

On Solid Ground

A Year of Steadfast Service



2025

Annual
Report





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Sarah Culler

Stacey Georgov

Bryn Kolmansberger

Amanda Menasion

Final Focus Photography

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Commitment at Our Core

The Delaware Solid Waste Authority (DSWA) was established in 1975 through Title 7, Chapter 64 of the Delaware Code to bring order to a fragmented waste management system.

Before DSWA, Delaware lacked a coordinated approach to waste collection, disposal, and recycling. Practices varied widely, with limited public recycling programs, inconsistent service, and growing environmental concerns. As population growth and development increased the volume and complexity of waste, counties and municipalities struggled to manage disposal and protect natural resources.

In response, guided by DNREC's State Plan for Solid Waste Management, the Delaware Legislature created DSWA on August 12, 1975, to develop a comprehensive statewide plan for reliable, efficient, and environmentally responsible waste management.

Today, nearly five decades later, DSWA operates modern landfills, transfer stations, recycling programs, and environmental education centers that serve the entire state. With a focus on sustainability, innovation, and public service, DSWA continues to provide Delawareans with safe, cost-effective waste management solutions while planning for future needs.

OUR MISSION

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

CHAIRMAN'S REFLECTION

It is with great pleasure that I reflect on Fiscal Year 2025 (July 1, 2024 – June 30, 2025) and report that the Delaware Solid Waste Authority (DSWA) has continued to make significant progress in its mission to develop and implement plans and programs that best serve the solid waste management needs of Delaware's residents and businesses.

Our Board of Directors and staff take great pride in utilizing cutting-edge technology and best practices to provide Delawareans with a globally recognized model of excellence in solid waste and recycling management. Notably, several members of our team serve on committees and boards for state, national, and international organizations, including:

- Recycling Public Advisory Committee (RPAC)
- Keep Delaware Beautiful (KAB)
- Northeast Recycling Council (NERC)
- Solid Waste Association of North America (SWANA)
- International Solid Waste Association (ISWA)
- American Academy of Environmental Engineers and Scientists (AAEES)

In May 2025, we hosted an international delegation of ISWA members for multi-day meetings and tours of DSWA facilities, including two of our modern engineered landfills and our large recyclables processing center. This gathering provided an excellent exchange of information on sustainable materials management programs implemented in Delaware and around the world. Delaware has long been recognized as a leader in this field and continues to share practical solutions with both national and international audiences.

This fiscal year also brought changes in state leadership. In January 2025, Governor Matt Meyer nominated, and the Delaware Senate confirmed, Gregory Patterson as the new Secretary of the Department of Natural Resources and Environmental Control (DNREC). DSWA's Board of Directors reached out to Secretary Patterson and arranged an introductory meeting to foster strong communication and collaboration between our organizations. We look forward to working with the Secretary and his team in the years ahead.

It is with great sadness that I share the passing of our former Director, Ronald G. McCabe. Appointed to the Board in July 1979, Mr. McCabe served with distinction for 39 years, including 24 years as Vice Chairman. His dedication to public service and contributions to DSWA will not be forgotten.

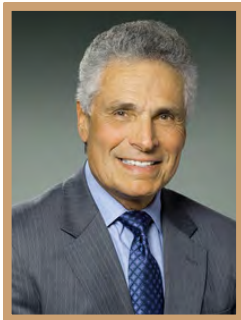
Finally, I extend my sincere thanks to our Board members and staff for their ongoing commitment to providing essential, cost-effective recycling and solid waste management services to the people of Delaware. Our organization takes great pride in its mission and continuously strives for excellence.



Gerard L. Esposito
Chairman of the Board



BOARD OF DIRECTORS



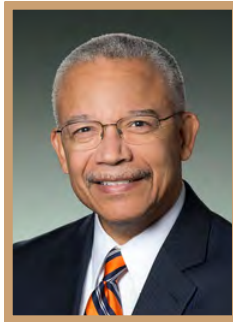
Gerard L. Esposito, Chairman



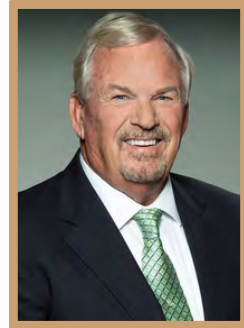
Timothy P. Sheldon, Vice Chairman



Tonda L. Parks



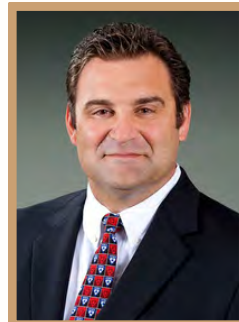
Norman D. Griffiths



A. Temple Carter III



William "Jack" Riddle



Michael R. Paraskewich, Jr., Ph.D., P.E.

The Board of Directors is comprised of seven dedicated members, all committed to advancing the mission of the Delaware Solid Waste Authority (DSWA). The Board takes this mission seriously, continually seeking opportunities to enhance the organization's operations. They are responsible for setting policies, making decisions related to current operations, and guiding future programs and planning. Appointed by the Governor and confirmed by the Senate, each Board member serves a three-year term, with the Chairman serving at the Governor's discretion. Serving voluntarily and without compensation, these Delaware residents are actively engaged in their local communities and charitable organizations. They also participate in numerous DSWA-sponsored events, recognizing the importance of these activities in disseminating information about DSWA's facilities and programs to the public.

CEO'S PERSPECTIVE

Fiscal Year 2025 (July 1, 2024 – June 30, 2025) ended on a strong financial note, as presented in the Financial Statements section of this Annual Report. As Delaware's population continued to grow and the economy remained steady, we saw a slight increase in the amount of solid waste and recyclables. As it has throughout its history, DSWA managed all of this material in an environmentally responsible manner.

This year was marked by several significant achievements and progress on design and construction projects, as outlined below:

Projects in Design and Bid Preparation during FY 2025:

- Landfill Phase VI at Cherry Island Landfill
- Upgrades to the Gas Plant at Cherry Island Landfill
- Landfill Cell 6 at Jones Crossroads Landfill
- Capping of Cells 3 & 5 at Jones Crossroads Landfill
- Capping of Area F 1-8 at Sandtown Landfill
- Recycling Transfer Building at Rt. 5 Transfer Station

Projects with Construction Continuing in FY 2025:

- Sod Farm Construction at Jones Crossroads Landfill

Projects Started Construction in FY 2025:

- Phase VI Bifurcation Berm at Cherry Island Landfill
- Manhole Rehabilitation at Cherry Island and Pigeon Point Landfills
- Demolition of Digesters at Delaware Recycling Center
- Capping of Landfill Area A/8 at Sandtown Landfill
- Landfill Cell 6 Base Grade at Jones Crossroads Landfill

Projects Completed in FY 2025:

- Manhole Rehabilitation Phase 1 at Cherry Island and Pigeon Point Landfills

These projects are critical to ensuring DSWA's long-term sustainability and demonstrate our commitment to proactive planning and responsible waste management.

We also continued to deliver cost-efficient services through our Discount Disposal Fee (DDF) system. FY 2025 marked the first year of the new three-year DDF contracts. For non-contract customers, the gate rate tipping fee was reduced to \$80.00 per ton, down \$5.00 from the previous year.

DDF contract customers—those who commit to delivering all Delaware-generated waste exclusively to DSWA—receive a semi-annual rebate of \$10.00 per ton for waste delivered to our landfills, bringing the net landfill fee to \$70.00 per ton, a \$2.00 per ton decrease from last year. Transfer Station rates for DDF contract customers rose slightly from \$78.50 to \$80.00 per ton due to no rebates being applied at those facilities. Even so, rates remain well below FY 2016 levels, when landfill rates were \$80.50 per ton and Transfer Station rates were \$84.50 per ton.

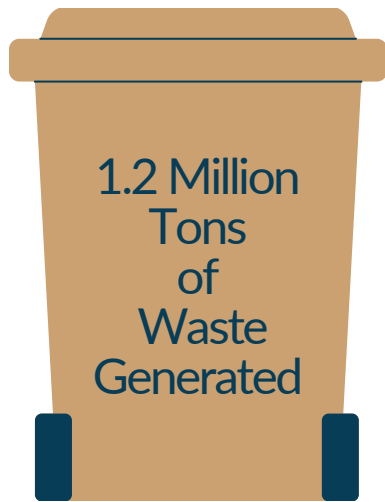
I am proud to work alongside our dedicated staff, whose hard work and commitment ensure we provide the highest level of service to all Delawareans. We also value our partnerships with contractors and vendors, whose expertise is essential to our success. Finally, I thank our Board of Directors for their unwavering support, knowledge, and leadership as we continue to serve the people of Delaware.

