Event
July 2019- St. Anne's School	20,420	\$24,517.07
July 2019 -Milford Transfer Station	16,460	\$21,278.25
August 2019-Mt. Pleasant Elementary School	33,457	\$42,990.75
September 2019-Hocker's Store	19,942	\$25,852.44
October 2019- Frawley Stadium	32,995	\$35,365.50
October 2019- Long Neck	12,158	\$15,857.82
November 2019- Glasgow High School	28,960	\$37,138.00
March 2020 - Fenwick Island	Canceled	
April 2020 – St. Anne's School	Canceled	
April 2020 – Mt. Pleasant	Canceled	
April 2020 – Blue Hen Corporate Center	Canceled	
May 2020 – North Star Elementary	43,776	\$49,577.19
June 2020 – Delaware City	13,615	\$14,248.51
TOTAL	230,178	\$282,074.04



DSWA operates Household Hazardous Waste (HHW) Saturday Collection Events at different locations throughout the year. In addition, weekly collections are provided in each of Delaware's three counties. Delaware residents can bring their HHW to DSWA free of charge.

Totals For HHW Program (FY 2020)		
July 2019-June 2020		
Location	Pounds Collected	Cost
Delaware Recycling Center	333,046	\$570,667.72
Cheswold Collection Station	123,891	\$285,982.72
Jones Crossroads Landfill	143,046	\$288,244.20
Saturday Special Events	230,178	\$282,074.04
Total	830,161	\$1,426,968.68



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Delaware Solid Waste Authority

Financial Statements and
Supplemental Information

Years Ended June 30, 2020 and 2019

A large, abstract, three-dimensional geometric graphic is positioned on the left side of the page. It is composed of several light gray and white triangular and quadrilateral faces, creating a faceted, crystalline appearance. It has a sense of depth and perspective, with some faces angled towards the viewer and others receding.

WIPFLI

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying statements of net position of Delaware Solid Waste Authority as of June 30, 2020 and 2019, and the related statements of revenues and expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delaware Solid Waste Authority as of June 30, 2020 and 2019, and the changes in financial position, and cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. The schedules of proportionate share of the pension liability, schedules of contributions - pension, schedules of proportionate share of the collective net OPEB liability, and schedules of contributions - OPEB are 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating revenues and expenses is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of operating revenues and expenses is the responsibility of management and was derived from and relate 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 audits 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

Radnor, Pennsylvania
October 22, 2020

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, 2020 and 2019. 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 Statements of Net Position present information on the DSWA's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the DSWA is improving or deteriorating.

The Statements of Revenues and Expenses and Changes in Net Position present information showing how the DSWA's net position changed during the most recent fiscal year. All changes in net position 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 Statements of Cash Flows present 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.

The basic Enterprise Fund Financial Statements can be found on pages 10 through 14 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 15 through 39 of this report.

Financial Highlights

- The DSWA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by approximately \$220.3 million and \$211.9 million at the close of fiscal years 2020 and 2019, respectively. This represents an increase of approximately \$8.4 million (4.0%) in net position in 2020 over the previous year.
- Total incoming tonnage in fiscal year 2020 decreased by approximately 14,000 tons resulting in a 1.5% decrease in revenue-generating tons compared to fiscal year 2019.
- Total operating revenue decreased by approximately \$1.1 million or 1.6% less than fiscal year 2019. By comparison, the prior year was \$5.0 million or a 7.4% increase from fiscal year 2018. While revenue generating tonnage decreased slightly, the related revenue net of contractual rebates increased just over \$250,000. However, a continued erosion of the recycling market resulted in just over \$1.3 million less in other

operating revenue or an almost 80% reduction in this revenue. Net user fees reported in this item are net of the Differential Disposal Fee Programs rebates of approximately \$8.15 million in 2020 and \$9.28 million in 2019 (see Note 8).

- Total operating expenses for 2020 (prior to depreciation and closure costs) increased by approximately \$1.46 million or 3.0% from the previous year. This increase was largely due to a year end pension and other post-employment benefits expense increase related to DSWA's portion of the plan administered by the State of Delaware. This 2020 adjustment was a net \$1.45 million expense compared to approximately \$150,000 in 2019.
- Operating income for 2020 was approximately \$4.3 million versus the prior year operating income of \$11.1 million. This decrease of over 60% was the result of the erosion of the recycling market adversely affecting operating revenue, pension and other post-employment benefits year end expense adjustments, and almost \$4.2 million more expense related to depreciation and closure costs compared to 2019.
- In June 2010, DSWA issued bonds 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 principal of \$24,625,000 which matured 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 Position

As noted earlier, net position may serve over time as a useful indicator of DSWA's financial position. The DSWA's net position increased during fiscal year 2020 by \$8,392,752 and increased by \$16,095,127 for 2019. A condensed summary of DSWA's net position for the two years being reported is presented below:

	Net Position	
	2020	2019
Current and Other Assets	\$ 166,453,960	\$ 150,194,398
Capital Assets	183,799,040	190,453,893
Deferred Outflow of Resources	1,482,804	1,430,759
Total Assets and Deferred Outflow of Resources	351,735,804	342,079,050
Current Liabilities	13,512,670	14,127,354
Long-Term Obligations	112,193,913	112,317,291
Deferred Inflow of Resources	5,743,362	3,741,298
Total Liabilities and Deferred Inflow of Resources	131,449,945	130,185,943
Net Position:		
Invested in Capital Assets	177,688,690	180,286,447
Unrestricted	42,141,531	31,165,423
Restricted	455,638	441,237
Total Net Position	\$ 220,285,859	\$ 211,893,107

Net position 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 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 position is limited to outside third-party restrictions and represents the net position that has been legally identified for specific purposes.

Summary of Revenues and Expenses and Changes in Net Position

A summary of revenues and expenses and changes in net position for the years ended June 30, 2020 and 2019 is presented below:

	Change in Net Position	
	2020	2019
Operating Revenues		
Net User Fees: Solid Waste	\$ 69,353,519	\$ 69,095,439
L/F Gas Marketing Income	1,272,105	1,355,256
Marketing Income (Expense) Recyclables	(826,269)	(204,109)
Other Income	1,164,801	1,851,505
Total Operating Revenues	70,964,156	72,098,091
Operating Expenses		
Salaries and Related Costs	11,905,593	10,285,028
Contractual Services	31,885,415	31,443,338
Depreciation	13,746,521	11,931,387
Landfill Closure	4,367,689	2,000,510
Other Expenses	4,761,414	5,366,803
Total Operating Expenses	66,666,632	61,027,066
Operating Income	4,297,524	11,071,025
Net Nonoperating Revenue	4,095,228	5,024,102
Increase in Net Position	8,392,752	16,095,127
Net Position - Beginning of Year	211,893,107	195,797,980
Net Position - End of Year	\$ 220,285,859	\$ 211,893,107

Capital Asset Activity

The following provides a summary of the significant changes in capital assets for the year ended June 30, 2020 and a description of the major items affecting the year-end balances (see Note 4 - Capital Assets).