Richard P. Watson

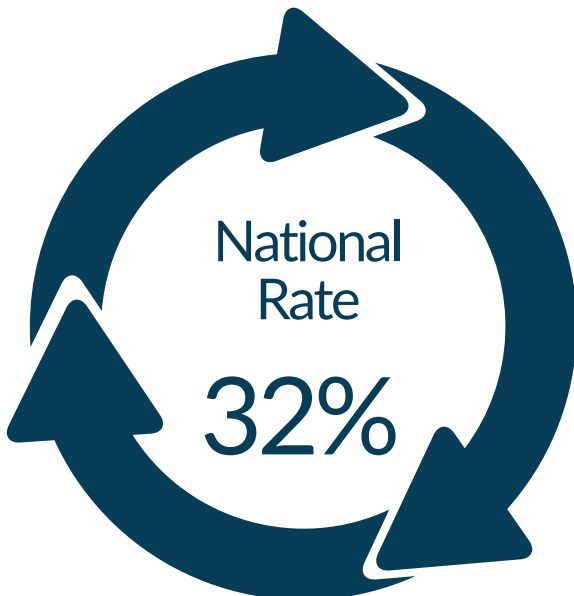
Richard P. Watson P.E., BCEE
Chief Executive Officer



RECYCLING DIVERSION RATES IN DELAWARE



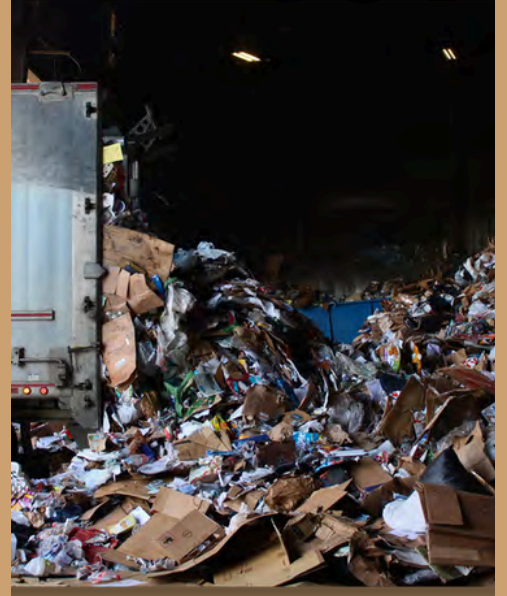
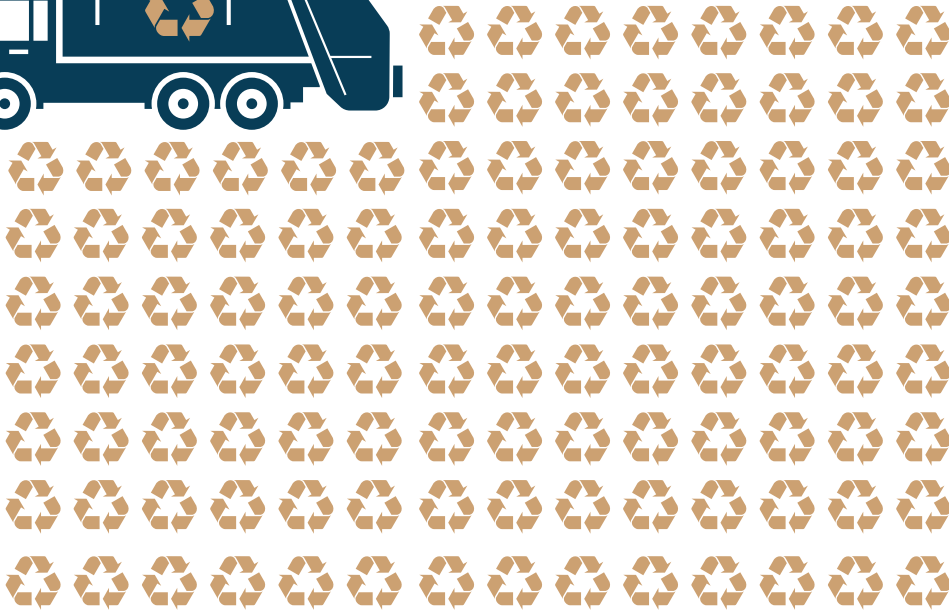
Source: State of Delaware, Assessment of Municipal Solid Waste Recycling, CY 2024



Source: "U.S. Recycling Infrastructure Assessment and State Data Collection Reports" (EPA, Aug 2025)

DSWA RECYCLING

Statewide Single-Stream Recycling Received



114,299 TONS

= 1,000 tons



DSWA Drop-Off Centers*

Motor Oil **433 Tons**
Sent To: Crystal Clean

Oil Filters **36 Tons**
Sent To: Crystal Clean

Household Batteries **67 Tons**
Sent To: Call2Recycle

Polystyrene Foam **32 Tons**
Sent To: DART Container

Single-Stream & Cardboard Recycling **1,639 Tons**
Sent To: Republic Services

Electronics Recycling **731 Tons**
Sent To: Sycamore International

TOTAL COLLECTED: 2,938 TONS

*Data from DSWA's Drop Off Centers & Recycling Centers Only

SPECIAL COLLECTIONS

488
TONS OF
HOUSEHOLD HAZARDOUS
WASTE COLLECTED



221

HOUSEHOLD HAZARDOUS
WASTE COLLECTION
EVENTS



Program Cost
\$2,009,338

COLLECTION POINTS



Collection Events
79 Tons



DSWA Centers
409 Tons

291 TONS OF
DOCUMENTS SHREDDED



64 DOCUMENT
SHREDDING EVENTS



Program Cost
\$169,115

COLLECTION POINTS



Collection Events
56 Tons



DSWA Centers
235 Tons

1,042 TONS OF
ELECTRONICS RECYCLED



Program Cost
\$582,137

COLLECTION POINTS



Schools
113 Tons



Non-Profits
9 Tons



Government
91 Tons



Collection Events
70 Tons



DSWA Centers
731 Tons



Most Collected Items



Televisions
16,158 Items



Printers
5,155 Items

Computers
32,468 Items



RECOVERED RESOURCES FROM LANDFILLS & TRANSFER STATIONS



Refrigerant White Goods

537 Tons



Non Refrigerant White Goods

2,294 Tons



Tires

1,962 Tons



Dry Wall

909 Tons

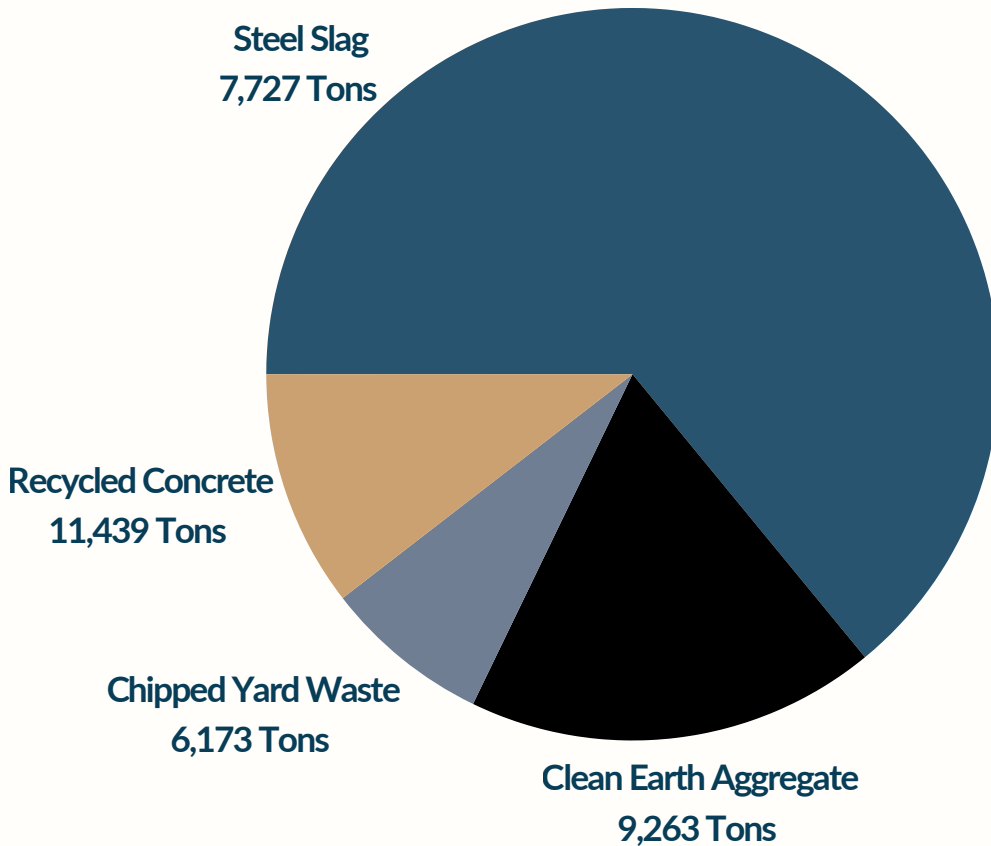


Propane Bottles

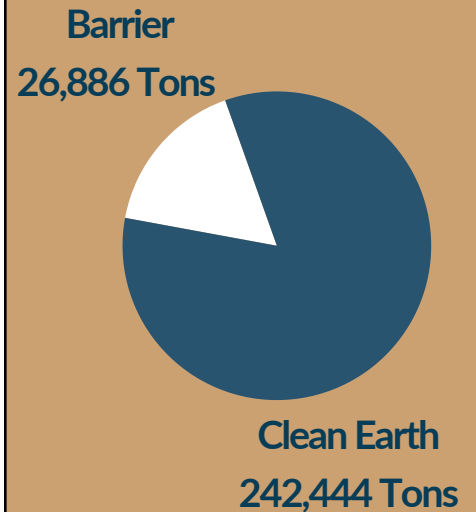
16 Tons

FACILITY RECOVERED RESOURCES USED BY MATERIAL TYPE

Alternative Materials Used For Road Building



Alternative Materials Used For Soil Amendment



Alternative Materials Used For Soil Cover



Yard Waste
1,936 Tons



LANDFILL GAS UTILIZATION



Landfill gas (LFG) is a natural byproduct of waste decomposition in landfills, consisting of approximately 50% methane, the primary component of natural gas. The Delaware Solid Waste Authority (DSWA) efficiently harnesses this energy at all three of its active landfill facilities.

In New Castle County, the Cherry Island Landfill (CIL) captures about 3,200 cubic feet of LFG per minute. Roughly two-thirds of this gas is utilized by Cherry Island Renewable Energy, LLC (CIRE) to generate power for Croda Atlas Point Facility and the City of Wilmington’s Wastewater Treatment Plant.

Similarly, in Kent County, the Central Solid Waste Management Center (CSWMC) collects around 2,000 cubic feet of LFG per minute. Sussex County’s Southern Solid Waste Management Center (SSWMC) also collects approximately 2,000 cubic feet of LFG per minute.