1. Construction in Progress

Increases: Dover administrative building - \$265,211, Rt 5 Transfer Station trailer storage - \$39,752, Northern Recycling site improvements \$475,852, Pigeon Point Landfill manhole upgrades - \$80,836, Rt 5 Transfer Station LED upgrades - \$80,716, Milford Transfer Station LED upgrades - \$128,000, Southern Landfill beaver dam ditch - \$56,933, Southern Landfill feeder ditch - \$591,238, Pinetree Transfer Station tipping floor - \$246,175, Southern Landfill SCADA upgrades - \$476,365, Central Landfill borrow pit - \$1,366,899

2. Depreciable Capital Assets

Increases: Vehicles - \$474,333, Building and Land Improvements - \$979,417, Heavy Construction Equipment and Processing Equipment - \$1,328,762.

Decreases: Vehicles sold or traded-in - approximately \$98,950, Heavy Construction Equipment and Processing Equipment sold or traded-in – approximately \$1,112,650, Buildings and Land Improvements approximately \$47,290.

Review of Operations

Landfill Operations. During fiscal year 2020, the Delaware Solid Waste Authority's three operating landfills managed the safe disposal or recycling of 948,472 tons of waste compared to 962,916 tons during the previous year. Of the total waste received, dry waste, which includes construction and demolition waste, accounted for 147,956 tons in fiscal year 2020 compared to 130,768 tons in the previous fiscal year. During fiscal year 2020, 3,139 tons of tires were recycled as either tire-derived fuel or consumer products. A total of 11,226 tons of yard waste were either recycled as soil amendment or used for road building and 2,307 tons of white goods were collected and recycled in fiscal year 2020. The user fee for solid waste was \$85.00 per ton at the landfills and transfer stations. The user fees remained unchanged from the prior year. Solid waste rebates per ton were \$17 at the landfills and \$8.50 at the transfer stations compared to \$18 at the landfills and \$9 at the transfer stations in the prior year.

Transfer Stations. During fiscal year 2020, the DSWA's Pine Tree Corners, Milford and Route 5 Transfer Stations received and transferred a total of 216,726 tons of waste compared to 214,489 tons during the prior fiscal year. The waste from Pine Tree Corners Transfer Station and Milford Transfer Station was transported to the Sandtown Landfill for disposal. The Route 5 Transfer Station transported 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 111,452 customers disposed of 153,358 bags of household waste and 31,580 bags of yard waste during fiscal year 2020.

Recycling. During fiscal year 2020, DSWA's Drop Off Center Program collected 2,274 tons of various recyclables including cardboard, single-stream, batteries, oil filters, oil, electronic goods, and Polystyrene from its 15 sites. The Oil Filter Program recycled 13 tons of oil filters collected statewide. DSWA also recycled 127,095 gallons or 477 tons of motor oil. The Electronic Goods Program collected a grand total of 1,217 tons of electronic goods for recycling from special events, state agencies, schools, non-profit organizations, and DSWA drop off sites.

The drop-off sites are located at DSWA's Delaware Recycling Center, Cheswold Collection Station, Southern Solid Waste Management Center, and the Newark Recycling Facility. At various locations throughout the state the Recycling Group conducted a total of 14 special Saturday collection events. These events were for the collection of household hazardous waste, electronic goods, and paper shredding. These special events were reduced in fiscal year 2020 due to the restrictions related to the COVID-19 pandemic measures taken throughout the State of Delaware beginning in March 2020.

A total of 115 tons of hazardous materials were collected and either safely disposed or recycled from the special Saturday events. In addition to these special Saturday collection events, three weekly Household Hazardous Waste collections were conducted during fiscal year 2020. The weekly events are conducted at DSWA's Cheswold Collection Center, Delaware Recycling Center, Southern Solid Waste Management Center, and the Newark Recycling Facility. At those four locations a total of 300 tons of hazardous materials were collected and either safely disposed of or recycled. Paper shredding was also conducted at the special Saturday events in addition to monthly events and 202 tons of paper were shredded at these events. Also, in fiscal year 2020 DSWA's recycling program collected 136 tons of mattresses that were able to be recycled.

In February 2012, DSWA entered into a Service Agreement with Revolution Recovery Delaware, LLC (Revolution) to construct and operate a C&D materials recovery facility at DSWA's Delaware Recycling Center on behalf of DSWA. Revolution is in the business of receiving, processing and reselling recyclable C&D materials that have residual value. During fiscal year 2020, Revolution received 138,426 tons of C&D materials for processing versus fiscal year 2019 tonnage of 136,301 tons.

Also, in February 2012, DSWA entered into a Service Agreement with ReCommunity Delaware, LLC (ReCom) to construct and operate a material recovery facility (the "MRF") at DSWA's Delaware Recycling Center on behalf of DSWA. This contract has now been transferred from ReCom to Republic Services with all terms at the time of this transfer remaining in place. Republic is in the business of waste removal as well as receiving, processing and reselling residential and commercial recyclable materials that have residual value. During fiscal year 2020, ReCom (Republic) received 108,309 tons of recyclable materials for processing versus fiscal year 2019 incoming tonnage of 99,846 tons.

Plans for the Future. In the final quarter of fiscal year 2020 DSWA faced the same uncertainty the rest of the economy was up against with the onset of the COVID-19 pandemic and the unprecedented large-scale shutdown of significant portions of the surrounding economy. Due to the essential nature of the services DSWA provides, facilities did not cease operations. For the first time in seven years, DSWA's revenue generating tonnage dropped slightly largely due to non-recurring project related tonnage that was part of the prior year's totals. Tonnage had increased from a low of 675,000 tons in 2012 and 2013 to the fiscal year 2019 total of 963,000 tons before a slight decrease to 948,000 tons in fiscal year 2020. While DSWA's tonnage did decrease 1.5%, the period since 2013 has averaged a 5.8% increase per year. Tonnage at DSWA facilities will often experience stable growth when the economy reflects the same stability and, conversely, become more volatile with economic uncertainty. Due to the onset of the pandemic and the economic uncertainty it has given rise to, DSWA took further steps to monitor significant changes to its tonnage in order to allow for management to take proactive measures to adjust operations as needed. In the six months since the beginning of the pandemic, DSWA's tonnage has not been negatively affected but will remain under review. Early forecasts for the upcoming fiscal year give very little concern for any significant decrease in tonnage in the short term but overall economic conditions will continue to be monitored closely.

As DSWA enters the final year of a 5-year rebate program as part of its fee structure, an ongoing review of internal operating costs as well as contractual costs will be part of an overall effort to prepare for the next rebate period. As always, any changes to the rebate structure will be put into place making sure that a competitively priced service along with consideration of our long-term infrastructure investments are balanced accordingly.

Remaining debt obligations from prior landfill expansions will be paid no later than June 2022. These past expansions have been part of an ongoing long-term view by management of infrastructure needs decades into the future. While these expansions will continue to play a key role in the services provided to the community in the foreseeable future, DSWA's capital planning for future needs is always an ongoing process. The magnitude and timing of any major infrastructure needs as part of this process will dictate the manner in which those projects are funded in the future.

Recycling market conditions are an ongoing challenge for DSWA. These conditions are expected to continue into the near future. For that reason, overall fee structures and cost controls are put into place understanding that recycling will not be self-sustaining during this downward period and will be subsidized by other operational revenue. As part of our overall dedication to the importance of this service to the community, ongoing efforts are in place to continue to strengthen partnerships with the private sector in order to make sure the best expertise providing the most efficient and cost effective processes get the most out of what has become a challenging economic environment in recent years.