The LFG from both the CSWMC and SSWMC facilities is utilized by Ameresco Delaware Energy, LLC. Ameresco operates engines at each facility with a 5MW energy-generating capacity, supplying electricity to Delaware homes and businesses. LFG is a crucial source of green energy in Delaware, helping to reduce reliance on fossil fuels like coal, natural gas, and oil. The carbon dioxide produced from LFG utilization is classified as “biogenic,” meaning it is carbon neutral and does not contribute to climate change.

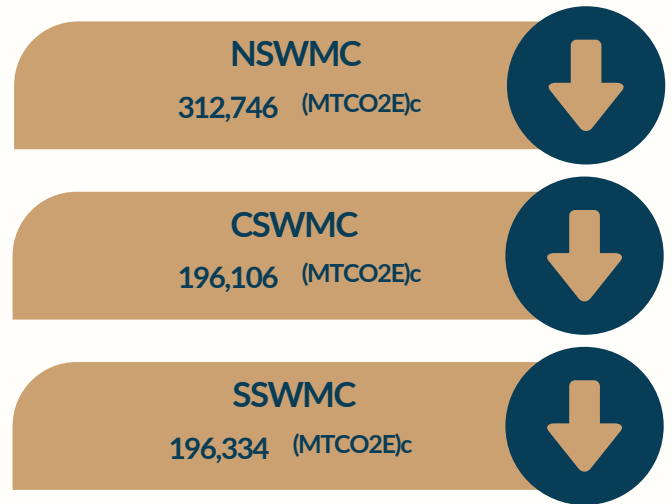
DSWA is committed to fostering public-private partnerships to further leverage LFG in the production of sustainable energy for Delaware.

Number Of Homes Powered

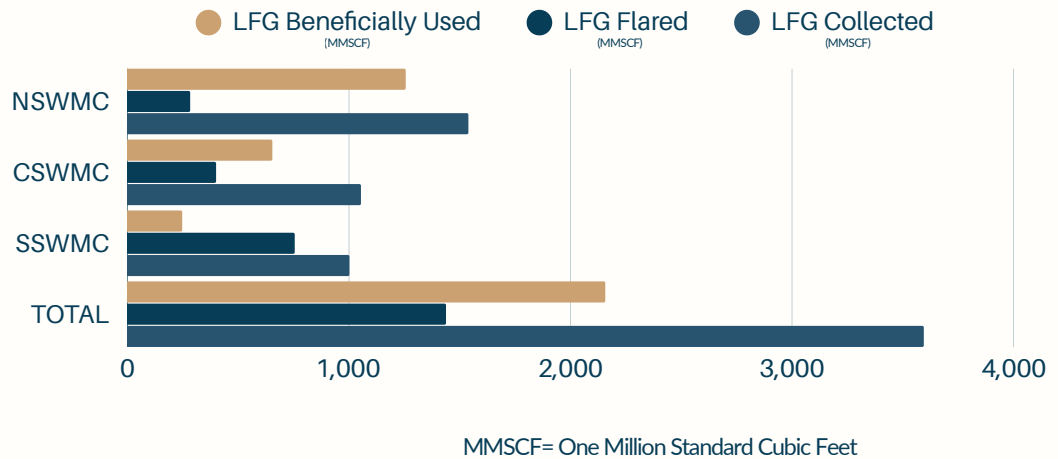


Determined by USEPA 2014 LMOP LFG Energy Benefits Calculator

GREENHOUSE GASES REDUCED



(MTCO2E)c= Metric Tons Of Carbon Dioxide Equivalents Per Year Reduced Thru LFG Collection



ENVIRONMENTAL EDUCATION PROGRAM

Blending Classroom Learning With Interactive, Hands-On Activities To Promote Sustainability.



DSWA's Flagship Environmental Education Center in New Castle in its 11th year.

Total Visitors: 2,421 Students

61 Unique School/Groups



DSWA's Dover Environmental Education Center, in Its First Year

Total Visitors: 1,548 Students

40 Unique School/Groups

Other Outreach Efforts

90 In-School Programs
9,000 Participants

35 Community Events
More Than 20,000 People Reached



Delaware Solid Waste Authority

Financial Statements and
Supplementary Information

Years Ended June 30, 2025 and 2024



WIPFLI

The WIPFLI logo is positioned in the bottom right corner of the page. It features the word 'WIPFLI' in a white, bold, sans-serif font, centered within a solid blue rectangular background.

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Delaware Solid Waste Authority (the "DSWA"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the DSWA as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis (pg's 4-11), be presented to supplement the basic financial statements. The schedules of proportionate share of the pension liability (pg 48), schedules of contributions - pension (pg 49), schedules of proportionate share of the collective net OPEB liability (pg 50), and schedules of contributions - OPEB (pg 51) are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the DSWA's basic financial statements. The schedule of operating revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The logo for Wipfli LLP, featuring the name "Wipfli LLP" in a handwritten-style script font.

Wipfli LLP

Radnor, Pennsylvania
November 4, 2025

Delaware Solid Waste Authority

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, 2025 and 2024. 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.

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.

Delaware Solid Waste Authority

Risk Management

The DSWA maintains a comprehensive package of liability insurance relevant to its operations. During fiscal year 2025, management elected to self-insure the majority of its property statewide with the exception of a stand-alone policy for recently built administrative accommodations and operational buildings with contractual obligations requiring this coverage. This decision was made because of what management determined to be a gross imbalance of premiums with related coverage and DSWA's plan to redirect cost savings to more than cover annual expected losses. 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.

DSWA management has effectively closed the investigation going on prior to June 2024 of a case of suspected fraud involving asset misappropriation by a former employee. This former employee is no longer available for further investigation limiting management's ability to find an actionable outcome related to this ongoing investigation. Any potential losses that remain unproven from prior periods have been reflected in operational expenses in those respective periods. In the event further information comes to management's attention, the appropriate actions may be restarted.

Overview of the Financial Statements

This discussion and analysis are 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) Basic Financial Statements and 2) Notes to the financial statements. This report also contains supplementary information and required supplementary information in addition to the basic financial statements.

These 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 two 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, 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 Financial Statements can be found on pages 12 through 16 of this report.

Delaware Solid Waste Authority

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 17 through 44 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 \$239.4 million and \$229.6 million at the close of fiscal years 2025 and 2024, respectively. This represents an increase of approximately \$9.7 million (4.2%) in net position in 2025 over the previous year.
- Total incoming tonnage in fiscal year 2025 increased by approximately 11,000 tons resulting in a 1.1% increase in revenue-generating tons compared to fiscal year 2024.
- Total operating revenue decreased by approximately \$180K or 0.2% less than fiscal year 2024. By comparison, the prior year was an increase of \$2.0 million or a 9.9% increase from fiscal year 2023. This slight decrease in operating revenue was largely due to a recycling market that returned to fiscal year 2023 levels that preceded the upturn in this market in 2024. Overall, the recycling markets remain in a condition that requires DSWA to subsidize the program's costs. Recycling related operating revenue of a net \$1.1 million loss for fiscal year 2025 increased from \$798K of net recycling revenue loss in the prior year. While revenue generating tonnage increased by 11,000 tons, the combination of the new rebate program and the mix of tonnage between landfills and transfer stations resulted in a minimal \$33K increase in revenue relating to this tonnage. Despite this minimal increase in revenue, the fiscal year 2025 trend toward tonnage going directly to the landfills reduced waste handling costs as well. Net user fees reported in this area are net of the Discount Disposal Fee Programs rebates of approximately \$4.2 million in 2025 and \$6.96 million in 2024 (see Note 8).
- Total operating expenses for 2025 (prior to depreciation and closure costs) decreased by approximately \$2.0 million or 3.5% from the previous year. The only significant increase in operating costs was attributable to employment costs. These costs experienced an increase of \$1.5 million due to filling of open positions that utilized contractors and temporary services in the prior year, year-end pension cost adjustments, and health benefit cost increases of approximately 27%. Despite these increases, operations was able to more than offset these increases with reductions in site supplies and materials of 27%, utilities of 18%, and contractual service of 7%. Within these areas, stone for road development on site dropped 37%, electric costs went down 22%, use of temporary services was down 31%, waste handling with landfill materials decreased by 3% (\$676K), and leachate treatment and hauling costs decreased by over 60% (\$1.59 million). Many of these were due to operations proactively reviewing and making policy or on-site project planning changes with immediate and long-term cost savings at the forefront of that decision making.
- Operating loss for 2025 was approximately (\$900) thousand versus the prior year operating loss of (\$4.6) million. A slight increase in revenue generating tonnage was offset by negative market changes to the recycling market resulted in a slight decrease to the operating revenue. This minimal revenue decrease was offset by the \$2.0M decrease in operating expenses noted above prior to depreciation and closure costs and \$1.65 million less in recorded depreciation for fiscal year 2025. The significant reduction in depreciation expense was due to some assets becoming fully depreciated and a change in the useful life of assets related to a portion of the landfill at the Southern facility that resulted in that useful life being extended from fiscal year 2025 to fiscal year 2029.

Delaware Solid Waste Authority

Summary of Revenues, Expenses and Changes in Net Position

A summary of revenues, expenses and changes in net position for the years ended June 30, 2025, 2024 and 2023 is presented below:

	2025	2024	2023
Other Assets	\$ 221,247,996	\$ 225,908,453	\$ 205,604,882
Capital Assets	195,083,733	177,350,151	179,182,389
Deferred Outflows of Resources	8,696,878	9,448,373	10,184,252
Total Assets and Deferred Outflows of Resources	425,028,607	412,706,977	394,971,523
Other Liabilities	12,534,683	15,357,302	11,649,134
Long-Term Debt	161,511,798	154,034,218	147,807,802
Deferred Inflows of Resources	11,625,637	13,676,662	14,302,567
Total Liabilities and Deferred Inflows of Resources	185,672,118	183,068,182	173,759,503
Net Position:			
Net Investment in Capital Assets	194,969,502	177,196,413	178,990,848
Unrestricted	44,386,987	52,442,382	42,221,172
Total Net Position	\$ 239,356,489	\$ 229,638,795	\$ 221,212,020

Net investment 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 unrestricted funds administered by DSWA can be used to fund Capital Improvement Projects and other operating costs. Any restricted net position is limited to outside third-party restrictions and represents the net position that has been legally identified for specific purposes.

Delaware Solid Waste Authority

	2025	2024	2023
Operating Revenues			
Net User Fees: Solid Waste	\$ 75,144,118	\$ 75,111,420	\$ 73,826,253
L/F Gas Marketing Income	1,619,949	1,514,448	1,565,460
Marketing Income (Expense) Recyclables	(2,362,431)	(1,974,972)	(2,601,370)
Other Income	1,246,938	1,177,172	995,942
Total Operating Revenues	75,648,574	75,828,068	73,786,285
Operating Expenses			
Salaries and Related Costs	13,409,151	11,903,279	11,910,408
Contractual Services	35,987,159	38,567,330	36,761,725
Depreciation	14,899,137	16,549,381	14,587,441
Landfill Closure	7,429,115	7,678,873	22,270,913
Other Expenses	4,820,069	5,721,958	5,307,160
Total Operating Expenses	76,544,631	80,420,821	90,837,647
Operating loss	(896,057)	(4,592,753)	(17,051,362)
Net Nonoperating Revenue / (Expense)	10,613,751	13,019,528	3,465,967
Change in Net Position	9,717,694	8,426,775	(13,585,395)
Net Position - Beginning of Year	229,638,795	221,212,020	234,797,415
Net Position - End of Year	\$ 239,356,489	\$ 229,638,795	\$ 221,212,020

Capital Asset Activity

The following provides a summary of the significant changes in capital assets for the year ended June 30, 2025 and a description of the major items affecting the year-end balances (see Note 4 - Capital Assets).

1. Construction in Progress

Increases: Public Information exhibits and storage \$113,847, DRC Digester demolition - \$702,501, Cherry Island Phase VI design & construction- \$1,170,811, Cherry Island Manhole upgrades - \$1,514,095, Cherry Island Haul road paving - \$224,942, Cherry Island litter fencing - \$139,385, Cherry Island Landfill Gas Compressors & condensate improvements - \$192,047, Pigeon Point Landfill Manhole upgrades - \$580,809, Sandtown Landfill Pond cleanout project - \$215,074, Sandtown Landfill Borrow pit - \$807,112, Sandtown Landfill Area A/B capping- \$3,571,437, Sandown Landfill Land purchase - \$2,078,134, Sandtown Landfill Paving overlay project - \$212,443, Southern Landfill Capping projects - \$107,312, Southern Landfill Cell 6 design & construction - \$14,958,604, Southern Landfill Sod Farm - \$4,088,886, Southern Landfill Megadeck system - \$289,855, Southern Landfill Gas Blower improvements - \$109,021

Delaware Solid Waste Authority

2. Depreciable Capital Assets

Increases: Vehicles, Trucks, & ATVs - \$669,139, Building and Land Improvements - \$211,146,
Heavy Construction Equipment and Processing Equipment - \$533,586
Decreases: Vehicles & Machinery sold or traded-in - approximately \$484,139

Review of Operations

Landfill Operations. During fiscal year 2025, the Delaware Solid Waste Authority's three operating landfills managed the safe disposal or recycling of 1,003,931 tons of waste compared to 992,594 tons during the previous year. Of the total waste received, dry waste, which includes construction and demolition waste, accounted for 188,050 tons in fiscal year 2025 compared to 189,486 tons in the previous fiscal year. During fiscal year 2025, 1,962 tons of tires were recycled. A total of 8,109 tons of yard waste were either recycled as soil amendment or used for road building and 2,831 tons of white goods were collected and recycled in fiscal year 2025. The user fee for solid waste was \$80.00 per ton at the landfills and transfer stations. The user fee was \$85.00 per ton at the landfills and transfer stations during the prior year. Solid waste rebates per ton were \$10 at the landfills and \$0 at the transfer stations compared to \$13 at the landfills and \$6.50 at the transfer stations in the prior year.

Transfer Stations. During fiscal year 2025, the DSWA's Pine Tree Corners, Milford and Route 5 Transfer Stations received and transferred a total of 219,243 tons of waste compared to 240,912 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 with plans in some upcoming years for a portion of the Route 5 tonnage to also be transported to the Sandtown Landfill.

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 123,187 customers disposed of 202,007 bags of household waste and 58,024 bags of yard waste during fiscal year 2025.

Recycling. During fiscal year 2025, DSWA's Drop Off Center Program collected 2,938 tons of various recyclables including cardboard, single-stream, batteries, oil filters, oil, electronic goods, and Polystyrene from its 13 sites. The Oil Filter Program recycled 36 tons of oil filters collected statewide. DSWA also recycled 127,450 gallons or 433 tons of motor oil. The Electronic Goods Program collected a grand total of 1,042 tons of electronic goods for recycling from special events, state agencies, schools, non-profit organizations, and DSWA drop off sites. At various locations throughout the state, the Recycling Group conducted a total of 17 special Saturday collection events. These events were for the collection of household hazardous waste, electronic goods, and paper shredding.

A total of 79 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, four weekly Household Hazardous Waste collections were conducted during fiscal year 2025. 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 409 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 291 tons of paper were shredded at these events combined.

Delaware Solid Waste Authority

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 2025, Revolution received 135,172 tons of C&D materials for processing versus fiscal year 2024 tonnage of 128,873 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 2025, ReCom (Republic) received 114,299 tons of recyclable materials for processing versus fiscal year 2024 incoming tonnage of 108,378 tons.

Plans for the Future. During fiscal year 2025, DSWA built on operational adjustments from prior years that resulted as a response to several year of inflationary pressure on costs. Benefits from new contractual arrangements and thorough review of internal processes in efforts to mitigate those inflationary pressures were realized during the fiscal year. While the focus is generally on DSWA direct costs as it relates to taking steps to minimize increases, management continues to monitor statewide trends and site-specific issues that could adversely affect operational results. Additionally, management continues to also track state and national legislative or regulatory changes that may require operational adjustments. Some easing of pressures on pricing has allowed DSWA to continue its efforts with capital project goals that include but are not limited to expanding or improving upon landfill areas for waste disposal and making accommodations statewide to maximize recyclable materials to market. These projects are for the long-term benefit of the Authority in its effort to serve the communities of Delaware today and also prepare for the anticipated needs of the next generation of waste handling. With this forward thinking project planning, financial readiness for today and preparedness for the future has been part of management's process of budgeting and planning beyond just the current period and should allow for financial flexibility when the times comes for all planned capital projects.

Fiscal year 2025 experienced a slight increase of 1.1% in revenue generating tonnage to approximately 1.003 million tons. Since 2013, DSWA has experienced a tonnage reduction on a year over year basis only twice with 2020 being one of those years partly due to the Covid-19 pandemic. Overall, tonnage has become relatively reliable and consistent since the bottoming of tonnage in 2012 and 2013 and the implementation of flow control in 2016. While still early, fiscal year 2026 forecasts show a strong increase year over year from fiscal year 2025. This most recent fiscal year involved a new rebate structure that gave further incentive for users of DSWA facilities to frequent the landfills directly. This change, along with short periods of maintenance work being done at the transfer stations, resulted in direct to landfill tonnage rising 4.4% compared to the overall tonnage increase of 1.1%. This allowed for more efficient handling of waste and, consequently, reduced costs. The change in annual tonnage is becoming increasingly predictable with a reasonably high degree of certainty while also not seeing drastic downturns in tonnage on a year over year basis. This reduced volatility allows for certainty in short term budgeting and long-term forecasts that give confidence when planning projects needed decades into the future.

After a period of challenging inflation rates a few years ago, that pressure has eased recently but external economic policy uncertainty and potential changes that could give rise to this pressure returning remain. The potential of that inflationary pressure returning requires that management remain diligent in its efforts to oversee costs throughout the organization. These ongoing efforts were reflected in DSWA's operational results in fiscal year 2025. Even with a slight increase in tonnage that would usually lead to a corresponding increase in related costs, operating expenses prior to depreciation and closure cost provisions decreased by 3.5%. This is largely due to proactive efforts by management to take every opportunity to restructure both contractual and internal costs with efficiency in mind.

Delaware Solid Waste Authority

Fiscal year 2025 was the first year of a new 3-year rebate program with notable changes from the prior program. This new rebate term was structured in a way to recognize the economic pressures placed on local communities in recent years by lowering the prevailing gate fee despite DSWA facing those same economic challenges. The incentives in the program also were designed to allow for more cost-effective operations while still offering conveniences to the Delaware

communities the Authority serves. After the first year of this new rebate term, both of these goals have been accomplished and the continued effectiveness of this approach will be monitored over the remainder of the 3-year term in order to assess future application beyond fiscal year 2027.

During fiscal year 2025, management has embarked on several long-term infrastructure projects statewide that are part of the plan to provide ongoing services into the next generation. Part of this process has also included years of financial preparedness to fund these projects and also have funding in place when the time is appropriate for closure of any DSWA facilities. It also includes being responsible stewards of the closed facilities years into the future beyond closure in efforts to give assurance to our communities that these facilities pose minimal environmental risk. These projects have included strategic purchases for facility expansion and to allow for space to insulate communities from operations as well as on-site development projects to prepare existing facility footprints for usage well into the future. At the same time management has elected to take the proactive stance of pre-funding future closure and post closure care costs in an effort to not leave that responsibility solely to future DSWA management teams and Delaware communities.