Despite the uncertainty that has become widespread throughout the economic landscape due to the ongoing pandemic, results in recent months amid this environment would indicate that DSWA's operational and financial structure continue to hold up well in these difficult times. Tonnage levels have experienced no significant reduction allowing for DSWA to continue to fund its operating costs including recycling, capital investment needs, and prepare for final debt obligation payments in the coming years. While always finding a balance between long term service goals and competitive pricing models for today, DSWA has positioned itself well to continue to improve upon its economic health and satisfy both goals as an organization.

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,

Joseph J. Koskey

Joseph J. Koskey
Chief Financial Officer

Delaware Solid Waste Authority

Statements of Net Position

<i>As of June 30, 2020 and 2019</i>	2020	2019
ASSETS AND DEFERRED OUTFLOW OF RESOURCES		
CURRENT ASSETS		
Unrestricted Current Assets:		
Cash and cash equivalents - Note 2	\$ 756,549	\$ 1,648,128
Investments - Note 3	5,855,687	7,367,180
Accounts receivable (net of allowance for doubtful accounts of \$21,386 and \$23,737, respectively)	6,718,768	5,853,410
Interest receivable	470,431	660,238
Prepayments and miscellaneous receivables	951,760	1,299,300
Total Unrestricted Current Assets	14,753,195	16,828,256
Restricted Current Assets:		
Investments - Note 3	66,224,926	57,011,700
Total Current Assets	80,978,121	73,839,956
NONCURRENT ASSETS		
Unrestricted Noncurrent Assets:		
Investments - Note 3	20,059,574	17,617,262
Capital Assets - Note 4		
Land	28,025,738	26,444,779
Land improvements	321,958,748	321,273,838
Buildings	52,992,217	52,744,995
Equipment and furniture	20,146,957	19,930,845
Vehicles	3,405,067	3,029,678
Total	426,528,727	423,424,135
Less: Accumulated depreciation	246,236,772	233,749,129
	180,291,955	189,675,006
Construction in progress - Note 4	3,507,085	778,887
Total Capital Assets	183,799,040	190,453,893
Restricted Noncurrent Assets:		
Investments - Note 3	65,416,265	58,737,180
Total Noncurrent Assets	269,274,879	266,808,335
DEFERRED OUTFLOW OF RESOURCES		
Related to pensions - Note 7	770,388	731,139
Related to other post employment benefits - Note 7	712,416	699,620
Total Deferred Outflow of Resources	1,482,804	1,430,759
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 351,735,804	\$ 342,079,050

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Net Position

<i>As of June 30, 2020 and 2019</i>	2020	2019
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 3,768,471	\$ 4,285,223
Contracts payable, including retainage	56,353	17,692
Accrued compensation	1,721,463	1,371,113
Current portion of bonds payable - Note 6	4,036,819	4,053,876
Contract rebate payable - Note 8	3,929,564	4,399,450
Total Current Liabilities	13,512,670	14,127,354
NONCURRENT LIABILITIES		
Bonds payable - Note 6	4,295,788	8,291,293
Accrued landfill closure and post closure care costs - Note 5	80,036,538	75,668,849
Net pension liability - Note 7	4,637,095	3,909,833
Net other post employment liability - Note 7	23,224,492	24,447,316
Total Noncurrent Liabilities	112,193,913	112,317,291
Total Liabilities	125,706,583	126,444,645
DEFERRED INFLOW OF RESOURCES		
Related to pensions - Note 7	132,154	358,363
Related to other post employment benefits - Note 7	5,611,208	3,382,935
Total Deferred Inflow of Resources	5,743,362	3,741,298
NET POSITION		
Invested in capital assets, net of related debt and accumulated depreciation	177,688,690	180,286,447
Unrestricted	42,141,531	31,165,423
Restricted	455,638	441,237
Total Net Position	220,285,859	211,893,107
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 351,735,804	\$ 342,079,050

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Revenues and Expenses and Changes in Net Position

<i>Years Ended June 30, 2020 and 2019</i>	2020	2019
OPERATING REVENUES		
Net user fees: solid waste	\$ 69,353,519	\$ 69,095,439
Landfill gas	1,272,105	1,355,256
Other income	338,532	1,647,396
Total Operating Revenues	70,964,156	72,098,091
OPERATING EXPENSES		
Salaries and related costs	11,905,593	10,285,028
Professional services	1,504,378	1,480,405
Travel	92,561	119,621
Supplies and materials	2,543,903	3,053,424
Utilities	620,572	713,353
Contractual services	31,885,415	31,443,338
Closure and post closure care of landfills	4,367,689	2,000,510
Depreciation expense	13,746,521	11,931,387
Total Operating Expenses	66,666,632	61,027,066
OPERATING INCOME	4,297,524	11,071,025
NONOPERATING REVENUES (EXPENSES)		
Net investment income	4,428,730	4,776,477
Bond interest and related expenses	(633,947)	(90,897)
Other nonoperating revenue - net	300,445	338,522
Net Nonoperating Revenues	4,095,228	5,024,102
INCREASE IN NET POSITION	8,392,752	16,095,127
NET POSITION - BEGINNING OF YEAR	211,893,107	195,797,980
NET POSITION - END OF YEAR	\$ 220,285,859	\$ 211,893,107

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Cash Flows

<i>Years Ended June 30, 2020 and 2019</i>	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 68,365,815	\$ 69,426,172
Cash paid to suppliers	(37,124,920)	(38,295,246)
Cash paid to employees	(10,100,786)	(9,925,555)
Landfill gas marketing revenues	1,272,105	1,355,256
Other operating revenues	338,532	1,647,396
Net Cash Provided by Operating Activities	22,750,746	24,208,023
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	3,002,538	2,650,859
Purchases of investments	(575,915,937)	(447,890,256)
Proceeds from sale of investments	560,757,705	433,257,026
Other investing income	182,046	79,553
Net Cash Used in Investing Activities	(11,973,648)	(11,902,818)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for debt service requirements	(4,000,000)	(3,905,000)
Interest paid on bonds	(646,510)	(840,589)
Cash payments for capital assets	(7,091,668)	(7,840,074)
Proceeds from sale of capital assets	69,501	203,464
Net Cash Used in Capital and Related Financing Activities	(11,668,677)	(12,382,199)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(891,579)	(76,994)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,648,128	1,725,122
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 756,549	\$ 1,648,128

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Cash Flows (Continued)

Years Ended June 30, 2020 and 2019

2020

2019

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	\$ 4,297,524	\$ 11,071,025
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	13,746,521	11,931,387
Recovery of doubtful accounts	(2,351)	(3,988)
(Increase) decrease in accounts receivable	(863,007)	768,862
(Increase) decrease in prepayments and miscellaneous receivables	347,540	(139,845)
Increase in deferred outflow of resources	(52,045)	(135,568)
Decrease in accounts payable	(516,752)	(1,277,638)
Increase (decrease) in contracts payable	38,661	(207,467)
Increase in accrued compensation	350,350	220,659
Increase in accrued closure and post closure care of landfills	4,367,689	2,000,510
Decrease in contract rebate payable	(469,886)	(294,296)
Increase (decrease) in net pension liability	727,262	(223,489)
Decrease in net other post employment liability	(1,222,824)	(43,997)
Increase in deferred inflow of resources	2,002,064	541,868
Total Adjustments	18,453,222	13,136,998
Net Cash Provided by Operating Activities	\$ 22,750,746	\$ 24,208,023

SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Amortization of premium/discount on bonds	\$ (4,495)	\$ (6,277)
Gain on disposition of capital assets	(69,501)	(64,982)
Unrealized gain on investments	(1,471,257)	(2,183,433)
Realized (gain) loss on sale of investments	(193,641)	123,432
Capitalized interest	-	739,794

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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 of 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.