The recycling market continues to be a challenging environment as waste operations continues to subsidize these efforts. There had been movement from 2023 to 2024 in a more beneficial direction requiring less operations subsidy, but fiscal year 2025 experienced a bit of a backslide toward 2023 levels. While less than ideal, the nature of this part of operations has been cyclical with DSWA having years of positive revenue followed by years requiring the subsidy conditions that currently exist. In the last few years, management generally takes a conservative approach in anticipation of upcoming periods when it comes to market conditions while staying fully committed to providing these services to Delaware residents in partnership with the private sector.

Now five years removed from the Covid-19 pandemic that resulted in several years of operational adjustments and economic uncertainties leading to inflationary pressures not seen in years, management has taken steps to always maintain a state of readiness for any such disruption to operations in the future. This is being done through operational flexibility and financial preparedness. While not all disruptions that could occur can be predicted, management continues to evaluate resources, site requirements, community feedback and needs, and industry developments in its efforts to be as prepared as possible should this occur for any reason at any time.

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:

Joseph J. Koskey
Chief Financial Officer
Delaware Solid Waste Authority
601 Energy Lane
Dover, DE 19901
Telephone: (302) 739-5361

Respectfully submitted,
Joseph J. Koskey
Joseph J. Koskey
Chief Financial Officer

Delaware Solid Waste Authority

Statements of Net Position

<i>As of June 30,</i>	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Unrestricted Current Assets:		
Cash and cash equivalents - Note 2	\$ 1,301,354	\$ 3,208,523
Investments - Note 3	128,264,549	124,358,971
Accounts receivable (net of allowance for doubtful accounts of \$13,305 and \$867, respectively)	7,892,880	6,838,833
Interest receivable	1,349,458	1,296,721
Leases receivable - Note 11	380,510	325,047
Prepayments and miscellaneous receivables	704,221	1,494,872
Total Unrestricted Current Assets	139,892,972	137,522,967
NONCURRENT ASSETS		
Unrestricted Noncurrent Assets:		
Investments - Note 3	78,467,929	85,117,881
Leases receivable, non-current - Note 11	2,887,095	3,267,605
Total Unrestricted Noncurrent Assets	81,355,024	88,385,486
Capital Assets - Note 5		
Land	32,007,241	29,929,106
Land improvements	335,779,499	332,068,518
Buildings	67,525,006	67,447,176
Equipment and furniture	28,788,266	27,052,875
Vehicles	4,299,202	4,016,302
Total	468,399,214	460,513,977
Less: Accumulated depreciation	314,603,325	300,174,260
Total Capital Assets	153,795,889	160,339,717
Construction in progress - Note 5	41,179,162	16,860,997
Subscription-based asset - net	108,682	149,437
Total Capital Assets	195,083,733	177,350,151
Total Noncurrent Assets	276,438,757	265,735,637
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions - Note 7	3,355,168	3,574,755
Related to other post employment benefits - Note 7	5,341,710	5,873,618
Total Deferred Outflows of Resources	8,696,878	9,448,373
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 425,028,607	\$ 412,706,977

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Net Position

<i>As of June 30,</i>	2025	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 5,943,389	\$ 8,933,410
Contracts payable, including retainage	1,910,044	793,975
Accrued compensation	2,659,610	2,145,094
Contract rebate payable - Note 8	2,021,640	3,484,823
Subscription-based liability - ST - Note 4	41,277	39,503
Total Current Liabilities	12,575,960	15,396,805
NONCURRENT LIABILITIES		
Accrued landfill closure and post closure care costs - Note 6	133,100,851	125,671,736
Net pension liability - Note 7	4,655,216	4,750,510
Net other post employment liability - Note 7	23,641,500	23,458,238
Subscription-based liability - LT - Note 4	72,954	114,231
Total Noncurrent Liabilities	161,470,521	153,994,715
Total Liabilities	174,046,481	169,391,520
DEFERRED INFLOWS OF RESOURCES		
Related to pensions - Note 7	118,400	125,323
Related to other post employment benefits - Note 7	8,239,632	9,958,688
Related to leases - Note 11	3,267,605	3,592,651
Total Deferred Inflows of Resources	11,625,637	13,676,662
NET POSITION		
Net investment in capital assets	194,969,502	177,196,413
Unrestricted	44,386,987	52,442,382
Total Net Position	239,356,489	229,638,795
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 425,028,607	\$ 412,706,977

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2025	2024
OPERATING REVENUES		
Net user fees: solid waste	\$ 75,144,118	\$ 75,111,420
Landfill gas	1,619,949	1,514,448
Other income (expense) - Note 11	(1,115,493)	(797,800)
Total Operating Revenues	75,648,574	75,828,068
OPERATING EXPENSES		
Salaries and related costs	13,409,151	11,903,279
Professional services	2,060,617	2,123,990
Travel	122,680	105,628
Supplies and materials	1,830,642	2,511,568
Utilities	806,130	980,772
Contractual services	35,987,159	38,567,330
Closure and post closure care of landfills	7,429,115	7,678,873
Depreciation and amortization expense	14,899,137	16,549,381
Total Operating Expenses	76,544,631	80,420,821
OPERATING LOSS	(896,057)	(4,592,753)
NONOPERATING REVENUES (EXPENSES)		
Net investment income	10,543,342	10,197,428
Other nonoperating revenue - net	70,409	2,822,100
Net Nonoperating Revenue (Expenses)	10,613,751	13,019,528
INCREASE IN NET POSITION	9,717,694	8,426,775
NET POSITION - BEGINNING OF YEAR	229,638,795	221,212,020
NET POSITION - END OF YEAR	\$ 239,356,489	\$ 229,638,795

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Cash Flows

<i>Years Ended June 30,</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 73,417,539	\$ 75,783,188
Cash paid to suppliers	(42,681,180)	(40,478,435)
Cash paid to employees	(13,781,151)	(12,816,668)
Landfill gas marketing revenues	1,619,949	1,514,448
Other operating expenses	(1,115,493)	(797,800)
Net Cash From Operating Activities	17,459,664	23,204,733
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	6,527,117	6,336,679
Purchases of investments	(411,861,037)	(485,129,140)
Proceeds from sale of investments	418,527,236	467,823,641
Net Cash From Investing Activities	13,193,316	(10,968,820)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash payments for capital assets	(32,687,546)	(14,861,129)
Net proceeds from sale of capital assets	166,900	2,909,845
Subscription-based payments	(39,503)	(37,807)
Net Cash From Capital and Related Financing Activities	(32,560,149)	(11,989,091)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,907,169)	246,822
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,208,523	2,961,701
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,301,354	\$ 3,208,523

See accompanying notes to financial statements.

Delaware Solid Waste Authority

Statements of Cash Flows (Continued)

Years Ended June 30,	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES		
OPERATING LOSS	\$ (896,057)	\$ (4,592,753)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	14,899,137	16,549,381
Rental income	(325,047)	(354,679)
Pension expense	117,370	(259,129)
Other post employment benefit expense	(1,003,886)	(690,866)
Change in Assets and Liabilities:		
Accounts receivable	(1,054,047)	1,146,234
Prepayments and miscellaneous receivables	790,651	(335,175)
Leases receivable	325,047	354,679
Accounts payable	(2,990,021)	3,700,357
Contracts payable	1,116,069	110,496
Accrued compensation	514,516	36,606
Accrued closure and post closure care of landfills	7,429,115	7,678,873
Contract rebate payable	(1,463,183)	(139,291)
Total Adjustments	18,355,721	27,797,486
Net Cash Provided by Operating Activities	\$ 17,459,664	\$ 23,204,733
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Gain on disposition of capital assets	\$ (112,073)	\$ (2,765,860)
Unrealized gain on investments	(3,907,729)	(3,704,520)
Realized (gain) loss on sale of investments	(55,759)	377,729

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)

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. Effective in late fiscal year 2024, capitalization cost changed from \$5,000 to \$10,000. 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.

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 and amortization expense for the years ended June 30, 2025 and 2024 was \$14,899,137 and \$16,549,381, respectively.

Subscription Based Information Technology Arrangements

The DSWA is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the DSWA the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

For all underlying classes of assets, the DSWA does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2025 and 2024:

U.S. Treasury obligations and Wilmington U.S. Government Money Market Funds (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 and Time Deposits (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.

Leases

The leases receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized using the effective interest method to other income included in the statements of revenues, expenses and changes in net position. See Note 11.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

The DSWA recognizes a liability for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. This liability includes amounts attributable to leave that has been earned, accumulates, and is more likely than not to be used for time off or otherwise paid.

The liability is measured using the employee's pay rate in effect as of the financial statement date and includes salary-related payments that are directly and incrementally associated with leave payments to employees.

For the fiscal year ended June 30, 2025, the net change in compensated absences liability was a net increase of \$301,915.

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 investment in capital assets represents capital assets, less accumulated depreciation.

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.

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.

Recently Adopted Accounting Pronouncement

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences. The Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The DSWA adopted this guidance for the year ended June 30, 2025 which is treated as a change in accounting principle requiring retrospective adjustment. The adoption of this guidance had no material impact and as a result, did not affect beginning net position and, accordingly, restatement of the prior year beginning net position, as of July 1, 2023, was not necessary.

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://https://regulations.delaware.gov/AdminCode/title1/1200/1201.shtml#TopOfPage>.

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, 2025 and 2024, the DSWA's bank balances were not exposed to custodial credit risk.

Delaware Solid Waste Authority

Notes to Financial Statements

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, 2025, 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, 2025, 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:

		2025	2024
Mutual Funds	AAA	19%	29%
Corporate Obligations	AA+	2%	27%
Corporate Obligations	AA	1%	1%
Corporate Obligations	AA-	5%	2%
Corporate Obligations	A+	10%	4%
Corporate Obligations	A	12%	4%
Corporate Obligations	A-	5%	7%

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.

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, 2025 and 2024.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 3: Investments (Continued)

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, 2025 and 2024 resulted in unrealized gains and of \$3,907,729 and \$3,704,520, 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 and (losses) for the years ended June 30, 2025 and 2024 were \$55,759 and \$(377,729), respectively.