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).

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.

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.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2020 and 2019 was \$13,746,521 and \$11,931,387, respectively.

Accounts Receivable

Accounts receivable are reported 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.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Certain investments held by the DSWA are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Exceptions to fair value measurement included in generally accepted accounting principles in the United States of America allows for certain exceptions to fair value measurement and allows for cost-based measurements. The most significant exception provides that money market investments (commercial paper, banker's acceptances, and U.S. Treasury securities) that have a remaining maturity of one year or less upon acquisition may be reported at amortized cost.

The DSWA has the following recurring fair value measurements as of June 30, 2020:

U.S. Treasury obligations (Level 1) - fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

Corporate and U.S. Government Agency bonds and notes (Level 2) - fair value is estimated as the present value of expected future cash inflows, taking into account (1) the type of security, its terms, and any underlying collateral, (2) the seniority level of the debt security, and (3) quotes received from brokers and pricing services. Significant inputs utilized by brokers and pricing services include the probability of default for debt securities, the estimated prepayment rate, and the projected yield based on estimated future market rates for similar securities.

Compensated Absences

Vacation and sick leave pay are recorded as an expense when earned by the DSWA's employees. As of June 30, 2020 and 2019, accrued vacation and sick leave aggregated \$1,151,182 and \$1,040,311, respectively; this resulted in a net increase of \$110,871, 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

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences (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.

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.

Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets represents capital assets, less accumulated depreciation and reduced by the net bonds payable (bonds payable less unspent bond proceeds).

Unrestricted net position represents the net position 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 position for special purposes.

Restricted net position is limited to outside third-party restrictions and represents the net position that has been legally identified for specific purposes.

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.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pension Plan and Other Benefits

The DSWA participates in the Delaware Public Employees' Retirement System ("DPERS"). For purposes of measuring the net pension liability (asset) and net other post employment liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and other post employment benefits, and related expenses, information about the fiduciary net position of DPERS and additions to/deductions from DPERS's fiduciary net position have been determined on the same basis as they are reported by DPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows of resources are defined as consumption of net position by the DSWA that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net position by the DSWA that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

Recent Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for reporting periods beginning after June 15, 2021.

In April 2018, Governmental Accounting Standards Board (GASB) issued Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 2: Cash and Cash Equivalents

The DSWA follows the "Objectives and Guidelines for the Investment of State of Delaware Funds" 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://regulations.delaware.gov/AdminCode/title1/1200/1201.pdf>.

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 8.0 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, 2020, 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 with a rating of AAA and Corporate Debt Instruments, such as commercial paper with a rating of A-1 or better, senior long-term debt with a rating of A or better and corporate bonds and debentures with a rating of AA or better. As of June 30, 2020, 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, 2020, 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:

		2020	2019
Mutual Funds	AAA	25%	17%
Corporate Obligations	AAA	1%	2%
Corporate Obligations	AA+	5%	6%
Corporate Obligations	AA	4%	6%
Corporate Obligations	AA-	10%	19%
Corporate Obligations	A+	3%	1%
Corporate Obligations	A	7%	5%
Corporate Obligations	A-	4%	0%

Delaware Solid Waste Authority

Notes to Financial Statements

Note 3: Investments (Continued)

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 and Time Deposits is subject to interest rate risk as a function of the length of time to maturity. The scheduled maturities of investments at June 30, 2020 are summarized below.

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 did not have more than 5 percent of its total investments invested in any one company's corporate bonds and notes as of June 30, 2020 and 2019.

The 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, 2020 and 2019 resulted in unrealized gains of \$1,471,257 and \$2,183,433, 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 gains (losses) for the years ended June 30, 2020 and 2019 were \$193,641 and \$(123,432), respectively.

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

The DSWA's investments are summarized as follows:

	2020		2019	
	Fair Value / Carrying Value	Cost	Fair Value / Carrying Value	Cost
U.S Treasury Obligations	\$ 9,775,898	\$ 9,579,936	\$ 8,809,793	\$ 8,757,388
U.S Government Agency Bonds and Notes	49,949,824	49,755,868	49,191,783	49,149,449
Wilmington U.S. Government Money Market Fund	39,914,751	39,914,751	24,237,822	24,237,822
Time Deposits	4,311,509	4,311,509	3,902,422	3,902,422
Corporate Bonds and Notes	53,604,470	51,700,701	54,591,502	53,863,812
Total Investments	\$ 157,556,452	\$ 155,262,765	\$ 140,733,322	\$ 139,910,893

Delaware Solid Waste Authority

Notes to Financial Statements

Note 3: Investments (Continued)

Investments as of June 30, 2020 mature, or are available, as follows:

	Total	Less than 1 year	1-5 years
U.S Treasury Obligations	\$ 9,775,898	\$ 6,040,979	\$ 3,734,919
U.S Government Agency Bonds and Notes	49,949,824	5,923,533	44,026,291
Wilmington U.S. Government Money Market Fund	39,914,751	39,914,751	-
Time Deposits	4,311,509	4,311,509	-
Corporate Bonds and Notes	53,604,470	15,889,840	37,714,630
	\$ 157,556,452	\$ 72,080,612	\$ 85,475,840

The following table sets forth by level, within the fair value hierarchy, the DSWA's financial instruments carried at fair value as of June 30, 2020:

	Level 1	Level 2
Investments at fair value		
Debt Securities:		
U.S. Treasury Obligations	\$ 9,775,898	\$ -
Corporate Bonds and Notes	-	53,604,470
U.S. Government Agency Bonds and Notes	-	49,949,824
Total Investments	\$ 9,775,898	\$ 103,554,294

The following table sets forth by level, within the fair value hierarchy, the DSWA's financial instruments carried at fair value as of June 30, 2019:

	Level 1	Level 2
Investments at fair value		
Debt Securities:		
U.S. Treasury Obligations	\$ 8,809,793	\$ -
Corporate Bonds and Notes	-	54,591,502
U.S. Government Agency Bonds and Notes	-	49,191,783
Total Investments	\$ 8,809,793	\$ 103,783,285

Delaware Solid Waste Authority

Notes to Financial Statements

Note 4: Capital Assets

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Transfers	Sales / Retirements	Balance June 30, 2020
Capital assets, not being depreciated:					
Construction in progress	\$ 778,887	\$ 3,596,955	\$ (868,757)	\$ -	\$ 3,507,085
Land	26,444,779	1,580,959	-	-	28,025,738
Total capital assets, not being depreciated	27,223,666	5,177,914	(868,757)	-	31,532,823
Depreciable capital assets:					
Land improvements	321,273,838	116,329	868,757	(300,176)	321,958,748
Less: accumulated depreciation	(179,212,122)	(10,260,238)	-	9,761	(189,462,599)
Buildings	52,744,995	284,747	-	(37,525)	52,992,217
Less: accumulated depreciation	(34,920,505)	(2,288,629)	-	37,525	(37,171,609)
Equipment and furniture	19,930,845	1,328,760	-	(1,112,648)	20,146,957
Less: accumulated depreciation	(17,214,773)	(952,551)	-	1,112,648	(17,054,676)
Vehicles	3,029,678	474,333	-	(98,944)	3,405,067
Less: accumulated depreciation	(2,401,729)	(245,103)	-	98,944	(2,547,888)
Depreciable assets, net of accumulated depreciation	163,230,227	(11,542,352)	868,757	(290,415)	152,266,217
Capital assets, net	\$ 190,453,893	\$ (6,364,438)	\$ -	\$ (290,415)	\$ 183,799,040

Delaware Solid Waste Authority

Notes to Financial Statements

Note 4: Capital Assets (Continued)

A summary of changes in capital assets for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Transfers	Sales / Retirements	Balance June 30, 2019
Capital assets, not being depreciated:					
Construction in progress	\$ 8,393,783	\$ 6,137,853	\$ (13,752,749)	\$ -	\$ 778,887
Land	26,327,056	92,355	25,368	-	26,444,779
Total capital assets, not being depreciated	34,720,839	6,230,208	(13,727,381)	-	27,223,666
Depreciable capital assets:					
Land improvements	313,207,869	626,350	7,439,619	-	321,273,838
Less: accumulated depreciation	(170,350,340)	(8,861,782)	-	-	(179,212,122)
Buildings	46,252,272	204,961	6,287,762	-	52,744,995
Less: accumulated depreciation	(32,921,054)	(1,999,449)	-	-	(34,920,503)
Equipment and furniture	19,149,262	1,198,776	-	(417,197)	19,930,841
Less: accumulated depreciation	(16,621,439)	(1,010,529)	-	417,197	(17,214,771)
Vehicles	2,876,186	319,669	-	(166,181)	3,029,674
Less: accumulated depreciation	(2,369,701)	(198,205)	-	166,181	(2,401,725)
Depreciable assets, net of accumulated depreciation	159,223,055	(9,720,209)	13,727,381	-	163,230,227
Capital assets, net	\$ 193,943,894	\$ (3,490,001)	\$ -	\$ -	\$ 190,453,893

Delaware Solid Waste Authority

Notes to Financial Statements

Note 4: Capital Assets (Continued)

The status of the DSWA's construction in progress at June 30, 2020 is as follows:

	Expected Completion Date	Costs to Date
Location:		
Admin		
New office building	FY 2022	\$ 351,712
Route 5		
Trailer storage building	FY 2021	74,540
MTS		
Trailer storage building	FY 2021	81,050
North Recycling		
New North Recycle center	FY 2021	683,086
Pine Tree Corners		
Tip floor	FY 2021	246,175
Landfills:		
Jones Crossroads		
Beaverdam ditch	FY 2021	76,643
Land demo	FY 2021	2,260
Scale house generator	FY 2021	2,775
Scada system	FY 2021	498,571
Sandtown		
Borrow pits	FY 2022	1,490,273
Total Construction in Progress		\$ 3,507,085

Note 5: Landfill Closure and Post Closure Care Costs

On October 9, 1991, the U.S. Environmental Protection Agency (EPA) 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

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 \$80,036,538 as of June 30, 2020 and \$75,668,849 as of June 30, 2019, 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 \$126,151,053 as the remaining estimated capacity is filled. The estimated total current cost of the landfill closure and post closure care of \$206,187,591 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, 2020. 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, 2020:

Landfill	Estimated Capacity Used	Cumulative Remaining Life	Accrued Costs	Costs to be Recognized in the Future
Cherry Island	59.82%	20	\$ 47,774,901	\$ 29,726,726
Sandtown	23.32%	48	9,260,604	54,121,721
Jones Crossroads	20.32%	52	22,984,690	42,302,606
Pigeon Point	100.00%	Closed 1985	16,343	-
Total			\$ 80,036,538	\$ 126,151,053

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

	Total	Cherry Island	Sandtown	Jones Crossroads	Pigeon Point
Balance of accrual, June 30, 2019	\$ 75,668,849	\$ 42,879,121	\$ 9,457,488	\$ 23,315,914	\$ 16,326
Current year expenditures:					
Post closure costs	-	-	-	-	-
Net accrual	75,668,849	42,879,121	9,457,488	23,315,914	16,326
Balance of accrual, June 30, 2020	80,036,538	47,774,901	9,260,604	22,984,690	16,343
Net closure and post closure costs (recovery) recognized in current year	\$ 4,367,689	\$ 4,895,780	\$ (196,884)	\$ (331,224)	\$ 17

Included in the computation of Landfill Closure and Post Closure Care Costs as of June 30, 2020, are closure costs for: (1) Pine Tree Corners Transfer Station of \$16,343 (2) Cheswold Collection Station of \$2,145 (3) Milford Transfer Station of \$16,343 (4) Ellendale, Long Neck, Omar, and Bridgeville Collection Stations, each totaling \$2,145 (5) DRC Transfer Station of \$16,343 and (6) Route 5 Transfer Station of \$16,343.

Delaware Solid Waste Authority

Notes to Financial Statements

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 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.

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

	2020	2019
Series 2010 "B" principal	\$ 8,300,000	\$ 12,300,000
Unamortized (discount)	(4,212)	(8,707)
Accrued interest	36,819	53,876
Total Bonds Payable	\$ 8,332,607	\$ 12,345,169

The debt service requirements on the series 2010 bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 4,000,000	\$ 441,710	\$ 4,441,710
2022	4,300,000	230,910	4,530,910
	\$ 8,300,000	\$ 672,620	\$ 8,972,620

The total interest expense incurred on the DSWA bond debt for the years ended June 30, 2020 and 2019 was \$629,452 and \$824,416, respectively. The total interest capitalized and included in Construction in Progress on the Statements of Net Position for the year ended June 2019 was \$739,794.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits

Pension Plan:

Plan Description - The Delaware Public Employees' Retirement System (DPERS), State Employees' Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan established in the Delaware Code.

The General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the Board).

The management of the Plan is the responsibility of the Board. The Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members. The daily operation is the responsibility of the Office of Pensions. Although most of the assets of the Plan are commingled with other Plans for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

Eligibility - The Plan covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

There are two tiers within this plan: 1) Employees hired prior to January 1, 2012 (Pre-2012); 2) Employees hired on or after January 1, 2012 (Post-2011).

Service Benefits - Final average monthly compensation (employee hired Post-2011 may not include overtime in pension compensation) multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, final average monthly compensation is the monthly average of the highest three periods of 12 consecutive months of compensation.

Vesting - Pre-2012 date of hire: 5 years of credited service. Post-2011 date of hire: 10 years of credited service (5 of which must be consecutive).

Retirement - Pre-2012 date of hire: Age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire: age 65 with at least 10 years of credited service; Age 60 with 20 years of credited service; and 30 years of credited service at any age.

Disability Benefits - Pre-2012 date of hire: Same as Service Benefits. Employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire: In the Disability Insurance Program.

Survivor Benefits - If employee is receiving a pension, the eligible survivor receives 50% of pension (or 67.7% with 2% reduction, 75% with 3% reduction, or 100% with 6% reduction of benefit); if employee is active with at least 5 years of credited service, eligible survivor receives 75% of the benefit the employee would have received at age 62.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Burial Benefit - \$7,000 per member.

Contributions:

Employer - Determined by the Board of Pension Trustees. Employer contributions were 11.83% and 10.42% of earnings for the Plan's fiscal years 2019 and 2018, respectively.