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

The DSWA's investments are summarized as follows:

June 30,	2025		2024	
	Fair Value / Carrying Value	Cost	Fair Value / Carrying Value	Cost
U.S. Treasury Obligations	\$ 14,938,409	\$ 14,970,476	\$ 41,490,746	\$ 41,490,746
U.S. Government Agency Bonds and Notes	73,789,067	74,438,892	9,867,009	10,385,588
Wilmington U.S. Government Money Market Fund	38,938,472	38,938,472	55,789,524	55,789,523
Time Deposits	4,303,799	4,679,984	-	-
Corporate Bonds and Notes	74,762,731	74,883,544	102,329,573	106,898,978
Total Investments	\$ 206,732,478	\$ 207,911,368	\$ 209,476,852	\$ 214,564,835

Investments as of June 30, 2025 mature, or are available, as follows:

	Total	Less than 1	
		year	1-5 years
U.S. Treasury Obligations	\$ 14,938,409	\$ 12,200,847	\$ 2,737,562
U.S. Government Agency Bonds and Notes	73,789,067	35,392,196	38,396,871
Wilmington U.S. Government Money Market Fund	38,938,472	38,938,472	-
Time Deposits	4,303,799	4,303,799	-
Corporate Bonds and Notes	74,762,731	37,036,130	37,726,601
Totals	\$ 206,732,478	\$ 127,871,444	\$ 78,861,034

Delaware Solid Waste Authority

Notes to Financial Statements

Note 3: Investments (Continued)

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, 2025:

	Level 1	Level 2
Investments at fair value		
Debt Securities:		
U.S. Treasury Obligations	\$ 14,938,409	\$ -
Wilmington U.S. Government Money Market Fund	38,938,472	-
Time Deposits	-	4,303,799
Corporate Bonds and Notes	-	74,762,731
U.S. Government Agency Bonds and Notes	-	73,789,067
Total Investments	\$ 53,876,881	\$ 152,855,597

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, 2024:

	Level 1	Level 2
Investments at fair value		
Debt Securities:		
U.S. Treasury Obligations	\$ 41,490,746	\$ -
Wilmington U.S. Government Money Market Fund	55,789,524	-
Time Deposits	-	4,679,984
Corporate Bonds and Notes	-	102,329,573
U.S. Government Agency Bonds and Notes	-	9,867,009
Total Investments	\$ 97,280,270	\$ 116,876,566

Delaware Solid Waste Authority

Notes to Financial Statements

Note 4: SBITAs

DSWA has entered into a noncancelable SBITA with Multiview on March 9, 2023. The agreement matures on the date of March 9, 2028. The related subscription liabilities have been discounted at a 4.4% rate.

The following represent the subscription-based liabilities for DSWA and the liability outstanding at June 30:

	Balance 7/1/2024	Additions	Payments	Balance 6/30/2025	Current Portion of Balance
Multiview Corp. MSA.DSWA.	\$ 153,734	\$ -	\$ (39,503)	\$ 114,231	\$ 41,277
Totals	\$ 153,734	\$ -	\$ (39,503)	\$ 114,231	\$ 41,277

The following represents future minimum contract payments as of June 30, 2025:

	Principal	Interest	Total
2026	\$ 41,277	\$ 4,200	\$ 45,477
2027	43,130	2,347	45,477
2028	29,824	494	30,318
Totals	\$ 114,231	\$ 7,041	\$ 121,272

Delaware Solid Waste Authority

Notes to Financial Statements

Note 5: Capital Assets

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Transfers	Sales / Retirements	Balance June 30, 2025
Capital assets, not being depreciated:					
Construction in progress	\$ 16,860,997	\$ 28,197,836	\$ (3,879,671)	-	\$ 41,179,162
Land	29,929,106	2,078,135	-	-	32,007,241
Total capital assets, not being depreciated	46,790,103	30,275,971	(3,879,671)	-	73,186,403
Depreciable capital assets:					
Land improvements	332,068,518	735,898	2,975,083	-	335,779,499
Less: accumulated depreciation	(231,119,840)	(9,048,360)	-	-	(240,168,200)
Buildings	67,447,176	52,067	25,763	-	67,525,006
Less: accumulated depreciation	(46,064,868)	(3,006,811)	-	-	(49,071,679)
Equipment and furniture	27,052,875	1,174,327	878,825	(317,761)	28,788,266
Less: accumulated depreciation	(20,133,119)	(2,407,678)	-	262,939	(22,277,858)
Vehicles	4,016,302	449,278	-	(166,378)	4,299,202
Less: accumulated depreciation	(2,856,433)	(395,533)	-	166,378	(3,085,588)
Depreciable assets, net of accumulated depreciation	130,410,611	(12,446,812)	3,879,671	(54,822)	121,788,648
Contract asset					
SBITA agreements	203,778	-	-	-	203,778
Less: Accumulated amortization	(54,341)	(40,755)	-	-	(95,096)
Contract assets, net of accumulated amortization	149,437	(40,755)	-	-	108,682
Capital assets, net	\$ 177,350,151	\$ 17,788,404	\$ -	\$ (54,822)	\$ 195,083,733

Delaware Solid Waste Authority

Notes to Financial Statements

Note 5: Capital Assets (Continued)

A summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Transfers	Sales / Retirements	Balance June 30, 2024
Capital assets, not being depreciated:					
Construction in progress	\$ 24,795,944	\$ 11,225,962	\$ (19,120,609)	\$ (40,300)	\$ 16,860,997
Land	29,263,014	666,092	-	-	29,929,106
Total capital assets, not being depreciated	54,058,958	11,892,054	(19,120,609)	(40,300)	46,790,103
Depreciable capital assets:					
Land improvements	325,372,631	374,436	6,505,584	(184,133)	332,068,518
Less: accumulated depreciation	(220,646,848)	(10,642,848)	-	169,856	(231,119,840)
Buildings	56,632,352	53,409	12,366,711	(1,605,296)	67,447,176
Less: accumulated depreciation	(44,311,536)	(3,329,183)	-	1,575,851	(46,064,868)
Equipment and furniture	27,202,446	1,899,444	248,314	(2,297,329)	27,052,875
Less: accumulated depreciation	(20,170,170)	(2,182,961)	-	2,220,012	(20,133,119)
Vehicles	3,654,288	659,138	-	(297,124)	4,016,302
Less: accumulated depreciation	(2,799,925)	(353,632)	-	297,124	(2,856,433)
Depreciable assets, net of accumulated depreciation	124,933,238	(13,522,197)	19,120,609	(121,039)	130,410,611
Contract asset					
SBITA agreements	203,778	-	-	-	203,778
Less: Accumulated amortization	(13,585)	(40,756)	-	-	(54,341)
Contract assets, net of accumulated amortization	190,193	(40,756)	-	-	149,437
Capital assets, net	\$ 179,182,389	\$ (1,670,899)	\$ -	\$ (161,339)	\$ 177,350,151

Delaware Solid Waste Authority

Notes to Financial Statements

Note 5: Capital Assets (Continued)

The status of the DSWA's construction in progress at June 30, 2025 is as follows:

	Expected Completion Date	Costs to Date
Location:		
Route 5		
Design & engineering for recycling building	FY 2026	\$ 465,906
Public Information Group		
Recycle exhibit	FY2026	55,000
Pine Tree Corners		
Stormwater assessment	FY 2026	22,125
Hydrologic & hydraulic assessment	FY 2026	17,800
Scalehouse replacement	FY 2026	91,010
Engineering		
GIS mapping project	FY 2026	151,218
Landfills:		
Jones Crossroads		
Sod farm	FY 2026	16,015,876
Land improvements - Holt	FY 2026	1,965
North tax ditch relocation	FY 2026	105,146
Cell 6 base grading	FY 2028	14,228,964
Fill dirt - borrow pit	FY 2026	1,993,768
Cells 3 & 5 capping	FY 2027	107,312
Blower upgrade	FY 2028	89,199
Cell 6	FY 2028	1,481,870
Cherry Island		
Manhole refurbishment	FY 2027	100,174
Phase VI bifurcation berm	FY 2026	740,767
Header/condensate repair	FY 2026	197,376
Landfill gas upgrades	FY 2028	100,251
Phase VI	FY 2030	1,280,051
Sandtown		
Building renovations	FY 2026	51,838
Area A/B capping	FY 2026	3,788,069
Area F - phase 1B	FY 2026	8,131
Pigeon Point		
Manhole decommissioning	FY 2026	85,346
Total Construction in Progress		\$ 41,179,162

Delaware Solid Waste Authority

Notes to Financial Statements

Note 6: 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.

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 \$133,100,851 as of June 30, 2025 and \$125,671,736 as of June 30, 2024, 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 \$159,729,377 as the remaining estimated capacity is filled. The estimated total current cost of the landfill closure and post closure care of \$292,830,228 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, 2025. 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, 2025:

Landfill	Estimated Capacity Used	Cumulative Remaining Life	Accrued Costs	Costs to be Recognized in the Future
Cherry Island	68.99%	17	\$ 75,223,075	\$ 33,384,601
Sandtown	28.57%	54	18,161,939	74,167,817
Jones Crossroads	25.42%	54	39,715,837	52,176,959
Pigeon Point	100.00%	Closed 1985	-	-
Totals			\$ 133,100,851	\$ 159,729,377

Delaware Solid Waste Authority

Notes to Financial Statements

Note 6: Landfill Closure and Post Closure Care Costs (Continued)

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

	Total	Cherry Island	Sandtown	Jones Crossroads
Balance of accrual, June 30, 2024	\$ 125,671,736	\$ 71,533,538	\$ 16,660,309	\$ 37,477,889
Current year expenditures:				
Post closure costs	-	-	-	-
Net accrual	125,671,736	71,533,538	16,660,309	37,477,889
Balance of accrual, June 30, 2025	133,100,851	75,223,075	18,161,939	39,715,837
Net closure and post closure costs recognized in current year	\$ 7,429,115	\$ 3,689,537	\$ 1,501,630	\$ 2,237,948

Included in the computation of Landfill Closure and Post Closure Care Costs as of June 30, 2025, are closure costs for: (1) Pine Tree Corners Transfer Station of \$40,000 (2) Cheswold Collection Station of \$5,000 (3) Milford Transfer Station of \$40,000 (4) Ellendale, Long Neck, Omar, and Bridgeville Collection Stations, each totaling \$5,000 and (5) Route 5 Transfer Station of \$40,000.

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).

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

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.

Burial Benefit - \$7,000 per member.

Contributions:

Employer - Determined by the Board of Pension Trustees. Employer contributions were 11.71% and 11.15% of earnings for the Plan's fiscal years 2024 and 2023, 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.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Collective Net Pension Liability and Actuarial Information

The DSWA's proportionate share of the net pension liability as of June 30, 2025 and 2024 was as follows:

Plan year	Total pension liability (1)	Plan fiduciary net position (2)	Net pension (asset) liability (1) - (2)
2024	\$ 39,768,361	\$ 35,113,145	\$ 4,655,216
2023	38,311,688	33,561,178	4,750,510

The collective total pension liability for the June 30, 2024 and 2023 measurement dates (Plan year) was determined by an actuarial valuation as of June 30, 2024 and 2023, 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%

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 2021, with update procedures used to roll forward the total pension liability to June 30, 2024. 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 Pub-2010 mortality tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2020 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.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

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, 2024 (Plan year) is summarized in the following table:

Asset class	Long-term expected real rate of return	Asset allocation
Domestic equity	5.7%	33.6%
International equity	5.7	13.9
Fixed income	2.0	25.3
Alternative investments	7.8	21.7
Cash and equivalents	-	5.5

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.

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 (asset) liability for 2025 (based on Plan year 2024)	\$ 8,457,104	\$ 4,655,216	\$ 1,182,308
DSWA's proportionate share of the net pension liability for 2024 (based on Plan year 2023)	\$ 9,263,918	\$ 4,750,510	\$ 965,950

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

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. There was no collective amount of difference between expected and actual experience based on the Plan's fiscal year for the years ended June 30, 2024 and 2023.

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 plan years ended June 30, 2024 and 2023 is \$118,400 and \$125,323, 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, 2025 (based on plan year ended June 30, 2024) will be recognized in pension expense as follows:

Plan Year ending June 30:

2025	125,320
2026	1,811,793
2027	134,474
2028	4,904
2029	135,017

The amount of \$1,025,261 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, 2026.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

Collective Pension Expense

The components of the DSWA's pension expense for the years ended June 30, 2025 and 2024 (plan year ended June 30, 2024 and 2023) are as follows:

June 30,	2025	2024
Service costs	\$ 795,261	\$ 736,209
Interest on total pension liability	2,668,213	2,584,299
Member contributions	(304,584)	(277,010)
Administrative expense	23,540	20,505
Change in benefit plan	202,698	46,189
Projected earnings on plan investments	(2,270,197)	(2,264,091)
Amortization of investment return differences	25,809	251,468
Pension expense (benefit)	\$ 1,140,740	\$ 1,097,569

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 2024 and 2023, the DSWA's contribution totaled \$1,270,651 and \$841,015, 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, 2025 and 2024 was as follows:

Plan year	Total OPEB liability (1)	Plan fiduciary net position (2)	Net OPEB liability (1) - (2)
2024	\$ 26,441,230	\$ 2,799,730	\$ 23,641,500
2023	25,416,778	1,958,540	23,458,238

The collective total OPEB liability for the June 30, 2024 and 2023 measurement dates (Plan year) was determined by an actuarial valuation as of June 30, 2024 and 2023, respectively. This actuarial valuation used the following actuarial assumptions:

	2024	2023
Discount rate	4.46%	3.82%
Projected salary increases	3.25% + Merit	3.25% + Merit
Healthcare cost trend rates	8.80%	7.00%

For Plan year 2024 and 2023, mortality rates were based on the sex-distinct employee, healthy annuitant, and disabled annuitant mortality tables derived from the Pub-2021 General Benefit Annuitant Mortality Table, including adjustment factors. Future mortality improvements are reflected by applying a custom projection scale on a generational basis to adjusted tables from the base year.

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. For Plan year 2024 and 2023, the assumptions used were based on the results of an actuarial study performed in 2021 and covering the period July 1, 2015 through June 30, 2020. 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.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

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%	33.6%
International equity	5.7	13.9
Fixed income	2.0	25.3
Alternative investments	7.8	21.7
Cash and equivalents	-	5.5

Discount Rate - The discount rate used to measure the total OPEB liability was 3.82% at the beginning of the current measurement period and 4.46% 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 (3.46% for 2024 and 2.82% for 2023)	Discount Rate (4.46% for 2024 and 4.82% for 2023)	1% Increase to discount rate (5.46% for 2024 and 4.82% for 2023)
DSWA's proportionate share of the net OPEB liability for 2025 (based on Plan year 2024)	\$ 28,088,467	\$ 23,641,500	\$ 20,065,789
DSWA's proportionate share of the net OPEB liability for 2024 (based on Plan year 2023)	\$ 27,861,221	\$ 23,458,238	\$ 19,957,200

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

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 healthcare trend rate (7.80% for 2024 and 6.00% for 2023)	Healthcare Trend Rate (8.80% for 2024 and 7.00% for 2023)	1% Increase to healthcare trend rate (9.80% for 2024 and 8.00% for 2023)
DSWA's proportionate share of the net OPEB liability for 2025 (based on Plan year 2024)	\$ 20,072,596	\$ 23,641,500	\$ 27,884,045
DSWA's proportionate share of the net OPEB liability for 2024 (based on Plan year 2023)	\$ 19,984,005	\$ 23,458,238	\$ 27,614,199

Collective Deferred Outflow of Resources and Deferred Inflow Resources

For the year ended June 30, 2025 (Plan year 2024) and 2024 (Plan year 2023), the DSWA recognized OPEB expense of \$1,091,040 and \$950,076, respectively. The DSWA reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	2025		2024	
	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	\$ 24,605	\$ -	\$ 90,580	\$ -
Net difference between expected and actual experience	551,813	1,260,189	423,272	2,275,798
Change in assumptions	1,262,466	5,397,048	2,481,129	5,433,942
Changes in DSWA's proportionate share	1,721,328	1,582,395	1,607,986	2,248,948
DSWA contributions subsequent to the measurement date	1,781,498	-	1,270,651	-
Totals	\$ 5,341,710	\$ 8,239,632	\$ 5,873,618	\$ 9,958,688

Delaware Solid Waste Authority

Notes to Financial Statements

Note 7: Pension Plan and Other Benefits (Continued)

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 except for the differences in projected and actual investment returns which are amortized over a five-year period. 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, 2025 (based on Plan year ended June 30, 2024) will be recognized in OPEB expense as follows:

<u>Plan Year ending June 30:</u>	
2025	(469,630)
2026	(1,413,073)
2027	(1,199,881)
2028	(1,207,349)
2029	(290,387)
Thereafter	(99,100)

Collective OPEB Expense

The components of the DSWA's OPEB expense for the years ended June 30, 2025 and 2024 (Plan year ended June 30, 2024 and 2023) are as follows:

June 30,	2025	2024
Service cost	\$ 1,053,237	\$ 1,013,465
Interest cost	997,165	917,263
Contributions	(442)	(436)
Administrative expenses	444	664
Expected return on assets	(159,282)	(123,525)
Recognition of deferred outflows and inflows of resources:		
Differences between projected and actual earnings on plan investments	(20,749)	2,287
Differences between liability gains and losses	(829,167)	(858,929)
Change in assumption with regards to factors or other inputs in the measurement of total OPEB Liability	49,834	(713)
OPEB expense	\$ 1,091,040	\$ 950,076

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.

Delaware Solid Waste Authority

Notes to Financial Statements

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 2024 and 2025, the above rebates were reduced to \$13 and \$10/ton for deliveries to landfills. In 2024, the above rebates were reduced to \$6.50/ton for deliveries to transfer stations. In 2025, DSWA no longer offered rebates for deliveries to transfer stations.

For the program years ended June 30, 2025 and 2024, ninety three (93) and four hundred and one (401) participants received rebates totaling \$4,201,808 and \$6,960,127, respectively; operating revenues are reported net of these rebates.

Note 9: Risk Management

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

Beginning in fiscal year 2025, DSWA elected to self-insure the majority of its property statewide with the exception of a stand-alone policy for recently built administrative accommodations and operational buildings with contractual obligations requiring this coverage. The program is designed to reduce insurance costs and provide flexibility in managing risk exposure. The management of DSWA has designated certain funds related to the savings realized on the cancelled policies, to fund any potential future losses incurred. The designated funds are unrestricted and as such, can be reallocated or undesignated at any time.

DSWA has effectively closed the investigation on the case of suspected fraud involving asset misappropriation by a former employee. The former employee is no longer available for further investigation limiting management's ability to find an actionable outcome related to this ongoing investigation. Any potential losses that remain unproven from prior periods have been reflected in operational expenses in those respective periods. In the event further information comes to management's attention, the appropriate actions may be restarted.