Member - Pre-2012 date of hire Member - 3% of earnings in excess of \$6,000 and Post-2011 date of hire Member - 5% of earnings in excess of \$6,000.

PRI Contributions - The Plan's Reporting units make contributions to a PRI fund which accumulates resources to fund ad hoc post-retirement increases granted by the General Assembly. The increases are funded over a 5-year period from the PRI fund. The allocation of the contribution from the PRI fund to the Pension Trust is a reduction to the net pension liability of each participating employer.

During the Plan year ended June 30, 2019, a one-time supplement benefit was paid to retirees in accordance with Section 10 of Senate Bill 236. The amount was funded with a contribution from the State of Delaware general funds, separate from the Plan's actuarially determined contributions.

Collective Net Pension Liability and Actuarial Information

The DSWA's proportionate share of the net pension liability as of June 30, 2020 and 2019 was as follows:

Plan year	Total pension liability (1)	Plan fiduciary net position (2)	Net pension liability (1) - (2)
2019	\$ 31,786,083	\$ 27,148,988	\$ 4,637,095
2018	31,238,942	27,329,109	3,909,833

The collective total pension liability for the June 30, 2019 and 2018 measurement dates was determined by an actuarial valuation as of June 30, 2019 and 2018, respectively. These actuarial valuations used the following actuarial assumptions:

Investment rate of return/discount rate (a)	7.0%
Projected salary increases (a)	2.5% + Merit
Cost-of-living adjustments	0.0%

(a) Inflation is included at 2.5%

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016, with update procedures used to roll forward the total pension liability to June 30, 2019. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

Mortality assumptions are based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

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 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 an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the DPERS's current and expected asset allocation as of June 30, 2019 (Plan year) is summarized in the following table:

Asset class	Long-term expected real rate of return	Asset allocation
Domestic equity	5.7%	29.5%
International equity	5.7	13.5
Fixed income	2.0	27.1
Alternative investments	7.8	22.4
Cash and equivalents	-	7.5

Discount rate - The discount rate used to measure the total pension liability for all plans was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Sensitivity of the net pension liability to changes in the discount rate - The following presents the DSWA's proportionate share of the collective net pension liability (asset), calculated using the discount rate of 7.0%, as well as what the DSWA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease to discount rate (6.0%)	Discount Rate (7.0%)	1% Increase to discount rate (8.0%)
DSWA's proportionate share of the net pension liability for 2020 (based on Plan year 2019)	\$ 8,377,662	\$ 4,637,095	\$ 1,497,517
DSWA's proportionate share of the net pension liability for 2019 (based on Plan year 2018)	\$ 7,586,355	\$ 3,909,833	\$ 821,791

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

Expected and actual experience differences - The difference between expected and actual experience with regard to economic and demographic factors is amortized over the weighted average of the expected remaining service life of active and inactive members which is 6 years. The first year of amortization is recognized as pension expense with the remaining years either a deferred outflow or deferred inflow. The collective amount of the difference between expected and actual experience for fiscal years ended June 30, 2019 and 2018 is \$34,042 and \$222,132, respectively.

Net difference between projected and actual investment earnings on pension plan investments The difference between the actual earnings on plan investments compared to the plan's expected rate of return of 7.0% is amortized over a closed period of 5 years. The DSWA's proportionate share of the collective amount of the difference between projected and actual earnings for fiscal years ended June 30, 2019 and 2018 is \$132,154 and \$358,363, respectively, reported as a deferred inflow of resources.

The annual difference between the projected and actual earnings on investments is amortized over a six-year closed period beginning the year in which the difference occurs. The DSWA's proportionate share of the cumulative amounts of collective deferred inflows of resources reported as of June 30, 2020 (based on plan year ended June 30, 2019) will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	
2020	\$ 473,134
2021	45,994
2022	153,621
2023	207,443
2024	55,200
Thereafter	-

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

The amount of \$770,388 reported as deferred outflows related to pension, resulting from DSWA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Collective Pension Expense

The components of the DSWA's pension expense for the years ended June 30, 2020 and 2019 (plan year ended June 30, 2019 and 2018) are as follows:

June 30,	2020	2019
Service costs	\$ 600,529	\$ 596,876
Interest on total pension liability	2,144,881	2,107,078
Member contributions	(207,343)	(194,672)
Administrative expense	17,770	17,457
Change in benefit plan	2,603	33,382
Projected earnings on plan investments	(1,848,141)	(1,767,239)
Amortization of investment return differences	639,353	38,092
Pension expense	\$ 1,349,652	\$ 830,974

Other Post-Employment Plans:

Plan Description - The State of Delaware's Other Postemployment Benefit (OPEB) Fund Trust (the Plan) is a cost-sharing multiple-employer defined-benefit plan established in Delaware Code. The Plan is administered by the Delaware Public Employees' Retirement System (DPERS). The State of Delaware (the State) is responsible for the policy and management of the OPEB benefits provided to retirees. The Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

Eligibility - Substantially all State employees become eligible for post-retirement benefits if they reach retirement age while working for the State. The costs of providing these benefits are shared between the State and the retired employee.

Early Retirement - Age 55 with 15 years of service or any age with 25 years of service

Normal Retirement (hired before January 1, 2012):

Non-General Assembly: Age 62 with 5 years of service, or age 60 with 15 years of service, or any age with 30 years of service.

General Assembly: Age 60 with 5 years of service, or age 55 with 10 years of service

Normal Retirement (hired on or after January 1, 2012): Age 65 with 10 years of service, or age 60 with 20 years of service, or any age with 30 years of service.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Benefits - The Plan provides medical coverage to pensioners and their eligible dependents covered under the Plan. The participant's cost of Plan benefits is variable based on years of service within those pension plan categories. Pensioners who retire after July 1, 2012 and who become eligible for Medicare will pay an additional 5% of the Medicare Supplement offered by the State. The State provided health insurance options through several providers.

Spouse and Survivor Coverage - Both are available under any of the plan options with similar retiree contributions. Surviving spouses are eligible for coverage after the retiree's death.

Retiree Contributions - If hired prior to July 1, 1991, no contributions are required. If hired on or after July 1, 1991 (except disability pension), contributions depend on years of service, as shown on the table below:

Between July 1, 1991 and December 31, 2006		After January 1, 2007	
Years of Service	Percent of Premium Paid by State	Years of Service	Percent of Premium Paid by State
Less than 10	0%	Less than 15	0%
10 - 14	50%	15 - 17.5	50%
15 - 19	75%	17.5 - 19	75%
20 or more	100%	20 or more	100%

Funding Policy - Participating employers fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. By State Statute Chapter 52, Title 29 of the Delaware Code, contribution requirements of plan members and the government are established and may not be amended by the State Legislature. Funds are recorded in the Plan for the payment of retiree healthcare claims, administrative and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the Plan. The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the Plan and is responsible for the financial management of the Plan.

Contributions - The contribution rates for the employer and retiree are established annually by the budgeting process of the State. Those rates include an employer contribution based on projected pay-as-you-go financing requirements as a percent of covered payroll, with an additional amount to prefund benefits, which is not actuarially determined. For Plan year 2019 and 2018, the DSWA's contribution totaled \$699,620 and \$668,864, respectively.

Retiree contribution rates are affected by the retiree date of hire, with eligible retirees hired after June 30, 1991 paying a proportionately higher rate if their years of service total less than 20.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Collective Net OPEB Liability and Actuarial Information

The DSWA's proportionate share of the collective net OPEB liability as of June 30, 2020 and 2019 was as follows:

Plan year	Total OPEB liability (1)	Plan fiduciary net position (2)	Net OPEB liability (1) - (2)
2019	\$ 24,419,116	\$ 1,194,624	\$ 23,224,492
2018	25,583,831	1,136,515	24,447,316

The collective total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total OPEB liability to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

	2019	2018
Discount rate	3.50%	3.87%
Projected salary increases	3.25% + Merit	3.25% + Merit
Healthcare cost trend rates	6.6%	6.8%

Mortality rates were based on the sex-distinct RP-2014 Total Dataset Healthy Annuitant Mortality Table, including adjustments for healthy annuitant and disabled annuitant factors for each covered pension plan. Future mortality improvements are projected to 2021.

The total OPEB liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, health costs, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

The long-term expected rate of return on the OPEB Trust 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the following table:

Asset class	Long-term expected real rate of return	Asset allocation
Domestic equity	5.7%	34.0%
International equity	5.7	12.5
Fixed income	2.0	25.3
Alternative investments	7.8	22.6
Cash and equivalents	-	5.6

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 3.87% at the beginning of the current measurement period and 3.50% at the end, based on the Bond Buyer GO 20-Bond Municipal Bond Index, an index satisfying the GASB requirement of an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy.

Sensitivity of the Collective Net OPEB Liability to Changes in the Discount Rate - The following presents the DSWA's proportionate share of the collective net OPEB liability, calculated using the discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease to discount rate (2.50% for 2019 and 2.87% for 2018)		Discount Rate (3.50% for 2019 and 3.87% for 2018)		1% Increase to discount rate (4.50% for 2019 and 4.87% for 2018)	
DSWA's proportionate share of the net OPEB liability for 2020 (based on Plan year 2019)	\$	27,527,343	\$	23,224,492	\$	19,793,943
DSWA's proportionate share of the net OPEB liability for 2019 (based on Plan year 2018)	\$	29,094,670	\$	24,447,316	\$	20,797,625

Sensitivity of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the DSWA's proportionate share of the collective net OPEB liability, calculated using healthcare cost trends that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease to discount rate (5.6% for 2019 and 5.8% for 2018)		Discount Rate (6.6% for 2019 and 6.8% for 2018)		1% Increase to discount rate (7.6% for 2019 and 7.8% for 2018)	
DSWA's proportionate share of the net OPEB liability for 2020 (based on Plan year 2019)	\$	19,838,885	\$	23,224,492	\$	27,245,758
DSWA's proportionate share of the net OPEB liability for 2019 (based on Plan year 2018)	\$	20,817,578	\$	24,447,316	\$	28,873,032

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Collective Deferred Outflow of Resources and Deferred Inflow Resources

For the year ended June 30, 2020 (Plan year 2019), the DSWA recognized OPEB expense of \$706,147. At June 30, 2020, the DSWA reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	2020		2019	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Net difference between projected and actual earnings on OPEB investments	\$ -	\$ 21,033	\$ -	\$ 61,425
Net difference between expected and actual experience	-	2,607,147	-	-
Change in assumptions	-	2,488,164	-	3,321,510
Changes in DSWA's proportionate share	-	494,864	-	-
DSWA contributions subsequent to the measurement date	712,416	-	699,620	-
Total	\$ 712,416	\$ 5,611,208	\$ 699,620	\$ 3,382,935

The components of collective deferred outflows of resources and deferred inflows of resources are amortized into OPEB expense over a six-year closed period beginning the year in which the difference occurs. The DSWA's proportionate share of the cumulative amounts of collective net deferred outflows (inflows) of resources and deferred inflows of resources as of June 30, 2020 (based on Plan year ended June 30, 2019) will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	
2021	\$ (1,065,613)
2022	(1,065,613)
2023	(1,053,707)
2024	(486,112)
2025	(292,305)
Thereafter	-

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Collective OPEB Expense

The components of the DSWA's OPEB expense for the years ended June 30, 2020 and 2019 (plan year ended June 30, 2019 and 2018) are as follows:

June 30,	2020	2019
Service cost	\$ 882,656	\$ 912,942
Interest cost	972,326	922,387
Contributions	(422)	(468)
Administrative expenses	524	262
Expected return on assets	(78,861)	(39,813)
Recognition of deferred outflows and inflows of resources:		
Differences between projected and actual earnings on plan investments	(12,733)	(18,401)
Differences between liability gains and losses	(521,220)	-
Change in assumption with regards to factors or other inputs in the measurement of total OPEB Liability	(536,123)	(779,173)
OPEB expense	\$ 706,147	\$ 997,736

Additional information for the pension plan and other post-employment plans 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 website at www.delawarepensions.com or by calling 1-800-722-7300.

Note 8: 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. Beginning in 2017, the program in place offered rebates of \$20/ton and \$10/ton for deliveries to the landfills and transfer stations, respectively. In 2019 and 2020, the above rebates were reduced to \$18 and \$17/ton for deliveries to landfills and \$9 and \$8.50/ton for deliveries to transfer stations, respectively.

For the program years ended June 30, 2020 and 2019, three hundred and forty-five (345) and three hundred and twenty-six (326) participants received rebates totaling \$8,141,485 and \$9,280,050, respectively; operating revenues are reported net of these rebates.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 11: Service and Lease Agreements

During February 2012, DSWA entered into two service agreements, and related property leases, for the purpose of having constructed two separate Material Recovery Facility (MRF) operations at DSWA's Delaware Recycling Center for the purpose of processing recyclables on behalf of DSWA.

DSWA entered into a service agreement with Revolution Recovery Delaware, LLC (Revolution) to construct and operate a construction and demolition (C&D) MRF on behalf of DSWA. Revolution is in the business of receiving, processing and reselling C&D recyclables that have residual value. Operation of the C&D MRF is the full responsibility of Revolution. The Service Agreement provides for Revolution to pay DSWA a tipping fee per ton on all incoming C&D tonnage. Additionally, Revolution will lease one or more of the buildings, and related land area, at the DRC to utilize as its operational facility. The lease carries an initial one-year term, with nineteen automatic annual renewals. Current rental is set at \$282,312 for the primary building, \$11,200 for a secondary building, and ground rent of \$274.49 per thousand square feet of outside storage area, with future annual rents subject to the annual change in CPI.

DSWA entered into a Service Agreement with ReCommunity Delaware, LLC (ReCom) to construct and operate a single stream and commercial recyclable materials MRF on behalf of DSWA. ReCom is in the business of receiving, processing and reselling residential and commercial recyclable materials that have residual value. Operation of this MRF is the full responsibility of ReCom. During the construction phase of the MRF, ReCom was to pay DSWA a portion of the revenue of the materials handled by ReCom based on a combination of the material type and the current market pricing for recyclable materials. After the MRF was constructed and operational in October 2013, the Service Agreement provides for a current tip fee payment to DSWA of \$2.72 per ton of incoming Residential Recyclable material. Also, ReCom will provide DSWA with a sharing of revenues dependent upon material type and current market conditions, offset by operational processing costs. As part of the agreement, the tip fee and some operational costs used in the revenue sharing calculations became subject to an annual adjustment using 90% of the CPI. Additionally, a twenty-year lease agreement covering two buildings, and the adjacent surrounding areas, took effect once the MRF was operational. As of June 30, 2020, the monthly rent was \$17,882 and is subject to an annual adjustment of 90% of the annual change in CPI.