The Company is currently involved in legal proceedings with two subcontractors, Carrow Construction, LLC and ALN Construction, Inc. The lawsuits were filed on June 20, 2024, and November 7, 2024, respectively, against both DSWA and EDiS Company, the general contractor awarded the Authority's administration building construction contract. The subcontractors claim the contractor owes them for services performed, collectively of approximately \$649,000. Both the Authority and EDiS have cross-claimed against the other, with EDiS demanding approximately \$1,437,000. This figure is gross of two cross claims in the two matters that are largely duplicative. In the aggregate, the value of claims by the plaintiffs in both cases, and by EDiS as cross claimant, is approximately \$900,000.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 9: Risk Management (Continued)

The DSWA is currently unable to determine the likelihood of an unfavorable outcome or reasonably estimate a potential loss or range of loss associated with these claims. The outcome of the litigation and the timing of its ultimate resolution are subject to a number of uncertainties, and the DSWA is vigorously defending its position. Any unfavorable resolution would have a negative effect on cash flow immediately and, due to any additional cost being part of the asset basis, would have a gradual negative effect on DSWA's financial condition and results of operations over the life of the related asset.

Note 10: Commitments and Contingencies

Contract Commitments: The DSWA has several uncompleted construction contracts for landfill development and improvements to the solid waste system. The construction is being funded primarily from existing renewal and replacement funds. At June 30, 2025, the uncompleted contracts are summarized as follows:

	Contract Amount	Approved Payments	Retainage Payable	Remaining Contract Commitment
Central landfill	\$ 8,352,756	\$ 3,242,470	\$ -	\$ 5,110,286
Cherry Island landfill	10,800,334	3,147,935	-	7,652,399
Pinetree transfer station	1,825,334	-	-	1,825,334
Route 5 transfer station	596,579	377,326	-	219,253
Southern landfill	28,382,078	22,365,321	-	6,016,757
Totals	\$ 49,957,081	\$ 29,133,052	\$ -	\$ 20,824,029

In addition to the construction contract commitments, the DSWA also has contracts for various facilities and programs. The facilities include the Cherry Island and Sandtown Landfills and the Pine Tree, Milford and Route 5 Transfer Stations. The future estimated cost of these commitments as of June 30, 2025 approximated \$29,000,000, which relates to contracts expiring through December 2031. The DSWA's contracts include termination for convenience clauses which allows the DSWA to cancel the contracts at any time.

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 Delaware Recycling Center (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 \$340,935 for the primary building, \$13,526 for a secondary building, and ground rent of \$331.00 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 \$2.75 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, which could result in net revenue earned or expense incurred, in any given year. 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, 2025, the monthly rent was \$21,552 and is subject to an annual adjustment of 90% of the annual change in CPI.

This service agreement is reflected under Other income on the Statement of Revenues and Expenses.

In October 2017, Republic Services (Republic) purchased ReCom and assumed all original and amended terms of DSWA's agreement with ReCom. During fiscal year 2021, DSWA entered into additional renegotiations with Republic in order to take into consideration the market conditions that continued to affect Republic's ability to provide the crucial services related to the processing of recycled goods in the State of Delaware. In doing so, DSWA accepted the additional responsibility of reimbursing Republic for additional material processing costs during market conditions that do not allow for these costs to be covered by recyclable material market pricing. Additional proactive material review measures were put into place in order to maximize marketability of incoming recyclables. These measures are intended to benefit product pricing and reduce costs. These renegotiated terms remained in place through June 2024. As of July 1, 2024, new terms of this agreement were renegotiated establishing an increased processing fee. These renegotiated terms will remain in place through June 2027.

Delaware Solid Waste Authority

Notes to Financial Statements

Note 11: Service and Lease Agreements (Continued)

Future minimum lease payments as of June 30, 2025, are:

	Leases		
	Reduction of receivable and inflow of resources	Interest	Total
2026	\$ 380,510	\$ 124,169	\$ 504,679
2027	360,324	144,355	504,679
2028	408,662	96,017	504,679
2029	398,774	105,905	504,679
2030	439,344	65,335	504,679
2031-2034	1,279,991	116,176	1,396,167
Totals	\$ 3,267,605	\$ 651,957	\$ 3,919,562

Supplementary Information

Delaware Solid Waste Authority

Schedule of Operating Revenues and Expenses

<i>Year Ended June 30, 2025 (with Comparative Totals for 2024)</i>	Landfill Operations	Transfer Station Operations	Collection Station Operations	Recycling Operations	General & Administrative	2025 Total	2024 Total
OPERATING REVENUES							
Net user fees: solid waste	\$ 57,051,038	\$17,827,950	\$ 265,130	\$ -	\$ -	\$ 75,144,118	\$ 75,111,420
Landfill gas	1,619,949	-	-	-	-	1,619,949	1,514,448
Other income (expense) - Note 11	955,372	156,536	-	(2,227,481)	80	(1,115,493)	(797,800)
TOTAL OPERATING REVENUES	59,626,359	17,984,486	265,130	(2,227,481)	80	75,648,574	75,828,068
OPERATING EXPENSES							
Salaries and related costs	5,225,034	658,255	659,843	1,330,317	5,535,702	13,409,151	11,903,279
Professional services	991,556	6,934	1,250	14,150	1,046,727	2,060,617	2,123,990
Travel	16,606	23	-	3,557	102,494	122,680	105,628
Supplies and materials	1,409,179	10,871	3,254	166,857	240,481	1,830,642	2,511,568
Utilities	622,516	68,718	9,624	39,326	65,946	806,130	980,772
Contractual services	13,207,909	12,041,316	330,626	6,390,718	4,016,590	35,987,159	38,567,330
Closure and post closure care of landfills	7,429,115	-	-	-	-	7,429,115	7,678,873
Depreciation and amortization expense	11,309,974	1,435,581	6,599	699,879	1,447,104	14,899,137	16,549,381
TOTAL OPERATING EXPENSES	40,211,889	14,221,698	1,011,196	8,644,804	12,455,044	76,544,631	80,420,821
MANAGEMENT OPERATIONS DISTRIBUTION	8,018,588	3,701,547	-	734,829	(12,454,964)	-	-
OPERATING INCOME (LOSS)	\$ 11,395,882	\$ 61,241	\$ (746,066)	\$ (11,607,114)	\$ -	\$ (896,057)	\$ (4,592,753)

Required Supplementary Information

Delaware Solid Waste Authority

Schedules of Proportionate Share of the Pension Liability

State Employees' Pension Plan (1)

	2025	2024	2023	2022	2021
DSWA's proportion of the net pension liability	0.2982 %	0.3032 %	0.2876 %	0.3087 %	0.2988 %
DSWA's proportionate share of the net pension (asset) liability	\$ 4,655,216	\$ 4,750,510	\$ 3,933,635	\$ (3,762,335)	\$ 4,200,195
DSWA's covered payroll	\$ 7,838,386	\$ 7,332,299	\$ 6,715,084	\$ 6,697,768	\$ 6,441,373
DSWA's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	59.40 %	64.80 %	58.60 %	(56.20)%	65.20 %
Plan fiduciary net position as a percentage of the total pension liability	88.30 %	87.60 %	88.80 %	110.50 %	87.30 %
	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	\$ 6,180,384	\$ 6,010,847	\$ 5,915,614	\$ 5,200,028	\$ 5,468,431
DSWA's proportionate share of the net pension liability as a percentage of its covered payroll	75.00 %	65.00 %	69.90 %	82.40 %	36.40 %
Plan fiduciary net position as a percentage of the total pension liability	85.40 %	87.50 %	85.30 %	84.11 %	92.67 %

(1) Plan years ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

Schedule is intended to show information for 10 years.

Delaware Solid Waste Authority

Schedules of Contributions - Pension

State Employees' Pension Plan (1)

		2025		2024		2023		2022		2021
Contractually required contribution	\$	918,526	\$	817,551	\$	825,662	\$	831,960	\$	770,388
Contributions in relation to the contractually required contribution		(918,526)		(817,551)		(825,662)		(831,960)		(770,388)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
DSWA's covered payroll	\$	7,838,386	\$	7,332,299	\$	6,715,084	\$	6,697,768	\$	6,441,373
Contributions as a percentage of covered payroll		11.72 %		11.15 %		12.30 %		12.42 %		11.96 %
		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	\$	6,180,384	\$	6,010,847	\$	5,915,614	\$	5,200,028	\$	5,468,431
Contributions as a percentage of covered payroll		11.83 %		10.42 %		8.89 %		9.99 %		9.74 %

(1) Plan years ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

Schedule is intended to show information for 10 years.

Delaware Solid Waste Authority

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

	2025	2024	2023	2022	2021
DSWA's proportion of the collective net OPEB liability	0.2924 %	0.2851 %	0.3030 %	0.2998 %	0.2712 %
DSWA's proportion of the collective net OPEB liability	\$ 23,641,500	\$ 23,458,238	\$ 25,689,763	\$ 30,242,686	\$ 28,242,339
DSWA's covered-employee payroll	\$ 8,256,272	\$ 7,838,386	\$ 7,332,299	\$ 6,715,084	\$ 6,697,768
DSWA's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	286.00 %	299.00 %	350.00 %	450.00 %	422.00 %
Plan fiduciary net position as a percentage of the total OPEB liability	10.60 %	7.70 %	6.40 %	6.10 %	4.30 %
	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, 2024, 2023, 2022, 2021, 2020, 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)

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 1,270,651	\$ 841,015	\$ 800,285	\$ 711,303	\$ 712,416
Contributions in relation to the contractually required contribution	(1,270,651)	(841,015)	(800,285)	(711,303)	(712,416)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
DSWA's covered-employee payroll	\$ 8,256,272	\$ 7,838,386	\$ 7,332,299	\$ 6,715,084	\$ 6,697,768
Contributions as a percentage of covered-employee payroll	15.40 %	10.70 %	10.90 %	10.60 %	10.60 %
	2020	2019	2018	2017	
Contractually required contribution	\$ 699,620	\$ 688,864	\$ 703,745	\$ 624,195	
Contributions in relation to the contractually required contribution	(699,620)	(688,864)	(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, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016

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



Phone Number
1-800-404-7080



Website
www.dswa.com



Email Address
info@dswa.com



Office Address
601 Energy Lane, Dover DE 19901