During fiscal year 2016, DSWA entered into renegotiations with ReCom in order to take into consideration the market conditions that could temporarily affect ReCom's ability to continue to provide the crucial services related to the processing of recycled goods in the State of Delaware. In doing so, DSWA took on the responsibility of absorbing the hauling costs of these goods from its transfer stations in the southern area of the state as well as offering ReCom some level of reimbursement in the event of significant market downturns. In exchange, DSWA will benefit from a larger revenue sharing percentage as market conditions improve. These renegotiated terms will remain in place through June 2021. In October 2017, Republic Services purchased ReCom and assumed all original and amended terms of DSWA's agreement with ReCom.

Supplemental Information

Delaware Solid Waste Authority

Schedule of Operating Revenues and Expenses

Year Ended June 30, 2020 (with Comparative Totals for 2019)	Landfill		Transfer Station		Collection Station		Recycling Operations		Household Hazardous Waste Program		General & Administrative		2019 Total
	Operations		Operations		Operations		Operations		Program		Administrative		
OPERATING REVENUES													
Net user fees: solid waste	\$ 51,828,794	\$17,314,294	\$	210,431	\$	-	\$	-	\$	-	\$	69,353,519	\$ 69,095,439
Landfill gas	1,272,105	-	-	-	-	-	-	-	-	-	-	1,272,105	1,355,256
Other income (expense)	1,250,224	77,165	-	-	(989,317)	-	-	-	-	-	460	338,532	1,647,396
TOTAL OPERATING REVENUES	54,351,123	17,391,459	210,431	(989,317)	-	460	70,964,156	72,098,091					
OPERATING EXPENSES													
Salaries and related costs	5,060,658	635,947	443,638	1,184,513	-	4,580,837	11,905,593	10,285,028					
Professional services	784,142	16,221	1,500	1,750	-	700,765	1,504,378	1,480,405					
Travel	24,774	292	-	4,073	-	63,422	92,561	119,621					
Supplies and materials	2,109,052	10,152	4,446	153,323	-	266,930	2,543,903	3,053,424					
Utilities	428,877	60,239	7,845	73,894	-	49,717	620,572	713,353					
Contractual services	14,880,761	9,899,257	182,580	2,885,595	1,472,000	2,565,222	31,885,415	31,443,338					
Closure and post closure care of landfills	4,367,689	-	-	-	-	-	4,367,689	2,000,510					
Depreciation expense	11,097,873	1,448,787	22,989	1,042,132	-	134,740	13,746,521	11,931,387					
TOTAL OPERATING EXPENSES	38,753,826	12,070,895	662,998	5,345,280	1,472,000	8,361,633	66,666,632	61,027,066					
MANAGEMENT OPERATIONS DISTRIBUTION	5,766,701	2,142,968	-	451,504	-	(8,361,173)	-	-					
OPERATING INCOME	\$ 9,830,596	\$ 3,177,596	\$ (452,567)	\$ (6,786,101)	\$ (1,472,000)	\$ -	\$ 4,297,524	\$ 11,071,025					

Delaware Solid Waste Authority

Schedules of Proportionate Share of the Pension Liability

State Employees' Pension Plan (1)

	2020	2019	2018	2017	2016
DSWA's proportion of the net pension liability	0.2978 %	0.3027 %	0.2819 %	0.2842 %	0.2988 %
DSWA's proportionate share of the net pension liability	\$ 4,637,095	\$ 3,909,833	\$ 4,133,322	\$ 4,282,934	\$ 1,987,790
DSWA's covered payroll	\$ 6,441,373	\$ 6,180,384	\$ 6,010,847	\$ 5,915,614	\$ 5,200,028
DSWA's proportionate share of the net pension liability as a percentage of its covered payroll	72.00 %	63.30 %	68.80 %	72.40 %	38.22 %
Plan fiduciary net position as a percentage of the total pension liability	85.40 %	87.50 %	85.30 %	84.11 %	92.67 %
	2015	2014			
DSWA's proportion of the net pension liability	0.2971 %	0.3291 %			
DSWA's proportionate share of the net pension liability	\$ 1,093,931	\$ 3,563,426			
DSWA's covered payroll	\$ 5,468,431	\$ 5,941,607			
DSWA's proportionate share of the net pension liability as a percentage of its covered payroll	20.00 %	59.97 %			
Plan fiduciary net position as a percentage of the total pension liability	95.80 %	87.23 %			

(1) Plan years ended June 30, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

Delaware Solid Waste Authority

Schedules of Contributions - Pension

State Employees' Pension Plan (1)

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 731,139	\$ 626,327	\$ 526,179	\$ 519,277	\$ 532,731
Contributions in relation to the contractually required contribution	(731,139)	(626,327)	(526,179)	(519,277)	(532,731)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
DSWA's covered payroll	\$ 6,441,373	\$ 6,180,384	\$ 6,010,847	\$ 5,915,614	\$ 5,200,028
Contributions as a percentage of covered payroll	11.35 %	10.13 %	8.75 %	8.78 %	10.24 %
	2015	2014			
Contractually required contribution	\$ 519,501	\$ 528,803			
Contributions in relation to the contractually required contribution	(519,501)	(528,803)			
Contribution deficiency (excess)	\$ -	\$ -			
DSWA's covered payroll	\$ 5,468,431	\$ 5,941,607			
Contributions as a percentage of covered payroll	9.50 %	8.90 %			

(1) Plan years ended June 30, 2019, 2018, 2017, 2016, 2015, 2014, and 2013

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

Delaware Solid Waste Authority

Schedules of Proportionate Share of the Collective Net OPEB Liability State Employees' OPEB Plan (1)

	2020	2019	2018	2017
DSWA's proportion of the collective net OPEB liability	0.2913 %	0.2978 %	0.2967 %	0.2868 %
DSWA's proportion of the collective net OPEB liability	\$ 23,224,492	\$ 24,447,316	\$ 24,491,313	\$ 26,051,179
DSWA's covered-employee payroll	\$ 6,441,373	\$ 6,180,384	\$ 6,010,847	\$ 5,915,614
DSWA's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	361.00 %	396.00 %	407.00 %	440.00 %
Plan fiduciary net position as a percentage of the total OPEB liability	4.90 %	4.40 %	4.10 %	3.30 %

(1) Plan years ended June 30, 2019, 2018, 2017, and 2016

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

Delaware Solid Waste Authority

Schedules of Contributions - OPEB

State Employees' OPEB Plan (1)o

	2020	2019	2018	2017
Contractually required contribution	\$ 699,620	\$ 668,864	\$ 703,745	\$ 624,195
Contributions in relation to the contractually required contribution	(699,620)	(668,864)	(703,745)	(624,195)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
DSWA's covered-employee payroll	\$ 6,441,373	\$ 6,180,384	\$ 6,010,847	\$ 5,915,614
Contributions as a percentage of covered-employee payroll	10.90 %	10.80 %	11.70 %	10.60 %

(1) Plan years ended June 30, 2019, 2018, 2017, and 2016

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.



Delaware Solid Waste Authority

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